



USA

VisitTheUSA.com

Brand USA



# Annual Report

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**FISCAL YEAR 2020**

OCTOBER 1, 2019 - SEPTEMBER 30, 2020

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## ABOUT THIS REPORT

Brand USA submits this report for Fiscal Year 2020 (FY2020) to the Secretary of Commerce to transmit to Congress as an update on the organization’s progress, activities, financial condition, and accomplishments for the period October 1, 2019 through September 30, 2020.

# ABOUT BRAND USA



As the destination marketing organization for the United States, Brand USA's mission is to increase incremental international visitation, spend, and market share to fuel the nation's economy and enhance the image of the USA worldwide.

Established by the Travel Promotion Act of 2009 as the nation's first public-private partnership to spearhead a globally coordinated marketing effort to promote the United States as a premier travel destination and communicate U.S. visa and entry policies, Brand USA began operations in May 2011.

As one of the best levers for driving economic growth, international travel to the United States currently supports 1.2 million American jobs\* and benefits virtually every sector of the U.S. economy. Since its founding, Brand USA has worked with more than 900 contributing organizations to invite the world to explore the exceptional, diverse, and virtually limitless travel experiences and destinations available in the United States of America.

The cumulative results of Brand USA's marketing efforts over the past eight years (FY2013 through FY2020) are now:

- 7.7 million incremental international visitors to the USA who spent
- Nearly \$25.5 billion on travel and fare receipts with U.S. carriers, and generated
- \$7.3 billion in federal, state, and local taxes, which delivered
- \$56 billion in total economic impact, and has supported, on average,
- More than 45,000 incremental jobs each year.
- The seven-year results equate to an average marketing ROI of 26:1 and an overall ROI of 23:1.

Brand USA's operations are supported by a combination of nonfederal contributions from destinations, travel brands, and private-sector organizations plus matching funds collected by the U.S. government from international visitors who visit the United States under the Visa Waiver Program.

For industry and partner information about Brand USA, please visit [TheBrandUSA.com](https://TheBrandUSA.com).

For information about exceptional and unexpected travel experiences in the United States, please visit Brand USA's consumer website [VisitTheUSA.com](https://VisitTheUSA.com).

*\*Source: U.S. Department of Commerce*

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## LETTER FROM THE CHAIR OF THE BOARD

Kyle Edmiston



**Brand USA's ability to guide partners and keep global audiences engaged demonstrates the organization is well positioned to build the future of travel to the United States.**

The Brand USA fiscal year 2020 (FY2020) was a defining time for all of us and a reminder of the important role the hospitality industry plays in the vitality of economies at the local, state, and national levels. My hometown, Lake Charles, Louisiana, experienced firsthand the devastating economic effects of the COVID-19 pandemic. Like most towns and cities across the country, our hotels, restaurants, attractions, and small businesses have suffered job losses impacting families across our community.

Travel and tourism has long been a major driver of our nation's economy. This industry accounted for 2.9 percent of gross domestic product and provided 9.2 million jobs in the United States in 2019, according to the U.S. Department of Commerce. The international segment is particularly valuable because on average international visitors spend more time and money and visit more places than domestic travelers. In 2019, travel and tourism exports (\$254.2 billion) accounted for 9 percent of all U.S. exports and a whopping 27 percent of all U.S. services exports.

COVID-19 has had a disproportionate and catastrophic impact on our industry. According to the U.S. Travel Association, of all jobs lost nationwide during the pandemic, 39 percent are in the leisure and hospitality sector. From March through December 2020, the U.S. economy lost nearly \$500 billion in travel spending as a result of the pandemic. This lost spending resulted in a cascading loss in tax receipts of \$64 billion across the federal, state, and local levels. The travel industry, and in particular international travel, will play a major role in our country's economic recovery, but it will involve building back from a deep hole.

Brand USA's FY2020 annual report to Congress explores the organization's activities throughout this past fiscal year: the accomplishments in the first few months followed by a successful pivot to solve for a very different set of marketing, partner, and organizational needs. Brand USA's ability to guide partners and keep global audiences engaged demonstrates the organization is well positioned to build the future of travel to the United States.

As we reflect on the hard realities of FY2020, we know the months ahead will bring the difficult work of recovering our industry's staggering losses and restoring the USA's competitive edge on the global tourism stage.

Now more than ever, I am energized by the work of our industry and optimistic about our ability to welcome the world back to the United States, sooner rather than later.

A handwritten signature in black ink that reads "Kyle Edmiston".

Kyle Edmiston, CDME  
Chair of the Board

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## LETTER FROM THE PRESIDENT AND CEO

Christopher L. Thompson



**Travel has always had the amazing power to transcend all the unprecedented challenges of our past. No doubt it will do so even with the generational challenges we face today.**

The world has changed in ways unimaginable just one year ago. As we opened our fiscal year 2020 (FY2020), Brand USA had just inaugurated Travel Week Europe in London and hosted the 13th annual U.S. – China Tourism Leadership Summit in Seattle. We anticipated a year full of well-planned global initiatives and events, innovative digital campaigns, and valuable cooperative marketing programs. When Congress passed the second reauthorization of federal funding for Brand USA in December 2019—this time for seven years through FY2027—we prepared to chart a new long-term vision for the organization.

The second quarter of our fiscal year 2020, beginning January 1, 2020, featured a series of important events around which the travel industry rallied. Brand USA held its annual partner roundtable meetings in early February. We hosted the global premiere of our third giant screen film, “Into America’s Wild,” with our mutual colleagues and stakeholders at Destinations International. Brand USA and our partners celebrated the 10th anniversary of the Travel Promotion Act on March 4, and we used the opportunity to highlight new initiatives through a series of industry and public relations events in Europe.

When COVID-19 shut down global travel in mid-March, Brand USA had to quickly and strategically reset. We identified the altered needs of the U.S. travel industry and charted a new path forward. We focused on keeping partners informed and the travel trade engaged, while also maintaining a steady drumbeat of inspiration for consumers, worldwide. We also had to put the organization on sustainable financial footing. With media plans and in-person events scrambled, we focused on a new business planning framework. Though most travel to the United States was not possible during a majority of the year, our team continued to innovate and bring unique value to our partners challenged to maintain commitments to international marketing and promotion.

This annual report to Congress for FY2020 catalogues Brand USA’s efforts and accomplishments leading up to and throughout the pandemic. This body of work, in many ways, is as creative and innovative as any we’ve detailed in our nine previous annual reports. In particular, our response in the second half of the fiscal year demonstrates the organization’s agility and its ability to create value for all stakeholders, even in the most trying of circumstances. We ended FY2020 in a “state of readiness,” defined by continuing to influence key aspects of the travel ecosystem while monitoring a series of gating criteria to determine when conditions are appropriate for reentry to markets and a recovery campaign.

Travel has always had the amazing power to transcend all the unprecedented challenges of our past. No doubt it will do so even with the generational challenges we face today. Nothing about the aspirational nature of the USA as a travel destination has changed. It has always been and will always be about our people, our places, and our uniquely USA experiences. I’m confident this will continue into the future.

With the arrival of vaccines, we are beginning to see the light at the end of this long tunnel. And when the time is right, all of us in the travel industry look forward to welcoming visitors back to our great country.

Together, we’re building the future of U.S. tourism.

Christopher L. Thompson  
President & CEO



# SITUATIONAL ANALYSIS

# SITUATIONAL ANALYSIS



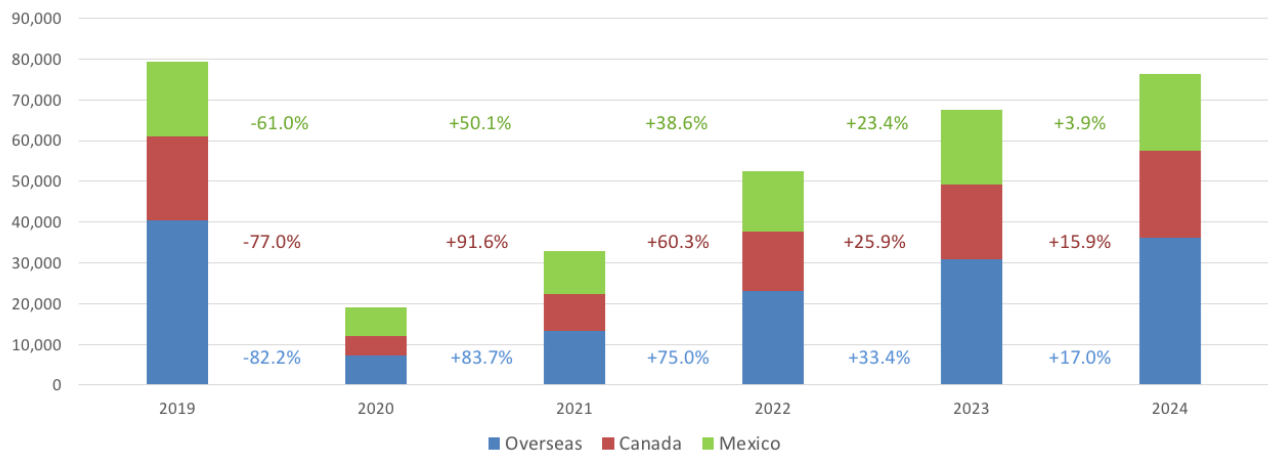
 Yosemite National Park, California

## Inbound Visitation

According to Oxford Economics, the United States received 19 million visitors in 2020, reflecting a decline of 76 percent from 2019. The recovery of 2019 levels of inbound visitation is not expected to occur until 2025. North American markets are expected to come back slightly faster, reaching 2019 levels by 2024.

Despite the expectation that overseas travel will take longer to recover, this forecast shows overseas visits TO THE USA will have higher year-over-year growth numbers 2022-2024 compared to Canada or Mexico visitor growth, which is somewhat counterintuitive. The reason for this is the much sharper decline that overseas markets had in 2020—the distance needed for those markets to climb back is substantially longer. This is also the dynamic behind Mexico’s relatively low forecasted growth for 2021 at 50.1% compared to Canada at 91.6%. Mexican visitation volume (-61%) did not drop nearly as much as Canadian volume (-77%). These differences in growth rates should not be interpreted to mean that Canadian recovery is expected to happen faster – both are projected to hit 2019 levels in 2024.

## U.S. International Inbound Visits and Growth



Source: Oxford Economics

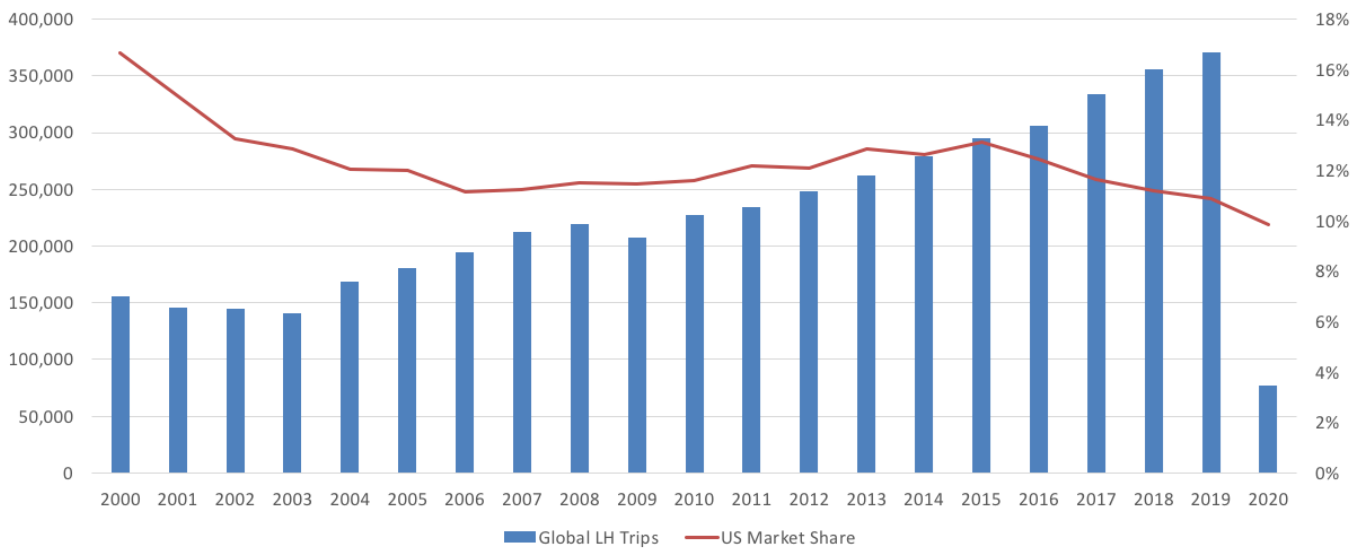


Syracuse, New York

## Market Share

Though the pandemic brought the entire global travel ecosystem to a nearly complete stop, some markets managed a bit better than others. The United States lost 9.5% of its long-haul market share in 2020 (see chart below). The volume of COVID-19 cases in the United States puts it at a disadvantage compared to other popular destination options. Brand USA research has shown that a low case count is one of the top destination criteria among would-be travelers. It remains to be seen whether or not there are lasting perceptions that will impact U.S. competitiveness in the future.

### Global Long-Haul Trips and U.S. Market Share



Source: Oxford Economics

## Gating Criteria

As part of the effort to realign against relevant market conditions, Brand USA assembled key metrics designed to indicate when the markets will be receptive for marketing messaging. For a description of the role of gating criteria in Brand USA’s business framework, see page 23. An interactive dashboard summarizing this data is available on [COVID-19 Dashboard](#).

This section provides an overview of some of the key indicators that impacted FY2020 operations as well as the information gathered in the first few months of FY2021.





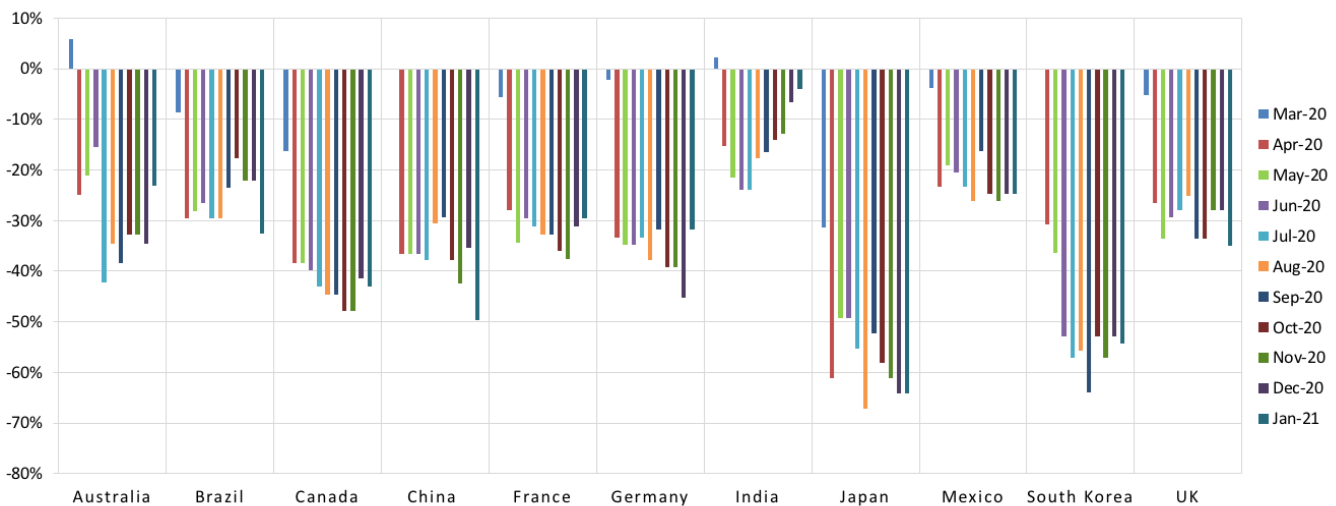
Minneapolis, Minnesota

## Consumer Sentiment

Travelers around the world have been understandably concerned about taking international trips while COVID-19 remains at pandemic levels. While the virus drives most of the immediate concerns about travel, economic hardship adds an additional level of pressure on consumer spending.

Brand USA has been tracking consumer sentiment regarding international travel in 11 target markets for a number of years, allowing a measurement of the impact COVID-19 has had on intent to travel relative to previous standards. The chart below displays significant drops in likelihood to travel in the next 12 months compared to 2019 levels in many key target markets. Until the timelines for general population vaccinations become clearer, we expect travel intent to remain challenged in most markets.

### Likelihood to Travel Internationally in the Next 12 Months (% change over 2019 average)



Base: All Respondents  
Source: Engine/ ORC Custom Study

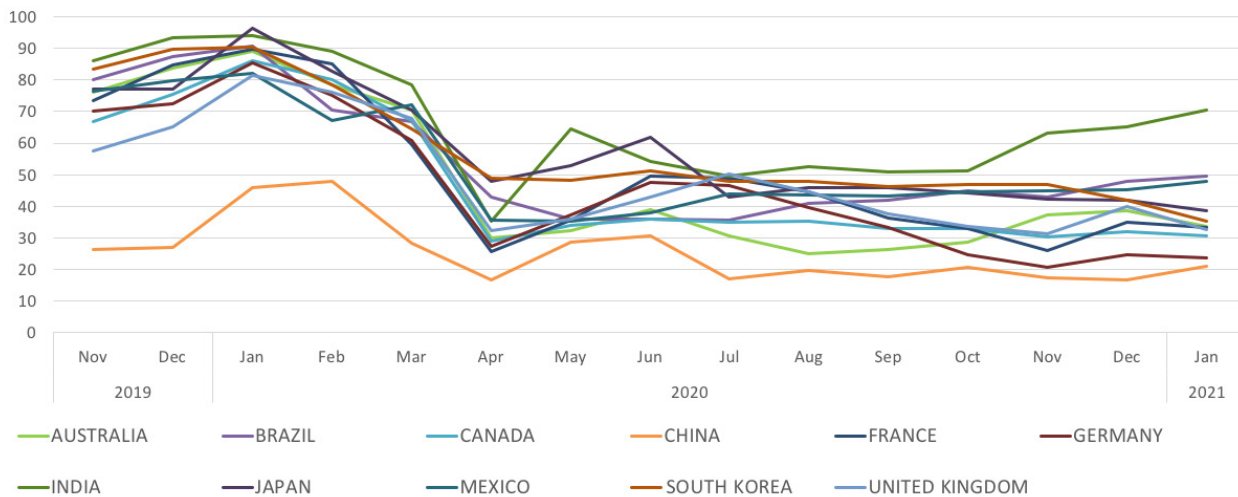


Chicago, Illinois

## Consumer Behavioral Indicators: General Search

Brand USA research has shown that consumers commonly use general search engines as they think about travel plans. Google provides indexed information that reflects the portion of searches in a given market that relate to flight as a topic. As the chart below shows, there was a dramatic drop in interest for flights across the markets in March and April 2020. Most markets have maintained the lowered interest level, but India appears to be the first market to show some recovery of interest. This behavioral interest corresponds to what the consumer sentiment research shows—Indian travelers are among the most eager to take back to the skies.

### Google “Flight” Search Topic Index



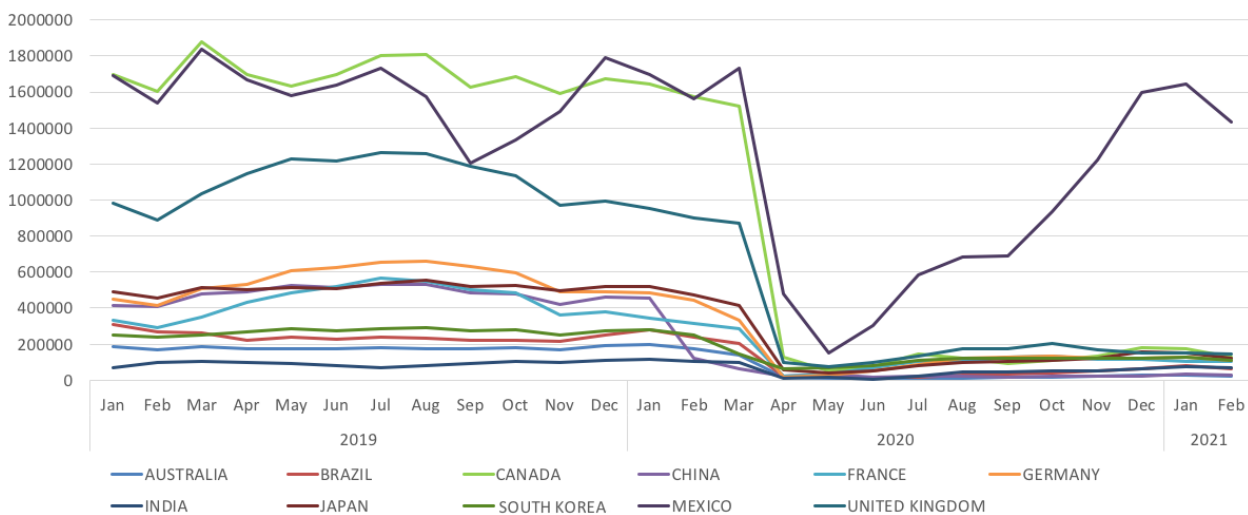
Source: Google



## Inbound Flight Seat Capacity

The pandemic's impact can be seen with even more clarity when looking at the scheduled seat capacity trend. In the ten months since capacity was slashed, most of the world has shown little improvement, with the clear exception of Mexico. As explained above, Mexico visitation did not decline nearly as much as the other markets. It is important to note, however, that seat capacity reflects Americans' travel patterns as well, sometimes more so than inbound visitation. In the case of Mexico, 70 percent of the traffic between the two countries in 2020 was driven by American travelers rather than Mexican travelers. Nevertheless, product availability is a critical component of recovery, and Mexico is poised well from that perspective.

### Scheduled Inbound Seat Capacity



Source: SABRE



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# FY2020 HIGHLIGHTS

# A YEAR UNLIKE ANY OTHER



 Tennessee River Gorge, Tennessee

Fiscal Year 2020 (FY2020) started with well-planned global initiatives and events, innovative digital campaigns, and a proven stable of cooperative marketing programs. In the first few months of the year, Brand USA continued to optimize successful programs, pioneered solutions to new challenges, and prepared to lay the foundation for a new long-term vision. The industry came together to celebrate the second reauthorization of Brand USA in December 2019, and Brand USA hosted its annual partner roundtables in early February 2020.

But when inbound travel came to an unprecedented halt midway through the year, the organization had to reinvent ongoing promotional and communications strategies in the context of the pandemic and other disruptions in the marketplace. Brand USA pivoted from a robust set of programs and initiatives to a more focused mode, to identify the needs of the industry and forge a path forward. Much of the second half of the fiscal year was defined by three tenets:

1. Provide guidance, information, and insight.
2. Deliver hope and optimism to partners, the travel trade, and consumers.
3. Build marketing tools to sustain the industry and, ultimately, to stimulate travel bookings at the appropriate time.

Organizationally, Brand USA entered a state of readiness from which it brought forward valuable new platforms designed for long-term sustainability as well as a business framework to manage resources while continuing to influence the travel ecosystem for an indeterminate period.

This section highlights just a few of the key programs and results Brand USA achieved during each phase of the fiscal year.

# UNITED STORIES



# UNITED STORIES

Brand USA continued to develop the award-winning “United Stories” campaign, which featured roaming storytellers, content creators, and international influencers who traveled the country to capture authentic, welcoming stories and local perspectives.

Though COVID-19 cut campaign production short, Brand USA created new United Stories content in five new destinations in FY2020.

- U.S. Virgin Islands
- Wyoming
- Park City, Utah
- Lake Tahoe, California
- New Orleans and Lake Charles, Louisiana

Following on the prior year’s success, which featured 26 diverse destinations and generated millions of engagements and earned media for Brand USA and its partners, Brand USA deployed a media campaign centered on online video that built year-over-year momentum and inspired audiences with impactful creative. In addition, Brand USA continued to push content organically through social channels focusing on positive, inspirational offerings that inspired wanderlust.

To see more, visit [VisitTheUSA.com/UnitedStories](https://www.visittheusa.com/UnitedStories)

## Paid Media Results



**240M**  
video views



**97M**  
video completions  
(average video length: 2.5 minutes)



**1.7M**  
hours of video viewership



**58%**  
growth in YouTube audience



**245%**  
more views than originally forecast due to campaign efficiencies

Strong lift in search interest, confirmed by a Google Search Brand Lift Study—including a

**— 500% —**

lift in organic search for “lobster fishing” in India, where Maine lobster fishing content was targeted

## Organic Media Results



Brand USA’s organic social efforts in FY20 yielded a media equivalency of

**\$33.8M**

## The Impact:

**2M** organic engagements (FY2019: 664,000)

**2.1M** organic video views (FY2019: 695,000)

# INTO AMERICA'S WILD



**The film is a larger-than-life love story about the transformational allure of wild places across the USA.**

Brand USA continued to leverage cinematic film to highlight the many travel experiences the United States has to offer with the launch of its third giant-screen film, *Into America's Wild*. The soulful new 3D adventure from MacGillivray Freeman Films was successfully released for exhibition in IMAX® and giant-screen theaters. Narrated by Oscar®-winning icon Morgan Freeman, the film is a larger-than-life love story about the transformational allure of wild places across the USA.

From the hunt for hidden wilderness gems to the fun activities in local city parks, *Into America's Wild* is more than just a ride into an amazement-worthy assortment of North American landscapes. It is also a vital exploration into how being outdoors can spark peak experiences. Guiding this journey are three trailblazers—pioneering Native American astronaut John Herrington, Alaskan pilot and youth advocate Ariel Tweto, and record-breaking long-distance hiker Jennifer Pharr Davis—who share a passion for connecting people to experiences in the wild. As they wind their way through the scenic byways, ancient homelands, and hidden trails of North America, viewers will discover the special human connection we all share with the natural world.

Ahead of its global release, a special sneak peek screening of the film took place in January 2020 at Brand Storytelling 2020, a sanctioned event of the Sundance Film Festival. The global premiere was held in February at the Smithsonian National Air and Space Museum in Washington, DC. While the pandemic curtailed its premiere in hundreds of theaters across the globe, distribution should resume when theaters reopen.

During production of the giant-screen film, Brand USA also produced an eight-episode series called *Trails and Trailblazers*, which takes a more in-depth view of many of the destinations featured in *Into America's Wild*. The series, which is available on GoUSA TV and YouTube, features both Ariel Tweto and John Herrington.

Brand USA's first two giant-screen films continued to be seen by a global audience of millions on Netflix (*National Parks Adventure*) and Amazon Prime and GoUSA TV (*America's Musical Journey*).

# PARTNER PROGRAMS



Clearwater, Florida

## Multi-Channel

In FY2020, Brand USA ran nine Multi-Channel campaigns across eight markets. The Multi-Channel program takes consumers through the travel funnel, from inspiration to consideration to activation via a combination of digital media, Facebook ads, Google Display Network, and, in some markets, television or print media (the China Multi-Channel uses similar media assets but relies on in-market platforms). Expedia is Brand USA's activation partner in all markets except for China. The year-long campaign was cut short in March 2020 due to the COVID-19 pandemic.

In FY2020, the campaigns featured a total of 73 destinations and travel brands, with an average participation of 2.1 campaigns per partner. Overall, the nine campaigns garnered 374,417,913 impressions. Campaign highlights include:

- The Canada Expedia component generated \$21,997,743 in hotel room bookings post-view/click.
- The UK Expedia component generated \$1,400,683 in hotel room bookings post-view/click.
- The Korea Expedia component generated \$1,400,683 in hotel room bookings post-view/click.

## Global Inspiration Program

Brand USA's Global Inspiration Program is an award-winning, integrated program that generates awareness of the USA via multi-platform, destination-specific content. The content is supported by targeted media campaigns in key markets and delivers valuable engagement metrics. Year-round digital promotion is distributed on Brand USA's global websites, online travel agency (OTA) partners' landing pages, and in travel trade e-newsletters—all reaching a qualified audience interested in visiting the USA.

## Fiscal Year 2020



In FY2020, Brand USA produced 372,000 printed Visit The USA guides



The 2020 edition of the guide featured content from 176 partners.

In addition to the printed guides, Brand USA produced 12 language editions as digital eGuides and 91 Travel Trade eGuide editions, which garnered 847,389 total page views since March 2020.



# RESEARCH AND STAKEHOLDER ENGAGEMENT



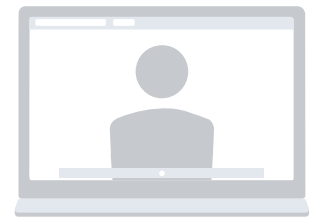
Jackson, Mississippi

One of Brand USA’s unique value propositions is the ability to conduct consumer and market research at the national level and produce critical analysis and insights for partners and industry stakeholders. As COVID-19 swept the globe and scrambled attitudes toward travel and destination marketing budgets, this ability took on even greater importance. More than ever, partners looked to Brand USA for overall guidance and for tactical questions about everything from travel policies to cooperative marketing plans.

At the onset of COVID-19, Brand USA provided guidance to partners with:

**6**

COVID-19 Webinars



Almost  
**3K**


industry participants  
(2,936)



One of the primary tenets Brand USA followed during the second half of FY2020 was to provide guidance, information, and insights to partners and the broader travel industry through proprietary research and market feedback. For example, many took advantage of the central repository for coronavirus information and messaging Brand USA made available on the corporate website. Most prominently, Brand USA commenced a monthly webinar series to present the latest trends, findings, and consumer sentiment results related to the pandemic. Partners and members of the public were also able to engage directly with Brand USA staff during Q&A periods. This popular series ran from March through August.

# TRAVEL TRADE TRAINING



 Honolulu, Hawaii

Throughout the fiscal year, Brand USA remained focused on keeping the USA top-of-mind among the travel community. This work took on new importance after travel restrictions and local mitigation efforts swept through all key source markets from mid-March onward (restrictions began in China in January). To engage the many travel agents and tour operator managers who were stuck at home with their business disrupted, Brand USA quickly and effectively enhanced its digital tools to keep these audiences inspired and knowledgeable about the USA. These efforts have put the country in the best position to recover travelers when conditions warrant.

The USA Discovery Program, Brand USA's award-winning online travel agent training program, launched in Italy and Spain in the first quarter of FY2020 and now operates in all target markets except Japan. In the months following the global spread of the virus, Brand USA promoted significant increases in active participation and badge completion.

In addition to the USA Discovery Program, Brand USA transformed the in-person education programs that form part of the sales missions, roadshows, and tour operator trainings the organization carries out across all markets during a typical year.

Brand USA used informative and inspiring webinars designed for the global travel trade community to dramatically expand the number of travel agents and tour operators it trained during the fiscal year.



**16,670**  
new users in FY2020  
for a total of 39,839  
active users



**72%**  
Year-over-year  
growth in new users



More than **11.5x**  
growth in users from  
FY2019 (1,437 in 2019)



nearly **5x** the  
number of new  
badges earned in  
FY2020 vs. FY2019  
(93,603 to 18,897)

# TRAINING FOR SUCCESS



📍 Atlantic City, New Jersey

- In FY2020, Brand USA trained a global audience of 70,555 travel agents and tour operators.
- This is **2.7** times the number trained in FY2019, which were largely in-person trainings.

Market	USA DP* Total Users	USA DP New Users FY2020	USA DP New Badge Completions	Total Agents Trained
Australia/NZ	4978	931	6876	2872
Brazil	5562	1715	3895	2896
Canada	402	230	Incl Global English	393
China	4672	4084	5181	7112
France	908	515	1952	1573
Germany	1347	699	1522	3456
India	4405	1722	8342	7374
Italy	1058	889	1466	5943
Japan	n/a	n/a	n/a	2075
Mexico	3286	1592	3993	20407
Netherlands	301	177	Incl Global English	Incl Germany
SE Asia	113	84	Incl Global English	1051
South Korea	2191	1377	2332	1045
Spain	Incl Mexico	Incl Mexico	1360	4948
UK/Ireland	6380	1258	6091	9410
Global English	4236	1396	3963	-
<b>Total</b>	<b>39,839</b>	<b>16,669</b>	<b>93,603</b>	<b>70,555</b>

\*USA DP=USA Discovery Program

# GOUSA TV

## Spirit Song

In 2018, Brand USA launched GoUSA TV, the first globally focused connected TV channel established by a national destination marketing organization.

# GoUSATV

Launched in 2018, the GoUSA TV connected television channel benefited from significant momentum as Brand USA moved into FY2020, with a full slate of high impact productions in the works, as well as nearly two years of media learnings. COVID-19 altered media consumption habits around the world, placing a greater emphasis on over-the-top (OTT) viewership, which rebounded to the benefit of the platform. Importantly, as destinations around the United States struggled with the economic fallout from the pandemic, many were able to leverage content from GoUSA TV for their own domestic and international needs.

In FY2020, the GoUSA TV channel gained 215,000 installs and nearly 160,000 viewers, averaging 18 minutes per watch, with a total of 5 million minutes watched.

**18** minutes avg. per watch

**5M** minutes watched

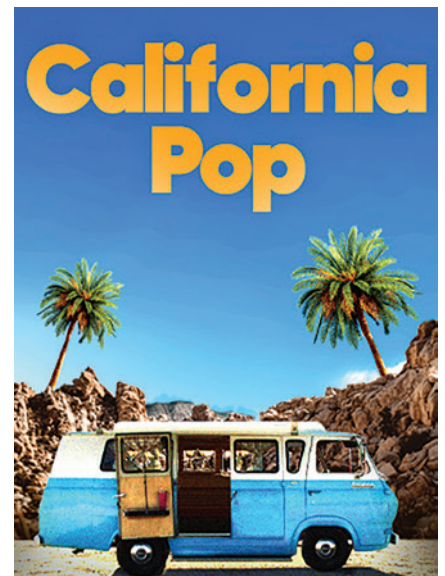
GoUSA TV launched on Samsung TV in the UK in July, and within three months, it earned 9.4 million minutes of viewership.

**9.4M** minutes of UK viewership

Brand USA launched two new major programs during the year: Americanos and California Pop.

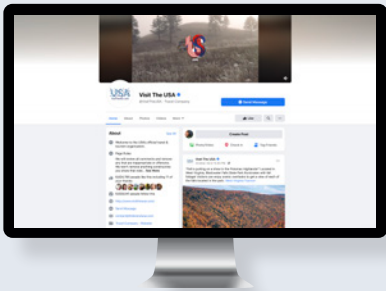
**AMERICANOS** | **7M** views

**California Pop** | **12M** views

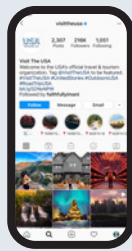


# ORGANIC SOCIAL MEDIA

Brand USA maintains a consumer social media presence, deploying strategies and tactics aimed at fostering community and communication with potential travelers, and highlighting the best of the USA. These organic communications channels with millions of fans around the world became particularly important during the pandemic, when Brand USA suspended paid media marketing.



f @VisitTheUSA

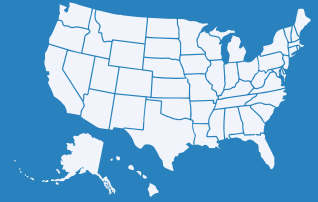


ig @VisitTheUSA

**282M**

Total FY2020 Impressions

## Virtual Road Trip Engagement



**50** states   **5** territories   **1** district



**5.95K**

stories posted to social



**160**

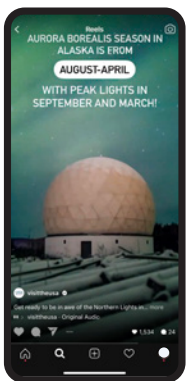
tagged attractions  
(national parks, museums, destinations, etc.)

**533**

destination partner mentions/engagements

## Virtual Road Trip

In the early days of the pandemic, as international travelers hunkered down and travel came to a standstill, Brand USA developed novel ways to engage with its audiences on social media, create a two-way conversation, and embark on a virtual, cross-country road trip. With the help of 7.5 million followers across its social channels, Brand USA leveraged user-generated content, influencers, and local destination partners to virtually visit all 50 states, five territories, and Washington, D.C., showcasing the possibilities and welcoming nature of the USA. Featured campaign characters include: Robin Barnes (Hear The Music), Omar Aragonés (Hear The Music), Ariel Tweeto (Into America's Wild), Chef Digby (United Stories), Ben (Traveler Takeover), Mikah Meyer (National Parks).



## Instagram Reels

During the last quarter of FY2020, Brand USA launched its presence on Instagram Reels, Instagram's competitor to popular video sharing app TikTok. The creative feature allows users to create unique 15-second videos and distribute them across the Instagram platform.

**151.8K**

Video Views

**100%**

Positive or Neutral Sentiment



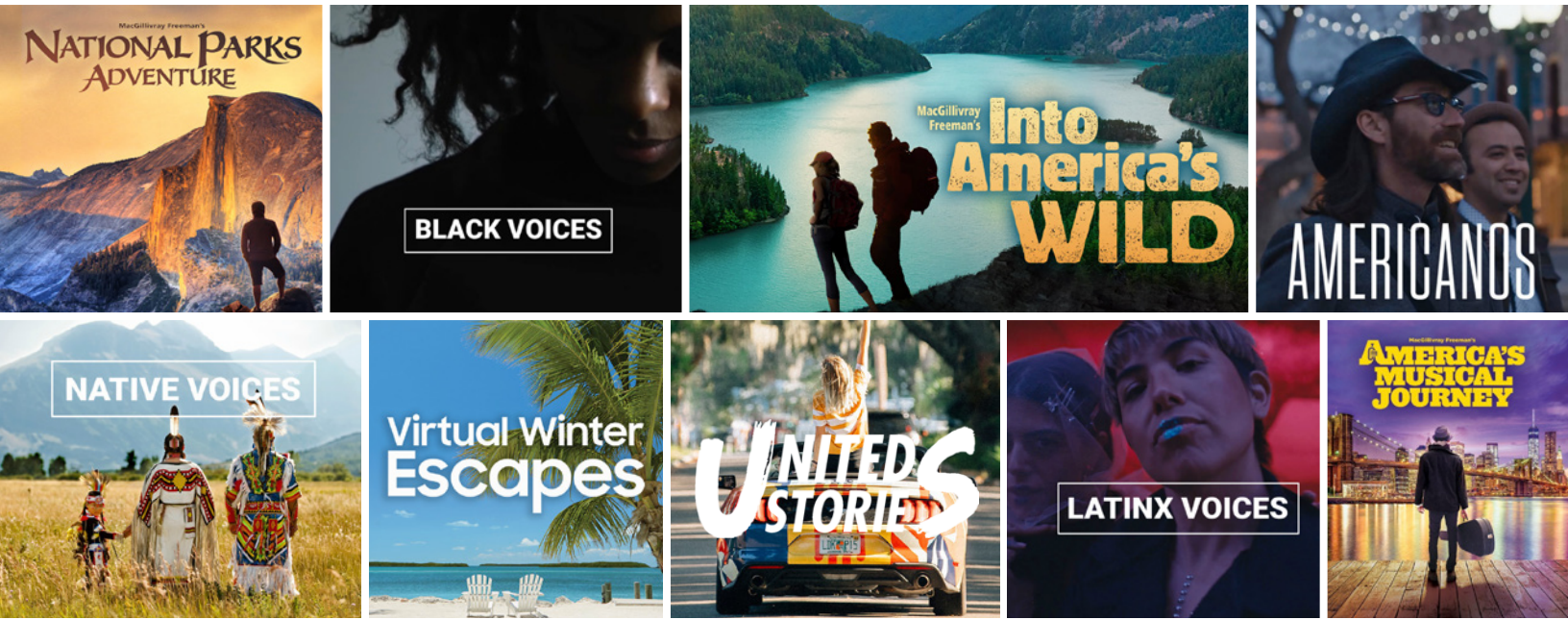
**9.6M**

impressions

**152K**

engagements

# PUBLIC RELATIONS



Public relations was a critical area of success for Brand USA—and one that highlighted the need to be nimble and adaptable in the face of unforeseen developments. With global travel in an unprecedented situation, Brand USA had to reinvent its communications strategy in the context of the pandemic as well as headlines focused on social unrest and contentious politics leading up to the election.

Fortunately, public relations is a marketing discipline capable of shifting quickly and pushing new angles to help reset and recenter conversations around armchair exploration and wanderlust. Brand USA found innovative ways to inspire travel dreamers to keep the USA top-of-mind when it's safe to travel, including online events, trade programs, carefully thought-out pitches, partnerships, and strong storytelling assets (United Stories and GoUSA TV).

## Major Themes

### GoUSA TV

- California Pop
- Americanos
- Black Voices Playlist
- Latino Voices Playlist
- Native American Playlist

### Giant Screen Films

- Into America's Wild
- America's Musical Journey
- National Parks Adventure

### USA Campaigns

- United Stories
- Ask A Local

### Travel Trade

- Travel Week Europe
- Trade Shows
- Mega/Product FAMs
- Sales Missions
- USA Discovery Program

With over **5.1B** impressions all over the globe and in multiple languages,



Brand USA's earned media outreach showcased **378** unique locations and attractions, including all 50 states, the District of Columbia and the 5 territories.




Placements in consumer-facing publications slightly outweighed trade media,

**54% to 46%.**



# A FRAMEWORK FOR THE FUTURE



 Delaware Memorial Bridge, Delaware



Throughout the state of readiness, Brand USA is monitoring a series of gating criteria to determine when conditions are appropriate to launch a recovery campaign.

During the last quarter of FY2020, Brand USA developed a framework to guide the organization into FY2021. This approach consists of three basic parts:



Over the final two months of the fiscal year, Brand USA maintained a state of readiness. While in this state, the organization continued to position the United States for a quick recovery and keep the country top-of-mind among consumers and travel trade. A primary example was the construction of an innovative, virtual platform to keep U.S. destinations and travel suppliers connected with global distribution networks of tour operators, travel agents, airlines, and media. Brand USA also continued to engage with travel trade through educational programs and incentives. Finally, Brand USA continued to deliver inspirational and organic content to consumers through GoUSA TV and the Visit The USA/GoUSA social channels, as well as through partnerships with organizations like Airbnb. As part of these efforts, Brand USA placed particular emphasis on its “many voices” approach to feature diverse and multicultural experiences.

Throughout the state of readiness, Brand USA is monitoring a series of gating criteria to determine when conditions are appropriate to launch a recovery campaign. These criteria include source market conditions, such as air service, entry restrictions and consumer sentiment and behavior, as well as home market conditions, like viral spread, openness of destinations and attractions, and partner demand for international marketing. These criteria are tracked through a [COVID-19 dashboard](https://www.brandusa.com/covid-19-indicator-dashboard), which can be found on Brand USA’s website, [TheBrandUSA.com/covid-19-indicator-dashboard](https://www.brandusa.com/covid-19-indicator-dashboard).

Once there is sustained progress against these criteria, Brand USA will transition to a recovery phase and launch a recovery campaign in priority source markets. This campaign will provide opportunities for partner participation, while supporting the needs of communities across the country as they recapture the important economic contributions of international travelers.

# CONTENT PARTNERSHIPS



Washington, D.C.

As the pandemic took hold, people everywhere began spending more time in front of their screens, looking for entertainment and travel dreaming. Though Brand USA paused production and paid media for our USA campaigns and GoUSA TV, there was an opportunity to distribute existing content through partner platforms. This collaboration also solved an issue for companies that needed new programming and provided an opportunity to expand Brand USA's reach and deliver on the macro-objective for video content: More People. Watching More Content. More Often.

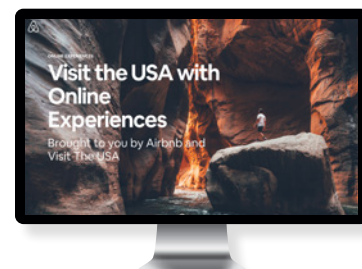
## Samsung Plus UK

Beginning in late July, GoUSA TV became available on Samsung TV Plus in the United Kingdom. Samsung TV Plus is a free, ad-supported streaming video service that offers a premium mix of TV channels, including news, sports, and entertainment. With this partnership, all the unique experiences available for viewing on the GoUSA TV platform are now available to Samsung smart TV users (equipment dated 2016 or later) throughout the UK.



## Airbnb

In September 2020, Brand USA and Airbnb partnered to deliver unique USA experiences to international travelers who were stuck at home, imagining the trips they would take once they were able to travel again. Along with a new landing page featuring a collection of Online Experiences, the partnership showcases the unique cultures, cuisines, and experiences featured in the United Stories campaign. Five hosts from the campaign were featured on the platform, which enabled live, virtual interactions, including storytelling, presentations, and questions and answers for attendees. This also allows the experience hosts and their businesses to generate alternative revenue at a time when they are no longer able to welcome international visitors. The experiences include discovery of southern culinary traditions from a Mississippi chef, the art of spoken-word poetry with a Cleveland-based poet, and a virtual LGBTQ bar tour in NYC.





# BRAND USA GLOBAL MARKETPLACE



Brand USA Global Marketplace Lobby

Brand USA Global Marketplace was built in the last quarter of FY2020 and officially launched in October—just after the close of the fiscal year—with the second edition of Brand USA Travel Week Europe as a highly successful inaugural event. Brand USA Global Marketplace is an always-on, virtual platform that enables a diverse range of U.S. destinations, attractions, and other industry participants to access the top travel trade in key source markets around the world.

## Brand USA Global Marketplace Features

### USA Partner Pavilions

There are currently 140 exhibitor partners with their own pods—including destinations, attractions, receptive tour operators, U.S. government agencies, and more.

### Video On-Demand

Carefully curated and continuously updated content is available 24/7.

### Buyer Pavilion

This buyer directory allows exhibitors to connect via email with specific buyers from a variety of markets.

### Main Stage and Networking Lounge

During live events, participants can view live and pre-recorded programming on the Main Stage. In the Networking Lounge, participants can make live connections with industry colleagues via hosted group video calls.



Brand USA Global Marketplace Video On-Demand Room



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# INTERNATIONAL TARGET MARKETS, POPULATIONS, AND MEDIA CHANNELS

# MARKET SELECTION



Devil's Bridge Sedona, Arizona

## Market Selection

Brand USA focuses on the markets, target populations, and media channels that allow it to optimize performance against the mission of growing international arrivals and spending.

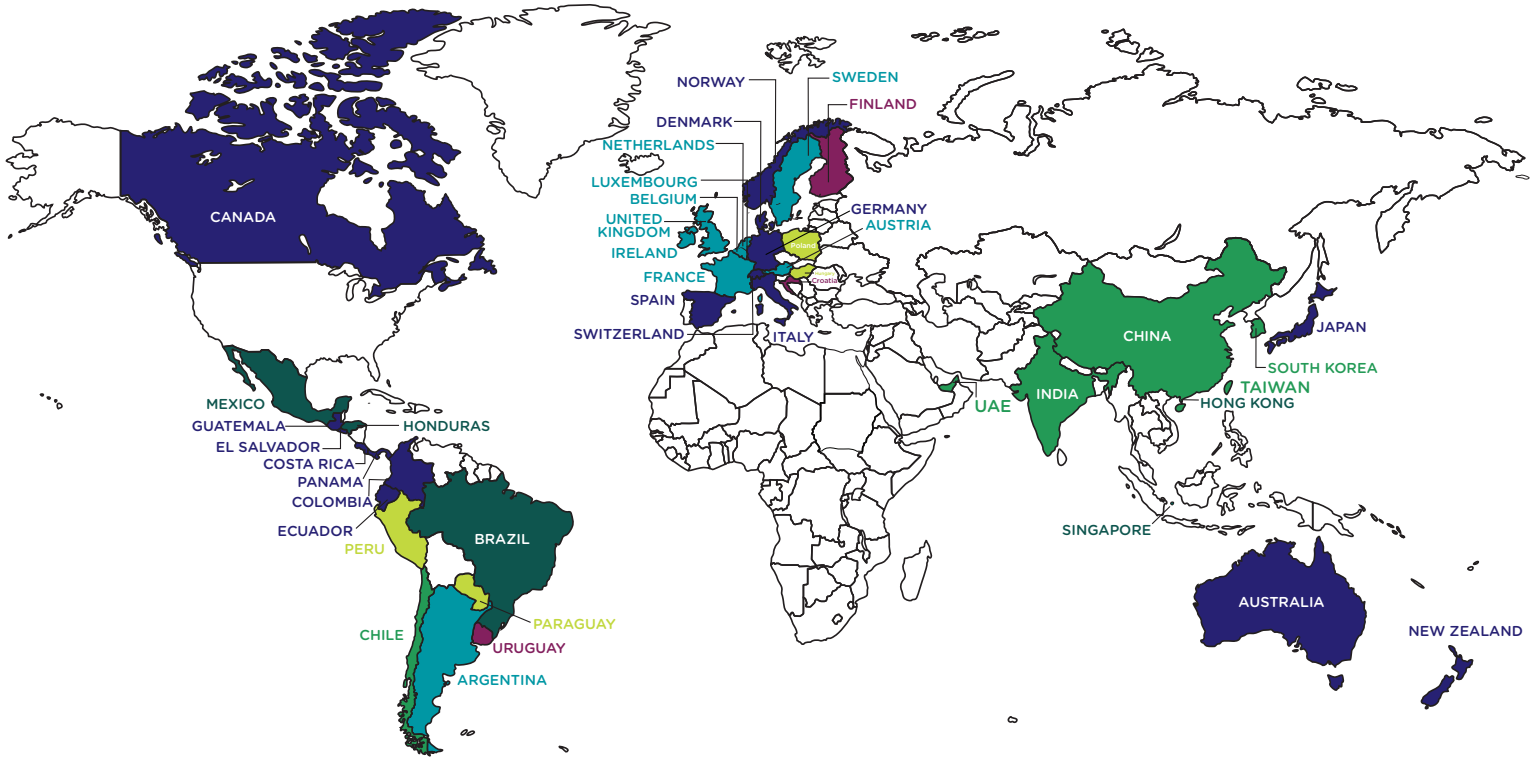
Each year, Brand USA analyzes the global travel landscape to concentrate consumer marketing efforts in the right markets (those with the strongest indicators of growth) at the right time (when travelers are most motivated to plan and activate travel). Brand USA utilizes a 10-factor market selection model to determine the markets where it will focus its consumer campaigns each year, and the optimal level of investment, to achieve the most incremental growth potential.

International travel behavior and macroeconomic data are more heavily weighted as part of the target markets analysis, but other important factors also are considered, such as civil liberty, wealth distribution, and ease of doing business. While the markets Brand USA targets in any given year often align with the largest source markets for U.S. arrivals, the model does not include arrivals volume.

As COVID-19 began to spread around the world, Brand USA adjusted its approach over the course of 2020 to prioritize the implications of the pandemic above typical selection and prioritization criteria. In March 2020, a tracking sheet was published on TheBrandUSA.com to share what activities had been paused in each of the markets. A new set of criteria (see Framework for the Future on page 23) was designed to reflect the fundamental shifts driven by the pandemic. These gating criteria will be used in lieu of the standard selection and prioritization model until travel is normalized and people are once again able to travel freely with minimal restrictions.

## Market Selection Model





**KEY**

- Brand USA Marketing Initiatives and Visit USA/Discover America Committee Activities
- Brand USA Marketing Initiatives Only
- Visit USA/Discover America Committee Activities Only
- Brand USA Marketing Initiatives and Federal Partner Programs
- Visit USA/Discover America Committee Activities and Federal Partner Programs Only
- Brand USA Marketing Initiatives, Federal Partner Programs, and Visit USA/Discover America Committee Activities



**Brand USA executed complementary campaigns, trade outreach, and other initiatives in a variety of other parts of the world to maximize its marketing presence and impact.**

The primary target markets for Brand USA’s consumer marketing (the USA Campaigns) at the beginning of FY2020 were Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, India, Japan, South Korea, Mexico, Sweden, and the United Kingdom. These markets generated more than 80 percent of inbound travel to the United States.

Brand USA executed complementary campaigns, trade outreach, and other initiatives in a variety of other parts of the world to maximize its marketing presence and impact. Through the combined total of consumer campaigns, cooperative marketing platforms, global trade outreach, and collaboration with federal partners and Visit USA committees, the international marketing effort was present in more than 40 markets during FY2020.

## Target Traveler Populations

The traveler segments, or populations, Brand USA targets in any given year vary by market (based on the opportunities in market). As a general rule, marketing typically targets adults aged 25 to 59 who are affluent, educated travelers. Media and messaging are then aligned to market-specific characteristics, such as cultural preferences and historical response to previous marketing efforts. Because the target markets with the greatest growth potential have varying levels of consumer demand and commercial development, most require a market-specific approach.

Based on the varying phases of familiarity and affinity for travel to the USA in any given market, Brand USA typically deploys its marketing activity with the objective of positively influencing travelers within specific stages of the travel lifecycle. Although each market has a designated primary target phase, execution is not limited to just that phase or media type. The market tiers below reflect the initial plan for 2020. As with market selection, the prioritization was adjusted as COVID-19 began to spread.

## Market Tiers

---

# 1

### Permeate the Culture

Focus on custom programming and integrated media mix, including traditional, digital, and social channels.

- China
- India

# 2

### Influence & Inspire

Focus on influencers and digital and social channels.

- Brazil
- Mexico
- South Korea

# 3

### Make it Easy & Obvious

Focus on Online Travel Agencies (OTAs), other activation partners, and digital and social channels.

- Australia
- Canada
- France
- Germany
- Japan
- United Kingdom

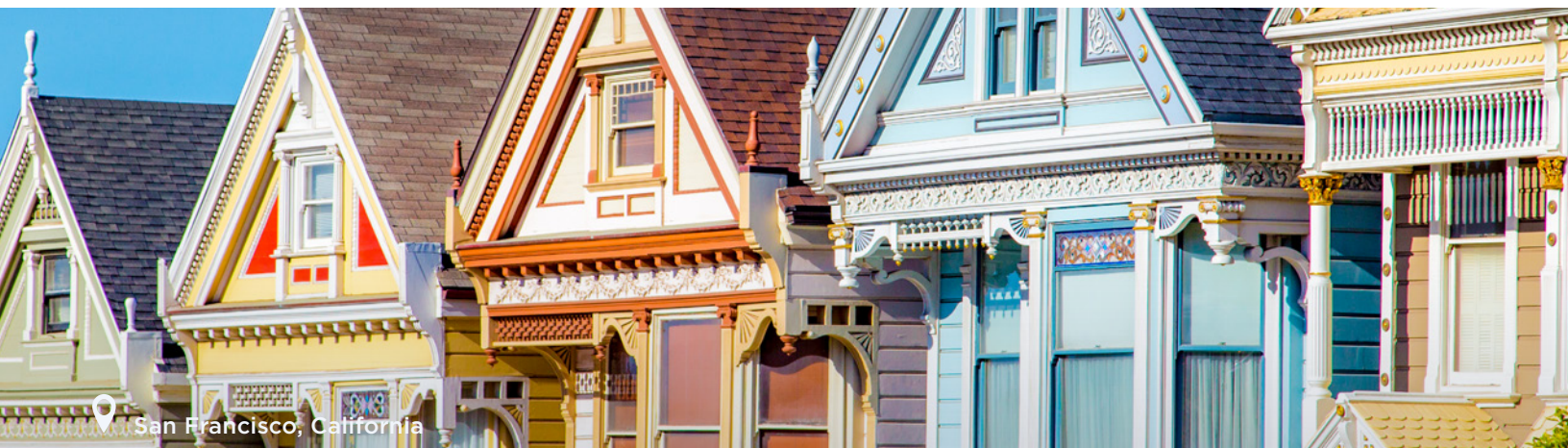
# 4

### Reach Hand-Raisers

(i.e., USA “fans” who are actively searching online for more information about visiting the USA)

Focus on search and organic social reach.

- Chile
- Colombia
- Sweden



## MEDIA CHANNELS

Brand USA uses a range of media for its marketing and promotional activities. Media allocation primarily focuses on the preferred media channels of target audiences and the cost efficiency of ad units and other marketing expenditures in each market. However, Brand USA also considers other added-value opportunities to leverage or amplify media spend in target markets through joint campaigns, contributed media, scaled discounts, and social media uplift. These factors are applied after the general allocation structure is determined and are used to optimize marketing among specific providers.

The total expenditure and ratio of media channels deployed in each market during FY2020 are detailed in the following charts.

### Media Optimization: Expenditures by Market and Media Type

Market	Digital	Print	TV	OOH	Radio	Trade Show/ Event	Multi-media/ Infrastructure	Total
AU	\$535,379		\$0	\$0	\$0	\$0	\$1,255,006	\$1,790,386
BR	\$587,589	\$64,305	\$0	\$56,215	\$7,500	\$26,100	\$277,237	\$1,018,945
CA	\$4,114,743	\$61,298	\$49,059	\$360,000	\$0	\$0	\$78,493	\$4,663,592
CN	\$2,370,866	\$49,228	\$0	\$0	\$0	\$0	\$1,646,686	\$4,066,780
DE	\$1,143,161	\$221,439	\$0	\$92,137	\$22,816	\$123,579	\$549,707	\$2,152,839
FR	\$583,109	\$0	\$0	\$0	\$0	\$34,184	\$677,410	\$1,294,704
GB	\$8,196,087	\$226,843	\$0	\$1,246,407	\$0	\$246,910	\$1,582,030	\$11,498,277
IN	\$923,724	\$29,900	\$0	\$0	\$0	\$0	\$564,777	\$1,518,401
JP	\$569,199	\$8,053	\$0	\$0	\$0	\$21,556	\$158,675	\$757,483
KR	\$360,585	\$0	\$0	\$0	\$0	\$0	\$154,617	\$515,203
MX	\$1,440,343	\$24,301	\$0	\$0	\$0	\$0	\$1,515,462	\$2,980,106
Global/Other	\$5,832,105	\$1,806,298	\$184,176	\$53,367	\$0	\$980,812	\$28,013,462	\$36,870,220
<b>Total</b>	<b>\$26,656,891</b>	<b>\$2,491,665</b>	<b>\$233,235</b>	<b>\$1,808,126</b>	<b>\$30,316</b>	<b>\$1,433,140</b>	<b>\$36,473,563</b>	<b>\$69,126,935</b>
Communications & Research								\$3,432,772
Overhead								\$14,685,681
<b>Total Operating Budget</b>								<b>\$87,245,388</b>



Seattle, Washington

## Media Optimization: Expenditures by Market and Media Type

Market	Digital	Print	TV	OOH	Radio	Trade Show/ Event	Multi-media/ Infrastructure	Total
AU	1%	0%	0%	0%	0%	0%	2%	3%
BR	1%	0%	0%	0%	0%	0%	0%	1%
CA	6%	0%	0%	1%	0%	0%	0%	7%
CN	3%	0%	0%	0%	0%	0%	2%	6%
DE	2%	0%	0%	0%	0%	0%	1%	3%
FR	1%	0%	0%	0%	0%	0%	1%	2%
IN	12%	0%	0%	2%	0%	0%	2%	17%
JP	1%	0%	0%	0%	0%	0%	1%	2%
KR	1%	0%	0%	0%	0%	0%	0%	1%
MX	1%	0%	0%	0%	0%	0%	0%	1%
UK	2%	0%	0%	0%	0%	0%	2%	4%
Global/Other Markets	8%	3%	0%	0%	0%	1%	41%	53%
<b>Total Marketing</b>	<b>39%</b>	<b>4%</b>	<b>0%</b>	<b>3%</b>	<b>0%</b>	<b>2%</b>	<b>53%</b>	<b>100%</b>

Digital channels were the largest single media type used for marketing and advertising activities during the year and encompass a variety of executions, including search, display, social media, online video, and email.

Brand USA proprietary research and industry studies indicate that digital channels are the most frequently used information source for consumer travel decision-making. These channels also allow for more effective consumer engagement through inspirational and authentic content. Importantly, as Brand USA has allocated more marketing spend to digital channels, the organization has continued to optimize content marketing and storytelling strategies.

# EMERGING MARKETS



Black Balsam Knob, North Carolina

Brand USA typically deploys marketing resources and programs across a combination of established and emerging markets. While individual destinations within the United States have varying levels of exposure across markets, at the national level Brand USA considers emerging markets to be those outside of the top five inbound markets that are expected to grow significantly over the next 10 years. In these markets, Brand USA's infrastructure is acutely important making it possible for broad swaths of the travel industry to reach potential visitors that would be challenging for most organizations to do on their own. For example, Brand USA operates a comprehensive digital presence in China, which requires significant time and investment beyond the capacity of many destinations and travel companies.

In light of the pandemic and its hugely disruptive impact both on travel and economic trends, marketing in emerging markets was deemphasized as a priority over the course of FY2020. While emerging markets will continue to play an important role for future growth, the larger, more established source markets will be a near-term focus to expedite recovery.

Here is a list of emerging markets in which Brand USA was active in FY2020:







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# ACTIVITIES TO PROMOTE TOURISM IN RURAL AND URBAN AREAS

# ACTIVITIES TO PROMOTE TOURISM IN RURAL AND URBAN AREAS



Babcock State Park, West Virginia



**Brand USA encourages international visitors to go beyond the gateway cities in the United States to find the endless travel opportunities that exist in small towns, coastal beaches, and quaint villages nationwide.**

The Travel Promotion Act requires Brand USA to promote tourism to rural and urban areas equally, including areas not traditionally visited by international travelers. While the ratio of rural/urban areas promoted varies by program, Brand USA meets the requirement to promote rural and urban areas through the combined total of marketing initiatives.

## Promotion In Rural Areas

Brand USA encourages international visitors to go beyond the gateway cities in the United States to find the endless travel opportunities that exist in small towns, coastal beaches, and quaint villages nationwide. Many programs incorporate a variety of diverse destinations, including rural destinations.

### Examples of initiatives Brand USA used to promote international travel to rural areas in FY2020 include:

**United Stories:** This award-winning campaign uses roaming storytellers, content creators, and influencers to capture authentic, welcoming stories from local perspectives. United Stories provides coverage of rural destinations on their own and linked with other regional points of interest.

**Into America's Wild:** Brand USA's third giant screen film collaboration with MacGillivray Freeman Films is a larger-than-life story about the transformational allure of wild places across the span of the USA. From the hunt for hidden wilderness gems to fun in local city parks, *Into America's Wild* is more than just a ride into an amazing assortment of North American landscapes. It is also a vital exploration into how being outdoors can spark peak experiences.



**GoUSA TV:** Brand USA created, curated, and licensed content to harness the power of entertainment to motivate people to actively consider a USA destination for their next vacation.

**Virtual Road Trip:** With the help of 7.5 million followers across its social media channels, Brand USA leveraged user-generated content, influencers and local destination partners to virtually visit all 50 states, five territories, and Washington, DC, to showcase the possibilities and welcoming nature of the USA.

**VisitTheUSA.com:** Brand USA's consumer websites promote urban and rural destinations. Content focuses on a broad range of experiences that link urban and rural destinations to gateway cities.

**USA Insider Guides:** Brand USA continued to develop new itineraries encompassing all 50 states, at least two territories, and the District of Columbia. USA Insider Guides are developed in conjunction with U.S.-based receptive tour operators to promote these itineraries in international markets, which results in those itineraries being featured in key international brochures and websites.

**Global Inspiration Program:** Brand USA's Global Inspiration Program is an award-winning, integrated program that generates awareness of the USA via multiplatform, destination-specific content.

**Multichannel Program:** The multichannel program takes consumers through the travel funnel, from inspiration to consideration to activation. In FY2020, the campaigns featured a total of 73 destinations and travel brands, including a mix of rural and urban destinations.

# DISTRIBUTION IN PRIMARY PROGRAMS

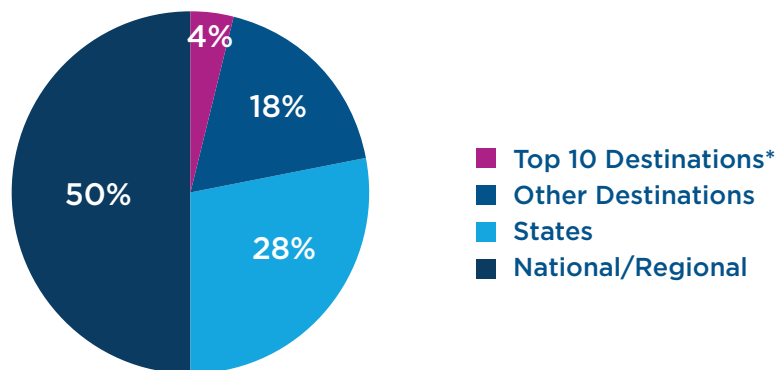


White Mountain National Forest, New Hampshire

Consumer Marketing	Gateway	Urban Non-Gateway	Rural
USA Campaign	10%	5%	86%
Social Media	40%	26%	34%
GoUSA TV	15%	35%	49%
Cooperative Marketing Programs	14%	52%	34%

Travel Trade Programs	Gateway	Urban Non-Gateway	Rural
USA Insider Guides	2%	22%	76%
Brand USA Global Marketplace	6%	32%	62%
USA Discovery Program	8%	15%	77%

## Website Pageviews



\*Top 10 Markets: New York City, Los Angeles, San Francisco, Miami, Orlando, Las Vegas, Honolulu, Washington D.C., Chicago, Boston.

Analysis of top 5,000 pages, representing 84% of all page views.



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# OBJECTIVES REVIEW

# INTRODUCTION



In the month prior to October 1, 2019, Brand USA launched the game-changing Brand USA Travel Week Europe in London and hosted the 13th annual U.S. – China Tourism Leadership Summit in Seattle. As the new fiscal year began, all eyes turned to Capitol Hill and the reauthorization of federal funding beyond FY2020—another defining moment that arrived in December. The end of calendar year 2019 found Brand USA preparing to redouble marketing efforts, host annual partner roundtable meetings, launch its third giant screen film, and mark the ten-year anniversary of the Travel Promotion Act.

Everything changed in March when COVID-19 shut down travel. What initially appeared to be a disruption to the China market suddenly became a global phenomenon that brought cross-border movement to a well-documented halt. This new reality required Brand USA to quickly identify the needs of the U.S. travel industry and chart a new path focused on keeping partners informed and engaged while also maintaining a steady drumbeat of inspiration and conserving resources for recovery.

In practical terms, this meant Brand USA paused media buys and scaled back in-person activities and events across all markets. The organization negotiated long-term delays to planned media runs and partner-involved cooperative marketing programs. At the same time, the organization stepped up its efforts to use online tools to engage the travel trade in key markets—for example, travel agent participation in the USA Discovery Program training tool increased by 72 percent over FY2019. Brand USA increased the frequency of its research and market intelligence sessions with partners as well as its travel policy updates. Finally, Brand USA found strategic and creative ways to continue to deliver inspiration to consumers and value to partners through organic content on GoUSA TV, social media campaigns like the virtual road trip, and public relations efforts in key source markets.

Throughout the remainder of the fiscal year Brand USA continued to build the tools the industry needed for recovery and set the table for collective success. This included development of the business framework currently in use for FY2021, which is defined by continuing to influence key aspects of the travel ecosystem while tracking gating criteria to ascertain when conditions are appropriate to transition to recovery mode. Importantly, while in a state of readiness, Brand USA continued to innovate by bringing forward industry-wide solutions such as [Brand USA Global Marketplace](#).

However, global conditions rendered many of the FY2020 objectives and goals moot. These objectives were developed in summer 2019 prior to the start of FY2020. Even though several of these goals necessarily became irrelevant in March 2020, important progress and achievements were still made. The body of work Brand USA realized in the pre- and post-COVID parts of the fiscal year are presented in the Highlights section of this report. In particular, the activities in the second half of the year demonstrate the organization's agility and its ability to create value for all stakeholders even in the most trying of circumstances.

# OBJECTIVES: SUMMARY OF RESULTS

Objective	Goals	Outcome
#1 Drive Results	Generate 1.39 million incremental international visitors	✗ 215,840 incremental international visitors
	Drive \$5.5 billion in incremental international	✗ \$560.4 million incremental international spend
	Realize \$9.79 billion in total economic impact	✗ \$1.21 billion of total economic impact
	Achieve marketing return on investment (ROI) of 32:1; overall ROI of 29:1	✗ Marketing ROI of 7.7:1; overall ROI of 6.4:1
	Maintain overhead below 15 percent	★ Overhead of 8.3%
#2 Create Innovative Marketing	Ensure equal marketing of rural and urban areas across the total of all marketing efforts.	✓ Equal marketing of rural and urban areas
	Support all 50 states, the District of Columbia, and five territories	✓ Supported all 50 states, the District of Columbia, and the five territories
	Protect and maintain average intent to visit the USA across all markets at 60 percent	○ 56% intent to visit
#3 Market the Welcome	Deploy international arrival program in 15 international arrival halls and/or embassies/consulates.	✓ Deployed Market the Welcome video and/or images at 15 embassies and consulates
	Increase translated content regarding practical travel information and entry policy on consumer websites by 25 percent.	★ Increased new translated content regarding practical travel information and entry policy on consumer websites by approximately 60%
#4 Build and Maintain Trust	Ensure 100% compliance with policies & Travel Promotion Act	✓ Brand USA certifies it is in compliance with its competitive procurement policy, all organizational policies and the Travel Promotion Act
	Expand partner results reporting by 25 percent	✗ Not applicable
#5 Add and Create Value	Generate \$100 million in contributions from private industry and other non-federal sources (with no less than 30 percent from cash contributions and no more than 70 percent from in-kind contributions)	✓ Including carryforward from the previous year and in accordance with the statutory cash/in-kind ratio, Brand USA submitted and received the full \$100 million available in FY2020, minus sequestration. The full allowable match was received in March, the earliest point in any year to date
	Earn a 90 percent or better (top 2 boxes) on the partner satisfaction survey question "Brand USA's partnership provides value to my organization."	★ 94% partner satisfaction
	Earn an 85 percent or better partner program retention rate	✗ Not applicable

★ Exceeded goal for the objective

✓ Achieved goal for the objective

○ Partially achieved goal for the objective

✗ Did not achieve goal for the objective

# NOTES REGARDING OBJECTIVES



## Objective 1: Drive Results

### Brand USA achieved one of five targets under this objective.

Brand USA paused paid marketing activity in early March 2020 as the global pandemic shut down international travel. Therefore, the organization generated a return on investment only during the first five off-peak months of the fiscal year. These factors meant Brand USA did not meet the four economic impact targets in this category: incremental international visitation and spend, total economic impact, and ROI.

It is important to note that the increases in visitation, spend, and job support Brand USA drove in FY2020 are attributable to Brand USA activities and incremental to external influences such as economic conditions and exchange rates.

The cumulative results of Brand USA's marketing efforts over the past eight years (FY2013 through FY2020) are:

- 7.7 million incremental international visitors to the USA who spent
- Nearly \$25.5 billion on travel and fare receipts with U.S. carriers, and generated
- \$7.3 billion in federal, state, and local taxes, which delivered
- \$56 billion in total economic impact, and has supported, on average,
- More than 45,000 incremental jobs each year
- The seven-year results equate to an average marketing ROI of 26:1 and an overall ROI of 23:1.

Importantly, approximately half the jobs supported are outside the travel and tourism industry, including manufacturing, construction, finance, retail, and more.

You can see the full economic impact results at [TheBrandUSA.com/About/Reports](https://TheBrandUSA.com/About/Reports).





## Objective 2: Create Innovative Marketing

### Brand USA achieved two of three targets under this objective.

For the missed target, Brand USA was able to maintain an average intent to visit the USA across all markets at 56 percent. Though slightly below the target of 60 percent, the results reflect the resiliency of the United States as an aspirational destination even in an environment in which most consumers were not in a position to book long-haul international travel.

## Objective 4: Build and Maintain Trust

### Brand USA certifies it is in compliance with its competitive procurement policy, all organizational policies and the Travel Promotion Act.

However, the second target under this objective—to expand partner results reporting by 25 percent—was rendered moot by conditions during the fiscal year. As detailed for Objective 5, while Brand USA enjoyed robust participation in partner programs during the first few months of the year, the global pandemic required the suspension of partner programs beginning in March. Since a majority of the planned programs were not executed, partner reporting against those programs could not occur.

## Objective 5: Add and Create Value

### Brand USA achieved two of the three targets under this objective.

The third target—to earn an 85 percent or better partner program retention rate—was rendered moot by conditions during the fiscal year. While Brand USA enjoyed robust participation in partner programs during the first few months of the year, such as the multichannel program and the global inspiration program, it was not possible to assess an overall retention rate because partner programs were paused in March. A majority of the planned programs did not run and partners were not given a chance to participate.



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# AUDITED FINANCIAL STATEMENTS AND NOTES



**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Financial Statements

September 30, 2020 and 2019

(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 12000  
1801 K Street, NW  
Washington, DC 20006

## Independent Auditors' Report

The Board of Directors  
The Corporation for Travel Promotion, dba Brand USA:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of The Corporation for Travel Promotion, dba Brand USA, which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Corporation for Travel Promotion, dba Brand USA, as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



#### Report on Summarized Comparative Information

We have previously audited The Corporation for Travel Promotion, dba Brand USA's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*KPMG LLP*

Washington, District of Columbia  
February 25, 2021

**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Statements of Financial Position

September 30, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Assets:		
Cash and cash equivalents	\$ 50,762,848	24,001,445
Investments	27,158,344	30,102,971
Accounts receivable, net	18,037,016	70,539,936
Accounts receivable with related party	50,000	2,638,000
In-kind assets, net	21,989,699	38,618,218
Prepaid expenses and other current assets	8,757,764	6,431,808
Property and equipment, net	714,226	966,943
Intangible assets, net	6,447,475	7,054,244
Total assets	\$ <u>133,917,372</u>	<u>180,353,565</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 5,089,561	10,300,084
Accrued expenses and other liabilities	4,024,209	9,800,235
Total liabilities	<u>9,113,770</u>	<u>20,100,319</u>
Net assets:		
Without donor restriction	97,960,585	102,331,591
With donor restriction	26,843,017	57,921,655
Total net assets	124,803,602	160,253,246
Commitments and contingencies		
Total liabilities and net assets	\$ <u>133,917,372</u>	<u>180,353,565</u>

See accompanying notes to financial statements.

**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Statement of Activities

Year ended September 30, 2020  
(with summarized financial information for fiscal year 2019)

	2020			2019
	Without donor restriction	With donor restriction	Total	Total
Support and revenue:				
Travel promotion fund proceeds	\$ 53,966,502	—	53,966,502	116,894,581
Partner contributions	18,261,056	1,267,255	19,528,311	45,883,040
In-kind contributions, net	1,390,034	12,413,488	13,803,522	55,680,381
Trade show and other revenue	1,470,327	—	1,470,327	2,884,340
Sponsorships	—	453,996	453,996	2,831,633
Release from restrictions	45,213,377	(45,213,377)	—	—
Total support and revenue	120,301,296	(31,078,638)	89,222,658	224,173,975
Expenses:				
Program services	110,266,530	—	110,266,530	188,257,599
General and administrative	14,405,772	—	14,405,772	15,816,430
Total expenses	124,672,302	—	124,672,302	204,074,029
Total change in net assets	(4,371,006)	(31,078,638)	(35,449,644)	20,099,946
Net assets, beginning of year	102,331,591	57,921,655	160,253,246	140,153,300
Net assets, end of year	\$ 97,960,585	26,843,017	124,803,602	160,253,246

See accompanying notes to financial statements.

**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Statement of Functional Expenses

Year ended September 30, 2020  
(with summarized financial information for fiscal year 2019)

	2020			2019
	Program services	General and administrative	Total	Total
Salaries	\$ 4,963,319	4,005,657	8,968,976	10,500,408
Benefits	1,241,261	1,001,762	2,243,023	2,082,989
General and administrative	929,237	607,246	1,536,483	1,575,018
Communication	1,298,562	466,447	1,765,009	4,442,946
Insurance	63,665	37,801	101,466	104,737
Information technology	539,155	320,124	859,279	1,122,343
Legal	—	250,956	250,956	524,744
Accounting and audit	—	171,141	171,141	146,842
Professional services	420,963	525,471	946,434	1,046,281
Advertising and media	59,800,805	—	59,800,805	112,937,689
Market activation	5,394,762	—	5,394,762	8,889,877
Product development	270,470	—	270,470	544,869
Trade shows	2,983,413	—	2,983,413	3,551,949
Research	1,534,015	—	1,534,015	2,182,667
In-kind expenses	30,432,042	—	30,432,042	49,114,751
Travel	394,861	149,054	543,915	1,816,956
Depreciation and amortization	—	2,387,949	2,387,949	3,488,964
Bad debt expense	—	4,482,164	4,482,164	—
<b>Total</b>	<b>\$ 110,266,530</b>	<b>14,405,772</b>	<b>124,672,302</b>	<b>204,074,030</b>

See accompanying notes to financial statements.



**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Statements of Cash Flows

Years ended September 30, 2020 and 2019

	<u>2019</u>	<u>2018</u>
Net cash from operating activities:		
Change in net assets	\$ (35,449,644)	20,099,946
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized loss on investments	(152,627)	(265,814)
Allowance for doubtful accounts	1,503,664	(720,088)
Allowance for sequestration	(2,516,340)	1,155,672
Allowance for in-kind assets	433,914	(2,764,040)
Depreciation and amortization	2,387,949	3,488,964
Change in operating assets and liabilities:		
Accounts receivable	56,103,596	(19,820,303)
In-kind assets	16,194,606	(3,801,590)
Prepaid expenses and other current assets	(2,271,189)	(1,231,932)
Accounts payable	(5,210,523)	697,141
Accrued expenses and other current liabilities	(5,776,027)	(4,103,743)
Net cash used in operating activities	<u>25,247,379</u>	<u>(7,265,787)</u>
Net cash from investing activities:		
Purchases of investments	(25,279,666)	(19,660,963)
Proceeds from sales of investments	28,376,920	18,151,400
Purchase of property and equipment	(45,080)	(106,562)
Purchase of website and development	(1,538,150)	(1,808,592)
Net cash used in investing activities	<u>1,514,024</u>	<u>(3,424,717)</u>
Net change in cash and cash equivalents	26,761,403	(10,690,504)
Cash and cash equivalents, beginning of year	<u>24,001,445</u>	<u>34,691,949</u>
Cash and cash equivalents, end of year	\$ <u>50,762,848</u>	<u>24,001,445</u>

See accompanying notes to financial statements.

# THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Notes to Financial Statements

September 30, 2020 and 2019

## (1) Organizational Structure

The Corporation for Travel Promotion (CTP), also doing business as “Brand USA,” was formed pursuant to the Travel Promotion Act of 2009 (the Act). CTP’s mission is to promote increased foreign leisure, business, and scholarly travel to the United States of America (USA), which will drive significant economic growth and job creation in communities across the country.

CTP is a not-for-profit corporation incorporated in November 2010, subject to the provisions of the District of Columbia Nonprofit Corporation Act. CTP is qualified as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code. The public-private marketing entity works in close partnership with the travel industry to maximize the social and economic benefit of travel in communities around the country.

The funding provided to CTP originates from visa application fees collected under Section 217(h)(3)(B)(i)(I) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(B)(i)(I)). Under the Act, the U.S. Department of Homeland Security (DHS), through the Secretary of the U.S. Department of the Treasury, made available to CTP initial funding, not to exceed \$10 million, for initial expenses and activities in fiscal year 2011. For each of the fiscal years 2012 through 2015, from the fees collected by DHS, the Secretary of the U.S. Department of the Treasury will transfer not more than \$100 million to CTP. For fiscal year 2012, funds were made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions raised (from nonfederal sources) by CTP, \$2 would be transferred up to the \$100 million cap. For each of the fiscal years 2013 through 2020, funds were made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions raised (from nonfederal sources) by CTP, \$1 would be transferred up to the \$100 million cap.

In December 2019, the U.S. Congress approved a seven-year reauthorization for CTP through 2027. For each of the fiscal years 2020 through 2027, from the fees collected by DHS, the Secretary of the U.S. Department of the Treasury will transfer not more than \$100 million to CTP. Funds will be made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions (from nonfederal sources) raised by CTP, \$1 will be transferred up to the \$100 million cap.

CTP’s programs, activities, and operations are managed and supported by its corporate office in Washington, DC.

## (2) Summary of Significant Accounting Policies

### (a) Basis of Presentation

The financial statements present the financial position, activities, functional expenses, and cash flows of CTP on the accrual basis of accounting.

### (b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with maturities at the date of investment of not more than three months.

### (c) Liquidity and Availability

CTP manages its financial assets to be available as its operating expenses, liabilities, and other obligations come due. Cash in excess of daily requirements is invested in short-term investments or

**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Notes to Financial Statements

September 30, 2020 and 2019

fixed income securities in accordance with CTP's investment policy discussed in note 2(g). Certain receivables may be subject to contractual or donor-imposed time or purpose restrictions, making those receivables unavailable to meet cash expenditures within one year. Additionally, CTP maintains a board designated liquidity reserve that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical lifecycle of converting financial assets to cash or settling financial liabilities. The reserve is not intended to replace or eliminate a permanent loss of funds. As of September 30, 2020 and 2019, the liquidity reserve was \$500,000.

The following table presents CTP's financial assets available for general expenditures within one year as of September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 50,762,848	24,001,445
Investments	27,158,344	30,102,971
Accounts receivable, net	<u>18,087,016</u>	<u>73,177,936</u>
Total financial assets	96,008,208	127,282,352
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed time or purpose restrictions:		
Contractual time restrictions	—	(2,770,930)
Board designations:		
Amounts set aside for liquidity reserve	<u>(500,000)</u>	<u>(500,000)</u>
Financial assets available to meet cash expenditures within one year	\$ <u>95,508,208</u>	<u>124,011,422</u>

**(d) Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances taking into account the creditworthiness of donors and history of collection. Management provides for probable uncollectible amounts through a charge to expense and an increase to a valuation allowance based on its assessment of the current status of individual accounts. At September 30, 2020 and 2019, the allowance for doubtful accounts was \$1,608,335 and \$104,671, respectively. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of trade accounts receivable. The allowance for doubtful accounts increased year over year due to a change in the allowance calculation. Bad debt expense increased due to the COVID-19 pandemic's impact on our Partners' revenue streams, thus, making our collection efforts less effective and impacting the carrying value of the related receivables.

## THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Notes to Financial Statements

September 30, 2020 and 2019

### **(e) Allowances for Sequestration and Travel Promotion Fund**

On March 1, 2013, the Budget Control Act of 2011, P.L. 112-25, became effective and triggered automatic cuts to spending. CTP's funds received from the Department of Treasury under the Travel Promotion Act were automatically reduced by sequestration of 5.9% and 6.2% in fiscal years 2020 and 2019. As a result, CTP has recorded an allowance for the sequestration expected to be withheld from future collections on its accounts receivable due from the Department of Treasury as of September 30, 2020 and 2019 in the amount of \$829,743 and \$3,346,083, respectively.

### **(f) In-Kind Assets**

In-kind contributions with future economic benefit are capitalized until the benefit of such contributions has been received. At September 30, 2020 and 2019, in-kind assets consist of donated advertising and marketing campaigns in the amount of \$24,171,944 and \$40,366,550, respectively. In-kind assets are expensed as used, and, as such, an in-kind asset balance will remain as of any given fiscal year-end for media that is scheduled to be used in future fiscal periods.

### **(g) In-Kind Assets Allowance**

CTP has recorded an allowance for in-kind assets in the amount of \$2,182,245 and \$1,748,331, respectively, as of September 30, 2020 and 2019. This allowance may be adjusted by final third-party evaluations and directly reduces in-kind contribution revenue.

### **(h) Investments**

Investments are carried at their estimated fair value. Interest and dividends earned on investments are also included in trade show and other revenue on the statements of activities and changes in net assets in the year earned. Unrealized gains and losses reflect the changes in the market values of investments from the prior year. The date of record for investments is the trade date.

CTP holds various investments, including certificates of deposit (CDs) and corporate bonds. The CDs and corporate bonds are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and investment contracts and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term would affect CTP's account balances and the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

CTP follows an investment policy that anticipates a sufficient return while maintaining capital preservation as the highest priority and ensuring adequate liquidity. The after-tax return on investment of the portfolio is tertiary to the objectives of preservation of capital and fulfillment of liquidity needs. Given the parameters outlined in the investment policy, the goal is to achieve an aggregate rate of return consistent with a conservatively managed, liquid fixed income investment portfolio. CTP follows the criteria that in no event shall the average of all fixed income securities exceed three years in duration.

## THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Notes to Financial Statements

September 30, 2020 and 2019

### **(i) Fair Value Measurements**

A financial instrument is defined as a contractual obligation that ultimately ends with the delivery of cash or ownership interest in an entity. Disclosures included in these notes regarding the fair value of financial instruments have been derived using external market sources or other valuation techniques.

CTP carries all investments at fair value. Fair value is defined as the price that would be received to sell an asset (i.e., the exit price) in an orderly transaction between market participants at the measurement date. Fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that CTP has the ability to access at the measurement date

Level 2 – Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered active

Level 3 – Inputs that are unobservable.

Inputs are used in applying the valuation techniques and broadly refer to the assumptions that CTP uses to make valuation decisions, including assumptions about risk. Inputs may include quoted market prices, recent transactions, manager statements, periodicals, newspapers, provisions within agreements with investment managers, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to CTP's perceived risk of that investment.

Although CTP uses its best judgment in determining the fair value, there are inherent limitations in any methodology. Future confirming events could affect estimates of fair value. These events could also affect the amount realized upon liquidation of the investments.

### **(j) Property and Equipment**

Property and equipment is stated at acquisition cost or at the estimated fair value at the date of gift, if donated, net of accumulated depreciation or amortization. All donated assets are reported as unrestricted support unless donors' stipulations specify how the assets are to be used. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally ranging from three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the life of the improvement or the lease term. Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. When property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities and changes in net assets for the period.

## THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Notes to Financial Statements

September 30, 2020 and 2019

### **(k) Indefinite-Lived Intangible Assets**

Identifiable intangible assets deemed to have indefinite lives are subject to annual impairment tests. Depending upon the results of that review, the recorded intangible assets may be written down when their carrying value exceeds their estimated fair value. Management, using its best estimates based on reasonable and supportable assumptions and projections, reviews indefinite-lived intangible assets annually, or in certain circumstances, as required, for impairment. Management has concluded that no impairment exists as of September 30, 2020 and 2019.

### **(l) Intangible Assets**

Intangible assets are stated at fair market value at the date of purchase or contribution, net of accumulated amortization. Amortization is provided on the straight-line method over the estimated useful life. When intangible assets are retired or otherwise disposed of, the cost and related accumulated amortization are removed, and any resulting gain or loss is reflected in the statements of activities and changes in net assets for the period.

### **(m) Net Asset Presentation**

CTP classifies resources into two net asset categories according to externally imposed restrictions:

Net assets with donor restrictions are comprised of partner contributions, sponsorships, and in-kind contributions with future economic benefit and the historical dollar amount of gifts, including pledges, which are required by donors to be permanently retained and only expended to the extent of earnings on investments of the funds. In-kind contributions consist of donated advertising and marketing campaigns, which are scheduled to benefit CTP in future periods. As of September 30, 2020 and 2019, CTP had no gifts from donors that were required to be permanently retained.

Net assets without donor restrictions are all the remaining assets of CTP, including those derived from revenues of project activities, government grants, and unrestricted donations and pledges. Net assets without donor restrictions may be, in part, limited as to use by contractual agreements with outside parties.

When a time restriction ends, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

### **(n) Travel Promotion Fund Proceeds**

CTP has the right to receive travel promotion funds (earmarked by the Department of Commerce) upon submission of qualified matching contributions. Such funds are recorded as accounts receivable upon submission to the Department of Commerce and recognized in the statements of activities as travel promotion fund proceeds to the extent that CTP fulfills the revenue recognition criteria. Management has determined that revenue recognition occurs upon fulfilling the purpose of the donated funds, expending on programs, activities, and operations to promote increased foreign leisure, business, and scholarly travel to the USA. Matching contributions that exceed the allowable matchable funds in a given year can be carried forward and applied against the match of a future year. For fiscal years 2020 and 2019, CTP collected the full amount allowed for under the Act.

## THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

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### **(o) Partner Contributions**

Partner contributions are recognized in the year an agreement is executed and are classified as either temporarily restricted or unrestricted based on whether the Partner (donor) intends for the contribution to be used in the current or future fiscal year. Due to the pandemic's impact, Management decided to pause or postpone most paid media globally, most partner programs, and key activations that involved convening groups at U.S. destinations. These actions impacted CTP's ability to execute marketing campaigns and other forms of market activation or promotion. Management decided to return \$2,998,153 in cash contributions to some partners in fiscal year 2020.

### **(p) In-Kind Contributions**

In-kind contributions are recognized at fair value, which is defined as the price that an asset could be bought or sold in a current transaction between willing parties, with neither being required to act; both having reasonable knowledge of the relevant facts. Contributions of services shall only be recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated.

Management uses estimates based on donors' available information to record the fair value of certain in-kind contributions that are still in the valuation assessment process. The recorded fair value of such an in-kind contribution is subject to change in a subsequent fiscal year upon completion of the valuation process. The change in fair value is recorded as an adjustment to the allowance in the fiscal year in which the fair value has been established. The allowance for fiscal years 2020 and 2019 is discussed in note 2(f).

### **(q) Functional Expenses**

The costs of providing the program services and general and administrative activities have been summarized on a functional basis in the statements of activities. Most expenses are directly charged to the respective program or supporting activity. Certain costs have been allocated among the program and support services benefited based upon management's estimate of each program's share of the allocated costs.

Program services activities, representing marketing, business development, and strategic outreach programs to promote increased foreign leisure, business, and scholarly travel to the USA, and general and administrative activities, are expensed as incurred. CTP experienced a bad debt expense loss of \$4,482,164 in 2020 due to the extraordinary impact of the COVID-19 pandemic on revenue and accounts receivable collectibility.

CTP does not have any significant fundraising expenses.

### **(r) Income Taxes**

CTP has been recognized by the Internal Revenue Service as exempt from federal income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code, except for taxes on unrelated business income. Contributions to CTP are not tax deductible by donors under Section 170(c)(2) of the Internal Revenue Code. CTP's accounting policy for evaluating uncertain tax positions is to recognize tax positions if the position would "more likely than not" be ultimately sustained. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized. For tax

## THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

### Notes to Financial Statements

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positions not meeting the “more-likely-than-not” test, no tax benefit is recorded. CTP does not believe its financial statements include any uncertain tax positions.

#### **(s) Concentration of Credit Risk**

CTP maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. CTP has not experienced any losses in any of its accounts. CTP believes it is not exposed to any significant credit risk on cash and cash equivalents.

As of September 30, 2020 and 2019, approximately 73% of CTP’s accounts receivable came from one grantor.

For fiscal years 2020 and 2019, approximately 77% and 36% of CTP’s in-kind contributions came from three donors, respectively.

For fiscal years 2020 and 2019, approximately 32% and 26% of CTP’s partner cash contributions came from three donors, respectively.

#### **(t) Related Parties**

For 2020 and 2019, \$2,100,000 and \$5,389,000, respectively, of partner contributions came from organizations affiliated with members of the board of directors. Of this amount, \$50,000 and \$2,638,000, respectively, is due to CTP as of September 30, 2020 and 2019.

#### **(u) Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### **(v) Subsequent Events**

CTP recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. CTP’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position but arose after the statements of financial position date and before financial statements were available to be issued. CTP has evaluated subsequent events through February 25, 2021, which is the date the financial statements were available to be issued as approved by management.

#### **(w) Recently Adopted Accounting Pronouncements**

During 2020, CTP adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The core principle of ASU No. 2018-08 was to make it easier for NFP organizations to evaluate whether gifts, grants, or contracts should be accounted for as contributions—subject to Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*—or as reciprocal (exchange) transactions accounted for under other topics such as ASC Topic 606, *Revenue from Contracts with Customers*. Under the new



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guidance, all organizations are required to evaluate whether the resource provider is receiving commensurate value in a transfer of resources and whether contributions are conditional or unconditional. If the resource provider receives commensurate value, the transaction is to be accounted for as an exchange transaction by applying Topic 606 or other topics. If the resource provider does not receive commensurate value, the recipient organization would determine the transaction to be a contribution under Subtopic 958-605, *Not-for-Profit Entities—Revenue Recognition*, and determine whether the contribution is unconditional (and record immediately upon notification) or conditional (and disclose until conditions are met and then record the arrangement). Travel promotion fund proceeds, Partner contributions, in-kind contributions, and sponsorships meet the definition of a contribution in accordance with ASC Topic 958 and are reported on separate lines on the statement of activities.

During 2020, CTP retrospectively adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Financial Accounting Standards Board (FASB) ASU No. 2014-09 amended FASB ASC by creating Topic 606, *Revenue from Contracts with Customers*. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance applies only to contracts with customers—those broadly classified as exchange transactions. Exchange transactions are defined as “a reciprocal transfer between two entities that results in one of the entities acquiring assets or services or incurring other obligations.” An exchange transaction must be one in which each party receives and sacrifices approximately commensurate value. As such, a reciprocal flow of benefits occurs between the parties. CTP classifies Trade Show revenue as exchange transactions and identifies it on a separate line on the statement of activities.

#### **(x) COVID-19 Impact and Strategic Direction**

In March 2020, the COVID-19 virus was declared a global pandemic, and it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been severely impacted for almost a year. Governments and their citizens continue to take significant and unprecedented measures to mitigate the pandemic’s consequences. Management is carefully watching the situation, and CTP is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines.

##### **(i) Impact on Travel**

Legal restrictions or limitations are driving the drag on both business and leisure travel. The United States has closed the land borders between the USA and Canada and Mexico, which are the two largest sources of international travel. The United States also has a number of restrictions in place limiting the amount of inbound overseas visitation. Individual states like New York have imposed mandatory quarantine rules for visitors from other jurisdictions, including residents of other U.S. states, which make business or leisure travel incredibly difficult as these add considerable amounts of time that visitors must stay housebound before they can explore the travel opportunities within that state. States and city governments have passed a number of ordinances—shuttering of indoor dining, limitations on the size of gatherings, etc.—that make it impossible at worst and difficult at best to welcome visitors.

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Even if there were no legal hurdles in place, consumer confidence would have a dramatic impact on travel. COVID-19 has high transmission rates, and the types of transportation and travel opportunities often place lots of people in close proximity, which increase risks of infection. Consumer studies have shown that, while people have a strong desire to return to travel, people are prioritizing health and safety and mostly remain unwilling to participate in the type of travel that CTP promotes. The survey results do show hope that when the circumstances change that travel will rebound swiftly, and the efficacy of a number of approved vaccines provides hope that the industry will find relief from these challenging conditions.

#### (ii) *Impact on Revenue*

Significant decreases in domestic and international travel have resulted in diminished revenues and layoffs for many companies in the travel and tourism industry. Congress has provided direct support to the airline industry and funds such as the Paycheck Protection Program to help entities affected by the pandemic. CTP's revenue model relies on contributions from non-Federal sources, which come almost exclusively from travel and tourism companies. Many of these companies do not have the available funds to make a contribution to CTP. Those companies with cash reserves are unlikely to make significant contributions while the opportunity for international travel remains challenged based on the factors described above. As a result, CTP has recorded far less revenue in fiscal 2020 than in prior nonpandemic years. Management expects these declines to continue until domestic and international travel returns to near prepandemic levels. Furthermore, CTP experienced a bad debt expense loss of \$4,482,164 in 2020 due to the extraordinary impact of the COVID-19 pandemic on revenue and accounts receivable collectibility.

#### (iii) *Impact on Business Operations*

CTP has adjusted its business operations as a result of the pandemic. The decrease in revenue coupled with current travel conditions have caused CTP to decrease its planned expenses. There is no true replacement for CTP's core mission of increasing international visitation and spend, which is limited for the reasons described in the section above. Spending the same amount of money to influence far fewer potential travelers makes for an inefficient spend, and CTP's resources are not limitless. The nature of CTP's planned expenses—with the majority of the expenses allocated for short-term, expensive, but optional media buys—permitted a relatively swift transition from these media buys into a state of readiness focus, with the goal of preserving resources for a time when they might be more effective. CTP has been able to maintain agreements with vendors that form the foundation of CTP's activities—digital design companies, media buying, social media management, etc.—at a favorable cost. This both preserves resources and positions CTP to make a swift return to its normal activities when available.

In addition to preserving resources for use in more attractive marketing conditions, CTP adjusted some of its programming to promote the general business interests of industry participants. As noted above, many of CTP's constituents in the travel and tourism industry are financially challenged and have reduced both staff and outsourced international resources. Business was traditionally conducted between domestic travel and tourism companies and foreign companies focused on selling international travel to the United States in person at trade shows and other similar events. CTP invested in the development of a digital platform and spent resources recruiting international users to ensure that the type of business that was previously conducted could still take place despite current barriers. CTP continues to look to develop programming that can

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overcome current challenges, promote the business interests of the travel and tourism industry, and ultimately drive increased international visitation and spend.

**(3) Investments**

The following table summarizes CTP's investment returns for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest income	\$ 903,578	1,165,468
Realized gain/(loss)	61,126	(184,281)
Unrealized gain/(loss)	<u>169,806</u>	<u>525,158</u>
Net investment return	<u>\$ 1,134,510</u>	<u>1,506,345</u>

The following table summarizes CTP's investments by asset class for the years ended September 30, 2020 and 2019:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair</u>	<u>Cost</u>	<u>Fair</u>
Certificates of deposit	\$ 7,620,139	7,723,295	8,570,000	8,616,339
Corporate bonds	<u>19,149,757</u>	<u>19,435,049</u>	<u>21,281,057</u>	<u>21,486,632</u>
Total Investment	<u>\$ 26,769,896</u>	<u>27,158,344</u>	<u>29,851,057</u>	<u>30,102,971</u>

Net investment return is reported on the statement of activities within the trade show and other revenue line item.

**(4) Fair Value Measurements**

The following table presents information about CTP's assets measured at fair value on a recurring basis as of September 30, 2020 and 2019:

	<u>2020</u>			
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 7,723,295	—	7,723,295	—
Corporate bonds	<u>19,435,049</u>	—	<u>19,435,049</u>	—
	<u>\$ 27,158,344</u>	—	<u>27,158,344</u>	—

**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Notes to Financial Statements

September 30, 2020 and 2019

	<b>2019</b>			
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 8,616,339	—	8,616,339	—
Corporate bonds	21,486,632	—	21,486,632	—
	<u>\$ 30,102,971</u>	<u>—</u>	<u>30,102,971</u>	<u>—</u>

The fair values for certificates of deposit and corporate bonds are based on quoted market prices for similar securities. CTP's policy is to recognize transfers in and out of level classifications as of the first day of the reporting period in which the change in circumstances causing the transfer occurred.

**(5) Property and Equipment**

Property and equipment consist of the following at September 30, 2020 and 2019:

	<u>Cost basis</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
As of September 30, 2020:			
Furniture	\$ 531,525	(441,455)	90,070
Computer equipment	381,754	(381,754)	—
Leasehold improvements	1,553,378	(929,222)	624,156
	<u>\$ 2,466,657</u>	<u>(1,752,431)</u>	<u>714,226</u>
As of September 30, 2019:			
Furniture	\$ 561,021	(364,646)	196,375
Computer equipment	381,754	(377,793)	3,961
Leasehold improvements	1,478,802	(712,195)	766,607
	<u>\$ 2,421,577</u>	<u>(1,454,634)</u>	<u>966,943</u>

For 2020 and 2019, depreciation expense of \$327,294 and \$352,007, respectively, is included in general and administrative expense in the statement of activities.

**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Notes to Financial Statements

September 30, 2020 and 2019

**(6) Intangible Assets**

Intangible assets consists of the following at September 30, 2020 and 2019:

	<u>Useful life</u>	<u>Cost basis</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
As of September 30, 2020:				
Website	3 years	\$ 27,487,168	(24,439,693)	3,047,475
License	3 years	878,382	(878,382)	—
Brand name	Indefinite	3,400,000	—	3,400,000
Website WIP		—	—	—
		<u>\$ 31,765,550</u>	<u>(25,318,075)</u>	<u>6,447,475</u>
As of September 30, 2019:				
Website	3 years	\$ 25,778,784	(22,391,698)	3,387,086
License	3 years	878,382	(836,224)	42,158
Brand name	Indefinite	3,400,000	—	3,400,000
Website WIP		225,000	—	225,000
		<u>\$ 30,282,166</u>	<u>(23,227,922)</u>	<u>7,054,244</u>

The U.S. Travel Association donated the Discover America website and brand name to CTP. CTP utilized the services of an independent valuation firm to assist in the estimation of the fair value of the donated assets. The assets were valued utilizing the cost approach, which is based on consideration of the costs to recreate the assets. The valuation resulted in an estimated fair value of \$9,400,000, but CTP paid the U.S. Travel Association a nominal fee of \$830,000 as was specified in the donation agreement. Management allocated \$6,000,000 of the contributed assets to the website, based on management's best estimate to rebuild and/or purchase an established website, and assigned the remaining fair value of \$3,400,000 to the Discover America brand name. Management determined that the website had an estimated useful life of three years, and the brand name had an indefinite life.

During fiscal years 2020 and 2019, CTP capitalized \$1,708,384 and \$1,531,168, respectively, of additional website development costs incurred. During fiscal years 2020 and 2019, CTP recognized \$2,090,152 and \$3,136,957, respectively, of amortization expense, included in general and administrative expense in the statements of activities. Future amortization, including amortization of additional website development costs and software license, is expected to be \$1,724,754, \$946,326, and \$376,395 for fiscal years 2021, 2022, and 2023, respectively.

THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Notes to Financial Statements

September 30, 2020 and 2019

**(7) Commitments and Contingencies**

**(a) Operating Lease**

CTP leases the corporate facility under an operating lease agreement that expires in December 2025. Minimum rental payments under the operating lease are recognized on a straight-line basis over the term of the lease, including any periods of free rent. Total rent expense for the lease for the years ended September 30, 2020 and 2019 totaled \$1,285,648 and \$1,171,674, respectively. The related deferred rent liability for the operating lease at September 30, 2020 and 2019 totaled \$1,304,934 and \$1,429,902, respectively, and is recorded as a component of accrued expenses in the statements of financial position.

The future minimum annual lease payments under the noncancelable operating lease are as follows:

Years ending:		
2021	\$	1,348,394
2022		1,386,495
2023		1,421,167
2024		1,456,774
2025		1,493,162
Thereafter		<u>286,316</u>
	\$	<u><u>7,392,308</u></u>

**(b) Travel Promotion Funds**

CTP receives significant amounts of federal funding from visa application fees collected from international travelers to the USA. These funds are subject to audit by federal agencies. Management believes that adjustments, if any, would not have a significant effect on the financial statements.

**(c) Employment Agreement**

CTP has an employment agreement with a certain officer of the organization. The agreement provides for annual compensation and benefit amounts. In the event of termination of employment without cause, in addition to receipt of base pay through termination date, the officer is entitled to receive severance equal to either a) 18 months of current base salary, less applicable withholdings, if termination results from cessation of CTP operations as defined in the agreement or b) 12 months of current base salary, less applicable withholdings, if termination results from other circumstances.

**(d) U.S. Travel Association Agreement**

CTP entered into a sponsorship agreement with U.S. Travel Association to be the premier sponsor of the IPW Conference (the Conference) for five years from 2016 through 2020. The Conference is a travel industry trade event that has been occurring annually for approximately 45 years. In accordance with the sponsorship agreement, CTP made an initial annual payment of \$1.3 million in fiscal year 2016, with payments increasing by \$50,000 in each subsequent fiscal year through fiscal year 2020. For the fiscal years ended September 30, 2020 and 2019, CTP made annual payments of \$0 (due to the postponement of IPW) and \$1.45 million, respectively.

**THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA**

Notes to Financial Statements

September 30, 2020 and 2019

**(e) CARES Act**

On March 27, 2020, the Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act permitted the deferral of the deposit of the employer's portion of Social Security taxes from the CARES Act enactment date through December 31, 2020. Fifty percent of the deferred deposit of the employer's portion of Social Security taxes must be remitted to the IRS by December 31, 2021, and the remaining Fifty percent must be remitted to the IRS by December 31, 2022. As of September 30, 2020, CTP has a tax deferral liability of \$240,000.

**(f) Litigation and Other Matters**

There are no claims and legal proceedings generally incidental to the normal course of business are pending or threatened against CTP.



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# IN-KIND CONTRIBUTIONS



# IN-KIND CONTRIBUTIONS

Contributor	Description	Amount
ACE Rent A Car	Cooperative Trade Show Space	\$7,543.63
AeroMexico	Airline Tickets	\$239,579.00
Allied TPro	Cooperative Trade Show Space	\$4,047.86
Amadeo Travel Solutions	Cooperative Trade Show Space	\$4,186.00
American International Travel Services	Cooperative Trade Show Space	\$2,486.25
American Incoming Receptif USA	Cooperative Trade Show Space	\$6,560.06
American Ring Travel, Inc.	Cooperative Trade Show Space	\$3,696.60
AmericanTours International	Cooperative Trade Show Space	\$8,302.66
Amtrak Passenger Rail	Cooperative Trade Show Space	\$16,475.64
Arlington CVS	Cooperative Trade Show Space	\$8,249.21
Atlanta CVB	Licensed Content	\$12,000.00
Atlantic City CVB	Cooperative Trade Show Space	\$5,389.28
BBC	Global Television and Digital Advertising Space	\$2,032,004.00
Best Western	Cooperative Trade Show Space	\$26,648.55
Beverly Center	Cooperative Trade Show Space	\$3,680.00
Bike Rent NYC	Cooperative Trade Show Space	\$4,156.09
Bloomberg	Global Television and Digital Advertising Space	\$1,457,031.00
Bonjour USA	Cooperative Trade Show Space	\$10,219.04
Bonotel Exclusive Travel	Cooperative Trade Show Space	\$18,787.29
British Airways	Airline Tickets	\$1,197,649.00
Choose Chicago	Cooperative Trade Show Space	\$41,775.37
CJF - Shop*Dine*Play*USA	Cooperative Trade Show Space	\$1,951.71
Clift Royal Sonesta	Cooperative Trade Show Space	\$3,962.40
CNN	Global Television and Digital Advertising Space	\$400,000.00
Colorado Tourism Office	Cooperative Trade Show Space	\$4,351.75
Contact USA	Cooperative Trade Show Space	\$3,618.32
Cosmopolitan Incentives LLC	Cooperative Trade Show Space	\$3,577.73
Cruise America	Cooperative Trade Show Space	\$4,977.96
Ctrip	Digital Advertising Space - China	\$152,298.00
Destination DC	Cooperative Trade Show Space	\$33,346.74

Contributor	Description	Amount
Destination America	Cooperative Trade Show Space	\$1,824.96
Destination Event Services	Cooperative Trade Show Space	\$3,821.48
Discover Destinations	Cooperative Trade Show Space	\$3,563.78
Discover Puerto Rico	Cooperative Trade Show Space	\$7,543.63
Discover the Palm Beaches	Cooperative Trade Show Space	\$30,920.08
Discovery Channel	Licensed Content	\$5,500,000.00
Disney Parks and Resorts	Cooperative Trade Show Space	\$23,012.36
DoubleTree by Hilton Tarrytown	Cooperative Trade Show Space	\$2,224.89
Dream World Travels USA	Cooperative Trade Show Space	\$16,994.98
Empire State Building Observatory	Cooperative Trade Show Space	\$3,410.39
ESPN	Digital and Television Advertising Space - EMEA	\$2,501,961.00
Expedia	Global Digital Advertising Space	\$2,535,222.00
Experience Kissimmee	Cooperative Trade Show Space	\$31,967.78
Experience Scottsdale	Cooperative Trade Show Space	\$1,977.71
Explore Fairbanks	Cooperative Trade Show Space	\$10,564.24
Florida Keys and Key West	Cooperative Trade Show Space	\$3,469.15
Florida Travel Network	Cooperative Trade Show Space	\$1,824.96
French Bee	Cooperative Trade Show Space	\$6,082.96
Gastaldi USA Inc.	Cooperative Trade Show Space	\$4,705.84
Go West Tours	Cooperative Trade Show Space	\$15,620.15
Gray Line New York Sightseeing	Cooperative Trade Show Space	\$3,655.85
Great Lakes USA	Cooperative Trade Show Space	\$29,721.85
Greater Boston CVB	Cooperative Trade Show Space	\$26,842.40
Greater Fort Lauderdale CVB	Cooperative Trade Show Space	\$3,852.32
Greater Miami CVB	Cooperative Trade Show Space	\$115,452.10
Hawai'i Convention Center	Cooperative Trade Show Space	\$2,271.60
Hotel Zephyr	Cooperative Trade Show Space	\$8,837.14
Hudson Yards	Cooperative Trade Show Space	\$5,006.04
Icelandair	Cooperative Trade Show Space	\$8,251.52
Illinois Office of Tourism	Cooperative Trade Show Space	\$2,437.50
Incoming America	Cooperative Trade Show Space	\$7,515.53
iQiyi	Digital Advertising Space - China	\$53,980.00

Contributor	Description	Amount
Jackson Hole Chamber of Commerce	Cooperative Trade Show Space	\$7,265.17
Jupiter Legend Corp.	Cooperative Trade Show Space	\$1,951.71
Kaluah Tour	Cooperative Trade Show Space	\$26,809.78
Kansas and Oklahoma Tourism	Cooperative Trade Show Space	\$1,951.71
Ko'a Kea Hotel	Cooperative Trade Show Space	\$3,504.00
Lake Powell Resorts and Marinas	Cooperative Trade Show Space	\$2,398.50
Las Vegas CVA	Cooperative Trade Show Space	\$54,207.01
Legends Attractions	Cooperative Trade Show Space	\$8,363.99
Liberty Helicopters	Cooperative Trade Show Space	\$3,799.17
Los Angeles Tourism and Convention Board	Cooperative Trade Show Space	\$58,261.57
Mafengwo	Digital Advertising Space - China	\$282,910.00
Marianas Visitors Authority	Cooperative Trade Show Space	\$6,592.02
Mark International	Cooperative Trade Show Space	\$6,454.36
Marriott Hotels and Resorts	Cooperative Trade Show Space	\$1,824.96
Memphis CVB	Cooperative Trade Show Space	\$20,951.00
Monterey County CVB	Cooperative Trade Show Space	\$2,271.60
Nashville CVC	Licensed Content	\$74,000.00
National Tour Assoc.	Cooperative Trade Show Space	\$4,174.43
Nevada Division of Tourism	Cooperative Trade Show Space	\$9,330.69
New Orleans and Company	Cooperative Trade Show Space	\$12,386.55
New York Cruise Lines	Cooperative Trade Show Space	\$6,056.00
NYC and Co.	Cooperative Trade Show Space	\$364,030.04
NZME	Digital, Print, and Radio Advertising Space - New Zealand	\$599,830.00
Ocean Five Hotel	Cooperative Trade Show Space	\$1,824.21
Ocean Holidays	Cooperative Trade Show Space	\$1,951.71
Office du Tourisme - USA	Cooperative Trade Show Space	\$451.75
Park City Chamber and CVB	Cooperative Trade Show Space	\$5,548.73
Philadelphia CVB	Cooperative Trade Show Space	\$29,966.50
Revamerica Tours	Cooperative Trade Show Space	\$5,205.04
San Francisco CVB	Cooperative Trade Show Space	\$64,466.09
Scenic Roads	Cooperative Trade Show Space	\$5,671.09

Contributor	Description	Amount
South Beach Group	Cooperative Trade Show Space	\$2,110.00
Tax Free Shopping Co.	Cooperative Trade Show Space	\$3,584.00
Team America, Inc.	Cooperative Trade Show Space	\$41,632.09
The Telegraph	Digital and Print Advertising Space - UK	\$1,957,740.00
Times of India	Digital and Print Advertising Space - India	\$404,241.00
Tour America	Cooperative Trade Show Space	\$4,214.40
TourMappers North America	Cooperative Trade Show Space	\$8,787.67
Travel Insurance Center	Cooperative Trade Show Space	\$1,824.96
Travel Portland	Cooperative Trade Show Space	\$4,360.00
Travel Texas	Cooperative Trade Show Space	\$50,863.72
Travalco USA Inc.	Cooperative Trade Show Space	\$7,896.48
United Airlines	Cooperative Trade Show Space	\$10,271.80
Universal Parks & Resorts	Cooperative Trade Show Space	\$41,215.42
USA Culture & Heritage Marketing	Cooperative Trade Show Space	\$1,951.71
USA Travel Pro	Cooperative Trade Show Space	\$6,302.65
Utah Office of Tourism	Cooperative Trade Show Space	\$1,727.25
Visit Anchorage	Cooperative Trade Show Space	\$3,772.00
Visit California	Cooperative Trade Show Space	\$81,378.99
Visit Charlotte	Cooperative Trade Show Space	\$3,956.00
Visit Florida	Cooperative Trade Show Space	\$59,701.40
Visit Houston	Cooperative Trade Show Space	\$11,127.09
Visit Idaho	Licensed Content	\$54,000.00
Visit Orlando	Cooperative Trade Show Space	\$100,143.58
Visit Pittsburgh	Cooperative Trade Show Space	\$19,702.18
Visit Salt Lake City	Cooperative Trade Show Space	\$1,727.25
Visit Seattle	Licensed Content	\$135,772.31
Visit Tampa Bay	Cooperative Trade Show Space	\$2,327.60
Visit Tucson	Cooperative Trade Show Space	\$8,180.90
XL Airways France	Cooperative Trade Show Space	\$19,002.95

*Note: The total amount of in-kind contributions submitted for matching funds in any given year may differ from the total amount of in-kind contributions recorded in the organization's financial statements (as shown in the Financial Review section, which begins on page 42 of this report) due to the difference between the revenue recognition policy and matching fund submissions, of which timing plays a major role. The amounts reflected in this chart are consistent with the valuation used to calculate the total amount of eligible matching funds the organization received for the fiscal year.*



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# BRAND USA LEADERSHIP & BOARD OF DIRECTORS



Grandfather Mountain State Park, North Carolina

# BRAND USA LEADERSHIP



TOGETHER WE ARE BUILDING  
THE FUTURE OF U.S. TOURISM

**Christopher L. Thompson**  
President & CEO



**Thomas Garzilli**  
Chief Marketing Officer



**Donald F. Richardson**  
Chief Financial Officer



**Karyn Gruenberg**  
Senior Vice President  
*Partner Marketing & Strategic Alliances*



**Tracy Lanza**  
Senior Vice President,  
*Integrated Marketing*



**Aaron Wodin-Schwartz**  
Senior Vice President,  
*Public Affairs*



**Jake Conte**  
Vice President,  
*General Counsel*



**Jackie Ennis**  
Vice President,  
*Global Trade Development*



**Joann Pelipesky**  
Vice President,  
*Human Resources & Administration*

# BRAND USA BOARD OF DIRECTORS

Brand USA is governed by an 11-member Board of Directors appointed for a maximum of two consecutive three-year terms by the U.S. Secretary of Commerce in consultation with the Secretary of State and the Secretary of Homeland Security.

As required by the Travel Promotion, Enhancement, and Modernization Act of 2014, all members of the board are United States citizens and are either current or former chief executive officers, chief financial officers, or chief marketing officers, or have held equivalent management positions.

Members of the board have leadership expertise in specific sectors of the travel industry including: hotel accommodations; restaurants; small business or retail; travel distribution; attractions or recreation; state-level tourism office; city-level convention and visitors bureau; passenger air; land or sea transportation; and immigration law and policy. At least two members of the board are audit committee financial experts. In addition, at least five members of the board have expertise in international travel promotion or marketing broadly representing various regions of the United States.

As provided for in its charter, the Governance and Nominating Committee makes recommendations to the board for committee member appointments and selection of the board leadership, including the chair, vice chairs, secretary, and treasurer.

In accordance with the above, the following business leaders at the time of publication of this annual report serve on the board of directors of Brand USA.



**Kyle Edmiston**

**CHAIR, BRAND USA**

President/CEO,  
Lake Charles/Southwest Louisiana  
Convention & Visitors Bureau  
Board member since November 2015

**Chair: Finance Committee**

**Represents: Official of a City  
Convention and Visitors Bureau**



**Mark Hoplamazian**

**VICE CHAIR, BRAND USA**

President & CEO  
Hyatt Hotels Corporation  
Board member since December 2018

**Member: Finance Committee**

**Represents: Hotel Accommodations  
Sector**



**Paul Brown**

**VICE CHAIR, BRAND USA**

Co-founder & CEO, Inspire Brands  
Board member since December 2018

**Member: Audit Committee and  
Conflict of Interest Committee**

**Represents: Restaurant Sector**



**Alice Norsworthy**

**TREASURER, BRAND USA**

Chief Marketing Officer, Universal Parks & Resorts  
Board member since December 2016

**Member: Finance Committee**  
**Represents: Attractions or Recreation Sector**



**Todd Davidson**

**BOARD MEMBER**

CEO, Travel Oregon  
Board member since January 2020

**Member: Finance Committee and Governance & Nominating Committee**  
**Represents: State Tourism Office**



**Kristen Esposito**

**BOARD MEMBER**

Principal, Esposito Global Partners  
Board member since December 2020

**Member: Audit Committee**  
**Represents: Small Business or Retail Sector**



**Noel Irwin Hentschel**

**BOARD MEMBER**

Chairman and CEO, AmericanTours International, LLC  
Board member since November 2017

**Member: Finance Committee**  
**Represents: Travel Distribution Services Sector**



**Dean Kantaras**

**BOARD MEMBER**

Owner & Managing Attorney, K. Dean Kantaras, P.A.  
Board member since January 2020

**Member: Governance & Nominating Committee**  
**Represents: Immigration Law and Policy Sector**



**Donald Moore**

**BOARD MEMBER**

Sr. Vice President, Business Rental Sales & Global Corporate Accounts, Enterprise Holdings Inc.  
Board member since January 2020

**Member: Audit Committee**  
**Represents: Land or Sea Transportation Sector**



**Keiko Matsudo Orrall**

**BOARD MEMBER**

Executive Director, Massachusetts Office of Travel & Tourism  
Board member since December 2020

**Member: Governance & Nominating Committee**  
**Represents: State Tourism Office**



**Tom O'Toole**

**BOARD MEMBER**

Associate Dean for Executive Education at Northwestern University—Kellogg School of Management  
Board member since December 2016

**Chair: Audit Committee**  
**Member: Conflict of Interest Committee**  
**Represents: Passenger Air Sector**



# BOARD COMMITTEES

The board of directors and its committees meet regularly throughout the year. Members of the public are encouraged to participate by webcast and/or conference call. For more information about members of the Brand USA board of directors, regularly scheduled meetings, or records of past board meetings, please visit: [TheBrandUSA.com/about/directors](https://TheBrandUSA.com/about/directors).

Board-related questions or comments can be addressed to [BoardMeetings@TheBrandUSA.com](mailto:BoardMeetings@TheBrandUSA.com).

## Audit Committee

### Tom O'Toole (Chair)

Don Moore

Kristen Esposito

*Audit Committee meetings are held at least three times per year with one meeting scheduled to occur with the conclusion of the annual audit.*

## Conflict of Interest Committee

### Tom O'Toole

Paul Brown

Dean Kantaras

*Conflict of Interest Committee meetings are scheduled on an as-needed basis as determined by the board chair and/or committee chair.*

## Finance Committee

### Alice Norsworthy (Treasurer)

Mark Hoplamazian (Vice Chair)

Paul Brown (Vice Chair)

Todd Davidson

Noel Irwin Hentschel

Kyle Edmiston (Board Chair)\*

*\*Alternate committee member, in case only two other members are in attendance*

*Finance Committee Meetings are held four times per year and are scheduled to occur immediately prior to each board meeting.*

## Governance and Nominating Committee

### Todd Davidson (Chair)

Dean Kantaras

Keiko Orrall

*Governance and Nominating Committee meetings are held at least once per year and timed to occur at or near the conclusion of the board chair's term and/or the appointment of new board members.*






# CONNECT WITH US








📍 Craters of the Moon National Park, Idaho

Follow our progress and new initiative announcements by connecting across these social media channels.

Brand USA industry and partner information is available via its corporate channels:

-  [TheBrandUSA.com](https://TheBrandUSA.com)
-  [@BrandUSA](https://twitter.com/BrandUSA)
-  [Facebook.com/TheBrandUSA](https://Facebook.com/TheBrandUSA)
-  [YouTube.com/BrandUSATV](https://YouTube.com/BrandUSATV)
-  [Linkedin.com/Company/BrandUSA](https://Linkedin.com/Company/BrandUSA)

Information about exceptional and unexpected U.S. travel experiences is available across these consumer channels:

-  [VisitTheUSA.com](https://VisitTheUSA.com)
-  [Facebook.com/VisitTheUSA](https://Facebook.com/VisitTheUSA)
-  [YouTube.com/VisitTheUSA](https://YouTube.com/VisitTheUSA)
-  [@VisitTheUSA](https://Instagram.com/VisitTheUSA)
-  **GoUSA TV Available on Roku, Apple TV, Amazon Fire, iOS, and Android**

To receive our news and updates, please visit [TheBrandUSA.com](https://TheBrandUSA.com) and enter your email address at the bottom of the homepage.



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