



DESTINATION
BRITISH COLUMBIA®

Destination BC Corp.

Statements of Financial Information

Fiscal Year Ended March 31, 2019

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Destination BC Corp.

Financial Statements

as at

March 31, 2019

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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 Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the Destination BC Corp. financial statements and schedules, 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, Office of the Auditor General of British Columbia, conduct an independent examination, in accordance with Canadian 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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Destination BC Corp. financial statements.

On behalf of Destination BC Corp.



Marsha Walden
Chief Executive Officer



Neil McInnes
Chief Financial Officer

May 9, 2019

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

I have audited the accompanying financial statements of Destination BC Corp. (“the entity”), which comprise the statement of financial position as at March 31, 2019 and the statements of operations, changes in net financial debt, cash flows, and remeasurement gains and losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Destination BC Corp. as at March 31, 2019, and the results of its operations, change in its net financial debt, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2e to the Financial Statements, Destination BC Corp.’s accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. Destination BC Corp. was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, Destination BC Corp.’s method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of Destination BC Corp. do not meet the definition of a liability, and as such Destination BC Corp.’s method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had Destination BC Corp. made an adjustment for this departure in the current year, the liability for deferred capital contribution as at March 31, 2019 would have been lower by \$0.9 million, capital contribution revenue, annual operating surplus and accumulated

operating surplus would have been higher by \$0.9 million and net financial debt would have been higher by \$0.9 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Destination BC Corp. in accordance with the ethical requirements that are relevant to my audit of Destination BC Corp.'s financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Destination BC Corp.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when Destination BC Corp. will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of Financial Statements

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

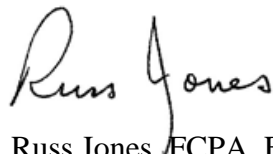
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Destination BC Corp.'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 Destination BC Corp.'s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Destination BC Corp. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Russ Jones, FCPA, FCA
Deputy Auditor General

Victoria, British Columbia, Canada
May 9, 2019

Destination BC Corp.
Statement of Financial Position
[\$000s]

	<i>Note</i>	March 31, 2019	March 31, 2018
Financial assets			
Cash and cash equivalents	3	8,857	9,385
Accounts receivable	4	485	483
Due from Ministry of Tourism, Arts and Culture		674	0
		<u>10,016</u>	<u>9,868</u>
Liabilities			
Accounts payable and accrued liabilities	5	7,757	7,859
Due to the Public Service Agency	6	1,375	1,244
Deferred capital contributions	7	902	1,234
		<u>10,034</u>	<u>10,337</u>
Net financial debt		<u>(18)</u>	<u>(469)</u>
Non-financial assets			
Tangible capital assets	8	913	1,075
Prepaid expenses		310	103
		<u>1,223</u>	<u>1,178</u>
Accumulated surplus		<u>1,205</u>	<u>709</u>
Accumulated surplus is comprised of:			
Accumulated operating surplus		1,189	693
Accumulated remeasurement gains		16	16
		<u>1,205</u>	<u>709</u>
 Contractual obligations	 9		
Risk Management	10		

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

Signature 
Dawn Black, Board Chair

Signature 
Laird Miller, Chair, Finance & Audit Committee

Destination BC Corp.
Statement of Operations
[\$000s]

	<i>Note</i>	Budget (Note 15)	March 31, 2019	March 31, 2018
Revenues				
Government transfers	11	51,518	54,138	53,250
Program revenue	12	362	85	361
Interest income		0	313	183
Capital contribution	7	760	332	566
		<u>52,640</u>	<u>54,868</u>	<u>54,360</u>
Expenses				
	13			
Global Marketing		31,767	32,864	31,848
Destination and Industry Development		13,551	14,895	16,126
Research, Strategy and Communications		2,540	2,290	1,960
Corporate Services		3,982	3,991	3,712
Amortization		800	332	566
		<u>52,640</u>	<u>54,372</u>	<u>54,212</u>
Annual operating surplus		0	496	148
Accumulated operating surplus, beginning of year		<u>545</u>	<u>693</u>	<u>545</u>
Accumulated operating surplus, end of year		<u>545</u>	<u>1,189</u>	<u>693</u>

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

Destination BC Corp.
Statement of Remeasurement Gains and Losses
 [\$000s]

	March 31, 2019	March 31, 2018
Opening balance	16	16
Unrealized gains on foreign bank accounts	0	0
Amount of foreign exchange reclassified to the Statement of Operations	(0)	(0)
Accumulated remeasurement gains, end of year	16	16

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

Destination BC Corp.
Statement of Change in Net Financial Debt
[\$000s]

	Budget	March 31, 2019	March 31, 2018
Annual operating surplus	0	496	148
Acquisition of tangible capital assets	(422)	(191)	(789)
Disposal of tangible capital assets	0	21	0
Amortization of tangible capital assets	800	332	566
	(378)	162	(223)
Acquisition of prepaid expenses	0	(310)	(103)
Use of prepaid expenses	0	103	101
	0	(207)	(2)
Effect of remeasurement gains (losses) for the year	0	0	0
Decrease (increase) in net financial debt	(378)	451	(77)
Net financial debt at beginning of year	(469)	(469)	(392)
Net financial debt at end of year	(847)	(18)	(469)

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

Destination BC Corp.
Statement of Cash Flows
[\$000s]

	March 31, 2019	March 31, 2018
Operating transactions		
Surplus for the year	496	148
Cash and non-cash items included in surplus:		
Amortization of tangible capital assets	332	566
Deferred capital contributions – government	(332)	(566)
Loss on disposal of capital assets	21	0
Accounts receivable	(2)	(213)
Accounts payable and accrued liabilities	(102)	2,737
Prepaid expenses	(207)	(2)
Due to/from Ministry of Tourism, Arts and Culture	(674)	62
Due to Public Service Agency	131	154
Cash (used in) provided by operations	(337)	2,886
Capital transactions		
Acquisition of tangible capital assets	(191)	(789)
Increase (decrease) in cash and cash equivalents	(528)	2,097
Cash and cash equivalents at beginning of year	9,385	7,288
Cash and cash equivalents at end of year	8,857	9,385

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

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

1. Nature of Operations

Destination BC Corp. (the Corporation) is a provincial Crown corporation initially created under the *BC Business Corporations Act* 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 and Culture. The accumulated operating surplus includes 1 issued share of Destination BC Corp., value \$1, which is held by the Province of British Columbia.

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.

2. Summary of Significant Accounting Policies

a. Basis of accounting

These Destination BC Corp. financial statements are prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act (BTAA)* of the Province of British Columbia which requires that financial statements be prepared in accordance with Canadian public sector accounting standards.

b. Tangible capital assets

Tangible capital assets are 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, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Websites, hardware and software	5 years

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

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

2. Summary of Significant Accounting Policies (continued)

Tangible capital assets are written down when conditions indicate that they no longer contribute to Destination BC Corp.'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 Destination BC Corp. statement of operations.

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

c. Employee future benefits

- i. The employees of Destination BC Corp. 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.

Destination BC Corp.'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.
- iii. The cost of non-vesting sick leave benefits are determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

d. Prepaid expenses

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

e. 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.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

2. Summary of Significant Accounting Policies (continued)

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability, including capital contributions which are recognized as revenue to match the amortization expense in accordance with Section 23.1 of the BTAA. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

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.

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 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 as described in Note 10.

i. Financial instruments

Financial assets and financial liabilities are measured at cost or amortized cost.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

2. Summary of Significant Accounting Policies (continued)

j. Measurement uncertainty

The preparation of Destination BC Corp. 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 Destination BC Corp. financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, rates for amortization, provision for doubtful accounts.

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

3. Cash and Cash Equivalents

Destination BC Corp. had unrestricted cash consisting of the following:

	(in \$ thousands)	
	March 31, 2019	March 31, 2018
Royal Bank of Canada - CAD	8,785	9,314
Royal Bank of Canada - USD	72	71
Total	8,857	9,385

4. Accounts Receivable

	(in \$ thousands)	
	March 31, 2019	March 31, 2018
Accounts receivable	490	488
Less provision for doubtful accounts	(5)	(5)
Net Accounts Receivable	485	483

5. Accounts Payable and Accrued Liabilities

	(in \$ thousands)	
	March 31, 2019	March 31, 2018
Accounts payables and accrued liabilities	7,300	7,358
Accrued vacation pay	457	501
Total	7,757	7,859

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

6. Employee Future Benefits

Destination BC Corp. and its employees are subject to the *Public Service Act* and benefits are managed through the Public Service Agency. Destination BC makes contributions to the PSA who administers payment of benefits to employees to whom the act applies.

Other employee benefits available to employees of Destination BC Corp. are:

a. Retirement benefits

The employees of Destination BC Corp. 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 61,907 active plan members, 47,892 retired plan members and 17,495 inactive members.

The latest actuarial valuation as at March 31, 2017, indicated a funding surplus of about \$1.9 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.

No pension liability is included in the Destination BC Corp. financial statements.

Destination BC Corp.'s contribution of \$725 thousand (2017/18 - \$680 thousand) to the Plan was expensed during the year.

b. Other employee future benefits

Workplace safety and insurance board obligations

Destination BC Corp. is an employer under the Workers Compensation Act part 3 ("Act") and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. Destination BC Corp. does not fund these obligations in advance of disbursement.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

7. Deferred Capital Contribution

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

8. Tangible Capital Assets

	(in \$ thousands)		
	Furniture and equipment	Websites, hardware and software	2019 Total
Cost:			
Opening Balance	69	3,615	3,684
Additions	0	191	191
Disposals	69	0	69
Closing balance	0	3,806	3,806
Accumulated amortization:			
Opening balance	34	2,575	2,609
Amortization	14	318	332
Disposals	48	0	48
Closing balance	0	2,893	2,893
Net book value	0	913	913

	(in \$ thousands)		
	Furniture and equipment	Websites, hardware and software	2018 Total
Cost:			
Opening Balance	69	2,826	2,895
Additions	0	789	789
Disposals	0	0	0
Closing balance	69	3,615	3,684
Accumulated amortization:			
Opening balance	20	2,023	2,043
Amortization	14	552	566
Disposals	0	0	0
Closing balance	34	2,575	2,609
Net book value	35	1,040	1,075

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

9. Contractual Obligations

Destination BC Corp. 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.

	(in \$ thousands)					
	2020	2021	2022	2023	2024	Thereafter
Property leases	1,144	1,056	1,056	1,056	1,056	5,280
Other contractual arrangements	18,590	532	14	0	0	0
Total contractual obligations	19,734	1,588	1,070	1,056	1,056	5,280

10. Risk Management

Destination BC Corp. is exposed to certain risks from the entity's financial instruments. Qualitative and quantitative analysis of the significant risks from Destination BC's financial instruments is provided below by type of risk.

i) Foreign exchange risk

The carrying amount of Destination BC Corp.'s foreign currency denominated financial assets at March 31, 2019 is \$72 thousand (2017/18 - \$71 thousand).

The sensitivity of Destination BC Corp.'s operating surplus (deficit) and remeasurement gains (losses) due to change in foreign exchange rate between the Canadian dollar and US dollar can be summarized as follows:

A 5% change in USD exchange rate will have an impact on the remeasurement gains or losses of CDN\$3,700.

ii) Interest rate risk

The sensitivity of Destination BC Corp.'s operating surplus (deficit) and accumulated remeasurement gains (losses) due to changes in the interest rate is minimal as it carries no debt.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

11. Government Transfers

	(in \$ thousands)	
	March 31, 2019	March 31, 2018
Revenue:		
Province of British Columbia	54,138	53,250
Expenses:		
Shared cost agreements	17,616	16,801
Tourism Events Program	2,620	2,334
	<u>20,236</u>	<u>19,135</u>

Revenue includes \$2.620M (2017/18 \$2.334M) received for the Tourism Events Program (TEP) which was implemented through Destination & Industry Development. The TEP agreement between the Ministry of Tourism, Arts and Culture and Destination BC delegates the administration of program funding to Destination BC for events approved through an application process administered by the Ministry. Ministry funding is released to Destination BC as projects are approved. Destination BC ensures financial accountability through Shared Cost Agreements with event proponents.

Shared cost agreements include transfers to Municipalities, local governments and Service providers.

12. Program Revenue

Destination BC Corp. earned the following program revenues during the year:

	(in \$ thousands)	
	March 31, 2019	March 31, 2018
Merchandise sales, royalties and other	33	238
Remarkable Experiences Program	52	123
Total program revenue	<u>85</u>	<u>361</u>

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

13. Expenses

The following is a summary of expenses by category:

	(in \$ thousands)	
	March 31, 2019	March 31, 2018
Government transfers - note 11	20,236	19,135
Advertising	9,710	9,399
Professional services	6,496	7,656
Salaries and wages	7,862	7,346
Information systems	2,806	2,721
Office and business	2,513	2,582
Rental expenditures	1,506	1,990
Employee benefits	1,849	1,751
Travel	548	628
Amortization	332	566
Materials and supplies	195	224
Other	95	114
Board expenses	53	61
Support services	171	39
Total expenses	54,372	54,212

As of March 31, 2019, Destination BC Corp.'s actual expenses did not exceed its legislated expenses limit.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2019

14. Related Party Transactions

Destination BC Corp. is related through common ownership to all Province of British Columbia 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.

Destination BC Corp. had the following transactions with the government and other government controlled organizations:

	(in \$ thousands)	
	March 31, 2019	March 31, 2018
Grants from the Province	54,138	53,250
Amounts paid or due to the Ministry of Finance:		
Payroll	9,768	9,034
Building Occupancy Costs	1,545	1,909
Information Technology Services	776	767
Legal Services	81	37
Visitor Experience Support	47	97
Audit Fees	45	35
BC Stats	28	27
Postage, supplies, printing	24	49
Insurance Premiums	20	21
Corporate Communications	10	12
International Travel Trade	5	0
Other (including bank charges)	5	4
World Host Online Workshop	0	3

Grants from the Province include \$2.620M (2017/18 \$2.334M) distribution to successful applicants in Government's Tourism Events Program. The distribution of the Tourism Events Program funds is included as expenses under Destination and Industry Development in the Statement of Operations.

15. Budgeted Figures

Budgeted figures from the 18/19 Service Plan have been provided for comparison purposes.

16. Comparative Figures

Certain comparative figures, have been restated to conform to current year's presentation.

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2019

Statement of Indemnifications

Name of Person / Company Indemnified	Risk Management Branch Issuance Number	Issue Date
Waterview Special Event Space	20199626	October 15, 2018

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2019

Schedule of Remuneration

1. Elected Officials, Employees appointed by Cabinet and Members of the Board of Directors

Name	Position	Remuneration	Expenses
		\$	\$
Black, Dawn	Chair, Board of Directors	4,950	1,083
Bouman, Sheila	Member, Board of Directors	1,077	-
Doi, Susan	Member, Board of Directors	1,300	-
Hannah Linda	Member, Board of Directors	1,077	1,226
Mckay, Joel	Member, Board of Directors	4,050	2,910
Miller, Laird	Vice Chair, Board of Directors	-	383
Neasloss, Douglas	Member, Board of Directors	1,077	-
Raine, Alan	Member, Board of Directors	5,550	1,580
Shaw, Andrea	Chair, Board of Directors	6,600	1,195
Tyabji, Josephine	Member, Board of Directors	3,750	1,480
Vaugeois, Nicole	Member, Board of Directors	4,250	1,244
Wilson, Penny	Member, Board of Directors	5,900	1,171
		(A) \$39,581	\$12,272

2. Employees earning > \$75,000

Name	Position	Remuneration	Expenses
		\$	\$
Bains, Tracy	Manager, Strategy & Content Integration	91,372	2,037
Bergen, Richard	Manager, Digital Media	85,743	5,608
Boyd, Heather	Manager, Industry Programs	90,387	2,059
Chen, Amy	Applications Support	75,168	-
Chong, Christopher	Manager, IT Operations	119,932	305
Christian, Lesley	Controller	106,464	1,537
Endrizzi, Nicole	A/Corporate Secretary & Executive Assistant	85,523	6,339
Fielden, Stephanie	Manager, Market Dev. Europe, N America, Mexico	85,897	7,532
Fitzpatrick, Kate	Manager, People & Development	88,343	14
Flello, Nancy	Senior Researcher	75,232	758
Greene, Maria	Director, Global Marketing Partnerships	111,670	12,962
Greenwood-Fraser, Janice	Managing Editor	81,462	12
Harrison, Peter J	Director, Industry Partnerships & Visitor Services	127,305	44,901
Harvey, Kathleen	Manager, Visitor Services	98,997	8,579

Hood, Kimberley	Manager, Co-op Marketing Program	90,279	9,354
Lange, Maya	Vice President, Global Marketing	159,181	19,241
Leathem, Graeme	Manager, Social Media & Digital Content	87,258	725
Leeck, Monica	Manager, Market Development Asia Pacific	91,314	15,395
MacIntyre, Jennifer	Manager, Industry Development	86,992	8,581
Mackay, Grant L	Vice President, Destination Management	199,136	5,699
Mason, Clare	Manager, Corporate Communications	89,034	8,548
McKay, Alison	Director, Destination & Industry Development	108,895	8,187
Miller, Kyle C	Manager, Online Programs	87,639	3,596
Mommaerts, Seppe	Manager, Destination Development	85,531	9,668
Parkinson, Shawn	Studio Lead	77,887	-
Penner, Kailee	Senior Researcher	87,874	5,127
Porges, Richard	Vice President, Corporate Development	159,649	36,709
Poulton, Leah	Director, Global Content	106,210	6,219
Robson, Sabrina	Media Relations Specialist	76,860	27,442
Ryan, Mika	Manager, Travel Media & Partnerships	94,557	18,994
Simpson, Jacqueline	Director, Global Marketing Channels	115,763	4,865
Skerbinek, Angela	Director, Research & Analytics	112,192	1,622
Staley, Ryan	Senior Researcher	76,140	4,525
Vallance, Ruth	Manager, Digital and IT Projects	92,937	6,929
Vasquez, Daniel	Director, Digital Strategy & IT	111,053	9,196
Walden, Marsha	Chief Executive Officer	238,525	23,093
Total employees with remuneration of > \$75,000		\$3,758,399	\$326,358
Total employees with remuneration of \$75,000 or less		\$3,984,764	\$149,334
Total Employees		(B) \$7,743,163	\$475,692

3. Reconciliation

Elected Officials, Employees appointed by Cabinet and Members of the Board of Directors	(A)	\$39,581
Employees total remuneration	(B)	<u>\$7,743,163</u>
Sub-total		\$7,782,744
Reconciling items include year-end salary accrual and leave liability adjustment		<u>\$118,837</u>
Total per Financial Statements		<u>\$7,901,581</u>

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2019

Statement of Severance Agreements

There was one severance agreement under which payment commenced between Destination BC Corp. and its non-unionized employees during the fiscal year ended March 31, 2019. The agreement represented fifteen months of compensation.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7)

Destination BC Corp.

Financial Information Act Reporting

Fiscal Year Ended March 31, 2019

Schedule of Transfer Payments

1. Alphabetical list of recipients who were paid aggregate amounts exceeding \$25,000

Name	Amount \$
ABBOTSFORD INTERNATIONAL AIRSHOW SOCIETY	60,000
ALLIED GOLF ASSOCIATION - BC	212,500
AUSTRALIAN PACIFIC TOURING P/L	38,146
B.C. FISHING RESORTS AND OUTFITTERS ASSOCIATION	212,500
BC ASSOCIATION OF FARMERS' MARKETS	30,960
BC SNOWBOARD ASSOCIATION	25,200
BIG WHITE SKI RESORT LTD.	35,000
BOBSLEIGH CANADA SKELETON	45,000
BRITISH COLUMBIA LODGING AND CAMPGROUNDS ASSOCIATION	80,000
BRITISH COLUMBIA SNOWMOBILE FEDERATION	35,129
BRITISH COLUMBIA WINE INSTITUTE SOCIETY	260,558
CANADA MEN'S INTERNATIONAL SEVENS	108,000
CANADA WEST SKI AREAS ASSOCIATION	570,000
CANADA WOMEN'S INTERNATIONAL SEVENS	90,000
CANADIAN INTERNATIONAL DRAGON BOAT FESTIVAL SOCIETY	72,000
CARIBOO-CHILCOTIN-COAST TOURISM ASSOCIATION	1,091,650
CITY OF VERNON	34,089
COLUMBIA SHUSWAP REGIONAL DISTRICT	48,875
COMOX VALLEY ECONOMIC DEVELOPMENT SOCIETY	220,226
DER TOURISTIK DEUTSCHLAND GMBH & Co. KG	78,500
DESPEGAR.COM, INC.	40,000
DESTINATION CANADA	3,271,000
DESTINATION OSOYOOS DEVELOPMENT SOCIETY	50,000
DESTINATION THINK! PROFESSIONAL SERVICES INC.	80,000
FREERIDE WORLD TOUR (FWT) MANAGEMENT SA	90,000
GOLD COUNTRY COMMUNITIES SOCIETY	30,633
GREATER VANCOUVER CONVENTION AND VISITORS BUREAU	72,000
GREATER VANCOUVER INTERNATIONAL FILM FESTIVAL SOCIETY	90,000

GREATER VICTORIA VISITORS & CONVENTION BUREAU	40,000
GUIDE-OUTFITTERS ASSOCIATION OF BRITISH COLUMBIA	36,000
HOLAM INTERNATIONAL TRAVEL S.A. DE C.V.	25,501
HOPE BUSINESS AND DEVELOPMENT SOCIETY	45,626
INDIGENOUS TOURISM ASSOCIATION OF BRITISH COLUMBIA	1,000,000
INVERMERE PANORAMA DMO	51,000
ISLAND MOUNTAIN ARTS SOCIETY	28,000
JFLNW COMEDY LTD.	180,000
KAMLOOPS TOURISM MARKETING SOCIETY	32,923
KOOTENAY ROCKIES TOURISM ASSOCIATION	1,215,500
LOTUS GROUP LTD	51,473
MINISTER OF FINANCE OF BC	143,560
MISTY ISLES ECONOMIC DEVELOPMENT SOCIETY	87,369
NELSON KOOTENAY LAKE TOURISM SOCIETY	42,600
NORTHERN BRITISH COLUMBIA TOURISM ASSOCIATION	1,076,500
OSOYOOS INDIAN BAND DEVELOPMENT LLP	68,750
PARKSVILLE QUALICUM BEACH TOURISM ASSOCIATION	91,000
PRICE RES, SAPI DE CV	30,000
PUSH INTERNATIONAL PERFORMING ARTS FESTIVAL SOCIETY	45,000
REVELSTOKE CHAMBER OF COMMERCE	29,152
SALT SPRING ISLAND CHAMBER OF COMMERCE	80,919
SK TOURISTIK GMBH	50,000
SUNSHINE COAST TOURISM	293,791
SURREY TOURISM & CONVENTION ASSOCIATION	145,750
SYMPHONY TOURISM SERVICES LTD.	123,877
THE AIRLINE SEAT COMPANY LIMITED	40,000
THOMPSON OKANAGAN TOURISM ASSOCIATION	1,505,500
THUNDERBIRD SHOW PARK LTD.	180,000
TOIT EVENTS INC.	110,250
TOUGH MUDDER EVENTS LTD	54,000
TOURISM ABBOTSFORD SOCIETY	28,750
TOURISM ASSOCIATION OF VANCOUVER ISLAND	1,369,644
TOURISM CHILLIWACK INC.	45,911
TOURISM COWICHAN SOCIETY	175,000
TOURISM GOLDEN ASSOCIATION	220,000
TOURISM KELOWNA SOCIETY	45,000
TOURISM PRINCE GEORGE SOCIETY	67,667
TOURISM ROSSLAND	32,100
TOURISM WHISTLER	28,200
TRAVEL PENTICTON SOCIETY	29,600
TROPICAL SKY	30,000
TUI DEUTSCHLAND GMBH	40,000
UCLUELET TOURISM ASSOCIATION	31,500
VANCOUVER CRAFT BEER WEEK INC	31,500
VANCOUVER FIREWORKS FESTIVAL SOCIETY	250,000
VANCOUVER INTERNATIONAL MARATHON SOCIETY	157,500

VANDERHOOF FLYING CLUB - AIR SHOW	31,500
VANPASS	192,630
VIAJES PROWORLD S.A. DE CV.	33,908
WESTERN CANADA MOUNTAIN BIKE TOURISM ASSOCIATION	80,500
(A)	<u>\$16,896,919</u>

2. Consolidated payments to recipients for transfers of \$25,000 or less	(B)	<u>\$2,246,599</u>
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3. Reconciliation

Total transfer payments exceeding \$25,000 paid to recipients	(A)	\$16,896,919
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Consolidated total transfer payments of \$25,000 or less paid to recipients	(B)	<u>\$2,246,599</u>
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Sub-total		\$19,143,518
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Reconciling items including year-end accruals		\$1,092,130
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Total per Financial Statements		<u>\$20,235,648</u>
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Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2019

Schedule of Payments for Goods or Services
(Other than Transfer Payments)

1. Alphabetical list of recipients who were paid aggregate amounts exceeding \$25,000

Name	Amount
	\$
123 WEST COMMUNICATIONS LLP	222,913
ADURA STRATEGY INCORPORATED	62,562
AGENCIO DIGITAL INC.	418,770
AGILITY PR SOLUTIONS CANADA LTD.	66,247
AIR CANADA	124,649
BEIJING LOGA TECHNOLOGY CO LTD	423,900
BOILEAU, DANIELLE LEAH	69,063
BORDEN LADNER GERVAIS LLP	26,069
BOUCHER, JACKIE	30,476
BRAINSTATION	45,030
CAMARA DE COMERCIO DEL CANADA EN MEXICO A.C.	34,182
CAMP PACIFIC, L.P.	64,720
CARIBOO-CHILCOTIN-COAST TOURISM ASSOCIATION	33,279
CENSHARE US INC.	92,000
CHRISTINE WOOD GROUP LTD.	28,060
CROWDRIFF INC.	85,360
CULINARY CAPERS CATERING INC.	35,606
DAWLEY AND ASSOCIATES INC	44,367
DEMPSEY, HILARY ANN CARDER	97,494
DENBAK, SUZANNE	53,162
DESTINATION CANADA	682,408
DESTINATION THINK! PROFESSIONAL SERVICES INC.	147,802
ENVIRONICS ANALYTICS GROUP LTD.	81,648
EVENTS EAST GROUP	25,672
FEARLESS PRODUCTIONS 7 LTD.	50,000
FORWARD DATA S L	81,094
GENERAL TELEVISION CORPORATION	36,822
GLOBAL TOURISM SOLUTIONS	325,885
GRAHAM, RICHARD JOHN	70,592
GRANT THORNTON LLP	69,903
HARBOUR AIR LTD.	44,847
HERE BE MONSTERS COMMUNICATIONS INC.	43,899

HOOTSUITE INC.	30,000
J&C FORCE CONSULTING	65,656
JUNCTION CREATIVE SOLUTIONS LTD.	25,886
JUNGLE MEDIA INC.	903,816
JW SOFTWARE CONSULTING INC.	48,060
KBC PR AND MARKETING	291,825
KEMP, MEREDITH LOUISE	27,389
KOOTENAY ROCKIES TOURISM ASSOCIATION	38,029
KSI	84,425
LEUNG, SHAWNA	29,580
LOUISE BROWNE ASSOCIATES	49,465
LOUNGEWORKS INC	124,535
MACGILLIVRAY FREEMAN FILMS, INC.	400,000
MARKETING SERVICES INTERNATIONAL GMBH	299,255
MCANERIN INTERNATIONAL INC.	205,000
MCCORMICK, MARGARET	34,716
MCGILLIVRAY, HEATHER	75,912
MEDIATIVE	944,611
METZ, COLETTE	29,746
MINISTER OF FINANCE	4,400,358
MORTEN, KRISTA LYNN	55,361
NINE NETWORK AUSTRALIA PTY LTD	62,489
NOISE DIGITAL INC	5,095,204
NORMA ALICIA IBARRA FIMBRES	28,001
NORTHERN BRITISH COLUMBIA TOURISM ASSOCIATION	47,301
NRG RESEARCH GROUP INC.	35,270
OMNICOM CANADA CORP.	308,150
OPEN TEXT INC	93,060
OPTIMUM TALENT INC.	44,200
OSBORNE, ERIN	29,578
OSLER, PAMELA JANE	36,513
PACIFIC COASTAL AIRLINES	29,828
PINNACLE AT THE PIER HOTEL	113,532
POKOJOY, BRIAN	108,400
PROJEXIA INC.	117,999
RENDEZ VOUS CANADA	39,747
RETURN PATH INC.	47,325
RICOH CANADA INC.	37,646
ROGERS WIRELESS INC. ROGERS SANS-FIL INC.	88,327
ROVE MARKETING INC.	97,296
RUDER FINN PUBLIC RELATIONS CONSULTING (BEIJING) CO LTD	181,761
RYAN, THOMAS JOSEPH	72,003
SADA SYSTEMS INC	31,550
SALESFORCE.COM CANADA CORP	327,018
SEA TO SKY MEETING MANAGEMENT INC	125,503
SENTIS MARKET RESEARCH INC	125,040

SHANGHAI CTRIP COMMERCE CO., LIMITED.	250,000
SNOW TRAVEL EXPO AUSTRALIA	86,993
SPIRIT BEAR ENTERTAINMENT, INC.	125,000
STATISTICS CANADA 054-22753	58,424
STEARNS, KATHALENE	40,654
STEVE OGDEN TOURISM LTD.	34,773
STORM MOUNTAIN PUBLISHING COMPANY	39,437
T4G LIMITED	463,371
TOPO FILMS INC.	44,883
TOURISM ASSOCIATION OF VANCOUVER ISLAND	46,094
TOURISM CAFE CANADA LTD.	125,673
TOURISM INDUSTRY ASSOCIATION OF BRITISH COLUMBIA	70,350
TOURISM VANCOUVER	52,748
TOURISM WHISTLER	115,344
TRAVEL ALBERTA	27,719
TRAVEL CLASSICS	40,752
TURNAU, AMBER	27,798
UNIGLOBE SPECIALTY TRAVEL LTD.	224,970
UNIVERSAL COACH LINE LTD.	43,713
VANCOUVER CRAFT BEER WEEK INC	29,000
VARDO CREATIVE INC.	146,285
VERB INTERACTIVE INCORPORATED	769,953
WANDERLUST PUBLICATIONS LTD.	33,052
WATSON ADVISORS INC.	33,680
WHISTLER & BLACKCOMB MOUNTAIN RESORTS LIMITED	80,000
WILKINS, JULIE	66,904
WORLD COMMUNICATION SYSTEM CO LTD	141,213
WPIC MARKETING INC.	205,831
XIBITA	75,026

(A) \$22,704,487

2. Consolidated payments to recipients of \$25,000 or less (B) \$2,366,358

3. Reconciliation

Total payments exceeding \$25,000 paid to recipients (A) \$22,704,487

Consolidated total payments of \$25,000 or less paid to recipients (B) \$2,366,358

\$25,070,845

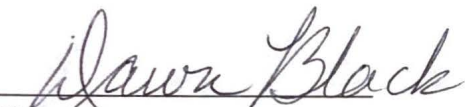
Reconciling items including year-end accruals \$818,588

Total per Financial Statements \$25,889,433

Destination BC Corp.

Statement of Financial Information Fiscal Year Ended March 31, 2019

The undersigned represents the Board of Destination BC Corp. and approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.


Signature

Name: DAWN BLACK

Title: Board Chair

Date: 16 Oct '19