BUILDING THE TOURISM OF TOMORROW

2021 ANNUAL REPORT

CONTENT

IMPRINT

Photos

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Published by

Message from the President & CEO

For the past two years, our industry has been on a journey that has seen waves of change and suffered many historic lows. Like virtually every business in Canada, we've been constantly evaluating our strategies and operations to find the best areas of opportunity. While 2020 was about responding to the crisis, 2021 was about resetting our way forward.

From the outset of this pandemic, we have been charting along two paths: recovery and resilience.

Our immediate priority has been revenue recovery for our tourism industry. We re-entered the domestic market in a significant way in 2020 and continued these efforts throughout 2021, and together with our partners, we re-wrote our marketing strategies for our target countries. And, as we approach Spring 2022, we are ramping up pressure in international markets to convert travel dreams into actual visits. Rebuilding revenue streams for tourism businesses is imperative.

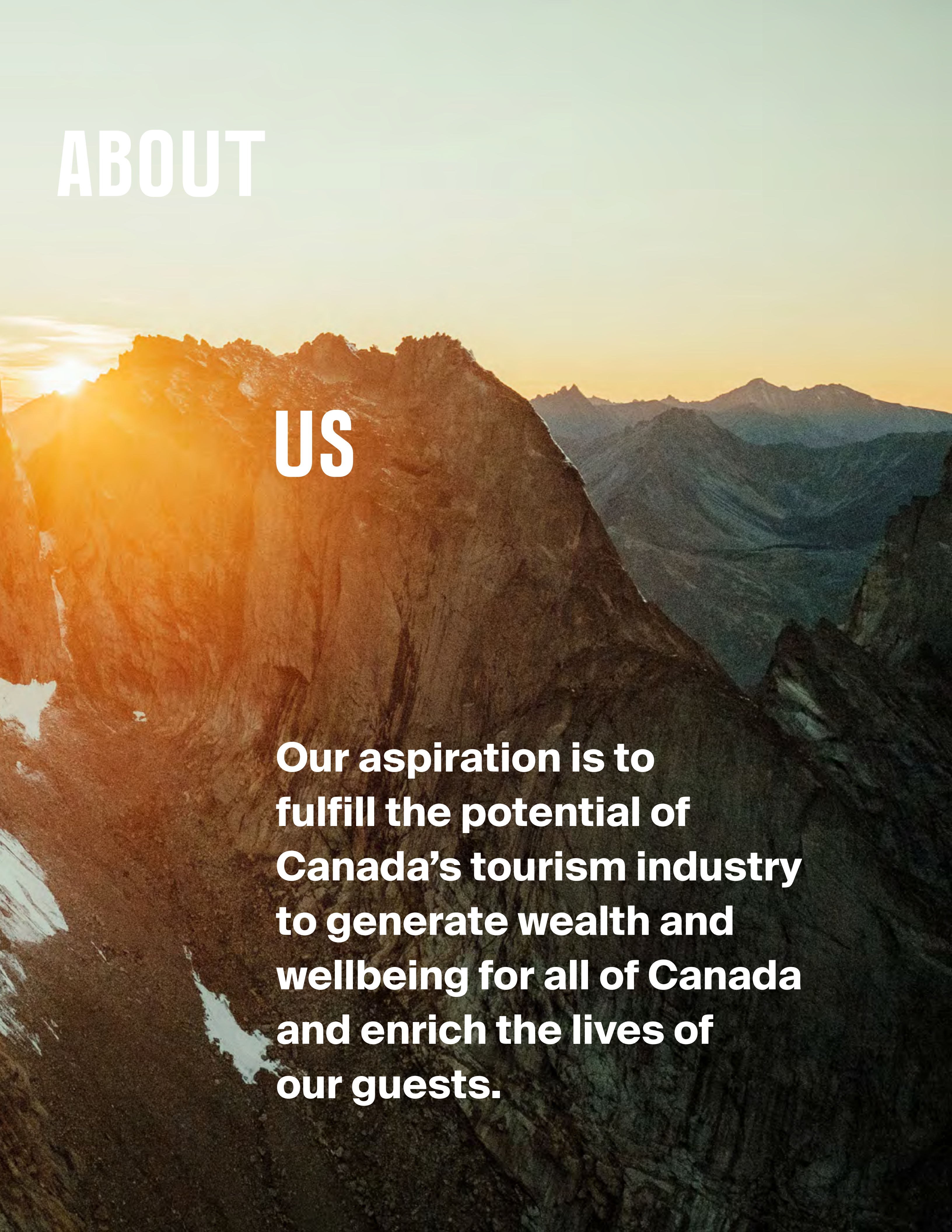
In the longer-term, we know that the tourism industry needs to build its resilience. This requires a new way of thinking that demands aspiration beyond recovery to 2019 levels. We want tourism to be better in its next life. To be stronger, more profitable, and purposeful in how it benefits the world. We need to think deeply about how to ensure our industry generates wealth and wellbeing for the people of our industry and our host communities in the future. Both of these paths are critical as we move ahead.

In August, we welcomed the Honourable Liza Frulla, PC CM OQ as the new Chair of our Board of Directors, and we also thank Monique Gomel for her exceptional leadership and valuable contributions during her time as Interim Chair, succeeding the indefatigable Ben Cowan-Dewar. Ms. Frulla is a respected tourism leader in Canada and we look forward to continuing our work to accelerate our industry's recovery, strengthen Canada's tourism competitiveness and build long-term resilience for the sector.

Despite facing incredible hardships, and the present need for a significant rebuilding of the industry's supply chain, the future prospects for growth remain very positive. We know that, together, we can elevate the impact that the visitor economy has in creating net economic, socio-cultural and environmental benefits for all Canadians.

Marsha Walden
President & CEO

Tombstone Territorial Park Yukon



ABOUT US

Our aspiration is to fulfill the potential of Canada’s tourism industry to generate wealth and wellbeing for all of Canada and enrich the lives of our guests.

Mandate

Destination Canada is a federal Crown corporation owned by the Government of Canada, reporting to the Minister of Tourism and Associate Minister of Finance.

Established under the *Canadian Tourism Commission Act* in 2001, our legislative mandate is to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

Who we are

At Destination Canada, we work to fulfill the potential of the tourism industry to generate economic growth and wellbeing for all of Canada and enrich the lives of our guests.

Our mission is to influence domestic tourism supply and build global traveller demand for the benefit of residents, communities and visitors through leading research, strategic destination development with public and private sector partners, and marketing Canada nationally and abroad to attract leisure travelers and business events delegates.

We aspire to build a premier four-season tourism industry that is regenerative in nature—supporting economic prosperity, socio-cultural vibrancy, and environmental thrivability throughout Canada. To evaluate our progress, we are working with Team Canada partners, Statistics Canada and a broad cross-section of tourism industry players to define new indicators for tourism's contribution to Canada's economic growth and wellbeing.

Funding sources

We are financed primarily through parliamentary appropriations and operate on a calendar fiscal year.

In response to the pandemic, Budget 2021 announced a recovery plan for jobs, growth and resilience. This Budget included $100 million over three years to Destination Canada, in addition to our base funding, for marketing campaigns to help Canadians and other visitors discover and explore the country. In 2021, we received $96.2 million in base parliamentary appropriations, and also spent carryover funds from previous years.

Destination Canada
2021 Annual Report

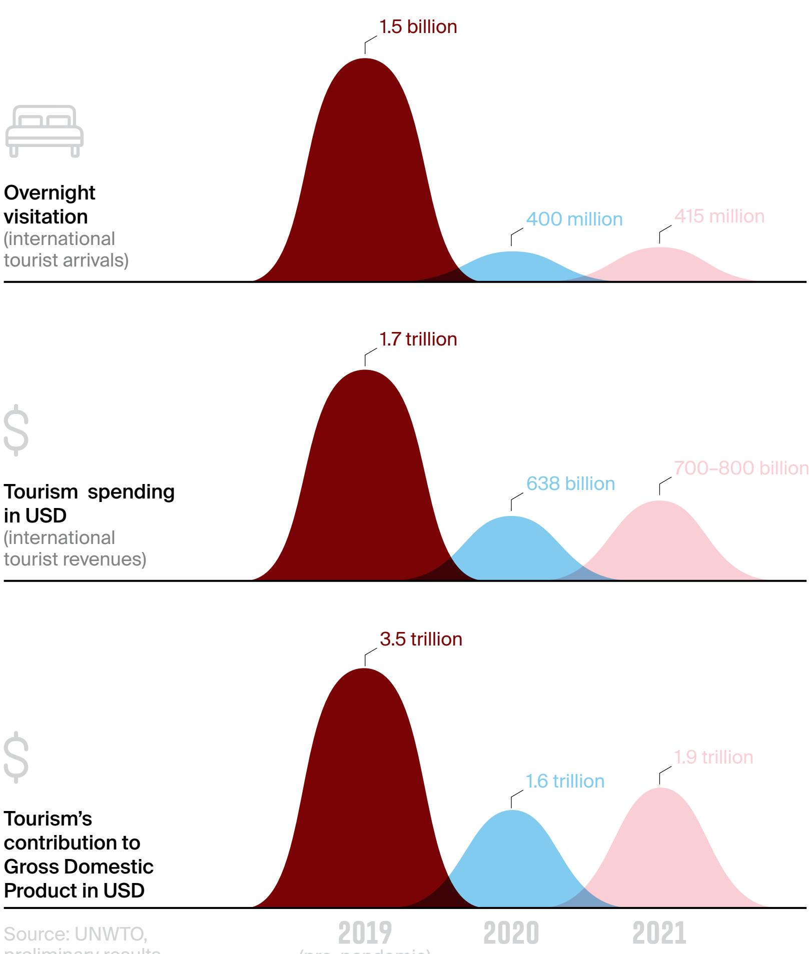
Spirit Island, Maligne Lake   Jasper National Park   Alberta

CONTEXT

Global landscape

The global pandemic presented another challenging year for tourism.

Economic impact of COVID-19 on global tourism



Source: UNWTO, preliminary results

While overnight visitation increased modestly in 2021 from the previous year, it still lagged far behind pre-pandemic levels. According to the UNWTO, the slight 4% improvement was driven by increased traveller confidence stemming from rising vaccination rates and the easing of travel restrictions in many destinations[1].

Heading into 2022, however, the pace of recovery remains slow and uneven amid surging infections in some parts of the world. The reintroduction of travel bans and restrictions for certain markets, combined with uneven vaccination rollout, is again taking a toll on consumers' confidence to travel. At the same time, the evolving Russia/Ukraine conflict, along with economic challenges of rising oil prices, inflationary pressures and continued supply chain disruptions, pose further threats to the effective recovery of international tourism.

Looking ahead, experts cite greater vaccination rollout, a major lifting of travel restrictions, and clearer information on travel protocols as the main accelerants of global tourism recovery. The majority of UNWTO experts now expect a return to 2019 levels in 2024, downgraded from their previous estimates of a recovery in 2023[2]. Until then, experts predict that domestic tourism will continue to drive sector recovery for many destinations as travellers look to stay closer to home.

1 UNWTO World Tourism Barometer, UNWTO, January 2022

2 Ibid

Tourism in Canada

For the past two years, Canada's tourism sector has been the hardest hit.

It has been disproportionately impacted by COVID-19 and is pegged to be the last sector to recover. The emergence of new variants and increased hospitalizations reintroduced waves of lockdowns and restrictions across the country in 2021, fueling already enormous challenges for the sector that emerged the year before. These include labour shortages in tourism, supply change disruptions and increased costs of travel.

While domestic demand for travel picked up at a moderate pace in 2021, Canada still suffered from suppressed international travel due to border restrictions and a sluggish return of business travel.

CONTEXT
Tourism in Canada

The Government of Canada extended federal support programs in 2021, and also instituted new measures to control the spread of COVID-19 through the widespread availability of vaccines and the introduction of vaccine certificates. The public service, along with many other employers, mandated vaccinations for workers.

Amid Canada's high vaccination rates and decreased hospitalizations due to COVID, Canada reopened its borders to fully vaccinated international travellers by Fall 2021. In addition, in February 2022, the Government of Canada rolled out a series of adjustments to ease border measures. While the impacts of COVID-19 have been significant and there is still a long road to recovery, these steps are clear signs that travel is reawakening.

Prospects for recovery

Prior to the COVID-19 pandemic, Canada had been experiencing five consecutive years of growth.

Presently, the Canadian visitor economy is projected to fully rebound to record 2019 revenue levels by 2026. Travel has been in constant change due to vaccination and testing requirements, supply chain gaps, labour shortages affecting the quality of service delivery, and decreased interest due to the cancellation of major festivals and events. Compounded by an asymmetric reopening predicted in key source markets, it is anticipated that domestic travel will generate nearly 90% of Canada's tourism revenue in 2022. Full recovery is expected to stretch into 2026 and will be predicated on several factors, including restored air access and an easing of global travel restrictions.

Destination Canada
2021 Annual Report

Athabasca Sand Dunes Provincial Park Saskatchewan

MANAGEMENT DISCUSSION & ANALYSIS

Strategic performance

The global pandemic required us and our industry to re-think everything. It required us to sharpen our thinking, have the courage to try new approaches, and redefine success across multiple dimensions in what we envisioned would be a ferociously competitive marketplace.

Our new corporate strategy invokes a new way of thinking about how we strengthen the visitor economy. It is based on four pillars that define how we will strengthen our value proposition and our competitive advantages, and how we will build a regenerative tourism industry that contributes net benefits to Canada's communities.

These pillars are:

- **Brand Resonance**
  We will sharpen Canada's global identity as an ideal place to visit (and, by extension, to study, work, invest, and live).
- **Legendary Experiences**
  We will increase the quality and quantity of internationally competitive travel experiences we offer in Canada.
- **Industry Vitality**
  We will increase our industry's global competitiveness, business profitability, and seasonal and geographic dispersion.
- **Social License**
  We will improve Canadians' perception of the contribution tourism makes to their quality of life in communities so that they continue to welcome tourism businesses and visitors.

With a surplus from 2020 due to paused marketing activities resulting from travel mobility restrictions, and with additional funds from Budget 2021 to help Canadian and international travellers discover and explore Canada, we amplified existing programs to focus on short-term industry recovery while setting the stage for long-term industry transformation. In particular, funds from Budget 2021 were used to augment program activities in the leisure marketing space and to pursue major business events. The cumulative program investment worked as a collective towards our overall goal of increasing tourism revenue that is attributable to our efforts.

In 2021, tourism generated $63.3 billion in revenue for Canada – a stark contrast to the pre-pandemic figure of $104.4 billion in 2019. Destination Canada is committed to growing the visitor economy in order to help the industry recover and even surpass this level. We have set a target to generate $5 billion in tourism revenue for the visitor economy by 2025 that is attributable to our own efforts. Having generated $1.06 billion in 2021, we are on track to achieve this goal.

Performance result: Economic impact

OUTCOME	MEASURE	TARGET	RESULT	STATUS
Long-term: Visitor economy is positively impacted by major programs	Attributable tourism revenue	$5.0 billion by 2025	$1.06 billion	On track

Leisure – Domestic

Given borders were closed to international travellers for much of the year, we stayed the course on aggressively marketing long-haul trips within Canada to domestic audiences—a substantial shift from primarily marketing Canada internationally before the pandemic.

Our ongoing focus in 2021 was to restore confidence in travel and stimulate long-haul domestic travel and city stays. Canada's major urban centres, which have been the most severely impacted by the pandemic, are the gateways to Canada—generating the majority of tourism revenues and supporting international access to our rural areas. Recovery of these gateways is critical to the long-term health of the entire sector.

Our campaign encouraged Canadians to plan and book inspiring city experiences in the country they call home and incorporated various elements such as broadcast, print and online editorials, social media and bookable partner promotions.

Heartbeat of Canada

Tourism is the heartbeat of Canada's communities.

Our industry anthem video shone a powerful spotlight on the makers, performers, business owners, and talent who make up Canada's tourism sector and the critical role they play in so many aspects of our lives. The campaign will continue to celebrate the diverse and talented people who make their careers in tourism—from helicopter pilots to wilderness guides, from pastry chefs to hotel engineers, from international salespeople to servers in local pubs.

Postcard Campaign

Helping Canadians reconnect with family and friends they've missed during the pandemic was brought to life through our postcard campaign.

Inspired by destinations from coast to coast to coast, the series of postcards were mailed by Destination Canada on behalf of Canadians to loved ones. The campaign was intended to create opportunities for shared experiences and encourage Canadians to enjoy travel in Canada, when restrictions lifted.

Performance result: Leisure – Domestic

DESIRED RESULT	MEASURE	TARGET	PORTION OF TARGET *Attributable to budget 2021 funding*	RESULT
Short term: Tourism economic recovery is stimulated	Incremental spend by Canadians in Canada due to DC's activities	$254 million	$24 million	$569.4 million

Canadian Travel Packages and Offers

Ensuring Canadians were aware of the world-class experiences on offer across the country was key to the recovery and revitalization of our sector.

The launch of two new partner portals allowed us to drive bookings for our tourism operators and restart revenues for the visitor economy. Our Canadian travel packages portal showcases 130 purchasable packages and itineraries for domestic travellers to explore and experience the best of Canada. The packages portal has been an incredible success, receiving nearly 1.5 million views and generating over 86,000 leads to tour operators. A parallel travel offers page captures timely deals in one place on the website, and also features experiences connecting travellers with the stories and cultures of First Nations, Inuit and Métis peoples across Canada.

CTV Your Morning

We partnered with CTV Your Morning to produce a 13-part series to promote the summer travel season in Canada.

The series was developed in collaboration with the Indigenous Tourism Association of Canada and provincial and territorial marketing partners. Featuring travel experts and local personalities, CTV Your Morning took viewers across Canada to help inspire summer travel plans and ask the question, *Where will you go first?* The series generated huge results, garnering over 55 million impressions.

Leisure – International

While our strategy in the domestic market was to accelerate recovery through immediate bookings, our strategy internationally was to compete vigorously by keeping Canada top of mind during the travel dreaming and planning stages of the path-to-purchase—firmly placing Canadian destinations in the consideration set for future travel. We focused on inspiring high-value guests to want to experience Canada's remarkable people and places, as travel restrictions permitted. With changing restrictions at home and abroad, our marketing tactics were flexible to allow for real-time changes as needed, realigning investments and campaign messaging as circumstances changed.

UNITED STATES

In August 2021, Canada reopened its borders to fully vaccinated American travellers. With the United States (US) being Canada's largest source market, Destination Canada focused its attention on those US states promising the biggest opportunity for recovery. In particular, we targeted high-value guests—affluent individuals who travel frequently and with purpose, and who are eager to travel again soon.

We highlighted Canada's most recognizable and desirable tourism assets—Canada's icons—to strengthen the nation's global identity and to position our country as the ideal place to visit. By differentiating Canada through impactful storytelling around distinct, iconic experiences including cities, culture and wide open spaces—we inspired potential guests to dream of Canada and begin planning their journey to visit.

Immersive Northern Lights Installation at Grand Central Station

In December 2021, Destination Canada transported the northern lights to New York City with an interactive installation in Grand Central Station.

With a floor-to-ceiling mirrored light display, the installation offered visitors the experience of walking under the Northern Lights. Accompanying audio and interactive, 360-degree, 3D visuals gave visitors a taste of this iconic experience with the goal of inspiring future visits to Canada's north to see this natural phenomenon in real life. Over the course of three days, the installation drew over 9,100 visitors and received 149 pieces of earned media coverage, including 37 broadcast segments.

By focusing on Canada's icons, like the intensity of our Northern Lights, we differentiate the Canada brand from other destinations and inspire potential guests to visit.

Status Matching Program

The pandemic has battered travel from the US, Canada's largest source market. Visits from Americans have fallen from 15 million in 2019 to 1.9 million in 2020—a drop of 87%.

To help reverse this decline and revive crucial traffic from the US, we partnered with Air Canada and Status Match on a new status match program to encourage frequent-flier Americans to visit north of the border. Launched in the fall of 2021, this time-limited promotion allowed US travellers already receiving travel perqs on eligible major US airlines to have their loyalty program status matched on Air Canada. This impressive offer marked the first time a tourism organization has used status-matching to entice visitors to travel to their destination.

While the ultimate goal was to restore routes from the US and stimulate air travel in 2021 and 2022, the initiative also allows us to continue engaging with this high-value segment through personalized data-based marketing. Frequent fliers tend to spend more per trip, often travel for business, and are curious about trying new experiences—all benefiting local communities. This initiative provided a unique incentive to high-value Americans looking to visit and explore Canada's iconic landscapes and diverse communities.

OTHER INTERNATIONAL MARKETS

To remain agile in adjusting to restrictions and resident sentiment at home and abroad, we followed a phased approach to re-engage our international markets in 2021.

Maintaining good relations with strategic trade and media accounts was key to keeping Canada top of mind while travel restrictions were in place and building a strong foundation to support purchase conversion when the time was right. Preserving positive relations with trade partners and retraining their sales professionals on refreshed Canada travel products was a necessary pre-cursor to successfully restarting sales activities in our key markets as international travel restrictions lifted.

To this end, in 2021, we launched our new travel agent education portal and conducted training along with our industry partners.

In anticipation of border re-opening, we established new cooperative marketing opportunities with select in-market trade partners and developed and distributed inspirational content through leading trade and consumer channels targeting high-value guests.

The surplus from 2020 and additional funding provided through Budget 2021 allowed us to rescript and distribute video collateral in the United Kingdom (UK),

Canada Specialist Program

During times of uncertainty, travellers rely even more heavily on travel professionals to book their vacations.

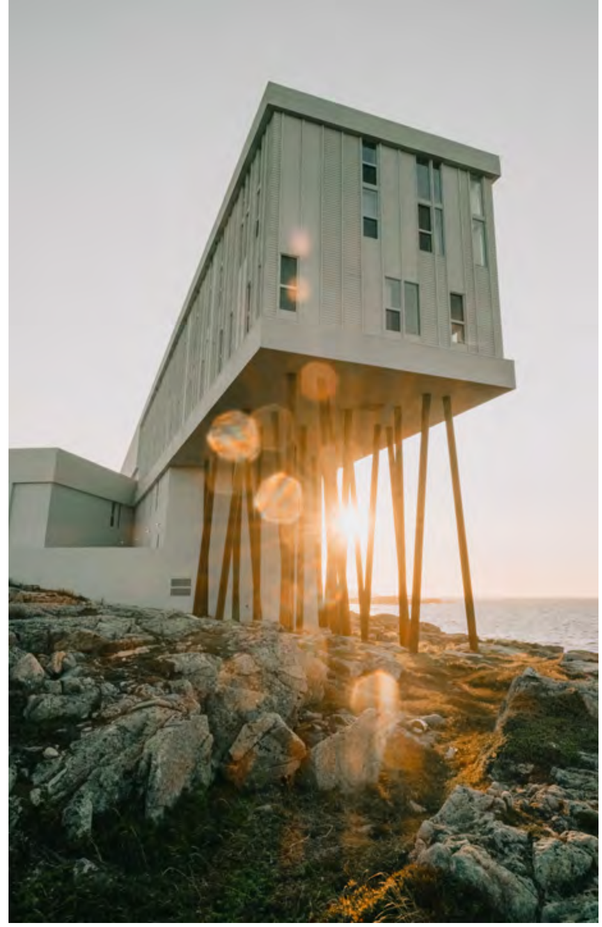
In the early days of the pandemic, we re-created our trade education program for a virtual platform that featured travel content from all the provinces and territories, Parks Canada and the Indigenous Tourism Association of Canada. We trained over 3,500 travel advisors internationally through our Canada Specialist Program, providing them with the latest in destination information and evolving border entry requirements.

Later in 2021, we took our world-class advisor training program to another level to heighten the education experience and elevate the sales expertise of travel professionals. The enhanced program now includes refreshed content covering theme-based travel experiences such as culinary, adventure, Indigenous and winter, to name a few. It also incorporates interactive learning modules and access to user-friendly tools and resources to sell Canada more effectively.

In early 2022, the new interactive Canada Specialist Program will further feature experiential content from 16 cities across Canada.

France and Germany to increase awareness and consideration for Canada. Similarly, our US winter campaign was successfully repurposed for the Mexico market; however, reinstated travel restrictions in December required a pause on the campaign.

Consumer awareness activity complemented the sales-focused trade co-operative marketing campaigns, helping to drive travellers further down the path to purchase.



Rendez-vous Canada+

Over its 45-year history, Rendez-vous Canada (RVC) has developed a reputation as Canada's premier tradeshow marketplace for the tourism industry.

Meeting and travel restrictions due to the pandemic required a shift from our traditional in-person marketplace to a virtual platform in 2021, and our virtual RVC+ was a success in connecting foreign travel trade buyers with Canadian sellers of tourism products and services.

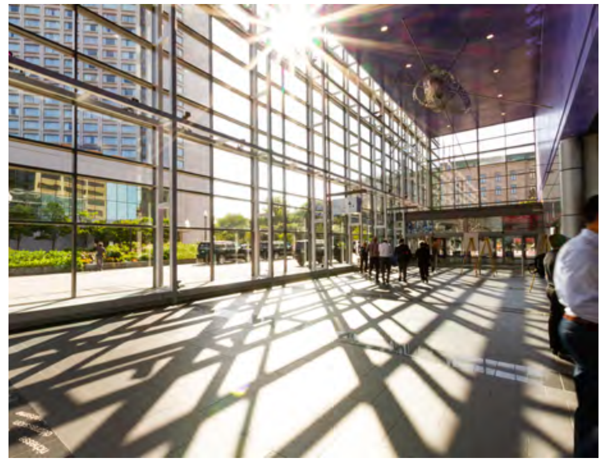
Hosted by the Indigenous Tourism Association of Canada, this year's event drew more than 550 Team Canada sellers and over 440 domestic and international buyers. Featuring virtual meetings and visits to vendor booths on a virtual platform, this signature event for our sector ensured that Canada continues to stay relevant in our key international markets, and reinforced that as travel restrictions ease, Canada remains a world-class travel destination.

Business Events

Many organizations have been cautiously optimistic about returning to in-person business events and incentive travel. There continue to be setbacks with each wave and new variant, resulting in event organizers and delegates preferring to stay close to home for business events.

While business events activity has been on the rise, many organizations are still resolving issues from 2020 and dealing with contracts that have been moved or cancelled. Similarly, Destination Canada and our partners have been working to save booked events that were put on hold and reconfirm them for future years, while also working to secure new business events for the future.

Through an increased presence at major events for meeting planners and key industry sectors, we remained connected with C-suite decision makers and influential leaders of international corporations and associations to identify valuable hosting opportunities for our partners on the ground.



IMEX America

IMEX America has long been the largest meetings industry trade show in the US.

Returning to this event in 2021 was a milestone for Destination Canada and our partners, not only because we had the largest Canadian presence ever with over 60 partners and the most floor space of all exhibitors, but it was the first in-person event for many meetings decision-makers in almost two years.

Over the course of the three-day event, we provided a glimpse of the tastes, sights and hospitality that define Canada and make it a premier destination for global business events. In return, we were able to facilitate business development opportunities, generate leads and secure seven media opportunities with leading accounts in the meetings, incentives, conferences, and exhibitions field.

We also dug deeper into our global sector strategy to pursue large-scale, renowned events that align with Canada's targeted economic growth sectors: technology, life sciences, advanced manufacturing, agribusiness, natural resources, and finance and insurance. These 'unicorn events' produce tangible economic and social benefits for host countries and could be a catalyst for stimulating economic recovery in Canada. In 2021, we began our pursuit of unicorn events in partnership with the largest municipal destination marketing organizations and our network of federal colleagues.

Incentive Canada Winter Program

Since 2012, Incentive Canada—a signature summer event hosted by Destination Canada—has been providing opportunities to showcase Canadian destinations and create meaningful in-person connections with international corporate clients and incentive agencies.

In late 2021, we expanded this concept with the launch of our Incentive Canada Winter Program. We welcomed 20 incentive buyers from the US and Europe to this first-ever event which took place in Vancouver and Whistler. Buyers took part in some of Canada's most exhilarating outdoor adventures, unparalleled culinary experiences and authentic cultural activities.

Performance result: Business Events

DESIRED RESULT	MEASURE	TARGET	PORTION OF TARGET *Attributable to budget 2021 funding*	RESULT
Short term: Target decision makers book business events	Number of future booked business events from international organizations at year-end	597	N/A	625
	Value of future booked business events from international organizations at year-end	$1.19 billion	N/A	$1.24 billion

Partnerships

Strategic partnerships shape how we work with our industry to drive collective success, and as such we remain focused on aligning with partner priorities and their investments. However, as anticipated, our tourism sector partners continue to face major budgetary constraints as a result of the pandemic. This limits their co-investment capabilities, and it is anticipated that this limitation will persist for the coming years.

Furthermore, over the years, and particularly throughout the pandemic, the nature of how and with whom we partner has evolved. Together with our partners, we have been executing on joint marketing strategies that have resulted in the sharing of valuable marketing intelligence, reduced costs and efforts, and increased economies of scale. This evolution in our partnership model to one more aligned with systems thinking has strengthened the impact of our collective investments and marketing activities, and can be seen through the few examples noted in this section. However, as a result of this shift in our model, the full contribution of partner investments is unable to be captured under the current partner contribution methodology, contributing to the low partner-co-investment ratio.

For years, Team Canada has been evolving and refining its collaborative strategy because we believe it is what will make us more effective in a highly competitive global tourism marketplace. Within the ever-changing environment of COVID, we will continue to build on this strategy side-by-side with our partners to elevate Canada's competitive success as a tourism destination.

WestJet: *Ready. Set. Canada.*

We collaborated with WestJet on a campaign designed to inspire Canadians to visit domestic destinations and take part in experiences only a WestJet flight away.

As Canadians were looking to reunite with friends and family or explore the country once again, the campaign capitalized on this interest by highlighting diverse landscapes and experiences in every Canadian destination where WestJet flies. In addition, provincial, territorial and city destination marketing partners had the opportunity to further tap into a national audience of people with near-term travel intentions through partner-specific campaigns that increased exposure and visitation for their respective destinations.

Performance result: Partnerships

DESIRED RESULT	MEASURE	TARGET	RESULT
Short term, medium term and long term: Partners are aligned	Partner co-investment ratio	1:1	0.3:1

Indigenous Tourism Association of Canada: The Original, Original

As part of a long-term partnership, we expanded our work with the Indigenous Tourism Association of Canada (ITAC) with a $2.95 million marketing investment to assist in the recovery of Indigenous tourism businesses. The investment consisted of cooperative funding plus in-kind support and enabled ITAC to move forward with their summer marketing campaign, The Original Original. Encapsulating the spirit of Indigenous travel experiences across Canada, the campaign promoted Indigenous tourism operators from coast to coast to coast.

Virtuoso: *Boundless*

As part of our US program, we collaborated with a key travel trade partner, Virtuoso to create a special edition magazine supplement called *Boundless*.

With their global network of agencies specializing in luxury and experiential travel, Virtuoso's *Boundless* publication was a natural fit to reach the luxury travel segment and highlight legendary travel experiences found in Canada. The print and digital magazine featured content that highlighted Canadian destinations and were accompanied with engaging, beautifully designed editorials.

In the US, *Boundless* was later extended through The Washington Post, Financial Times and Robb Report, and while the partnership began as an effort to lure US high-value luxury and incentive audiences, the resulting content was also repurposed in some of our other international markets.

Expedia: Canada Content Hub

Through a joint business plan, Expedia, Destination Canada and our partners have been working together under a partnership framework designed to achieve measurable business goals and ensure growth to Canada's visitor economy.

In 2020, we launched our first-ever Canada platform with Expedia for a domestic audience. Working together with our partners in all thirteen provinces and territories, as well as the Indigenous Tourism Association of Canada and the Canadian Ski Council, we developed this highly functional and robust content hub.

The program leverages existing Expedia audiences to capture attention late in the planning cycle and secure incremental bookings to Canadian partner destinations. Throughout 2021, we also launched Expedia platforms in our international markets including in the US, UK and Germany.

Building on our relationship with Expedia, in the summer of 2021, we ran a national campaign targeting high-value guests and Expedia members in our core US states. The campaign focused on driving awareness and inspiration to travel to Canada again, once restrictions were lifted. As borders reopened to US travellers in August 2021, we updated our messaging to convert previous interest and awareness to actual bookings.

The campaign created an opportunity for partners to co-invest under the joint business plan with Expedia and benefit from the exposure created by our investment. From Summer 2020 to Summer 2021, partners co-invested over $5 million through this joint business plan with Expedia.

Google & Team Canada

Destination Canada and Team Canada partners have been working smarter and harder to rebuild the visitor economy. Through a joint business plan with Google, we have been investing and working together to achieve ambitious, time bound and measurable business goals that are enabled by Google's data, technology, measurement, and media platforms.

By leading a coordinated approach for Team Canada to work under one umbrella, we are driving a strategic partnership that provides significant learnings and advances our collective digital maturity. Trends, data and technology insights from the tech giant mean better intelligence—intelligence that enables us to deeply understand and learn about our target audiences and drive marketing strategies aimed at accelerating recovery. The scale of this joint investment results in better value, insightful analytics and financial savings for all.

Destination development

The market for globally competitive Canadian tourism experiences is currently under-developed and is concentrated in a handful of regions over just one or two seasons.

Despite almost two years of devastation to the industry caused by COVID-19, the tourism sector continues to offer strong potential for long-term growth. Helping tourism businesses grow and generating wealth for communities requires experiences and places that high-value guests will want, in multiple seasons, in accordance with the aspirations of host communities.

To help make Canada's tourism destinations more globally competitive, we embraced a new responsibility for strategic destination development and stewardship. Over the years, we will work collaboratively with other organizations—public, private, and not-for-profit—to build a comprehensive destination development strategy that enables tourism businesses to prosper, local cultures to thrive and inspires communities to welcome guests from around the world.

In 2021, we met with many partners across a broad spectrum of industry and government to build relationships and share national perspectives on tourism recovery and resilience, including key trends affecting our future such as the ascendance of community, the principles of regenerative tourism and investment attraction. We also developed frameworks to identify and advance destination development potential.

Our work over the last year has begun laying the groundwork to elevate Canada's competitiveness in the long-term and cultivate the fertile conditions for destinations to truly thrive.

Data and analytics

Destination Canada plays a significant role in supplying industry, governments, partners, media and our own organization with useful and reliable information.

Throughout 2021, we continued to supply a torrent of data, research and analysis—including business intelligence, competitive insights, industry trends, market analysis and revenue forecasts—to governments, industry associations and businesses to assist them with navigating the pandemic and its challenges.

In March 2021, we released the report *Revisiting Tourism: Canada's Visitor Economy One Year* into the Global Pandemic which described the condition of Canada's tourism sector and the importance of tourism to the lives and livelihoods of all Canadians. Later in the year, we released our trends report, *Tourism's Big Shift: Key Trends Shaping the Future of Canada's Tourism Industry*, which identified changes in global mega-forces, tourism trends and consumer behaviours.

We enhanced our Visitor Intelligence Platform with additional data points to better assess traveller spending patterns, profiled high-value audiences in all our markets, established a research program to support our new role in destination development, and created audience profiles for business events.

In addition, to further support our goal of becoming an insights-driven organization, we established a data strategy that underpins our ability to transform how we do business in the future—using both demand-side and supply-side information.It will guide how we connect with travellers and do business with partners, and will draw better insights from economic development data to build a more competitive destination.

By the numbers

350+ Curated datasets

415 Publications

75000 Downloads

40 Research partners

233000 Small- and medium-sized businesses

1,500+ Media outlets

Management controls

Risk management

We use an integrated risk management approach that considers risks at all stages of the business cycle from the strategic planning phase to day-to-day business operations. We follow a formal risk review process including working groups of key staff, the senior management team, our Board of Directors and the expertise of an independent third party. We use the risk assessment in the development of our five-year corporate plan, risk mitigation strategy and internal audit plan. Focus is placed on identifying and mitigating risks that could impede the delivery of our strategic plan.

The significant impacts of the pandemic on tourism and our own operating environment necessitated an update to our risk register in mid-2021. These risks were included in our 2021–2025 Corporate Plan Amendment, approved in November 2021. To effectively manage each strategic risk impacting our organizational objectives, in 2021, we undertook the risk mitigation activities noted in the following table:

NON-FINANCIAL RISKS

Global economic and geo-political

● 2021 ● 2020

There is a risk that the global economy and the economies of the markets where we invest could experience a significant slowdown in growth, changes in the political landscape, an impact from climate change, a global health event or changes in security which would impact travel to and within Canada.

Mitigation activities taken: We used research and data analytics to make decisions about the best opportunities for Canada domestically and internationally, given the changing circumstances throughout the year. We worked closely with our provincial, territorial and city partners to ensure alignment, and that our decisions were informed by the experience and feedback from our partners. We reallocated funds as the changing conditions throughout 2021 dictated. We supported industry with research, information, tools, media assets and sales opportunities to support our partners, and the industry as a whole, which helped maintain businesses during this critical period.

● High residual risk
● Medium residual risk
● Low residual risk

Pandemic

● 2021 ● 2020 n/a

There is a risk that we will not be able to market Canada effectively in the "new normal" as a result of the disruption of demand for domestic and international travel caused by the COVID-19 pandemic. Canada will face fierce international competition for visitors when borders reopen and reduced infrastructure, talent, capabilities and systems dedicated to moving visitors due to the pandemic shut down.

Mitigation activities taken: Our investments and revisions to our budget throughout the year were data driven. We have begun investing in a strategy to improve airline access and increase the number of direct flights from our target markets. As part of this strategy, in 2021, we executed new marketing campaigns in partnership with both WestJet and Air Canada.

Stakeholder confidence

● 2021 ● 2020 n/a

There is a risk that our ability to support a vibrant and profitable Canadian tourism industry does not match stakeholder expectations, negatively impacting our reputation.

Mitigation activities taken: We continued regular communication with our key stakeholders to ensure alignment in terms of strategy and tactics. We hosted webinars for key industry partners and small and medium-sized enterprises throughout the year to share the findings of our insights and analytics. We met with government stakeholders regularly and kept them informed on the progress of our strategic priorities. As feedback was received from stakeholders, we revised our strategy to continually improve our alignment with their expectations.

Strategic shift

● 2021 ● 2020 n/a

There is a risk that our strategy shifts and the funding and resources required to execute may not be aligned to effectively deliver on our mandate. Our reliance on partners in the context of destination development and the broader mandate results in challenges in meeting objectives and managing relationships.

Mitigation activities taken: We confirmed our understanding of our mandate with the shareholder, as the travel restrictions set in 2020 continued into 2021. It was difficult to predict exactly when the 2021 Federal Budget one-time additional funding would be fully approved and accessible to Destination Canada, so we cash managed our budget throughout the year. In 2021, we met with partners across a broad spectrum of industry and government to build relationships and share perspectives on tourism recovery and resilience, including on key trends affecting our future such as community, the principles of regenerative tourism, investment attraction and frameworks to identify and advance destination development potential.

Marketing effectiveness

● 2021 ● 2020

There is a risk that we are not effective at promoting Canada as a premier tourism destination.

Mitigation activities taken: Collectively with our partners, and in consultation with our advisory committees, we worked to address the challenges of COVID-19 and the changing travel restrictions. We strengthened our digital and strategic marketing capabilities and increased reporting frequency to provide more specific and relevant data to our partners and the industry. We improved access to, and analysis of, quality data for our strategic partners and ourselves. In addition, we evolved our brand to create a strong emotional connection with guests and inspire greater visitation to Canada.

● High residual risk
● Medium residual risk
● Low residual risk

Performance measurement

2021 2020

There is a risk that we will be unable to measure the impact, effectiveness and attributable results of our marketing efforts, including the use of new marketing communications technologies in a manner that is meaningful to our stakeholders.

Mitigation activities taken: In addition to using the latest technology to measure the results of our marketing efforts, we continued working with our partners to improve performance measurement approaches and explore standardized measures. We worked with partners to measure the impact of our collective marketing efforts through an improved process for data sharing and analysis.

Change management

2021 2020

There is a risk that our dynamic and changing needs for skills and talent to support our shift in strategy may negatively affect our organizational efficiency and effectiveness. These dynamics may impact our ability to attract the right talent, maintain employee engagement and ultimately retain staff due to the competition in the marketplace for these skills and experience, which are new and in demand.

Mitigation activities taken: We continued to focus on training, job enrichment opportunities and enhanced employee communications. We continued to modernize our staffing approach and updated succession plans at the management level to ensure the seamless continuity of business when key leadership positions were vacated. We did see more turnover in management positions in 2021, as opportunities outside of Destination Canada were difficult to compete with, given our size and structure. In addition, we have continued to train more staff on project management, which helped us to develop agile project plans and clear accountabilities and responsibilities, which has driven many of our strategic priorities forward in 2021.

Partnership and relationship management

2021 2020

With our reliance on strategic partnerships and the number and complexity of such arrangements, the risks associated with managing partnership contracts and agreements grow. As we strive to share our research, and collaborate and communicate in new ways and with new stakeholders in the visitor economy, risks associated with managing such wide-reaching relationships grow as well.

Mitigation activities taken: We have continued to evolve our partnership model to consider our collective investments and activities in order to make Team Canada more competitive in the global tourism marketplace. With the challenges presented by COVID-19 travel restrictions, we have continued to thoughtfully choose partners who can improve our chances of attracting high value guests from our target markets, with examples featured in the Partnerships section of this Annual Report.

High residual risk
Medium residual risk
Low residual risk

FINANCIAL RISK

Currency

2021 2020

There is a risk that the impact of a lower valuation of the Canadian dollar and the resulting decreased purchasing power will result in diminished reach and reduced impact of our marketing efforts in highly competitive international marketplaces.

Mitigation activities taken: We employed a balanced portfolio approach where investments were spread across a diversified set of leisure and business markets to balance risk and maximize return. In addition, we worked with our large vendors to manage this risk by setting foreign exchange rates in advance of each month to reduce the fluctuation of value in our foreign currency transactions.

Modernizing our Enterprise Risk Management Framework

With the continuing impact of the pandemic and the dramatic change to the tourism sector's landscape, we revised our risk register again in late 2021. This revision was necessary to better match our new reality and to more closely align with our refreshed strategy for 2022 and beyond.

The new risk framework goes beyond standard business and financial risks to categorize strategic risks under the following four lenses:

- **Economic**
  This includes changes in macroeconomic conditions, such as supply chain disruptions, geo-politics and major global events, which could negatively impact business strategies, operations and investments. For Destination Canada, there is a risk that our activities do not result in increased tourism results due to aggressive competition from other countries and due to other sectors in Canada competing for the same limited pool of investment dollars and labour.

- **Environmental**
  This includes monitoring impacts to climate change, reducing emissions and supply chain sustainability. For Destination Canada, there is a risk that destination activities that we promote could have a negative impact on the tourism assets that are being promoted.

- **Social**
  This examines how the business manages labour relations, diversity and inclusion. For Destination Canada, there is a risk that our operations and tourism promotion activities do not consider all stakeholders and are not equitable towards all affected peoples and local communities, and/or that we do not attract a diverse workforce.

- **Governance**
  This assesses leadership, internal controls and ethics to promote greater accountability and transparency. For Destination Canada, there is a risk that our corporate governance activities do not respond to the rapidly changing global business environment, leading to lower overall organizational effectiveness and efficiency.

This revised risk register appears in our 2022–2026 Corporate Plan and mitigation activities taken to address these risks will be reported on in our 2022 Annual Report.

High residual risk
Medium residual risk
Low residual risk

Audits and reviews

SMART WORK AUDIT

The COVID-19 pandemic has placed greater emphasis on practices that facilitate effective remote working, prompting us to undertake a Smart Work Audit. Led by an external firm, the audit assessed whether we have supporting practices in place to attract and retain talent, whether existing personnel have the necessary skills to thrive in this new operating environment, and whether we have the appropriate tools and technology to execute work in an efficient, effective and secure way that allows for collaboration among internal teams and external stakeholders.

While the Smart Work Audit determined that we have adequate controls in place to mitigate risks around information technology and human resources, it recommended that Destination Canada digitize manual processes to increase efficiency, implement industry benchmarks related to talent retention and attraction, and continue to recruit for high-priority positions to alleviate workload pressures on staff.

DIVERSITY, EQUITY, INCLUSION & INDIGENOUS AWARENESS

Against the backdrop of a shifting and changing social landscape, we continue to take action to equitably portray an authentic and representative picture of Canada. We also recognized that we needed to review our internal practices to move towards creating a better Destination Canada.

In 2020, we engaged an external consulting firm to undertake an organizational review from a justice, equity, diversity and inclusion lens, and this work concluded in 2021. A key finding of this review is that staff are eager to drive meaningful action and want to take part in opportunities to advance their learning and share insights. Destination Canada has an employee-driven committee helping to define our diversity, equity and inclusion strategy and action plan.

Following the discovery of unmarked graves at former residential schools in Canada in 2021, we held a special all-staff meeting to talk collectively about our role in fostering reconciliation. This includes recognizing and understanding how racism and discrimination have and continue to impact Indigenous peoples in Canada. Staff were encouraged to review the calls to action put forth by Canada's Truth and Reconciliation Committee, as well as the United Nations Declaration on the Rights of Indigenous Peoples, and a special training session on reconciliation was held to advance the conversation and support staff in their learning journeys.

Financial overview

The financial overview presents supplemental information as context to the financial statements and notes and compares our current year to past year's performance and budget. Our financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

In 2021, the tourism industry continued to suffer through the global impact of the COVID-19 pandemic, which significantly impacted our financial and operational plans. The pandemic has impacted every aspect of our business and most of the line items in the financial statements. It was also the main driver in any significant variances compared to 2020 and the budget as outlined in our 2021–2025 Corporate Plan.

STATEMENT OF FINANCIAL POSITION

Financial assets decreased by $11.2 million, or 27%. This significant change was driven by a much smaller cash balance of $11.1 million compared to $37.8 million in 2020, which was a result of more underspending in 2020 due to COVID-19 travel restrictions. This resulted in more cash accumulated at the end of the year.

Total liabilities increased by $11.9 million from 2020. This increase was caused primarily by much higher trade accounts payable, which is the result of an increase in program expenses as travel picked up in the fourth quarter and the timing of disbursements.

Non-financial assets decreased by $1.3 million, or 19%, over 2020. This reflects a decrease in prepaid expenses at year-end that primarily relates to funds that were disbursed through our partnership agreements to provincial, territorial and destination marketing organizations for which the programming spans two fiscal years for Destination Canada—2021 and 2022—and tradeshow expenditures. The cash sent to partners for programs that had not yet occurred as at December 31, 2021 was classified as prepaid expenses.

As a result, we report an accumulated surplus of $12.2 million as at December 31, 2021. This is a $24.4 million decrease compared to the accumulated surplus as at December 31, 2020, which we used to fund program activities in 2021. The remaining accumulated surplus has primarily arisen from marketing efforts deferred to 2022 as a result of travel restrictions and border closures due to the pandemic. The majority of the surplus is earmarked for reinvestment in the US leisure market, global marketing and domestic marketing campaigns. The remainder of the surplus consists of the amortization of tangible capital assets, accrued benefit assets, and lower than budgeted corporate services costs.

STATEMENT OF OPERATIONS

We report an in-year accounting deficit of $24.3 million for the year ended December 31, 2021, compared to a planned deficit of $26.1 million. The budget presented in the Statement of Operations is our original budget, which does not include incremental funding from Budget 2021. We had anticipated receiving a portion of the $100 million funding in 2021; however, it was not fully approved until December. In order to continue delivering the programs planned, and hire additional staff to execute these programs, we spent $14.3 million of this special funding in 2021, which accounts for the difference between the $96.2 million in appropriations received and the $110.5 million in appropriations in the Statement of Operations.

Total revenues exceeded the budget by $1.7 million due primarily to slightly higher partner revenues than expected. We had budgeted for no partnership revenue in 2021, knowing that partners' budgets were cut significantly in 2021 as some of their main sources of revenues had been greatly reduced when non-essential travel was shut down and hotel occupancy rates plunged. These revenues contribute to the total co-investment from partners.

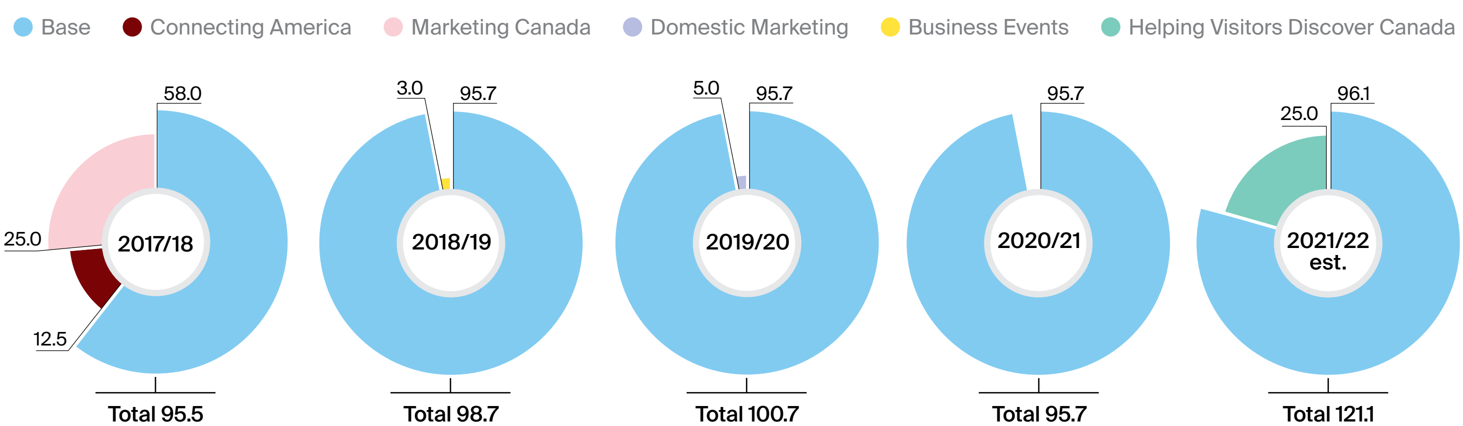
Parliamentary appropriations by government fiscal year

We are funded primarily by Government of Canada parliamentary appropriations. As our fiscal year-end is December 31 and the federal government year-end is March 31, we draw funding from two government fiscal years.

For the 2021/2022 government fiscal year, we received our base funding of $96.2 million and $25 million in special funding from the 2021 Federal Budget to Help Visitors Discover Canada.

The accompanying table shows the total funds received from the Government of Canada for the past five fiscal years. Starting in 2018/19, our base appropriations were confirmed at $95.7 million per government fiscal year, allowing for greater stability and the ability to plan multiple years of sustainable programming with confidence. With this funding, we continue to seek improved operational efficiencies to deliver our mandate in a scalable, effective and adaptable way.

Parliamentary appropriations by government fiscal year (in millions of $CAD)



Partner cash revenues

We leverage the power of appropriated funding by engaging other organizations supporting the visitor economy to co-invest in campaigns that we lead. Our partners include provincial, territorial and destination marketing organizations, media publishers, commercial partners and tourism associations. Each of these organizations was severely impacted by COVID-19, with funding and other revenues declining suddenly in March 2020, and with lower activity levels throughout 2021.

Partner cash revenues (in millions of $CAD)

Through these agreements, partners join us in funding initiatives, whether through cash or in-kind contributions, to market the Canada brand. Only cash partnership contributions are recognized as revenues in our Statement of Operations as per our accounting policy explained in Note 2 of the financial statements.

In 2021, the cash portion of these contributions represented $1.5 million of partner co-investment compared to $3.1 million in 2020. As shown in the accompanying graph, our partner revenues exceeded the budget by $1.5 million, which is still well below the past three years' revenue levels.

Expenses

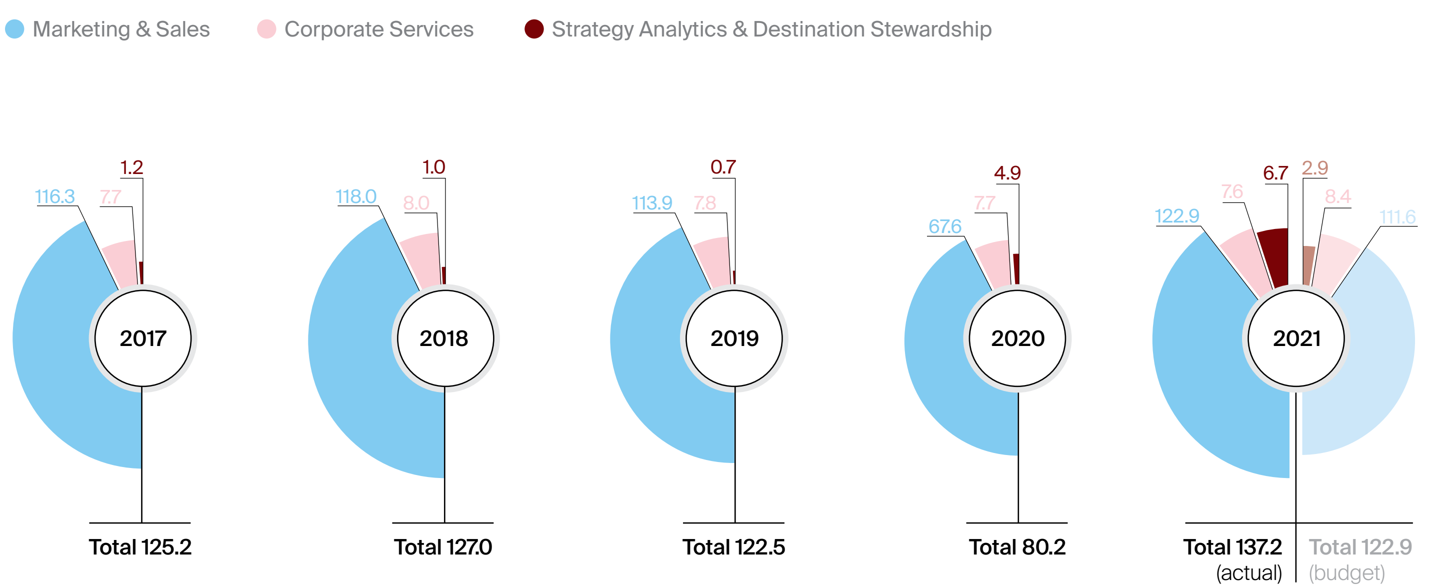
Total expenses excluding amortization increased by $57 million to $137.2 million in 2021, a 71% increase from last year. This increase was driven by a return to travel, resulting in an increase in investment in marketing and sales activities, as well as new investments in research and analytics and destination stewardship.

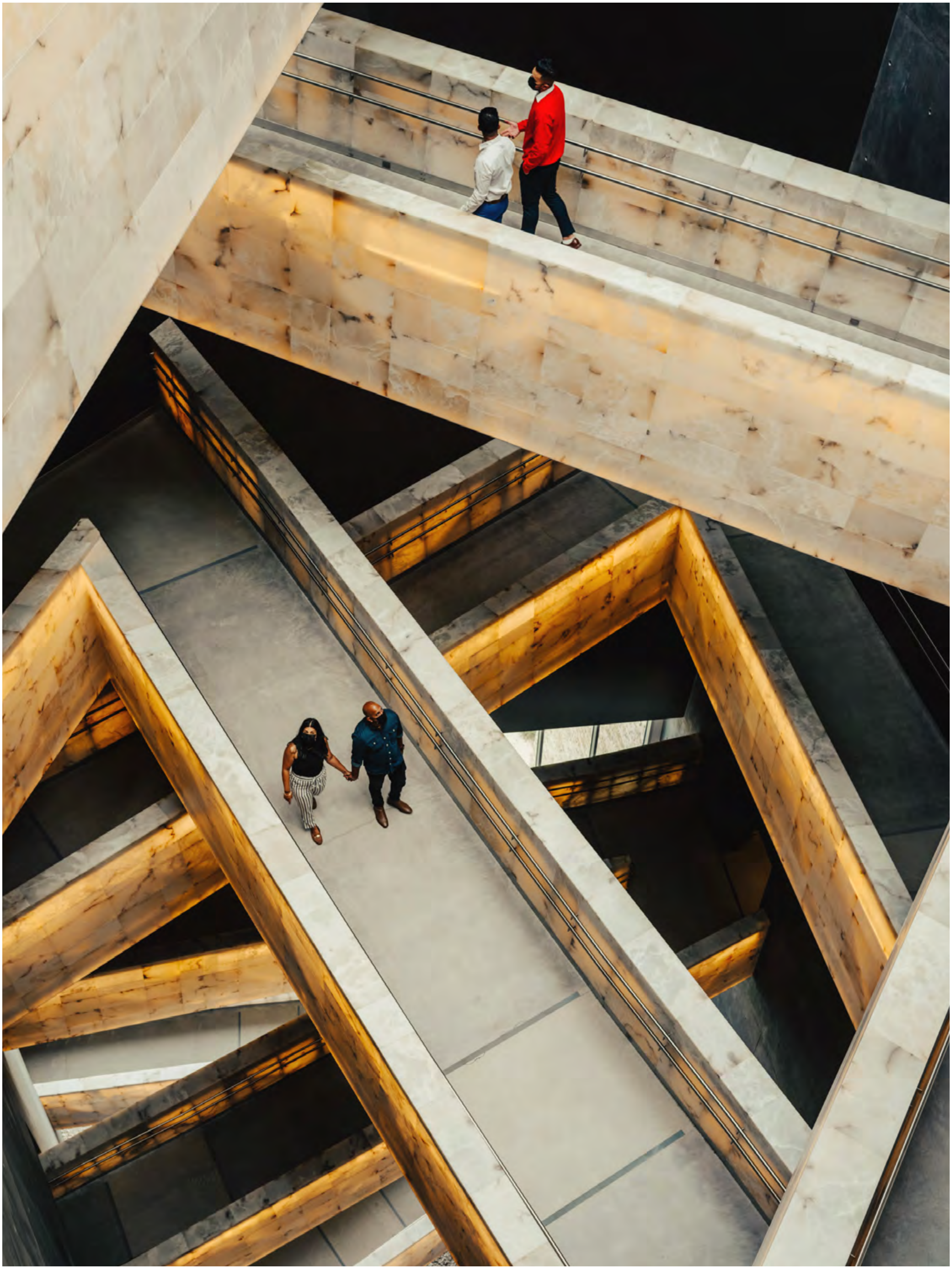
The most significant change relates to a $55.4 million increase in marketing and sales expenses compared to last year as tradeshows, marketing campaigns and other programs picked up as more Canadians and travellers from our target markets were vaccinated, and some travel restrictions were lifted in 2021.

Our corporate services costs excluding amortization decreased by $0.1 million compared to 2020. The 2021 expenses of $7.6 million represent 5% of total expenditures, excluding amortization, instead of the 7% budgeted. This reflects the sharp increase in marketing and sales expenses described above rather than a change in corporate services spending. Corporate services expenses were $0.8 million below budget, even as we increased our spending in programs. The remainder of our budget was spent in strategy, analytics and destination stewardship (5%). We consistently spend the vast majority of our funding in marketing and sales activities and continue to leverage new corporate efficiencies in order to continue to beat our target of 90% of spending in programs.

Expenses

(Excluding amortization, in millions of $CAD)





FINANCIAL SUMMARY

The following financial statements and notes reflect our legal name, "Canadian Tourism Commission".

Management responsibility statement

March 9, 2022

The management of the Canadian Tourism Commission (the "Commission") is responsible for the performance of the duties delegated to it by the Board of Directors. These include the preparation of an Annual Report together with audited financial statements. Management is responsible for preparation of these financial statements in accordance with Canadian public sector accounting standards. Other financial and operational information appearing elsewhere in the Annual Report is consistent with that contained in the financial statements.

Management is responsible for maintaining internal accounting control systems designed to provide reasonable assurance that relevant and reliable financial information is produced and that transactions comply with the relevant authorities.

Management is also responsible for maintaining financial and management control systems and practices designed to ensure the transactions are in accordance with Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, and by-laws of the Commission. These systems and practices are also designed to ensure that assets are safeguarded and controlled, and that the operations of the Commission are carried out effectively. In addition, the Audit and Risk Committee, appointed by the Board of Directors, oversees the internal audit activities of the Commission and performs other such functions as are assigned to it.

The Commission's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and for issuing her report thereon.

Marsha Walden
President and
Chief Executive Officer

Anwar Chaudhry
Senior Vice President, Finance and Risk
Management, and Chief Financial Officer

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Tourism and Associate Minister of Finance

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Canadian Tourism Commission (the Commission), which comprise the statement of financial position as at 31 December 2021, and the statement of operations, statement of remeasurement gains and losses, statement of change in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at 31 December 2021, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these 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 Commission'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 Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Canadian Tourism Commission coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, the by-laws of the Canadian Tourism Commission, and the directives issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Canadian Tourism Commission that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Canadian Tourism Commission's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Canadian Tourism Commission to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Sophie Bernard, CPA, CGA
Principal
for the Auditor General of Canada

Vancouver, Canada
9 March 2022

Statement of financial position

As at December 31, 2021
(in thousands of Canadian dollars)

	Note	Dec. 31, 2021	Dec. 31, 2020
Financial assets			
Cash and cash equivalents	4	11,118	37,784
Accounts receivable			
Partner		535	1,306
Government of Canada		16,376	418
Other		14	1
Accrued benefit asset	8	1,934	1,450
Portfolio investments	5	541	713
		30,518	41,672
Liabilities			
Accounts payable and accrued liabilities			
Trade		16,698	3,427
Employee compensation		2,246	2,182
Government of Canada		–	75
Accrued benefit liability	8	3,783	3,749
Deferred revenue		569	1,845
Deferred lease inducements		384	482
Asset retirement obligation		164	164
		23,844	11,924
Net financial assets		6,674	29,748
Non-financial assets			
Prepaid expenses	3	4,573	5,697
Tangible capital assets	7	959	1,136
		5,532	6,833
Accumulated surplus	10	12,206	36,581

Contractual Obligations, Contingencies, Contractual Rights (Notes 3, 14, 15 and 17). The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors,

Liza Frulla
Liza Frulla
Director

Pat Macdonald
Pat Macdonald
Director

Statement of operations

For the year ended December 31
(in thousands of Canadian dollars)

	Note	Budget 2021	2021	2020
Revenues				
Partner revenues		–	1,537	3,143
Other		1,047	1,169	1,361
		1,047	2,706	4,504
Expenses	12			
Marketing and sales	11	111,635	122,927	67,567
Corporate services		8,384	7,559	7,712
Strategy, Analytics and Destination Stewardship		2,914	6,690	4,937
Amortization of tangible capital assets		342	313	330
		123,275	137,489	80,546
Net cost of operations before funding from the Government of Canada		(122,228)	(134,783)	(76,042)
Parliamentary appropriations	9	96,160	110,495	95,666
(Deficit) Surplus for the year		(26,068)	(24,288)	19,624
Accumulated operating surplus, beginning of year		36,530	36,530	16,906
Accumulated operating surplus, end of year	10	10,462	12,242	36,530

The accompanying notes form an integral part of these financial statements.

Statement of remeasurement gains and losses

For the year ended December 31
(in thousands of Canadian dollars)

	Note	2021	2020
Accumulated remeasurement gain (loss), beginning of year		51	(194)
Unrealized (loss) gain attributable to foreign exchange		(36)	51
Amounts reclassified to the statement of operations		(51)	194
Net remeasurement (loss) gain for the year		(87)	245
Accumulated remeasurement (loss) gain, end of year	10	(36)	51

The accompanying notes form an integral part of these financial statements.

Statement of change in net financial assets

For the year ended December 31
(in thousands of Canadian dollars)

	Note	Budget 2021	2021	2020
(Deficit) Surplus for the year		(26,068)	(24,288)	19,624
Acquisition of tangible capital assets	7	(190)	(136)	(57)
Amortization of tangible capital assets	7	342	313	330
Net disposition of tangible capital assets	7	–	–	4
		152	177	277
Effect of change in other non-financial assets				
Decrease (Increase) in prepaid expenses		4,284	1,124	(3,976)
		4,284	1,124	(3,976)
Net remeasurement (loss) gain		(16)	(87)	245
(Decrease) Increase in net financial assets		(21,648)	(23,074)	16,170
Net financial assets, beginning of year		29,748	29,748	13,578
Net financial assets, end of year		8,100	6,674	29,748

The accompanying notes form an integral part of these financial statements.

Statement of cash flows

For the year ended December 31
(in thousands of Canadian dollars)

	Note	2021	2020
Operating transactions:			
Cash received from:			
Parliamentary appropriations used to fund operating and capital transactions	9	96,160	95,666
Partners		1,032	4,811
Other		851	886
Interest		221	377
		98,264	101,740
Cash paid for:			
Cash payments to suppliers		(109,338)	(80,982)
Cash payments to and on behalf of employees		(15,541)	(14,893)
Cash (used in) provided by operating transactions		(26,615)	5,865
Capital transactions:			
Acquisition of tangible capital assets		(136)	(57)
Cash used in capital transactions		(136)	(57)
Investing transactions:			
Redemption of portfolio investments		172	90
Cash provided by investment transactions		172	90
Net remeasurement (loss) gain for the year		(87)	245
Net (decrease) increase in cash during the year		(26,666)	6,143
Cash and cash equivalents, beginning of year		37,784	31,641
Cash and cash equivalents, end of year		11,118	37,784

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

December 31, 2021

1. Authority, objectives and directives

The Canadian Tourism Commission (the "Commission") was established on January 2, 2001 under the *Canadian Tourism Commission Act* (the "Act") and is a Crown corporation named in Part I of Schedule III to the Financial Administration Act. The Commission is for all purposes an agent of her Majesty in right of Canada. As a result, all obligations of the Commission are obligations of Canada. The Commission is not subject to income taxes.

As stated in section 5 of the Act, the Commission's mandate is to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and the governments of Canada, the provinces and the territories.

In December 2014, the Commission was issued directive PC 2014-1378 pursuant to section 89 of the *Financial Administration Act* directing the Commission to implement pension plan reforms. These reforms are to ensure that pension plans of Crown corporations provide a 50:50 current service cost-sharing ratio between employee and employer for pension contributions by December 31, 2017.

The 50:50 cost-sharing ratio was fully implemented as of December 31, 2017.

In July 2015, the Commission was issued directive PC 2015-1109 pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditures policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in the Commission's next corporate plan. The Commission implemented its new Travel, Hospitality, Conference, and Event Expenditures Policy on August 21, 2015 which complied with the requirements of the directive. The Treasury Board issued revised directives and guidelines in 2017. On November 29, 2018, the Commission approved an updated policy to align with the new requirements.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies are as follows:

a) Parliamentary appropriations

The Commission is mainly financed by the Government of Canada through parliamentary appropriations. Parliamentary appropriations used to fund core operations and capital expenditures are considered unrestricted and recognized as revenues when the appropriations are authorized and any eligibility criteria are met. Parliamentary appropriations used to fund one-time activities are considered restricted when they have eligibility criteria and stipulations that give rise to an obligation that meets the definition of a liability. Restricted appropriations are recognized as deferred revenue when the stipulation gives rise to a liability. Restricted appropriation revenue is recognized as the stipulation liabilities are settled.

As a result of the Commission's year-end date (December 31) being different than the Government of Canada's year-end date (March 31), the Commission is funded by portions of appropriations from two Government fiscal years. Refer to Note 9.

The Commission will have a deferred parliamentary appropriations balance at year-end when the restricted funding received for the period exceeds the restricted appropriations recognized for the related fiscal period. The Commission will have a parliamentary appropriations receivable balance when restricted appropriations recognized exceed the restricted funding received.

The Commission does not have the authority to exceed approved appropriations.

b) Partner revenues

The Commission conducts marketing activities in partnership with a variety of Canadian and foreign organizations. Where the Commission assumes the financial risks of conducting a marketing activity, contributions received from a partnering organization are recognized in income over the effective life of the contract or when the event has taken place. Partner revenues received for which the related marketing activity has not yet taken place are recognized as deferred revenue.

c) Other revenues

Other revenues consist of cost recoveries from co-location partners, interest revenues, capital asset sales and other miscellaneous revenues. These items are recognized as revenue in the period in which the transaction or event occurred that gives rise to the revenue.

d) Foreign currency translation

Monetary assets and monetary liabilities denominated in foreign currencies are translated into Canadian dollars at the applicable year-end exchange rate. Non-monetary assets and non-monetary liabilities denominated in foreign currencies are translated into Canadian dollars at historical exchange rates. Revenue and expense items are translated during the year at the exchange rate in effect on the date of the transaction. Amortization expenses of tangible capital assets are translated at historical rates to which the assets relate. Realized gains and losses are considered Operating Expenses and are included in the Statement of Operations as Corporate Services. Unrealized gains and losses are reported on the Statement of Remeasurement Gains and Losses and in the Statement of Change in Net Financial Assets. The Commission does not hedge against the risk of foreign currency fluctuations. Refer to Note 6.

e) Cash and cash equivalents

Cash and cash equivalents include cash in bank and mutual funds. These items are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Refer to Note 4.

f) Portfolio investments

Portfolio investments are measured at amortized cost. Interest income related to these investments is calculated based on the effective interest method. Refer to Note 5.

g) Prepaid expenses

Payments made prior to the related services being rendered are recorded as a prepaid expense. Prepaid expenses are recognized as an expense as the related services are rendered. Prepaid expenses consist of program and operating expenses such as subscriptions, marketing activities with provincial and territorial marketing organizations and tradeshow expenditures.

h) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and the amount of any write-downs or disposals. Tangible capital assets are written down when conditions indicate they no longer contribute to the ability to provide services and are accounted for as expenses in the Statement of Operations.

Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold improvements	Remaining term of lease
Office furniture	5 years
Computer hardware	3 years
Computer software	5 years

Intangible assets are not recognized in these financial statements. Refer to Note 7.

i) Deferred revenue

Deferred revenue consists of revenue from partnering organizations and restricted appropriations received from the Government of Canada. When revenues are received from partnering organizations, they are recognized as deferred revenue until the event has taken place or recognized as partner revenue over the effective life of the contract. When restricted appropriations are received from the Government of Canada, they are recognized as deferred revenue until the criteria and stipulations are met that gave rise to the liability. As at December 31, 2021 and 2020, the deferred revenue balance is solely made up of deferred revenue from partnering organizations.

j) Deferred lease inducements

Deferred lease inducements consist of various office lease inducements including reimbursement of leasehold improvement costs and free rent periods. These inducements are deferred and recognized as a straight-line reduction to office lease expenses over the term of the lease.

k) Asset retirement obligation

Asset retirement obligation consists of decommissioning costs for various office leases. The Commission recognizes asset retirement obligations as a result of legal obligations to restore leased office spaces back to their original states at the end of the lease term. Asset retirement obligations are measured initially at fair value, based on management's best estimates, with the resulting amount capitalized into the carrying amount of the related asset. The capitalized asset retirement cost is amortized on a straight-line basis over the term of the lease. The amortization expense is included in corporate services in determining the net cost of operations. Refer to Note 7.

I) Employee future benefits

The Commission offers a number of funded and unfunded defined benefit pension plans, other unfunded defined benefit plans (which include post-employment benefits, post-retirement benefits and non-vested sick leave), as well as defined contribution pension plans. The pension plans include a statutory plan, a supplemental plan and a plan to cover certain employees working outside of Canada. Other benefit plans include post-employment severance benefits and post-retirement health, dental and life insurance benefits and non-vested sick leave. The defined benefit pension plans provide benefits based on years of service and average pensionable earnings at retirement.

The defined benefit component of the statutory plan and the supplemental plan has been closed effective December 30, 2017 and benefits and service of plan participants were frozen as of that date. The Commission funds certain pension plans annually based on actuarially determined amounts needed to satisfy employee future benefit entitlements under current benefit regulations. Cost of living adjustments are automatically provided for retirees in accordance with Consumer Price Index increases.

The costs and obligations of the defined benefit plans are actuarially determined using the projected benefit method prorated on service that incorporates management's best estimates of the rate of employee turnover, the average retirement age, the average cost of claims per person, future salary and benefit levels, expected return on plan assets, future medical costs, and other actuarial factors. For the purposes of calculating the expected return on plan assets, those plan assets are based on the market value of plan assets.

Past service costs arising from plan amendments are recognized in the years of which the plan amendment occurred.

The unamortized actuarial gains and losses incurred prior to the plan settlement that relate to the obligation settled are recognized in the period of settlement. This amount is included as part of the gain or loss arising on settlement. Gains and losses determined upon a plan settlement are accounted for in the Statement of Operations in the period of settlement.

Actuarial gains and losses are amortized over expected average remaining service lifetime ("EARSL") of active employees. If no active employees are remaining, actuarial gains and losses are amortized fully in the next fiscal year. For 2021, EARSL has been determined to be 0.0 years (0.0 years – 2020) for the Supplementary Retirement Plan for certain employees of the Commission ("SRP"), 13 years (14 years – 2020) for the Pension Plan for Employees of the Commission in Japan, South Korea and China ("WWP"), N/A (21 years – 2020) for non-pension post-retirement benefits, 14 years (14 years – 2020) for severance benefits and 14 years (14 years – 2020) for sick leave benefits.

Employees working in the UK participate in the Global Affairs Canada defined benefit pension plans administered by the Government of Canada. The assets of these plans cannot be allocated among participating employers, and as such, these plans are deemed "multi-employer" plans and accounted for as defined contribution plans. The Commission's contributions to these plans reflect the full benefit cost of the employer. These amounts vary depending upon the plan and are based on a percentage of the employee's gross earnings. Contributions may change over time depending on the experience of the plans since the Commission is required under present legislation to make adjustments for the rate of contributions to cover any actuarial deficiencies of these plans. Contributions represent the total pension obligations of the Commission for these employees and are charged to operations during the year in which the services are rendered.

Gains and losses determined upon a plan curtailment are accounted for in the period of curtailment. Refer to Note 8.

m) Financial instruments

Financial assets consist of cash and cash equivalents, accounts receivable and portfolio investments, while financial liabilities consist of accounts payable and accrued liabilities. Financial assets and financial liabilities are measured at amortized cost, which approximates their fair value. Refer to Note 13.

n) Measurement uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reporting periods. Actual results could differ significantly from those estimates. The most significant estimates involve the determination of the employee future benefits liability and related accrued benefit asset, the useful lives for amortization of tangible capital assets, the fair value of the asset retirement obligation, contingencies, partner revenues, prepaid expenses and accrued liabilities.

o) Related party transactions

Through common ownership, the Commission is related to all Government of Canada created departments, agencies and Crown corporations. The Commission's transactions with these entities are in the normal course of operations and are measured at the exchange amount. Refer to Note 16.

Related parties also include key management personnel (KMP) having authority for planning, controlling, and directing the activities of the Commission, as well as their close family members. The Commission has defined its KMP to be members of the Board of Directors and management employees at the Senior Vice-President level and above.

p) Partnership contributions in-kind

In the normal course of business, the Commission receives in-kind contributions from its partners including the transfer of various types of goods and services to assist in the delivery of programs. The in-kind contributions from partners are not recognized in the financial statements.

q) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. The Commission records inter-entity transactions at the exchange amount except the following:

- Audit services received without charge between commonly controlled entities.
- In-kind contributions received from commonly controlled entities.

The value of the audit services is considered insignificant in the context of the financial statements as a whole and inter-entity in-kind contributions are not recognized in the financial statements.

3. COVID-19 financial impacts

Marketing and sales expenditures

The Commission continued marketing primarily to the domestic travel market at the start of 2021. By the second half of the year, the marketing plans were expanded to include the US travel market. In the Fall, special funding was approved to ensure Canada is the destination of choice when domestic and international travel return to normal levels in the next several years. The increased spend on marketing campaigns to help Canadians and other visitors explore the country has resulted in an increase of $55,360,000 in marketing and sales expenditures. The total marketing and sales expenditures at December 31, 2021 was $122,927,000 ($67,567,000 – 2020). Refer to Note 11.

Prepaid expenses

In 2020, the Commission committed $31,400,000 in investments with provincial and territorial marketing organizations and the Indigenous Tourism Association of Canada to support the recovery of communities. These partners are responsible for delivering locally led marketing programs between 2020 and 2021. The marketing programs completed in Fall 2021 which resulted in a decrease in prepaid expenses at the end of the year. The total prepaid expenses at December 31, 2021 was $4,573,000 ($5,697,000 – 2020). $3,911,000 ($5,070,000 – 2020) of the prepaid balance relates to Marketing and Sales, Strategy, Research, and Destination Stewardship expenses and $662,000 ($627,000 – 2020) of the balance relates to Corporate Services expenses.

Contractual obligations

The Commission has increased the value of contracts and retainer fees because of increased marketing to the US travel market in the third and fourth quarter of 2021 and in preparation of increased marketing to international travel markets in 2022. The total contractual obligations of the Commission as at December 31, 2021 were $96,171,000 ($62,616,000 – 2020). Refer to Note 14.

Current and future impact on operations

An additional $100,000,000 of funding was approved in 2021 for the purpose of Helping Visitors Discover Canada. The funding must be spent over three government years. The Commission began using this funding in the fourth quarter of 2021 to target international leisure travellers and domestic travellers and plans to spend the additional funds by 2024. The Commission will focus on the following areas with these additional funds: Stability for City Destination Marketing Organization Marketing Network, Re-Connecting Canadians, International Marketing and United States Marketing.

The duration and future impact of the pandemic on the Commission's operations is unknown at this time. As a result, an estimate of the financial impact of COVID-19 on the Commission's future results of operations and financial position cannot be made at this time.

4. Cash and cash equivalents

(in thousands of Canadian dollars)	2021	2020
Cash in bank	11,082	37,660
Mutual funds	36	124
Total cash and cash equivalents	11,118	37,784

5. Portfolio investments

The Commission holds portfolio investments consisting of Canadian provincial governmental bonds with maturity dates staggered between 2023 and 2031 and guaranteed investment certificates with maturity dates staggered between 2022 and 2024. The carrying value at December 31, 2021 was $541,000 ($713,000 – 2020).

Issuer *(in thousands of Canadian dollars)*	**Maturity date**	**Cost**	**Interest accrued to date**	**Carrying value**	**Market value**	**Maturity**
Province of Ontario Bond	02-Dec-23	47	20	67	69	70
Province of Ontario Bond	02-Dec-25	51	23	74	78	84
Province of BC Bond	18-Dec-28	32	16	48	51	59
Province of Ontario	02-Dec-31	33	19	52	56	70
Equitable Bank GIC	06-Dec-22	100	–	100	100	107
Effort Trust GIC	06-Dec-23	100	–	100	100	109
Bank of Nova Scotia GIC	06-Dec-24	100	–	100	100	112
		463	78	541	554	611

6. Foreign currency translation

The Commission is exposed to currency risk as a significant portion of its revenues and expenses are earned or incurred, and subsequently received or paid in currencies other than Canadian dollars. Currency risk arises due to fluctuations in foreign exchange rates, which could affect the Commission's financial results. The Commission does not hedge against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations.

The undernoted accounts excluding Canadian-denominated balances comprise the following currencies as at December 31, 2021:

Currency *(in thousands of Canadian dollars)*	**Cash**		**Accounts receivable**		**Accounts payable & accrued liabilities**	
	Currency units	Canadian equivalent	Currency units	Canadian equivalent	Currency units	Canadian equivalent
Australian Dollars	473	463	–	–	328	322
Chinese Yuan	2,419	474	–	–	1,568	307
Euros	354	556	–	–	271	425
Great Britain Pounds	151	262	–	–	77	134
Japanese Yen	75	1	–	–	16,606	206
United States Dollars	163	208	–	–	210	269
Total Canadian equivalent		1,964		–		1,663

At December 31, 2021, if the above foreign currencies had strengthened by 10% against the Canadian dollar, with all other variables held constant, the unrealized foreign exchange gain would have increased by approximately $31,000 (increased by $44,000 – 2020). If the above foreign currencies had weakened by 10% against the Canadian dollar, with all other variables held constant, the unrealized foreign exchange gain would have decreased by approximately $31,000 (decreased by $44,000 – 2020). The amount of realized foreign exchange losses recorded under "Corporate services" on the statement of operations in 2021 is $34,000 ($45,000 – 2020).

7. Tangible capital assets

(in thousands of Canadian dollars)	**Computer hardware**	**Computer software**	**Leasehold improvements***	**Office furniture**	**2021 Total**
Cost of tangible capital assets, opening	671	–	1,948	340	2,959
Acquisitions	136	–	–	–	136
Disposals	(53)	–	–	–	(53)
Cost of tangible capital assets, closing	754	–	1,948	340	3,042
Accumulated amortization, opening	538	–	1,013	272	1,823
Amortization expense	102	–	192	19	313
Disposals	(53)	–	–	–	(53)
Accumulated amortization, closing	587	–	1,205	291	2,083
Net book value	167	–	743	49	959

** Asset retirement costs are included in the cost of tangible capital assets and accumulated amortization.*

(in thousands of Canadian dollars)	**Computer hardware**	**Computer software**	**Leasehold improvements***	**Office furniture**	**2020 Total**
Cost of tangible capital assets, opening	632	19	2,123	352	3,126
Acquisitions	57	–	–	–	57
Disposals	(18)	(19)	(175)	(12)	(224)
Cost of tangible capital assets, closing	671	–	1,948	340	2,959
Accumulated amortization, opening	464	19	988	242	1,713
Amortization expense	92	–	196	42	330
Disposals	(18)	(19)	(171)	(12)	(220)
Accumulated amortization, closing	538	–	1,013	272	1,823
Net book value	133	–	935	68	1,136

** Asset retirement costs are included in the cost of tangible capital assets and accumulated amortization.*

Substantially all of the Commission’s tangible capital assets are located in Canada. There are no assets legally restricted for the purpose of settling asset retirement obligations.

8. Accrued benefit asset/liability

The Commission offers a number of employee future benefit plans covering its employees in Canada and abroad. The following table summarizes these plans and the benefits they provide:

Employees covered	Name of the plan	Nature of the plan	Contributors	Accounting treatment
Canada	Registered Pension Plan for the Employees of the Commission – Defined Contribution component	Combination of Defined Contribution Plan and Group RRSP	● The Commission & Plan Members	● Defined Contribution Plan
	Supplementary Retirement Plan for Certain Employees of the Commission – Defined Benefit component	Funded, Defined Benefit Plan	● The Commission & Plan Members	● Defined Benefit Plan
	Supplementary Retirement Plan for Certain Employees of the Commission – Defined Contribution component	Defined Contribution Plan	● The Commission	● Defined Contribution Plan
	Non-Pension Post-Retirement Benefit Plan for Canadian Employees	Unfunded, Defined Benefit Plan	● The Commission & Plan Members	● Defined Benefit Plan
China, Japan & South Korea	Pension Plan for Employees of the Commission in China, Japan and South Korea	Unfunded, Defined Benefit Plan	● The Commission	● Defined Benefit Plan
US	Non-Pension Post-Retirement Benefit Plan for Certain US Employees	Unfunded, Defined Benefit Plan	● The Commission & Plan Members	● Defined Benefit Plan
UK	Canadian High Commission Locally Engaged Staff Pension Scheme	Funded Multi-employer Defined Benefit Plan	● The Commission & Plan Members	● Defined Contribution Plan
Canada, China, Japan, US, UK	Severance Benefits for certain Canadian and Locally Engaged Employees	Unfunded, Defined Benefit Plan	● The Commission	● Defined Benefit Plan
	Non-Vested Sick Leave Benefits for certain Canadian and Locally Engaged Employees	Unfunded, Defined Benefit Plan	● The Commission	● Defined Benefit Plan

● The Commission ● The Commission & Plan Members ● Defined Benefit Plan ● Defined Contribution Plan

Defined Contribution Plans

Canada

The Commission established a defined contribution pension plan for non-unionized employees in Canada, hired on or after August 1, 2005. On January 30, 2007, the Canadian unionized employees of the Commission agreed to participate in the defined contribution plan effective March 8, 2007. This decision impacted unionized employees hired on or after August 1, 2005.

The total cost for the Commission's defined contribution pension plans was $666,000 in 2021 ($610,000 – 2020).

In addition, the Commission provides a defined contribution supplemental plan to cover senior employees whose contributions under the defined contribution plan is impacted by the *Income Tax Act*. The benefits accrued are paid out each year and deemed immaterial for the Commission's financial statements.

UK

The Commission also participates in multi-employer defined benefit plans providing pension benefits to employees working in the UK. In 2021 the total cost was $181,000 for the UK plan ($183,000 – 2020). The plans are accounted for as defined contribution plans.

Defined Benefit Plans

Canada

The Commission has a number of defined benefit plans in Canada which provide post-retirement and post-employment benefits to its employees.

Effective January 2, 2004, pension arrangements include a registered pension plan as well as a supplemental arrangement which provides pension benefits in excess of statutory limits. The Commission provides pension benefits based on employees' years of service and average earnings at the time of retirement. The registered pension plan is funded by contributions from the Commission and from the members.

In accordance with pension legislation, the Commission contributes amounts determined on an actuarial basis and has the ultimate responsibility for ensuring that the liabilities of the plan are adequately funded over time. The supplemental retirement plan liabilities arising on and after January 2, 2004 are funded annually on a hypothetical plan termination basis according to the valuation report prepared by the actuary.

In 2016, the Commission offered former members of the defined benefit component of the registered plan who were entitled to a deferred pension the option to transfer the value of the pension benefits out of the registered plan. There were no related settlements in 2019 or 2018. The defined benefit component of the registered plan and the supplemental agreement was closed effective December 30, 2017 and benefits for participants were frozen as of that date.

In May 2019, the Commission purchased a group annuity buy-out from a third party insurer for the defined benefit component of the Registered Pension Plan ("RPP") for a premium of $30,195,000 and transferred substantially all assets and obligations of all members of the defined benefit component of the RPP to the insurer. The insurer began making payments to the members in August 2019 and the transaction was finalized in October 2019, the date after which premium adjustments were no longer allowed. The form and amount of the benefit payments for the members did not change and are fixed, subject to an annual increase that reflects the same terms and conditions that would have applied under the RPP. The transaction resulted in a plan settlement and a plan settlement cost of $8,936,000 was recognized in the Statement of Operations in the period of settlement.

Amendments proposed to the *Pension Benefits Standard Act* ("PBSA") 1985 under section 17.2 permit an administrative discharge on the purchase of a life annuity in lieu of providing a pension benefit. This proposed section of the PBSA received

Royal Assent on June 21, 2019 but is not yet in force. The plan settlement is a significant transaction requiring the use of judgment in applying accounting policy. Key judgments made by management include the expectation that section 17.2 will come into force in the future and that the federal regulations, once developed, will provide a retroactive application to this transaction.

China, Japan and South Korea

The Commission has a defined benefit pension plan for certain locally engaged staff in China, Japan and South Korea. The Pension Scheme for Employees of the Government of Canada Locally Engaged Outside Canada, 1996 (known as the World Wide Plan, "WWP"), provides retirement benefits based on employees' years of service and average earnings at the time of retirement. These liabilities are funded on a pay-as-you-go basis.

In March 2012, the Commission received $1,000,000 from Treasury Board Secretariat ("TBS") relating to locally engaged staff pension benefits under the WWP for service prior to January 2, 2001. Prior to this, TBS had been reimbursing the Commission for amounts related to the past service period. The funds are held by the Commission in bonds and a money market term deposit and are recorded as portfolio investments (Note 5) and cash and cash equivalents (Note 4). The Commission continues to be responsible for the service accruing on and after January 2, 2001.

Severance and post-retirement benefits

Severance benefits are provided for certain current employees in Canada, China, Japan and the UK. The cost of the benefits is fully paid by the Commission. The severance benefit plans are unfunded.

Post-retirement benefits which may include health, dental and life insurance are provided for certain retired employees in Canada and the US. US employees hired prior to 2001 were eligible for post-retirement benefits. These plans are administered by Global Affairs Canada and provided by United Healthcare. The cost of these benefits is shared by the Commission and the retirees. The post-retirement benefit plans are unfunded.

Measurement date and date of actuarial valuation

The most recent actuarial valuation of plans accounted for as defined benefit plans was as at September 30, 2021, with extrapolation to December 31, 2021.

The Commission measures its accrued benefit obligations and the market value of plan assets of its pension plans and post-retirement non-pension benefits for accounting purposes at September 30th of each year.

Change in accrued benefit obligation

(in thousands of Canadian dollars)	Pension		Other benefit plans	
	2021	2020	2021	2020
Accrued benefit obligation, beginning of year	3,344	3,700	3,449	4,683
Current period benefit cost (employer portion)	66	56	50	68
Interest cost on average accrued benefit obligation	61	88	31	69
Benefits paid	(137)	(141)	(69)	(254)
Plan curtailment	–	–	–	(1,224)
Plan amendment	–	–	–	(262)
Actuarial (gain) loss	(205)	(358)	(1,181)	369
Accrued benefit obligation, end of year	3,129	3,345	2,280	3,449

Change in plan assets

(in thousands of Canadian dollars)	Pension		Other benefit plans	
	2021	2020	2021	2020
Market value of plan assets, beginning of year	4,285	4,492	–	–
Actual return on plan assets net of actual investment expenses	598	93	–	–
Employer contributions	55	(159)	69	254
Benefits paid	(137)	(141)	(69)	(254)
Market value of plan assets, end of year	4,801	4,285	–	–

Reconciliation of funded status

Detailed pension plan information *(in thousands of Canadian dollars)*	**2021**	**2020**
Supplementary Retirement Plan for Certain Employees of the Commission		
Accrued benefit obligation	(2,336)	(2,397)
Plan assets	4,801	4,285
Surplus	2,465	1,888
Pension Plan for Employees of the Commission in China, Japan and South Korea		
Accrued benefit obligation	(793)	(947)
Deficit	(793)	(947)

The accrued benefit obligation and market value of assets at year-end are the following amounts in respect of plans that are unfunded:

Funded status *(in thousands of Canadian dollars)*	**Pension**		**Other benefit plans**	
	2021	**2020**	**2021**	**2020**
Accrued benefit obligation	(793)	(947)	(2,280)	(3,449)
Funded status – deficit at end of year	(793)	(947)	(2,280)	(3,449)

Reconciliation of funded status to accrued benefit asset (liability)

(in thousands of Canadian dollars)	**Pension**		**Other benefit plans**	
	2021	**2020**	**2021**	**2020**
Funded status – surplus (deficit), end of year	1,672	942	(2,280)	(3,449)
Unamortized actuarial (gains) losses	(393)	(105)	(848)	314
Accrued benefit asset (liability)	1,279	837	(3,128)	(3,135)

The cumulative excess of pension contributions on the Registered Pension Plan and Supplementary Retirement Plan over pension benefit cost is reported as an accrued benefit asset. The Pension Plan for Employees of the Commission in China, Japan, and South Korea, the post-retirement, post-employment benefits and sick leave are reported as an accrued benefit liability.

Accrued benefit asset (liability)

(in thousands of Canadian dollars)	2021	2020
Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	1,934	1,450
Total accrued benefit asset	1,934	1,450
Pension Plan for Employees of the Commission in China, Japan and South Korea	(655)	(613)
Non-pension Post Retirement Benefit Plan	(2,628)	(2,656)
Post Employment Severance Plan	(303)	(297)
Non-Vested Sick Leave Plan	(197)	(183)
Total accrued benefit liability	(3,783)	(3,749)
Total net accrued benefit asset	(1,849)	(2,299)

The weighted-average asset allocation by asset category of the Commission's defined benefit pension plans is as follows:

Asset allocation	2021	2020
Equity securities	60%	56%
Cash	1%	1%
Receivable from Government of Canada	39%	43%
Total	100%	100%

Net benefit cost recognized in the period

(in thousands of Canadian dollars)	Pension		Other benefit plans	
	2021	2020	2021	2020
Current period benefit cost	66	56	50	68
Interest cost	–	–	31	69
Plan curtailment	–	–	–	(1,224)
Plan amendment	–	–	–	(262)
Amortization of net actuarial loss (gain)	(413)	39	(20)	(106)
Retirement benefits expense	(347)	95	61	(1,455)
Interest cost on average accrued benefit obligation	61	88	–	–
Expected return on average pension plan assets	(102)	(114)	–	–
Retirement benefits interest income	(41)	(26)	–	–
Total pension expense	(388)	69	61	(1,455)

Significant actuarial assumptions used are as follows (weighted average)

	Pension		Other benefit plans	
	2021	2020	2021	2020
Accrued benefit obligation				
Discount rate				
• Registered Pension Plan for the Employees of the Commission	N/A	N/A		
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.45%	2.40%		
• Pension Plan for the Employees of the Commission in China, Japan and South Korea	1.40%	0.48%		
• Non-pension post retirement			1.92%	0.99%
• Post employment severance			1.40%	0.48%
• Non-Vested Sick Leave Plan			1.40%	0.48%
Consumer price index				
• Registered Pension Plan for the Employees of the Commission	N/A	N/A		
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.00%	2.00%		
• Pension Plan for the Employees of the Commission in China, Japan and South Korea	0.80%	0.79%		
Rate of compensation increase				
• Canadian	N/A	N/A	2.50%	2.50%
• Locally engaged	2.75%	2.75%	3.40%	3.40%
Pension expense				
Discount rate				
• Registered Pension Plan for the Employees of the Commission	N/A	N/A		
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.40%	2.70%		
• Pension Plan for the Employees of the Commission in China, Japan and South Korea	0.48%	1.37%		
• Non-pension post retirement			0.99%	1.51%
• Post employment severance			0.48%	1.37%
• Non-Vested Sick Leave Plan			0.99%	1.37%
Expected long-term rate of return on plan assets				
• Registered Pension Plan for the Employees of the Commission	N/A	N/A		
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.40%	2.70%		
Rate of compensation increase				
• Canadian	N/A	N/A	2.50%	2.50%
• Locally engaged	2.75%	2.75%	3.40%	3.40%

FINANCIAL SUMMARY

Notes to the financial statements

Assumed health care cost trend rate for other benefit plans

Net benefit cost	Other benefit plans			
	2021		2020	
	CDN	US	CDN	US
Initial health care trend rate	5.69%	7.23%	5.74%	7.43%
Ultimate health care trend rate	4.00%	4.50%	4.00%	4.50%
Year ultimate rate reached	2040	2033	2040	2033

Accrued benefit obligation	Other benefit plans			
	2021		2020	
	CDN	US	CDN	US
Initial health care trend rate	5.73%	7.03%	5.69%	7.23%
Ultimate health care trend rate	4.00%	4.50%	4.00%	4.50%
Year ultimate rate reached	2040	2033	2040	2033

Total cash amounts

Total cash amounts for employee future benefits, consisting of cash contributed in the normal course of business by the Commission to its funded and unfunded defined benefit pension plans, cash payments directly to beneficiaries for its unfunded other benefit plans, cash contributed to its defined contribution plans and cash contributed to its multi-employer defined benefit plan, are $1,197,000 ($1,336,000 – 2020).

9. Parliamentary appropriations

The schedule below reconciles the amount of funding available to the Commission during the year with the amount actually used in operations:

(in thousands of Canadian dollars)	2021	2020
Amounts provided for operating and capital expenditures		
Amounts voted:		
Main estimates 2020/21 (2019/20)*	95,666	100,666
Less: portion recognized in prior year	(71,750)	(76,750)
Amounts recognized in current year	23,916	23,916
Amounts voted:		
Main estimates 2021/22 (2020/21)	96,160	95,666
Supplementary estimates B	25,000	–
	121,160	95,666
Less: portion to be recognized in following year	(34,581)	(23,916)
Amounts recognized in the current year	86,579	71,750
Parliamentary appropriations used for operations and capital in the year	110,495	95,666

**Includes one-time funding Vote 5 $5,000,000 within 2019/20 Main Estimates for Launching a Federal Strategy on Jobs and Tourism.*

10. Accumulated surplus

The accumulated surplus comprises:

(in thousands of Canadian dollars)	2021	2020
Accumulated operating surplus	12,242	36,530
Accumulated remeasurement gain (loss)	(36)	51
Accumulated surplus	12,206	36,581

11. Marketing and sales expenses

The Commission carries out its activities in a variety of countries. These countries are supported by the Commission's Corporate Marketing and Sales units, including Global Programs, located at headquarters. Geographical information is as follows:

(in thousands of Canadian dollars)	2021	2020
Domestic Program	49,254	28,997
North America	38,961	8,481
Global Programs	13,875	12,659
Europe and India	8,867	7,085
Business Events	7,000	4,172
Asia Pacific	4,970	6,173
	122,927	67,567

12. Expenditures by object

The following is a summary of expenditures by object:

(in thousands of Canadian dollars)	2021	2020
Program expenses		
Leisure Consumer Marketing	97,786	51,025
Leisure Trade Travel	10,073	6,959
Business Events	5,552	–
Program research	4,197	3,795
Travel and hospitality	178	257
Total program expenses	117,786	62,036
Salaries and benefits	15,155	13,915
Operating expenses		
Professional services	1,431	1,402
Information technology	1,101	644
Rent	1,057	1,173
Office	535	514
Travel and hospitality	139	138
Realized foreign exchange loss	34	45
Other	(62)	349
Total operating expenses	4,235	4,265
Expenses before amortization	137,176	80,216
Amortization	313	330
Total expenses	137,489	80,546

13. Financial instruments

Credit risk

The Commission is exposed to credit risk resulting from the possibility that parties may default on their financial obligations and from concentrations of third party financial obligations that have similar economic characteristics such that they could be similarly affected by changes in economic conditions. There is no concentration of credit risk with any one customer. Financial instruments that potentially expose the Commission to credit risk consist of cash and cash equivalents, portfolio investments and accounts receivable.

At December 31, 2021, the exposure to credit risk for cash and cash equivalents is $11,118,000 ($37,784,000 – 2020) (Note 4) and for portfolio investments is $541,000 ($713,000 – 2020) (Note 5).

The Commission minimizes credit risk on cash and cash equivalents and portfolio investments by dealing only with reputable and credit worthy financial institutions. At December 31, 2021, the Commission held $9,818,000 in cash and cash equivalents and portfolio investments with federally regulated chartered banks and $1,839,000 in cash at foreign institutions. The federally regulated chartered banks and foreign institutions which the Commission holds cash and cash equivalents and portfolio investments with have the following long-term bank deposit credit and financial strength ratings:

Credit Ratings

Moody's	Aa3	A2	Aa2
Standard & Poor's	A+	A	A+

In March 2012, the Commission received $1,000,000 from Treasury Board Secretariat relating to locally engaged staff pension benefits under the WWP (Note 8). The Commission's policy is to invest these funds with well-established financial institutions in investments composed of low risk assets. Currently the Commission has invested these funds in Canadian provincial governmental bonds, guaranteed investment certificates and mutual funds (Note 4 and Note 5). All investments are monitored by management on a monthly basis.

Accounts receivable credit risk is minimized by the fact that many of the partners that work with the Commission are federally, provincially or municipally funded.
The Commission measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Commission's historical experience regarding collections.

In 2021, an additional $100,000,000 of funding was approved for the purpose of Helping Visitors Discover Canada. The Commission began incurring expenses related to the special funding in the fourth quarter of 2021 and accrued a $14,335,000 receivable from the Government of Canada.

At December 31, 2021, there is no impairment allowance ($0 – 2020). The amounts past due at year-end are as follows:

Accounts receivable *(in thousands of Canadian dollars)*

	Total	Current	Days 1–30	31–60	61–90	91–120	> 120
Partner	535	532	–	3	–	–	–
Government of Canada	16,376	15,343	1,033	–	–	–	–
Other	14	14	–	–	–	–	–
Total	16,925	15,889	1,033	3	–	–	–

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the credit risk.

Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet all cash outflow obligations as they come due. To mitigate this risk, the Commission monitors cash activities and expected outflows through monthly and quarterly budget and forecast analysis. In addition, investments are maintained in assets that may be converted to cash in the near term if unexpected cash outflows arise. The amounts of financial liabilities past due at year-end are as follows:

Accounts payable *(in thousands of Canadian dollars)*

	Total	Current	Days 1–30	31–60	61–90	91–120	> 120
Trade	16,698	2,673	13,213	779	3	26	4
Employee compensation	2,246	2,211	–	–	–	–	35
Government of Canada	–	–	–	–	–	–	–
Total	18,944	4,884	13,213	779	3	26	39

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the liquidity risk.

Currency risk

Currency risk arises because the Commission operates in several different currencies and translates non-Canadian revenue and expenses to Canadian dollars at different points in time. The Commission does not hedge against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations. At December 31, 2021, the exposure to currency risk based on the year-end monetary balances denominated in a foreign currency for financial assets is $1,964,000 ($880,000 – 2020) and for financial liabilities is $1,663,000 ($442,000 – 2020) (Note 6). The impact of a 10% change in foreign exchange rates would not have a material impact on net operations.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the currency risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Commission is exposed to this risk through its interest bearing portfolio investment balances. The Commission does not hedge against fluctuations in market interest rates and accepts the operational and financial risks associated with any such fluctuations. A variation of 1% in the interest rate would not have a material impact on the financial statements. At December 31, 2021, the exposure to interest rate risk for portfolio investments was $541,000 ($713,000 – 2020).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the interest rate risk.

14. Contractual obligations

The Commission has entered into various agreements for marketing and consulting services and leases for office premises and equipment in Canada and abroad. The total contractual obligations of the Commission as at December 31, 2021 are $96,171,000 ($62,616,000 – 2020). Also included in the contractual obligation amount are purchase orders issued for which the Commission has not yet received the goods or services.

(in thousands of Canadian dollars)

2022	86,037
2023	6,265
2024	2,434
2025	1,420
2026	15
Total	96,171

15. Contingencies

In the normal course of business, various legal claims and lawsuits have been brought against the Commission. Where in the opinion of management, losses, which may result from the settlement of the matters, are determinable within a reasonable range and such losses are considered by management as likely to be incurred, they are charged to expenses. In the event management concludes that potential losses are indeterminable, no provision is recognized in the accounts of the Commission. There are no significant legal claims against the Commission.

16. Related party transactions

The Commission enters into transactions with all Government of Canada created departments, agencies, and Crown corporations in the normal course of business. Details of these transactions are provided in Note 9 and Note 13.

There were no significant transactions with KMP and their close family members, nor were there any transactions that have occurred at a value different from which would have been arrived at if the parties were unrelated.

17. Contractual rights

The nature of the Commission's activities can result in some multi-year contracts and agreements that result in the Commission having rights to both assets and revenue in the future. These arrangements typically relate to marketing services. Where the terms of contracts and agreements allow for reasonable estimates, the major contractual rights are summarized in the table presented below.

(in thousands of Canadian dollars)	2022	Total
Marketing revenue	55	55
Other revenue	138	138
	193	193

18. Comparative figures

The Commission added Strategy, Analytics and Destination Stewardship category on the Statement of Operations to better reflect spend. This category now includes Research which was previously part of the Marketing and Sales expenses. The prior year's comparatives have been restated to reflect the current year presentation. Refer to the Statement of Operations.

In 2021, the Commission updated the names and groupings of certain program expenses. Consumer Development and Public and Media Relations have been updated to Leisure Consumer Marketing, and Trade Development has now been updated to Leisure Travel Trade. Refer to Note 12.

The Commission's Marketing and Sales units were categorized as Global Marketing and Global Platforms and Events in the prior year. In 2021, these two categories were merged and renamed as Global Programs. Refer to Note 11.

In the prior year, the Commission's prepaid expenses were grouped by domestic marketing program and remaining prepaid expenses. In 2021, the Commission updated the groupings to Marketing and Sales, Strategy, Research, and Destination Stewardship expenses and Corporate Services expenses. Refer to Note 3.

Destination Canada
2021 Annual Report

Peat Bogs, Miscou Island New Brunswick

GOVERNANCE

Legislative framework

As an agent of the Crown, we are a federal Crown corporation wholly owned by the Government of Canada. We are provided with overarching public policy priorities, broad strategic goals and expectations.

The *Canadian Tourism Commission Act* and various regulations provide the legislative basis for our establishment and our activities. Through the Minister of Tourism and Associate Minister of Finance, we are accountable to Canada's Parliament through the submissions of an Annual Report, a five-year Corporate Plan and an Operating and Capital Budget annually to Parliament.

Board of directors

Our Board of Directors consists of up to 12 members who oversee the management of the organization and provide strategic guidance and effective fiduciary oversight. The Board ensures that appropriate systems of governance, leadership and stewardship are in place while at the same time empowering management to deliver on its mandate.

Board membership comprises the Chair and the President and CEO of Destination Canada which are Governor-in-Council appointments, and the Deputy Minister of Innovation, Science and Economic Development Canada (ex officio). Further, up to nine additional directors, appointed by the Minister with Governor-in-Council approval, make up the remainder of the Board. Directors are appointed based on the full range of skills, experience and competencies required to add value to our decisions on strategic opportunities and risks.

Members with expired terms continue to serve on the Board until replacements have been appointed.

Over the course of 2021, the Board met nine times and average attendance at meetings was 94%.

Membership

As at January 31, 2022

The Honourable Liza Frulla, P.C., C.M., O.Q.
Chair of the Board of Directors

Marsha Walden
President & CEO, Destination Canada

Simon Kennedy (ex officio)
Deputy Minister, Innovation, Science and Economic Development

Patti Balsillie, BA, ICD.D
Tourism, Innovation and Northern Strategist

Julie Canning
Cowgirl & Operating Partner, Banff Trail Riders

Zita Cobb
Co-Founder & CEO, Shorefast Foundation

Stan Cook
Former Owner & President, Stan Cook Sea Kayak Adventures

Randy Garfield
Former President, Walt Disney Travel

Pat Macdonald, ICD.D
Co-founder & CEO, United Craft, Inc.

Andrew Torriani
President, CEO & General Manager, Ritz-Carlton Montréal

Committees of the board

The Human Resources, Governance and Nominating Committee advises and supports directors in applying our corporate governance principles, assists in evaluating potential board candidates and develops recommendations to the Minister on board appointments (excluding the Chair, the President and CEO and the ex officio director). Additionally, the committee reviews and advises on the President and CEO's annual objectives and our human resources policies, plans and processes, including succession, compensation and benefits plans.

The committee met four times in 2021 and meeting attendance was 100%.

In addition to the duties and functions mandated by the *Financial Administration Act*, the Audit and Risk Committee reviews and recommends to the Board processes for identifying and managing risk, internal control systems and processes for complying with related laws and regulations. The committee also oversees the administration, investment activities and financial reporting of our pension plans.

The committee met five times in 2021 and average meeting attendance was 90%.

Advisory committees

From time to time, the Board creates advisory committees to advise it on how best to deliver our programs and services. The committees take their direction from, and report to, the Board. Composed primarily of members from private sector tourism entities, these committees play an important role in linking Destination Canada to the tourism industry.

We have the following three advisory committees:

- Business Events Canada Advisory Committee
- Leisure Marketing Advisory Committee
- Research Advisory Committee

Executive team

As at January 31, 2022

The President and CEO is accountable to the Board and has responsibility for the day-to-day operations.

Senior Management plays a vital role in strategic leadership, working closely with the Board to set objectives, develop strategies, implement actions and manage performance. Senior management also recommends to the Board sweeping changes, identifies business risks and manages the complex intellectual, capital and technical resources of Destination Canada.

Marsha Walden
President & CEO, Destination Canada

Anwar Chaudhry, CPA, CA
Senior Vice President, Finance & Risk Management and Chief Financial Officer

Gracen Chungath
Senior Vice President, Destination Development

Meaghan Ferrigno
Chief Data & Analytics Officer

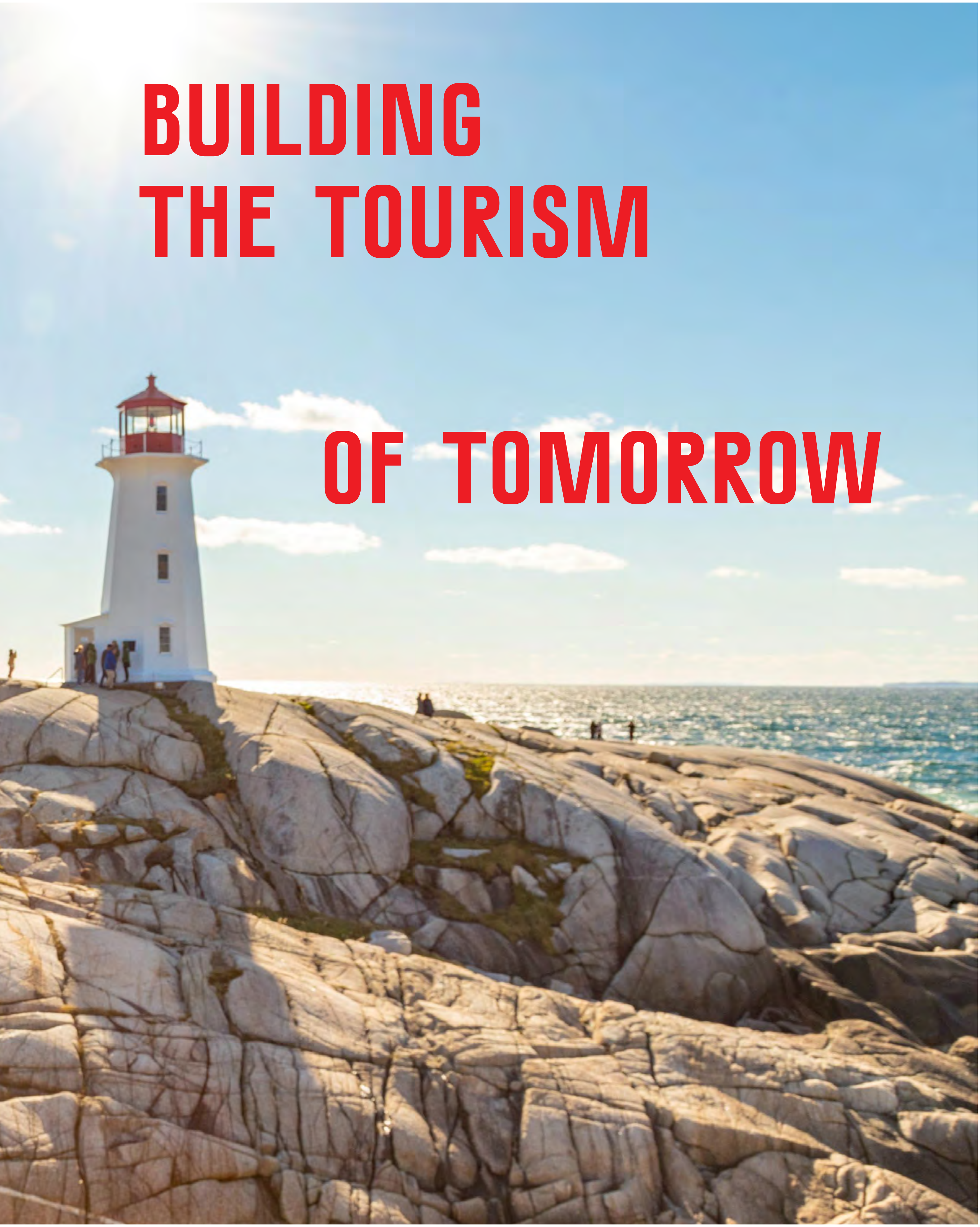
Gloria Loree
Senior Vice President, Marketing Strategy and Chief Marketing Officer

David Robinson
Senior Vice President, Public Affairs and Corporate Secretary

Maureen Riley
Vice President, International

Peggy's Cove Nova Scotia

BUILDING THE TOURISM OF TOMORROW



**DESTINATION
CANADA**

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