

Destination BC Corp.

Financial Statements

Year Ended

March 31, 2025

And Independent Auditor's Report thereon

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Management's Report

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

The Destination BC Corp. financial statements have been prepared by management in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the Destination BC Corp. financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the Destination BC Corp. financial statements. A summary of the significant accounting policies are described in Note 2 to the Destination BC Corp. financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The external auditor, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the Destination BC Corp. financial statements. The external auditor has full and free access to management of Destination BC Corp. and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Destination BC Corp. financial statements.

Approved on behalf of Destination BC Corp.:



Richard Porges
Chief Executive Officer



Lesley Christian
Chief Financial Officer

May 21, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Destination BC Corp., and to the Minister of the Ministry of Tourism, Arts, Culture and Sport, Province of British Columbia

Opinion

We have audited the financial statements of Destination BC Corp. (the "Corporation"), which comprise:

- the statement of financial position as at March 31, 2025;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net financial assets for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2025 of the Corporation are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 21, 2025

Destination BC Corp.
Statement of Financial Position
March 31, 2025, with comparative information for 2024
(Expressed in thousands of dollars)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Financial assets			
Cash and cash equivalents	3	8,028	5,137
Accounts receivable		524	1,669
		<u>8,552</u>	<u>6,806</u>
Liabilities			
Accounts payables and accrued liabilities	4	4,767	3,885
Due to Public Service Agency	14	1,543	1,239
Deferred capital contributions	6	240	300
		<u>6,550</u>	<u>5,424</u>
Net financial assets		<u>2,002</u>	<u>1,382</u>
Non-financial assets			
Tangible capital assets	7	534	704
Prepaid expenses		128	328
		<u>662</u>	<u>1,032</u>
Accumulated surplus	8	<u>2,664</u>	<u>2,414</u>
Contractual obligations	9		

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

Approved on behalf of the Board:



Scott Fraser
Board Chair



Amy Blakeney
Finance & Audit Committee

Destination BC Corp.
Statement of Operations and Accumulated Surplus
Year ended March 31, 2025, with comparative information for 2024
(Expressed in thousands of dollars)

	<i>Notes</i>	2025 Budget	2025	2024
		<i>(note 2(k))</i>		
Revenues				
Government transfers	11	56,268	58,907	57,695
Other revenue	12	640	718	1,099
Amortization of deferred capital contribution	6	60	60	85
		<u>56,968</u>	<u>59,685</u>	<u>58,879</u>
Expenses				
	13			
Global Marketing		36,526	37,062	35,904
Destination Management		11,108	13,854	15,187
Strategy, Research and Communications		4,603	3,803	3,003
Corporate Services		4,562	4,546	4,371
Amortization		169	170	206
		<u>56,968</u>	<u>59,435</u>	<u>58,671</u>
Annual surplus		-	250	208
Accumulated surplus, beginning of year		<u>2,414</u>	<u>2,414</u>	<u>2,206</u>
Accumulated surplus, end of year		<u>2,414</u>	<u>2,664</u>	<u>2,414</u>

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

Destination BC Corp.
Statement of Changes in Net Financial Assets
Year ended March 31, 2025, with comparative information for 2024
(Expressed in thousands of dollars)

	Budget <i>(note 2(k))</i>	2025	2024
Annual operating surplus	-	250	208
Acquisition of tangible capital assets	(80)	-	(5)
Amortization of tangible capital assets	165	170	206
	85	170	201
Acquisition of prepaid expenses	-	(128)	(328)
Use of prepaid expenses	-	328	175
	-	200	(153)
Change in net financial assets	85	620	256
Net financial assets at beginning of year	1,382	1,382	1,126
Net financial assets at end of year	1,467	2,002	1,382

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

Destination BC Corp.
Statement of Cash Flows
Year ended March 31, 2025, with comparative information for 2024
(Expressed in thousands of dollars)

	2025	2024
Cash provided by (used in):		
Operating transactions:		
Annual operating surplus for the year	250	208
Non-cash items included in surplus:		
Amortization of tangible capital assets	170	206
Amortization of deferred capital contributions	(60)	(85)
Changes in non-cash operating working capital:		
Accounts receivable	1,145	(651)
Accounts payable and accrued liabilities	882	(4,305)
Due to Public Service Agency	304	(45)
Prepaid expenses	200	(153)
	2,891	(4,825)
Capital transactions:		
Acquisition of tangible capital assets	-	(5)
Increase (decrease) in cash and cash equivalents	2,891	(4,830)
Cash and cash equivalents at beginning of year	5,137	9,967
Cash and cash equivalents at end of year	8,028	5,137

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

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

1. Nature of operations

Destination BC Corp. (the “Corporation”) was established as a Crown Corporation of the Province of British Columbia on November 2, 2012 initially under the *Business Corporations Act* (British Columbia) and subsequently confirmed under the *Destination BC Corp. Act*, which received Royal Assent in March 2013.

The Corporation is wholly owned by the Province of British Columbia, and reports to the Legislative Assembly through the Minister of Tourism, Arts, Culture and Sport. The accumulated surplus includes 1 issued share of the Corporation, value \$1, which is held by the Province of British Columbia (the “Province”).

The purposes of the Corporation are to:

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

The Corporation commenced operations on April 1, 2013.

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

2. Summary of significant accounting policies

a) Basis of accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province supplemented by Regulations 257/2010 and 198/2011 issued by the Province Treasury Board, referred to as the financial reporting framework (the “framework”).

The *Budget Transparency and Accountability Act* requires that these financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of significant accounting policies (continued):

a) Basis of accounting (continued)

Regulation 257/2010 requires all tax-payer supported organizations to adopt Canadian public sector accounting standards ("PSAS") issued by the Canadian Public Sector Accounting Board ("PSAB") without any PS 4200 series.

Regulation 198/2011 requires that contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and, referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services. If the depreciable tangible capital asset funded by a deferred capital contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with Canadian public sector accounting standard PS3410. As a result, revenue recognized in the statement of operations and accumulated surplus, and certain related deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

b) Revenue recognition

Contributions restricted for specific purposes other than those for the acquisition of depreciable tangible capital assets are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded in accordance with Regulation 198/2011 which requires that they be recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of significant accounting policies (continued)

b) Revenue recognition (continued)

The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the Corporation satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Revenues from transactions without performance obligations are recognized at realizable value when the Corporation has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

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

c) Tangible capital assets

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

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

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

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

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of significant accounting policies (continued)

d) Employee future benefits

The Corporation and its employees are subject to the Public Service Act and employee benefits are managed through the Public Service Agency (“PSA”). The Corporation makes contributions to the PSA who administers payment of employee benefits to employees to whom the act applies.

i. Pension Benefits

The Corporation and its employees make contributions to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. This Plan is a multi-employer defined benefit pension plan. Defined contribution plan accounting is applied to this plan as the Corporation has insufficient information to apply defined benefit accounting. Accordingly, the Corporation’s contributions are expensed in the year in which the services are rendered, and represent its total pension obligation (see note 5).

ii. Leave Liability

Eligible employees are entitled to accumulated earned, unused vacation and other eligible leave entitlements as provided under terms of employment or collective agreements. A liability is recognized as an event that obligates the Corporation to pay benefits for unused leaves occurs.

iii. Other employee future benefits

Eligible employees are entitled to post-employment health care and other benefits as provided under the terms of employment or collective agreements. The cost of these benefits is accrued as employees render the services necessary to earn them.

e) Prepaid expenses

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

f) Expenses

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

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

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of significant accounting policies (continued)

g) Foreign currency

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

Monetary assets and liabilities included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date.

h) Cash and cash equivalents

Cash and cash equivalents consist of cash, highly liquid money market investments, and short-term investments with maturities of less than 90-days from date of acquisition. The Corporation's cash and cash equivalents are entirely funds in bank accounts and therefore subject to an insignificant risk of change in value.

i) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. All financial instruments are measured initially at fair value and subsequently at cost or amortized cost. Due to the short-term nature of these instruments, their fair values approximate book value.

Unrealized gains and losses from changes in the fair value of financial instruments would be recognized in the statement of re-measurement gains and losses until such time that the financial asset is de-recognized due to disposal or impairment. At the time of de-recognition, the related realized gains and losses are recognized in the statement of operations and accumulated surplus. The Corporation does not carry financial instruments at fair value and there are no unrealized gains or losses as at March 31, 2025 (2024 - nil). As a result, the Corporation does not have a statement of re-measurement gains and losses.

j) Measurement uncertainty

The preparation of the Corporation's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the Corporation financial statements and the reported amounts of the revenues and expenses during the period. Areas requiring the use of management's estimates include the useful life of tangible capital assets for purposes of amortization.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

2. Summary of significant accounting policies (continued)

j) Measurement uncertainty (continued)

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

k) Budget information:

The budget information reported in the statements of operations and accumulated surplus and changes in net financial assets, have been derived from the 2024/25 Service Plan as approved by the Board of Directors on January 25, 2024.

l) Segmented information:

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

3. Cash and cash equivalents

	2025	2024
Royal Bank of Canada - Canadian dollar ("CAD")	8,028	5,137

4. Accounts payable and accrued liabilities

	2025	2024
Accounts payables and accrued liabilities	4,024	3,223
Accrued vacation pay	743	662
Total	4,767	3,885

5. Employee pension plan

The Corporation and its employees contribute to the Public Service Pension Plan (the "Plan"), a jointly trustee defined benefit pension plan. The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. Basic pension benefits are based on a formula. The Plan has approximately 158,000 active, inactive and retired members.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

5. Employee pension plan (continued)

Every three years an actual valuation is performed to assess the financial position of the Plan and the adequacy of the funding. The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of about \$4.5 billion for basic pension benefits.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year. This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, and therefore there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The next valuation will be as at March 31, 2026, with results available in 2027.

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

The Corporation's contribution of \$1.06 million (2023/24 - \$963 thousand) to the Plan was expensed during the year.

6. Deferred capital contribution

Deferred capital contribution relates to capital contributions from the Province for the purpose of acquiring tangible capital assets. The amount recorded as revenue matches the amortization expense for the year of the related tangible capital assets acquired.

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	300	385
Amortization during the year	(60)	(85)
Balance, end of year	<u>240</u>	<u>300</u>

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

7. Tangible capital assets

	Furniture and Equipment	Websites, Hardware and Software	Leasehold Improvements	2025 Total
Cost:				
Opening Balance	234	3,832	1,061	5,127
Additions	-	-	-	-
Closing balance	234	3,832	1,061	5,127
Accumulated amortization:				
Opening balance	174	3,812	437	4,423
Amortization	47	5	118	170
Closing balance	221	3,817	555	4,593
Net book value	13	15	506	534

	Furniture and Equipment	Websites, Hardware and Software	Leasehold Improvements	2024 Total
Cost:				
Opening Balance	234	3,827	1,061	5,122
Additions	-	5	-	5
Closing balance	234	3,832	1,061	5,127
Accumulated amortization:				
Opening balance	127	3,771	319	4,217
Amortization	47	41	118	206
Closing balance	174	3,812	437	4,423
Net book value	60	20	624	704

8. Accumulated surplus

	2025	2024
Invested in tangible capital assets	294	404
Unrestricted	2,370	2,010
Total	2,664	2,414

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

9. Contractual obligations

The Corporation has entered into a number of contractual arrangements for the delivery of services in the future and property leases. The property lease amounts are payable to the Province of British Columbia. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2026	2027	2028	2029	2030	Thereafter
Property leases	1,352	1,352	1,352	1,352	178	178
Other contractual arrangements	28,813	10,338	4,131	-	-	-
Total contractual obligations	30,165	11,690	5,483	1,352	178	178

10. Financial risk management

Financial instruments include cash and cash equivalents, accounts receivables, and accounts payables and accrued liabilities. The Corporation has exposure to the following financial risks from its use of financial instruments: credit risk, liquidity risk, and market risk. Management is responsible for safeguarding resources, managing risks, and implementing appropriate policies and framework. This note presents information on how the Corporation manages those financial risks:

a) Credit risk

The Corporation has limited exposure to credit risk associated with its cash and cash equivalent, and accounts receivable. The Corporation is not exposed to significant credit risk as the receivables are due from governments. Cash and cash equivalent is held with reputable financial institutions, from which management believes the risk of loss to be low. The Corporation's maximum exposure to credit risk is limited to the carrying amount of these balances in these financial statements.

b) Liquidity risk

Liquidity risk is the risk that the Corporation will not meet its financial obligations as they become due. The Corporation's intention to meet its financial obligation through the collection of accounts receivable, cash on hand, and future funding from government transfers.

The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to meet its liabilities when due. Accounts payable and accrued liabilities are all due within one year.

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

10. Financial Risk Management (continued)

c) Market risks

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

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

11. Government transfers and economic dependence

	2025	2024
Revenue		
Province of British Columbia	58,891	57,109
Federal Government	16	586
	58,907	57,695
Expenses		
Shared cost agreements	14,654	15,099

The Corporation is economically dependent on receiving government transfers from the Province.

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

In 2024/25, revenue from the Province included \$2.160 million for FIFA World Cup 2026 initiatives and Grey Cup Festival and Invictus Games activations to support the province-wide Tourism Strategy.

In 2024/25, revenue from the Province included \$300 thousand for Tourism Climate Resiliency Initiatives to support the tourism industry.

Also, in 2024/25, revenue from the Federal Government to support the tourism industry impacted by COVID-19 relates to \$16 thousand from PacifiCan (2023/24 - \$586 thousand).

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

12. Other revenue

The Corporation earned the following other revenues during the year:

	<u>2025</u>	<u>2024</u>
Program revenue	40	30
Interest income	678	1,069
	<u>718</u>	<u>1,099</u>

13. Expenses

The following is a summary of expenses by object:

	<u>2025</u>	<u>2024</u>
Government transfers (note 11)	14,654	15,099
Advertising	11,921	13,754
Salaries and wages	11,345	10,171
Professional services	8,685	8,379
Information systems	4,556	4,228
Employee benefits	2,810	2,561
Office and business	2,764	2,188
Rental expenditures	1,302	1,054
Support services	552	317
Travel	451	459
Amortization	170	206
Board expenses	126	118
Materials and supplies	34	84
Other	65	53
Total expenses	<u>59,435</u>	<u>58,671</u>

Destination BC Corp.
Notes to the Financial Statements
Year ended March 31, 2025

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

14. Related party transactions

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

The Corporation had the following transactions with the government and other government-controlled organizations:

	2025	2024
Grants from the Province (note 11)	58,891	57,109
Amounts paid or due to the		
Ministry of Finance:		
Payroll	14,076	12,646
Building Occupancy Costs	1,303	1,289
Information Technology Services	915	844
Legal Services	432	205
BC Stats	121	68
Visitor Experience Support	50	53
Insurance Premiums	22	22
Corporate Communications	9	10
Other (including postage, bank charges)	8	5

Included with payroll are amounts payable to the Public Services Agencies (“PSA”) of \$1,543 thousand (2024 - \$1,239 thousand) relating to salaries and benefits expenses as at year end.