# Destination British Columbia

# 2025/26
# Annual Service Plan Report

**August 2026**

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Published by Destination BC

# Board Chair's Accountability Statement

The Destination BC 2025/26 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2025/26 – 2027/28 Service Plan published in 2025. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

Ingrid Jarrett
Board Chair, Destination BC
July 22, 2026

# Table of Contents

# Letter from the Board Chair & CEO

On behalf of the Board of Directors and employees of Destination British Columbia (Destination BC), we are pleased to present Destination BC's Annual Service Plan Report for the 2025/26 fiscal year. As a Crown corporation, Destination BC's primary mandate is to market British Columbia as a tourist destination domestically, nationally, and internationally, to catalyze responsible destination development and management, and to enhance public awareness of tourism and its economic value to the province.

Pillar three of the Government of B.C.'s Look West Strategy focuses on diversifying markets and growing targeted sectors, identifying tourism as a key growth sector and a significant contributor to B.C.'s economy, as well as employing thousands of people and generating billions in revenue across communities throughout the province. Consistent with the province's foundational focus on strengthening B.C.'s tourism industry, strong indicators of visitation growth emerged across many of our key markets during fiscal year 2025/26 as Destination BC advanced the priorities set out in its June 6, 2023 Mandate Letter.

Destination BC's 2026–2028 Corporate Strategy: Focused Growth, Lasting Impact, sets a clear direction for tourism growth in British Columbia, with a focus on growing tourism in all parts of the province year-round and increasing the benefits tourism delivers to people living in B.C. The Strategy complements the Government of British Columbia's tourism priorities under Look West – the Tourism Sector Action Plan. While Look West establishes tourism as a priority growth sector and sets the broader ambition to double tourism revenues, Destination BC's Corporate Strategy defines how the organization will contribute to achieving that ambition by translating provincial priorities into coordinated action across the tourism sector.

Through global brand leadership, demand generation, Iconic-aligned experience development, data intelligence, collaboration, and responsible storytelling, Destination BC advanced an aligned strategic approach during fiscal year 2025/26.

This period was marked by the global launch of new destination brands through the Invest in Iconics Strategy; enhanced collaboration with Indigenous, regional, and industry partners; and growing readiness for major events. At the same time, Destination BC continued to make progress in research, digital marketing, AI integration, visitor services, inclusive storytelling, and development of the new SuperNaturalBC.com, supporting B.C.'s competitiveness as a four-season destination.

A major milestone during the year was the launch of six new Iconic destination brands, alongside a refreshed Super, Natural British Columbia® brand, introduced to B.C.'s tourism industry and subsequently to key global markets through an integrated marketing campaign. This marked an important step in advancing the Invest in Iconics Strategy, supporting greater seasonal and geographic distribution of visitation across the province. These efforts were complemented by targeted initiatives to strengthen digital and inclusive marketing capabilities, readiness for major events, and engagement with the international travel trade.

Throughout the fiscal year, Destination BC continued to support the tourism industry through an integrated approach that included marketing campaigns, funding and development programs, research and insights, and direct services. This work supported industry readiness and resilience through enhanced digital capabilities, support for Visitor Centres, timely emergency-related guidance, and the delivery of training and educational resources through the Learning Centre.

Importantly, further highlights include hosting the first-ever BC Accelerator Program to connect tourism businesses new to the travel trade with international buyers from key global markets, and growing readiness for major events including FIFA World Cup 2026™ through targeted travel trade engagement at Rendez-vous Canada, the promotion of the BC Tourism FC's FIFA World Cup 2026™ Playbook, and the launch of the Beautiful Seats global consumer campaign.

Destination BC also continued to advance Indigenous-led tourism development through close partnership with Indigenous Tourism BC, supporting marketing initiatives that elevate Indigenous voices and strengthen opportunities for rural and Indigenous tourism businesses. In parallel, the organization made progress on its reconciliation journey through internal actions, including the completion of a corporate-wide decolonization scan, continued Indigenous-led training as part of the corporate learning pathway toward reconciliation, and collaboration with Indigenous Tourism BC on new Indigenous-led marketing content planned for 2026.

To support transparency, Destination BC communicates its strategic approach and activities through its employees, industry-facing online channels—including its corporate website and social media (LinkedIn and YouTube) – public  presentations, and industry newsletters. During the year, Destination BC developed and released a new three-year Corporate Strategy (2026–2028) and business plan to maximize the return on taxpayer resources and support a strong, sustainable tourism industry.

The fiscal year unfolded amid broader geopolitical developments and ongoing global economic pressures, including U.S. tariffs and global events. In response, Destination BC monitored emerging conditions, aligned its efforts with provincial government directives, and supported industry readiness through guidance and outreach, including a seasonal webinar for B.C. tourism operators focused on welcoming American and Canadian visitors in an evolving cross-border context.

Looking ahead, Destination BC's priorities include supporting the successful hosting of FIFA World Cup 2026™, strengthening international competitiveness and economic impact, implementation of our 2026–2028 Corporate Strategy, deepening collaboration with Indigenous and regional partners, and continuing to inspire travel in all seasons and to more places through the Invest in Iconics Strategy.

Destination BC will build on its close working relationships with the Ministry of Tourism, Arts, Culture and Sport, the tourism industry, and community partners to generate economic and community benefits for all people living in B.C. in alignment with provincial priorities.

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| Ingrid Jarrett<br>Board Chair, Destination BC<br>July 22, 2026 | Richard Porges<br>President & CEO, Destination BC<br>July 22, 2026 |

# Purpose of the Annual Service Plan Report

This Annual Service Plan Report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting, and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the Service Plan for the reported year.

# Strategic Direction

The strategic direction set by Government in 2024 and expanded upon in the Board Chair's June 6, 2023 Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Destination BC 2025/26 – 2027/28 Service Plan and the actual results reported on in this annual report.

# Purpose of the Organization

The tourism industry generates social, cultural, environmental, and economic benefits for all British Columbians by supporting the viability of community economies, jobs, and amenities, and by increasing international exposure to the province's heritage, education system, trade opportunities, and immigration prospects.

Destination BC, operating under the *Destination BC Corp. Act*, plays a critical role in:

- Optimizing the long-term social, cultural, environmental, and economic benefits of the tourism industry to British Columbians by providing a unifying and consistent brand and marketing strategy that motivates travellers from around the world to visit, and encourages residents of B.C. to travel within their province.
- Providing leadership and direction to expand and strengthen B.C.'s tourism destinations, products, and experiences. Destination BC delivers branding, marketing, destination development, destination stewardship, industry learning, and emergency planning activities directly and through contracted third parties.

These services promote thousands of businesses, hosting millions of guests, making a significant economic and social contribution to the province. Destination BC plays an important role in marketing B.C. domestically and internationally as a remarkable destination while promoting the development, enhancement, and sustainable growth of the tourism industry throughout the province.

Destination BC is committed to working with the Minister and staff of the Ministry of Tourism, Arts, Culture and Sport to achieve the specific priorities outlined in Destination BC's June 6, 2023 Mandate Letter.

# Economic Statement

Economic activity in British Columbia advanced in 2025, after modest growth in 2024, despite facing notable headwinds. Last year, homebuilding activity in the province continued at a steady pace, and lower interest rates and easing inflation supported household spending. Meanwhile, high uncertainty around the impacts of U.S. tariffs and significantly lower population growth tempered economic activity in B.C., and across many provinces. Overall, B.C.'s real GDP rose by 2.0 per cent in 2025, up from 1.2 per cent growth in 2024. B.C. was one of only two provinces that saw an increase in the rate of real GDP growth from 2024 to 2025. On an industry basis, B.C.’s economic growth in 2025 was led by real estate, rental, and leasing; health care and social assistance services; mining, quarrying, and oil and gas extraction; and construction.

B.C.’s labour market moderated in 2025, amid slower population growth and trade-related economic uncertainty. Total employment rose by 1.1 percent (+32,200 jobs), while wages and salaries rose by 3.1 percent. The unemployment rate averaged 6.2 percent in 2025, up from 5.6 percent in 2024, as labour force growth outpaced job creation. Despite rising last year, B.C.’s unemployment rate remained below the national average of 6.8 percent. B.C. housing starts totalled 44,193 units in 2025, down 3.6 percent from 2024, but remained above the 10-year historical average. Meanwhile, B.C. home sales activity declined by 5.7 percent compared to 2024, with muted demand contributing to a 2.9 percent decrease in the average home price. Inflationary pressures continued to moderate in 2025, reflecting slower price growth for services and subdued inflation for goods. Shelter inflation was the largest contributor to headline inflation last year but slowed substantially for both rented and owned accommodation compared to recent years. Lower gasoline prices, partly due to the removal of the B.C. consumer carbon tax, also helped ease headline inflation. Overall, B.C.’s consumer price inflation averaged 2.1 percent in 2025, down from 2.6 percent in 2024. Lower inflation and easing interest rates supported robust retail sales, which grew by 6.4 percent in 2025. On the trade front, B.C.’s merchandise exports remained relatively flat as markets adjusted to shifting global trade conditions. Overall, the value of B.C.’s goods exports edged down 0.1 percent compared to 2024 as increased exports to non-U.S. destinations were offset by a continued decline in goods exports to the U.S.

# Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2025/26 – 2027/28 Service Plan. For forward-looking planning information, including current and future performance targets, please see the [2026/27 – 2028/29 Service Plan](2026/27 – 2028/29 Service Plan).

Destination BC continues to focus on achieving the following results:

- Growing the tourism sector through high impact, innovative, and creative marketing;

- Enhancing visitor experiences through destination planning and industry development; and
- Developing and maintaining strong collaborative relationships with the tourism industry, communities, Indigenous and cross-government partners.

# Goal 1: Growth of overnight visitor expenditures

To increase industry revenue and support the continued growth of B.C.'s tourism sector, the province needs to attract high-value visitors, including international travellers who contribute higher-than-average expenditures per visit compared to domestic visitors.

In 2025/26, Destination BC's marketing strategy was designed to encourage travel by high-value international visitors, residents of B.C., and other key domestic markets. Increased visitation generates increased revenue for businesses in B.C. and employment for residents of B.C.

## Objective 1.1: Captivate travellers and create an emotional urgency to visit British Columbia.

### Key results

- Delivered six new Iconic destination brands, developed in collaboration with Indigenous Tourism BC and the six Regional Destination Management Organizations, to inspire more international travel across seasons and regions; alongside a refreshed Super, Natural British Columbia® brand to the B.C. tourism industry.
- Sustained international demand for B.C.'s ski sector through targeted consumer campaigns in both Australia (spring 2025) and California (fall 2025), showcasing world-class ski experiences through the You, Elevated platform.
- Positioned B.C. as a premier FIFA World Cup 2026™ destination through the Beautiful Seats global campaign in the UK and Germany, supported by bookable itineraries with B.C.-based tour operators to drive visitation across regions and seasons.

### Summary of progress made in 2025/26

In 2025/26, other key results included earning media coverage in priority markets, further establishing B.C. as a year-round destination of choice. This work included 20 in-market media events, supporting over 335 press trips, and proactively pitching compelling stories. These efforts increased international awareness of B.C.'s four-season appeal and generated media coverage across a diverse range of outlets, including top-tier media such as CNN Travel, BBC Travel, and Condé Nast Traveler, alongside other prominent publications.

Engagement with travel trade partners continued across key international markets, with a focus on growing tourism, increasing awareness of B.C., and converting traveller interest into visitation. This work included curating itineraries to encourage travel across all seasons and regions, collaborating on marketing programs to optimize investments in global markets, and participating in targeted trade shows to strengthen relationships and broaden overall reach.

Complementing these efforts, Destination BC's North America Visiting Journalist Program facilitated 201 travel media visits, supporting destination marketing and management organizations and tourism businesses in hosting media from leading outlets to generate coverage for B.C.

Destination BC partnered with the six Regional Destination Management Organizations to develop new content for 2026 marketing activities, showcasing the new Iconic destination brands and the distinct nature, culture, and adventure found across B.C.'s globally compelling routes and places.

Destination BC launched a new consumer website, SuperNaturalBC.com, showcasing the refreshed Super, Natural British Columbia® brand and the new Iconic Destination brands to highlight the province's diverse landscapes and travel experiences. This mobile-first, user-friendly platform helps site visitors easily discover destinations across B.C., while meeting World Wide Web accessibility standards to ensure an inclusive digital experience for all users. Dedicated landing page content was also published on the SuperNaturalBC.com to support the promotion of FIFA World Cup 2026™.

To support an inclusive and accessible tourism industry, Destination BC also hosted an industry webinar on the Foundations of Inclusive Marketing paired with additional resources.

## Performance measure(s) and related discussion

| Performance Measure | 2024/25 Actual | 2025/26 Target | 2025/26 Actual |
|---|---|---|---|
| 1.1a B.C. tourism industry revenue[1,4] | $23.0 B | +5%[8] | Available January 2027 |
| 1.1b Consumption of B.C. travel content promoted by Destination BC (in million [M])[2,5] | 39.9 M | Maintain or Improve | 36.6 M |
| 1.1c Size of Destination BC's global social media community of brand advocates (in million [M])[3,6,7] | 2.5 M | Maintain or Improve | 2.6 M |

[1]Data source: Tourism industry revenue data is provided by BC Stats on an annual basis, with a 2-year lag, and reflects a calendar year. Annually, typically in January, Destination BC develops an updated revenue forecast that is included in the Service Plan for the following fiscal year based on information provided from BC Stats.
[2 & 3]Data source: Numbers aggregated by Destination BC based on reporting from Destination BC, its digital marketing agencies, and marketing partners.
[4]PM 1.1a targets for 2026/27 and 2027/28 were stated in the 2025/26 Service Plan as +5% and +5%, respectively. The 2025 tourism industry revenue data is expected to be released by BC Stats in January 2027.
[5 & 6]PM 1.1b & PM 1.1c targets for 2026/27 and 2027/28 were stated in the 2025/26 Service Plan as 'Maintain or Improve' and 'Maintain or Improve,' respectively.
[7]This measure indicates the number of followers of all Destination BC's social media channels (currently including YouTube, Facebook, Instagram, TikTok, Pinterest, Weibo, WeChat).
[8]The '2024/25 Actual' ($23.0 B) forms the basis of the '2025/26 Forecast' ($24.2 B) and revised future targets.

1.1a: Tourism industry revenue measures the money received by businesses, individuals, and government due to tourism activities. Changes in tourism industry revenue reflect increases or decreases in visitor expenditures, which is an indicator of performance relative to Goal 1 and an indicator of all related objectives. Positive growth in tourism industry revenue reflects the growth of tourism, which is a key economic driver of B.C.'s economy.

In 2024, the tourism industry generated $23.0 billion in revenue, an increase of 4.2 percent over $22.1 billion in 2023.

1.1b: The success of motivating potential visitors and increasing their sense of urgency to visit B.C. is measured through the consumption of and engagement with content promoted by Destination BC, leading to greater visitor volumes and expenditure. Measurement of content consumption includes video ads watched to completion, engagements on social media, and website pages read on Destination BC's consumer website SuperNaturalBC.com.

In 2025/26, the content consumption target was not met ('Maintain or Improve' 39.9 M). Content consumption continues to be impacted by evolving privacy changes on key technology platforms, which limit advertisers' ability to track ad engagement, as well as a strategic shift toward a greater focus on brand awareness within Destination BC's marketing activities. In addition, content consumption as currently defined is unlikely to rebound due to a broader trend toward travellers using Generative Artificial Intelligence platforms (such as Chat GPT, Perplexity, Claude, etc.) for travel inspiration and planning, resulting in lower visitation to travel websites, including SuperNaturalBC.com, compounded with these privacy changes. Destination BC is reviewing and evaluating potential revisions to the content consumption measure in response to these challenges.

1.1c: Word-of-mouth referrals and recommendations are the most powerful marketing tools in the travel industry and influence trip planning. The size of Destination BC's global social media community of brand advocates is one measure of the programs' success, designed to encourage people to advocate for B.C. as a travel destination to their family, friends, and colleagues.

This measure indicates the number of followers on all of Destination BC's consumer-facing social media channels (which currently includes YouTube, Facebook, Instagram, TikTok, Pinterest, Weibo, and WeChat).

In 2025/26, the size of Destination BC's global social media community increased to 2.6 million followers, exceeding the '2024/25 Actual' and meeting the target to 'Maintain or Improve.' This growth reflects targeted paid social efforts to reach high-value audiences and amplify campaign content, combined with consistent storytelling and active community management that drives engagement, sharing, and follower growth.

# Goal 2: B.C.'s tourism industry delivers remarkable guest experiences

To stay competitive, B.C.'s tourism businesses must keep pace with evolving visitor motivations, experience design, marketing best practices, emerging social media platforms, and digital tools. Staying current in these areas will strengthen the province's competitive advantage in the global tourism marketplace. Destination BC supports the tourism industry in delivering a world-class guest experience and securing the highest Net Promoter Score® (NPS) for B.C. in key North American markets. Net Promoter Score measures the likelihood of visitors to recommend B.C. to their friends or family.

## Objective 2.1: Work in partnership with industry to assist tourism businesses to meet or exceed guest needs and expectations.

### Key results

- Delivered two "Spark" Mentorships and Grants Programs, one in Valleys & Vineyards and one in Birthplace of Adventure. The programs supported entrepreneurs, small businesses, and non-profits with fewer than 10 full-time employees to develop new guest experiences to enhance the road-trip traveller's journey in B.C.
- Delivered the first-ever BC Accelerator Program, connecting international tour operators and travel companies with B.C. tourism businesses. This initiative strengthened connections between global markets and local businesses to expand market ready offerings.
- Hosted a webinar, Welcoming the American & Canadian Visitor This Season, to equip B.C.'s tourism operators with practical tools and insights to deliver informed, inclusive, and high-quality guest experiences in the evolving Canada–U.S. travel context.
- Advanced industry climate resilience and sustainability through the BC Tourism Climate Resiliency Initiative, supporting tourism businesses to implement adaptation actions and strengthening long-term destination quality and visitor experiences .
- Publicly released a new series of Regional and Sector Profile publications, including ones for Indigenous tourism, skiing and snowboarding, cycling, wine, and outdoor recreation, and shared findings from the 2022/23 Outdoor Recreation Research conducted in partnership with the Ministry of Environment and Parks and the Ministry of Tourism, Arts, Culture and Sport.

### Summary of progress made in 2025/26

Other key results from 2025/26 included working closely with the Ministry of Tourism, Arts, Culture and Sport and B.C. Stats, to produce an updated Value of Tourism snapshot, providing insights into the economic contribution of tourism in B.C. The snapshot includes data on tourism-generated gross domestic product (GDP), sector revenues, provincial and municipal tax revenues, employment, wages and salaries, and the number of tourism-related businesses across the province.

Delivered in partnership with the Ministry of Tourism, Arts, Culture and Sport, Indigenous Tourism BC, and the six Regional Destination Management Organizations, the BC Tourism Climate Resiliency Initiative advanced a Sustainability and Climate Adaptation Data Framework to support industry alignment on consistent metrics, shared data practices and long-term measurement of progress, informed by input from more than 550 tourism organizations. The initiative also strengthened province-wide collaboration through the Community Destination Stewardship Network, engaging communities in workshops and peer learning opportunities focused on building local climate readiness and sustainable tourism practices. Recognized through multiple industry awards and nominations such as the People's Choice Award @ X. Awards, Transformation Award @ X. Awards, Change Maker Category Award @ Skift IDEA Awards, and Innovation & Excellence Award BC Premier's Awards, the initiative has established strong foundations for tools, knowledge, and networks to support climate adaptation and sustainability efforts across B.C.'s tourism sector.

Destination BC advanced accessibility and inclusion across its programs and partnerships by supporting media coverage that highlighted the importance of accessible tourism in B.C., including features in outlets such as Business in Vancouver, and by enhancing Visitor Services Network training with a stronger focus on inclusive practices. Additional efforts included serving as a presenting partner for Forward: A Film About Adaptive Sports and Possibility, and introducing a new procurement approach for creative suppliers to help reduce barriers for underrepresented communities.

Destination BC delivered online and on-demand industry training through live webinars and a refreshed Learning Centre, providing free, 24/7 access to practical resources for tourism organizations across British Columbia. These efforts were complemented by additional online industry calls, recorded webinars, self-guided video tutorials, and digital toolkits supporting priorities such as working with the travel trade, emergency preparedness, major-event readiness, and digital capability. Together, these actions supported province-wide access to flexible, self-paced training and resources, helping tourism businesses and communities – particularly in rural and emerging destinations – build skills, strengthen resilience, and support long-term economic growth.

### Performance measure(s) and related discussion

| Performance Measure | 2024/25 Actual | 2025/26 Target | 2025/26 Actual |
|---|---|---|---|
| 2.1a Competitive ranking of British Columbia's Net Promoter Score[1,3] | Ranked #1 in 2 of 5 key North American markets | Maintain or Improve | Ranked #1 in 3 of 5 key North American markets |
| 2.1b Net Promoter Score of Participants in all ongoing Destination BC delivered workshops or webinars[2,4,5] | 67.8 (out of 100) | 50.0 or greater | 76.0 (out of 100) |

[1]Data source: Destination BC's Key Performance Indicator Study (conducted by independent third-party research firm). Introduction to the Net-Promoter Score measures the likelihood of visitors to recommend B.C. to their friends or family.

[2]Data source: Overall evaluation of Destination BC's learning programs through participants surveys. Data is collected using standard survey tools.
[3]PM 2.1a targets for 2026/27 and 2027/28 were stated in the 2025/26 Service Plan as 'Maintain or Improve' and 'Maintain or Improve', respectively.
[4]PM 2.1b targets for 2026/27 and 2027/28 were stated in the 2025/26 Service Plan as '50.0 or greater' and '50.0 or greater,' respectively.
[5]For more information on the NPS methodology, see the Introduction to the Net-Promoter Score guide.

2.1a: In 2025/26, B.C. continued to be a destination of choice for Canadian travellers and ranks highly in key U.S. markets.

In Canada, B.C. ranked first in Net Promoter Score amongst competitors in B.C., Alberta, and Ontario. This is an improved ranking from Alberta, where B.C. was ranked second last year. In the U.S., B.C. ranks third behind Hawaii and California for Californians, and second (behind Washington) for short-haul travellers from Washington state. The results indicate that the travel experience remains positive for B.C., which continues to perform well in key Canadian and U.S. markets.

2.1b: The Net Promoter Score, based on post-workshop and webinar surveys, is a key measure of success in assisting tourism businesses and Destination Management Organizations (DMOs) in their efforts to deliver outstanding guest experiences, increase their digital marketing skills, become better prepared to respond to crises and emergencies, and learn how to work more effectively with Indigenous Peoples and communities.

In 2025/26, most of Destination BC's workshops and webinars saw a slight decrease in the Net Promoter Score (NPS) from 2024/25, and overall Destination BC exceeded the '2025/26 Target' with an NPS of 76.0 across all workshops and webinars. Variances in Net Promoter Scores are common as they can be influenced by changes in program content, participant demographics, and respondent perceptions.

# Goal 3: A globally competitive tourism marketing and development ecosystem

For the purpose of this goal, the term 'marketing' is used in the broad sense, encompassing destination and experience development, as well as distribution, advertising, and promotion. In alignment with provincial tourism priorities, Destination BC worked with partners and communities on marketing and development efforts, reducing duplication of efforts, and amplifying B.C.'s competitive position in the global marketplace.

## Objective 3.1: Collaborate with Indigenous Tourism BC and other key tourism industry partners and communities to align and focus on collective marketing and destination development efforts.

## Key results

- Partnered with Indigenous Tourism BC to create new content for 2026 marketing activities that elevates Indigenous voices and perspectives and supports Indigenous tourism businesses.
- Led a series of in-person and virtual engagement sessions, with participation from the Ministry of Tourism, Arts, Culture and Sport and regional and community destination management organizations, to inform the development of Iconic Destination Development Strategies, long-term plans that guide tourism development and investment, for Nature's Heartland and The Infinite Coast. This work also included working with partners to publish completed strategies for Valleys & Vineyards, Birthplace of Adventure, The Great Wilderness, and Rainforest to Rockies.
- Developed a renewed four-year roadmap to strengthen the Co-operative Marketing Program Partnership Network. Allocated $4.2 million in 2025/26 to support 11 sector organizations and 48 community consortium partnerships.
- The Tourism Data Hub strengthened Destination BC's collective marketing capabilities by expanding shared access to best-in-class marketing technology and advancing data, digital analytics, personalization, and AI capabilities. This included exploring AI integration into the new consumer website for 2026, introducing shared tools that help tourism partners better understand potential visitors and use marketing funding more effectively.

## Summary of progress made in 2025/26

Other key results from 2025/26 included developing an activation concept in collaboration with Destination Vancouver, the City of Vancouver, FIFA Canada, Indigenous Tourism BC, and the xʷməθkʷəy̓əm (Musqueam), Sḵwx̱wú7mesh (Squamish), and səlilwətaɬ (Tsleil-Waututh Nation) Nations for the FIFA Fan Festival at the Host City Campus.

Destination BC continued to work with the Ministry of Tourism, Arts, Culture and Sport to advance opportunities related to key marquee events. Destination BC supported multi-day interactive activations at the fan festivals for both the Grey Cup and the Invictus Games, highlighting health and wellness experiences across the province.

Destination BC showcased FIFA World Cup 26™ at Rendez-vous Canada, the country's largest international travel trade show. This strategic effort highlighted Vancouver's role as a host city and positioned B.C. as a premier global destination for travellers to consider visiting in 2026. By engaging international travel trade partners, itineraries were promoted that combine FIFA World Cup 26™ experiences with provincial tourism offerings, helping ensure the event serves as a catalyst for long-term tourism growth across B.C.

The BC Tourism FC Playbook was developed and widely shared with partners, providing guidance on the use of FIFA World Cup 26™ intellectual property, organizing community events, and details on the Beautiful Seats campaign. The playbook has seen strong engagement, with hundreds of downloads and significant reach on LinkedIn.

## Performance measure(s) and related discussion

| Performance Measure | 2024/25 Actual | 2025/26 Target | 2025/26 Actual |
|---|---|---|---|
| 3.1a Destination Management and Tourism Sector Organizations' satisfaction with Destination BC programs and services.[1,3] | 7.9 (out of 10) | Maintain or Improve | 7.3 (out of 10) |
| 3.1b a) Number of communities and sectors participating in Destination BC's application-based Co-op Marketing Partnerships Program.<br>b) Number of participating communities outside Metro Vancouver, Victoria, and Whistler[2,4] | 145 (total)<br><br>115 (regional) | 120 (total)<br><br>100 (regional) | 206 (total)<br><br>173 (regional) |

[1]Data source: Destination BC's Tourism Industry Partners Survey (conducted by independent third-party research firm).
[2]Data source: Destination BC's program area confirming participants and funding.
[3]PM 3.1a targets for 2026/27 and 2027/28 were stated in the 2025/26 Service Plan as 'Maintain or Improve' and 'Maintain or Improve', respectively.
[4]PM 3.1b targets for 2026/27 and 2027/28 were stated in the 2025/26 Service Plan as '120 (total) / 100 (regional)' and '120 (total) / 100 (regional)', respectively.

3.1a: Destination BC's annual Tourism Industry Partners Survey enables evaluation and improvement of the quality of programs and services delivered, and the effectiveness of communication with partners. Destination BC continues to review, revise, and improve programs and services based on feedback from Destination Management and Tourism Sector Organizations and other partners, and anticipates incremental improvements in how these organizations value Destination BC's programs and services over time.

In 2025/26, results from the annual Tourism Industry Partners Survey, conducted each May, continued to indicate positive performance by Destination BC, as rated by Destination Management and Tourism Sector Organizations.

The score of 7.3 (out of 10) represents a slight decrease from the previous year; however, this change falls within the margin of error given the small sample size (n = 60). The distribution of high scores remains consistent, with 82% of respondents rating between 7 and 10 compared to 85% in 2024/25. Overall, results indicate sustained confidence in Destination BC's programs and services despite ongoing economic challenges, including inflation and geopolitical uncertainty.

3.1b: The success of the application-based Co-op Marketing Partnerships Program is measured by the number of community and sector participants. The Program drives marketing alignment across Destination Management Organizations (DMOs), providing access to matching dollars.

In 2025/26, Destination BC exceeded the ‘2025/26 Target’ with a total of 206 participants, of which 173 represented communities located outside Metro Vancouver, Greater Victoria, and Whistler.  These results reflect the transition to a new methodology for counting participation, designed to better align with the current community tourism landscape, improve accuracy, and reduce reliance on self-reported data.

# Financial Report

For the auditor's report and audited financial statements, see Appendix B. These documents can also be found on the Destination BC website.

## Discussion of Results

The 2025/26 fiscal year was Destination BC's thirteenth year of operation. Destination BC closed 2025/26 with an operating deficit of $0.846 million based on total revenues of $59.299 million, and total expenses of $60.145 million. The deficit was primarily related to one-time items described below. An accumulated operating surplus of $1.818 million is identified in Destination BC's Statement of Financial Position.

## Financial Summary

| ($m) | 2024/25 Actual | 2025/26 Budget | 2025/26 Actual | 2025/26 Variance |
|---|---|---|---|---|
| **Revenues** | | | | |
| Contributions from Province | 58.891 | 56.268 | 58.474 | 2.206 |
| Contributions from Other Governments | 0.016 | 0 | 0.250 | 0.250 |
| Deferred Capital Contributions | 0.060 | 0.060 | 0.060 | 0.000 |
| Other Revenue | 0.718 | 0.520 | 0.515 | (0.005) |
| **Total Revenue** | **59.685** | **56.848** | **59.299** | **2.451** |
| **Expenses** | | | | |
| Marketing | 37.062 | 35.383 | 37.520 | (2.137) |
| Destination Management | 13.854 | 12.220 | 13.971 | (1.751) |
| Strategy, Research & Communications | 3.803 | 4.468 | 4.059 | 0.409 |
| Corporate Services | 4.546 | 4.640 | 4.458 | 0.182 |
| Amortization | 0.170 | 0.137 | 0.137 | 0.000 |
| **Total Expenses** | **59.435** | **56.848** | **60.145** | **(3.297)** |
| **Annual Surplus** | **0.250** | **0** | **(0.846)** | **(0.846)** |
| **Total Debt** | **0** | **0** | **0** | **0** |
| **Accumulated Surplus (Deficit)** | **2.664** | **2.414** | **1.818** | **(0.596)** |
| **Capital Expenditures** | **0** | **0.070** | **0.007** | **0.063** |
| **Dividends / Other Transfers** | **0** | **0** | **0** | **0** |

[1] The above financial information was prepared based on current Generally Accepted Accounting Principles.

# Variance and Trend Analysis

In 2025/26, Destination BC received additional one-time government funding to implement key recovery programs providing financial and marketing support for the tourism industry. Provincial government contributions included $2.9 million for the initiation of a province-wide tourism strategy related to FIFA World Cup 26. Federal government contributions of $0.250 million focused on investment in programs to support tourism businesses with strategic planning, marketing, and the development of experience programming.

Budget variances within the Marketing and Destination Management divisions reflect the costs associated with the additional 2025/26 government contributions. In 2025/26, Destination BC recorded a one-time write-down related to the net book value of a provincially owned visitor centre, reflecting its planned divestment. This non-recurring accounting adjustment contributed to the reported operating deficit of $0.846 million for the year.

# Risks and Uncertainties

Destination BC operations are funded through provincial government appropriations. Destination BC allocates this funding to programs that deliver on its mandate, as described in the 2025/26 Service Plan.

Destination BC practices enterprise risk management to identify and manage risks and support corporate strategic planning and financial forecasting. Destination BC has established an Enterprise Risk Management (ERM) framework that adheres to the *CSA ISO 31000* risk management principles and the *Risk Management Guideline for the B.C. Public Sector*. Risk mitigations are reviewed on a quarterly basis and action is taken where needed.

Destination BC is subject to financial pressures resulting from ongoing inflation, which has increased the cost of services and inputs across all program areas, as well as from fluctuations in the Canadian dollar that affect the cost of marketing activities priced in U.S. dollars and other foreign currencies. These pressures are managed through efficiency measures, including continual improvement of workforce productivity, the development of innovative marketing partnerships, and enhancements to program delivery.

Weather-related events such as wildfires, severe flooding, landslides, and drought have had a significant impact and pose ongoing challenges for B.C.'s tourism industry. Destination BC supports the long-term destination reputation of B.C. through coordinated communications, targeted marketing activities where appropriate, training, and research on tourism emergency management, in partnership with the Ministry of Tourism, Arts, Culture and Sport and the government and industry-led Tourism Emergency Management Committee.

# Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2025 Mandate Letter from the Minister Responsible.

The achievements / actions listed below are in addition to those listed above in the 'Key results' and 'Summary of progress for 2025/26' sections.

| Mandate Letter Priority | Status as of March 31, 2026 |
| --- | --- |
| **1.** Ensure Destination British Columbia's programs and investments are aligned with Government priorities, including leveraging the opportunities provided by the FIFA World Cup in 2026 and other marquee events, to maximize economic development and tourism impact across the province. | • A comprehensive FIFA World Cup 2026 communications strategy was developed and continues to be refined by a collaborative communications working group. This work provides all working group members with access to a centralized FIFA Communications Hub with shared messaging and resource documents to track industry interest and questions.<br>• Destination BC's Research & Analytics team continues to lead a multi-partner working group to measure the direct economic impacts of hosting the FIFA World Cup 2026 in Vancouver and the resulting increased interest and travel demand from key international markets. Work related to this included a Market Assessment Model to identify international markets likely to be drawn to matches in Vancouver, helping inform marketing decisions and economic modelling. It also included a pre-awareness study in key international markets to establish baseline indicators that will be measured before, during, and after the event, in partnership with the Ministry of Tourism, Arts, Culture and Sport, BC Stats, Destination Canada, Destination Vancouver, and Tourism Richmond.<br>• Led multi-day interactive activations at fan festivals during both the Grey Cup and the Invictus Games, showcasing health and wellness experiences from across the province, and working closely with Indigenous Tourism BC and the xʷməθkʷəy̓əm (Musqueam), Sḵwx̱wú7mesh (Squamish), and səlilwətaɬ (Tsleil-Waututh) Nations ahead of FIFA World Cup 2026. |

| | |
|---|---|
| | • Destination BC hosted pre–Rendez-vous Canada and pre-BC Accelerator seller briefing webinars for export-ready businesses, providing insights from in-market representatives on travel, and booking trends across key markets. |
| **2.** Continue to support tourism as a strong pillar of the BC economy by working with the sector to enhance economic growth and community vibrancy, sustainably promoting BC's unmatched geography and diverse experiences, and continuing to support rural and Indigenous tourism opportunities. | • In partnership with the Ministry of Tourism Arts, Culture and Sport and the Regional Destination Management Organizations, Destination BC's Destination & Industry Development team completed a series of seven videos highlighting destination development initiatives and partnerships across BC that support tourism products and experiences for residents and visitors.<br>• Designed a comprehensive performance measurement framework for evaluating the performance of Destination BC's [2026-2028 Corporate Strategy], which focuses on growing tourism in all parts of the province during peak and off-peak periods, facilitating greater seasonal and geographic distribution of visitors across the province, and increasing the benefits of tourism for people living in BC.<br>• Destination BC supported 109 community-owned Visitor Centres through nearly $2 million in base funding. Additionally, supported 134 community-owned Visitor Centres through the Visitor Services Network Program, providing training, networking opportunities, and additional resources to help enable remarkable, authentic visitor experiences.<br>• Working alongside the Regional Destination Management Organizations, the Vancouver, Coast & Mountains Tourism Region team, represented by Destination BC, supported the development of authentic, demand-driven tourism experiences by strengthening regional collaboration, advancing destination development initiatives, and leveraging travel trade and media opportunities to expand awareness of experiences across the region. |

| | |
|---|---|
| **3.** Continue to work with the Ministry of Tourism, Arts, Culture and Sport and the Regional and Community Destination Marketing Organizations to enable remarkable tourism products and experiences that are authentic, driven by visitor demand and data insights, and facilitate greater seasonal and geographic distribution of visitors across the province. | • Destination BC worked closely with Indigenous Tourism BC to support the development, promotion, and increased investment in Indigenous tourism across the province. This included engaging with First Nations communities interested in tourism and facilitating connections with tourism organizations and government partners.<br>• Destination BC continued ongoing partnership engagement with Indigenous Tourism BC through monthly staff meetings, quarterly executive meetings, and annual joint board meetings.<br>• Tourism Week 2025 was celebrated from April 7 to 11 with a coordinated, province-wide campaign designed to amplify the value of tourism. An online industry toolkit—featuring messaging, visuals, templates, and story ideas—enabled broad participation across the sector, including rural and Indigenous operators. The campaign also included a Destination BC staff story series, media outreach, and refreshed content on the Value of Tourism page. These efforts highlighted tourism's role in driving economic growth and contributing to vibrant communities, while showcasing the breadth of experiences and diverse landscapes across BC.<br>• Advanced the Resident Perceptions of BC's Tourism Industry Research Program, gaining more industry partner participation and measurement alignment across the province. This work continues to support a coordinated, sector-wide approach to understanding tourism's impacts, helping ensure growth is informed by community perspectives and contributes to strong local economies and vibrant communities throughout BC. |
| **4.** Continue to help make B.C. a more inclusive and accessible tourism destination. | • Destination BC strengthened its capacity to support a more inclusive and accessible tourism sector by investing in employee learning and development, including training in cultural awareness, inclusive leadership and accessibility, embedding inclusive hiring and equitable HR practices, enhancing workplace accommodations, and engaging its Accessibility and Inclusion Advisory Committee to inform programs and policies. |

| | |
|---|---|
| | • Advanced the implementation of Destination BC's three-year Diversity, Equity, Inclusion, and Accessibility A Strategy and Action Plan.<br>• Sponsored the Inclusive & Accessible Tourism Award at the annual BC Tourism Industry Conference.<br>• Continued biannual engagement with Destination BC's Accessibility & Inclusion Committee.<br>• Destination BC's Research and Analytics team conducted research with Equity-Deserving Groups in two research programs, a Destination BC internal employee survey and a consumer survey with key international markets. Results from the consumer survey were shared with Destination BC's Accessibility & Inclusion Committee. |

# Appendix B: Auditor's Report and Audited Financial Statements

# Destination BC Corp.

# Financial Statements

## Year Ended

# March 31, 2026

And Independent Auditor's Report thereon

# Table of Contents

## 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.:

R Porges

Richard Porges
Chief Executive Officer

L Christian

Lesley Christian
Chief Financial Officer

May 20, 2026

KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada
Tel 604 691 3000
Fax 604 691 3031

# 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, 2026;
- 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, 2026 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, 2026

**Destination BC Corp.**
**Statement of Financial Position**
**March 31, 2026, with comparative information for 2025**
**(Expressed in thousands of dollars)**

| | *Notes* | 2026 | 2025 |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | | 6,007 | 8,028 |
| Accounts receivable | | 420 | 524 |
| | | 6,427 | 8,552 |
| **Liabilities** | | | |
| Accounts payable and accrued liabilities | *3* | 3,288 | 4,767 |
| Due to Public Service Agency | *14* | 1,605 | 1,543 |
| Deferred revenue | *4* | 120 | - |
| Deferred capital contributions | *6* | 180 | 240 |
| | | 5,193 | 6,550 |
| **Net financial assets** | | 1,234 | 2,002 |
| | | | |
| **Non-financial assets** | | | |
| Tangible capital assets | *7* | 404 | 534 |
| Prepaid expenses | | 180 | 128 |
| | | 584 | 662 |
| **Accumulated surplus** | *8* | 1,818 | 2,664 |
| | | | |
| Contractual obligations | *9* | | |

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

Approved on behalf of the Board:

Ingrid Jarrett
Board Chair

Amy Blakeney
Finance & Audit Committee

**Destination BC Corp.**
**Statement of Operations and Accumulated Surplus**
**Year ended March 31, 2026, with comparative information for 2025**
**(Expressed in thousands of dollars)**

| | *Notes* | **2026 Budget** | **2026** | **2025** |
|---|---|---|---|---|
| | | *(note 2(k))* | | |
| **Revenues** | | | | |
| Government transfers | *11* | 56,268 | 58,724 | 58,907 |
| Other revenue | *12* | 520 | 515 | 718 |
| Amortization of deferred capital contribution | *6* | 60 | 60 | 60 |
| | | 56,848 | 59,299 | 59,685 |
| **Expenses** | *13* | | | |
| Global Marketing | | 35,383 | 37,520 | 37,062 |
| Destination Management | | 12,220 | 13,971 | 13,854 |
| Strategy, Research and Communications | | 4,468 | 4,059 | 3,803 |
| Corporate Services | | 4,640 | 4,458 | 4,546 |
| Amortization | | 137 | 137 | 170 |
| | | 56,848 | 60,145 | 59,435 |
| **Annual (deficit) surplus** | | - | (846) | 250 |
| **Accumulated surplus, beginning of year** | | 2,664 | 2,664 | 2,414 |
| **Accumulated surplus, end of year** | | 2,664 | 1,818 | 2,664 |

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, 2026, with comparative information for 2025
(Expressed in thousands of dollars)

| | Budget<br>*(note 2(k))* | 2026 | 2025 |
|---|---|---|---|
| Annual (deficit) surplus | - | (846) | 250 |
| | | | |
| Acquisition of tangible capital assets | (70) | (7) | - |
| Amortization of tangible capital assets | 137 | 137 | 170 |
| | 67 | 130 | 170 |
| | | | |
| Acquisition of prepaid expenses | - | (180) | (128) |
| Use of prepaid expenses | - | 128 | 328 |
| | - | (52) | 200 |
| | | | |
| **Change in net financial assets** | 67 | (768) | 620 |
| **Net financial assets at beginning of year** | 2,002 | 2,002 | 1,382 |
| **Net financial assets at end of year** | 2,069 | 1,234 | 2,002 |

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, 2026, with comparative information for 2025**
**(Expressed in thousands of dollars)**

| | 2026 | 2025 |
|---|---|---|
| **Cash provided by (used in):** | | |
| **Operating transactions:** | | |
| Annual (deficit) surplus for the year | (846) | 250 |
| Non-cash items included in surplus: | | |
| Amortization of tangible capital assets | 137 | 170 |
| Amortization of deferred capital contributions | (60) | (60) |
| Changes in non-cash operating working capital: | | |
| Accounts receivable | 104 | 1,145 |
| Accounts payable and accrued liabilities | (1,479) | 882 |
| Due to Public Service Agency | 62 | 304 |
| Deferred revenue | 120 | - |
| Prepaid expenses | (52) | 200 |
| | (2,014) | 2,891 |
| **Capital transactions:** | | |
| Acquisition of tangible capital assets | (7) | - |
| **Increase (decrease) in cash and cash equivalents** | (2,021) | 2,891 |
| **Cash and cash equivalents at beginning of year** | 8,028 | 5,137 |
| **Cash and cash equivalents at end of year** | 6,007 | 8,028 |

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

## 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 (the "Province"), 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, valued at $1, which is held by 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.

## 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 tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

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

## 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.

## 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.

## 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, 2026 (2025 - 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.

**(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 2025/26 Service Plan as approved by the Board of Directors on January 30, 2025.

### l) Segmented information:

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

## 3. Accounts payable and accrued liabilities

| | 2026 | 2025 |
|---|---|---|
| Accounts payable and accrued liabilities | 2,630 | 4,024 |
| Accrued vacation pay | 658 | 743 |
| Total | 3,288 | 4,767 |

## 4. Deferred revenue

Deferred revenue relates to subscription data fees received in advance of the service period. Amounts will be recognized as revenue over the term of the related service period as the associated performance obligations are fulfilled.

| | 2026 | 2025 |
|---|---|---|
| Balance, beginning of year | - | - |
| Amounts received | 160 | - |
| Recognized as revenue | (40) | - |
| Balance, end of year | 120 | - |

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

## 5. Employee pension plan

The Corporation and its employees contribute to the Public Service Pension Plan (the "Plan"), a jointly trusteed 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 164,000 active, inactive and retired members.

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 $1.04 million (2024/25 - $1.06 million) 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.

| | **2026** | **2025** |
|---|---|---|
| Balance, beginning of the year | 240 | 300 |
| Amortization during the year | (60) | (60) |
| Balance, end of year | 180 | 240 |

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

## 7. Tangible capital assets

| | Furniture and Equipment | Websites, Hardware and Software | Leasehold Improvements | 2026 Total |
|---|---|---|---|---|
| **Cost:** | | | | |
| Opening Balance | 234 | 3,832 | 1,061 | 5,127 |
| Additions | 7 | - | - | 7 |
| Closing balance | 241 | 3,832 | 1,061 | 5,134 |
| **Accumulated amortization:** | | | | |
| Opening balance | 221 | 3,817 | 555 | 4,593 |
| Amortization | 14 | 5 | 118 | 137 |
| Closing balance | 235 | 3,822 | 673 | 4,730 |
| **Net book value** | 6 | 10 | 388 | 404 |

| | 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 |

## 8. Accumulated surplus

| | 2026 | 2025 |
|---|---|---|
| Invested in tangible capital assets | 224 | 294 |
| Unrestricted | 1,594 | 2,370 |
| Total | 1,818 | 2,664 |

**(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.

| | 2027 | 2028 | 2029 | 2030 | 2031 | Thereafter |
|---|---|---|---|---|---|---|
| Property leases | 1,250 | 1,220 | 1,220 | - | - | - |
| Other contractual arrangements | 28,551 | 5,470 | 313 | - | - | - |
| Total contractual obligations | 29,801 | 6,690 | 1,533 | - | - | - |

## 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.

**(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

| | 2026 | 2025 |
|---|---|---|
| **Revenue** | | |
| Province of British Columbia | 58,474 | 58,891 |
| Federal Government | 250 | 16 |
| | 58,724 | 58,907 |
| **Expenses** | | |
| Shared cost agreements | 15,981 | 14,654 |

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 2025/26, revenue from the Province included $2.90 million for FIFA World Cup 2026 initiatives to support the province-wide Tourism Strategy (2024/25 - $2.16 million).

Also, in 2025/26, revenue from the Federal Government to support the tourism industry relates to $250 thousand from PacifiCan (2024/25 - $16 thousand).

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

## 12. Other revenue

The Corporation earned the following other revenues during the year:

| | 2026 | 2025 |
|---|---|---|
| Program revenue | 130 | 40 |
| Interest income | 385 | 678 |
| | 515 | 718 |

## 13. Expenses

The following is a summary of expenses by object:

| | 2026 | 2025 |
|---|---|---|
| Government transfers (note 11) | 15,981 | 14,654 |
| Advertising | 12,614 | 11,921 |
| Salaries and wages | 11,073 | 11,345 |
| Professional services | 7,944 | 8,685 |
| Information systems | 4,966 | 4,556 |
| Employee benefits | 2,750 | 2,810 |
| Office and business | 2,330 | 2,764 |
| Rental expenditures | 1,337 | 1,302 |
| Support services | 389 | 552 |
| Travel | 304 | 451 |
| Dues and subscriptions | 154 | 55 |
| Amortization | 137 | 170 |
| Board expenses | 106 | 126 |
| Materials and supplies | 53 | 34 |
| Other | 7 | 10 |
| Total expenses | 60,145 | 59,435 |

**(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:

| | 2026 | 2025 |
|---|---|---|
| Grants from the Province (note 11) | 58,474 | 58,891 |
| Amounts paid or due to the Ministry of Finance: | | |
| Payroll | 13,909 | 14,076 |
| Building Occupancy Costs | 1,341 | 1,303 |
| Building Divestment Costs | 1,060 | - |
| Information Technology Services | 903 | 915 |
| Legal Services | 331 | 432 |
| Insurance Premiums | 23 | 22 |
| Visitor Experience Support | 11 | 50 |
| Corporate Communications | 6 | 9 |
| Other (including postage, bank charges) | 5 | 8 |
| BC Stats | - | 121 |

Included with payroll are amounts payable to the Public Services Agencies ("PSA") of $1,605 thousand (2025 - $1,543 thousand) relating to salaries and benefits expenses as at year end.

In 2025/26, Destination BC recorded a one-time transfer to fund the write-down of the net book value of a provincially owned visitor centre, reflecting its planned divestment in line with the Province's long-standing objective to exit provincially owned visitor centres. Destination BC occupies provincially owned facilities for which Destination BC continued to bear operating, maintenance, and amortization costs. Destination BC is responsible for facilitating an orderly exit from its occupancy and therefore, will fund the planned divestment of the visitor centre at net book value, along with directly related disposal costs, to complete the transfer or disposition of the asset. This transaction contributed to Destination BC's operating deficit of $846 thousand for the year.