

Destination BC Corp.

Financial Statements

as at

March 31, 2016

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Management's Report

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

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

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

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

The external auditors, Office of the Auditor General of British Columbia, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the Destination BC Corp. financial statements. The external auditors have full and free access to financial management of Destination BC Corp. and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Destination BC Corp. financial statements.

On behalf of Destination BC Corp.



Marsha Walden
Chief Executive Officer



Dean Skinner
Chief Financial Officer

May 12, 2016



INDEPENDENT AUDITOR'S REPORT

*To the Board of Governors of the Destination BC Corp., and
To the Minister of Jobs, Tourism and Skills Training, Province of British Columbia*

I have audited the accompanying financial statements of the Destination BC Corp., which comprise the statement of financial position as at March 31, 2016, and the statements of operations and accumulated surplus, changes in net debt, cash flows, and remeasurement gains and losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

As described in Note 2e to the financial statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related

expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Treasury Board Regulation 198/2011.

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

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. When the cumulative effects of this departure to date are adjusted through opening accumulated surplus, the entity's records indicate that the effects of this departure on the current year financial statements is an overstatement of the liability for deferred capital contributions of \$1,449,000 an understatement of accumulated surplus of \$1,947,000, and a current year overstatement of capital contribution revenue of \$498,000. Accordingly, the current year surplus is overstated by \$498,000 and net debt is overstated by \$1,449,000.

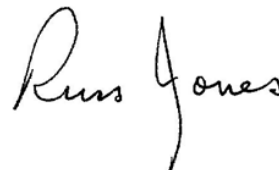
Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Destination BC Corp., as at March 31, 2016, and the results of its operations, changes in its net debt, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

Without modifying my opinion, I advise the reader that I was not engaged to audit the comparative financial statements of Destination BC Corp., as at March 31, 2015, for their fair presentation in accordance with Canadian Public Sector Accounting Standards. The financial statements of Destination BC Corp., as at March 31, 2015, were audited by me and I previously reported on their compliance with Section 23.1 of the *Budget Transparency and Accountability Act*. However, because that audit reported against a different framework than that of the current year, I must advise you that the comparative information in the financial statements and related disclosures are therefore unaudited.

Victoria, British Columbia
May 13, 2016



Russ Jones, FCPA, FCA
Deputy Auditor General

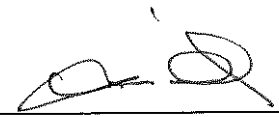


Destination BC Corp.
Statement of Financial Position
 [\$000s]

	<i>Note</i>	March 31, 2016	March 31, 2015
Financial assets			
Cash and cash equivalents	3	6,794	10,412
Accounts receivable	4	507	526
Due from Ministry of Jobs, Tourism and Skills Training		350	0
		<u>7,651</u>	<u>10,938</u>
Liabilities			
Accounts payable and accrued liabilities	5	5,195	3,749
Due to Ministry of Jobs, Tourism and Skills Training		0	5,354
Due to the Public Service Agency		1,359	936
Deferred revenue	7	0	2
Deferred capital contributions	8	2,379	2,952
		<u>8,933</u>	<u>12,993</u>
Net financial debt		<u>(1,282)</u>	<u>(2,055)</u>
Non-financial assets			
Tangible capital assets	9	1,431	1,941
Prepaid expenses		232	376
Security deposits		2	58
		<u>1,665</u>	<u>2,375</u>
Accumulated surplus		<u>383</u>	<u>320</u>
Accumulated surplus is comprised of:			
Accumulated operating surplus		367	310
Accumulated remeasurement gains		16	10
		<u>383</u>	<u>320</u>
 Contractual obligations	 10		

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

Signature 
 Andrea Shaw, Board Chair

Signature 
 Laird Miller, Chair, Finance & Audit Committee

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

	<i>Note</i>	Budget (Note 15)	March 31, 2016	March 31, 2015
Revenues				
Government transfers	12	51,024	52,054	50,974
Program revenue	16	960	1,002	3,149
Interest income		0	153	73
Gains on Foreign Exchange		0	20	34
Capital contribution	8	667	572	442
		<u>52,651</u>	<u>53,801</u>	<u>54,672</u>
Expenses				
	13			
Global Marketing		32,261	33,808	28,659
Destination and Industry Development		13,282	13,079	18,999
Research, Strategy and Communications		1,940	1,816	2,044
Corporate Services	14	4,501	4,469	4,427
Amortization		667	572	442
		<u>52,651</u>	<u>53,744</u>	<u>54,571</u>
Annual operating surplus		0	57	101
Accumulated operating surplus, beginning of year		<u>310</u>	<u>310</u>	<u>209</u>
Accumulated operating surplus, end of year		<u>310</u>	<u>367</u>	<u>310</u>

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

	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>
Opening balance	10	21
Unrealized gains on foreign bank accounts	26	23
Amount of foreign exchange reclassified to the Statement of Operations	(20)	(34)
	<hr/>	
Accumulated remeasurement gains, end of year	<u>16</u>	<u>10</u>

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

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

	Budget	March 31, 2016	March 31, 2015
Annual operating surplus	0	57	101
Acquisition of tangible capital assets	0	(69)	(475)
Disposal of tangible capital asset	0	6	0
Amortization of tangible capital assets	667	572	442
	<u>667</u>	<u>509</u>	<u>(33)</u>
Acquisition of prepaid expenses	0	(232)	(376)
Use of prepaid expenses	0	377	276
Acquisition of security deposits	0	(2)	0
Use of security deposits	0	58	0
	<u>0</u>	<u>201</u>	<u>(100)</u>
Effect of remeasurement gains (losses) for the year	0	6	(11)
Decrease (increase) in net financial debt	<u>667</u>	<u>773</u>	<u>(43)</u>
Net financial debt at beginning of year	<u>(2,055)</u>	<u>(2,055)</u>	<u>(2,012)</u>
Net financial debt at end of year	<u>(1,388)</u>	<u>(1,282)</u>	<u>(2,055)</u>

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

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

	March 31, 2016	March 31, 2015
Operating transactions		
Surplus for the year	57	101
Cash and non-cash items included in surplus:		
Amortization of tangible capital assets	572	442
Deferred capital contributions – government	(572)	(442)
Effect of remeasurement gains (losses) for the year	6	(11)
Accounts receivable	19	51
Accounts payable and accrued liabilities	1,446	(3,341)
Deferred revenue	(2)	(1,170)
Prepaid expenses	144	(100)
Security deposits	56	0
Due to/from Ministry of Jobs, Tourism and Skills Training	(5,704)	9,901
Due to Public Service Agency	423	62
Cash (used in) provided by operations	(3,555)	5,493
Capital transactions		
Acquisition of tangible capital assets	(69)	(475)
Disposal of tangible capital asset	6	0
(Decrease) increase in cash and cash equivalents	(3,618)	5,018
Cash and cash equivalents at beginning of year	10,412	5,394
Cash and cash equivalents at end of year	6,794	10,412

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, 2016

1. Nature of Operations

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

The Corporation reports to the Legislative Assembly through the Ministry of Jobs, Tourism and Skills Training. The accumulated operating surplus includes 1 issued share of Destination BC Corp., value \$1, which is held by the Province of British Columbia.

The purposes of the Corporation are to:

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

The Corporation commenced operations on April 1, 2013.

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

2. Summary of Significant Accounting Policies

a. Basis of accounting

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

b. Tangible capital assets

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

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

Furniture and equipment	5 years
Websites, hardware and software	5 years
Photocopiers	6 years

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

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

2. Summary of Significant Accounting Policies (continued)

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

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

c. Employee future benefits

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

The joint trustee board of the plan determines the required plan contributions annually.

Destination BC Corp.'s contribution to the plan is recorded as an expense for the year.

- ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for coverage of employees during the period.
- iii. The cost of non-vesting sick leave benefits are determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

d. Prepaid expenses

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

e. Revenue recognition

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

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

2. Summary of Significant Accounting Policies (continued)

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

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

f. Expenses

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

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

g. Foreign currency translation

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

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

h. Cash and cash equivalents

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

i. Financial instruments

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

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

2. Summary of Significant Accounting Policies (continued)

j. Measurement uncertainty

The preparation of Destination BC Corp. financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the Destination BC Corp. financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, rates for amortization, provision for doubtful accounts.

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

3. Cash and Cash Equivalents

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

	(in \$ thousands)	
	March 31, 2016	March 31, 2015
Royal Bank of Canada - CAD	6,724	10,260
Royal Bank of Canada - USD	70	50
Lloyds of London	0	16
Bank of Tokyo	0	86
Total	6,794	10,412

4. Accounts Receivable

	(in \$ thousands)	
	March 31, 2016	March 31, 2015
Accounts receivable	508	533
Less provision for doubtful accounts	(1)	(7)
Net Accounts Receivable	507	526

5. Accounts Payable and Accrued Liabilities

	(in \$ thousands)	
	March 31, 2016	March 31, 2015
Accounts payables and accrued liabilities	4,765	3,294
Accrued vacation pay	430	455
Total	5,195	3,749

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

6. Employee Future Benefits

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

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

a. Retirement benefits

The employees of Destination BC Corp. belong to the Public Service Pension Plan (the "Plan"), which is a multi-employer joint trustee plan. The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. Basic pension benefits are based on a formula. The Plan has about 56,000 active plan members, 43,000 retired plan members and 16,000 inactive members.

The latest actuarial valuation as at March 31, 2014, indicated a funding surplus of \$194 million for basic pension benefits. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

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

Destination BC Corp.'s contribution of \$704 thousand (2014/15 - \$667 thousand) to the Plan was expensed during the year.

b. Other employee future benefits

Workplace safety and insurance board obligations

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

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

7. Deferred Revenue

(in \$ thousands)

	Balance April 1, 2015	Receipts during year	Transferred to revenue	Balance March 31, 2016
Magazine Subscriptions	0	0	0	0
Miscellaneous	2	0	2	0
Total	0	0	0	0

(in \$ thousands)

	Balance April 1, 2014	Receipts during year	Transferred to revenue	Balance March 31, 2015
Magazine Subscriptions	1,152	302	1,454	0
Miscellaneous	20	2	20	2
Total	1,172	304	1,474	2

8. Deferred Capital Contribution

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

9. Tangible Capital Assets

(in \$ thousands)

	Furniture and equipment	Websites, hardware and software	2016 Total
Opening Balance	9	2,826	2,835
Additions	69	0	69
Disposals	9	0	9
Closing balance	69	2,826	2,895
Opening balance	1	893	894
Amortization	7	565	572
Disposals	2	0	2
Closing balance	6	1,458	1,464
Net book value	63	1,368	1,431

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

9. Tangible Capital Assets (continued)

	(in \$ thousands)		
	Furniture and equipment	Websites, hardware and software	2015 Total
Opening Balance	9	2,305	2,314
Opening adjustment	0	46	46
Additions	0	475	475
Disposals	0	0	0
Closing balance	9	2,826	2,835
Opening balance	0	406	406
Opening adjustment	0	46	46
Amortization	1	441	442
Disposals	0	0	0
Closing balance	1	893	894
Net book value	8	1,933	1,941

10. Contractual Obligations

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

	(in \$ thousands)					
	2017	2018	2019	2020	2021	Thereafter
Property leases	1,591	1,180	1,180	0	0	0
Other contractual arrangements	11,581	6,599	965	0	0	0
Total contractual obligations	13,172	7,779	2,145	0	0	0

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

11. Risk Management

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

i) Foreign exchange risk

The carrying amount of Destination BC Corp.'s foreign currency denominated financial assets at March 31, 2016 is \$70 thousand (2014/15 - \$227 thousand).

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

A 5% change in USD exchange rate will have an impact on the remeasurement gains or losses of CDN\$3,500.

ii) Interest rate risk

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

12. Government Transfers

	(in \$ thousands)	
	March 31, 2016	March 31, 2015
Revenue:		
Province of British Columbia*	52,054	50,974
Expenses:		
Shared cost agreements**	15,340	13,980
Tourism Events Program	670	0
	16,010	13,980

*increased in 2015/16 by \$360,000 to fund the ExploreBC marketing campaign as well as \$670,000 for distribution to successful applicants in Government's new Tourism Events Program.

**consolidated with transfers to Municipalities, local governments and Service providers.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

13. Expenses

The following is a summary of expenses by category:

	(in \$ thousands)	
	March 31, 2016	March 31, 2015
Government transfers - note 12	16,010	13,980
Advertising	9,398	10,315
Salaries and wages	7,867	8,057
Professional services	7,790	8,029
Information systems	3,279	3,633
Office and business	2,834	3,381
Rental expenditures	2,139	2,317
Employee benefits	1,842	1,920
Support services	937	1,142
Travel	707	681
Amortization	572	442
Other	186	331
Materials and supplies	117	271
Board expenses	66	71
Total expenses	53,744	54,571

As of March 31, 2016, Destination BC Corp.'s actual expenses did not exceed its legislated expenses limit.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

14. Related Party Transactions

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

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

	(in \$ thousands)	
	March 31, 2016	March 31, 2015
Grants from the Province*	52,054	50,974
Amounts paid to the Ministry of Jobs, Tourism and Skills Training	700	1,000
Amounts paid or due to the Ministry of Finance:		
Payroll	9,709	8,969
Building Occupancy Costs	2,102	2,274
Information Technology Services	695	719
Legal Services	125	254
Rent for UK office	0	108
World Host Online Workshop	24	105
Postage, supplies, printing	27	93
Audit Fees	60	60
BC Stats	32	49
Corporate Communications	13	12
Insurance Premiums	24	11
Other (including bank charges)	5	6

*Grants from the Province increased in 2015/16 by \$360,000 to fund the ExploreBC marketing campaign as well as \$670,000 for distribution to successful applicants in Government's new Tourism Events Program. The distribution of the Tourism Events Program funds is included as expenses under Destination and Industry Development in the Statement of Operations.

Destination BC Corp., and its predecessor organizations, has historically entered into a contract with the Kicking Horse Mountain Resort to operate a visitor centre. A Director of the Board of Destination BC Corp. is an officer of the company which owns the Resort.

Destination BC Corp.
Notes to the Financial Statements
for the year ended March 31, 2016

15. Budgeted Figures

Budgeted figures from the 15/16 Service Plan have been provided for comparison purposes. December 9, 2015 the Board of Directors approved re-allocations of the divisional budgets for a more accurate presentation.

The following adjustments were made:

	(in \$ thousands)
Global Marketing	1,066
Destination and Industry Development	(1,054)
Research, Planning and Evaluation	47
Corporate Services	(59)
	0

16. Program Revenue

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

	(in \$ thousands)	
	March 31, 2016	March 31, 2015
Reservations, commission and listings	402	799
Merchandise sales, royalties and other	304	293
WorldHost	296	258
BC Magazine	0	1,799
Total program revenue	1,002	3,149

17. Comparative Figures

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