



DESTINATION
BRITISH COLUMBIA®

Destination BC Corp.

Statements of Financial Information

Fiscal Year Ended March 31, 2020

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Destination BC Corp.

Financial Statements

as at

March 31, 2020

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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 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 11, 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Destination BC Corp., and to the Minister of the Ministry of Tourism, Arts and Culture, 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, 2020;
- the statement of operations for the year then ended;
- the statement of remeasurement gains and losses for the year then ended;
- the statement of change 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, 2020 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.

Other Matter – Comparative Information

The financial statements for the year ended March 31, 2019 were audited by another auditor who expressed a qualified opinion on those financial statements on May 9, 2019.

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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Vancouver, Canada

May 13, 2020

Destination BC Corp.
Statement of Financial Position
As at March 31, 2020, with comparative information for 2019
 [\$000s]

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Financial assets			
Cash and cash equivalents	3	8,598	8,857
Accounts receivable	4	380	485
Due from Ministry of Tourism, Arts and Culture		-	674
		<u>8,978</u>	<u>10,016</u>
Liabilities			
Accounts payables and accrued liabilities	5	7,642	7,757
Due to Public Service Agency	6	933	1,375
Deferred capital contributions	7	581	902
		<u>9,156</u>	<u>10,034</u>
Net debt		<u>(178)</u>	<u>(18)</u>
Non-financial assets			
Tangible capital assets	8	1,041	913
Prepaid expenses		526	310
		<u>1,567</u>	<u>1,223</u>
Accumulated surplus			
Accumulated surplus is comprised of:			
Accumulated operating surplus	9	1,373	1,189
Accumulated remeasurement gains		16	16
		<u>1,389</u>	<u>1,205</u>
Contractual obligations	10		

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

Signature *Dawn Black*
 Dawn Black, Board Chair

Signature *Joel McKay*
 Joel McKay, A/Chair, Finance & Audit Committee

Destination BC Corp.
Statement of Operations and Accumulated Surplus
Year ended March 31, 2020, with comparative information for 2019
 [\$000s]

	<i>Note</i>	Budget (note 2(k))	2020	2019
Revenues				
Government transfers	12	52,621	52,221	54,138
Program revenue	13	57	46	85
Interest income		90	404	313
Amortization of deferred capital contribution	7	360	321	332
		<u>53,128</u>	<u>52,992</u>	<u>54,868</u>
Expenses				
	14			
Global Marketing		31,924	31,280	32,864
Destination and Industry Development Strategy, Research and Communications		13,678	15,129	14,895
Corporate Services		3,240	2,210	2,290
Amortization		3,926	3,868	3,991
		<u>360</u>	<u>321</u>	<u>332</u>
		<u>53,128</u>	<u>52,808</u>	<u>54,372</u>
Annual operating surplus		-	184	496
Accumulated operating surplus, beginning of year		<u>709</u>	<u>1,189</u>	<u>693</u>
Accumulated operating surplus, end of year		<u><u>709</u></u>	<u><u>1,373</u></u>	<u><u>1,189</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, 2020, with comparative information for 2019
[\$000s]

	<u>2020</u>	<u>2019</u>
Opening balance	16	16
Unrealized gains on foreign bank accounts	-	-
Amount of foreign exchange reclassified to the Statement of Operations	-	-
Accumulated remeasurement gains, end of year	<u>16</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, 2020, with comparative information for 2019
 [\$000s]

	Budget (note 2(k))	2020	2019
Annual operating surplus	-	184	496
Acquisition of tangible capital assets	(800)	(449)	(191)
Disposal of tangible capital assets	-	-	21
Amortization of tangible capital assets	360	321	332
	(440)	(128)	162
Acquisition of prepaid expenses	-	(526)	(310)
Use of prepaid expenses	-	310	103
	-	(216)	(207)
Decrease (increase) in net debt	(440)	(160)	451
Net debt at beginning of year	(18)	(18)	(469)
Net debt at end of year	(458)	(178)	(18)

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, 2020, with comparative information for 2019
 [\$000s]

	2020	2019
Operating transactions		
Annual operating surplus for the year	184	496
Non-cash items included in surplus:		
Amortization of tangible capital assets	321	332
Amortization of deferred capital contributions	(321)	(332)
Loss on disposal of capital assets	-	21
Change in non-cash working capital:		
Accounts receivable	105	(2)
Accounts payable and accrued liabilities	(115)	(102)
Prepaid expenses	(216)	(207)
Due from Ministry of Tourism, Arts and Culture	674	(674)
Due to Public Service Agency	(442)	131
Cash (used in) provided by operations	190	(337)
Capital transactions		
Acquisition of tangible capital assets	(449)	(191)
Decrease in cash and cash equivalents	(259)	(528)
Cash and cash equivalents at beginning of year	8,857	9,385
Cash and cash equivalents at end of year	8,598	8,857

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, 2020

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 and Culture (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.

The declaration of the COVID-19 virus as a pandemic by the World Health Organization on March 11, 2020, and the subsequent shut-downs globally, domestically, and locally have had a significant impact on the jurisdictions and market sectors in which the Corporation operates. The initial impact has been minimal disruptions to the Corporation’s operations and delivery. 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.

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”).

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

2. Summary of Significant Accounting Policies (continued)

a. Basis of accounting (continued)

The *Budget Transparency and Accountability Act* requires that the 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.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

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.

Restricted grants and contributions are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors.

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

Leasehold improvements	10 years
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.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

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.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

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 as described in Note 11.

i. Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Cash is recorded at fair value and all other 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. Items requiring the use of significant estimates include the useful life of 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
for the year ended March 31, 2020

2. Summary of Significant Accounting Policies (continued)

k. Budget information:

Budgeted figures from the 2019/20 Service Plan have been provided for comparison purposes.

3. Cash and Cash Equivalents

The Corporation had cash consisting of the following:

	(in \$ thousands)	
	2020	2019
Royal Bank of Canada - CAD	8,525	8,785
Royal Bank of Canada - USD	73	72
Total	8,598	8,857

4. Accounts Receivable

	(in \$ thousands)	
	2020	2019
Accounts receivable	385	490
Less provision for doubtful accounts	(5)	(5)
Net Accounts Receivable	380	485

5. Accounts Payable and Accrued Liabilities

	(in \$ thousands)	
	2020	2019
Accounts payables and accrued liabilities	7,187	7,300
Accrued vacation pay	455	457
Total	7,642	7,757

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.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

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 64,308 active plan members, 49,546 retired plan members and 18,775 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.

The next valuation will be as at March 31, 2020, with results available in early 2021.

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

The Corporation's contribution of \$743 thousand (2018/19 - \$725 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 ("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.

7. Deferred Capital Contribution

The deferred contribution consists of a capital contribution from the Province for the purpose of acquiring capital assets. The amount recorded as revenue matches the amortization expense for the year of the related capital assets. There were no new deferred capital contributions received in the current year (2019 – nil).

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

8. Tangible Capital Assets

	(in \$ thousands)			
	Furniture and equipment under construction	Websites, hardware and software	Leasehold improvements under construction	2020 Total
Cost:				
Opening Balance	-	3,806	-	3,806
Additions	13	-	436	449
Disposals	-	-	-	-
Closing balance	13	3,806	436	4,255
Accumulated amortization:				
Opening balance	-	2,893	-	2,893
Amortization	-	321	-	321
Disposals	-	-	-	-
Closing balance	-	3,214	-	3,214
Net book value	-	592	436	1,041

	((in \$ thousands)			
	Furniture and equipment under construction	Websites, hardware and software	Leasehold improvements under construction	2020 Total
Cost:				
Opening Balance	69	3,615	-	3,684
Additions	-	191	-	191
Disposals	69	-	-	69
Closing balance	-	3,806	-	3,806
Accumulated amortization:				
Opening balance	34	2,575	-	2,609
Amortization	14	318	-	332
Disposals	48	-	-	48
Closing balance	-	2,893	-	2,893
Net book value	-	913	-	913

Amortization of leasehold improvements under construction as at year end will commence once completed and available for use.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

9. Accumulated Operating Surplus

	(in \$ thousands)	
	2020	2019
Invested in tangible capital assets	1,041	913
Unrestricted	332	276
Total	1,373	1,189

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.

	(in \$ thousands)					
	2021	2022	2023	2024	2025	Thereafter
Property leases	1,065	1,065	1,065	1,065	1,065	4,260
Other contractual arrangements	18,249	3,781	548	-	-	-
Total contractual obligations	19,314	4,845	1,612	1,065	1,065	4,260

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.

i) 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 the financial statements.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

11. Financial Risk Management (continued)

ii) Liquidity risk

The Corporation does not have significant liquidity risk as it has sufficient cash to meet its liabilities as they come due. Accounts payable and accrued liabilities are all due within one year.

iii) Market risks

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

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

12. Government Transfers

	(in \$ thousands)	
	<u>2020</u>	<u>2019</u>
Revenue:		
Province of British Columbia	52,221	54,138
Expenses:		
Shared cost agreements	19,116	17,616
Tourism Events Program	-	2,620
	<u>19,116</u>	<u>20,236</u>

In 2018/19, revenue included \$2.620 million received for the Tourism Events Program (“TEP”) which was implemented through Destination & Industry Development. The TEP agreement between the Ministry and the Corporation delegated the administration of program funding to the Corporation for events approved through an application process administered by the Ministry. Ministry funding was released to the Corporation as projects were approved. The Corporation ensured financial accountability through shared cost agreements with event proponents. There was no additional funding received for the TEP program during the fiscal year.

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

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

13. Program Revenue

The Corporation earned the following program revenues during the year:

	(in \$ thousands)	
	2020	2019
Remarkable Experiences Program	16	52
Merchandise sales, royalties and other	30	33
Total program revenue	46	85

14. Expenses

The following is a summary of expenses by category:

	(in \$ thousands)	
	2020	2019
Government transfers - note 12	19,116	20,236
Advertising	10,633	9,710
Salaries and wages	7,947	7,862
Professional services	5,643	6,496
Information systems	3,011	2,806
Office and business	2,221	2,513
Employee benefits	1,982	1,849
Rental expenditures	1,133	1,506
Travel	419	548
Amortization	321	332
Materials and supplies	88	195
Other	52	95
Board expenses	73	53
Support services	169	171
Total expenses	52,808	54,372

As of March 31, 2020, the Corporation's total expenses did not exceed its legislated expenses limit.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2020

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:

	(in \$ thousands)	
	2020	2019
Grants from the Province (note 12)	52,221	54,138
Amounts paid or due to the Ministry of Finance:		
Payroll	9,939	9,768
Building Occupancy Costs	1,137	1,545
Information Technology Services	715	776
Legal Services	118	81
Visitor Experience Support	110	47
Audit Fees	-	45
BC Stats	20	28
Postage, supplies, printing	13	24
Insurance Premiums	19	20
Corporate Communications	10	10
International Travel Trade	-	5
Other (including bank charges)	4	5

In 2018/19, grants from the Province included \$2.620M distribution to successful applicants in Province's TEP.

**Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2020**

Statement of Indemnifications

Name of Person / Company Indemnified	Risk Management Branch Issuance Number	Issue Date
Aprio Inc.	202010573	July 16, 2019
Konika Minolta Business Solutions Canada (Ltd.)	202011192	January 13, 2020

Destination BC Corp.

Financial Information Act Reporting

Fiscal Year Ended March 31, 2020

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	10,500	5,247
Bouman, Sheila	Member, Board of Directors	6,150	1,638
Hannah, Linda	Member, Board of Directors	6,450	6,456
Mckay, Joel	Member, Board of Directors	6,800	1,974
Miller, Laird	Vice Chair, Board of Directors	0	863
Neasloss, Douglas	Member, Board of Directors	3,750	1,022
Raine, Alan	Member, Board of Directors	4,350	1,712
Vaugeois, Nicole	Member, Board of Directors	6,400	1,425
Wilson, Penny	Member, Board of Directors	5,950	394
		(A) \$50,350	\$20,731

2. Employees earning > \$75,000

Name	Position	Remuneration \$	Expenses \$
Bains, Tracy	Manager, Strategy & Content Integration	95,569	290
Bergen, Richard	Manager, Digital Media	89,070	796
Chen, Amy	Applications Support	77,725	0
Chong, Kin-Lung	IT Operations Manager	86,129	1,100
Christian, Lesley	Controller	106,792	590
Endrizzi, Nicole	Executive Secretary	88,643	1,634
Fielden, Stephanie	Manager, Market Dev. Europe, N America, Mexico	88,347	11,471
Fitzpatrick, Kate	Manager, People & Development	91,302	12
Greene, Maria	Director, Global Marketing Partnerships	114,745	12,599
Harrison, Peter	Director, Industry Partnerships & Visitor Services	131,310	46,178
Harvey, Kathleen	Manager, Visitor Services	102,117	5,708
Heerema, Jonathan	Manager, Industry Programs	76,290	6,091
Hood, Kimberley	Manager, Co-op Marketing Program	92,765	8,290
Lange, Maya	Vice President, Global Marketing	170,429	11,363
Leathem, Graeme	Manager, Social Media & Digital Content	88,996	85
Leeck, Monica	Manager, Market Development Asia Pacific	93,828	7,723

MacIntyre, Jennifer	Manager, Industry Development	89,387	8,106
MacKay, Disa	Manager, Brand Engagement	93,208	1,896
Mackay, Grant	Vice President, Destination Management	193,806	8,328
Mason, Clare	Manager, Corporate Communications	92,131	7,463
McInnes, Neil	Chief Financial Officer	119,589	4,855
McKay, Alison	Director, Destination & Industry Development	108,565	4,239
Miller, Kyle	Manager, Online Programs	87,680	0
Parkinson, Shawn	Studio Lead	80,032	56
Penner, Kailee	Senior Researcher	80,781	4,425
Porges, Richard	Vice President, Corporate Development	167,190	35,083
Poulton, Leah	Director, Global Content	110,736	3,543
Robson, Sabrina	Media Relations Specialist	82,604	20,470
Ryan, Mika	Manager, Travel Media & Partnerships	96,789	22,677
Simpson, Jacqueline	Director, Global Marketing Channels	118,951	5,148
Skerbinek, Angela	Director, Research & Analytics	114,128	2,266
Staley, Ryan	Senior Researcher	79,415	424
Tang, Elisa	Manager, Digital Media	89,789	34
Vallance, Ruth	Manager, Digital and IT Projects	94,042	2,550
Vasquez, Daniel	Director, Digital Strategy & IT	114,111	12
Walden, Marsha	Chief Executive Officer	239,234	17,552
Total employees with remuneration of > \$75,000		\$3,846,225	\$263,057
Total employees with remuneration of \$75,000 or less		\$4,019,217	91,178
Total Employees		(B) \$7,865,442	\$354,235

3. Reconciliation

Elected Officials, Employees appointed by Cabinet and Members of the Board of Directors	(A)	\$50,350
Employees total remuneration	(B)	\$7,865,442
Sub-total		\$7,915,792
Reconciling items include year-end salary accrual and leave liability adjustment		81,937
Total per Financial Statements		\$7,997,729

**Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2020**

Statement of Severance Agreements

There were no severance agreements made between Destination BC Corp. and its non-unionized employees during fiscal year ended March 31, 2020.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2020

Schedule of Transfer Payments

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

Name	Amount
	\$
ADVENTURE WORLD	27,617
ALLIED GOLF ASSOCIATION - BC	87,500
AUSTRALIAN PACIFIC TOURING P/L	36,822
BC ASSOCIATION OF FARMERS' MARKETS	42,500
BC CRAFT BREWERS GUILD	83,219
BC FISHING TOURISM ASSOCIATION	112,500
BC OCEAN BOATING TOURISM ASSOCIATION	25,500
BRITISH COLUMBIA LODGING AND CAMPGROUNDS ASSOCIATION	28,000
BRITISH COLUMBIA SNOWMOBILE FEDERATION	34,000
BRITISH COLUMBIA WINE INSTITUTE SOCIETY	87,500
CANADA WEST SKI AREAS ASSOCIATION	570,000
CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION	61,250
CARIBOO-CHILCOTIN-COAST TOURISM ASSOCIATION	1,056,150
CITY OF VERNON	37,894
COLUMBIA SHUSWAP REGIONAL DISTRICT	49,300
COMOX VALLEY ECONOMIC DEVELOPMENT SOCIETY	81,476
DER TOURISTIK DEUTSCHLAND GMBH & Co. KG	33,785
DESTINATION CANADA	1,827,500
DESTINATION OSOYOOS DEVELOPMENT SOCIETY	50,000
DESTINATION THINK! PROFESSIONAL SERVICES INC.	74,200
DISTRICT OF MISSION	27,375
FLIGHT CENTRE TRAVEL GROUP LTD	50,334
GOLD COUNTRY COMMUNITIES SOCIETY	51,000
GREATER VANCOUVER CONVENTION AND VISITORS BUREAU	91,715
GREATER VICTORIA VISITORS & CONVENTION BUREAU	40,000
GUANGZHOU DISTA INTERNATIONAL TRAVEL SERVICE CO., LTD	47,500
GUIDE-OUTFITTERS ASSOCIATION OF BRITISH COLUMBIA	55,250
GZL INTERNATIONAL TRAVEL SERVICE LTD.	60,000
HOPE BUSINESS AND DEVELOPMENT SOCIETY	38,250
IMMEDIATE MEDIA COMPANY BRISTOL LTD	25,013
INDIGENOUS TOURISM ASSOCIATION OF BRITISH COLUMBIA	1,510,000
KOOTENAY ROCKIES TOURISM ASSOCIATION	1,378,000

MINISTER OF FINANCE OF BC	220,000
MISTY ISLES ECONOMIC DEVELOPMENT SOCIETY	26,304
NANJING TUNIU INTERNATIONAL TRAVEL SERVICE CO., LTD.	30,000
NELSON KOOTENAY LAKE TOURISM SOCIETY	36,295
NORTHERN BRITISH COLUMBIA TOURISM ASSOCIATION	1,439,000
PARKSVILLE QUALICUM BEACH TOURISM ASSOCIATION	29,750
REVELSTOKE CHAMBER OF COMMERCE	29,152
SALT SPRING ISLAND CHAMBER OF COMMERCE	46,659
SHANGHAI CTRIP COMMERCE CO., LIMITED.	50,000
SHANGHAI JINJIANG TRAVEL HOLDING CO., LTD.	45,000
SHANGHAI UTOUR INTERNATIONAL TRAVEL SERVICE CO., LTD.	60,000
SOJERN, INC.	30,000
STATISTICS CANADA	29,068
SUNSHINE COAST TOURISM	164,475
SYMPHONY TOURISM SERVICES LTD.	123,655
THOMPSON OKANAGAN TOURISM ASSOCIATION	1,586,250
TOURISM ABBOTSFORD SOCIETY	33,625
TOURISM ASSOCIATION OF VANCOUVER ISLAND	1,530,190
TOURISM CHILLIWACK INC.	59,086
TOURISM COWICHAN SOCIETY	155,380
TOURISM GOLDEN ASSOCIATION	50,000
TOURISM INDUSTRY ASSOCIATION OF BRITISH COLUMBIA	50,000
TOURISM KELOWNA SOCIETY	78,550
TOURISM PRINCE GEORGE SOCIETY	37,792
TOURISM ROSSLAND	33,320
TOURISM VANCOUVER	120,000
TUI DEUTSCHLAND GMBH	40,000
VANPASS	69,977
WESTERN CANADA MOUNTAIN BIKE TOURISM ASSOCIATION	150,875
	(A) \$14,135,553
2. Consolidated payments to recipients for transfers of \$25,000 or less	(B) \$1,950,711
3. Reconciliation	
Total transfer payments exceeding \$25,000 paid to recipients	(A) \$14,135,553
Consolidated total transfer payments of \$25,000 or less paid to recipients	(B) \$1,950,711
Sub-total	\$16,086,264
Reconciling items including year-end accruals	\$3,029,280
Total per Financial Statements	\$19,115,544

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2020

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	1,132,974
ACCESSIBILITY SERVICES CANADA	36,000
ADAMS-CHUTE, LEAH EMILY	26,158
ADURA STRATEGY INCORPORATED	51,400
ADVERTIENCE INC	41,861
AGENCIO DIGITAL INC.	856,046
AGILITY PR SOLUTIONS CANADA LTD.	60,547
AIR CANADA	106,852
ALASKA TRAVEL INDUSTRY ASSOCIATION	50,821
AVISCAR INC.	28,297
BEIJING LOGA TECHNOLOGY CO LTD	818,137
BOILEAU, DANIELLE LEAH	54,260
CENSHARE US INC.	265,545
CONNECTSEVEN GROUP MANAGEMENT LTD.	32,607
CROWDRIFF INC.	85,360
DEMPSEY, HILARY ANN CARDER	95,529
DENBAK, SUZANNE	28,500
DESTINATION CANADA	568,984
DESTINATION THINK! PROFESSIONAL SERVICES INC.	209,539
ELLIOTT, MARY	31,080
FORWARD DATA S L	73,880
GARCÍA Y MORFÍN SC	27,945
GLOBAL TOURISM SOLUTIONS	324,280
GO2 TOURISM HR SOCIETY	26,071
GRAHAM, RICHARD JOHN	97,388
HELLOWORLD SERVICES PTY LIMITED	42,441
J&C FORCE CONSULTING	58,125
JUNCTION CREATIVE SOLUTIONS LTD.	49,035
JUNGLE MEDIA INC.	659,726

JW SOFTWARE CONSULTING INC.	35,010
KBC PR AND MARKETING	290,253
KEMP, MEREDITH LOUISE	75,520
KSI	44,744
LAT MULTILINGUAL-TRANSLATION & MARKETING INC.	30,450
LEGER MARKETING ALBERTA	27,100
LEUNG, SHAWNA	49,651
LOUISE BROWNE ASSOCIATES	33,800
LOUNGEWORKS INC	62,084
MARKETING SERVICES INTERNATIONAL GMBH	274,712
MCANERIN INTERNATIONAL INC.	147,493
MCCORMICK, MARGARET	106,101
MCGILLIVRAY, HEATHER	85,869
MH EVENT DESIGNER SC	63,800
MINISTER OF FINANCE	4,632,258
MURPHY, KIERAN	26,707
NAZARETH, DOUGLAS	32,531
NOISE DIGITAL INC	6,600,814
NORTHERN BRITISH COLUMBIA TOURISM ASSOCIATION	70,057
OSLER, PAMELA JANE	68,564
OYSTER PROMO INC	30,777
PACIFIC ANALYTICS INC	52,000
PINNACLE HOTEL VANCOUVER HARBOURFRONT	52,932
POKOJOY, BRIAN	35,080
PROJEXIA INC.	108,908
QUINTOS, LEONOR	37,390
RENDEZ-VOUS CANADA	66,684
RICHMOND INN INVESTMENTS LTD.	37,472
RICHMOND TOURISM ASSOCIATION	54,038
ROGERS WIRELESS INC. ROGERS SANS-FIL INC.	85,836
ROUSSEL, GAVIN	48,159
ROVE MARKETING INC.	36,566
RUDER FINN PUBLIC RELATIONS CONSULTING (BEIJING) CO LTD	181,725
RYAN, THOMAS JOSEPH	66,469
SALESFORCE.COM CANADA CORP	338,704
SENTIS MARKET RESEARCH INC	71,220
SHANGHAI CTRIP COMMERCE CO., LIMITED.	250,000
SNOW TRAVEL EXPO AUSTRALIA	88,278
SONU PURHAR	25,515
SPRINTER PRODUCTIONS 8 LTD.	50,000
STATISTICS CANADA	34,541
STEARNS, KATHALENE	35,532
STEVE OGDEN TOURISM LTD.	50,266
T4G LIMITED	423,253
THOMPSON OKANAGAN TOURISM ASSOCIATION	47,325

TOURISM ASSOCIATION OF VANCOUVER ISLAND		54,659
TOURISM CAFE CANADA LTD.		29,077
TOURISM INDUSTRY ASSOCIATION OF BRITISH COLUMBIA		75,000
TOURISM VANCOUVER		35,493
UNIGLOBE SPECIALTY TRAVEL LTD.		226,757
VARD0 CREATIVE INC.		202,238
VERB INTERACTIVE INCORPORATED		993,220
WATSON ADVISORS INC.		38,683
WESTIN WALL CENTRE VANCOUVER AIRPORT		48,268
WILKINS, JULIE		27,128
WORLD COMMUNICATION SYSTEM CO LTD		93,215
WPIC MARKETING INC.		166,955
XIBITA		82,872
	(A)	\$23,079,141
2. Consolidated payments to recipients of \$25,000 or less	(B)	2,138,524

3. Reconciliation

Total payments exceeding \$25,000 paid to recipients	(A)	23,079,141
Consolidated total payments of \$25,000 or less paid to recipients	(B)	2,138,524
		25,217,665
Reconciling items including year-end accruals		133,589
Total per Financial Statements		25,351,254

Destination BC Corp.
Statement of Financial Information
Fiscal Year Ended March 31, 2020

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.

Dawn Black

Signature

Name: Dawn Black

Title: Board Chair

Date: September 30, 2020