



DESTINATION
BRITISH COLUMBIA®

Destination BC Corp.

Statements of Financial Information

Fiscal Year Ended March 31, 2022

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Destination BC Corp.

Financial Statements

Year Ended

March 31, 2022

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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 LLP, 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
Chief Executive Officer



Lesley Christian
Acting Chief Financial Officer

May 11, 2022



KPMG LLP
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Canada
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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, 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, 2022;
- 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 financial assets (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, 2022 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

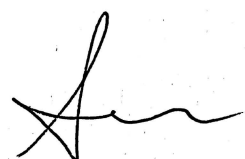
Vancouver, Canada
May 11, 2022

Destination BC Corp.
Statement of Financial Position
March 31, 2022, with comparative information for 2021
(Expressed in thousands of dollars)

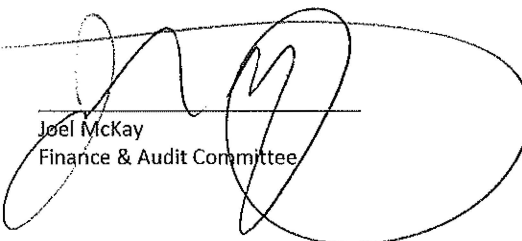
	<i>Notes</i>	2022	2021
Financial assets			
Cash and cash equivalents	3	11,303	13,132
Accounts receivable	4	665	5,725
		<u>11,968</u>	<u>18,857</u>
Liabilities			
Accounts payables and accrued liabilities	5	9,937	17,154
Due to Public Service Agency	6	1,021	972
Deferred capital contributions	7	609	866
		<u>11,567</u>	<u>18,992</u>
Net financial assets (debt)		<u>401</u>	<u>(135)</u>
Non-financial assets			
Tangible capital assets	8	1,219	1,575
Prepaid expenses		195	118
		<u>1,414</u>	<u>1,693</u>
Accumulated surplus	9	<u>1,815</u>	<u>1,558</u>
 Contractual obligations	 10		

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

Approved on behalf of the Board:



Scott Fraser
Board Chair



Joel McKay
Finance & Audit Committee

Destination BC Corp.
Statement of Operations and Accumulated Surplus
Year ended March 31, 2022, with comparative information for 2021
(Expressed in thousands of dollars)

	<i>Notes</i>	2022 Budget	2022	2021
		<i>(note 2(k))</i>		
Revenues				
Government transfers	12	51,373	57,390	71,173
Program revenue	13	30	30	7
Interest income		90	100	152
Amortization of deferred capital contribution	7	252	257	215
		<u>51,745</u>	<u>57,777</u>	<u>71,547</u>
Expenses	14			
Global Marketing		32,538	37,685	33,175
Destination Management		11,400	12,925	31,834
Strategy, Research and Communications		3,170	2,756	2,269
Corporate Services		<u>4,637</u>	<u>4,154</u>	<u>4,100</u>
		<u>51,745</u>	<u>57,520</u>	<u>71,378</u>
Annual operating surplus		-	257	169
Accumulated surplus, beginning of year		<u>1,558</u>	<u>1,558</u>	<u>1,389</u>
Accumulated surplus, end of year		<u><u>1,558</u></u>	<u><u>1,815</u></u>	<u><u>1,558</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, 2022, with comparative information for 2021
(Expressed in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Accumulated remeasurement gains, beginning of year	-	16
Amount of foreign exchange realized and reclassified to the Statement of Operations and Accumulated Surplus	<u>-</u>	<u>(16)</u>
Accumulated remeasurement gains, end of year	<u>-</u>	<u>-</u>

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

Destination BC Corp.
Statement of Changes in Net Financial Assets (Debt)
Year ended March 31, 2022, with comparative information for 2021
(Expressed in thousands of dollars)

	Budget	2022	2021
	<i>(note 2(k))</i>		
Annual operating surplus	-	257	169
Acquisition of tangible capital assets	(195)	(5)	(846)
Amortization of tangible capital assets	346	361	312
	151	356	(534)
Acquisition of prepaid expenses	-	(195)	(118)
Use of prepaid expenses	-	118	526
	-	(77)	408
Change in net financial assets (debt)	151	536	43
Net debt at beginning of year	(135)	(135)	(178)
Net financial assets (debt) at end of year	16	401	(135)

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, 2022, with comparative information for 2021
(Expressed in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Cash provided by (used in):		
Operating transactions:		
Annual operating surplus for the year	257	169
Non-cash items included in surplus:		
Amortization of tangible capital assets	361	312
Amortization of deferred capital contributions	(257)	(215)
Changes in non-cash operating working capital:		
Accounts receivable	5,060	(5,345)
Accounts payable and accrued liabilities	(7,217)	9,512
Prepaid expenses	(77)	408
Due to Public Service Agency	49	39
	<u>(1,824)</u>	<u>4,880</u>
Capital transactions:		
Acquisition of tangible capital assets	<u>(5)</u>	<u>(846)</u>
Financing transactions:		
Deferred capital contributions received	<u>-</u>	<u>500</u>
Increase (decrease) in cash and cash equivalents	<u>(1,829)</u>	<u>4,534</u>
Cash and cash equivalents at beginning of year	<u>13,132</u>	<u>8,598</u>
Cash and cash equivalents at end of year	<u><u>11,303</u></u>	<u><u>13,132</u></u>

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

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(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 2021/22, similar to 2020/21, 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 continued to focus 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.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(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.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(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:

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

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

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(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.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(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.

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.

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.

As the Corporation operates as one segment, no segmented disclosures are presented.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

k) Budget information:

Budgeted figures from the 2021/22 Service Plan have been provided for comparison purposes.

l) Segmented information:

As the Corporation operates as one segment, no segmented disclosures are presented.

3. Cash and Cash Equivalents

	2022	2021
Royal Bank of Canada - CAD	11,303	13,132

4. Accounts Receivable

	2022	2021
Accounts receivable	670	5,730
Less provision for doubtful accounts	(5)	(5)
Net Accounts Receivable	665	5,725

5. Accounts Payable and Accrued Liabilities

	2022	2021
Accounts payables and accrued liabilities	9,318	16,512
Accrued vacation pay	619	642
Total	9,937	17,154

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
Year ended March 31, 2022
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

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 67,762 active plan members, 52,194 retired plan members and 20,789 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 \$842 thousand (2020/21 - \$783 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.
Notes to the Financial Statements
Year ended March 31, 2022
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

7. Deferred Capital Contribution

Deferred capital contribution relates to capital contributions 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 acquired.

	2022	2021
Balance, beginning of the year	866	581
Contributions transferred during the year	-	500
Amortization during the year	(257)	(215)
Balance, end of year	<u>609</u>	<u>866</u>

8. Tangible Capital Assets

	Furniture and Equipment	Websites, Hardware and Software	Leasehold Improvements	2022 Total
Cost:				
Opening Balance	234	3,806	1,061	5,101
Additions	-	5	-	5
Closing balance	<u>234</u>	<u>3,811</u>	<u>1,061</u>	<u>5,106</u>
Accumulated amortization:				
Opening balance	33	3,410	83	3,526
Amortization	47	196	118	361
Closing balance	<u>80</u>	<u>3,606</u>	<u>201</u>	<u>3,887</u>
Net book value	<u>154</u>	<u>205</u>	<u>860</u>	<u>1,219</u>

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

8. Tangible Capital Assets (continued)

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

9. Accumulated Operating Surplus

	2022	2021
Invested in tangible capital assets	610	709
Unrestricted	1,205	849
Total	1,815	1,558

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

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. The property lease amounts are payable to the Province of British Columbia. 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.

	2023	2024	2025	2026	2027	Thereafter
Property leases	1,297	1,297	1,297	1,297	1,297	2,594
Other contractual arrangements	19,658	17,947	5,694	-	-	-
Total contractual obligations	20,955	19,244	6,991	1,297	1,297	2,594

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.
Notes to the Financial Statements
Year ended March 31, 2022
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

12. Government Transfers

	2022	2021
Revenue		
Province of British Columbia	56,400	58,473
Federal Government	990	12,700
	<u>57,390</u>	<u>71,173</u>
Expenses		
Shared cost agreements	15,745	40,507
Total	<u>41,645</u>	<u>30,666</u>

In 2021/22, revenue from the Province included \$4 million for International Marketing to support the tourism industry impacted by COVID-19.

Also, in 2021/22, revenue from the Federal Government to support the tourism industry impacted by COVID-19 included \$990 thousand of PacifiCan's Regional Relief and Recovery Fund.

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.
Notes to the Financial Statements
Year ended March 31, 2022
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

13. Program Revenue

The Corporation earned the following program revenues during the year:

	2022	2021
Miscellaneous	30	7

14. Expenses

The following is a summary of expenses by category:

	2022	2021
Government transfers (note 12)	15,745	40,507
Advertising	15,901	8,645
Salaries and wages	8,912	8,421
Professional services	7,020	4,891
Information systems	3,943	3,428
Office and business	1,767	1,635
Employee benefits	2,222	2,101
Rental expenditures	1,098	1,054
Amortization	361	312
Travel	63	17
Materials and supplies	80	75
Other	78	20
Board expenses	71	83
Support services	259	189
Total expenses	57,520	71,378

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2022
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

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:

	2022	2021
Grants from the Province (note 12)	56,400	58,473
Amounts paid or due to the		
Ministry of Finance:		
Payroll	11,151	10,339
Regional Support	-	6,399
Building Occupancy Costs	1,098	1,054
Information Technology Services	767	704
Legal Services	154	56
Visitor Experience Support	56	12
BC Stats	38	30
Postage, supplies, printing	4	4
Insurance Premiums	19	18
Corporate Communications	11	9
Other (including bank charges)	3	4

In 2021/22, grants from the Province included \$4 million for International Marketing to support the tourism industry impacted by COVID-19.

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.

16. Comparative information

Certain comparative information has been reclassified to conform to this year's current financial statement presentation. There was no impact on the prior year operating surplus, net financial assets (debt) or accumulated surplus.

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2022

Statement of Indemnifications

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Destination BC Corp.

Financial Information Act Reporting

Fiscal Year Ended March 31, 2022

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	3,800	0
Blakeney, Amy	Member, Board of Directors	5,850	1,992
Bouman, Sheila	Vice Chair, Board of Directors	6,750	0
Fraser, Scott	Chair, Board of Directors	5,816	2,966
Jasra, Manoj	Member, Board of Directors	4,183	0
McKay, Joel	Member, Board of Directors	7,250	2,497
Neasloss, Douglas	Member, Board of Directors	125	0
Simcox, Lori	Member, Board of Directors	4,033	0
Vaugeois, Nicole	Member, Board of Directors	7,000	682
Wilson, Penny	Member, Board of Directors	8,050	249
Wright, Randall	Member, Board of Directors	6,450	0
		(A) \$59,308	\$8,386

2. Employees earning > \$75,000

Name	Position	Remuneration \$	Expenses \$
Blaker, Laura	Specialist, Corporate Communications	78,389	175
Chen, Amy	Applications Support	80,883	0
Chong, Kin-Lung	IT Operations Manager	91,226	20
Christian, Lesley	Acting Chief Financial Officer	123,617	577
Del Valle, Allaine	Acting Controller	87,805	0
Dewan, Neha	Marketing Specialist	78,260	0
Drouin, Pierre	Corporate Planning Specialist	75,875	0
Epp, Aimee	Senior Project Manager, Industry Development	76,374	0
Fielden, Stephanie	Manager, Market Dev. Europe, N America, Mexico	92,492	729
Fitzpatrick, Kate	Acting Director, Destination Development & Stewardship	97,182	0
Flello, Nancy	Acting Manager, Research & Analytics	86,030	39
Gagne, Tammy	Acting Manager, Digital Content	81,117	0
Gill, Imran	Acting Director, Industry Partnerships & Visitor Services	101,757	320
Gonzaga, Christopher	Business Analyst, Digital Asset Management	80,921	0
Greene, Maria	Director, Global Marketing Partnerships	120,129	0
Grenon, Karla	Acting Director, Global Marketing Programs	122,309	324

Hanson, Robyn	Manager, Co-op Market Programs	79,533	0
Harrison, Peter	Director, Industry Partnerships & Visitor Services	131,852	5,713
Harvey, Kathleen	Manager, Visitor Services	106,496	2,342
Heerema, Jonathan	Senior Program Advisor, Vancouver Coast & Mountains	105,195	666
Hodgins, Erin	Acting Director, Research & Analytics	90,288	59
Jones, Christine	Manager, Marketplace & Special Events	75,598	0
Lange, Maya	Vice President, Global Marketing	178,601	1,642
Learned, Kristen	Specialist, Corporate Communications	76,618	101
Leathem, Graeme	Acting Director, Global Brand & Content	103,534	214
Leeck, Monica	Manager, Market Development Asia Pacific	98,230	2,022
Leung, Ryan	Acting Project Manager, Digital & IT	78,644	0
MacKay, Disa	Manager, Brand Engagement	97,827	0
Mackay, Grant	Vice President, Destination Management	114,377	0
Mason, Clare	Director, Corporate Communications	101,319	861
McInnes, Neil	Acting Vice President, Corporate Development	153,171	410
McKay, Alison	Acting Vice President, Destination Management	98,570	669
Miller, Kyle	Manager, Online Programs	95,328	0
Mommaerts, Seppe	Manager, Destination Development	91,746	37
Mont, Carla	Acting Senior Digital Content Specialist	78,973	0
Nair, Parvathy	Manager, Analytics	85,315	0
Penner, Kailee	Senior Researcher	86,177	0
Porges, Richard	Chief Executive Officer	236,543	17,699
Poulton, Leah	Director, Global Content	115,689	0
Roex, Alexandra	Manager, Marketing	80,444	0
Ryan, Mika	Manager, Travel Media & Partnerships	100,939	811
Rybar, Susan	Acting Vice President, Destination Management	91,321	4,578
Safi, Mohamad	Studio Lead	84,794	0
Sangara, Beth	Senior Project Manager	80,690	877
Simpson, Jacqueline	Director, Global Marketing Programs	124,532	10
Skerbinek, Mark	Digital Strategist	75,875	0
Tang, Elisa	Manager, Digital Media	94,002	0
Thompson, Carly	Advisor, People & Development	82,739	0
Vahanvati, Gazala	Manager, Brand Engagement	88,629	752
Vallance, Ruth	Manager, Digital and IT Projects	98,455	0
Vasquez, Daniel	Director, Digital Strategy & IT	119,465	0
Winnacott, Stephen	Manager, Brand Engagement	93,921	0
Young, Jody	Manager, Vancouver, Coast & Mountains	88,342	0
Zhang, Julia	Marketing Specialist	76,177	0
Total employees with remuneration of > \$75,000		\$5,334,315	\$41,647
Total employees with remuneration of \$75,000 or less		\$3,553,069	21,378
Total Employees		(B) \$8,887,384	\$63,025

3. Reconciliation

Elected Officials, Employees appointed by Cabinet and Members of the Board of Directors	(A)	\$59,308
Employees total remuneration	(B)	<u>\$8,887,384</u>
Sub-total		<u>\$8,946,692</u>
Reconciling items include year-end salary accrual and leave liability adjustment		<u>24,687</u>
Total per Financial Statements		<u><u>\$8,971,379</u></u>

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2022

Statement of Severance Agreements

There was one severance agreement under which payment commenced between Destination BC Corp. and its non-unionized employees during fiscal year ended March 31, 2022. The agreement represented two months of compensation.

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

Destination BC Corp.

Financial Information Act Reporting

Fiscal Year Ended March 31, 2022

Schedule of Transfer Payments

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

Name	Amount \$
ADVENTURE WORLD TRAVEL PTY LTD	85,396
ALLIED GOLF ASSOCIATION-BRITISH COLUMBIA	203,061
ARROW SLOCAN TOURISM ASSOCIATION	37,218
AUDLEY TRAVEL GROUP LTD	48,887
AUSTRALIAN PACIFIC TOURING PTY LTD	95,260
BC ASSOCIATION OF FARMERS' MARKETS	68,431
BC CRAFT BREWERS GUILD	193,658
BC FISHING TOURISM ASSOCIATION	203,061
BRITISH COLUMBIA LODGING AND CAMPGROUNDS ASSOCIATION	69,569
BRITISH COLUMBIA SNOWMOBILE FEDERATION	41,424
CANADA WEST SKI AREAS ASSOCIATION	540,000
CANADIAN PARAPLEGIC ASSOCIATION (BC)	50,000
CANUSA TOURISTIK GMBH & CO.	50,000
CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION	194,127
CARIBOO-CHILCOTIN-COAST TOURISM ASSOCIATION	1,116,367
CASTLEGAR & DISTRICT CHAMBER OF COMMERCE	53,212
CITY OF MISSION	35,305
CLUB REISEN STUMBOECK GMBH & CO KG	30,000
COLUMBIA SHUSWAP REGIONAL DISTRICT	28,428
COLUMBIA VALLEY TOURISM MARKETING SOCIETY	25,098
COMOX VALLEY REGIONAL DISTRICT	371,740
CONDOR FLUGDIENST GMBH	60,000
CORPORATION OF THE CITY OF VERNON	46,872
CRANBROOK AND REGION TOURISM SOCIETY	68,889
CRESTON VALLEY TOURISM SOCIETY	63,010
DER TOURISTIK DEUTSCHLAND GMBH & Co. KG	31,450
DESTINATION OSOYOOS DEVELOPMENT SOCIETY	60,498
DESTINATION THINK! PROFESSIONAL SERVICES INC.	79,181
DREAM DESTINATIONS MEXICO, S.A. DE C.V.	33,950
FIRST CLASS HOLIDAYS	30,133
FLIGHT CENTRE TRAVEL GROUP LTD	47,628
GREATER VICTORIA VISITORS & CONVENTION BUREAU	97,743

HAGEN ALPIN TOURS	30,000
IMMEDIATE MEDIA COMPANY BRISTOL LTD	25,738
INDIGENOUS TOURISM ASSOCIATION OF BRITISH COLUMBIA	1,005,000
KAMLOOPS TOURISM MARKETING SOCIETY	95,923
KENNEDY TRAVEL (YORKSHIRE) LTD	40,000
KOOTENAY ROCKIES TOURISM ASSOCIATION	1,251,000
LUXURY ESCAPES TRAVEL PTY LTD	85,734
LYTTON AND DISTRICT CHAMBER OF COMMERCE	181,500
METRO VANCOUVER CONVENTION AND VISITORS BUREAU	373,513
MINISTER OF FINANCE	87,900
MISTY ISLES ECONOMIC DEVELOPMENT SOCIETY	60,918
NELSON KOOTENAY LAKE TOURISM	69,040
NORTHERN BRITISH COLUMBIA TOURISM ASSOCIATION	1,251,000
PARKSVILLE QUALICUM BEACH TOURISM ASSOCIATION	62,998
PRICE RES, SAPI DE CV	80,000
REVELSTOKE CHAMBER OF COMMERCE	29,152
RICHMOND TOURISM ASSOCIATION	70,734
SALT SPRING ISLAND CHAMBER OF COMMERCE	30,419
SIMILKAMEEN VALLEY PLANNING SOCIETY	25,018
SK TOURISTIK GMBH	55,000
SOUTHERN GULF ISLANDS TOURISM PARTNERSHIP SOCIETY	81,225
STATISTICS CANADA	30,500
STEWART TRAVEL LTD	30,000
SUNSHINE COAST TOURISM SOCIETY	136,837
SYMPHONY TOURISM SERVICES LTD.	83,782
THE AIRLINE SEAT COMPANY LIMITED	35,000
THOMPSON OKANAGAN TOURISM ASSOCIATION	1,477,250
TOURISM ASSOCIATION OF VANCOUVER ISLAND	1,261,638
TOURISM CHILLIWACK INC.	101,636
TOURISM COWICHAN SOCIETY	113,715
TOURISM GOLDEN ASSOCIATION	66,245
TOURISM KELOWNA SOCIETY	63,117
TOURISM PRINCE GEORGE SOCIETY	57,437
TOURISM SMITHERS SOCIETY	39,790
TRAILFINDERS LTD	30,650
TRAVEL PENTICTON SOCIETY	56,677
TUI DEUTSCHLAND GMBH	50,000
VANPASS	121,837
WANDERLUST TRAVEL MEDIA LIMITED	30,482
WESTERN CANADA MOUNTAIN BIKE TOURISM ASSOCIATION	176,948
WESTJET, AN ALBERTA PARTNERSHIP	75,000
WHISTLER RESORT ASSOCIATION	452,916
WINE GROWERS BRITISH COLUMBIA SOCIETY	203,061

(A) \$13,845,926

2. Consolidated payments to recipients for transfers of \$25,000 or less	(B)	\$1,715,500
3. Reconciliation		
Total transfer payments exceeding \$25,000 paid to recipients	(A)	\$13,845,926
Consolidated total transfer payments of \$25,000 or less paid to recipients	(B)	\$1,715,500
Sub-total		\$15,561,426
Reconciling items including year-end accruals		\$183,270
Total per Financial Statements		\$15,744,696

Destination BC Corp.
Financial Information Act Reporting
Fiscal Year Ended March 31, 2022

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	2,275,469
ADURA STRATEGY INCORPORATED	41,225
AGILITY PR SOLUTIONS CANADA LTD.	62,965
ALBERNI VALLEY TOURISM ASSOCIATION	25,996
AMAZON.COM.CA, INC	26,052
BAINS, TRACY	29,966
BEIJING LOGA TECHNOLOGY CO LTD	249,531
BOILEAU, DANIELLE LEAH	38,560
CANADA TOURISM PLANNING GROUP INC.	37,597
CCR SOLUTIONS INC.	64,005
CENSHARE US INC.	325,203
COLLETT, NIGEL	62,720
CONCENTRIC CONSULTING INC.	167,744
CONNECTSEVEN GROUP MANAGEMENT LTD.	75,000
CRAFTED INK CONSULTING INC.	78,410
CROWDRIFF INC.	243,500
CULINARY TOURISM ALLIANCE	81,000
DATARAILS	31,488
DEMPSEY, HILARY ANN CARDER	148,692
DENBAK, SUZANNE	37,440
DESOLATION SOUND HOLDINGS LTD.	74,816
DESTINATION THINK! PROFESSIONAL SERVICES INC.	544,503
EMPLIFI CZECH REPUBLIC A.S.	55,577
ENVIRONICS ANALYTICS GROUP LTD.	288,864
EXPEDIA TRAVEL - TRAVELSCAPE, LLC	750,000
FITZGERALD, ERIN KATHLEEN	26,595
FORUM FOR WOMEN ENTREPRENEURS IN BRITISH COLUMBIA	60,000
FORWARD DATA S L	112,589

FUREY, MICHAEL	121,576
FUSEFORWARD CLOUD SERVICES LTD.	509,901
GARCÍA Y MORFÍN SC	35,830
GLOBAL TOURISM PTY LTD	209,313
GO2 TOURISM HR SOCIETY	495,657
GRAHAM, RICHARD JOHN	52,780
GREAT CANADIAN RAILTOUR COMPANY LTD.	26,217
GREENSTEP SOLUTIONS INC.	29,810
HAIDA TOURISM LIMITED PARTNERSHIP	27,817
HOOD, KIMBERLEY	59,489
HUNTER, MARIE	68,837
INSIGHTS WEST MARKETING RESEARCH INC.	153,955
JENNIFER NICHOL CONSULTING	32,400
JMI JELLY MARKETING INC.	50,000
JUNCTION CREATIVE SOLUTIONS LTD.	151,140
KAMLOOPS TOURISM MARKETING SOCIETY	87,500
KBC PR AND MARKETING	200,174
KEMP, MEREDITH LOUISE	50,160
KERMODEI TOURISM SOCIETY	25,050
KLAHOOSE RESORT LIMITED PARTNERSHIP	48,373
KOLBUC, JENNIFER	32,197
KPMG LLP	53,131
LAURA PLANT CONSULTING INC.	96,618
LEGACY TOURISM GROUP CORPORATION	32,332
LEGER MARKETING ALBERTA INC.	69,000
LIONS GATE CONSULTING INC.	45,910
LOUISE BROWNE ASSOCIATES	72,500
LOUNGEWORKS INC	93,392
MAGNIFY DIGITAL INC.	97,450
MARKETING SERVICES INTERNATIONAL GMBH	167,243
MCC PLANNERS INC.	37,392
MCCORMICK, MARGARET	37,275
MCGILLIVRAY, HEATHER	47,025
METROPOLITAN TORONTO CONVENTION CENTRE CORPORATION	47,653
MINISTER OF FINANCE	4,245,765
MORTEN, KRISTA LYNN	34,410
MURPHY, KIERAN	27,424
NOISE DIGITAL INC	9,994,946
OSLER, PAMELA JANE	35,350
PROJEXIA INC.	119,102
QUALTRICS LLC	30,357
RENDEZ-VOUS CANADA	106,088
ROGERS WIRELESS	78,870
ROUSSEL, GAVIN	57,375
ROVE MARKETING INC.	111,273
RUDER FINN PUBLIC RELATIONS CONSULTING (BEIJING) CO LTD	31,567

SALESFORCE.COM CANADA CORP	321,356
SENTIS MARKET RESEARCH INC	97,375
SEVEN NETWORK (OPERATIONS) LIMITED	74,640
SITEIMPROVE INC.	32,691
SNOW TRAVEL EXPO AUSTRALIA	84,645
STEARNS, KATHALENE	98,500
STR, LLC	36,383
TABLEAU SOFTWARE	25,518
THOMPSON OKANAGAN TOURISM ASSOCIATION	27,057
THREE SISTERS CONSULTING LTD.	48,250
TOURISM ASSOCIATION OF VANCOUVER ISLAND	41,707
TRAVEL CLASSICS	100,727
TRAVEL LINK DIGITAL CO. LTD	82,216
TRIPADVISOR LLC	80,556
TURNAU, AMBER	55,656
UNIGLOBE SPECIALTY TRAVEL LTD.	74,596
UPWORDS MARKETING SOLUTIONS	100,000
VALIDITY INC.	32,186
VARDON CREATIVE INC.	114,280
VERB INTERACTIVE INCORPORATED	503,625
WASSERMAN & PARTNERS ADVERTISING INC.	3,101,361
WATSON ADVISORS INC.	47,575
WHISTLER RESORT ASSOCIATION	46,923
WINDSOR HACKFORGE	180,000
WPIC MARKETING INC.	63,767
ZOOM VIDEO COMMUNICATIONS INC.	34,297
(A)	<u><u>\$29,759,018</u></u>

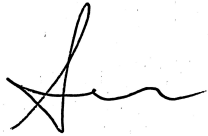
2. Consolidated payments to recipients of \$25,000 or less	(B)	<u><u>2,322,243</u></u>
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3. Reconciliation

Total payments exceeding \$25,000 paid to recipients	(A)	29,759,018
Consolidated total payments of \$25,000 or less paid to recipients	(B)	<u>2,322,243</u>
		32,081,261
Reconciling items including year-end accruals		<u>288,480</u>
Total per Financial Statements		<u><u>32,369,741</u></u>

Destination BC Corp.
Statement of Financial Information
Fiscal Year Ended March 31, 2022

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: Scott Fraser

Title: Destination BC Board Chair

Date: October 3, 2022