



2023 Statutory Annual Report



SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY 2023 STATUTORY ANNUAL REPORT

The *South Coast British Columbia Transportation Authority* (TransLink) is required to provide an annual report and audited financial statements to the Mayors' Council on Regional Transportation by March 31st. This report fulfills the reporting obligation to provide:

- A. A summary of operations during the year with comparison to the strategic transportation plan and the applicable service, capital and operational plans;
- B. The audited financial statements for the year;
- C. A summary of the nature of complaints received in the year and actions taken in response to those complaints;
- D. A summary of the results of the customer satisfaction survey process;
- E. Amendments to the articles of the Authority;
- F. A summary of the date, type and outcome of meetings of TransLink's Board of Directors held during the year;
- G. Fare Collection Bylaw;
- H. A summary of tickets issued and collection under Section 248; and
- I. A summary of Development Cost Charges received, reserve fund balances and expenditures, any waivers and reductions issued.

This report should be read in conjunction with the 2023 Accountability Report, in order to obtain a full understanding of the organization and its financial and operational performance. The 2023 Accountability Report will be posted on TransLink's website.

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EXECUTIVE SUMMARY

Under the *South Coast British Columbia Transportation Authority Act*, TransLink is required to prepare an annual report that includes a summary of operations for the year, along with a comparison to the organization's applicable strategic, service, capital, and operational plans. This 2023 Statutory Annual Report meets that requirement as well as other reporting obligations including audited financial statements, complaints, and customer satisfaction summaries. It's recommended that this report is read in conjunction with the 2023 Accountability Report to obtain a full understanding of the organization and the strategic objectives that drive financial and operational performance.

TransLink's current strategic plan is the 2022-2031 Investment Plan, as approved by the Mayors' Council on Regional Transportation on May 26, 2022. This 2023 Statutory Annual Report refers to the 2023 year of this Investment Plan (the Plan). The 2022 Investment Plan advances key transit priorities including the Surrey Langley SkyTrain project, 500 new battery electric and renewable natural gas buses, and prepares for future service expansion. It targets funding stabilization and cost-saving measures, along with supplemental revenue streams including additional commercial revenues, carbon credits from the Low Carbon Fleet Strategy, a sustainable level of fare increases, and senior government relief funding.

Amidst record-setting population growth of approximately 90,000 people (3.3 per cent), ridership patterns in 2023 became notably more stable and consistent, aligning with expected seasonal fluctuations throughout the year. Each week, 900,000 unique people took transit – equivalent to one third of the population. TransLink continues to lead ridership amongst Canadian and US peer agencies. SkyTrain is the fourth busiest rapid rail system, ahead of major cities like Chicago and Los Angeles, and bus ridership is third highest of all transit operators.

While population growth and strong ridership is welcome news, a number of adverse economic developments have emerged over the last 18 months. Consequences of the pandemic, leading to supply chain and resourcing challenges, coupled with geopolitical issues, have led to rapidly growing costs, interest rates, and escalating inflation. This resulted in higher operating and capital costs due to pressures on fuel costs, labour rates, and construction costs, beyond the levels estimated in the 2022 Investment Plan.

As the regional population and ridership levels continue to grow beyond projections, TransLink has focused on keeping expenses as low as possible while advancing key priorities such as high quality service, customer safety, and keeping the transit system in a state of good repair, while continuing the work with funding partners to identify new sustainable funding sources and independently generating new revenue sources through better land-use, real estate, and commercial partnerships.

TransLink continues to closely monitor cost escalations to ensure Metro Vancouverites can continue to move around the region as effectively as possible, balancing the priorities of upholding safety and ensuring quality service, while operating within a tight fiscal envelope.

A. OPERATIONS SUMMARY**1 Transit Service Levels**

The table below provides a summary of conventional transit service hours, Access Transit trips and ridership numbers, comparing 2023 actual results to the Plan.

Transit Service Levels				
	Actual 2023	2023 Year in the Plan	Fav/(Unfav) Over Plan	% Change
Conventional Transit <i>(thousands of service hours)</i>				
Conventional Bus	4,753	4,882	(130)	(2.7%)
Community Shuttle	706	680	26	3.8%
West Vancouver Conventional Bus	118	117	1	0.9%
SkyTrain Expo and Millennium Lines	1,280	1,298	(18)	(1.4%)
SkyTrain Canada Line	202	216	(14)	(6.5%)
SeaBus	14	15	(1)	(4.1%)
West Coast Express	29	24	5	21.0%
Total Conventional Transit	7,101	7,231	(130)	(1.8%)
Access Transit Trips <i>(thousands of trips)</i>				
HandyDART	894	1,297	(403)	(31.1%)
Taxi Supplement	282	152	130	85.5%
Total Access Transit Trips	1,176	1,449	(273)	(18.8%)
Ridership (in millions)				
Boardings	392	401	(10)	(2.4%)
Journeys ¹	233	229	4	1.8%

¹ A journey is a complete transit trip made using conventional transit service or HandyDART Access Transit service, regardless of the number of transfers.

Conventional Transit Service Levels

Conventional transit service hours were lower than the Plan by 1.8 per cent, or 130,000 hours.

Conventional bus service hours were 2.7 per cent lower than the Plan mainly driven by service cancellations due to detours and incidents. Service levels have continued to be right sized to meet projected demand and respond to emerging needs in the transit network. With continuing ridership recovery in 2023, Coast Mountain Bus Company Ltd. (CMBC) has been monitoring the customer demand and adjusting service as needed to best serve transit customers by addressing overcrowding, particularly in the Southeast subregion, and improving schedule alignment with universities and industrial sites.

Expo and Millennium Lines service hours in 2023 were 1.4 per cent below the Investment Plan. The variance was mainly driven by the deferral of AM peak service increases not required as ridership continued to recover from the

COVID-19 pandemic. The reinstatement of the service increase will depend on ridership demand. Canada Line 2023 service level remained the same as the beginning of 2020 and was lower than the Investment Plan by 6.5 per cent. The variance was mainly driven by the deferral of peak service increases not required as ridership continued to recover from the COVID-19 pandemic. The reinstatement of the service increases will depend on ridership demand. West Coast Express service hours in 2023 were 21.0 per cent higher than the Investment Plan. Additional cars were added into service throughout the year to meet increasing ridership demand. The first refurbished locomotive enabled WCE to add the fifth train back into service in June. By the end of 2023, WCE ran five trains with a total of 35 cars in each direction.

Access Transit Service Levels

Access Transit trips provided in 2023 remained lower than pre-pandemic levels and lower than the Plan by 18.8 per cent due to lower than anticipated demand, but have increased by 21.9 per cent compared to 2022 actuals. TransLink remains committed to ensuring services are fully available for passengers unable to use conventional public transit without assistance.

Ridership

A boarding represents each time a passenger enters a fare-paid zone using Compass fare media or other proof of payment, including transfers. In 2023, total system boardings were 392 million, 2.4 per cent lower compared to the Plan. Journeys represent a complete transit trip using Compass fare media or other proof of payment, regardless of the number of transfers. Journeys for conventional transit service and Access Transit trips were 233 million in 2023, 1.8 per cent above the Plan.

2023 was a year of ridership stabilization and consistency, following expected seasonal trends throughout the year. Metro Vancouver also saw higher than pre-COVID population growth during this time, increasing by an estimated 90,000 people (3.3 per cent) in 2023, compared to the average annual pre-COVID growth rate of approximately 1.5 per cent. January 2023 was the first month since the pandemic that Journeys recovery surpassed 80 per cent of pre-COVID (2019) levels. After January, Journeys recovery settled at between 83 to 85 per cent for February to June, then saw an increase to 86 to 88 percent recovery of pre-COVID levels for July to December.

Average weekday ridership continued to lag behind average weekend and holiday ridership in terms of recovery compared to pre-COVID, but weekday ridership had higher growth than weekend and holiday ridership compared to 2022. Higher growth in average weekday ridership is in part due to a continued return to office work and a reduction in work from home arrangements.

2 2022 Investment Plan Status Report

TransLink's 2022 Investment Plan focuses on achieving financial stability, maintaining the region's transportation system in a state of good repair, right-sizing TransLink's services, and expenditures to the needs of the region and advancing a few select strategic projects to make the region's integrated transportation system more reliable, efficient, and effective for users. A status update of the Plan is provided below.

As transit ridership and fare revenue moved on a continuously improving trajectory, and with the help of additional senior government relief funding aimed at offsetting the inflationary pressures, TransLink is in a better position to continue delivering the services the region needs over the next two years, while maintaining the system in good repair and advancing key projects. In 2023, service levels were right-sized to demand across the transit network to continue to support the region as ridership demographics shifted following the COVID-19 pandemic, and prioritizing customer and employee safety.

Transportation Investments in the 2022 Plan

The Plan maintains existing transit service and programs and advances select strategic capital projects including regional funding for the Surrey Langley SkyTrain Project (SLS) extension, delivered by the Government of British Columbia (BC) and completing accessible customer experience upgrades like braille signage at bus stops. It also advances the Low Carbon Fleet Strategy by procuring and putting into service over 500 new battery electric and renewable natural gas buses and constructing the supporting charging infrastructure.

Bus, SeaBus and HandyDART

Bus

- Service levels have continued to be right sized to meet the year's projected demand and respond to emerging needs in the transit network. Due to very strong ridership recovery, the focus has been on addressing overcrowding, particularly in the South-East subregion.
- Planned works for 2023 included the development and implementation of a flexible "nimble" budget and service change process that provides resources needed to respond to immediate customer needs in the short term. The nimble budget includes 2,000 actual service hours per quarter and has been leveraged to implement 17 projects to date, responding to immediate needs such as addressing overcrowding at school bell times, and improving schedule alignment with universities and industrial sites, among others.
- The 2020 Low Carbon Fleet Transition Plan is being updated by developing Zero Emission Fleet Transition Plan (ZEFTP) to inform future investment plans. Newly proposed regulations for BC Zero Emission Vehicle (ZEV) requirements for Medium and Heavy-Duty (MHD) vehicles and transit are actively being discussed with the province and are expected to impact the ZEFTP. Financial and transition drafts of the ZEFTP are complete, with approval anticipated in 2024.
- Electrified two tracks at the Hamilton Transit Centre and completed evaluations for fleet and infrastructure electrification at Port Coquitlam Transit Centre with 57 battery-electric buses in phase one.
- Completed proposal for 22nd Street interoperability improvements.

HandyDART

- Submitted project change authorization to increase the budget of the 2021 HandyDART Vehicle Expansion project to \$3.0 million for new vehicles for service improvements and to replace aging fleet, with an increased scope of seven gasoline powered Microbuses and three electric Midibuses to be delivered in the next two years.

RapidBus and Bus Priority

RapidBus

- Finalized design and construction of bus priority and customer amenities for the R6 RapidBus for Scott Road with implementation set for early 2024.
- Established and developed new Bus Rapid Transit Program, including prioritisation of initial corridors with regional decision-makers.
- Continued investment in Bus Speed and Reliability projects on RapidBus through partnerships with local jurisdictions.

Bus Speed and Reliability

- Continued investment in Bus Speed and Reliability projects through partnerships with local jurisdictions.
- Completed 2023 Bus Speed and Reliability Report, which describes the problem of bus delay, summarizes the causes of this delay and its impacts on both customers and operations, and demonstrates how TransLink and municipal partners have successfully reduced delays by making significant investments.

Reliable and Fast Transit (RAFT)

SkyTrain

- Train one of 42 Mark V trains was successfully manufactured, assembled and tested in both static and dynamic phases. It was shipped to SkyTrain Burnaby Operations and Maintenance Centre (OMC) where it will go through a year long testing and commissioning on the local system prior to being fully utilized for revenue service at the end of 2024. Train two of 42 Mark V trains was successfully manufactured, assembled and is currently undergoing static testing.
- Began replacement of the Burrard Station escalators.
- Began construction at the future OMC 4 site in Coquitlam, which will increase the maintenance and train storage capabilities as British Columbia Rapid Transit Company (BCRTC) expands its fleet and system.
- Substantially completed the new Guideway Shop at OMC 1, which is part of the Edmonds OMC Capacity Upgrade. This facility will allow the guideway department to better maintain and store rail equipment like grinders, rail carts, and speeders. Work also began on extending the Vehicle Inspection and Cleaning Facility to accommodate the longer five-car Mark V trains.

Surrey Langley SkyTrain

- SLS named the eight new Expo Line stations that will be a part of the expanded SLS. The Province pre-qualified two firms to design and build the new SLS stations.

West Coast Express

- Received two fully refurbished West Coast Express (WCE) locomotives which were put into service; a third locomotive was sent for refurbishment which is currently being completed.

Preparing for Future Expansion

Future Major Project Business Casing

- Completed interim reference case design, final public engagement, environmental and archaeological baseline work and Greenhouse Gas (GHG) emissions assessment for business case inputs report for the Burnaby Mountain Gondola project.
- Completed inputs to Provincial draft Concept Plan for the University of British Columbia (UBC) Extension project for Treasury Board submittal, including technical inputs, governance inputs and scoping for an integrated Transit Oriented Development program.
- Completed assessment of OMC requirements for future long-term operations and maintenance of the Skytrain system.

Safe Roads and People First Streets

Walking Infrastructure to Transit (WITT)

- Provided \$6.5 million to local governments through WITT projects.

Bicycle Infrastructure Capital Cost Sharing (BICCS)

- Provided \$17.2 million to local governments through BICCS projects.

TransLink-Owned Cycling Infrastructure

- Activated the implementation phase for BC Parkway Improvements adjacent to Stewardson Way.
- Activated preliminary design for BC Parkway Improvements between Joyce to Patterson Stations.

Structure Rehabilitation and Seismic Upgrades

- Provided \$16.9 million to local governments through Major Road Network (MRN) projects.

Minor Capital Upgrades

- Provided \$26.0 million to local governments through Major Road Network and Bike (MRNB) projects.

Operations, Maintenance and Pavement Rehabilitation

- Provided \$35.8 million to local governments through MRN operations and maintenance program.
- Provided \$25.6 million to local governments through MRN pavement rehabilitation program.

TransLink-Owned Bridges

- Completed construction of the Westham Island Bridge Swing Span Rehabilitation Project.
- Substantially completed construction of the Knight Street Bridge Deck Rehabilitation Project.
- Supported the Golden Crossing General Partnership to complete pavement rehabilitation on Golden Ears Way.
- Conducted inspections, maintenance, and rehabilitation activities to ensure all bridges were safe and operational.

Transit Passenger Facilities and Technology Investments

Technology

- Completed configurations and rollout of the Enterprise Asset Management (EAM) system to all asset groups in BCRTC.
- Deployed final release of the Finance & Supply Chain Management (FSM) system to the entire organization (TransLink, CMBC, BCRTC and Transit Police).
- Both BCRTC EAM and FSM are completed as part of ERP Program and now transferred to sustainment.
- EAM system at CMBC is currently under detailed design and will continue in 2024 with a goal to migrate the on-premise system to the Cloud and implement key improvements.

Fleet and Facilities to Advance the Low Carbon Fleet Strategy

- Design initiated for electric SeaBus replacement.
- Successfully tested renewable diesel and initiated roll-out beginning with Surrey Transit Centre.
- Tested all electric shuttle and "in-motion charging" electric trolley.
- Marpole Transit Center site preparation initiated as design continues.
- Upgrades to Hamilton Transit Centre completed to charge additional 15 battery-electric buses.
- Procurement of battery-electric buses and charging infrastructure for Port Coquitlam Transit Centre is substantially complete.
- Burnaby Transit Centre Master Plan completed.

- Zero Emission Fleet Transition Plan initiated (it will supersede Low Carbon Fleet Strategy) and plan design is substantially complete.

Plans, Policies and Partnerships

In 2023, TransLink continued to develop and implement a wide range of policies, plans and partnerships to achieve a more equitable and inclusive transportation system that is resilient, accessible, affordable, and reliable.

Reconciliation, Social Equity and Resilience

Advance Indigenous Relations Work

- Finalized a Letter of Understanding (LOU) between BCRTC and CUPE representatives, committing to advancing reconciliation with Indigenous peoples by increasing representation and retention, and reducing barriers within the collective agreement.
- Two Indigenous artists were commissioned to create multiple original designs to be utilized by Indigenous Relations for various communications and promotional materials.
- Extended invitation to the respected Elders and Knowledge Keepers of local Indigenous Nations and urban Indigenous organizations to participate in a newly initiated Elders Program.
- Installed land acknowledgement signage in English and two distinct Indigenous languages (hən̓q̓əmiñəm, and Skwxwú7mesh sníchim) at the North and South SeaBus terminals.
- Hosted blessing ceremony for Indigenous murals at King George Station with contributing artists, families and friends to celebrate the Indigenous Nations' distinct cultures and heritage from q̓ičəy̓ (Katzie First Nation), q̓wa:ñ̓'ən' (Kwantlen First Nation), and se'mya'me (Semiahmoo First Nation) and to encourage ridership to reflect on the meaning of the land that is travelled on today.

Equity, Diversity and Inclusion (EDI)

- Installed gender inclusive washroom signage in corporate office.
- Partnered with Pride at Work and the Canadian Centre for Diversity and Inclusion to provide ongoing education opportunities through a resource library of EDI content and webinars.
- Approved the company's first-ever Workplace Accessibility Policy which uses the eight priority areas identified in the Accessible British Columbia Act as a focus. The purpose of this policy is to operationalize TransLink's commitment to workplace accessibility and inclusion, striving for barrier-free participation for persons with disabilities in the workplace. In conjunction TransLink has sourced an external vendor to begin an accessibility audit for the Translink.ca website and is offering training on inclusive recruitment to the Talent Acquisition team.
- There are six employee resource groups (ERGs) at TransLink Enterprise, with each ERG paving the way for inclusion through their own projects. The iBelong Multicultural ERG continues to celebrate and recognize diverse ethnic and cultural groups through celebrations and education events.

Resilience

- Established Capital Working Group to finalize roadmap for Zero-Emission Fleet Transition Plan, including complete financial analysis for capital and operating expenses.

Convenient Choices

Improve Customer Experience

- Conducted Real Time Transit Information System (RTIS) feasibility study and developed program governance structure. The feasibility study sought information from customers, peer agencies and internal and external stakeholders to better understand current RTIS systems and better understand risks, challenges, and opportunities. The governance structure identified how to action this work across multiple areas of the Enterprise.
- Developed On-Street Bus Shelter Improvement Program Project Charter to identify a planning process for improving bus shelters across the region.

- Launched Community Transit Volunteer Program to increase in-person interactions and help for customers.
- Launched Safer Spaces Program to increase feelings of safety, security, and cleanliness. To understand current conditions, a customer intercept benchmarking survey and a Crime Prevention Through Environmental Design (CPTED) audit were completed at Commercial-Broadway and Surrey Central stations. In response to this information, a Cleaning and Maintenance Text Line was launched to give customers easier access to report issues. Planning is underway for improving lighting, and for expanding the Safer Spaces Program to other facilities.
- Launched temporary public art projects that celebrate the diversity of Metro Vancouver at eight transit facilities. This included Indigenous cultural recognition art and TransLink's first Indigenous language welcome signage at both SeaBus terminals, murals by Indigenous artists at King George Station, and work by four Black Canadian artists at Granville, Stadium-Chinatown, Main Street-Science World, and VCC-Clark stations.
- Installed permanent artwork by three South Asian artists as part of the R6 RapidBus project.
- Continued to deliver live music and performance through TransLink's long running Buskers and Poetry in Transit Programs. TransLink's Art Moves program of curated performances brought 200 local world-class musicians and performing artists to transit customers over the course of 40 performances.

Encourage Sustainable Travel

- Utilized various initiatives to empower people to choose sustainable transportation options, including the TransLink for Organization/Transit-Friendly Employer program, Compass for Developments, and the launch of Regional Youth Travel Strategy in collaboration with regional municipalities, as well as independent shuttle services to underserved markets, piloting a commute-reduction solution (Commutifi) with organizations in the region, and active transportation promotion through the Ride and Shine campaign. Each of the programs targeted specific audiences at different junctures of their travel choice journeys, and provided tailored solutions, including education, promotion, and support, to empower them to choose sustainable modes.
- Provided training to over 2,000 newcomers to Metro Vancouver through the Travel Training for Newcomers program, delivering workshops in 11 different languages. The success of the Travel Training for Newcomers program was recognized by the Canadian Urban Transit Association and TransLink was named the recipient of the 2023 CUTA Award in the Equity, Diversity and Inclusion category.
- Partnered with Special Education in several school districts and agencies who support participants with diverse abilities to provide accessible transit workshops to over 800 participants. TransLink partnered with the School District of Richmond to develop the *Exploration - Pathways to the Future* program, where students explore in detail how to get a job, practice how to take transit and learn about post-secondary education. Students are supported in learning how to use transit, until they can use the system independently.
- Completed a pilot at a development near King George Station to showcase the real-world impacts of providing subsidized transit passes to residents. The program saw uptake in sustainable transportation usage and there are two more pilot programs planned for 2024 to build on the findings to share with municipalities and developers looking to incentivize sustainable transportation at development sites.
- Partnered and activated at 25+ major events jointly encouraging transit to and from special events, sporting events and concerts such as Pacific National Exhibition (PNE), Celebration of Lights and Pride Festival. Partnered with culinary industry partners to create six new Dine the Line curated maps and content promoting transit to and from. Deployed community transit volunteers to assist transit customers and support local businesses at major transit hubs including Waterfront Station, City Center, The Port of Vancouver terminal and at Vancouver International Airport terminal and station. Partnered with destination agencies, hotels, sports teams, and local attractions to offer transit customers discounts when taking transit. Included many in the Tap in to Win campaign as prize partners as well through TransLink e-newsletter monthly prizes.

- Collaborated with an external bike-share vendor to provide 40 per cent off on e-scooters and e-bikes for customers impacted by construction, aiming to alleviate delays during service disruptions on the Canada Line

Advance New Mobility Technologies

- Continued development of a Mobility-as-a-Service (MaaS) solution, with a planned pilot launch in early 2024 for 1,000 users, offering transit, bikeshare, and carshare services in Metro Vancouver.
- Initiated a prototype, testing new technology connecting software to Closed-circuit Television (CCTV) cameras for traffic data collection at nine intersections in Surrey.
- Released a Request for Proposals (RFP) for a Software as a Service (SaaS) platform to analyze regional micro-mobility data, selected a vendor, and progressing through Information Security and procurement processes.
- Conducted additional pilots, including sustainability initiatives with BCRTC testing a new nano-paint, and addressing data-feed accuracy in collaboration with Business Technology Services.
- Continued efforts to address challenges in the unsubsidized Vanpool program, exploring growth opportunities and engaging with the First Nations in the region.
- Themed an Open Call for Innovation around State of Good Repair, receiving 34 submissions, with selected ideas supporting operating companies in innovating maintenance practices.
- Organized the New Mobility Forum/Motivate event in collaboration with Invest Vancouver, and CoMotion, attracting over 330 attendees to explore innovations in zero-emission and clean tech sectors.
- Launched two new research projects with UBC focusing on micro-mobility growth trends and transit access to parks, while supporting battery electric bus end-of-life recycling options.
- Continued convening of the RTAC New Mobility Sub-committee for quarterly meetings to coordinate regional projects and initiatives, facilitating discussions with key partners.
- Became an official member of the Open Mobility Foundation (OMF), engaging in discussions on Mobility Data Specification (MDS) and Curb Data Specification (CDS) standards, informing TransLink's Digital Transformation strategy.

Integrate Land Use and Transportation Planning

- Conducted scoping and pre-planning activities related to the next area planning process that is set to launch in 2023 and include Vancouver, UBC, Burnaby, and New Westminster.
- Provided comments to and participated in consultative processes for a wide range of partner agency plans throughout 2022, including land use, transportation and related plans, proposed developments, and other partner agency initiatives at local, regional and provincial levels; also worked collaboratively with City of Vancouver, Province of BC, and Metro Vancouver to implement and monitor land use and transportation related commitments made in the 2018 Broadway Subway Supportive Policies Agreement.
- Worked collaboratively with Cities of Langley and Surrey, Township of Langley, Province of BC, and Metro Vancouver and signed two new Supportive Policies Agreements (with City and Township of Langley) and one Overarching Supportive Policies Agreement (with all three Surrey Langley SkyTrain impacted local governments and the Province).
- TransLink continues to support coordination of a significant number of transit-adjacent development projects such as Gilmore Place, King George Hub, Oakridge, Brentwood Town Centre and the Trolley Overhead Adjacent Works program.

Reliable Choices

Manage the Network

- Created a new tool to monitor overcrowding by stop, vehicle type and frequency, which allows all planning departments to assess and address overcrowding for any service.

- Implemented Corridor Deployment across all 6 depots as of February 2023 to help improve service reliability and customer experience on selected bus corridors. As part of this project, CMBC will monitor the bus routes along each identified corridor to make real-time adjustments to on-time performance, bus stop signage, shelters, passenger information, cancelled service percentages, bus loads, overcrowding, bus bunching, short turns, as well as overall safety and visibility.

Affordable Choices

Make Living Close to Transit Affordable

- Announced a partnership to build a proposed mixed-use development near the future Arbutus SkyTrain Station, on West Broadway and Arbutus. Located next to the future terminus of the Broadway Subway, an incoming bus loop, and the Arbutus Greenway mixed-use walking and cycling path – this is the first development under TransLink’s Real Estate Development Program. This transit-oriented development will improve people’s access to sustainable transportation options, generate new long-term funding for transit services, and provide much-needed housing options in the neighborhood.

Safe and Comfortable Choices

Build Community Relationships with Transit Police

- Operationally deployed the ten graduated Community Safety Officers from Class 1 to Patrol Squads. Positive feedback has been received on their contribution to the work of patrol and interaction with riders.
- Hosted a ceremony at Transit Police Headquarters to place the Survivors’ Flag for the national holiday on September 30, which honors the survivors of residential schools, the children who did not return home, their families and their communities. Public commemoration of Canada’s painful history, the continuing impact of the residential school system and related injustices on both individuals and the community, is an essential part of the Truth and Reconciliation process. This flag is an expression of remembrance, meant to honor residential school Survivors and all the lives and communities impacted by the residential school system in Canada.
- Resumed the Transit Police – Blue Eagles Program in Vancouver and Surrey.

Carbon Free Choices

Make the Transportation System Carbon-Free and Resilient

- Completed Zero-Emission Fleet Transition Plan route, block, energy analysis and facility analysis. Existing facility, system service and operational reviews completed. Five transition scenarios developed. Sequencing of existing and expansion fleet and facilities modelled and rated against decision-making framework. Financial investment analysis of scenarios is underway. Second consultation with Province of BC on proposed zero-emission public transit requirements completed. Performed analysis of the impacts on service and expansion under the Access for Everyone (10-Year Priorities).
- On the three-year Climate Action Plan, 40 of 48 actions are on track (84 per cent). In Year 1, three actions have been completed, two have been incorporated with other actions (to improve effectiveness and efficiency), two have been bundled with Year 2 actions, and one has been delayed due to stakeholder engagement. Funding agreement established with BC Hydro for Strategic Energy Management. Zero Emission Fleet Transition Plan is 80 per cent complete.
- Published 2022 Green Bond Impact Report using improved format and identified further improvement areas for 2023 report based on feedback from financial institutions.

Funding

Under the Plan, new funding sources are needed to sustain service levels and support transportation system expansion over the longer term. Key updates regarding TransLink’s funding model in 2023, as included in the Plan, are as follows:

Capital Funding and Partner Government Contributions

Investing in Canada Infrastructure Program (ICIP)

- Includes project funding for the Expo-Millennium Line Upgrade program, Onboard Technology Assets Program and other priority projects. Total ICIP funding received in 2023 was \$38.6 million.

Canada Community Building Fund (CCBF)

- Includes project funding primarily utilized for TransLink's revenue vehicle fleet and supporting infrastructure. CCBF is a Federal funding program and an essential funding source to help meet Greenhouse Gas (GHG) emission reduction targets. Total CCBF funding received in 2023 was \$329.6 million.

Provincial Capital Contributions

- The Government of British Columbia continued building on its previous commitment to funding 40 per cent of Mayors' 10-year Vision, with the commitment to fund 40 per cent of capital program in 2022-2024. This contribution includes the delivery of major projects such as the Broadway Subway Project and Surrey Langley Skytrain.

Development Cost Charges (DCC)

- The DCC program was established in 2018 with first year of revenue recognized in 2020 to help fund the construction and expansion of the regional transit system. DCC revenue of \$17.3 million was recognized for the year allocated towards New Major Projects, SkyTrain and West Coast Express Expansions, Bus Exchange/Depot Upgrades and SeaBus Expansions.

3 2023 Financial Plan

The Plan identifies operating expenses over the ten-year period from 2022 to 2031, as well as how those expenses will be funded from established revenue sources. These revenues and expenses take into account commitments made, services and programs provided and assumptions, using the Canadian public sector accounting standards. The table below compares the 2023 actual results to the 2023 year of the Plan.

(\$ millions)	ACTUAL 2023	2023 Year in the Plan ¹	Fav/(Unfav) Over Plan	% Change
Revenue				
Taxation	-			
<i>Fuel tax</i>	390.5	388.0	2.5	0.6%
<i>Property tax</i>	463.1	458.5	4.6	1.0%
<i>Parking sales tax</i>	83.8	67.4	16.4	24.4%
<i>Hydro levy</i>	23.1	22.7	0.4	1.7%
<i>Replacement tax</i>	17.9	18.0	(0.1)	(0.5%)
Transit	671.6	681.7	(10.1)	(1.5%)
Government transfers				
<i>Senior Government Relief Funding</i>	478.9	-	478.9	-
<i>Senior Government Funding</i>	169.5	283.9	(114.4)	(40.3%)
<i>Golden Ears Bridge Tolling Replacement Revenue</i>	67.3	45.8	21.5	47.0%
Amortization of deferred concessionaire credit	23.3	23.3	-	-
Investment income	192.2	120.0	72.2	60.1%
Development Cost Charges	17.3	29.4	(12.1)	(41.1%)
Miscellaneous revenue	20.0	14.3	5.7	39.7%
Sub Total Continuing Operations Revenue	2,618.4	2,152.9	465.5	21.6%
Gain (Loss) on disposal of tangible capital assets	8.1	(0.2)	8.3	> (200.0%)
Total Revenue (PSAB)	2,626.5	2,152.7	473.8	22.0%
Expenses				
Bus Operations	945.5	908.9	(36.6)	(4.0%)
Rail Operations	405.0	408.3	3.3	0.8%
Transit Police	52.7	48.9	(3.8)	(7.8%)
Corporate Operations	139.4	141.5	2.1	1.5%
Roads and Bridges	151.1	133.8	(17.3)	(13.0%)
Amortization of tangible capital assets	259.7	311.3	51.7	16.6%
Interest	180.5	178.1	(2.4)	(1.3%)
Sub Total Continuing Operations Expenditures	2,133.8	2,130.8	(3.0)	(0.1%)
Corporate One-time	19.8	51.0	31.2	61.2%
Total Expenses (PSAB)	2,153.6	2,181.9	28.3	1.3%
Surplus (Deficit) for the period (PSAB)	472.9	(29.2)	502.1	> (200.0%)
Accumulated Surplus², beginning of the year	1,959.7	1,950.1	(9.6)	(0.5%)
Accumulated Surplus², end of the year	2,432.6	1,920.9	511.7	26.6%

¹ Investment Plan reflects allocated shared service expenses for comparative purposes.

² The Accumulated Surplus is derived under the Canadian Public Sector Accounting Standards and does not represent cash.

Revenues

The fluctuations across revenue streams through the course of 2023 reflected ridership recovery and stabilization, as well as lingering effects of the pandemic such as global supply chain shortages affecting project delays and corresponding recognition of revenue from senior government capital contributions, and monetary policies to address inflation resulting in fluctuations in investment income. Total 2023 revenue of \$2.6 billion was \$473.8 million (22.0 per cent) favourable to the 2023 year in the Plan, mainly due to Senior Government relief funding of \$478.9 million that was recognized in full upon signing the agreement in March 2023. Investment income and taxation revenues also exceeded the Plan, while Transit revenues in 2023 were unfavourable to Plan, primarily as a result of the fare product mix, which reflects the new ways that people in the region work, move, and play.

Total taxation revenue for 2023 performed favourably to the Plan by \$23.8 million (2.5 per cent). Fuel tax revenue was favourable by \$2.5 million (0.6 per cent) compared to the Plan due to higher than expected diesel sales, partially offset by lower than expected gasoline sales. Property tax revenue was also favourable compared to the Plan by \$4.6 million (1.0 per cent) due to a higher than expected non-market change as a result of new construction and zoning, while parking sales tax was favourable by \$16.4 million (24.4 per cent), attributable to the continued return of commuters to worksites.

Although overall ridership was higher than anticipated in the Plan, Transit revenue of \$671.6 million was unfavourable by \$10.1 million (1.5 per cent), primarily due to a different fare product mix utilized by transit users than what was anticipated in the Plan. This reflects new commuting behaviours as a result of hybrid work arrangements, along with a strong recovery of program ridership. Recovery of weekday ridership continued to lag behind weekend ridership, although weekday ridership began to show stronger recovery in 2023 as more commuters returned to the office with a reduction in work from home arrangements.

Total government transfers were \$715.7 million, which include the Greater Vancouver Regional Fund (GVRF), Investing in Canada Infrastructure Program (ICIP), Public Transit Infrastructure Fund (PTIF), Canada Line funding, Senior Government relief funding and other miscellaneous programs. In addition, there is an annual portion of revenue recognized from funding provided by the Province of BC in lieu of tolling revenue on the Golden Ears Bridge (GEB) as bridge tolling was eliminated on September 1, 2017. The GEB tolling replacement revenues were \$21.5 million (47.0 per cent) favourable to the Plan as at the time of preparation, the revenue recognition basis for this revenue had not yet been finalized, and the ultimate recognition basis is different to that assumed in the Plan. TransLink received Senior Government relief funding of \$478.9 million in 2023, designed to offset losses caused by the pandemic. Revenue recognized from Senior Government capital funding was unfavourable by \$114.4 million (40.3 per cent) primarily due to the timing of vehicle deliveries and construction delays. These delays were caused by ongoing global supply shortages affecting vehicle production schedules, quality concerns delaying the acceptance of vehicles, and other issues experienced at the projects planning stage. These factors have shifted the revenue recognition of government transfers. The unfavourable variance was partially offset by greater implementation activity in the Marpole Transit Centre project than anticipated in the Plan which resulted in earlier revenue recognition of its associated government transfers.

Investment income was \$72.2 million (60.1 per cent) favourable to the Plan primarily due to higher interest rates and cash and investment balances than anticipated in the Plan.

The DCC program revenue was \$17.3 million for 2023, \$12.1 million (41.1 per cent) unfavourable to the Plan due to delays in eligible capital projects, causing less revenue to be recognized in 2023.

Miscellaneous revenue was \$5.7 million (39.7 per cent) favourable to the Plan due to compensation received for projects in 2023, mainly Burnaby Mountain Gondola feasibility study and a new connector for the Golden Ears Bridge, along with favourable miscellaneous recoveries.

Gain on disposal of assets was \$8.3 million favourable to the Plan mainly due to an unanticipated sale of a Park and Ride site during the year.

Expenses

Bus Operations expenses were \$36.6 million (4.0 per cent) unfavourable to the Plan, mainly due to contractual increases resulting from the new collective bargaining agreements and inflation on material parts.

Rail Operations expenses were \$3.3 million (0.8 per cent) favourable to the Plan, mainly due to lower labour costs from vacancy savings and a reduction in Employee Future Benefits partly offset by higher contractual increases from the new collective bargaining agreement, and Canada Line contract costs, mainly due to higher inflation.

Transit Police expenses were \$3.8 million (7.8 per cent) unfavourable to the Plan, mainly due to higher contractual labour increases, higher tuition costs for new police recruits, more overtime related to special events, higher uniform costs for Community Safety Officers (CSO) and higher vehicle costs. These unfavourable variances were partly offset by salary savings from a delay in the CSO program.

Corporate Operations expenses were \$2.1 million (1.5 per cent) favourable to the Plan, mainly due to lower professional fees as a result of projects deferral, savings arising from vacancies, and lower rental and property tax, partly offset by higher labour costs and higher administration costs.

Roads and Bridges expenses were \$17.3 million (13.0 per cent) unfavourable to the Plan mainly due to \$21.7 million R6 Rapid Bus corridor construction project (included in Corporate One-Time expenses in the Plan), partly offset by timing of municipalities' work which resulted in lower than anticipated capital infrastructure contributions.

Amortization expense was \$51.7 million (16.6 per cent) favourable to the Plan primarily due to delay in various projects coming into service, such as the Bus Vehicle Fleet Replacement and Expansion programs, Expo and Millennium Upgrade Program Fleet Acquisition, and lower costs of Onboard Technology Asset Program (OTAP) Radio Replacement. Increases in the estimated useful lives of several technology and equipment projects at the time of capitalization also resulted in lower depreciation in 2023 than anticipated in the Plan.

Interest expense for 2023 was \$2.4 million (1.3 per cent) unfavourable to the Plan mainly due to the increased cost of real interest debt due to higher than anticipated interest rates, partly offset by the timing of long-term debt issuance and reduced short-term debt utilization.

Corporate One-time expenses were \$31.2 million (61.2 per cent) favourable to the Plan mainly due to R6 RapidBus project costs that were planned in Corporate One-time while actual expenses were recorded in Roads and Bridges. Additionally, there were delays in activation of planned feasibility studies and major studies, and lower non-capitalizable project expenses.

4 2023 Capital Program

Schedule 1

Schedule 1 below lists the projects that were included in the 2023 Capital Program as Approved in Principle (AIP) and indicates their current status. The schedule includes activity related to new capital projects in 2023, including any carry forward AIP projects from 2022.

Project and Program Titles (\$ thousands)	Approved in Principle (AIP) Budget	Specific Project Approval (SPA) for the year ended December 31, 2023	Current Project Budget* as at December 31, 2023	Current Project as at December 31, 2023		
				Actual Cost to Date	Final Forecast Cost	Estimated Completion Date
Equipment						
Automatic Train Control (ATC) Existing Equipment Replacement Program	9,266	-	10,461	94	10,456	Dec-31-30
BCRTC Rail Switch Machines and Turnout Replacement Program (2023-2025)	23,074	25,358	26,116	5,513	26,116	Dec-31-25
CMBC Hoist Asset Renewal Program	2,568	4,921	4,921	-	3,147	Oct-31-25
Expo Line Elevator Replacement	22,469	18,128	18,128	8	18,105	Dec-31-26
Expo Millenium Line Upgrades Program (EMUP) - SkyTrain Advanced Radio System Phase 1-3	2,231	2,231	25,353	7,235	25,483	Mar-31-25
Equipment - projects with budgets less than \$2 million	1,860	956	2,556	583	2,278	Jun-30-24 to Feb-28-25
Equipment Total	61,468	51,594	87,535	13,433	85,585	
Facilities						
2022 BCRTC Roof Replacement	2,929	1,370	5,729	3,661	5,520	May-31-25
2023 CMBC Roof Replacement Program	3,197	150	3,197	48	3,220	Nov-30-24
BCRTC Operations and Maintenance Centre (OMC) 1 and 2 - Space Optimization and Modernization	4,050	-	8,000	3,185	7,375	Dec-31-26
Burnaby Transit Centre (BTC) Master Plan - Pre-Design	3,165	1,350	3,165	11	3,170	Jul-31-24
Customer Amenities Pilot	2,087	2,653	2,653	1	2,474	Dec-31-25
Expo Line Traction Power Equipment Replacement	25,626	43,215	43,215	-	43,215	Dec-31-26
EMUP - OMC 4 Vehicle Storage Facility	50,412	50,412	411,387	132,322	411,477	Dec-31-27
Uninterruptible Power Supply (UPS) Replacement and Design Standardization	10,543	10,543	10,543	-	10,501	Dec-31-27
WCE Facilities LED Lighting Retrofit	1,406	2,058	2,058	-	2,048	Apr-30-25
WCE Substations Equipment Replacement	3,700	4,670	4,811	343	4,974	Dec-31-26
Facilities - projects with budgets less than \$2 million	1,303	1,466	1,529	162	1,670	Dec-31-23 to Jun-30-24
Facilities Total	108,418	117,887	496,287	139,733	495,644	
Infrastructure						
Broadway Station Track Intrusion System Upgrade	359	586	2,427	1,744	2,146	Nov-30-24
BTC Retaining Walls - Seismic Stabilization	3,100	2,700	4,700	895	4,990	Oct-31-24
BTC Facility Improvement for Phase Two Expansion - Design & Implementation	44,579	43,189	47,043	2,545	54,899	Dec-31-28
Catwalk Program - Year 1 of 3	6,898	4,720	6,898	24	6,913	Jan-31-25

Project and Program Titles (\$ thousands)	Approved in Principle (AIP) Budget	Specific Project Approval (SPA) for the year ended December 31, 2023	Current Project Budget* as at December 31, 2023	Current Project as at December 31, 2023		
				Actual Cost to Date	Final Forecast Cost	Estimated Completion Date
Elevating Devices Asset Renewal Program - Millennium Line Escalators 2022	10,102	10,102	10,102	7	10,078	Dec-31-26
EMUP – Propulsion Power Upgrades Expo and Millennium Lines	42,430	42,430	146,129	17,819	149,700	Dec-31-28
EMUP - Rail Expansion Program Management	174,365	174,365	291,085	25,544	291,367	Dec-31-28
Expo Line Linear Induction Motors (LIM) Rail Replacement	6,212	6,212	6,212	-	6,097	Jul-31-25
Gilmore Station Upgrade and Expansion Project	9,887	2,200	9,887	-	9,887	May-31-25
IT Infrastructure Refresh	13,000	13,780	14,069	3,323	14,732	Sep-30-25
Marpole Transit Centre (MTC) – Design and Implementation	482,715	153,953	498,305	36,351	498,305	Dec-31-27
OMC 4 Vehicle Maintenance Facility	37,054	37,054	352,514	21,623	352,845	Dec-31-28
OMC 5 Project Development	42,233	42,233	42,233	1,114	42,275	Sep-30-25
OMC 1 Yard Track Reconditioning Remaining Switches and Power Rail Design	2,044	2,600	2,600	-	2,600	Oct-31-25
Port Coquitlam Transit Center Facility Improvements	34,236	77,046	79,421	3,160	79,890	Dec-31-27
Running Rail Replacement 2023	32,747	-	46,272	4,345	46,284	Dec-31-28
Surrey-Langley SkyTrain (SLS) Integration	363,460	259,154	298,107	33,603	298,183	Dec-31-29
EMUP - System Integration and Program Management	41,282	41,282	122,981	21,805	122,404	Dec-31-27
Trolley Overhead (TOH) On-Street Infrastructure State of Good Repair Program 2022-2023	20,074	5,500	24,828	5,665	24,854	Dec-31-27
Trolley Overhead (TOH) Rectifier Station State of Good Repair Program	33,091	14,276	33,091	110	33,132	Dec-31-27
Infrastructure - projects with budgets less than \$2 million	9,059	9,189	8,156	255	8,132	Dec-31-24 to Dec-31-26
Infrastructure Total	1,408,927	942,571	2,047,060	179,932	2,059,713	
Technology						
Bus Daily Operations Management System (DOMS) Product Migration	1,163	-	27,746	20,932	28,164	Mar-31-25
Cyber Security and IT Services Resiliency Program	40,000	9,550	40,084	1,799	37,331	Dec-31-26
Enterprise Asset Management - CMBC	21,000	10,951	21,000	7,580	21,801	Jun-30-25
Enterprise Health and Safety System	1,748	1,748	6,430	3,504	6,259	Dec-31-24
Finance Enterprise Resource Planning and BCRTC Enterprise Asset Management	3,345	3,345	55,979	55,677	55,994	Mar-31-24
TransLink Analytics Program (TAP) 2022	4,500	2,980	4,755	1,932	4,823	Jan-31-25
Technology - projects with budgets less than \$2 million	1,719	2,088	2,088	676	1,838	Dec-31-23 to Apr-30-25
Technology Total	73,475	30,662	158,082	92,100	156,210	
Vehicles						
2021 HandyDART Vehicle Expansion	1,610	3,000	3,000	-	3,000	Jan-31-25
2023 CMBC SSVs Replacement	2,346	2,518	2,518	95	2,613	Jan-31-25

Project and Program Titles (\$ thousands)	Approved in Principle (AIP) Budget	Specific Project Approval (SPA) for the year ended December 31, 2023	Current Project Budget* as at December 31, 2023	Current Project as at December 31, 2023		
				Actual Cost to Date	Final Forecast Cost	Estimated Completion Date
2024 Community Shuttle Expansion to First Nations Reserves	2,940	4,500	4,500	-	4,500	Jun-30-26
2024 Community Shuttle Replacement	14,384	15,915	16,265	-	16,183	Dec-31-26
2024 Conventional Bus Replacement	77,814	78,002	78,002	-	78,001	Dec-31-26
2024 HandyDART Vehicle Replacement	7,300	9,430	9,430	-	9,430	Mar-31-26
2024-2028 Conventional Bus Replacement	414,600	238,725	414,600	647	415,143	Dec-31-28
EMUP - Fleet Acquisition	9,927	9,927	959,252	206,782	959,594	Dec-31-30
Vehicles - projects with budgets less than \$2 million	3,602	3,185	4,021	41	4,030	Jun-30-24 to Mar-31-26
Vehicles Total	534,523	365,202	1,491,588	207,565	1,492,494	
Bridges						
Westham Island Bridge Rehabilitation	1,822	-	2,122	104	1,926	Mar-31-24
Bridges Total	1,822	-	2,122	104	1,926	
MRN Upgrade						
2023 Major Road Network and Bike (MRNB) Capital Program	25,747	25,560	25,747	-	25,747	Dec-31-29
2023 Bus Speed and Reliability (BSR) Program	8,535	1,795	8,535	-	8,535	Dec-31-27
MRN Upgrade Total	34,282	27,355	34,282	-	34,282	
Walking						
2023 Walking Infrastructure to Transit (WITT) Program	6,529	6,529	6,529	-	6,529	Dec-31-29
Walking Total	6,529	6,529	6,529	-	6,529	
Regional Cycling						
2023 Bicycle Infrastructure Capital Cost (BICCS) Program	17,451	17,451	17,451	600	17,451	Dec-31-29
Regional Cycling Total	17,451	17,451	17,451	600	17,451	
MRN Seismic						
2023 Major Road Network (MRN) Structures - Seismic Upgrade Program	16,866	15,507	16,866	-	16,866	Dec-31-29
MRN Seismic Total	16,866	15,507	16,866	-	16,866	
MRN Pavement Rehab						
2023 Major Road Network (MRN) Pavement Rehabilitation	26,029	26,029	26,029	25,608	25,608	Dec-31-27
MRN Pavement Rehab Total	26,029	26,029	26,029	25,608	25,608	
Grand Total	2,289,790	1,600,787	4,383,831	659,075	4,392,308	

*Current Project Budget is inclusive of all AIP, SPA, and Project Change Authorization activity.

Schedule 1a

Schedule 1a below lists the status of TransLink capital programs with project additions, cancellations, disencumbered Approved in Principle projects, and projects not yet initiated during 2023.

Project and Program Titles (\$ thousands)	Budget	Reason
Project Additions		
CMBC Gateway office relocation	2,732	To relocate CMBC Gateway staff to the Sapperton office.
MyTime migration to Ultimate Software (UKG Dimensions)	2,926	To migrate the current version of UKG Kronos Workforce Central system to UKG Dimensions.
SeaBus Engine Replacement	2,500	To purchase and replace the engines and exhaust systems from the Motor Vessel Burrard Chinook with a more modern and fuel-efficient system.
Project Additions - projects with budgets less than \$2 million	6,453	Majority of the minor project additions are related to procurement of Transit Police vehicles, Oakridge - 41st SkyTrain station escalators expansion, and replacing Mobile Data Terminals on HandyDART buses.
Project Additions Total	14,611	
Project Cancellations and Scope Reductions		
Expo Line Elevator Replacement	2,100	Project scope and budget was reduced from 6 to 5 escalators.
New Simon Fraser University Exchange Contribution	3,185	Project was cancelled due to uncertainty in schedule, scope, and budget. Resubmission is expected at a future date.
Station Ground Switch Replacement	7,500	Project was cancelled due to resource constraints and competing priorities with other projects.
Technical Drawings and Library Management System	3,100	Project was cancelled due to substantial changes in scope. Resubmission is expected at a future date.
Project Cancellations and Scope Reductions - projects with budgets less than \$2 million	2,759	Project scope and budget reductions were due to high level of complexity and insufficient funding.
Project Cancellations and Scope Reductions Total	18,644	
Projects Not Initiated		
2021 Next Generation SeaBus Design	2,653	Project initiation was deferred to reduce the risk that the design might be outdated by the time the implementation starts as there is no secured funding to support the implementation phase at this time.
BC Parkway Improvements: Patterson-22nd St, Imperial-Buller	5,600	Project initiation was deferred due to delays in construction commencement in prior phases of the program.
BCRTC - System-wide Heating, Ventilation and Air Conditioning (HVAC) Replacement	5,546	Project initiation was deferred due to constraints in BCRTC internal resources and additional requirements gathering.
Coquitlam Central Multimodal Reconfiguration	2,300	Project initiation was deferred in order to complete an RFP evaluation associated with an earlier project phase.
ERP/Boundary Systems Remediation	3,000	Project initiation was deferred due to competing priorities with other projects causing resource constraints.
Port Coquitlam Transit Centre Infrastructure to Support Battery Electric Buses (BEBs)	14,997	Project initiation was deferred in order to complete an RFP evaluation associated with an earlier project phase.
SkyTrain Advanced Radio System Phase 1-3	22,000	Project initiation was deferred due to delays in prior project phases caused by vendor performance issues and design complexity.
SkyTrain Training Simulator	2,779	Project initiation was deferred due to delays in the completion of the preceding feasibility study.
Steveston Bus Exchange Improvements	2,331	Project initiation was deferred due to delays in endorsement of the project by the City of Richmond.
Projects Not Initiated - projects with budgets less than \$2 million	5,179	Majority of the minor project delays in initiation are due to constraints in internal resources or further assessments required for interdependencies and project complexities.
Projects Not Initiated Total	66,385	

Schedule 2

Schedule 2 provides a comparison of the 2023 cash flow forecast in the 2022 Investment Plan to actual spending in 2023.

The key factors driving lower than planned spend across the capital program included:

- Municipal requirements and extended timeframes in securing permits resulting in delays to construction commencement.
- Resource shortages across the industry affecting both supplies of materials and human resources causing project initiation delays and longer than anticipated procurement timeframes.
- Amendments and complexities experienced in the design phase of key projects causing delays to project schedules.
- Cost escalations experienced widely across TransLink's capital program resulting in reassessments of project scope and additional value engineering.
- Adjustments to vehicle acceptance schedules due to vendor delays and vehicle deficiencies identified upon review.

Capital Expenditures

Business Segment	2023 Cash Flow (\$ thousands)		
	10 Year Plan	Actual	Variance: Plan vs Actual
Bus			
Equipment	26,028	6,552	19,476
Facilities	2,313	1,742	571
Infrastructure	170,733	96,994	73,739
Technology	24,824	15,373	9,451
Vehicles	121,013	40,441	80,572
Bus Total	344,911	161,102	183,809
Rail			
Equipment	48,867	22,718	26,149
Facilities	99,772	84,062	15,710
Infrastructure	725,528	254,623	470,905
Technology	20,059	17,650	2,409
Vehicles	292,277	31,132	261,145
Rail Total	1,186,503	410,185	776,318
Corporate			
Equipment	25	226	-201
Facilities	23,257	2,011	21,246
Infrastructure	17,964	10,910	7,054
Technology	25,447	24,164	1,283
Vehicles	240	1,191	-951
Corporate Total	66,933	38,502	28,431
TL Owned Roads and Bridges			
Cycling	5,951	325	5,626
Bridges	18,288	22,862	-4,574
TL Owned Roads and Bridges Total	24,239	23,187	1,052
Total Capital Expenditures and Infrastructure Contributions	1,622,586	632,976	989,610

Infrastructure Contributions

Business Segment	2023 Cash Flow (\$ thousands)		
	10 Year Plan	Actual	Variance: Plan vs Actual
Municipal Owned Walking and Cycling			
Walking	5,239	2,460	2,779
Regional Cycling	16,348	11,753	4,595
Municipal Owned Walking and Cycling Total	21,587	14,213	7,374
Municipal Owned Roads			
MRN Pavement Rehab	25,987	25,847	140
MRN Upgrade	30,954	16,538	14,416
MRN Seismic	8,855	7,637	1,218
Municipal Owned Roads Total	65,796	50,022	15,774
Total Capital Expenditures and Infrastructure Contributions	87,383	64,235	23,148

Capital Expenditures and Infrastructure Contributions

Capital Expenditures and Infrastructure Contributions	2023 Cash Flow (\$ thousands)		
	10 Year Plan	Actual	Variance: Plan vs Actual
Capital Expenditures	1,622,586	632,976	989,610
Infrastructure Contributions	87,383	64,235	23,148
Total Capital Expenditures and Infrastructure Contributions	1,709,969	697,211	1,012,758

5 **Transportation Demand Management**

(Note: This section is not audited by KPMG)

Transportation Demand Management (TDM) is coordinated in Metro Vancouver by TransLink’s New Market Development team. TransLink’s TDM work focuses on partnerships between TransLink, municipalities, various government partners as well as non-governmental and industry partners, all committed to helping more people choose transit, ridesharing, carpooling, car-sharing, cycling and walking in place of single-occupancy vehicle trips. Changing behaviour is a component of the TDM measures necessary to balance growing mobility expectations against the capacity of the existing transportation system and the impacts of people’s travel choices.

TDM is legislated as part of TransLink’s mandate in the South Coast British Columbia Transportation Authority Act (under section 4(1)(b)) and presents an opportunity to bring about transformative change to transportation behaviour in the region.

The Metro Vancouver Regional Growth Strategy (RGS) describes policies to meet the growing demands from an anticipated one million-plus new residents by 2050 and 500,000 new jobs in the region over the next 30 years. Central to the strategy are goals for denser land use and increased investment in transit and active transportation to create the conditions for reducing the high level of single-occupancy vehicle trips in most areas.

The Transport 2050 (T2050) responds to the RGS and describes how to provide convenient choices for everyone by 2050: “active transportation and transit are competitive choices accounting for at least half of all passenger trips, with the taxi, ride-hail and car-share accounting for most of the remaining passenger trips”, and how to provide carbon-free choices for everyone such that by 2030 “we have lowered carbon pollution from light-duty vehicles by 65 per cent over 2010 levels; and have eliminated carbon pollution from transport altogether by 2050.” Behaviour change measures are essential to T2050, as they provide the motivation, information and support necessary to enable individuals to change their travel habits.

TransLink’s Transit-Oriented Communities (TOC) guidelines highlight the necessity for TDM strategies to “discourage unnecessary driving and promote sustainable modes of travel”, including providing incentives for travelers to make the most effective use of all available transportation networks, carshare, carpool and parking management supports, as well as workplace and school travel planning, to take advantage of available capacity and reduce transport network crowding and congestion.

The following summarizes activities and outcomes from the 2023 business year.

TDM Programs and Initiatives

Compass for Developments

- Completed a three-month demonstration pilot with real estate developers for TransLink to monitor the ridership of participants and better understand the benefits of subsidized transit.
- Secured two additional demonstrations with developers to run in 2024.
- Began developing a handbook for developers to improve the way the program is communicated and to provide a more effective information brief for prospective developers.

Employer TDM & Mobility Projects

- Certified 26 additional Transit Friendly Employers (TFEs), bringing the total to 31 TFEs, providing benefits to nearly 9,000 employees in the region.
- Generated \$9.2 million in fare revenue through the TransLink for Organizations program, \$5.7 million of which is attributable to TFEs.
- Ran two TFE marketing campaigns that generated a total of 13.7 million impressions, almost 90,000 page views, and almost 50 new inquiries about the program.

- Launched a new commute management and rewards pilot to support major employers and regional Commute Trip Reduction goals. The pilot is being renewed for 2024 and has so far signed on with seven organizations, including Vancity, UBC and Deloitte, reaching 21,000 employees. TransLink will be joining the pilot program in January 2024.
- Goal is to accelerate implementation of sustainable transportation programs, provide incentives, generate mode shift, and monitor and report on emissions impacts and return on investment into TDM measures.
- Launched an independent shuttle, using the Liftango platform, to provide transit access to Gloucester Industrial Estates. Additional shuttles to Mitchell Island and Campbell Heights are expected to launch in 2024.
- Consulted over 200 businesses on TDM programs.

Children & Youth Travel

- Launched TravelSmart4Kids: A Regional Travel Strategy for Children aged 12 and under. This is a coordinated approach in Metro Vancouver to enable and encourage children to travel by active and sustainable modes of transportation in Metro Vancouver which include walking, cycling, rolling, and taking transit.
- Launched the Walking School Bus (WSB) program in September across three municipalities (New Westminster, the District of North Vancouver, and Vancouver), with nine routes and over 100 participants.
- WSB participants walked over 5,000 km and saved 1 ton of GHG (greenhouse gas) emissions during the first four months of operation.

B.C. SCRAP-IT

- Continued partnerships with B.C. SCRAP-IT to offer transit passes in exchange for scrapping old internal combustion engine vehicles. In 2023, 49 new participants selected TransLink's transit pass option: Adult Monthly Passes (13), Concession Passes (4) and Stored Value (32).

Active Transportation

HUB Cycling Partnership

- Supported the annual Go By Bike Week commuter cycling events in May and October, with a total of 9,207 participants registering and over 11,700 cyclers or walkers stopping by one of the 74 celebration and community stations.
- Educated 14,900 students at 144 schools across 18 municipalities through Bike to School. Registration rates and trips logged increased by over 100 per cent from 2022.
- Offered 95 Streetwise Cycling in-person and online courses, reaching 1,820 participants, and three Learn2Ride courses.
- The Bike to Shop campaign saw 158 participants register in 2023, with participating businesses taking part across 8 neighbourhoods and 7 municipalities.
- Completed Bike Friendly Building Assessments designed to improve cycling and end of trip facilities with large developments including the Hudson's Bay Downtown Vancouver Building redevelopment, the Grosvenor Americas Brentwood project, BC Children's and Women's Hospitals and QuadReal Property Group's Vancouver Headquarters building.

Better Environmentally Sound Transportation (BEST) Partnership

- Hosted 115 bike valet events and locations over 230 operating days and parked over 11,000 bikes and mobility devices.
- Ran the first Bike Valet in Downtown Vancouver at Vancouver City Centre Station from June 19, 2023 to September 1, 2023, parking 2,000 bikes and other sustainable devices. This initiative also strengthened

TransLink's relationship with the City of Vancouver, Downtown Vancouver BIA and Cadillac Fairview, who were partners involved in bringing the bike valet to life.

- Supported 25 TransLink coordinated events through Seniors on the Move, serving 470 seniors.
- Hosted a record of four Walk30 events, reaching 1,049 participants, including 761 first-time.
- Registered 758 members for Living Street program, hosting 13 walks (Seasonal and Walktober) designed to encourage repeat attendees and reduce social isolation.

Mobi Bike Share Promotion

- Ran a promotion to support Car Free Days in September 2023 (Main Street, North Vancouver and West End/Denman) and Go by Bike Week during October 16-29, 2023, generating 488 redemptions of free 30-Day Passes. A total of 34 per cent of recipients renewed their monthly pass the following month, while 5 per cent redeemed an offer for an annual pass.
- One in 5 Mobi bike share trips replaces a trip that would otherwise have been taken by car, while over 50 per cent of bike share trips are associated with a transit trip.

6 Short-Term Fares Assessed

Short-term fares for Bus, SeaBus, SkyTrain and HandyDART from January 1, 2023 to June 30, 2023 are shown in the table below.

Fare Type	Status	Time	Within 1-Zone	Within 2-Zones	Within 3-Zones
Regular Short-Term Fares:					
Cash*	Adult	Regular	\$3.10	\$4.45	\$6.05
		Off-Peak	All Zones — \$3.10		
DayPass*	Adult	No restrictions	\$11.00 — valid all zones		
Discounted Short-Term Fares:					
Cash*	Concession	Regular	\$2.05	\$3.05	\$4.15
		Off-Peak	All Zones — \$2.05		
DayPass*	Concession	No restrictions	\$8.65 — valid all zones		
Stored Value*	Adult	Regular	\$2.50	\$3.65	\$4.70
		Off-Peak	All Zones — \$2.50		
	Concession	Regular	\$2.05	\$3.05	\$4.15
		Off-Peak	All Zones — \$2.05		
FareSavers	Adult		All Zones — \$25.00 (10 tickets)		

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

Buses and HandyDART are all 1-Zone travel seven days a week.

Short-term fares for Bus, SeaBus, SkyTrain and HandyDART effective July 1, 2023 are shown in the table below.

Fare Type	Status	Time	Within 1-Zone	Within 2-Zones	Within 3-Zones
Regular Short-Term Fares:					
Cash*	Adult	Regular	\$3.15	\$4.55	\$6.20
		Off-Peak	All Zones — \$3.15		
DayPass*	Adult	No restrictions	\$11.25 — valid all zones		
Discounted Short-Term Fares:					
Cash*	Concession	Regular	\$2.10	\$3.10	\$4.25
		Off-Peak	All Zones — \$2.10		
DayPass*	Concession	No restrictions	\$8.85 — valid all zones		
Stored Value*	Adult	Regular	\$2.55	\$3.75	\$4.80
		Off-Peak	All Zones — \$2.55		
	Concession	Regular	\$2.10	\$3.10	\$4.25
		Off-Peak	All Zones — \$2.10		
FareSavers	Adult		All Zones — \$25.50 (10 tickets)		

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

Buses and HandyDART are all 1-Zone travel seven days a week. FareSavers are no longer available for purchase; however, they continue to be accepted on buses and HandyDART only.

WCE operates on a different fare structure than other transit services.

Short-term fares for WCE from January 1, 2023 to June 30, 2023 are shown in the table below.

Fare Type	Status	Within 1-zone	Within 2-zones	Within 3-zones	Within 4-zones	Within 5-zones
Regular Short-Term Fares:						
Cash, One-way*	Adult	\$6.05	\$7.85	\$9.65	\$13.10	
Cash, Return Ticket	Adult	\$11.50	\$15.20	\$18.55	\$24.85	
Discounted Short-Term Fares:						
Cash, One-way*	Concession	\$3.65	\$4.65	\$6.00	\$8.10	
Cash, Return Ticket	Concession	\$7.30	\$9.40	\$11.75	\$15.95	
Stored Value, One-way*	Adult	\$5.10	\$6.65	\$8.15	\$11.00	
	Concession	\$3.05	\$3.95	\$5.00	\$6.75	
Stored Value, Return pass	Adult	\$11.25	\$14.35	\$17.80	\$23.80	
	Concession	\$7.05	\$8.90	\$11.25	\$15.20	

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

Short-term fares for WCE as of July 1, 2023 are shown in the table below.

Fare Type	Status	Within 1-zone	Within 2-zones	Within 3-zones	Within 4-zones	Within 5-zones
Regular Short-Term Fares:						
Cash, One-way*	Adult	\$6.20	\$8.05	\$9.85	\$13.40	
Cash, Return Ticket	Adult	\$11.75	\$15.55	\$19.00	\$25.40	
Discounted Short-Term Fares:						
Cash, One-way*	Concession	\$3.75	\$4.75	\$6.15	\$8.30	
Cash, Return Ticket	Concession	\$7.45	\$9.60	\$12.00	\$16.30	
Stored Value, One-way*	Adult	\$5.20	\$6.80	\$8.35	\$11.25	
	Concession	\$3.10	\$4.15	\$5.10	\$6.90	
Stored Value, Return pass	Adult	\$11.50	\$14.70	\$18.20	\$24.35	
	Concession	\$7.20	\$9.10	\$11.50	\$15.55	

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

7 Borrowings Undertaken in 2023

7.1 Long-term Borrowing

TransLink continues to minimize debt costs through strategic borrowings. Since 2010, TransLink has raised more than \$3.38 billion from investors in the capital market.

In December 2023, TransLink re-opened TL-10 Green with a total par value of \$300 million.

The terms of TransLink's long-term debt issuance activity are detailed below:

Issue No.	Amount Borrowed ¹	Coupon Rate ²	Remaining Term	Maturity Date	Semi-Annual Interest Payments	Principal due on maturity ³
TL-10 Green (1 st Re-opening) (Issued on 12-Dec-2023)	\$300,000,000	4.15%	30 Years	12-Dec-2053	\$6,225,000	\$300,000,000

¹ Unsecured, par value

² Coupon rate fixed to maturity. Effective yield: 4.549%.

³ After this re-opening, the respective outstanding principal was: TL-10 Green \$600,000,000.

7.2 Short-term Borrowing – Commercial Paper Program

On May 13, 2010, TransLink launched a \$500.0 million Commercial Paper Program backstopped by a line of credit from a syndicate of six Canadian chartered banks. Having this \$500.0 million program available at favourable interest rates, compared to using a bank facility, provides flexibility in managing TransLink's cash flow needs.

During 2023, TransLink did not issue any commercial paper.

B. AUDITED FINANCIAL STATEMENTS

The 2023 Audited Consolidated Financial Statements are attached at the end of this report.

C. COMPLAINTS SUMMARY

Corporate Overview

TransLink continues to have strong ridership growth, with the equivalent of one-third of the region's population using the transit system each week. SkyTrain is the fourth busiest rapid rail system and bus ridership is third highest of all transit operators in the U.S. and Canada (while ranking 22nd in population). The number of boarded passengers (excluding HandyDART) increased 20.1 per cent from 324.8 million in 2022 to 390.3 million in 2023. HandyDART boardings also increased 23.2 per cent to 1.3 million in 2023.

Although strong ridership is welcome news, this growth has led to the return of overcrowding across the system. Bus overcrowding is now worse than 2019 on all days of the week, meaning that customers are more often experiencing buses that are full to capacity and even being passed up by full buses in some instances. Further, due to funding availability, TransLink's ability to expand or increase service is currently limited to reallocation of existing service to meet demand.

Despite these challenges, TransLink remains committed to delivering exceptional customer experiences. Customers' safety, time, and connection to people and places are always a top priority. Through the Customer Experience Action Plan, TransLink strives to further improve customer service. Recent surveys show nearly seven-in-ten (68 per cent) riders give the transit system an 8 or higher out of 10 for *Overall Service*, a trend that has been relatively stable through 2022 and 2023.

Overall, the ratio of customer complaints per million customer interactions is down nearly four points year over year. In 2023, enterprise-wide complaints were 30,760 against a total of 391.6 million customer interactions, resulting in a ratio of 78.6 complaints per million customer interactions. This ratio is lower than the 82.0 complaints per million customer interactions in 2022, reflecting TransLink's continuous commitment to customer service excellence. "Complaints per million customer interactions" represents the ratio of all complaints from across the enterprise against the total number of enterprise-wide customer interactions. "Customer interactions" is defined as the total boardings on the transit system.

The most common sources of customer complaints in 2023 were related to Transit Operators, service delivery, SkyTrain track noises as well as service-related delay complaints. TransLink continues to monitor customer complaints closely and will adjust service as needed to best serve customers.

A summary of complaints and customer interactions for 2023, with 2022 comparatives, is provided in Table A below.

Table A

Corporate Summary	2023	2022	Fav/(Unfav)	% Change
CMBC	19,361	17,288	(2,073)	(12.0%)
SkyTrain (Expo and Millennium Lines)	1,367	1,276	(91)	(7.1%)
SkyTrain (Canada Line)	241	194	(47)	(24.2%)
West Coast Express	162	127	(35)	(27.6%)
HandyDART	3,172	2,705	(467)	(17.3%)
Transit Service Complaints	24,303	21,590	(2,713)	(12.6%)
TransLink Corporate	6,457	5,145	(1,312)	(25.5%)
Total Complaints	30,760	26,735	(4,025)	(15.1%)
Total Customer Interactions	391,586,000	325,902,000	(65,684,000)	(20.2%)
Complaints per Million Customer Interactions	78.6	82.0	3.5	4.2%

The complaints rate per million customer interactions decreased by 4.2 per cent in 2023 over 2022. The decrease is attributable to improvements in customer service as TransLink continues to deploy the Customer Experience Action Plan. TransLink remains committed to transportation excellence and will continue to strive towards enhancing customer satisfaction.

Coast Mountain Bus Company

In 2023, CMBC recorded a total of 19,361 complaints. Among the complaints registered, 52 per cent involved Transit Operators and 30 per cent were related to service delivery. CMBC remains committed to customer excellence and will continue to monitor closely customer complaints and adjust service as needed.

All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are urgent and, in 2023, all were investigated within 48 hours. P3 complaints are less critical and must be resolved within 15 business days. In 2023, approximately 96 per cent of complaints were closed within the aforementioned response timelines, according to the priority ratings assigned to each complaint received.

In 2023, TransLink continued to focus on customer experience with the following accomplishments:

- Right-sized and adapted service levels as needed to meet the changing customer demand. Due to very strong ridership recovery, the focus has been on addressing overcrowding, particularly in the Southeast subregion as well as responding to immediate needs such as addressing overcrowding at school bell times, improving schedule alignments with universities and industrial sites, etc.
- Introduced a new service that offers customers the option to speak to Customer Information agents over the phone in over 300 languages. Changed the operating hours of the Customer Information phone line to better align with times when the services are most needed.
- Launched route 80, an express bus route providing service to customers in the City of Vancouver's River District, connecting them with the Canada Line at the Marine Drive Station.
- Continued the Bike Bus service (Route 900) after a successful pilot in summer 2022. The Bike Bus provides more room for bicycles on the Bridgeport Station to Tsawwassen Ferry Terminal route, as it accommodates increasing summer demand for bicycle trips.
- Completed the installation of Braille bus stop signs, becoming the first transit system in Canada to do so. All bus stops are equipped with signs in braille and tactile lettering. The new signage provides the bus stop ID number, bay number (if applicable), routes served by the stop and the phone number for Customer Information.
- Continued the installation of Wi-Fi on buses, including the completion of Wi-Fi on all five RapidBus routes.

CMBC received a total of 2,429 commendations throughout 2023. The excellent work of the CMBC Operators contributed to the vast majority of commendations, with 88 per cent (2,130) attributed to Operator behaviour and driving.

SkyTrain — Expo and Millennium Lines

In 2023, the complaints rate per million boarded passengers for Expo and Millennium Lines dropped from 15.4 to 13.5. With a 21.6 per cent increase in ridership in 2023, BCRTC received 1,367 complaints, a 7.1 per cent increase over the complaints recorded in 2022.

Approximately one third of the complaints, totaling 475, were associated with Stations and Parkways, with the primary concern being track noise (204 in total). Most of these noise-related complaints originated from residents living near the guideway and stations, amounting to 168. As an integral aspect of the SkyTrain's maintenance program, BCRTC conducts rail replacement and rail grinding to ensure infrastructure longevity which has the benefit of mitigating noise levels and enhancing the overall ride quality. Compared to 2022, most of the subcategories saw an increase, amounting to a 13 per cent increase in this category. Elevator-related complaints decreased from 58 in 2022 to 29 in 2023, as a result of the improved elevator availability at stations.

The second-highest category for complaints pertained to Service and Schedule, comprising 20 per cent of the total complaints (256). Within this category, 72 per cent of the complaints received were related to delays. Notably, there was a surge in June and July regarding the switch replacement program between Scott Road and King George stations. During this critical maintenance work, trains were only able to travel on one side of the tracks between these two stations, which added at least 20 minutes of extra travel time for customers. The project finished nine days ahead of schedule.

As part of the SkyTrain Expansion Program, construction of the new Operation and Maintenance Centre (OMC4) began in 2023. A major part of this project involves the connection of existing rail into the future OMC4 yard. This phase of the project is scheduled to begin on February 25, 2024, and last for approximately two years. As a result of the construction, rail service in between Production Way-University and Braid stations will be affected for the entire duration of construction. The normal 6-10 min service frequency is changed to every 12 minutes all day. This project will affect customers' travel time and convenience to get to their destinations. BCRTC continues to ensure that passengers are informed about all potential travel delays caused by single tracking by using all communication channels available.

Complaints in Customer Relations category increased by 43 (24.4 per cent) compared to 2022, primarily driven by customers concerned about bicycle restrictions and bicycle etiquette on SkyTrain when the trains were crowded.

BCRTC received 66 commendations in 2023. Most of them were to recognize the excellent service provided by SkyTrain Attendants.

SkyTrain — Canada Line

In 2023, there were 241 complaints registered for Canada Line, a 24.2 per cent increase over 2022 complaints, and is attributable to a 20.2 per cent ridership increase in 2023. Complaints per million boarded passengers increased slightly from 5.8 to 6.0.

39 out of the 241 complaints on Canada Line were about delays (under Service Schedule category), predominantly about the early morning, late evening services and the connection timing issues at Bridgeport station. In 2024, Canada Line will improve the peak and late evening services by slightly reducing midday service, which may address some of the customer complaints.

The Customer Relations category saw a 36.8 per cent increase over 2022, primarily driven by concerns about the lack of announcements, including removing backpacks, courtesy seats for seniors, bus connections. Some of the complaints were also about speakers being too loud or the information broadcast repeatedly late evenings.

There was a 52.8 per cent increase in the Stations and Parkways category, mainly due to the increase related to signage. Customers raised concerns about the lack of signage on the system. For example, the first and last train times at the stations, lack of courtesy signs in the trains to remind passengers not to take up multiple seats and the lack of station name displayed at the stations.

Canada Line received 100 commendations in 2023. Customers appreciated the friendly and helpful conduct from Canada Line staff when providing assistance during their journey.

West Coast Express

West Coast Express (WCE) complaints per million boarded passenger rates dropped from 143.5 in 2022 to 124.2 in 2023. With a 47.4 per cent ridership increase, WCE received 162 complaints in 2023, which is a 27.6 per cent increase over 2022.

The largest category of complaints was Service Schedule with 56 complaints (34.5 per cent of all complaints received). The main source of complaints in this category was delays with 52 in total. More than 50 per cent of the delay complaints came during January until April, when WCE on-time performance was heavily affected by Canadian Pacific Kansas City (CPKC) freight traffic. Seven delay-related complaints were received in September, when multiple CPKC switch & signal related delays occurred, and there was a trespassing incident that caused a lengthy delay. Eight delay-related complaints were received in December, mostly for a WCE train locomotive failure incident, which resulted in three trips partially cancelled. Track work at Waterfront also resulted in complaints from residents about the train noise level. The track work resulted in trains being parked for an extended period of weeks and idling in rail yard locations they are not normally left in, which happened to be in close proximity to residences. Therefore, the Trains category saw a 209 per cent increase compared to 2022.

WCE management continue to work with CP Rail to reduce their impact on the WCE service. In addition, the WCE Fleet Refurbishment Project is underway. Train locomotives are being upgraded to reduce emissions, improve energy efficiency, and extend the engine lifespan by 15 years. The locomotives on each train are being refurbished one at a time, so that there is no disruption to West Coast Express service. The first fully refurbished locomotive entered service in June 2023. The entire project is expected to be completed by 2026.

WCE received 9 commendations in 2023.

HandyDART

In 2023, total complaints registered for HandyDART decreased by 17.3 per cent over 2022. Lasting impacts of the COVID-19 pandemic continued to play a role in service demand. Service has returned to approximately 85 per cent of pre-pandemic levels (2019).

In 2023, the top three HandyDART complaints were Operator behavior at 23 per cent, Scheduling-related at 15 per cent and Clerk Behaviors at 13 per cent of the total HandyDART complaints. Transdev has ongoing behaviour improvement programs in place to address Operator and Clerk performance. Additionally, Transdev has also implemented multiple initiatives aimed at addressing scheduling challenges.

In 2023, the primary area of supplemental taxi complaints was Taxi Operator behavior at 35 per cent of total taxi complaints. To reduce Taxi-related complaints, Transdev continues to enhance customer service training with the taxi companies. Additionally, Transdev continues to improve taxi Service Level Agreement contracts in order to promote greater accountability from the taxi providers.

Every complaint, whether related to HandyDART or taxis, undergoes a thorough investigation. The root cause of each complaint is investigated, and appropriate corrective actions are taken. All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are deemed urgent and in 2023, all P1 complaints were resolved within 48 hours. P3 complaints are deemed less critical and must be resolved within five business days. All investigations are followed up by Transdev and may result in coaching, training or appropriate action.

Detailed Complaint Tables

Tables B and C show complaints received from 2023 and 2022. Table B reflects specific transit services while Table C covers TransLink Corporate in the same periods.

Table B

CMBC	2023			2022			Total	
	Bus ¹	HandyDART	Total	Bus ¹	HandyDART	Total	Fav/(Unfav)	% Change
Service Delivery	5,891	2,231	8,122	5,420	1,719	7,139	(983)	(13.8%)
Service Planning	1,388		1,388	1,038		1,038	(350)	(33.7%)
Staff	9,971	941	10,912	8,520	986	9,506	(1,406)	(14.8%)
Website	67		67	120		120	53	44.2%
Cell Phone/Radio	25		25	47		47	22	46.8%
Accessibility/Racks	331		331	308		308	(23)	(7.5%)
Other	1,688		1,688	1,835		1,835	147	8.0%
Subtotal	19,361	3,172	22,533	17,288	2,705	19,993	(2,540)	(12.7%)

¹ Includes SeaBus and Community Shuttle as well as the contracted services of Langley and Bowen Island Community Shuttles and West Vancouver's Blue Bus.

BCRTC	2023				2022				Total	
	SkyTrain Expo and Millennium	SkyTrain Canada Line	West Coast Express	Total	SkyTrain Expo and Millennium	SkyTrain Canada Line	West Coast Express	Total	Fav/(Unfav)	% Change
Service Schedule	256	46	56	358	252	46	52	350	(8)	(2.3%)
Stations/Parkways	475	55	8	538	419	36	12	467	(71)	(15.2%)
Trains	197	38	34	269	214	35	11	260	(9)	(3.5%)
Customer Relations	219	52	39	310	176	38	35	249	(61)	(24.5%)
Safety/Security	220	50	25	295	215	39	17	271	(24)	(8.9%)
Sub-total	1,367	241	162	1,770	1,276	194	127	1,597	(173)	(10.8%)

Transit Service Total	2023	2022	Fav/(Unfav)	% Change
Complaints (CMBC + BCRTC)	24,303	21,590	(2,713)	(12.6%)
Total Customer Interactions	391,586,000	325,902,000	(65,684,000)	(20.2%)

Table C

TransLink Corporate	2023	2022	Fav/(Unfav)	% Change
Policy-Related (Fares, service optimization, advertising, Compass, fare gates, etc.)	6,457	5,145	(1,312)	(25.5%)

Complaint Handling Through Social Media

Customer complaints at TransLink come in through several social media channels. In 2023, the CMBC-staffed @TransLink X (Twitter) channel received the most complaints and/or comments, followed by the TransLink-staffed Facebook and Instagram channels. When complaints are made via social media, staff engage with customers to resolve the issue. If a complaint cannot be dealt with online, or if a matter needs escalation, customers are encouraged to log their complaints with CMBC’s Customer Information team through an online form or by contacting the department offline. Customers are then engaged on an individual basis until a resolution can be reached.

X (Twitter)

In 2023, the primary social media channel for customer inquiries was @TransLink on X (Twitter). In 2023, TransLink sent approximately 22,500 tweets, which equates to approximately 62 tweets per day. Approximately 36,500 tweets were received from customers.

At the end of 2023, the X (Twitter) account had increased by approximately 5,300 net new followers for a total following of 219,500, or a 2.5 per cent growth.

Given the size of this channel, and the demographics in Metro Vancouver, this growth rate is expected to continue for X (Twitter).

Most tweets from customers were service related (e.g., where’s my bus?) or related to overcrowding.

Facebook

On Facebook, customer complaints and comments on Facebook remained similar to those in 2022. This channel saw a moderate growth of 2,900 new followers for a total of 45,900 followers. The plateauing growth on this channel can be attributed primarily to the popularity of the channel declining, as well as the shift in customer communications being taken to Twitter and direct messages on Instagram.

Instagram

Instagram continues to be TransLink’s fastest growing social media channel; however, it is primarily used to push out customer messaging and not as a direct customer service channel. Instagram Reels and Stories continue to be a popular way for customers to share complaints, commendations, and stories about their TransLink experiences.

Our Instagram channel saw the highest rate of growth with 9,067 new followers over the course of the year.

D. CUSTOMER SATISFACTION

2023 Customer Service Performance Ratings

Table D below summarizes the percentage of customers who gave good-to-excellent service ratings, which is defined as a rating of 8, 9, or 10 out of 10.

All transit systems and mode-specific attribute measures, including overall service, are based on asking customers directly. In other words, overall service is not calculated mathematically from any of the specific service attributes, such as frequency or reliability.

The analysis is segmented into the following groups:

- Transit System (includes people who have ridden the bus, SeaBus or SkyTrain at least once within the last 30 days);
- Bus System (includes all CMBC bus service, as well as West Vancouver Transit and contracted Community Shuttle service);
- SkyTrain (the SkyTrain segment includes the Expo, Millennium and Canada Lines);
- SeaBus;
- West Coast Express (WCE); and
- HandyDART (with registered HandyDART customers).

Data are from three sources:

- TransLink's Bus, SkyTrain, SeaBus Customer Service Performance Survey interviews adults who have taken transit at least once within the last 30 days in Metro Vancouver. Interviews are conducted daily by phone, using a mix of landline and cellphone sample;
- TransLink's WCE Customer Service Performance Survey is conducted twice per year (typically March and September) onboard the WCE train. Questionnaires are partly administered by an interviewer and then completed by the respondent; and
- TransLink's HandyDART Customer Service Performance Survey is conducted once per year in the fall by phone, primarily with past month's users of the service.

Customer Service Performance Summary for 2023 — Transit System, Bus, SeaBus, SkyTrain, WCE and HandyDART

Transit System

Use of the transit system continued to increase towards pre-COVID levels in 2023. During 2023, Overall Service ratings at the system level fluctuated around the 2022 value of 70 per cent and ended with 69 per cent of adult riders providing a rating of eight or higher out of ten, one percentage point lower than 2022.

Two aspects of the transit system that drive riders' perception of TransLink's services overall are Value for Money and Good Connections. These both held fairly steady throughout the year and their annual values are both in line with 2022. 61 per cent of TransLink's customers felt they were getting good-to-excellent value for the money they spent on transit, up from 59 per cent in 2022. More than half (54 per cent) of TransLink's customers rated transit services as having Good Connections (55 per cent in 2022).

Bus

Two thirds (67 per cent) of bus riders rated the overall bus service provided in Metro Vancouver as good-to-excellent. This is holding steady with 2022 (68 per cent) and is considered a good result in light of the bus ridership increase and the pressure on schedules resulting from increased road congestion.

The top three strengths of the bus service are: having an operator who drives safely and professionally (86 per cent of riders gave scores of 8 or higher), having a direct route (81 per cent of riders gave scores of 8 or higher) and having a courteous bus operator (79 per cent of riders gave scores of 8 or higher).

Frequency of service, overcrowding and on-time reliability remain the three lowest-rated bus service attributes, although at least half of riders still rate each of these in the good-to-excellent range of 8 or higher (51, 52 and 60 per cent respectively).

SkyTrain

In 2023, 78 per cent of SkyTrain customers, which includes Canada Line, gave the overall service good-to-excellent scores. This was the same value as 2022.

With the ongoing ridership recovery, ratings for overcrowding have continued to decline in 2023 (49 per cent compared to 54 per cent in 2022). Also associated with increased crowding, ratings for cleanliness declined to 65 per cent, down from 67 per cent in 2022, and feelings of safety from crime are down (the Onboard score of 71 per cent is down from 75, and the Station score of 65 per cent is down from 69 in 2022). Ratings for most other attributes held steady with a year ago.

SeaBus

SeaBus remains a highly rated transit mode with almost nine-in-ten (89 per cent) SeaBus customers rating the service an 8 out of 10 or higher overall. This is equal to the 89 per cent in 2022. Ratings for all attributes of SeaBus service remain high and within a few percentage points of last year.

West Coast Express

In 2023, 89 per cent of WCE riders gave Overall Service good-to-excellent scores, up slightly from 85 per cent in 2022 and is likely driven by the return to five trains in each direction in June 2023. This was also reflected in the rise in Frequency of Service ratings: 63 per cent up from 54 per cent in 2022 and the rise in ratings for Not Being Overcrowded (74 per cent, up from 70 per cent in 2022).

HandyDART

HandyDART remains a highly rated transit service, with 82 per cent of riders giving good-to-excellent ratings for overall service. This is up from 79 per cent in 2022. Ratings for Value for Money continue their upward trend and now sit at 91 per cent of riders rating it an 8 or higher (up from 88 per cent in 2022).

Ease of booking a trip, vehicle availability and on-time reliability remain the lowest attributes of HandyDART service and all within a percentage point of last year's ratings. All attributes related to the HandyDART vehicles (Cleanliness and Vehicle Safety) or drivers (Courteous Drivers, Skills to Assist Passengers) remain very highly rated.

Table D - 2023 Customer Service Performance Scores

Attributes*	Transit System	Bus System	SkyTrain	SeaBus	West Coast Express	Handy DART
	Per cent who gave scores of 8, 9 or 10 out of 10					
Overall Service	69%	67%	78%	89%	89%	82%
Value for Money	61%				67%	91%
Good Connections	54%				69%	
Adequacy of Transit Information — Stops/Stations	55%					
Adequacy of Transit Information On-Board — Bus	53%					
Adequacy of Transit Information On-Board -- SkyTrain	69%					
Adequacy of Transit Information On-Board — SeaBus	64%					
Transit Information Availability (On-Board and Stations)					81%	
Operation of Service During Convenient Hours	59%				45%	
Having Enough Bus Shelters	38%					
Ease of Getting Information from Telephone Information Line	72%					
Ease of Finding Information on Website	60%					
Having a Courteous Bus Operator/Having Courteous, Competent and Helpful Staff/Drivers		79%	85%	96%	94%	93%
Safe and Professional Bus Operator		86%				
Feeling Safe from Crime on Board the Bus / SkyTrain		75%	71%			
Feeling Safe from Crime at the Stop and Transit Exchange /Inside SkyTrain Stations / at SeaBus Stations		73%	65%	83%		
Feeling Safe from Crime (On-Board and Stations)					90%	
Feeling Safe from Crime (WCE Parking Lots)					60%	
Not Being Overcrowded		52%	49%	77%	74%	
On-Time, Reliable Service		60%	86%	94%	79%	73%
Clean and Graffiti Free Buses / SkyTrain Cars / Vessel / Vehicles and Stations		72%	65%	85%	93%	
Having A Direct Route		81%				
Trip Duration from the Time You Boarded to the Time You Got Off		78%		95%	91%	
Frequency of Service		51%	76%	77%	63%	
Staff Availability			35%	64%	88%	
Delays Are Announced and Explained			34%		78%	
Enough Parking					51%	
Equipment Provides a Safe Ride					95%	
Driver's Skills to Assist Passengers Who Have a Disability						93%
Feeling Safe from Injury When Riding HandyDART						94%
Ease of Booking a Trip on HandyDART						73%
HandyDART Vehicle Cleanliness and Good Repair						88%
Availability of HandyDART When Needed						77%

*Attributes that are not applicable under a particular mode are shaded grey

E. CHANGES TO ARTICLES OF THE AUTHORITY

The Articles of the Authority are established by the Board of Directors of the Authority pursuant to Section 190(3) (f) of the *South Coast British Columbia Transportation Authority Act*. The Articles are available on TransLink’s website.

The following sections of the Articles of the Authority were amended to read as follows and were approved by the Board of Directors in 2023. The amendments themselves are in **bold** with removals shown with strikethroughs below.

6. BOARD CHAIR

- 6.1 The Board Chair or ~~his/her~~ **their** designate will preside at all meetings.
- 6.2 If the Board Chair or ~~his/her~~ **their** designate is not present within fifteen (15) minutes of the time appointed for holding the meeting or if the Board Chair or ~~his/her~~ **their** designate has advised the Corporate Secretary that ~~he/she~~ **they** will not be present at the meeting, the directors present at the meeting shall choose one of their number to chair the meeting.

6. TELECONFERENCING/VIRTUAL MEETINGS

- 6.1 A director may participate in a meeting of the board by means of virtual meeting technology, conference telephones or other communications facilities by means of which all directors participating in the meeting can hear, **and if in person or on virtual meeting technology see**, each other and provided that the Chair agrees to such participation.

9. PUBLIC INPUT

- 9.3** The application must indicate the agenda item or issue the applicant wishes to address, the name of the designated speaker and the specific action that is being requested of the board. **The agenda item or issue must pertain to TransLink’s business or matters within the board’s responsibility or purview. The board will receive only those applications and applicants who interact with the board and/or staff in a respectful and courteous manner.**
- 9.5 The Corporate Secretary shall, no later than noon on the business day prior to the scheduled meeting, advise the individual whether ~~he/she is~~ **they are** scheduled to appear before the board.

11. REMUNERATION

- 11.2 The payment of the remuneration will be governed by the following guidelines:
- b. No distinction will be made between participation in person and participation by video **that permits a director to hear and see, and be heard and seen by, all other participants, or if authorized**, by telephone or such other mode that permits a director to hear, and be heard by, all other participants.

F. BOARD SUMMARY

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
January 25, 2023	Board Meeting	<ul style="list-style-type: none"> Received in camera item
February 8, 2023	Board Meeting	<ul style="list-style-type: none"> Approved in camera item Approved Subsidiary Board Appointment
March 20, 2023	Human Resources and Governance Committee	<ul style="list-style-type: none"> Amendments to TransLink Respectful Workplace Policy, recommended for Board approval Amendments to TransLink Drug and Alcohol Policy, recommended for Board approval In camera items, recommended for Board approval
March 20, 2023	Planning and Stakeholder Relations Committee	<ul style="list-style-type: none"> New Investment Plan, 2023 Work Plan, recommended for Board approval Independent Transit Service Application, Richmond Discovery Shuttle, recommended for Board approval Driving Down Emissions Project Workplan, recommended for Board endorsement
March 21, 2023	Finance and Audit Committee	<ul style="list-style-type: none"> 2022 Year End Financial and Performance Report, endorsed for public release 2022 Statutory Annual Report, recommended for Board approval 2022 Audited Consolidated Financial Statements, recommended for Board approval Enactment of South Coast British Columbia Transportation Authority 2023 Property Tax Bylaw Number 149-2023, recommended for Board adoption Enactment of South Coast British Columbia Transportation Authority 2022 Replacement Tax Bylaw Number 150-2023, recommended for Board adoption South Coast British Columbia Transportation Authority Tariff Bylaw 148-2023, recommended for Board adoption
March 22, 2023	Real Estate Development Committee	<ul style="list-style-type: none"> Received Real Estate Development projects reports
March 23, 2023	Information Technology Committee	<ul style="list-style-type: none"> Received Information Technology projects reports Received Internal Audit Information Technology projects updates

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
March 29, 2023	Board Meeting	<ul style="list-style-type: none"> • Approved 2022 Statutory Annual Report • Approved 2022 Audited Consolidated Financial Statements • Adopted South Coast British Columbia Transportation Authority 2023 Property Tax Bylaw Number 149-2023 • Adopted South Coast British Columbia Transportation Authority 2023 Replacement Tax Bylaw Number 150-2023 • Adopted South Coast British Columbia Transportation Authority Transit Tariff Bylaw 148-2023 • Approved Independent Transit Service Application, Richmond Discovery Shuttle • Approved New Investment Plan, 2023 Work Plan • Endorsed Driving Down Emissions Project Workplan • Approved Amendments to TransLink Respectful Workplace Policy • Approved Amendments to TransLink Drug and Alcohol Policy • Approved in camera agenda item
May 24, 2023	Finance and Audit Committee	<ul style="list-style-type: none"> • 2023 Q1 Financial and Performance Report, endorsed for public release • 2022 Financial Information Act Report, recommended for Board approval
June 12, 2023	Finance and Audit Committee	<ul style="list-style-type: none"> • Credit Agreement Extension, recommended for Board approval • In camera items, recommended for Board approval
June 13, 2023	Human Resources and Governance Committee	<ul style="list-style-type: none"> • Amendments to the Board Governance Manual and Articles, recommended for Board approval • In camera item, recommended for Board approval
June 13, 2023	Planning and Stakeholder Relations Committee	<ul style="list-style-type: none"> • Metro 2050 Regional Growth Strategy Proposed Amendments – Gloucester Industrial Park, Township of Langley, recommended for Board approval • In camera agenda item, recommended for Board approval
June 14, 2023	Information Technology Committee	<ul style="list-style-type: none"> • Acceptable Use of Corporate Computing Systems Policy, recommended for Board approval • In camera item, recommended for Board approval
June 22, 2023	Board Meeting	<ul style="list-style-type: none"> • Approved Metro 2050 Regional Growth Strategy Proposed Amendments – Gloucester Industrial Park, Township of Langley • Approved Implementation Plan to Operationalize Governance Changes • Approved Amendments to the Board Governance Manual and Articles • Approved Financial Information Act Report • Approved Credit Agreement Extension • Approved in camera items

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
September 8, 2023	Joint Board and Mayors' Council Finance Committee	<ul style="list-style-type: none"> • In camera items, recommended for Board approval
September 14, 2023	Joint Board and Mayors' Council Planning Committee	<ul style="list-style-type: none"> • In Camera item, recommended for Board approval
September 18, 2023	Finance and Audit Committee	<ul style="list-style-type: none"> • 2023 Q2 Financial and Performance Report, endorsed for public release • Amendments to TransLink Corporate Safety and Health Policy, recommended for Board approval • Contract Extension, recommended for Board approval • Contract Extension, recommended for Board approval • Property Acquisition, recommended for Board approval • Approved Disposition of Property • In camera item, recommended for Board approval
September 19, 2023	Human Resources and Governance Committee	<ul style="list-style-type: none"> • Real Estate Committee Governance, recommended for Board approval • Subsidiary Governance Framework amendment, recommended for Board approval • Subsidiary Board Appointment, recommended for Board approval • In camera item, recommended for Board approval
September 19, 2023	Planning, Communities and Communication Committee	<ul style="list-style-type: none"> • Received Planning reports • Received Communications and Public Affairs reports
September 20, 2023	Information Technology Committee	<ul style="list-style-type: none"> • Received Information Technology projects reports • Received Internal Audit Information Technology projects updates
September 23, 2023	Joint Board and Mayors' Council Finance Committee	<ul style="list-style-type: none"> • In camera Item, recommended for Board approval
September 27, 2023	Board Meeting	<ul style="list-style-type: none"> • Approved amendments to TransLink Corporate Safety and Health Policy • Approved Acquisition of Property • Approved Contract Extension • Approved Contract Extension • Approved Real Estate Committee Governance • Approved Subsidiary Governance Framework amendment • Approved Subsidiary Board Appointment • Approved in camera items

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
October 12, 2023	Joint Board and Mayors' Council Planning Committee Meeting	<ul style="list-style-type: none"> Received Joint Planning Committee reports
October 13, 2023	Joint Board and Mayors' Council Finance Committee Meeting	<ul style="list-style-type: none"> Received Joint Finance Committee reports
October 26, 2023	Board Meeting	<ul style="list-style-type: none"> Approved in camera items
November 9, 2023	Joint Board and Mayors' Council Planning Committee Meeting	<ul style="list-style-type: none"> Proposed Public Transit Agency Zero Emissions Vehicle Requirements, recommended for Board approval
November 24, 2023	Joint Board and Mayors' Council Finance Committee Meeting	<ul style="list-style-type: none"> Received the 2024 Business Plan, Operating and Capital Budget
November 27, 2023	Finance and Audit Committee	<ul style="list-style-type: none"> 2023 Q3 Financial and Performance Report, endorsed for public release 2024 Business Plan, Operating and Capital Budget, recommended for Board approval Annual Review of Financial and Risk Management Policies, recommended for Board approval 2024 Development Cost Charges Bylaw, recommended for Board approval In camera items, recommended for Board approval
November 28, 2023	Human Resources and Governance Committee	<ul style="list-style-type: none"> Subsidiary Board Appointment, recommended for Board approval 2024 Board Committee Structure and Membership and Appointment of Board Chair, recommended for Board approval In camera items, recommended for Board approval
November 28, 2023	Planning, Communities and Communication Committee	<ul style="list-style-type: none"> HandyDART Users' and Access Transit Users' Advisory Committees 2024 Appointments, recommended for Board approval
November 29, 2023	Information Technology Committee	<ul style="list-style-type: none"> Received Information Technology Projects reports Received Internal Audit Information Technology projects updates

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
December 6, 2023	Board Meeting	<ul style="list-style-type: none"> • Approved 2024 Business Plan, Operating and Capital Budget • Approved Development Cost Charges Bylaw Amendment • Approved Proposed Public Transit Agency Zero Emissions Vehicle Requirements • Approved Annual Review of Financial and Risk Management Policies • Approved 2024 Board Committee Structure and Membership and Appointment of Board Chair • Approved HandyDART Users' and Access Transit Users' Advisory Committees 2024 Appointments • Approved Subsidiary Board Appointment • Approved in camera items
December 23, 2023	Board Meeting	<ul style="list-style-type: none"> • Endorsed in camera item • Approved in camera item

G. FARE COLLECTION BYLAW

The current version of the Fare Collection Bylaw is shown below.

Definitions

1. In this regulation:

"Act" means the *South Coast British Columbia Transportation Authority Act*;

"pass" means a record that the authority or a related party has issued or recognized as authorization for the person to whom it was issued to enter a fare paid zone or board a transit vehicle that is not a fare paid zone, and includes, without limitation, a transfer, a fare receipt, a monthly pass, any other time-limited pass and a payment card;

"payment card" means a record issued by the authority or a related party if the following apply:

- (a) the person to whom the record is issued can, by paying money to the authority or a related party, create or increase a credit balance on the record;
- (b) the credit balance on the record can be applied by the person to whom the record was issued towards any fare;

"surcharge date", in relation to a ticket, means the later of

- (a) the date that is 180 days after the date of service of the ticket,
- (b) if the person to whom the ticket was issued disputes his or her liability under the ticket in accordance with section 4, the date that is 31 days after the date on which a notice of decision in response to the dispute is provided to that person under section 4 (4), and
- (c) if the person to whom the ticket was issued appeals his or her liability under the ticket in accordance with section 7, the date that is 7 days after the date on which a notice of decision in response to the appeal is provided to that person under section 7 (5);

"ticket" means a ticket issued under section 248 of the Act.

Description of infraction

2. Every word and phrase set out in Column 2 of Schedule 1 to this regulation is authorized to be used on a ticket to describe the infraction of contravening the provision of the Act referred to in Column 1 opposite that word or phrase.

Ticketed amounts

3. (1) For the contravention of a provision of the Act set out in Column 1 of Schedule 1 to this regulation,
 - (a) Column 2 of Schedule 1 sets out the description of the infraction for the purposes of section 2, and
 - (b) Column 3 of Schedule 1 prescribes the fine for the infraction.(2) On the surcharge date applicable to a ticket, a surcharge of \$40 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made before the surcharge date.
(3) On the date that is 366 days after the date of service of the ticket, an additional surcharge of \$60 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made on or before that date.

Dispute process

4. (1) For the purposes of section 251 (1) of the Act, a person to whom a ticket has been issued may dispute his or her liability under the ticket
 - (a) within 14 days after the date of service of the ticket, or

- (b) if the authority is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 14-day period to dispute liability under the ticket, within any longer period that the authority may, in writing, specify.
- (2) To dispute liability under a ticket, the person to whom the ticket was issued must, within the dispute period referred to in subsection (1) of this section, provide to the authority, in accordance with subsection (3), a notice of the dispute
 - (a) identifying on which of the grounds set out in section 251 (1) of the Act the person is basing the dispute, and
 - (b) providing any information relevant to the dispute.
- (3) A notice of dispute under subsection (2) of this section must be provided to the authority by
 - (a) mailing it to the head office of the authority, or
 - (b) providing it electronically in the manner set out on the authority's website.
- (4) Within 30 days after receiving a notice of dispute under subsection (2), the authority must
 - (a) decide whether to confirm or cancel the ticket, and
 - (b) provide to the person who submitted the notice of dispute, in accordance with subsection (5), notice of that decision and the basis on which it was made.
- (5) A notice of decision under subsection (4) must be provided to the person who submitted the notice of dispute by
 - (a) mailing the notice of decision to the postal address provided for that person in the notice of dispute, or
 - (b) emailing the notice of decision to the email address provided for that person in the notice of dispute.

Appeal period

- 5. (1) For the purposes of section 253 of the Act, a person who has disputed liability under a ticket in accordance with section 4 of this regulation and Division 3 of Part 12 of the Act may appeal liability under the ticket to an arbitrator
 - (a) within 30 days after the authority provided notice under section 4 (4) of this regulation of the authority's decision, or
 - (b) if the arbitrator is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 30-day period to appeal liability under the ticket, within any longer period that the arbitrator may, in writing, specify.
- (2) A request under subsection (1) (b) for an extension of time within which to appeal liability under a ticket must
 - (a) set out the reason why the person was unable to provide a notice of appeal within the 30-day period referred to in subsection (1) (a), and
 - (b) be provided to the authority by
 - (i) mailing the request to the head office of the authority, or
 - (ii) providing the request electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a request referred to in subsection (2), the authority must provide the request to the arbitrator.
- (4) Within 14 days after receiving a request under subsection (3), the arbitrator must provide notice to the appellant and the authority as to whether an extension of time within which to appeal liability under the ticket has been granted and if an extension is granted, indicate the date before which the notice of appeal must be provided to the authority.

Additional grounds for appeal

- 6. For the purpose of section 253 (c) of the Act, a person may appeal liability under a ticket on the ground that relevant information was not submitted in the dispute procedure.

Appeal process

7. (1) To appeal liability under a ticket, the person to whom the ticket was issued must, within the appeal period referred to in section 5 (1), provide to the authority, in accordance with subsection (2) of this section, a notice of appeal
 - (a) identifying on which of the grounds set out in section 253 of the Act or section 6 of this regulation the person is basing the appeal, and
 - (b) providing any information relevant to the appeal.
- (2) A notice of appeal under subsection (1) must be provided to the authority by
 - (a) mailing it to the head office of the authority, or
 - (b) providing it electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a notice of appeal under subsection (2), the authority must provide the notice of appeal to the arbitrator who has the earliest availability.
- (4) An arbitrator to whom a notice of appeal is provided under subsection (3) may request from the appellant or the authority any additional records or information that the arbitrator considers appropriate and may, in his or her sole discretion, authorize the appellant and the authority to provide the additional records or information to the arbitrator in one or more of the following manners:
 - (a) in person;
 - (b) in writing;
 - (c) electronically.
- (5) After receiving a notice of appeal under subsection (3), the arbitrator must
 - (a) confirm or cancel the ticket, and
 - (b) provide, in accordance with subsection (6), to
 - (i) the person who submitted the notice of appeal, and
 - (ii) the authority notice of that decision and the basis on which it was made.
- (6) A notice of decision under subsection (5) must be provided to the person who submitted the notice of appeal by
 - (a) mailing the notice of decision to the postal address provided for that person in the notice of appeal, or
 - (b) emailing the notice of decision to the email address provided for that person in the notice of appeal.

Cancellation of tickets

8. If a ticket is cancelled under section 4 or 7 and some or all of the ticketed amount of the ticket has been paid to the authority, the authority must refund the amount paid.

Payment of fare

9. For the purposes of section 244 (1) (a) of the Act, a person may satisfy the requirement to pay the fare required by the tariff in any of the following manners:
 - (a) if a pass has been issued to the person and that pass is valid for application to the fare,
 - (i) if a device that can record the use of the pass has been installed or made available by the authority or a related party for the fare paid zone or transit vehicle, by using the pass in such a way that
 - (A) its use is recorded by the device, and
 - (B) if the pass is a payment card, the unpaid portion, if any, of the fare is debited from the pass, or
 - (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that pass to that transit employee for inspection;

- (b) if, under the tariff, another form of payment is authorized,
 - (i) if a device that can recognize that form of payment has been installed or made available for the fare paid zone or transit vehicle by the authority or a related party, by using that form of payment in such a way that
 - (A) its use is recorded by the device, and
 - (B) if applicable, the unpaid portion, if any, of the fare is debited from the form of payment, or
 - (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person’s entry point to the fare paid zone or transit vehicle, by presenting that form of payment to that transit employee for inspection.

Proof of payment

- 10. To comply with section 244 (1) (b) of the Act in relation to a fare, a person must
 - (a) obtain and retain any receipt issued by the authority or a related party for the payment of that fare,
 - (b) if a pass that is valid for application to the fare is used, retain the pass, or
 - (c) if under the tariff another form of payment is authorized and that other form of payment is used, retain that form of payment and obtain and retain;
 - (i) any receipt issued by the authority or a related party, and
 - (ii) any record in the person's power or control, whether in electronic form or otherwise, that confirms that the form of payment was used in payment of the fare.

Schedule 1

South Coast British Columbia Transportation Authority Act

Provision	Contravention	Fines
Section 244 (1) (a)	Fare evasion	\$173
Section 244 (2)	Failure to produce	\$173

H. SECTION 248 TICKETS AND COLLECTIONS

The numbers of tickets issued and dollar amounts collected under Section 248 from January 1 to December 31, 2023 are represented in the table below.

	Tickets Issued under Section 248 (number)	Collected Ticket Amounts (\$)
January 1 to December 31, 2023	12,390	1,450,763

I. DEVELOPMENT COST CHARGES

The Development Cost Charges (DCC) Program was established as part of the funding strategy for investments included in the 10-Year Mayors' Vision. TransLink's Phase Two Investment Plan outlined the capital project categories that would be supported by the DCC program. For 2023, the DCC reserve fund had an opening balance of \$15.1 million and during the year, there were total contributions of \$42.1 million, of which \$17.3 million were recognized as revenue. In the reporting year, a total of 18 applications were approved with a total of \$3.1 million levies waived.

DCC Reserve Fund	2023 (\$)
Opening balance	15,131,974
Contributions	42,068,296
Interest earned	448,501
Revenue recognized	(17,300,646)
Ending balance	40,348,125

DCC Waiver Applications	Number of Applications	Value of Applications (\$)
Approved DCC waiver applications	18	3,135,972
Approved DCC reduction applications	-	-

During the year ended December 31, 2023, the funds from the \$17.3 million recognized in DCC revenue have been proportionately allocated as follows:

SUMMARY OF DCC PROGRAM				
As of December 31, 2023 (\$ thousands)	Current Budget	External Funding	TransLink Capital Cost	Allocation of DCC Received
Bus Exchange/Depot and SeaBus Expansion	783,396	462,950	320,446	503
New Major Projects	311,936	11,870	300,066	1,880
SkyTrain and West Coast Express Expansion	2,458,144	762,580	1,695,564	14,918
Total DCC Program	3,553,476	1,237,400	2,316,076	17,301

Consolidated Financial Statements
(Expressed in thousands of dollars)

**SOUTH COAST BRITISH COLUMBIA
TRANSPORTATION AUTHORITY**

And Independent Auditor's Report thereon

Year ended December 31, 2023



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of the South Coast British Columbia Transportation Authority

Opinion

We have audited the consolidated financial statements of the South Coast British Columbia Transportation Authority (the "Authority"), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Authority as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor's report thereon, included in the 2023 Annual Statutory Report, 2023 Year-End Financial and Performance Report, and 2023 Accountability Report documents.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the 2023 Annual Statutory Report, 2023 Year-End Financial and Performance Report, and 2023 Accountability Report documents as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority'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 Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
March 27, 2024

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2023, with comparative information for 2022

	2023	2022
Financial assets		
Cash and cash equivalents	\$ 276,248	\$ 622,558
Accounts receivable (note 6(k))	675,173	136,909
Restricted cash and cash equivalents and investments (note 3(a))	4,127,713	3,733,194
Investments (note 3(b))	394,831	235,289
Debt reserve deposits (note 4)	24,500	23,762
	<u>5,498,465</u>	<u>4,751,712</u>
Liabilities		
Accounts payable and accrued liabilities (note 6(k))	615,595	400,206
Debt (note 5)	3,360,119	3,141,748
Deferred government transfers (note 6(a))	3,769,885	3,540,507
Golden Ears Bridge contractor liability (note 7(a))	983,403	999,512
Deferred concessionaire credit (note 8(a))	386,082	409,355
Employee future benefits (note 9(b))	140,093	141,202
Deferred development cost charges (note 10)	40,348	15,132
Asset retirement obligations (note 11)	26,952	-
Deferred revenue and deposits	82,745	73,646
Deferred lease inducements	12,795	12,855
	<u>9,418,017</u>	<u>8,734,163</u>
Net debt	(3,919,552)	(3,982,451)
Non-financial assets		
Tangible capital assets (note 12)	6,141,887	5,765,456
Supplies inventory	128,609	97,310
Prepaid capital (note 13)	30,745	29,752
Property under development (note 14)	20,102	19,599
Prepaid expenses	30,780	30,002
	<u>6,352,123</u>	<u>5,942,119</u>
Commitments and contingencies (note 15)		
Accumulated surplus	\$ 2,432,571	\$ 1,959,668

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

“Lorraine Cunningham”
Chair

“Allan Seckel”
Director

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 2(v))	2023 Actual	2022 Actual
Revenues:			
Taxation (note 19)	\$ 988,404	\$ 978,412	\$ 978,076
Transit (note 6(l))	629,998	671,560	552,624
Government transfers (note 6(a))	354,718	715,668	427,136
Investment income	155,673	192,228	109,064
Amortization of deferred concessionaire credit (note 8(a))	23,273	23,273	23,274
Development cost charges (note 10)	23,597	17,301	25,158
Miscellaneous revenue	15,384	19,966	17,427
Gain (loss) on disposal of tangible capital assets	(358)	8,085	1,748
	2,190,689	2,626,493	2,134,507
Expenses:			
Bus operations	1,112,159	1,114,059	1,041,321
Corporate operations	219,420	194,045	217,242
Rail operations	549,579	538,027	490,186
Roads and bridges	251,073	252,402	207,459
Transit Police	53,295	55,057	48,693
	2,185,526	2,153,590	2,004,901
Surplus for the year	5,163	472,903	129,606
Accumulated surplus, beginning of year	1,933,296	1,959,668	1,830,062
Accumulated surplus, end of year	\$ 1,938,459	\$ 2,432,571	\$ 1,959,668

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt
(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 2(v))	2023 Actual	2022 Actual
Surplus for the year	\$ 5,163	\$ 472,903	\$ 129,606
Acquisition of tangible capital assets	(932,152)	(637,162)	(413,490)
Amortization of tangible capital assets	268,637	259,680	250,019
Net proceeds from disposal of tangible capital assets	-	9,136	2,679
Loss (gain) on disposal of tangible capital assets	358	(8,085)	(1,748)
Write-down of tangible capital assets (note 12(d))	-	-	53,755
Tangible capital assets transfer to prepaid capital (note 13)	-	-	29,752
Land transfer to a partnership (note 14)	-	-	17,735
	(663,157)	(376,431)	(61,298)
Change in supplies inventory	(10,629)	(31,299)	(6,149)
Change in property under development	-	(503)	(19,599)
Change in prepaid expenses	(2,495)	(778)	38
Change in prepaid capital	-	(993)	-
Prepaid capital transferred from tangible capital assets	-	-	(29,752)
	(13,124)	(33,573)	(55,462)
Decrease (increase) in net debt	(671,118)	62,899	12,846
Net debt, beginning of year	(4,150,354)	(3,982,451)	(3,995,297)
Net debt, end of year	\$ (4,821,472)	\$ (3,919,552)	\$ (3,982,451)

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used for):		
Operating transactions:		
Surplus for the year	\$ 472,903	\$ 129,606
Non-cash changes to operations (note 17)	52,479	101,696
Changes in non-cash operating working capital (note 17)	(323,242)	208,438
Cash provided by operating transactions	202,140	439,740
Capital transactions:		
Purchase of tangible capital assets	(611,227)	(413,490)
Net proceeds from disposal of tangible capital assets	9,136	2,679
Cash used for capital transactions	(602,091)	(410,811)
Investing transactions:		
Increase in restricted cash and cash equivalents and investments	(394,519)	(2,495,997)
Increase in investments	(159,542)	(69,673)
Decrease (increase) in debt reserve deposits	(738)	2,510
Cash used for investing transactions	(554,799)	(2,563,160)
Financing transactions:		
Debt proceeds	300,000	300,000
Discount and issuance costs on financing	(19,491)	(2,331)
Repayments of debt	(35,186)	(66,561)
Repayments of Golden Ears Bridge contractor liability	(83,547)	(79,833)
Government transfers received in lieu of foregone toll revenue (note 6(i)(ii))	-	2,000,000
Government transfers received for tangible capital additions	446,532	429,891
Lease inducements received	132	-
Cash provided by financing transactions	608,440	2,581,166
Increase (decrease) in cash and cash equivalents	(346,310)	46,935
Cash and cash equivalents, beginning of year	622,558	575,623
Cash and cash equivalents, end of year	\$ 276,248	\$ 622,558
Supplementary information:		
Interest paid	\$ 202,002	\$ 189,181
Tangible capital asset additions related to asset retirement obligations (note 11)	25,935	-
Tangible capital assets transferred to prepaid capital (note 13)	-	29,752
Property under development acquired through a non-cash land transfer to partnership (note 14)	-	17,735

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

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

Year ended December 31, 2023

1. Operations:

South Coast British Columbia Transportation Authority, formerly Greater Vancouver Transportation Authority, (the "Authority" or "TransLink") was established in June 1998 as a regional public transportation authority under the South Coast British Columbia Transportation Authority Act (the "Act") to provide for the planning, funding, management and operation of an integrated regional transportation system for the Greater Vancouver region.

Transit ridership has improved since the COVID-19 outbreak in 2020. Changing commuting patterns, however, have adversely effected transit revenues. The short-term impact has been offset through relief funding provided by senior government to help the Authority maintain operations and service levels (note 6(j)).

2. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements of the Authority have been prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Basis of consolidation:

These consolidated financial statements include the accounts of the Authority and its active wholly-owned subsidiaries as follows:

- (i)* Coast Mountain Bus Company Ltd. ("CMBC") - bus, SeaBus and community shuttle services;
- (ii)* British Columbia Rapid Transit Company Ltd. ("BCRTC") - SkyTrain services on the Expo, Millennium and Canada Lines;
- (iii)* West Coast Express Limited ("WCE") - commuter rail services;
- (iv)* Transportation Property and Casualty Company Inc. ("TPCC") - a captive insurance company which provides insurance liability coverage to the Authority's operating subsidiaries;
- (v)* TransLink Security Management Ltd. ("TSML") - transit police services;
- (vi)* TOD Investments Ltd. - holds the Authority's Broadway and Arbutus Project Limited Partnership 50% interest (note 14); and
- (vii)* TLRED Holdings Ltd. - holds the Authority's Broadway and Arbutus GP Inc. 50% interest (note 14).

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

2. Significant accounting policies (continued):

(b) Basis of consolidation (continued):

These consolidated financial statements also include the following entities, which have been accounted for on a proportionate consolidation basis:

- (i) Broadway and Arbutus Project Limited Partnership (50% ownership through TOD Investments Ltd.) - real estate development activities (note 14); and
- (ii) Broadway and Arbutus GP Inc. (50% ownership through TLRED Holdings Ltd.) - real estate management activities (note 14).

All intercompany balances and transactions have been eliminated upon consolidation.

(c) Basis of accounting:

TransLink follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is recognized on an accrual basis.

(d) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments, which have a term to maturity of 3-months or less at the date of purchase or are units in a fund that can be readily liquidated.

(e) Financial instruments:

Financial instruments are classified into two categories: fair value or cost.

(i) Fair value:

Equity investments and derivatives that are quoted in an active market are reflected at fair value as at the reporting date. Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and related balances are reversed from the consolidated statement of remeasurement gains and losses. As at December 31, 2023, the Authority does not hold any equity investments or derivatives that are quoted in an active market, and thus, the Authority does not have any unrealized gains or losses and a consolidated statement of remeasurement gains and losses has not been included in these consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

2. Significant accounting policies (continued):

(e) Financial instruments (continued):

(ii) Cost:

All other financial instruments are recorded at cost. Gains and losses on financial instruments recorded at cost are recognized in the Statement of Operations, when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

Accounts receivable and accounts payable and accrued liabilities are measured at the amortized cost using the effective interest rate method. Valuation allowances are made when collection is in doubt.

(f) Supplies inventory:

Supplies inventory is valued at the lower of the average cost and net realizable value. Cost includes the purchase price; import duties; other net taxes; and transport; handling and other costs directly attributable to acquisition. Net realizable value is the estimated current replacement cost.

(g) Property under development:

Property under development, which will be sold in the future, is valued at the lower of cost and net realizable value. Cost includes all amounts that are directly attributable to the acquisition, construction and development of the property. Net realizable value of the property is based on the best available information about the property's fair value at the time of the assessment.

(h) Tangible capital assets:

Tangible capital assets have been recorded as follows:

(i) Tangible capital assets are recorded at cost, including capitalized interest as described in note 2(i). Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, including the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs and duties.

(ii) As part of the establishment of the Authority, certain tangible capital assets contributed by the Province of British Columbia (the "Province") and BC Transit were recorded at the estimated fair value at the date of transfer based on appraisals carried out.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

2. Significant accounting policies (continued):

(h) Tangible capital assets (continued):

(iii) Amortization is provided on the cost less estimated salvage value on a straight-line basis over a period not exceeding the estimated useful lives as follows:

Asset	Years
Land improvements	30
Buildings	30 - 50
Bridges, guideways, stations, and tunnels	30 - 100
Other supporting systems (tracks, rail, roads, electrical, drainage, ventilation)	8 - 40
Vehicles and SeaBus	5 - 40
Equipment	5 - 40

(i) Capitalization of interest:

Interest costs directly attributable to construction projects and major capital acquisitions are capitalized from the commencement of the capital outlays until the assets are ready for use.

(j) Major Road Network (“MRN”) expenditures:

Part 2 of the Act provides that the Authority must establish a MRN, comprising an integrated system of highways throughout the transportation service region, and the Authority must contribute funds to the municipalities for the purpose of constructing and maintaining any part of the MRN within that municipality if certain conditions are met.

Funding related to operating and maintaining the MRN are expensed under the heading “maintenance, materials and utilities”. Funding related to road, cycling and walking infrastructure is expensed under the heading “capital infrastructure contributions” as the related assets are the property of the appropriate municipalities, who assume all the rights and obligations.

(k) Pension plans and employee future benefits:

(i) Pension plan:

The Authority, its subsidiaries and employees make contributions to the Public Service Pension Plan (“PSPP”). These contributions to the PSPP are expensed as incurred.

(ii) Employee future benefits:

Post-retirement and post-employment benefits are available to the Authority’s eligible employees. The cost of post-retirement benefits is actuarially determined, prorated on service and management’s best estimate of retirement ages and expected health care costs. The cost of post-employment benefits to disabled employees is actuarially determined based on future projected benefits of currently disabled employees.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

2. Significant accounting policies (continued):

(k) Pension plans and employee future benefits (continued):

(ii) Employee future benefits (continued):

The obligations under these post-retirement and post-employment benefit plans are accrued as the employees render services necessary to earn the future benefits. The measurement date of the accrued benefit obligation coincides with the Authority's fiscal year. The most recent actuarial valuation of the plans was December 31, 2023. The plans are unfunded and require no contributions from employees. Employer contributions are based upon expected annual benefit payments.

Actuarial gains or losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains or losses are amortized over the average remaining service period of active employees in the consolidated statement of operations. The amortization period of the active employees covered by the post-retirement plan is 12 years (2022 - 12 years) and post-employment plan is 6 years (2022 - 6 years).

(l) Deferred revenue:

The Authority defers the portion of the revenue collected from transit services relating to services not yet rendered. This revenue is recognized in the year in which related services are provided.

(m) Development cost charges:

Development cost charges are restricted by legislation for expenditures on eligible capital projects. These amounts are recorded in deferred development cost charges upon receipt and recognized as revenue when qualifying expenditures are incurred.

(n) Deferred concessionaire credit:

Deferred concessionaire credit represents the funding provided by the Canada Line concessionaire towards the design and construction phases of the Canada Line in exchange for the right to operate the line over the 30-year operating term. This amount is amortized to income on a straight-line basis over the operating term of the concessionaire agreement, which commenced in August 2009 and will expire in July 2040.

(o) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

2. Significant accounting policies (continued):

(o) Government transfers (continued):

A significant portion of the Authority's government funding, for capital purposes, is received from the Government of Canada (the "Federal Government") through the Canada Community Building Fund (previously known as the "Gas Tax") program and other similar programs. Under these agreements, the Authority is required to acquire or construct specific transit assets using these funds. The Authority is also required under certain agreements to maintain the assets over a set holding period and repay funds if the associated assets are sold before the end of the holding period.

(p) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organisms that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Authority is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of remediation and post-remediation including operations, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(q) Asset retirement obligations:

On January 1, 2023, TransLink adopted Canadian public sector accounting standard 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of tangible capital assets. The standard was adopted using the prospective transitional provisions.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

2. Significant accounting policies (continued):

(q) Asset retirement obligations (continued):

The estimated asset retirement costs are capitalized only if the related tangible capital asset is in productive use and recognized in TransLink's books. The increase to the tangible capital asset is amortized in accordance with the amortization accounting policy outlined in note 2(h).

The obligation is measured based on the estimated future costs discounted based on TransLink's cost of borrowing. In subsequent fiscal years, the obligation will be adjusted annually to reflect changes in the timing of future cash flows and the accretion included in interest expense to reflect the passage of time.

(r) Income taxes:

The Authority is a tax-exempt corporation, which is exempt from Canadian federal and British Columbia provincial income taxes as it is deemed to be a public body performing the function of government in Canada. The Authority's subsidiaries file on the basis that they are exempt from Canadian federal and British Columbia provincial income taxes.

(s) Foreign currency translation:

Transactions of the Authority and its subsidiaries, originating in foreign currencies, are translated at the rates in effect at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at exchange rates in effect at the Statement of Financial Position date. Foreign exchange gains and losses are included in income.

(t) Use of estimates:

The preparation of these consolidated 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 these consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(u) Segment disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the Authority. TransLink has provided definitions of segments used and presented financial information in the segmented format (note 20). Business Technology, Human Resource, Payroll and Administrative Services costs are managed by the corporate segment and allocated among the operating segments, as appropriate. Interest has been allocated based on the allocated depreciation.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

2. Significant accounting policies (continued):

(v) Budget data:

The budget data presented in these consolidated financial statements were approved by the Board of Directors on December 1, 2022.

3. Restricted and unrestricted cash and cash equivalents and investments:

The Authority holds cash and cash equivalents and investments consisting of:

- (i) Cash, guaranteed investment certificates and bonds held at various financial institutions; and
- (ii) Fund units managed by the British Columbia Investment Management Corporation ("BCI") that are invested in money market, government bonds, marketable corporate securities, private debt, public and private equity investments and real assets.

Investments are recorded at amortized cost.

Details of interest rates and maturity dates ranges of the guaranteed investment certificates are as follows:

	2023	2022
Interest rate range	1.01% - 6.25%	0.80% - 5.57%
Maturity date range	January 2024 - September 2028	January 2023 - June 2026

The bonds have an average initial term of 188-months (2022 - 187-months) and an average remaining term to maturity of 126-months (2022 - 138-months). All bonds held by the Authority, as at December 31, 2023 and 2022, were rated A or higher.

Details of effective interest rates and coupon rates of the government and corporate bonds are as follows:

	2023		2022	
	Effective rates	Coupon rates	Effective rates	Coupon rates
Weighted average rate	2.94%	2.79%	2.85%	2.79%
Interest rate range	0.93% - 5.56%	1.10% - 5.20%	1.05% - 5.37%	1.10% - 5.20%

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

3. Restricted and unrestricted cash and cash equivalents and investments (continued):

(a) Restricted cash and cash equivalents and investments:

	2023	2022
Government transfers for capital project funding (i):		
Cash and cash equivalents	\$ 226,156	\$ 41,602
Investments:		
Guaranteed investment certificates	661,664	491,262
Bonds (note 18(b))	263,544	288,584
	1,151,364	821,448
Self-administered sinking funds:		
Cash and cash equivalents	14,380	5,164
Investments:		
Guaranteed investment certificates	118,908	39,391
Bonds (note 18(b))	496,475	486,886
	629,763	531,441
Land reserve:		
Cash and cash equivalents	74,904	75,810
Guaranteed investment certificates	206,876	273,684
	281,780	349,494
Green Bond proceeds:		
Cash and cash equivalents	66	38
Development cost charges:		
Cash and cash equivalents	11,667	-
TPCC (wholly-owned captive insurance subsidiary):		
Cash and cash equivalents	1,684	1,724
Bonds (note 18(b))	31,423	28,629
	33,107	30,353
Golden Ears Bridge forgone toll revenue funding (note 3(a)(ii) and note 6(i)(ii)):		
Cash and cash equivalents	652,683	250,420
Investments:		
Guaranteed investment certificates	500,000	1,750,000
Fund units (note 18(b)):		
Bond	436,409	-
Public equity	296,849	-
Mortgages	50,276	-
Real estate	53,671	-
Private equity	851	-
Private debts	29,227	-
	2,019,966	2,000,420
Total restricted cash and cash equivalents and investments	\$ 4,127,713	\$ 3,733,194

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

3. Restricted and unrestricted cash and cash equivalents and investments (continued):

(a) Restricted cash and cash equivalents and investments (continued):

(i) Unspent government transfers for capital project funding consist of \$1,151,364,000 (2022 - \$814,811,000) of Canada Community Building Fund (previously known as the "Gas Tax") funding (2022 - also included \$6,637,000 of other funding)

(ii) Golden Ears Bridge forgone toll revenue funding includes a \$148,000,000 purchase of investments managed by BCI which will settle on January 2, 2024.

(b) Unrestricted investments:

Unrestricted investments are comprised of guaranteed investment certificates of \$394,831,000 (2022 - \$235,289,000).

4. Debt reserve deposits and callable demand notes:

The Authority is required to pay the Municipal Finance Authority of British Columbia ("MFA") debt reserve deposits into a debt reserve fund of 1.00% of the face value of each debenture borrowing from the MFA. These are interest bearing restricted funds administered by the MFA and are only refundable once the respective debt issue has been fully repaid.

If at any time the MFA does not receive sufficient funds to meet payments or sinking fund contributions due on the Authority's debt obligations, the interest and principal payments or sinking fund contributions will be deducted from this debt reserve fund.

In addition to the debt reserve deposit, the Authority is required by the MFA to issue a non-interest-bearing demand note for an amount equal to one-half the average annual installment of principal and interest relative to any debt borrowed less the debt reserve deposit. The demand notes payable to the MFA are callable only if, in the event of a default by the Authority or Metro Vancouver (the interposed significant lender over the Authority's long-term debt), there are insufficient funds in the Authority's debt reserve deposit held at the MFA to meet a required interest, principal payment or sinking fund contribution. As the Authority is in full compliance with its debt payments and no such call has been made by the MFA on these demand notes, their face value has not been recorded as a liability on the Consolidated Statement of Financial Position. At year-end, the maximum value of the demand notes totaled \$25,649,000 (2022 - \$25,649,000).

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

5. Debt:

	2023	2022
Unsecured sinking fund bonds held by the MFA, weighted average coupon rate of 4.44% (2022 - 4.29%) (effective rate 4.46% (2022 - 4.32%)), maturing at various dates from 2024 to 2036, original 20 to 30-year (2022 - 20 to 30-year) term	\$ 954,344	\$ 954,162
Less: accumulated payments to MFA administered debt sinking funds (including vested and accrued actuarial earnings)	(683,083)	(626,676)
Unsecured serial debenture held by the MFA, coupon rate of 5.10% interest payable semi-annually (effective rate 5.19%), maturing in 2025, principal repayment of approximately \$3 million annually, original 20-year term	5,809	8,606
Unsecured bullet maturity bond series TL-2, face value \$200 million, interest rate 4.65% (effective rate 4.70%), maturing 2041, original 30-year term	198,828	198,790
Unsecured bullet maturity bond series TL-3, face value \$250 million, interest rate 3.85% (effective rate 3.82%), maturing 2052, original 40-year term	251,314	251,348
Unsecured bullet maturity bond series TL-4, face value \$365 million, interest rate 4.45% (effective rate 3.97%), maturing 2044, original 30.5-year term	390,349	391,184
Unsecured bullet maturity bond series TL-5, face value \$465 million, interest rate 3.05% (effective rate 2.43%), maturing 2025, original 10.5-year term	469,011	471,769
Unsecured bullet maturity bond series TL-6, face value \$200 million, interest rate 3.15% (effective rate 3.18%), maturing 2048, original 31-year term	198,842	198,813
Unsecured bullet maturity bond series TL-7 (Green), face value \$400 million, interest rate 3.25% (effective rate 3.31%), maturing 2028, original 10-year term	398,823	398,612
Unsecured bullet maturity bond series TL-8 (Green), face value \$200 million, interest rate 2.65% (effective rate 2.68%), maturing 2050, original 31-year term	198,711	198,678
Unsecured bullet maturity bond series TL-9, face value \$400 million, interest rate 1.60% (effective rate 1.64%), maturing 2030, original 10-year term	398,943	398,792
Unsecured bullet maturity bond series TL-10 (Green), face value \$600 million, interest rate 4.15% (effective rate 4.37%), maturing 2053, original 31-year term	578,228	297,669
Capital leases, 2022 weighted average implicit rate of 2.17%, fully matured during 2023	-	1
	\$ 3,360,119	\$ 3,141,748

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

5. Debt (continued):

The Authority has an unsecured revolving credit facility with a syndicate of Canadian financial institutions totaling \$500 million, which will expire on March 23, 2027. The credit facility is to be used primarily as a liquidity backstop of commercial paper and provides for loans at varying rates of interest based on certain benchmark interest rates, specifically the Canadian prime rate and the Canadian banker's acceptance rate, and on the Authority's credit ratings at the time of drawdown. The Authority is also required to pay commitment fees, which are also dependent on the Authority's credit ratings. This credit facility has no financial covenants or requirements to maintain a specific credit rating and was not drawn upon in 2023.

The Authority's unsecured commercial paper program is backstopped by the abovementioned syndicated credit facility, which enables it to issue commercial paper up to a maximum aggregate of \$500 million. As at December 31, 2023 and 2022, there was no outstanding commercial paper issued.

The future debt payments, future actuarial interest credit on the MFA sinking fund payments and unamortized premium / issue costs are summarized as follows:

	Sinking fund bonds held by MFA	Serial debenture held by MFA	Bullet maturity bonds	Total
Future payments:				
2024	\$ 32,389	\$ 2,868	\$ -	\$ 35,257
2025	30,220	2,941	465,000	498,161
2026	30,220	-	-	30,220
2027	19,942	-	-	19,942
2028	10,178	-	400,000	410,178
Thereafter	19,301	-	2,215,000	2,234,301
	142,250	5,809	3,080,000	3,228,059
Future actuarial interest	129,666	-	-	129,666
	271,916	5,809	3,080,000	3,357,725
Unamortized premium (issue costs)	(655)	-	3,049	2,394
	\$ 271,261	\$ 5,809	\$ 3,083,049	\$ 3,360,119

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

6. Transfers from other governments:

(a) Deferred government transfers:

	Balance, January 1, 2023	Contributions received	Interest earned	Recognized as revenue	Balance, December 31, 2023
Capital project funding:					
Canada Community Building Fund (b)	\$ 820,472	\$ 329,577	\$ 41,007	\$ (72,487)	\$ 1,118,569
Canada Line funding (c)	383,526	-	-	(23,244)	360,282
Public Transit Infrastructure Fund (d)	204,933	-	-	(48,469)	156,464
Investing in Canada Infrastructure Program (e)	122,718	75,515	-	-	198,233
Building Canada Fund (f)	48,697	-	-	(2,968)	45,729
Capstan Station funding (g)	1,863	-	-	(1,863)	-
Evergreen Line funding (h)	5,600	-	-	-	5,600
Transit Secure Fund	2,749	-	-	(422)	2,327
Miscellaneous programs	-	433	-	(433)	-
	<u>1,590,558</u>	<u>405,525</u>	<u>41,007</u>	<u>(149,886)</u>	<u>1,887,204</u>
Operating funding:					
Golden Ears Bridge forgone toll revenue (iii):	1,949,949	-	-	(67,268)	1,882,681
Pandemic Relief funding (j)	-	478,926	-	(478,926)	-
Canada Line Operating Fund (note 8(c))	-	19,219	-	(19,219)	-
Properties environmental program	-	95	-	(95)	-
Other cost sharing projects	-	274	-	(274)	-
	<u>1,949,949</u>	<u>498,514</u>	<u>-</u>	<u>(565,782)</u>	<u>1,882,681</u>
	<u>\$ 3,540,507</u>	<u>\$ 904,039</u>	<u>\$ 41,007</u>	<u>\$ (715,668)</u>	<u>\$ 3,769,885</u>

The balance as at December 31, 2023 of \$3,769,885,000 (2022 - \$3,540,507,000) consists of:

- (i) Unspent Canada Community Building Fund funding (formerly the “Gas Tax” funding) of \$1,151,364,000 (2022 - \$814,811,000) and unspent funding for various other projects of \$6,637,000 in prior year;
- (ii) Spent funding of \$735,840,000 (2022 - \$769,110,000) that will be recognized as revenue as the related stipulations in the agreements are met; and
- (iii) Golden Ears Bridge forgone toll revenue funding related to the agreement effective March 31, 2022 of \$1,882,681,000 (2022 - \$1,949,949,000) that will be recognized as revenue as the related stipulations in the Agreement are met.

(b) Canada Community Building Fund:

The Authority receives funding annually from the Government of Canada via the Gas Tax Funding Agreement between the Authority and the Union of British Columbia Municipalities (“UBCM”). The Authority is required to spend these funds on defined tangible capital assets, to support the mandate as prescribed in the Agreement.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

6. Transfers from other governments (continued):

(b) Canada Community Building Fund (continued):

In 2015, the Authority entered into a new funding agreement with UBCM (the "Agreement").

Under the terms of the Agreement, for tangible capital assets acquired prior to April 1, 2014, the Authority is required to continue to retain title to the ownership of the infrastructure for a period of 10 years, or the useful life of the asset if it is less than 10 years. Accordingly, once the contributions are spent on eligible items and the assets are placed into service, the contributions are amortized to revenue over 10 years, or the asset's useful life if it is less than 10 years.

Tangible capital assets, acquired on or after April 1, 2014, are not subject to stipulations and the contributions are recognized in revenue when the funds are spent on eligible items.

Receipts and disbursements for the year are as follows:

	2023	2022
Opening balance, unspent funds	\$ 814,811	\$ 500,558
Amount received during the year	329,577	358,480
Interest earned	41,007	15,293
Amount spent on designated public transit projects	(34,031)	(59,520)
Closing balance, unspent funds	\$ 1,151,364	\$ 814,811

(c) Canada Line funding:

The Authority has received certain contributions for the Canada Line infrastructure from the Federal and Provincial Governments, with the stipulation that TransLink operate and maintain the Canada Line for a minimum of 30 years, equal to the operating agreement with the concessionaire. If the assets are disposed of prior to the 30-year term, the Authority is required to refund a portion of the contributions received, the amount of which decreases over time. As such, the Authority recognizes the revenue from the contributors over the holding period of 30 years.

(d) Public Transit Infrastructure Fund:

The Public Transit Infrastructure Fund ("PTIF") was established by the Federal Government to provide funding to support the rehabilitation of transit systems, new capital projects, and planning and studies for future transit expansion to foster long-term transit plans. The Federal Government has entered into a bilateral agreement with the Province, which in turn has entered into an agreement with the Authority to provide senior government funding for eligible projects under the PTIF program.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

6. Transfers from other governments (continued):

(d) Public Transit Infrastructure Fund (continued):

Under the Agreement, if any of the acquired or constructed assets are sold, leased, disposed of or used in a manner other than as described in their request for funding before March 31, 2026 for all projects or at any time within 5 years from the Agreement end date of March 31, 2022 for certain projects as agreed to by the Federal Government, the Authority is required to return any funds received from the Province and/or the Federal Government that had, at any time, been applied in respect to the asset sold, leased or disposed.

Accordingly, the Authority recognizes the revenue over the stipulation period of 5 years.

(e) Investing in the Canada Infrastructure Program:

The Investing in the Canada Infrastructure Program ("ICIP") was established by the Federal Government as a way to deliver funding to communities through the Investing in Canada Plan. ICIP provides long-term stable funding to help reduce pollution and increase resilience to climate change, build strong, dynamic, and inclusive communities, and ensure Canadian families have access to modern, reliable services that improve their quality of life.

Investments in infrastructure are being made through targeted streams. Through the Public Transit stream, the Federal Government is investing in the construction, expansion, and improvement of public transit infrastructure for projects that improve the capacity of public transit infrastructure, improve the quality or safety of existing or future transit systems, and improve access to the public transit system.

The Federal Government entered into a bilateral agreement with the Province, who in turn has entered into an agreement with the Authority to provide funding for eligible projects under the ICIP.

Under the Agreement, if any of the acquired or constructed assets are sold, leased, disposed, or used in a manner other than as described in their request for funding for 5 years after the substantial completion date of each project, the Authority is required to return a portion of the contribution to the Province.

Accordingly, the Authority will recognize the revenue over the stipulation period of 5 years.

(f) Building Canada Fund:

The Building Canada Fund was established by the Federal Government to provide strategic funding to infrastructure projects managed by Canadian provinces, territories, and municipalities. Through an agreement with the Province, the Authority obtains funding from the Major Infrastructure Component of the Building Canada Fund, which supports various projects related to public transit. In addition to the Federal funds, the Authority also receives Provincial funding for certain Building Canada Fund related projects.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

6. Transfers from other governments (continued):

(f) Building Canada Fund (continued):

Under the agreement, if any of the assets acquired are disposed or used in a manner other than as described in their request for funding, the Authority is required to return a portion of the contribution to the Province as follows:

Portion of Contribution Refund	Up to 1 year after the Project completion date	Reduction in refund each year afterward
Fixed assets (non-movable)	100%	4%
Non-fixed assets (movable)	100%	10%

Accordingly, the Authority recognizes the revenue over the stipulation periods of 10 or 25 years.

(g) Capstan Station funding:

On March 21, 2012, TransLink entered into a Funding Agreement with the City of Richmond ("CoR"), in relation to the design and construction of the Canada Line Capstan Station. The project was divided into three phases: preliminary design; detailed design; and construction. The CoR agreed to contribute funding for the three phases totaling \$25,316,600 (subject to inflationary adjustments). On December 16, 2019, TransLink received the total funding from the CoR and is required to complete the Project within 30-months of the date of receipt.

Accordingly, the Authority will recognize revenue as expenditures are incurred on the Project.

On December 15, 2020, TransLink entered into an additional agreement with the CoR, which entitled the Authority to receive \$3,000,000 to fund revised design elements of the station.

(h) Evergreen Line funding:

In 2016, TransLink received \$30,261,000 of Evergreen Line project assets, funded by partners of the British Columbia Transportation Financing Authority ("BCTFA"), of which \$7,000,000 was funded by PPP Canada Inc. and has a 25-year holding period stipulation on the related tangible capital assets. If the assets are disposed of prior to the 25-year term, the Authority is required to repay a portion of the funding, the amount of which decreases over time.

Accordingly, the Authority recognizes the revenue based on specified holding periods over the 25-year stipulation period.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

6. Transfers from other governments (continued):

(i) Golden Ears Bridge transfer for forgone toll revenue:

(i) Prior to March 31, 2022:

In August 2017, the Province announced the removal of tolls on the Golden Ears Bridge (the "GEB") effective September 1, 2017. On August 23, 2017, the Authority entered into an Agreement with the Province, to receive payments for forgone projected toll revenue to 2050, provided that the Authority does not charge users tolls for any new crossings and ensures the continued availability and operation of the GEB. The Authority recognized the funding as revenue if these conditions were met. This agreement was replaced with a new agreement effective March 31, 2022.

(ii) Effective March 31, 2022:

On March 31, 2022, TransLink entered into a new agreement with the Province to receive an upfront payment of \$2,000,000,000, as settlement for TransLink's forgone toll revenue for the period from April 1, 2022 to December 31, 2050. This Agreement replaces the previous Agreement dated August 23, 2017. The Agreement stipulates that TransLink not charge tolls to users of the GEB for any crossings and keep the GEB open and operational for public users, except for permitted closures specified in the Agreement. TransLink will be liable to repay the Province for the related portion of the upfront payment contingent upon if there are any defaults of the stipulations contained in the Agreement. The funding received was internally restricted for future operations and capital projects (note 3(a)). The Authority recognizes the funding as revenue over the period of the forgone toll revenue.

(j) Pandemic Relief funding:

In 2022, a Contribution Agreement was entered into to provide TransLink with \$176,000,000 to offset 2023-2025 losses caused by the pandemic.

In 2023, another Contribution Agreement was entered into to provide TransLink with an additional \$468,106,000 to offset 2023-2025 losses caused by the pandemic and higher than expected inflationary pressures and \$10,820,000 to fund free transit for youth aged 12 and under, with payments to be made by the 2024 and 2025 fiscal years. These amounts have been included in accounts receivable as at December 31, 2023.

Funding for the pandemic relief programs have been recognized as revenue in the year the related agreement was signed.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

6. Transfers from other governments (continued):

(k) Working capital balances:

	2023	2022
Trade accounts receivable	\$ 28,725	\$ 27,566
Due from Government of Canada	15,092	6,414
Due from Province of British Columbia	595,848	66,183
Due from regional districts	33,352	34,059
Due from other authorities	2,156	2,687
Accounts receivable	\$ 675,173	\$ 136,909

	2023	2022
Trade accounts payable and accrued liabilities	\$ 475,375	\$ 272,122
Due to Government of Canada	6,304	5,811
Due to Province of British Columbia	8,815	5,511
Due to regional districts	116,957	108,752
Due to other authorities	8,144	8,010
Accounts payable and accrued liabilities	\$ 615,595	\$ 400,206

(l) Transit revenues:

Included in transit revenues is \$17,425,000 (2022 - \$16,850,000) of contributions from the Province, to assist with administering the U-Pass BC program and to offset forgone transit revenue.

7. Golden Ears Bridge:

(a) Golden Ears Bridge contractor liability:

In 2006, the Authority entered in a Fixed-Price Contract with the Golden Crossing General Partnership (the "GCGP") to design, construct, finance, operate, maintain, and rehabilitate the GEB. The contract terminates in June 2041.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

7. Golden Ears Bridge (continued):

(a) Golden Ears Bridge contractor liability (continued):

The GEB contractor liability to finance the construction is repaid by the Authority over the operating term as follows:

	2023	2022
Opening balance	\$ 999,512	\$ 1,013,077
Interest accretion on contractor liability to last payment date	67,438	66,268
Payments made	(83,547)	(79,833)
Ending balance	\$ 983,403	\$ 999,512

As the last monthly payment of the year was made on December 8, 2023, the interest accrual from December 9 to 31, 2023 of \$4,178,000 (2022 - \$4,153,000), is included in accounts payable and accrued liabilities.

Capital and interest payments to the GCGP commenced on substantial completion of the Project. The nominal (based on 2005 dollars) monthly blended capital and interest payments, prior to escalation for the Consumer Price Index ("CPI"), are \$4,792,000. The obligation to the GCGP bears interest at an effective rate of 6.70% per annum. The effective interest rate is the implicit interest rate, which establishes the net present value of the payment stream equal to the cost of the bridge, considering future payments adjusted by estimated inflation. The estimated payments in the next 5 years are as follows:

	Capital and interest
2024	\$ 82,929
2025	84,663
2026	86,356
2027	88,083
2028	89,845

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

7. Golden Ears Bridge (continued):

(b) Operating agreement with GCGP:

The Authority also pays the GCGP a monthly Operating, Maintenance, Rehabilitation (“OMR”) fee of \$316,198 (based on 2005 dollars), which escalates based on CPI. Including estimated inflation, the OMR payments to GCGP in the next 5 years are expected to be as follows:

	OMR
2024	\$ 5,587
2025	5,698
2026	5,812
2027	5,929
2028	6,047

8. Canada Line:

The Canada Line is a light rail rapid transit line that links central Richmond, the Vancouver International Airport and downtown Vancouver. The concessionaire (“InTransit BC”) is contracted to operate the Canada Line from August 2009 to July 2040.

(a) Deferred concessionaire credit:

The deferred concessionaire credit represents contributions made by the concessionaire to design and construct the Canada Line in exchange for the right to operate. This amount is being amortized over the concession term, which ends July 2040.

	2023	2022
Opening balance	\$ 409,355	\$ 432,629
Less: amortization	(23,273)	(23,274)
Closing balance	\$ 386,082	\$ 409,355

(b) Operating commitments:

Base operating and maintenance payments to the Canada Line concessionaire (with 2003 being the base year), prior to adjustments for operational metrics and inflation, are as follows:

	Each 28-day period
January 2024 to December 2034	\$ 6,462
January 2035	5,289
February 2035 to July 2040	4,117

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

8. Canada Line (continued):

(b) Operating commitments (continued):

The total estimated base operating and maintenance payments, excluding taxes, to the concessionaire for each of the next 5 years adjusted for certain operational metrics and estimated inflation, are as follows:

2024	\$ 138,000
2025	140,000
2026	144,000
2027	147,000
2028	150,000

The base operating and maintenance payments are subject to special events and passenger volume adjustments as well as quality and availability deductions according to the provisions of the contract.

(c) Operating contributions:

The Province has committed to provide funding of \$1,478,000 for each 28-day period to March 2040 related to the Canada Line operating expenses, which is approximately \$19,200,000 per annum subject to quality and availability deductions. The funding received in 2023 was \$19,219,000 (2022 - \$19,205,000).

9. Pension plans and employee future benefits:

(a) Pension plans:

The Authority and its subsidiaries contribute to the Public Service Pension Plan (the "Plan" or "PSPP"), which is a multi-employer defined benefit plan, together with other British Columbia public service employers, in accordance with the *Public Sector Pension Plans Act*.

In addition to the PSPP, TSML contributes on behalf of its sworn members to the Municipal Pension Plan Group 5 ("MPP"), which is also a multi-employer defined benefit plan, together with other British Columbia public service employers, in accordance with the *Public Sector Pension Plans Act*.

The British Columbia Pension Corporation administers the PSPP and MPP pension benefits on behalf of the employers and the employees to whom the Act applies. The long-term funding of the PSPP and MPP is based on the level contribution method. Using this method, employer contribution rates are set out so that, in combination with member contributions, they will fully pay for benefits earned by the typical new entrants and will maintain the unfunded accrual liability ("UAL") for funding purposes, if any, as a constant percentage of employer payroll.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

9. Pension plans and employee future benefits (continued):

(a) Pension plans (continued):

The actuary does not attribute portions of the UAL to individual employers. Contributions are expensed in the year when payments are made. Every three years, an actuarial valuation is performed to assess the financial position and the adequacy of funding. For the PSPP, the latest full actuarial valuation was carried out as at March 31, 2023 and resulted in a surplus of \$4,491,000,000. For the MPP, the latest full actuarial valuation was carried out as at December 31, 2021 and resulted in a surplus of \$3,761,000,000. The next valuation for PSPP will be as at March 31, 2026, with results available in 2027, and for MPP will be as at December 31, 2024 with results available in 2025.

In 2023, the Authority recorded total expense for pension contributions of \$64,643,000 (2022 - \$58,286,000).

(b) Employee future benefits:

(i) Post-retirement:

In addition to the post-retirement benefits provided by the Plan, the Authority, CMBC and TSML continue to provide life insurance benefits to eligible retired employees.

Dependent extended health premiums are provided to eligible MoveUp union retired employees of CMBC and the Authority and eligible Transit Police Professional Association retired employees of TSML.

BCRTC also sponsors a post-retirement plan which provides extended health and dental benefits to eligible retired employees.

In 2023, the total expense recorded in the consolidated financial statements for the post-retirement obligations under these plans amounts to \$2,438,000 (2022 - \$6,232,000).

(ii) Post-employment:

The Authority, CMBC and TSML provide extended health, dental and life insurance benefits to employees on approved long-term disability leave (post-employment benefits).

BCRTC provides extended health, dental, life insurance and pension benefits to employees on approved long-term disability leave.

Effective December 24, 2012, WCE employees on approved long-term disability leave receive extended health, dental and life insurance benefits.

In 2023, the total expense recorded in these consolidated financial statements for the obligations under these plans amounts to \$2,222,000 (2022 - \$1,545,000).

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

9. Pension plans and employee future benefits (continued):

(b) Employee future benefits (continued):

(iii) Summary of the Authority's post-retirement and post-employment plans is as follows:

	Post- retirement benefits	Post- employment benefits	Total 2023	Total 2022
Accrued benefit obligation	\$ 89,970	\$ 23,773	\$ 113,743	\$ 87,656
Unamortized net actuarial gain	23,630	2,720	26,350	53,546
Accrued benefit liability	\$ 113,600	\$ 26,493	\$ 140,093	\$ 141,202

The accrued benefit liability is not funded.

(iv) The expense for the year is comprised of the following components:

	Post- retirement benefits	Post- employment benefits	Total 2023	Total 2022
Current period benefit cost	\$ 3,433	\$ 3,749	\$ 7,182	\$ 9,425
Plan amendment	-	-	-	23
Interest cost	3,242	923	4,165	3,131
Amortization of actuarial gains	(4,237)	(2,450)	(6,687)	(4,802)
Net expense	2,438	2,222	4,660	7,777
Actuarially determined payments	(1,869)	(3,900)	(5,769)	(4,799)
Change in accrued benefit liability \$	569	\$ (1,678)	\$ (1,109)	\$ 2,978

(v) The significant assumptions used are as follows:

	2023	2022
Discount rates	4.03% - 4.41%	4.15% - 4.65%
Expected health care cost trend rates	4.04% - 5.74%	4.00% - 5.79%

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

10. Deferred development cost charges:

The Authority collects development cost charges for the purpose of funding capital costs of eligible projects in the transportation service region. In accordance with the Act, these funds must be held in a separate reserve fund until the qualifying costs are incurred, at which time the amounts are recognized as revenue.

	2023	2022
Opening balance	\$ 15,132	\$ -
Contributions	42,068	40,290
Interest earned	449	-
Revenue recognized	(17,301)	(25,158)
Ending balance	\$ 40,348	\$ 15,132

Development cost charges are comprised of restricted cash and cash equivalents of \$11,667,000 (2022 - nil) and accrued receivables of \$28,681,000 (2022 - \$15,132,000).

11. Asset retirement obligations:

In the 2023 initial recognition year, asset retirement obligations of \$25,935,000 were recognized of which tangible capital assets was increased by \$23,615,000 and the remaining \$2,320,000 was expensed.

	Leasehold improvement	Other	Total 2023
Opening balance	\$ -	\$ -	\$ -
Initial recognition	24,156	1,779	25,935
Accretion expense	962	55	1,017
Ending balance	\$ 25,118	1,834	\$ 26,952

On initial recognition, the asset retirement obligation was measured at fair value, determined using the present value methodology with a discount rate of 4.03% and inflation rate of 2.00%. The estimated future settlement dates for the liabilities range from 1 to 86 years. The undiscounted liability at December 31, 2023 was \$41,147,000. During the year ended December 31, 2023, accretion of \$1,017,000 was recorded as interest expense.

The removal costs for certain leasehold improvements are not determinable as the amounts are subject to future negotiations.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

12. Tangible capital assets:

Cost	Balance, January 1, 2023	Additions, net of transfers	Disposals	Balance, December 31, 2023
Land	\$ 505,620	\$ 70,538	\$ (992)	\$ 575,166
Land improvements	58,329	7,506	-	65,835
Buildings	407,125	38,429	-	445,554
Bridges, guideways, stations, and tunnels	2,372,044	-	-	2,372,044
Other supporting systems	1,338,117	102,957	-	1,441,074
Vehicles and SeaBus	2,161,694	42,390	(6,354)	2,197,730
Equipment	979,845	170,157	(30,382)	1,119,620
Tangible capital projects-in-progress	763,605	205,185	-	968,790
	\$ 8,586,379	\$ 637,162	\$ (37,728)	\$ 9,185,813

Accumulated amortization	Balance, January 1, 2023	Amortization expense	Disposals	Balance, December 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	(28,349)	(2,680)	-	(31,029)
Buildings	(160,289)	(12,549)	-	(172,838)
Bridges, guideways, stations, and tunnels	(311,261)	(27,191)	-	(338,452)
Other supporting systems	(465,311)	(54,183)	-	(519,494)
Vehicles and SeaBus	(1,216,301)	(111,387)	6,354	(1,321,334)
Equipment	(639,412)	(51,690)	30,323	(660,779)
Tangible capital projects-in-progress	-	-	-	-
	\$ (2,820,923)	\$ (259,680)	\$ 36,677	\$ (3,043,926)

Net book value	Balance, January 1, 2023	Balance, December 31, 2023
Land	\$ 505,620	\$ 575,166
Land improvements	29,980	34,806
Buildings	246,836	272,716
Bridges, guideways, stations, and tunnels	2,060,783	2,033,592
Other supporting systems	872,806	921,580
Vehicles and SeaBus	945,393	876,396
Equipment	340,433	458,841
Tangible capital projects in progress	763,605	968,790
	\$ 5,765,456	\$ 6,141,887

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

12. Tangible capital assets (continued):

Included in tangible capital assets is capital leased equipment with a net book value of nil (2022 - \$692,000).

Interest capitalized during the year amounted to \$21,000,000 (2022 - \$6,522,000).

(a) Expo and Millennium Line:

The Expo and Millennium Line guideways and related systems are leased/licensed from the Province for nominal proceeds and the Authority is responsible for operations and maintenance. As at December 31, 2023, the Authority has made leasehold improvements on the Expo and Millennium Line guideways with a net book value totaling \$385,672,000 (2022 - \$340,213,000). The Expo and Millennium line leases expire on January 31, 2025 and have further extension provisions. As the Authority expects to renew the leases, the improvements are capitalized and amortized over their expected useful lives and not the term of the leases.

(b) West Coast Express:

BCTFA leases to TransLink all its interests (owned and otherwise) with respect to the West Coast Express properties and infrastructure. As at December 31, 2023, the net book value of West Coast Express improvements totaled \$6,210,000 (2022 - \$6,600,000).

(c) Evergreen Line:

The Evergreen Line (an extension of the Millennium Line) links neighborhoods in Burnaby, Port Moody and Coquitlam and is operated by TransLink as part of the regional transportation network. The Evergreen Line is funded by the Government of Canada, BCTFA, TransLink and other partners. On October 31, 2016, the Evergreen Line was substantially completed and accordingly, a portion of the Evergreen Line infrastructure ("TransLink Evergreen Line Infrastructure") was transferred from BCTFA to TransLink including stations, guideway and the related systems east of Inlet Centre station (excluding Inlet Centre station) and the vehicle storage facility. As at December 31, 2023, the net book value of Evergreen Line guideways and system owned by TransLink, excluding SkyTrain vehicles, totaled \$289,997,000 (2022 - \$296,755,000).

As BCTFA holds the underlying property rights on which the TransLink Evergreen Line Infrastructure is located, BCTFA and TransLink have agreed to enter into an agreement whereby TransLink may exercise and obtain the benefit of BCTFA's interests to such property rights for a 100-year term on certain terms and conditions, including that if the agreement expires or terminates then BCTFA will reimburse TransLink for the remaining net book value of the TransLink Evergreen Line Infrastructure.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

12. Tangible capital assets (continued):

(d) Write-downs:

In 2023 there were no write-downs of tangible capital assets. In 2022, the Surrey-Newton-Guildford Light Rail Transit Project and Burrard Station Upgrade Project were cancelled and resulted in write-downs of tangible capital assets of \$44,875,000 and \$8,880,000, respectively.

13. Prepaid capital:

As the future operator of the Surrey Langley SkyTrain (“SLS”) and lessee of the SLS assets, TransLink has incurred \$30,745,000 (2022 - \$29,752,000) of capital expenditures for the assets that will be owned by the Province. The expenditures represent TransLink’s share of the SLS development costs. These costs were transferred from tangible capital assets to prepaid capital in 2022 once it was determined that the SLS assets would be owned by the Province.

14. Investment in partnerships:

The Broadway and Arbutus Project Limited Partnership (the “Partnership”) was established on April 25, 2022. The Partnership’s purpose is to deliver a mixed-use residential building at the corner of West Broadway and Arbutus. The Authority holds a 50% ownership of the Partnership through a wholly-owned subsidiary, TOD Investments Ltd. by way of land and cash contributions in exchange for Partnership units.

The limited partners do not exercise day-to-day management or control of the Partnership. Broadway and Arbutus GP Inc., as the general partner, is responsible for the decision-making for the Partnership. The Authority holds 50% ownership of Broadway and Arbutus GP Inc. through a wholly-owned subsidiary, TLRED Holdings Ltd.

Transactions and balances of these partnerships are proportionately consolidated into the Authority’s consolidated financial statements based on its 50% interest.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

14. Investment in partnerships (continued):

(a) Broadway and Arbutus Project Limited Partnership:

The Partnership's summarized financial statements are as follows:

Statement of financial position	2023	2022
Assets:		
Cash	\$ 388	\$ 1,220
Receivables and prepaid expenses	21	32
Properties under development	40,204	39,198
Total assets	\$ 40,613	\$ 40,450
Liabilities:		
Payables and deposits	\$ 84	\$ 60
Partners' equity	40,529	40,390
Total liabilities and partners' equity	\$ 40,613	\$ 40,450

Statement of operations	Year ended December 31, 2023	For the period from inception to December 31, 2022
Revenues	\$ 262	\$ 120
Operating expenses	123	57
Net income	\$ 139	\$ 63

(b) Broadway and Arbutus GP Inc.:

There were no significant balances or transactions related to Broadway and Arbutus GP Inc. for the 2023 and 2022 fiscal years, and therefore, there are no significant impacts on the Authority's consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

15. Commitments and contingencies:

(a) Operating leases:

The Authority is committed to annual lease payments in respect of office premises and vehicles, in the following amounts:

2024	\$	26,068
2025		22,360
2026		20,241
2027		19,578
2028		19,625
	\$	107,872

Included in the payment schedule above are certain commitments that extend beyond 2028. Significant commitments beyond 2028 are as follows:

(i) The Authority has a premise lease, with the Brewery District Investments Ltd., for the head office of TransLink and TSML which ends in 2033. The monthly commitment for basic rent and operating costs subsequent to year 2028 ranges from \$875,000 to \$905,000, respectively.

(b) WCE - lease and operating commitments:

In connection with operating the Commuter Rail System, the operating commitment for WCE include train operations, rolling stock maintenance, and miscellaneous services.

The following summarizes the WCE operating commitments:

2024	\$	17,253
2025		13,288
2026		1,191
	\$	31,732

(c) Operating commitment with Cubic Transportation System Inc.:

The Authority has a contract, with Cubic Transportation Systems Inc. ("Cubic"), to operate its transit fare system. During the year, the Authority exercised its option to extend the contract with Cubic for an additional 5 years ending December 31, 2030.

Base payments to Cubic under the contract terms for operations and maintenance are adjusted periodically based on CPI.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

15. Commitments and contingencies (continued):

(c) Operating commitment with Cubic Transportation System Inc. (continued):

The projected base payments based on estimated inflation are as follows:

2024	\$	17,208
2025		17,872
2026		18,453
2027		19,204
2028		19,906
	\$	92,643

The fixed monthly base payments range from \$1,686,000 to \$1,754,000 for 2029 to 2030. Additionally, an amount of \$9,812,000 is payable in 2030, the final year.

(d) MRN Capital Funding:

The Authority has signed several funding agreements with municipalities for major MRN projects. As at December 31, 2023, the MRN capital infrastructure contributions committed and not paid is \$174,756,000 (2022 - \$160,698,000). This amount will be paid to the municipalities upon completion of their projects.

(e) Lawsuits and claims:

As at December 31, 2023, a number of lawsuits and claims, arising in the ordinary course of business, have been initiated against the Authority. Management is of the opinion that sufficient provisions net of any recoveries have been recorded in the consolidated financial statements for any lawsuits and claims made against the Authority, except as noted below.

(i) A number of lawsuits against TransLink and/or its subsidiary in relation to the Canada Line project remain outstanding. The Authority does not believe that reasonable estimates of any potential losses can be made at this time and therefore, no provisions have been recorded in these consolidated financial statements for the following:

- A class action lawsuit filed by Cambie area merchants, where no specific amount has been claimed at this time. The main claims from the merchants are for damages in the tort of nuisance which were dismissed in 2015. The courts have only allowed claims of a lesser value, specifically for injurious affection to property interests, to be advanced by the merchants. After various legal proceedings over a number of years, the parties are now engaged in settlement discussions toward a final resolution. Approximately 40 claims may be advanced. The amount of these claims cannot be estimated at this time.
- A lawsuit filed by a number of the Cambie area merchants, where no specific amount has been claimed at this time.
- Two additional lawsuits, each filed by individual Cambie area merchants, where no specific amounts have been claimed at this time.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

15. Commitments and contingencies (continued):

(e) Lawsuits and claims (continued):

(ii) A proposed class action lawsuit and labor grievances have been filed against the Authority or its subsidiaries in relation to the data breach resulting from the cyberattack in 2020 against the Authority. The certification application in the proposed class action lawsuit was heard by the court in December 2022 and its decision was rendered in June 2023, denying certification of the class action. The plaintiffs appealed the decision and the appeal hearing occurred in January 2024. The Court of Appeal's decision was reserved. The Authority believes that the outcome of the claims and a reasonable estimate of any potential losses cannot be determined at this time and therefore, no provisions have been recorded in the consolidated financial statements.

(f) Other capital and inventory commitments:

As at December 31, 2023, \$1,174,330,000 (2022 - \$1,039,891,000) has been contractually committed for other capital projects and inventory.

(g) Letters of credit:

As at December 31, 2023, the Authority has issued letters of credit to the Receiver General of Canada and several municipalities totaling \$5,719,000 (2022 - \$3,620,000) which expire in 2024.

(h) Broadway and Arbutus Project Limited Partnership:

The Partnership agreed to act as a guarantor on \$13,500,000 of land financing undertaken by the non-TransLink limited partners. The Partnership, Broadway and Arbutus GP Inc., the Authority and TOD Investments Ltd. are indemnified from the responsibilities of this guarantee.

The Partnership has also assumed a commitment to compensate the original owner of one of the project land parcels, should a certain level of additional density be obtained as part of the rezoning process for the project.

16. Contractual rights:

The Authority is entitled to future revenues based on contracts and agreements it has entered into by year-end to fund operating costs and capital expansion. These include but are not limited to funding agreements for ICIP, U-Pass BC program and Canada Line.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

16. Contractual rights (continued):

The following summarizes the amounts receivable expected under all such contracts and agreements over the next 5 years:

2024	\$	403,336
2025		263,954
2026		57,931
2027		31,065
2028		24,093
	\$	780,379

The annual amounts beyond 2028 range from \$1,843,000 to \$20,217,000 until 2041.

17. Statement of cash flows:

	2023	2022
Non-cash changes to operations:		
Amortization of tangible capital assets	\$ 259,680	\$ 250,019
Amortization of bond premium	(2,933)	(2,961)
Amortization of deferred concessionaire credit	(23,273)	(23,274)
Amortization of deferred government transfers	(217,154)	(215,065)
Amortization of deferred lease inducements, net of additions	(192)	(1,035)
Interest accretion on contractor liability	67,438	66,268
Interest accretion on asset retirement obligations	1,017	-
Gain on disposal of tangible capital assets	(8,085)	(1,748)
Write-down of tangible capital assets	-	53,755
Sinking fund interest held by MFA	(24,019)	(24,263)
	\$ 52,479	\$ 101,696

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

17. Statement of cash flows (continued):

	2023	2022
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	\$ (538,264)	\$ 22,298
Decrease in loan receivable	-	131,060
Increase in supplies inventory	(31,299)	(6,149)
Increase in prepaid capital	(993)	-
Increase in property under development	(503)	(1,864)
Decrease (increase) in prepaid expenses	(778)	38
Increase in accounts payable and accrued liabilities	215,389	35,748
Increase in deferred development cost charges	25,216	15,132
Increase in deferred revenue and deposits	9,099	9,197
Increase (decrease) in employee future benefits	(1,109)	2,978
	<u>\$ (323,242)</u>	<u>\$ 208,438</u>

18. Financial instruments:

(a) Credit, interest, price and foreign exchange risk:

Unless otherwise noted, it is management's opinion that the Authority has not been exposed to any significant credit or interest rate risks as a result of its financial instruments.

The Authority is exposed to minimal credit risk as the majority of its accounts receivables are due from government sources.

Interest rate risk related to the Authority's debt will be subject to the market interest rates at the date of refinancing, but this risk is mitigated by spreading maturities of borrowings over multiple years and also regularly making contributions to sinking funds in order to repay all long-term bullet debt over a pre-determined amortization period.

The fair value of the Authority's restricted investments in fund units is impacted by changes in interest rates and changes in market prices. Risks related to the fund units is managed through the Authority's investment policy.

The Authority's operations are all based in Canada and exposure to foreign exchange fluctuations is not significant.

There has been no change to any of the long-term risk exposures from 2023.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

18. Financial instruments (continued):

(b) Fair values:

The fair values of certain debt and assets are represented in the table below. Management considers the carrying value of all financial instruments to approximate their fair value, except as noted below.

2023	Fair values	Amortized cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 250,385	\$ 263,544
Self-administered sinking funds - bonds	455,190	496,475
TPCC - bonds	30,481	31,423
Fund units:		
Bond	443,139	436,409
Public equity	302,187	296,849
Mortgages	49,573	50,276
Real estate	44,585	53,671
Private equity	825	851
Private debts	32,014	29,227
<hr/>		
2022	Fair values	Amortized cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 265,470	\$ 288,584
Self-administered sinking funds - bonds	427,758	486,886
TPCC - bonds	26,687	28,629

19. Taxation revenue:

	2023	2022
Property tax	\$ 463,133	\$ 437,922
Fuel tax	390,524	424,534
Parking rights tax	83,757	74,970
Hydro levy	23,080	22,657
Replacement tax	17,918	17,993
	<hr/>	<hr/>
	\$ 978,412	\$ 978,076

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

20. Segmented information:

(a) Bus operations:

Fixed route bus services, SeaBus service and custom transit are delivered through CMBC and various contractors that operate the Community Shuttle routes, West Vancouver Blue Bus, and HandyDART. The Bus operations represent the operating costs and the allocated amortization and interest costs.

(b) Corporate operations:

TransLink corporate is the organization's head office, responsible for organizational leadership and oversight, and the development and undertaking of TransLink's strategic transportation and financial plans. Other functions centralized at the corporate office include capital project management, legal services, information systems, human resources, corporate finance, transportation systems planning, internal audit, marketing, real estate activities and the transportation demand management program.

(c) Rail operations:

Automated light rail and commuter train services are provided by BCRTC and WCE, and through the concession agreement for the Canada Line. The Rail operations represent the operating costs and the allocated amortization and interest costs.

(d) Roads and bridges:

TransLink owns and operates the Knight Street Bridge, Pattullo Bridge, Westham Island Bridge, and the Golden Ears Bridge. In partnership with the municipalities, TransLink supports the MRN, a network of major roads throughout Metro Vancouver. The roads within the MRN network are generally owned by municipalities. TransLink provides funding for the operations, maintenance, and rehabilitation of the MRN, and shares in the costs of eligible capital improvements.

(e) Transit Police:

The South Coast British Columbia Transportation Authority Police Service ("Transit Police") maintains order, safety and security on transit facilities and adjacent areas, and is authorized to enforce laws. The Transit Police coordinate its activities with jurisdictional police as well as other transit security staff.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

20. Segmented information (continued):

	2023					Total
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	
Revenues:						
Taxation	\$ -	\$ 978,412	\$ -	\$ -	\$ -	\$ 978,412
Transit	-	671,560	-	-	-	671,560
Government transfers	-	715,668	-	-	-	715,668
Investment income	-	192,228	-	-	-	192,228
Amortization of deferred concessionaire credit	-	-	23,273	-	-	23,273
Development cost charges	-	17,301	-	-	-	17,301
Miscellaneous revenue	11,755	5,058	785	1,213	1,155	19,966
Gain (loss) on disposal of tangible capital assets	-	8,190	(105)	-	-	8,085
	11,755	2,588,417	23,953	1,213	1,155	2,626,493
Expenses:						
Administration	23,500	27,640	9,865	53	4,300	65,358
Capital infrastructure contributions	-	-	-	76,433	-	76,433
Contracted services	92,070	16,835	141,361	7,385	2	257,653
Fuel and power	72,373	-	17,047	-	-	89,420
Insurance	15,335	539	7,070	1,418	122	24,484
Maintenance, materials, and utilities	95,932	2,270	71,988	58,034	1,881	230,105
Professional and legal	4,096	30,755	3,931	6,221	431	45,434
Rentals, leases and property tax	23,036	9,879	1,828	97	2,837	37,677
Salaries, wages and benefits	619,195	71,227	151,861	1,475	43,133	886,891
Expenses before amortization and interest	945,537	159,145	404,951	151,116	52,706	1,713,455
Amortization of tangible capital assets	117,753	23,670	92,978	23,633	1,646	259,680
Interest	50,769	11,230	40,098	77,653	705	180,455
	168,522	34,900	133,076	101,286	2,351	440,135
	1,114,059	194,045	538,027	252,402	55,057	2,153,590
Surplus (deficit) for the year	\$ (1,102,304)	\$ 2,394,372	\$ (514,074)	\$ (251,189)	\$ (53,902)	\$ 472,903

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

20. Segmented information (continued):

	2022					Total
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	
Revenues:						
Taxation	\$ -	\$ 978,076	\$ -	\$ -	\$ -	\$ 978,076
Transit	-	552,624	-	-	-	552,624
Government transfers	-	427,136	-	-	-	427,136
Investment income	-	109,064	-	-	-	109,064
Amortization of deferred concessionaire credit	-	-	23,274	-	-	23,274
Development cost charges	-	25,158	-	-	-	25,158
Miscellaneous revenue	9,015	6,250	839	20	1,303	17,427
Gain (loss) on disposal of tangible capital assets	-	1,832	(84)	-	-	1,748
	9,015	2,100,140	24,029	20	1,303	2,134,507
Expenses:						
Administration	21,986	22,436	7,195	27	3,149	54,793
Capital infrastructure contributions	-	-	-	60,666	-	60,666
Contracted services	78,890	15,903	135,830	5,960	-	236,583
Fuel and power	74,365	-	15,631	-	-	89,996
Insurance	16,555	446	6,843	1,358	88	25,290
Maintenance, materials, and utilities	83,458	3,384	56,289	38,137	1,614	182,882
Professional and legal	3,372	24,001	3,524	1,847	231	32,975
Rentals, leases and property tax	18,489	15,337	1,808	104	2,852	38,590
Salaries, wages and benefits	563,395	56,718	136,430	1,316	40,136	797,995
Write-down of tangible capital assets	-	53,755	-	-	-	53,755
Expenses before amortization and interest	860,510	191,980	363,550	109,415	48,070	1,573,525
Amortization of tangible capital assets	123,871	17,310	86,761	21,649	428	250,019
Interest	56,940	7,952	39,875	76,395	195	181,357
	180,811	25,262	126,636	98,044	623	431,376
	1,041,321	217,242	490,186	207,459	48,693	2,004,901
Surplus (deficit) for the year	\$ (1,032,306)	\$ 1,882,898	\$ (466,157)	\$ (207,439)	\$ (47,390)	\$ 129,606

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2023

21. Comparative information:

Certain comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.