



Financial and Performance Report

AS AT JUNE 30, 2024



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Caution Regarding Forward-Looking Statements

From time to time, TransLink makes written and/or oral forward-looking statements, which may appear in this document and in other communications. In addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media, and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of uncertainty related to financial, economic, and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

1. Executive Summary

Building Transportation Excellence

Together with its partners, stakeholders, and operating companies, TransLink plans, manages, finances, and operates Metro Vancouver's transportation network. TransLink is dedicated to designing and delivering a transportation system that connects its customers, residents, businesses, and goods movers in a way that protects the environment and helps meet the unique needs of our region.

Progress continues towards achieving Transport 2050 and Access for Everyone goals, while balancing ongoing commitments of keeping the region moving efficiently in a safe and reliable manner. During the second quarter of 2024, several digital enhancements were made, including the new 'NextBus' tool, updates to the TransLink website to meet accessibility guidelines, and there was an 8.6 per cent improvement in real-time transit data accuracy. In addition, Transit Police coordinated with other law enforcement organizations to undertake new initiatives to enhance system safety. The Community Transit Volunteer Program continued to expand, now seeing 110 active volunteers.

TransLink also completed key projects to maintain the system in a state of good repair, including switch replacement near King George Station, escalator replacement at Burrard Station, and construction of the new Guideway and Vehicle Maintenance Shop. TransLink also continued to make progress on other key projects, including static and dynamic testing of the first Mark V train, and construction of the new Operations Control Centre (OCC2).

The first quarter's strong ridership growth continued during the second quarter of 2024, with first and second quarters combined ridership exceeding budget by 4.0 per cent, or 5.0 per cent higher compared to the same period in 2023.

For the first six months of 2024, TransLink recorded a surplus of \$40.7 million which was \$20.3 million (33.2 per cent) unfavourable to budget. This was primarily due to delays in project timelines and, therefore, delays in revenue recognized from Senior Government capital contributions, as well as higher interest expense and higher maintenance costs largely driven by higher inventory parts and structural maintenance costs. This was partially offset by a one-time property tax increase in 2024 to fund urgent transit needs, higher investment income and higher transit revenue, as well as lower one-time costs, amortization costs, and capital infrastructure contributions.

The surplus for 2024 is forecast to be \$98.3 million favourable to budget, mainly due to a \$80 million one-time property tax increase to fund urgent transit needs. As part of the management action to mitigate the funding deficit in 2026, TransLink committed to cost reduction and financial optimization measures that are expected to total \$90 million annually. Work is already underway to implement these initiatives, and 2024 forecast incorporates \$16.7 million related to these cost efficiencies. TransLink continues to work with government partners to secure a new sustainable long-term funding model.

2. Update on Key Priorities Achieved in Q2 2024

TransLink's new corporate priorities, introduced in 2023, align with the vision and goals set out in Transport 2050 and Access for Everyone Plan. The three key corporate priorities ensure continued focus on the customers, maintaining infrastructure in a state of good repair, while aligning workplans and budgets and furthering reconciliation, equity, diversity and inclusion, and resilience as common themes.

The following are the updates on key initiatives undertaken towards achieving corporate priorities during the second quarter of 2024:

Priority One: Deliver Today

TransLink will provide safe and reliable service and an outstanding customer experience every day.

- CMBC implemented a proactive initiative, Fare Blitzes, where Transit Security officers are assigned to high volume locations for fare checks.
- Replaced four 37-year-old escalators at Burrard Station. BCRTC has now completed the Escalator Replacement project to replace all original escalator units along the Expo Line. This project started in 2018 and has replaced over 40 units along the Expo Line, bringing enhanced safety and reliability for customers.
- BCRTC guideway team completed the replacement of a switch machine near King George Station and other station maintenance projects, including new lighting, station cleaning, Mark V platform retrofit etc.
- Completed structural recoating of SkyTrain stations from Rupert Station to 22nd Street Station.
- Digital enhancements have led to an 8.6 per cent accuracy boost in real-time transit data. The new Next Bus tool, now featuring location-based favourites, has replaced the previous version. A new SMS provider has been introduced to optimize the NextBus SMS text messaging service.
- The website, www.translink.ca, is now 99.9 per cent WCAG (Web Content Accessibility Guidelines) 2.1 AA compliant, enhancing user accessibility.
- Advanced our priority of engaging more effectively with newcomers and customers, including translation of news releases, participation in radio interviews and culturally significant events. Facilitated eight On-System Newcomers Travel Training sessions and 30 training workshops for Language Instruction for Newcomers in Canada classes through partnership with various organizations.
- TransLink's Travel Training Manager was named a 2024 Leader in Anti-Racism, Diversity, Equity, and Inclusion by the Community Transportation Association of the Northwest.
- The Transit Volunteer Program has assisted over 7,000 people in 2024 for wayfinding in the system, with 110 active volunteers that speak 13 different languages.
- Enrolled eight new employers in the Transit Friendly Employer program (TFE).
- Transit Police worked with the RCMP in North Vancouver to implement a high-visibility joint patrol initiative to address criminal activity reported on a bus, reducing reports of criminal activity, and enhancing sense of safety/security for commuting public.
- Patrol Officers and Community Safety Officers provided high-visibility foot patrols in and around Stadium Station and across the transit system during the Stanley Cup Playoffs games to ensure a safe transit system for the commuting public.
- In April, the Crime Suppression Team worked with Metrotown security and BCRTC to target known offenders at Metrotown Station which resulted in 26 arrests, seizures of weapons and drugs, and recovery of stolen merchandise.

- In April 2024, the Targeted Mobile Enforcement Team (TMET) cracked down on reported complaints from police, the public and transit staff about dangerous driving and cruising around the Surrey Central Skytrain Station in modified vehicles resulting in 91 violation tickets, eight notice and orders issued, and four impaired drivers removed from the roadway.
- Transformed 16 bus stops to be wheelchair accessible in Q2 2024.
- TransLink's CEO and Director of Indigenous Relations attended the 15th anniversary of the Tsawwassen First Nation Treaty Day Celebration.
- Developed and delivered Land Acknowledgement Training to the Customer Communications and Public Affairs Division as a pilot training session; training will be rolled out enterprise wide in Q3 2024.
- Expanded Indigenous Internship Program which increased the number of interns from three to five and increased the length of each internship from three to five months.
- Completed an upgrade of the CMBC Fleet and Fuel management system.
- Completed wet and winter weather testing on tire performance, allowing CMBC to meet an order deadline for 600 new tires. Wear rate and fuel consumption rates will be analyzed in the coming months.

Priority Two: Deliver Tomorrow

TransLink will advance the implementation of the Investment Plan and Access for Everyone (the 10-Year Priorities)

- Coordinated Bus Rapid Transit (BRT) study tour to Calgary for more than 20 local mayors and councillors in June.
- Hosted a BRT Conference on June 26 for more than 140 elected officials, municipal staff, and key stakeholders with a roster of international BRT and transit experts sharing their experiences and key takeaways for Metro Vancouver.
- Completed static and dynamic testing of Train 1 of Mark V trains at the OMC1 maintenance yard and completed qualification testing of Train 2.
- Completed construction of New Guideway and Vehicle Maintenance Shop (VMS3). Guideway and Rail-borne equipment teams have begun moving to this new facility.
- Flood Risk assessment Request For Proposal closed, evaluation and vendor selection expected in early Q3.
- Three contracts awarded for Surrey-Langley SkyTrain project for guideway, stations, and systems.
- Progressed construction on a New Operations Control Centre (OCC2) building with exterior cladding, glass installation, ceiling work, fibre cable, data centre, control room construction all completed in Q2 2024.
- Access Transit Service Delivery Model contract has been awarded. Review to be completed by end of 2024.
- Current state and future state workshops were held with leaders across the Enterprise to identify opportunities and define our Enterprise digital vision and ambitions for the future.

Priority Three: Deliver Together

TransLink will build a culture of safety, trust, worth, and collaboration with our people and the communities we serve.

- Translated programs in Chinese (both Simplified and Traditional) and Punjabi for Fare Change, Ride & Shine and Spring Service Change went into circulation.

- Hosted the Union International des Transports Publics (UITP) North America conference in June and included technical tours across our system for the delegates.
- Internal communications worked with the Employee Experience, Learning, & Talent Development team to redesign intranet pages to improve employee access to program information and resources.
- Transit Police has selected a contractor to conduct a Community Safety Survey in accordance with the updated BC Provincial Policing Standard requirements, with completion expected in Q3 2024.
- Year Two actions of the Climate Action Plan and Zero Emissions Transition Plan are underway. These include flood risk assessments of four transit centres. Initial budget planning for Year Three actions is also underway.
- The Zero Emission Fleet Transition Playbook is being integrated into the Investment Plan process, in parallel with management and Board briefing on key risks.
- Completed an accessibility audit and acquired 'Rick Hansen Accessibility Certification' for Sapperton head office.
- Equity, Diversity and Inclusion team, alongside the Pride and Allies employee resource group, successfully implemented gender-inclusive washrooms at all work locations across the Enterprise.
- Transit Police completed six one-day Experiential Indigenous Learning sessions held in partnership with the Kwantlen First Nation, taken by a total of 209 Transit Police Officers, senior leaders, civilian professionals, and Police Board members.
- CMBC Wellness made partnerships with local clinics to support expedited care for Physical Therapy, Occupational Therapy, Counselling, Registered Massage Therapy, and Active Rehab for CMBC employees; this service should be ready to roll out in the summer/fall of 2024. CMBC conducted Wellness Fairs for employees in Richmond.
- Concluded Phase 2 of the Future of Work assessment, with the implementation of WeCare days, paid sabbaticals, and new guidelines for working outside of British Columbia.

3. 2024 Second Quarter Financial Summary

CONSOLIDATED REVENUES AND EXPENSES Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET				
	YTD 2024	YTD 2024	Budget Variance		Annual 2024	Annual 2024	Forecast Variance		
	ACTUAL	BUDGET ¹	Fav/(Unfav)	%	Q2 FORECAST	BUDGET ¹	Fav/(Unfav)	%	
Revenue									
Taxation	525,084	499,303	25,781	5.2%	1,061,488	1,012,095	49,393	4.9%	
Transit	343,882	328,812	15,070	4.6%	712,867	679,618	33,249	4.9%	
Government transfers	144,898	265,752	(120,854)	(45.5%)	441,806	487,716	(45,910)	(9.4%)	
Amortization of deferred concessionaire credit	11,605	11,605	-	-	23,337	23,337	-	-	
Development cost charges	19,915	26,350	(6,435)	(24.4%)	52,700	52,700	-	-	
Investment Income	94,032	78,199	15,833	20.2%	183,244	149,679	33,565	22.4%	
Miscellaneous revenue	13,502	8,033	5,469	68.1%	22,599	16,609	5,990	36.1%	
Sub Total Continuing Operations	1,152,918	1,218,054	(65,136)	(5.3%)	2,498,041	2,421,754	76,287	3.2%	
Gain (Loss) on disposal on tangible capital assets	550	-	550	100.0%	(390)	(798)	408	51.1%	
Total Revenue	1,153,468	1,218,054	(64,586)	(5.3%)	2,497,651	2,420,956	76,695	3.2%	
Expenditures									
Bus Operations	501,387	503,377	1,990	0.4%	1,034,881	1,021,572	(13,309)	(1.3%)	
Rail Operations	224,131	227,311	3,180	1.4%	464,206	457,705	(6,501)	(1.4%)	
Transit Police	29,281	30,911	1,630	5.3%	61,082	61,689	607	1.0%	
Corporate Operations	73,400	78,457	5,057	6.4%	162,600	167,042	4,442	2.7%	
Roads & Bridges	61,404	70,078	8,674	12.4%	140,845	151,791	10,946	7.2%	
Amortization of Capital Assets ²	118,017	128,547	10,530	8.2%	250,579	273,527	22,948	8.4%	
Interest ²	94,957	90,083	(4,874)	(5.4%)	194,168	178,607	(15,561)	(8.7%)	
Sub Total Continuing Operations	1,102,577	1,128,764	26,187	2.3%	2,308,361	2,311,933	3,572	0.2%	
Corporate One-Time	10,151	28,259	18,108	64.1%	40,476	58,505	18,029	30.8%	
Total Expenses	1,112,728	1,157,023	44,295	3.8%	2,348,837	2,370,438	21,601	0.9%	
Surplus/(Deficit) for the period	40,740	61,031	(20,291)	33.2%	148,814	50,518	98,296	194.6%	

¹2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year.

²Amortization and Interest shown separately to facilitate analysis.

The surplus of \$40.7 million recorded in the first six months of 2024 was \$20.3 million (33.2 per cent) unfavourable to budget mainly due to lower revenue recognized from Senior Government capital contributions, lower Development Cost Charges due to delays in eligible capital projects, and higher than budgeted interest expense. This was partially offset by higher taxation revenue due to a one-time property tax increase in 2024 to fund urgent transit needs, higher investment income, higher transit revenue due to higher than expected ridership, lower amortization costs due to project delays and timing of assets being put into service, lower one-time costs related to operational readiness and non-capital costs associated with capital projects due to project delays, and lower capital infrastructure contributions due to the timing of municipalities' work.

The surplus for 2024 is forecast to be \$98.3 million favourable to budget mainly due to higher taxation revenue due to a one-time property tax increase in 2024, higher transit revenue due to larger than expected growth in ridership, higher investment income due to higher interest rates and cash and investment balances, lower amortization due to project delays and timing of assets being put into service, lower one-time costs related to operational readiness and non-capital costs associated with capital projects due to project delays, and lower capital infrastructure contributions due to the timing of municipalities' work. This is partially offset by lower revenue recognized from Senior Government capital contributions due to project timelines delaying revenue recognition, higher interest expense due to lower interest capitalization during construction and more debt being issued due to increased capital activity, and higher maintenance expenses largely driven by higher inventory parts and structural maintenance costs.

4. Key Performance Indicators

Financial Indicators

TransLink measures and monitors its financial indicators throughout the year.

FINANCIAL POLICIES AND INDICATORS				
(\$ thousands)	June 30	December 31	Change	
	2024	2023	Fav/(Unfav)	%
Unrestricted cash and investments	656,452	671,079	(14,627)	(2.2%)
Capital assets	6,326,539	6,141,887	184,652	3.0%
Net direct debt	3,172,858	2,705,856	(467,002)	(17.3%)
Indirect P3 debt	1,348,807	1,369,485	20,678	1.5%
Total net direct debt and indirect P3 debt	4,521,665	4,075,341	(446,324)	(11.0%)
Gross interest cost as a % of operating revenue ¹	10.4%	10.4%	-	-

¹Operating revenue is total revenue less Government transfers, Development Cost Charges, investment income, miscellaneous revenue, gain (loss) on disposal on tangible capital assets and amortization of deferred concessionaire credit.

Unrestricted cash and investment balances decreased by \$14.6 million (2.2 per cent) in the first six months of 2024, due to regular net outflows from operations, partly offset by a \$300.0 million Green bond issuance in June and receipt of \$85.8 million of Senior Government relief funding.

Capital assets increased by \$184.7 million (3.0 per cent) in the first half of 2024 due to \$274.2 million in additions and \$30.7 million transfer from prepaid capital, partly offset by amortization of \$118.0 million and \$2.2 million asset disposal. Additions included SkyTrain system and infrastructure upgrades, vehicle fleet procurement, property acquisition, and technology upgrade projects.

Net direct debt increased by \$467.0 million (17.3 per cent) mainly due to increases in long-term debt of \$300.0 million and utilization of short-term debt of \$252.0 million, partly offset by scheduled debt payments, sinking fund contributions and reinvestment of sinking fund interest income during the first six months of 2024.

Indirect Public-Private Partnership (P3) debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, declined by \$20.7 million (1.5 per cent) due to the amortization of the Canada Line deferred concessionaire credit and repayments toward the Golden Ears Bridge contractor liability.

Gross interest cost as a percentage of operating revenues was 10.4 per cent and well within TransLink's 20 per cent policy. This indicator is unchanged from December 2023 due to operating revenue increases keeping pace with higher interest costs.

Operating Indicators

Operational trends include key performance metrics of service delivered to Metro Vancouver residents and transit ridership. TransLink continues to monitor and measure its performance in order to strengthen its operations and provide customers with a positive experience.

OPERATING INDICATORS							
Six months ended June 30	YTD	YTD	Change		YTD	Budget Variance	
	2024	2023	Fav/(Unfav)	%	2024	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
Scheduled Transit Service							
Overall performance rating (out of 10)	7.8	8.0	(0.2)	(2.5%)	8.2	(0.4)	(4.9%)
Service hours ¹	3,548,021	3,503,764	44,257	1.3%	3,596,339	(48,318)	(1.3%)
Operating cost recovery ^{2,3}	44.1%	44.6%	(0.5%)	(1.1%)	41.3%	2.8%	6.8%
Operating cost per capacity kilometre ⁴	\$0.125	\$0.113	(\$0.012)	(10.6%)	\$0.124	(0.001)	(0.7%)
Complaints per million boarded passengers ⁵	72.7	66.9	(5.8)	(8.7%)	78.2	5.5	7.0%
Access Transit Service							
Number of trips	633,662	573,896	59,766	10.4%	719,857	(86,195)	(12.0%)
Operating cost per trip	\$54.67	\$54.67	-	-	\$47.79	(\$6.88)	(14.4%)
Number of trips denied	654	480	(174)	(36.3%)	714	60	8.4%
Complaints per 100,000 boarded passengers ⁵	243.1	247.7	4.6	1.9%	201.1	(42.0)	(20.9%)
Ridership (thousands)⁵							
Boarded passengers	198,608	189,110	9,498	5.0%	190,687	7,921	4.2%
Journeys	118,262	112,590	5,672	5.0%	113,679	4,583	4.0%
Average fare per journey ⁶	\$2.76	\$2.66	\$0.10	3.8%	\$2.76	-	-

¹The YTD 2023 service hours have been restated to reflect the latest information available.

²2023 ratio has been restated to align with the methodology adopted later in 2023.

³Includes operating costs of Bus, Rail, Transit Police and Corporate Ongoing. Excludes Access Transit, Roads & Bridges and Corporate One-Time.

⁴Includes operating costs of Bus, Rail, and Transit Police. Excludes Access Transit.

⁵The preliminary YTD 2023 ridership figures were restated at the end of 2023 to reflect final ridership figures.

⁶Calculated using Total Fare and Program Revenue.

Scheduled Transit Service

Scheduled transit service includes the following modes: Conventional Bus, Community Shuttle, SeaBus, SkyTrain and West Coast Express (WCE).

The overall system performance rating at the end of the first six months of 2024 was an average of 7.8 out of 10, a decrease of 0.2 points compared to the same period last year and 0.4 points unfavourable to budget. This is mainly attributed to the complete shutdown of Bus and SeaBus services for two days in January due to job action by Canadian Union of Public Employees (CUPE) Local 4500 and overcrowding in the transit system.

Service hours were 48,318 (1.3 per cent) unfavourable to budget mainly due to the two-day job action for Bus and SeaBus services in January.

Operating cost recovery represents the percentage of transit revenues compared to the total operating costs of Bus, Rail, Transit Police and Corporate (excluding one-time costs). In the first six months of 2024, the cost recovery of 44.1 per cent was lower by 0.5 percentage points compared to the same period last year mainly due to higher labour and maintenance costs. Compared to budget, it was favourable by 2.8 percentage points due to higher ridership and transit revenues alongside lower operating expenditures primarily attributable to vacancy savings and delays in spending.

Operating cost per capacity kilometre for the first six months of 2024 increased by 10.6 per cent compared to 2023 mainly due to higher labour and maintenance costs. Compared to budget, operating cost per capacity kilometre was 0.7 per cent unfavourable mainly due to the lower than expected capacity kilometres as a result of Bus and SeaBus services shutdown following job action at CMBC.

Complaints per million boarded passengers increased by 8.7 per cent compared to last year mainly due to job action for Bus and SeaBus services in January and service delays on Canada Line. Complaints per million boarded passengers were 7.0 per cent favourable compared to budget, attributed to improvements in customer service as TransLink continues to strive for customer satisfaction.

Access Transit Service

Access Transit provides door-to-door shared-ride service for passengers with physical or cognitive disabilities who are unable to use conventional public transit without assistance.

Total Access Transit trips provided in the first six months of 2024 were 10.4 per cent higher compared to the same period in 2023, driven by higher demand, but were 12.0 percent lower than the 2024 budget due to lower than anticipated demand. TransLink remains committed to ensuring services are fully available for passengers unable to use conventional public transit without assistance. As such, budgeted 2024 service levels are aligned with the 2022 Investment Plan. The Investment Plan service level was established to ensure that customers can continue to complete trips on this essential service as demand grows.

Operating cost per trip was the same compared to the same period in 2023. Operating cost per trip in the first six months of 2024 was unfavourable to budget by \$6.88 (14.4 per cent) mainly due to lower-than-expected demand, while fixed costs tracked close to budget.

The number of trips denied increased compared to the same period in 2023 due to increase in demand. Denied trips remain lower than budget as service demand continues to be below the service capacity. For the first six months of 2024, the number of denials represents less than 1.0 per cent of the total trips delivered.

In the first six months of 2024, complaints per one hundred thousand boarded passengers decreased by 1.9 per cent over the same period in 2023 and but were 20.9 per cent unfavorable to budget. For the first six months of the year, the top contributors of total HandyDART complaints were related to late HandyDART bus, HandyDART dispatching, and clerk behaviour. Transdev continues to actively address these concerns by implementing programs focused on operator and clerk conduct and improving scheduling. Transdev remains committed to their hiring initiatives, which are currently in place to address the driver shortages and improve customer experience.

To reduce taxi-related complaints, Transdev continues to enhance customer service training with the taxi companies and has implemented processes such as post incident review and new driver refresher training. Furthermore, Transdev has introduced a Taxi Performance Management Scorecard, which is distributed monthly along with quarterly in-person reviews. These reviews assess factors like complaints, on-time performance, and acceptance rates. Additionally, operational agreements between taxi companies and Transdev have been established to maintain standards.

Ridership

Boardings represent each time a passenger enters a fare paid zone using Compass fare media or other proof of payment, including transfers. For the first two quarters of 2024, total system boardings were 198.6 million, 5.0 per cent higher compared to the same period in 2023 and 4.2 per cent higher compared to the budget. A journey represents a complete transit trip using Compass fare media or other proof of payment, regardless of the number of transfers. Total system journeys in the first two quarters of 2024 were 118.3 million, 5.0 per cent higher compared to the same period in 2023 and 4.0 per cent higher than budget. In the first two quarters of 2024, ridership growth relative to 2023 has been stronger than anticipated.

The average fare per journey was \$2.76 for the first quarter of 2024, an increase of approximately 3.8 per cent from 2023 and the same as the budget. The average fare for the first two quarters of 2024 is higher than 2023 due to the July 1st fare increase and the continued return of commute to office journeys.

5. Consolidated Revenues

The following is a summary of consolidated revenues for the first half of 2024 compared to the budget.

CONSOLIDATED REVENUES Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2024	YTD 2024	Budget Variance		Annual 2024	Annual 2024	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q2 FORECAST	BUDGET	Fav/(Unfav)	%
Taxation								
Fuel	169,934	190,250	(20,316)	(10.7%)	351,133	389,469	(38,336)	(9.8%)
Property & Replacement	299,139	255,612	43,527	17.0%	596,790	511,224	85,566	16.7%
Parking Sales	44,155	41,719	2,436	5.8%	89,821	88,039	1,782	2.0%
Hydro Levy	11,856	11,722	134	1.1%	23,744	23,363	381	1.6%
Transit	343,882	328,812	15,070	4.6%	712,867	679,618	33,249	4.9%
Government transfers	144,898	265,752	(120,854)	(45.5%)	441,806	487,716	(45,910)	(9.4%)
Amortization of deferred concessionaire credit	11,605	11,605	-	-	23,337	23,337	-	-
Development cost charges	19,915	26,350	(6,435)	(24.4%)	52,700	52,700	-	-
Investment income	94,032	78,199	15,833	20.2%	183,244	149,679	33,565	22.4%
Miscellaneous revenue	13,502	8,033	5,469	68.1%	22,599	16,609	5,990	36.1%
Sub Total Continuing Operations	1,152,918	1,218,054	(65,136)	(5.3%)	2,498,041	2,421,754	76,287	3.2%
Gain (Loss) on disposal on tangible capital assets	550	-	550	100.0%	(390)	(798)	408	(51.1%)
Total Revenue	1,153,468	1,218,054	(64,586)	(5.3%)	2,497,651	2,420,956	76,695	3.2%

Total revenue for the first six months of 2024 was \$64.6 million (5.3 per cent) unfavourable to budget, primarily due to lower revenue recognized from Senior Government capital contributions of \$120.9 million due to delays in various projects funded by the Canada Community-Building Fund (CCBF) and unfavourable fuel tax revenue of \$20.3 million caused by refunds of fuel tax on diesel related to a prior year overpayment. Excluding government transfers, revenue was \$56.3 million (5.9 per cent) favourable to budget, due to increased property tax, investment income, and transit revenue.

Total revenues are forecast to be \$76.7 million (3.2 per cent) favourable to budget mainly due to higher property tax revenue, which is forecast to be \$85.6 million (16.7 per cent) favourable to budget due to a one-time increase in property tax to fund urgent transit needs, favourable interest income resulting from higher interest rates, and favourable transit revenue due to higher than expected ridership. This is partially offset by unfavourable fuel tax revenue of \$38.3 million due to a decline in fuel consumption and refunds of prior year overpayments, and unfavourable government transfers of \$45.9 million due to delays in capital projects.

Taxation

TAXATION REVENUES Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2024	YTD 2024	Budget Variance		Annual 2024	Annual 2024	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q2 FORECAST	BUDGET	Fav/(Unfav)	%
Fuel	169,934	190,250	(20,316)	(10.7%)	351,133	389,469	(38,336)	(9.8%)
Property & Replacement	299,139	255,612	43,527	17.0%	596,790	511,224	85,566	16.7%
Parking Sales	44,155	41,719	2,436	5.8%	89,821	88,039	1,782	2.0%
Hydro Levy	11,856	11,722	134	1.1%	23,744	23,363	381	1.6%
Total Taxation	525,084	499,303	25,781	5.2%	1,061,488	1,012,095	49,393	4.9%

Taxation revenues are comprised of taxes collected on fuel, property and replacement taxes, parking sales tax and the hydro levy. Total taxation revenues for the first six months of 2024 were \$25.8 million (5.2 per cent) favourable to budget. This was mainly driven by a \$43.5 million (17.0 per cent) favourable variance in property tax revenue due to a one-time property tax increase collected in 2024 to fund urgent transit needs. This favourable variance was partially offset by fuel tax revenue which was \$20.3 million (10.7 per cent) unfavourable to budget, mainly due to refunds of fuel tax on diesel related to a prior year overpayment.

Taxation revenues are forecast to be \$49.4 million favourable to budget mainly due to a one-time increase of \$80.0 million in total standard property tax collected for the 2024 year only to fund the system's urgent transit needs. This is expected to be partially offset by fuel tax revenues, which are forecast to be \$38.3 million (9.8 per cent)

unfavorable to budget due to a continuous decline in fuel consumption, driven by an increase in zero-emission and fuel-efficient vehicles, and a refund of prior years fuel tax overpayment.

Transit

TRANSIT REVENUES Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	2024	2024	Budget Variance		2024	2024	Forecast Variance	
	ACTUAL	BUDGET ¹	Fav/(Unfav)	%	Q2 FORECAST	BUDGET ¹	Fav/(Unfav)	%
Fares	257,089	244,521	12,568	5.1%	532,010	503,602	28,408	5.6%
Programs	69,436	68,755	681	1.0%	141,869	140,332	1,537	1.1%
Total Fare and Program Revenue	326,525	313,276	13,249	4.2%	673,879	643,934	29,945	4.7%
Other	17,357	15,536	1,821	11.7%	38,988	35,684	3,304	9.3%
Total Transit	343,882	328,812	15,070	4.6%	712,867	679,618	33,249	4.9%

¹2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year.

Transit revenues include revenue related to fares, programs and other transit revenue. Fares consist of single-use cash fares, Stored Value, DayPass and Monthly Pass products. Program revenues include the Government of BC Bus Pass and U-Pass BC revenues. Other transit revenue includes advertising, property rental, park and ride fees, and fare infraction.

Total transit revenue was \$15.1 million (4.6 per cent) favourable to budget for the first six months of 2024 mainly driven by fare revenue which was \$12.6 million (5.1 per cent) favourable to budget due to higher-than-expected transit ridership. Other transit revenue was \$1.8 million (11.7 per cent) favourable due to higher-than-expected advertising revenue.

Total annual transit revenue is forecast to be \$33.2 million (4.9 per cent) favourable to budget mainly due to fare revenue which is forecast to be \$28.4 million (5.6 per cent) favourable to budget by year-end primarily because of higher than budgeted ridership. In addition, program revenues are forecast to continue strong performance for the remainder of the year. Other transit revenue is expected to be favourable to budget by year-end with higher than budgeted revenue from advertising and property rentals.

Government Transfers

GOVERNMENT TRANSFERS Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET							
	2024	2024	Budget Variance		2024	2024	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q2 FORECAST	BUDGET	Fav/(Unfav)	%
Senior Government funding	110,997	231,851	(120,854)	(52.1%)	373,932	419,842	(45,910)	(10.9%)
Golden Ears Bridge tolling replacement revenue	33,901	33,901	-	-	67,874	67,874	-	-
Total Government Transfers	144,898	265,752	(120,854)	(45.5%)	441,806	487,716	(45,910)	(9.4%)

Government transfers include funds received from the CCBF through Greater Vancouver Regional Fund (GVRF), Investing in Canada Infrastructure Program (ICIP), the Public Transit Infrastructure Fund (PTIF), Canada Line funding, Build Canada Fund and other miscellaneous capital projects.

In the first six months of 2024, government transfers were \$120.9 million (45.5 per cent) unfavourable to budget due to delays in various CCBF funded projects, deferring the revenue recognition. These projects include Marpole Transit Centre, Conventional Bus Replacement and Expansion and Community Shuttle replacement projects.

Revenue recognized from Government funding for capital projects is forecast to be \$45.9 million (10.9 per cent) unfavourable to budget primarily due to the timing of vehicle deliveries and construction delays. These delays were caused by vehicle procurement delays, global supply shortages, and other issues caused by underlying complexities and vendor difficulties. These factors have shifted the revenue recognition of government transfers.

Development Cost Charges (DCC)

The DCC program revenue was \$6.4 million (24.4 per cent) unfavourable to budget due to delays in eligible capital projects, resulting in less revenue recognized than expected. The full-year forecast is anticipated to align with the annual budget expectations as expenditures on eligible projects is expected to increase in the second half of the year.

Investment Income

Investment income was \$15.8 million (20.2 per cent) favourable to budget mainly due to higher interest income as a result of higher than budgeted interest rates and cash and investment balances. The full year forecast is expected to be \$33.6 million (22.4 per cent) favourable to budget mainly due to higher interest rates and cash and investment balances.

6. Consolidated Expenses by Segment

CONSOLIDATED EXPENSES BY SEGMENT Six months ended June 30 :thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2024	YTD 2024	Budget Variance		Annual 2024	Annual 2024	Forecast Variance	
	ACTUAL	BUDGET ¹	Fav/(Unfav)	%	Q2 FORECAST	BUDGET ¹	Fav/(Unfav)	%
Bus Operations	501,387	503,377	1,990	0.4%	1,034,881	1,021,572	(13,309)	(1.3%)
Rail Operations	224,131	227,311	3,180	1.4%	464,206	457,705	(6,501)	(1.4%)
Transit Police	29,281	30,911	1,630	5.3%	61,082	61,689	607	1.0%
Corporate Operations	73,400	78,457	5,057	6.4%	162,600	167,042	4,442	2.7%
Roads & Bridges	61,404	70,078	8,674	12.4%	140,845	151,791	10,946	7.2%
Amortization of Capital Assets ²	118,017	128,547	10,530	8.2%	250,579	273,527	22,948	8.4%
Interest ²	94,957	90,083	(4,874)	(5.4%)	194,168	178,607	(15,561)	(8.7%)
Sub Total Continuing Operations	1,102,577	1,128,764	26,187	2.3%	2,308,361	2,311,933	3,572	0.2%
Corporate One-Time	10,151	28,259	18,108	64.1%	40,476	58,505	18,029	30.8%
Total Expenses by Segment	1,112,728	1,157,023	44,295	3.8%	2,348,837	2,370,438	21,601	0.9%

¹2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year.

²Amortization and Interest shown separately to facilitate analysis.

Bus Operations

The Bus operating company, Coast Mountain Bus Company (CMBC), oversees the operations of conventional bus service, as well as Community Shuttle, SeaBus and Access Transit.

In the second quarter of 2024, in collaboration with municipalities, 16 bus stops were made wheelchair accessible, bringing the year-to-date total to 56. CMBC also has completed the wet and winter weather testing on tire performance, allowing CMBC to meet an order deadline for 600 new tires. Additionally, CMBC rolled out a new Next Bus tool to replace the old version and implemented Fare Blitzes which focus on fare checks at high passenger volume locations.

BUS OPERATIONS BY CATEGORY Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2024	YTD 2024	Budget Variance		Annual 2024	Annual 2024	Forecast Variance	
	ACTUAL	BUDGET ¹	Fav/(Unfav)	%	Q2 FORECAST	BUDGET ¹	Fav/(Unfav)	%
Administration	13,241	15,528	2,287	14.7%	29,204	31,053	1,849	6.0%
Contracted Services	48,283	47,704	(579)	(1.2%)	98,553	96,071	(2,482)	(2.6%)
Fuel and Power	35,301	35,450	149	0.4%	69,983	69,993	10	0.0%
Insurance	8,711	8,942	231	2.6%	17,830	18,007	177	1.0%
Maintenance, Materials and Utilities	49,407	50,781	1,374	2.7%	107,491	102,524	(4,967)	(4.8%)
Professional and Legal	2,213	3,000	787	26.2%	5,100	5,828	728	12.5%
Rentals, Leases and Property Tax	12,724	9,698	(3,026)	(31.2%)	27,327	27,480	153	0.6%
Salaries, Wages and Benefits	331,507	332,274	767	0.2%	679,393	670,616	(8,777)	(1.3%)
Total Expenses by Category	501,387	503,377	1,990	0.4%	1,034,881	1,021,572	(13,309)	(1.3%)

¹2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year.

For the six months ended June 30, 2024, the Bus Operations expenses were \$2.0 million (0.4 per cent) favourable to budget mainly due to lower than budgeted software and license costs, lower maintenance costs due to timing of replacements parts on the fleet, as well as timing of professional and legal fees, partially offset by timing of rental and property tax expenses.

Bus Operations expenses are forecast to be \$13.3 million (1.3 per cent) unfavourable for the year mainly due to vacation banked time adjustment, overtime and extended health costs, higher maintenance costs due to delayed procurement of new fleet, and higher contracted services due to increased Taxi Supplements for Access Transit, partially offset by savings from software and license costs.

Service Delivery

BUS OPERATIONS				
Six months ended June 30	YTD	YTD	Budget Variance	
	2024	2024	Fav/(Unfav)	%
	ACTUAL	BUDGET		
SERVICE HOURS				
CMBC Operations	2,700,302	2,748,683	(48,381)	(1.8%)
Conventional Bus	2,401,086	2,446,914	(45,828)	(1.9%)
Community Shuttle	292,316	294,808	(2,492)	(0.8%)
SeaBus	6,900	6,961	(61)	(0.9%)
Contracted Transit Services	123,232	124,985	(1,753)	(1.4%)
West Vancouver	58,608	59,579	(971)	(1.6%)
Contract Community Shuttle	64,624	65,406	(782)	(1.2%)
Conventional Transit Service Hours	2,823,534	2,873,668	(50,134)	(1.7%)
SERVICE KILOMETRES				
CMBC Operations	50,992,586	52,414,146	(1,421,560)	(2.7%)
Conventional Bus	45,426,370	46,761,564	(1,335,194)	(2.9%)
Community Shuttle	5,474,814	5,558,824	(84,010)	(1.5%)
SeaBus	91,402	93,758	(2,356)	(2.5%)
Contracted Transit Services	2,457,767	2,560,326	(102,559)	(4.0%)
West Vancouver	1,119,151	1,126,333	(7,182)	(0.6%)
Contract Community Shuttle	1,338,616	1,433,993	(95,377)	(6.7%)
Conventional Transit Service Kilometres	53,450,353	54,974,472	(1,524,119)	(2.8%)
CAPACITY KILOMETRES				
CMBC Operations	2,821,437,121	2,949,805,412	(128,368,291)	(4.4%)
Conventional Bus	2,654,851,653	2,780,296,806	(125,445,153)	(4.5%)
Community Shuttle	131,395,536	133,411,776	(2,016,240)	(1.5%)
SeaBus	35,189,932	36,096,830	(906,898)	(2.5%)
Contracted Transit Services	88,084,312	90,732,482	(2,648,170)	(2.9%)
West Vancouver	55,957,538	56,316,650	(359,112)	(0.6%)
Contract Community Shuttle	32,126,774	34,415,832	(2,289,058)	(6.7%)
Conventional Transit Capacity Kilometres	2,909,521,433	3,040,537,894	(131,016,461)	(4.3%)

For the first six months of 2024, actual service hours delivered were 1.7 per cent lower than budget, service kilometres were 2.8 per cent lower, and capacity kilometres were 4.3 per cent lower. The lower service hours, service kilometres and capacity kilometres were mainly attributed to the two-day complete shutdown of buses and SeaBus resulting from labour action.

ACCESS TRANSIT				
Six months ended June 30	YTD	YTD	Budget Variance	
	2024	2024	Fav/(Unfav)	%
	ACTUAL	BUDGET		
Service Kilometres	4,932,487	5,800,932	(868,445)	(15.0%)
Access Transit Trips				
Trips - HandyDART	493,976	644,548	(150,572)	(23.4%)
Trips - Taxi Supplement	139,686	75,309	64,377	85.5%
Total Access Transit Trips	633,662	719,857	(86,195)	(12.0%)

Total Access Transit trips provided in the first six months of 2024 were 12.0 per cent lower than budget due to lower than anticipated demand. TransLink remains committed to ensuring services are fully available for passengers unable to use conventional public transit without assistance. As such, budgeted 2024 service levels are aligned with the 2022 Investment Plan. The Investment Plan service level was established to ensure that customers can continue to complete trips on this essential service as demand grows.

Rail Operations

The Rail operating company, British Columbia Rapid Transit Company Ltd. (BCRTC), on behalf of TransLink, maintains and operates two of the three SkyTrain lines in Metro Vancouver — the Expo and Millennium Lines, as well as the West Coast Express (WCE) commuter rail service. In addition, BCRTC manages TransLink's agreement with InTransit BC for the operation and maintenance of the Canada Line.

In the second quarter of 2024, BCRTC completed the construction of the new guideway maintenance shop for Operations Maintenance Centre 1 (OMC1). In May, the Province announced a revised in-service date of Fall 2027 for the Broadway Subway Project (BSP). This impacts the timing of planned BCRTC readiness activities, including track installation along the elevated guideway and preparation for tunnels. BCRTC continued to modify and upgrade stations across the network, including installing gap filler for Waterfront and 29th Avenue Stations, installing completing new egress stairs and testing hostler signage for the new MK V trains at King George.

RAIL OPERATIONS BY CATEGORY	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD	YTD	Budget Variance		Annual	Annual	Forecast Variance	
	2024	2024	Fav/(Unfav)	%	2024	2024	Fav/(Unfav)	%
Six months ended June 30	ACTUAL	BUDGET			Q2 FORECAST	BUDGET		
(\$ thousands)								
Administration	5,313	6,281	968	15.4%	11,809	12,638	829	6.6%
Contracted Services	73,235	74,295	1,060	1.4%	149,472	150,631	1,159	0.8%
Fuel and Power	8,223	8,931	708	7.9%	17,080	17,926	846	4.7%
Insurance	4,211	4,613	402	8.7%	9,381	9,660	279	2.9%
Maintenance, Materials and Utilities	42,679	40,335	(2,344)	(5.8%)	90,586	79,803	(10,783)	(13.5%)
Professional and Legal	2,235	3,269	1,034	31.6%	6,265	6,635	370	5.6%
Rentals, Leases and Property Tax	1,135	1,809	674	37.3%	4,253	4,345	92	2.1%
Salaries, Wages and Benefits	87,100	87,778	678	0.8%	175,360	176,067	707	0.4%
Total Expenses by Category	224,131	227,311	3,180	1.4%	464,206	457,705	(6,501)	(1.4%)

For the six months ended June 30, 2024, Rail operating expenses were \$3.2 million (1.4 per cent) favourable to budget mainly due to savings in contracted services from the delayed opening of the Canada Line Capstan Station and lower WCE costs, timing and savings in professional services and administration expenses, and favourable hydro costs, partly offset by higher maintenance expenses. Labour cost savings from vacancies were offset by the impacts of higher overtime and actuarial estimate of employee future benefit costs.

Rail operating expenses are forecast to be \$6.5 million (1.4 per cent) unfavourable to budget mainly due to higher maintenance costs largely driven by higher inventory parts and structural maintenance costs, employee future benefit estimates, overtime, vacation and banked time adjustments. Unfavourable cost variances are offset by

savings from staffing reductions and vacant positions, lower contracted services due to delay in opening of Capstan Station and favourable variances in WCE costs, reductions in administration expenses, professional services and hydro costs from BC Electricity Affordability Credits.

Service Delivery

RAIL OPERATIONS							
Six months ended June 30	YTD 2024	YTD 2023	Change		YTD 2024	Budget Variance	
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%
SERVICE HOURS							
SkyTrain: Expo & Millennium Lines	608,030	634,073	(26,043)	(4.1%)	606,389	1,641	0.3%
SkyTrain: Canada Line	100,161	99,790	371	0.4%	100,139	22	-
West Coast Express	16,296	13,078	3,218	24.6%	16,143	153	0.9%
Rail Operations Service Hours	724,487	746,941	(22,454)	(3.0%)	722,671	1,816	0.3%
SERVICE KILOMETRES							
SkyTrain: Expo & Millennium Lines	24,503,604	25,553,094	(1,049,490)	(4.1%)	24,437,488	66,116	0.3%
SkyTrain: Canada Line	3,217,686	3,203,227	14,459	0.5%	3,216,978	708	-
West Coast Express	613,898	493,114	120,784	24.5%	608,294	5,604	0.9%
Rail Operations Service Kilometres	28,335,188	29,249,435	(914,247)	(3.1%)	28,262,761	72,427	0.3%
CAPACITY KILOMETRES							
SkyTrain: Expo & Millennium Lines	2,245,802,166	2,297,293,404	(51,491,238)	(2.2%)	2,213,358,082	32,444,084	1.5%
SkyTrain: Canada Line	451,577,424	449,548,190	2,029,234	0.5%	451,478,120	99,304	-
West Coast Express	90,611,404	72,783,567	17,827,837	24.5%	89,784,253	827,151	0.9%
Rail Operations Capacity Kilometres	2,787,990,994	2,819,625,161	(31,634,167)	(1.1%)	2,754,620,455	33,370,539	1.2%

Expo and Millennium Line service kilometres and service hours were above budget by 0.3 per cent, and capacity kilometres were above budget by 1.5 per cent for the six months ended June 30, 2024. The higher than budget service hours, service kilometres and capacity kilometres are driven by the timing of the planned single-tracking that went into effect in February but was planned from the beginning of the year, partially offset by service reductions during the major snowstorm in mid-January, train availability challenges in the first quarter, and a six-week closure of King George Station for essential track maintenance in the second quarter. The capacity kilometre budget variance is higher than the variances for service hours and service kilometres, as there was higher than budget usage of MK II and MK III fleet, which have higher capacity than MK I trains.

Canada Line's service level indicators were aligned with budget during the first half of 2024.

For the six months ended June 30, 2024, all three service indicators for the WCE were higher than budget by 0.9 per cent. WCE had five trains in service with 38 cars compared to the budget assumption of five trains with 36 cars.

Police Operations

Mandated by the Solicitor General as a Designated Policing Unit, Transit Police preserves and protects peace throughout the transit system. Working in collaboration with local police services, officers aim to prevent crime and offences against the law, aid in the administration of justice and enforce the laws of British Columbia.

During the second quarter of 2024, Transit Police implemented a range of initiatives to enhance the safety and security for transit riders and nearby communities, including high visibility patrols and crime suppression around stations. Transit Police also advanced its Community Safety Officer ("CSO") Program by assigning CSO graduates from the first and second classes to the four patrol squads as part of the Transit Police service delivery model. The third class of CSOs commenced training in April 2024.

Transit Police also organized six one-day sessions of Experiential Indigenous Learning – Cultural and Community Immersion in partnership with the Kwantlen First Nation in the quarter. The training focused on the history and

outcome of the colonization of Indigenous People and legacies of law enforcement involvement. Over 200 Transit Police Officers, senior leaders, civilian professionals, and Police Board members attended this impactful training.

POLICE OPERATIONS BY CATEGORY Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2024	YTD 2024	Budget Variance		Annual 2024	Annual 2024	Forecast Variance	
	ACTUAL	BUDGET ¹	Fav/(Unfav)	%	Q2 FORECAST	BUDGET ¹	Fav/(Unfav)	%
Administration	2,453	2,516	63	2.5%	5,110	5,070	(40)	(0.8%)
Contracted Services	4	4	-	-	8	8	-	-
Insurance	63	76	13	17.1%	139	156	17	10.9%
Maintenance, Materials and Utilities	885	1,018	133	13.1%	1,941	2,004	63	3.1%
Professional and Legal	184	208	24	11.5%	551	439	(112)	(25.5%)
Rentals, Leases and Property Tax	1,443	1,860	417	22.4%	3,729	3,705	(24)	(0.6%)
Salaries, Wages and Benefits	24,249	25,229	980	3.9%	49,604	50,307	703	1.4%
Total Expenses by Category	29,281	30,911	1,630	5.3%	61,082	61,689	607	1.0%

¹ 2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year.

For the six months ended June 30, 2024, Transit Police operating expenses were \$1.6 million (5.3 per cent) favourable to budget mainly due to vacant positions, as well as timing of hiring and other expenditures including training, materials, computer software and hardware, and premise rent.

Transit Police operating expenses are forecast to be \$0.6 million (1.0 per cent) favourable to budget mainly due to lower salaries, wages and benefits driven by vacancies and timing of hires, partially offset by higher professional fees for review of the Operations Communication Centre.

Corporate Operations

TransLink's corporate operations support the operating subsidiaries with a focus on planning, project delivery and shared services.

In the second quarter of 2024, progress was made on several key customer focused initiatives including improvements in real-time transit data, updates to the TransLink website to be compliant with website accessibility guidelines and expansion of the Transit Volunteer Program. In addition, eight new employers were enrolled in the Transit Friendly Employer program. A comprehensive evaluation of all exempt positions and the organizational structure was completed, and actions implemented.

CORPORATE OPERATIONS BY CATEGORY Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2024	YTD 2024	Budget Variance		Annual 2024	Annual 2024	Forecast Variance	
	ACTUAL	BUDGET ¹	Fav/(Unfav)	%	Q2 FORECAST	BUDGET ¹	Fav/(Unfav)	%
Administration	14,058	14,764	706	4.8%	35,108	35,582	474	1.3%
Contracted Services	8,934	9,435	501	5.3%	17,779	18,871	1,092	5.8%
Insurance	282	315	33	10.5%	(579)	665	1,244	187.1%
Maintenance, Materials and Utilities	957	1,239	282	22.8%	2,556	2,524	(32)	(1.3%)
Professional and Legal	5,879	8,010	2,131	26.6%	19,844	19,625	(219)	(1.1%)
Rentals, Leases and Property Tax	4,963	6,083	1,120	18.4%	10,238	11,993	1,755	14.6%
Salaries, Wages and Benefits	38,327	38,611	284	0.7%	77,654	77,782	128	0.2%
Total Expenses by Category	73,400	78,457	5,057	6.4%	162,600	167,042	4,442	2.7%

¹ 2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year.

For the first six months of 2024, corporate expenses were \$5.1 million (6.4 per cent) favourable to budget. The favourable variance was mainly due to timing of initiatives requiring professional and legal fees, favourable property tax costs due to a property tax refund related to prior years, and favourable administrative costs due to lower software and license costs, and timing of technology initiatives which are expected to ramp up in the second half of the year.

Corporate operations are forecast to be \$4.4 million (2.7 per cent) favourable to budget mainly due to lower rental costs due to a property tax refund and a tax assessment adjustment, favourable insurance premiums due to lower negotiated rates, and favourable contracted services costs due to performance rebates.

Roads and Bridges

ROADS & BRIDGES OPERATIONS BY CATEGORY Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD		Budget Variance		Annual	Annual	Forecast Variance	
	2024	2024	Fav/(Unfav)	%	2024	2024	Fav/(Unfav)	%
	ACTUAL	BUDGET ¹			Q2 FORECAST	BUDGET ¹		
Administration	9	32	23	71.9%	50	53	3	5.7%
Capital Infrastructure contributions	28,530	38,472	9,942	25.8%	79,346	92,803	13,457	14.5%
Contracted Services	3,152	3,260	108	3.3%	6,566	6,605	39	0.6%
Insurance	723	688	(35)	(5.1%)	1,402	1,376	(26)	(1.9%)
Maintenance, Materials and Utilities	26,509	25,753	(756)	(2.9%)	47,123	47,201	78	0.2%
Professional and Legal	1,447	475	(972)	> (200.0%)	3,922	1,085	(2,837)	> (200.0%)
Rentals, Leases and Property Tax	80	250	170	68.0%	408	417	9	2.2%
Salaries, Wages and Benefits	954	1,148	194	16.9%	2,028	2,251	223	9.9%
Total Expenses by Category	61,404	70,078	8,674	12.4%	140,845	151,791	10,946	7.2%

¹ 2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year

Total expenditures for Roads and Bridges in the first half of 2024 were \$8.7 million (12.4 per cent) favourable to budget mainly due to the timing of municipalities' work, which resulted in lower than anticipated capital infrastructure contributions to municipalities.

Total expenditures for Roads and Bridges are forecast to be \$10.9 million (7.2 per cent) favourable to budget primarily due to the timing of municipalities' work, resulting in lower than anticipated capital infrastructure contributions, partly offset by higher than budgeted professional consulting expenses required to complete critical projects.

Amortization

In the first six months of 2024, amortization was \$10.5 million (8.2 per cent) favourable to budget due to timing of vehicle deliveries as a result of supply chain constraints and vehicle acceptance, and delays in other projects coming into service.

Amortization is forecast to be \$22.9 million (8.4 per cent) favourable to budget primarily due to delays in projects coming into service, including delays in vehicles deliveries for Conventional Bus, Community Shuttle, and HandyDART vehicle procurement projects.

Interest

Interest expense for the first six months of 2024 was \$4.9 million (5.4 per cent) unfavourable to budget, mainly due to increased debt and lower interest capitalization resulting from decreased capital spending. The forecast for the year is expected to be \$15.6 million (8.7 per cent) unfavourable to budget mainly due to lower than budgeted interest capitalization during construction associated with the decreased capital spending and the issuance of more debt than previously anticipated.

Corporate – One-time Costs

CORPORATE ONE-TIME SUMMARY BY PROJECT Six months ended June 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD	YTD	Budget Variance		Annual	Annual	Forecast Variance	
	2024	2024			2024	2024		
	ACTUAL	BUDGET ¹	Fav/(Unfav)	%	Q2 FORECAST	BUDGET ¹	Fav/(Unfav)	%
Non-Capitalized items included in Capital Projects	2,117	8,311	6,194	74.5%	8,098	17,262	9,164	53.1%
Feasibility Studies	2,154	4,115	1,961	47.7%	7,467	6,649	(818)	(12.3%)
Bus Rapid Transit Program	222	597	375	62.8%	1,222	1,217	(5)	(0.4%)
RapidBus Program	1,639	4,406	2,767	62.8%	8,845	10,776	1,931	17.9%
Bus Speed and Reliability	397	347	(50)	(14.4%)	1,131	1,482	351	23.7%
Major Studies	499	1,187	688	58.0%	1,534	2,058	524	25.5%
Flexible Service Piloting Program	284	625	341	54.6%	897	1,769	872	49.3%
Rail Expansion Operational Readiness	1,437	3,166	1,729	54.6%	5,021	6,318	1,297	20.5%
Broadway Subway Project Operational Readiness	851	3,602	2,751	76.4%	4,099	7,098	2,999	42.3%
Trip Diary	405	625	220	35.2%	405	625	220	35.2%
Other	146	1,278	1,132	88.6%	1,757	3,251	1,494	46.0%
Total Corporate One-Time	10,151	28,259	18,108	64.1%	40,476	58,505	18,029	30.8%

¹ 2024 Budget has been restated to conform with the consolidated financial statement presentation adopted later in 2023 and to reflect budget transfers during the year.

Corporate One-Time costs were \$18.1 million (64.1 per cent) favourable to budget, mainly due to lower non-capitalizable costs associated with capital projects due to project delays and revisions to cost capitalization, lower spend on feasibility studies due to schedule delays and delays in project initiation, and vacancy savings in the RapidBus program, Broadway Subway and Rail Expansion operational readiness programs.

Corporate One-Time costs are forecast to be \$18.0 million (30.8 per cent) favourable to budget, mainly due to lower non-capitalizable costs associated with capital projects due to project delays and revisions to cost capitalization, and vacancy savings in the RapidBus program and operational readiness programs for Broadway Subway and Rail Expansion.

7. Investment in Capital Assets

TransLink's investment in capital assets continues to grow with the focus of supporting enterprise priorities. The capital program is robust and managed with strong governance and oversight. As of June 30, 2024, TransLink's total approved capital program budget was \$10.6 billion, which includes:

- \$6.1 billion in active capital projects;
- \$2.4 billion in substantially complete capital projects;
- \$1.4 billion in Approved-In-Principle (AIP) capital projects; and
- \$0.8 billion in capital infrastructure contributions to municipalities

SUMMARY OF CAPITAL PROGRAM						
As of June 30, 2024 (\$ thousands)	Number of Projects	Total Current Budget	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
				Fav/(Unfav)	%	
Capital Projects						
Active	175	6,064,447	6,956,454	(892,007)	(14.7%)	2,372,071
AIP	28	1,376,157	1,366,381	9,776	0.7%	741,298
Substantially Complete	153	2,403,514	2,318,001	85,513	3.6%	923,015
Subtotal	356	9,844,118	10,640,836	(796,718)	(8.1%)	4,036,384
Capital Infrastructure Contributions						
Active	47	769,555	754,323	15,232	2.0%	-
Substantially Complete	1	10,062	9,576	486	4.8%	-
Subtotal	48	779,617	763,899	15,718	2.0%	-
Total Capital Program	404	10,623,735	11,404,735	(781,000)	(7.4%)	4,036,384

The capital program is supported in part by \$4.0 billion in committed funding available to TransLink from the Canada Community Building Fund (formerly the Federal Gas Tax Fund), Public Transit Infrastructure Fund (PTIF), and Investing in Canada Infrastructure Program (ICIP). External funding programs apply to eligible projects within the capital program. For the Canada Community Building Fund, TransLink receives approval and funding in advance of project initiation. These funds are held in restricted cash and treated as deferred government transfers until costs are incurred in the approved projects, at which time funds are released to general operating funds and government transfers revenue is recognized. For PTIF and ICIP TransLink incurs the costs of the projects which are recovered through invoicing the Province for the portion that is funded per the respective agreements. Revenue for these programs is amortized based on the terms of the respective agreements.

Active and Substantially Complete Capital Projects

As of June 30, 2024, there were 328 active and substantially complete projects with a final forecasted cost of \$9.3 billion. The total costs incurred for these projects during the year were \$337.7 million.

SUMMARY OF ACTIVE PROJECTS								
As of June 30, 2024 (\$ thousands)	Number of Projects	Current Budget	2024 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
						Fav/(Unfav)	%	
Active								
Equipment	25	174,633	6,059	70,771	172,653	1,980	1.1%	16,559
Infrastructure	57	789,221	49,988	212,585	818,574	(29,353)	(3.7%)	207,233
Major Construction	14	3,076,695	134,263	778,739	3,606,755	(530,060)	(17.2%)	891,935
Technology	31	252,311	15,446	84,094	226,030	26,281	10.4%	-
Vehicle	35	980,749	51,521	152,850	974,012	6,737	0.7%	817,422
Facilities	13	790,838	56,378	158,437	1,158,430	(367,592)	(46.5%)	438,922
Subtotal (Active Capital Projects)	175	6,064,447	313,655	1,457,476	6,956,454	(892,007)	(14.7%)	2,372,071
Substantially Complete	153	2,403,514	24,038	2,281,997	2,318,001	85,514	3.6%	923,015
Total Active Capital Projects	328	8,467,961	337,693	3,739,473	9,274,455	(806,493)	(9.5%)	3,295,086

The unfavourable forecast variance to current budget of \$806.5 million is a result of cost escalations experienced across TransLink's capital program. Cost escalations are primarily caused by inflationary cost increases in major construction and facilities projects, and changes in estimates and scope maturity as projects progress. TransLink is mitigating the impact of these unfavourable variances by reviewing future capital projects to accommodate cost increases and exploring additional funding opportunities.

Active Capital Projects

As of June 30, 2024, there were 175 active projects with expenditures of \$313.7 million for the year and \$1.5 billion in cumulative spending to date. A comparison of active project budgets against forecasted final costs shows an unfavorable variance of \$892.0 million (14.7 per cent).

Infrastructure spending of \$50.0 million for the year includes \$9.0 million spent on the Station Access and Safety Project, \$8.1 million on the Edmonds Operations and Maintenance Centre (OMC) Capacity Upgrade and \$8.0 million on the Expo Line Surrey Power Rail Replacement.

Major Construction spending of \$134.3 million for the year includes \$50.0 million spent on the Expo and Millennium Upgrade Program - Fleet Acquisition Phase 2, \$28.6 million on the SkyTrain Operation Control Centre and \$26.9 million on the OMC4 Vehicle Storage Facility. The unfavourable forecast variance to current budget of \$530.1 million is mainly related to OMC4 Vehicle Storage and Maintenance Facility, and Rail Expansion Program Management and Integration Services projects.

Vehicle spending of \$51.5 million for the year includes \$36.4 million spent on 2020 Conventional Bus Expansion.

Facilities spending of \$56.4 million for the year includes \$42.5 million spent on the Marpole Transit Centre and \$4.3 million on the Canada Line Capstan Station. The unfavourable forecast variance to current budget of \$367.6 million is mainly related to Marpole Transit Centre project.

Substantially Complete Capital Projects

As of June 30, 2024, there were 153 projects with a total budget of \$2.4 billion deemed substantially complete with \$24.0 million spent year-to-date. These projects are in the final stages of project activity. The total expected favourable variance for these projects at completion is \$85.5 million (3.6 per cent).

Notable projects that were substantially completed during the quarter include:

- HandyDART Norland Facility with a budget of \$8.0 million
- Trolley Overhead On-Street Infrastructure State of Good Repair 2022 with a budget of \$4.8 million
- CMBC Gateway TL 7th and 8th floor Move with a budget of \$3.3 million
- Power Smart Upgrades – Burnaby Transit Centre South - Design and Implementation with a budget of \$1.5 million

Approved in Principle (AIP) Capital Projects

As of June 30, 2024, there were 28 AIP projects remaining to be initiated with a total budget of \$1.4 billion. Of the 28 projects, 10 projects with a budget of \$55.5 million were carried forward from prior years and 18 projects with a budget of \$1.3 billion are new in 2024.

SUMMARY OF AIP PROJECTS			Senior Government
As of June 30, 2024 (\$ thousands)	Number of Projects	Current Budget	Funding (Committed)
Capital Projects			
Equipment	5	49,339	-
Infrastructure	9	274,759	-
Technology	8	235,714	-
Vehicle	4	775,621	741,298
Facilities	2	40,724	-
Total AIP Projects	28	1,376,157	741,298

Significant projects remaining in AIP include:

- 2026 Conventional Bus Replacement (262 battery-electric buses) with a budget of \$470.3 million
- Bus Expansion Vehicles and Infrastructure with a budget of \$300 million
- Strategic Land Acquisition with a budget of \$225.0 million
- Compass Modernization with a budget of \$220.7 million

Closed Capital Projects

During the quarter ended June 30, 2024, the Rapid Bus Passenger Information Displays project with a final cost of \$4.8 million and an approved budget of \$5.1 million was completed and closed.

Cancelled Capital Projects

No capital projects were cancelled during the quarter ended June 30, 2024.

Capital Infrastructure Contributions

These expenditures consist of contributions to municipalities for the rehabilitation and upgrade of the Major Road Network (MRN), as well as pedestrian and bike pathways. TransLink does not own these underlying assets, therefore, the costs are expensed in the year they are incurred.

As of June 30, 2024, there were 48 active programs with a budget of \$779.6 million. The majority of the \$34.3 million in contributions in the year relate to the Pavement Rehabilitation Program and MRN and Bike Upgrades funded under the MRN Program.

SUMMARY OF INFRASTRUCTURE CONTRIBUTION PROGRAMS							Forecast Variance to Current Budget	
As of June 30, 2024 (\$ thousands)	Number of Projects	Current Budget	2024 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Fav/ (Unfav)	%	
MRN Structurers Funding Program	6	93,963	5,384	19,295	91,700	2,263	2.4%	
Major Road Network and Bike Upgrades (MRNB)	12	270,879	7,611	174,750	265,323	5,556	2.1%	
Pavement Rehabilitation Program	12	258,470	13,578	151,144	257,173	1,297	0.5%	
Bicycle Infrastructure Capital Cost Share (BICCS)	6	98,301	4,539	31,920	94,155	4,146	4.2%	
Bus, Speed, Reliability, and Infrastructure (BSRI)	5	23,307	1,631	5,397	22,197	1,110	4.8%	
Walking Infrastructure to Transit (WITT)	7	34,697	1,540	13,278	33,351	1,346	3.9%	
Grand Total	48	779,617	34,283	395,784	763,899	15,718	2.0%	

8. Changes in Financial Position

Consolidated Statement of Financial Position			
(\$ thousands)	June 30 2024	December 31 2023	Change
Cash and cash equivalents	376,939	276,248	100,691
Accounts receivable	801,259	675,173	126,086
Restricted cash and cash equivalents and investments	4,023,961	4,127,713	(103,752)
Investments	279,513	394,831	(115,318)
Debt reserve deposits	24,683	24,500	183
Financial Assets	5,506,355	5,498,465	7,890
Accounts payable and accrued liabilities	366,648	615,595	(248,947)
Debt	3,881,707	3,360,119	521,588
Deferred government transfers	3,679,874	3,769,885	(90,011)
Golden Ears Bridge contractor liability	974,330	983,403	(9,073)
Deferred concessionaire credit	374,477	386,082	(11,605)
Employee future benefits	142,544	140,093	2,451
Deferred development cost charges	20,581	40,348	(19,767)
Asset retirement obligation	27,461	26,952	509
Deferred revenue and deposits	88,588	82,745	5,843
Deferred lease inducements	12,111	12,795	(684)
Liabilities	9,568,321	9,418,017	150,304
Net Debt	(4,061,966)	(3,919,552)	(142,414)
Tangible capital assets	6,326,539	6,141,887	184,652
Supplies inventory	144,227	128,609	15,618
Prepaid capital	-	30,745	(30,745)
Property under development	20,279	20,102	177
Prepaid expenses	44,232	30,780	13,452
Non-Financial Assets	6,535,277	6,352,123	183,154
Accumulated Surplus	2,473,311	2,432,571	40,740

Financial Assets

See "Liquidity and Capital Resources" section for the discussion on:

- Cash and cash equivalents and investments
- Restricted cash and cash equivalents and investments

The increase in accounts receivable of \$126.1 million (18.7 per cent) was mainly due to the accrual of property tax revenue which is to be received in August. The increase was partly offset by collections of capital project funding and a portion of Senior Government relief funding.

Liabilities

See "Liquidity and Capital Resources" section for the discussion on Debt.

Accounts payable and accrued liabilities decreased by \$248.9 million (40.4 per cent) primarily due to a January 2, 2024 settlement of a December 2023 investment purchase managed by British Columbia Investment Management Corporation (BCI) in the amount of \$148.0 million and regular payments on accrued payables related to capital projects.

The deferred government transfers liability decreased by \$90.0 million (2.4 per cent) primarily due to revenues recognized as the funding stipulations are met for the various funding programs.

The Golden Ears Bridge contractor liability financed the construction of the Golden Ears Bridge and is payable over the term ending June 2041.

Deferred concessionaire credits represent the funding provided by the Canada Line Concessionaire. This balance is amortized to income on a straight-line basis over the operating term of the concessionaire agreement, which will expire in July 2040.

The change in employee future benefits, which represents post-retirement and post-employment benefits, was due to the estimated current service cost and related interest. The post-retirement portion of this liability will draw down, upon retirement of the employees.

Deferred development cost charges relate to amounts received for certain capital projects, for which qualifying costs have not yet been incurred.

Asset retirement obligations represent estimated future legal obligations requiring TransLink to remove or remediate certain tangible capital assets.

The increase in deferred revenues and deposits of \$5.8 million (7.1 per cent) was mainly due to unearned transit fare revenue and Compass card deposits received.

Non-Financial Assets

Tangible capital assets increased by \$184.7 million (3.0 per cent) in the first half of 2024 due to \$274.2 million in additions and \$30.7 million transfer from prepaid capital, partly offset by amortization of \$118.0 million and \$2.2 million of asset disposal. Additions included SkyTrain system and infrastructure upgrades, vehicle fleet procurement, property acquisition, and technology upgrade projects.

Property under development represents TransLink's share of the real estate development costs. The Broadway and Arbutus Project Limited Partnership (the "Partnership") was established on April 25, 2022 to deliver a mixed-use residential building at the corner of West Broadway and Arbutus. TransLink holds 50 per cent ownership of the Partnership through a wholly-owned subsidiary, TOD Investments Ltd. Transactions and balances of this partnership are proportionately consolidated into TransLink's consolidated financial statements based on its 50 per cent interest share.

As the future operator of the Surrey Langley SkyTrain (SLS) and future lessee of SLS assets, as at December 31, 2023 TransLink invested \$30.7 million of prepaid capital for TransLink's share of the SLS development costs. In the second quarter of 2024, following the finalization the SLS Funding and Support agreement with the Province, this amount was transferred to tangible capital projects-in-progress.

9. Liquidity and Capital Resources

Cash Flows and Liquidity

The following table shows unrestricted cash and investments.

UNRESTRICTED CASH AND INVESTMENTS			
(\$ thousands)	June 30 2024	December 31 2023	Change
Cash and cash equivalents	376,939	276,248	100,691
Investments	279,513	394,831	(115,318)
Total Unrestricted cash and investments	656,452	671,079	(14,627)

TransLink's unrestricted cash and investment balances reflect accumulated funding resources available for supporting operations. The balance decreased by \$14.6 million (2.2 per cent) in the first six months of 2024, due to regular net outflows from operations, partly offset by the \$300.0 million Green bond issuance in June and Senior Government relief funding of \$85.8 million which was recognized as revenue in 2023.

The unrestricted cash and investments balance of \$656.5 million is well within TransLink's policy requirement of 15 per cent of operating expenditures plus debt service costs. This balance is expected to be maintained above the policy limit for the remainder of the year. The receipt of annual property tax remittances from municipalities in August will be offset by repayment of short-term debt and regular net outflows from operations.

TransLink has a short-term Commercial Paper borrowing program with total capacity of \$500.0 million available to support liquidity, of which \$252.0 million was outstanding as at June 30, 2024 (December 31, 2023: nil). This Commercial Paper program is used to temporarily augment the liquidity due to seasonality of property tax inflows. Following the receipt of property tax revenue in August, a substantial amount of this outstanding borrowing is expected to be paid off.

Restricted Funds

Restricted cash and cash equivalents and investments include unspent government transfers, funds segregated for TransLink's captive insurance Transportation Property and Casualty Corporation (TPCC), unspent proceeds of Green bond issuance, land reserve funds, development cost charges funds restricted for qualifying projects, and self-administered sinking funds. The purpose of the land reserve funds is to allow proceeds from the disposition of real property to be invested back into real property. The land reserve concept is consistent with the Mayors' Council 2012 resolution and the former TransLink Commissioner's comments that the supplemental plan (now known as the Investment Plan) should not liquidate capital assets to fund operations.

RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS			
(\$ thousands)	June 30 2024	December 31 2023	Change
Government Transfers	1,081,029	1,151,364	(70,335)
GEB Restricted Funds	1,870,290	2,019,966	(149,676)
TPCC Cash and Investments	36,136	33,107	3,029
Green Bond Proceeds	57,269	66	57,203
Land Reserve	285,085	281,780	3,305
Development Cost Charges Funds	9,986	11,667	(1,681)
Self administered sinking funds	684,166	629,763	54,403
Total Restricted Cash and Cash Equivalents and Investments	4,023,961	4,127,713	(103,752)

For the first six months of 2024, restricted cash and investments decreased by \$103.8 million. This is primarily due to dividend received from the Golden Ears Bridge (GEB) forgone toll revenue funds managed by BCI, and releases from GEB Restricted Fund earmarked for capital projects and unspent federal and municipal contributions to fund qualifying capital spending. These decreases are partly offset by proceeds received from issuing a Green bond, contributions to and reinvested investment income within the sinking funds and other funds.

Net Debt

TransLink’s robust borrowing program provides the ability to go directly to capital markets with a solid reputation as a good investment, meaning greater cost certainty for debt management. It provides assurance to credit rating agencies and investors while providing flexibility to TransLink to use both short-term and long-term financing.

TransLink’s debt management policy includes self-imposed debt coverage and debt service coverage limits. TransLink continues to remain within these limits.

Under the South Coast British Columbia Transportation Authority (SCBCTA) Act, TransLink’s outstanding gross direct debt obligations cannot exceed TransLink’s borrowing limit, which increased from \$6.8 billion to \$8.5 billion. Under the “Borrowing by authority” section, Section 31 (1), of the SCBCTA Act, the debt limit can be increased on the basis of an amount proposed in an Investment Plan, “if the investment plan was approved by the mayors' council on regional transportation under section 204.1.” The Board approved the resolution for the increased borrowing limit in the report "2024 - 2033 Investment Plan" on June 25, 2024. The Mayors' Council also approved the resolution in the report. The debt obligations are defined under the SCBCTA Act as the sum of current borrowings of TransLink secured by debentures, bonds, other forms of indentures, capital leases, short-term notes, lines of credit and bank overdrafts, excluding any prepaid financing costs.

As at June 30, 2024, TransLink’s outstanding debt obligation, as defined above, was \$4.59 billion (December 31, 2023: \$4.04 billion), being the debt of \$3.88 billion plus Municipal Finance Authority of BC (MFABC) administered sinking funds of \$0.71 billion and net of capital lease reductions since inception and unamortized issuance costs of \$2.0 million.

FINANCING			
(\$ thousands)	June 30 2024	December 31 2023	Change
Debt	3,881,707	3,360,119	521,588
Less: Self-administered sinking funds	(684,166)	(629,763)	(54,403)
Less: Debt reserve deposits	(24,683)	(24,500)	(183)
Net Direct Debt	3,172,858	2,705,856	467,002
Golden Ears Bridge contractor liability	974,330	983,403	(9,073)
Deferred concessionaire credit	374,477	386,082	(11,605)
Indirect P3 Debt	1,348,807	1,369,485	(20,678)
Subtotal Net Direct Debt and Indirect P3 Debt	4,521,665	4,075,341	446,324

Net direct debt increased by \$467.0 million mainly due to increases in long-term debt of \$300 million and utilization of short-term debt of \$252 million, partly offset by scheduled debt payments, sinking fund contributions and reinvestment of sinking fund interest income during the first six months of 2024.

Indirect P3 debt includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, declined by \$20.7 million due to amortization of the Canada Line deferred concessionaire credit and payments made on Golden Ears Bridge contractor liability.

Credit Rating

Maintaining a high-quality credit rating is essential to ensure that TransLink can continue to access capital markets in the most cost-effective basis.

The following table summarizes TransLink’s current credit ratings and outlooks. As at June 30, 2024, Moody’s continues to affirm TransLink’s rating of Aa2 (Stable) reflective of TransLink’s strong institutional framework and its status as a taxing authority, as well as its positive management of the uncertainties arising from the COVID-19 pandemic. As at June 30, 2024, Dominion Bond Rating Service (DBRS) affirmed TransLink’s rating of AA (Stable).

CREDIT RATING								
Agency	As at June 30, 2024				As at December 31, 2023			
	Commercial Paper	Senior Debt	General Obligation	Outlook	Commercial Paper	Senior Debt	General Obligation	Outlook
DBRS Limited	R-1 mid	AA	AA	Stable	R-1 mid	AA	AA	Stable
Moody's Investor's Service	Not Rated	Aa2	Aa2	Stable	Not Rated	Aa2	Aa2	Stable

Appendix I – Consolidated Financial Statements

The following statements are presented in accordance with generally accepted Canadian accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Consolidated Statement of Financial Position

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

June 30, 2024, with comparative information for December 31, 2023

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 376,939	\$ 276,248
Accounts receivable	801,259	675,173
Restricted cash and cash equivalents and investments	4,023,961	4,127,713
Investments	279,513	394,831
Debt reserve deposits	24,683	24,500
	5,506,355	5,498,465
Liabilities		
Accounts payable and accrued liabilities	366,648	615,595
Debt	3,881,707	3,360,119
Deferred government transfers	3,679,874	3,769,885
Golden Ears Bridge contractor liability	974,330	983,403
Deferred concessionaire credit	374,477	386,082
Employee future benefits	142,544	140,093
Deferred development cost charges	20,581	40,348
Asset retirement obligations	27,461	26,952
Deferred revenue and deposits	88,588	82,745
Deferred lease inducements	12,111	12,795
	9,568,321	9,418,017
Net debt	(4,061,966)	(3,919,552)
Non-financial assets		
Tangible capital assets	6,326,539	6,141,887
Supplies inventory	144,227	128,609
Prepaid capital	-	30,745
Property under development	20,279	20,102
Prepaid expenses	44,232	30,780
	6,535,277	6,352,123
Accumulated surplus	\$ 2,473,311	\$ 2,432,571

Consolidated Statement of Operations

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations

(Expressed in thousands of dollars)

Six months ended June 30, 2024, with comparative information for June 30, 2023

	2024 Budget	2024 Actual	2023 Actual
Revenues:			
Taxation	\$ 499,303	\$ 525,084	\$ 476,758
Transit	328,812	343,882	315,306
Government transfers	265,752	144,898	574,067
Amortization of deferred concessionaire credit	11,605	11,605	11,541
Investment income	78,199	94,032	87,166
Development cost charges	26,350	19,915	11,798
Miscellaneous revenue	8,033	13,502	8,899
Gain on disposal of tangible capital assets	-	550	193
	1,218,054	1,153,468	1,485,728
Expenses:			
Bus operations	588,884	579,961	550,313
Corporate operations	125,372	102,221	81,897
Rail operations	294,563	290,414	260,553
Roads and bridges	117,010	110,685	97,450
Transit Police	31,194	29,447	26,289
	1,157,023	1,112,728	1,016,502
Surplus for the period	61,031	40,740	469,226
Accumulated surplus, beginning of period	2,467,317	2,432,571	1,959,668
Accumulated surplus, end of period	\$ 2,528,348	\$ 2,473,311	\$ 2,428,894

Consolidated Statement of Changes in Net Debt

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

Six months ended June 30, 2024, with comparative information for June 30, 2023

	2024	2023
	Actual	Actual
Surplus for the period	\$ 40,740	\$ 469,226
Acquisition of tangible capital assets	(274,179)	(193,043)
Amortization of tangible capital assets	118,017	123,607
Prepaid capital transferred to tangible capital assets	(30,745)	-
Net proceeds from disposal of tangible capital assets	2,805	193
Gain on disposal of tangible capital assets	(550)	(193)
	(184,652)	(69,436)
Change in supplies inventory	(15,618)	(11,980)
Change in property under development	(177)	(204)
Change in prepaid capital	30,745	-
Change in prepaid expenses	(13,452)	(10,443)
	1,498	(22,627)
Decrease (increase) in net debt	(142,414)	377,163
Net debt, beginning of period	(3,919,552)	(3,982,451)
Net debt, end of period	\$ (4,061,966)	\$ (3,605,288)

Consolidated Statement of Cash Flows

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

Six months ended June 30, 2024, with comparative information for June 30, 2023

	2024	2023
Cash provided by (used for):		
Operating transactions:		
Surplus for the period	\$ 40,740	\$ 469,226
Non-cash changes to operations	(10,009)	46,670
Changes in non-cash operating working capital	(415,753)	(723,937)
Cash used for operating transactions	(385,022)	(208,041)
Capital transactions:		
Purchase of tangible capital assets	(274,179)	(193,043)
Net proceeds from disposal of tangible capital assets	2,805	193
Cash used for capital transactions	(271,374)	(192,850)
Investing transactions:		
Decrease (increase) in restricted cash and cash equivalents and investments	103,752	(245,619)
Decrease (increase) in investments	115,318	(84,782)
Increase in debt reserve deposits	(183)	(177)
Cash provided by (used for) investing transactions	218,887	(330,578)
Financing transactions:		
Debt proceeds	552,000	-
Discount and issuance costs on financing	(3,120)	-
Repayments of debt	(13,237)	(13,167)
Repayments of Golden Ears Bridge contractor liability	(42,543)	(41,300)
Government transfers received for tangible capital additions	45,100	349,614
Cash provided by financing transactions	538,200	295,147
Increase (decrease) in cash and cash equivalents	100,691	(436,322)
Cash and cash equivalents, beginning of period	276,248	622,558
Cash and cash equivalents, end of period	\$ 376,939	\$ 186,236
Supplementary information:		
Interest paid	\$ 110,501	\$ 100,895
Prepaid capital transferred to tangible capital assets	30,745	-

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows (continued)

(Expressed in thousands of dollars)

Six months ended June 30, 2024, with comparative information for June 30, 2023

	2024	2023
Non-cash changes to operations:		
Amortization of tangible capital assets	\$ 118,017	\$ 123,607
Amortization of bond premium	(1,254)	(1,642)
Amortization of deferred concessionaire credit	(11,605)	(11,541)
Amortization of deferred government transfers	(135,111)	(85,402)
Amortization of deferred lease inducements	(684)	(28)
Interest accretion on contractor liability	33,470	33,578
Interest accretion on asset retirement obligations	509	-
Gain on disposal of tangible capital assets	(550)	(193)
Sinking fund interest held by MFA	(12,801)	(11,709)
	\$ (10,009)	\$ 46,670
Changes in non-cash operating working capital:		
Increase in accounts receivable	\$ (126,086)	\$ (689,988)
Increase in supplies inventory	(15,618)	(11,980)
Increase in property under development	(177)	(204)
Increase in prepaid expenses	(13,452)	(10,443)
Decrease in accounts payable and accrued liabilities	(248,947)	(23,149)
Increase (decrease) in deferred development cost charges	(19,767)	1,061
Increase in deferred revenue and deposits	5,843	7,362
Increase in employee future benefits	2,451	3,404
	\$ (415,753)	\$ (723,937)

Segment Report

South Coast British Columbia Transportation Authority

Segment Report

Period ended June 30, 2024

(in thousands of dollars)

	2024						Restated
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	Total	2023
Revenues:							
Taxation	\$ -	\$ 525,084	\$ -	\$ -	\$ -	\$ 525,084	\$ 476,758
Transit	-	343,882	-	-	-	343,882	315,306
Government transfers	-	144,898	-	-	-	144,898	574,067
Amortization of deferred concessionaire credit	-	-	11,605	-	-	11,605	11,541
Investment income	-	94,032	-	-	-	94,032	87,166
Development cost charges	-	19,915	-	-	-	19,915	11,798
Miscellaneous revenue	4,974	7,666	329	-	533	13,502	8,899
Gain on disposal of tangible capital assets	-	501	49	-	-	550	193
	4,974	1,135,978	11,983	-	533	1,153,468	1,485,728
Expenses:							
Administration	13,241	14,322	5,313	9	2,453	35,338	28,364
Capital infrastructure contributions	-	-	-	28,530	-	28,530	23,900
Contracted services	48,283	8,934	73,235	3,152	4	133,608	126,032
Fuel and power	35,301	-	8,223	-	-	43,524	43,657
Insurance	8,711	282	4,211	723	63	13,990	12,931
Maintenance, materials and utilities	49,407	1,040	42,679	26,509	885	120,520	99,999
Professional and legal	2,213	11,588	2,235	1,447	184	17,667	14,083
Rentals, leases and property tax	12,724	4,963	1,135	80	1,443	20,345	19,547
Salaries, wages and benefits	331,507	42,422	87,100	954	24,249	486,232	434,141
Expenses before amortization and interest	501,387	83,551	224,131	61,404	29,281	899,754	802,654
Amortization of tangible capital assets	51,787	11,948	43,688	10,483	111	118,017	123,607
Interest	26,787	6,722	22,595	38,798	55	94,957	90,241
Amortization and interest	78,574	18,670	66,283	49,281	166	212,974	213,848
Total Expenses	579,961	102,221	290,414	110,685	29,447	1,112,728	1,016,502
Surplus (deficit), for the period	\$ (574,987)	\$ 1,033,757	\$ (278,431)	\$ (110,685)	\$ (28,914)	\$ 40,740	\$ 469,226

Appendix II – Operating Indicators

OPERATING INDICATORS							
Six months ended June 30	YTD	YTD	Change		YTD	Budget Variance	
	2024	2023	Fav/(Unfav)	%	2024	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
Service Performance Items							
Safety: Customer Injuries (per 1 million boarded passengers, unless otherwise stated)¹							
Bus & SeaBus ^{2,3}	3.5	4.0	0.5	12.5%	4.0	0.5	12.5%
SkyTrain: Expo & Millennium Lines ^{2,3}	1.6	1.1	(0.5)	(45.5%)	1.0	(0.6)	(60.0%)
HandyDART (per 100,000 boarded passengers) ^{2,3}	0.7	1.6	0.9	56.3%	0.4	(0.3)	(75.0%)
Safety: Employee Lost Time Frequency							
Bus & SeaBus (per 200,000 Hours Worked)	7.4	8.9	1.5	16.9%	8.3	0.9	10.8%
SkyTrain: Expo & Millennium Lines (per 200,000 Hours Worked)	6.4	4.7	(1.7)	(36.2%)	4.0	(2.4)	(60.0%)
HandyDART (per 200,000 Hours Worked)	10.4	16.1	5.7	35.4%	13.0	2.6	20.0%
Safety: Bus & SeaBus Operator Assaults (per 1 Million Service Hours)							
	10.4	13.3	2.9	21.8%	11.4	1.0	8.8%
Ridership: Boarded Passengers (Thousands)³							
Bus & SeaBus	124,533	120,166	4,367	3.6%	122,693	1,840	1.5%
SkyTrain: Expo & Millennium Lines	52,290	48,428	3,862	8.0%	47,279	5,011	10.6%
SkyTrain: Canada Line	20,298	19,257	1,041	5.4%	19,250	1,048	5.4%
West Coast Express	780	625	155	24.8%	791	(11)	(1.4%)
HandyDART	707	634	73	11.5%	674	33	4.9%
Ridership: Journeys (Thousands)³							
Overall System	118,262	112,590	5,672	5.0%	113,679	4,583	4.0%
Vehicle Service Delivery: Percentage of Service Hours Delivered							
Bus & SeaBus	99.1%	99.3%	(0.2%)	(0.2%)	99.0%	0.1%	0.1%
SkyTrain: Canada Line ⁴	100.0%	100.0%	-	-	100.0%	-	-
HandyDART	99.6%	99.5%	0.1%	0.1%	99.8%	(0.2%)	(0.2%)
Vehicle Service Delivery: Percentage of Train Trips Delivered							
SkyTrain: Expo & Millennium Lines	99.4%	99.6%	(0.2%)	(0.2%)	99.5%	(0.1%)	(0.1%)
West Coast Express	99.8%	100.0%	(0.2%)	(0.2%)	99.9%	(0.1%)	(0.1%)
Vehicle Punctuality: On-Time Performance							
Bus (3 minutes late < On-Time < 1 minute early)	80.4%	80.7%	(0.3%)	(0.4%)	80.0%	0.4%	0.5%
SkyTrain: Expo & Millennium Lines (headway + 3 minutes)	93.6%	95.6%	(2.0%)	(2.1%)	95.5%	(1.9%)	(2.0%)
West Coast Express (headway + 5 minutes)	92.9%	95.7%	(2.8%)	(2.9%)	99.7%	(6.8%)	(6.8%)
HandyDART (earlier than and within 15 minutes of Scheduled Pick-Up Time)	90.9%	91.5%	(0.6%)	(0.7%)	90.0%	0.9%	1.0%
Vehicle Reliability: Mean Distance Between Failure							
Bus ⁵	28,431	29,385	(954)	(3.2%)	28,871	(440)	(1.5%)
HandyDART Vehicle Productivity							
Trips per Service Hour (excludes Taxis)	1.6	1.6	-	-	2	(0.4)	(20.0%)
Trip Denials	654	480	(174)	(36.3%)	714	60	8.4%
Environmental							
Bus & SeaBus (Spills per 1 Million Km)	1.9	2.4	0.5	20.8%	2.4	0.5	20.8%
Bus & SeaBus (Revenue Vehicle Energy Consumption in Gigajoules) ⁶	1,012,127	1,015,733	3,606	0.4%	1,009,460	(2,667)	(0.3%)
Customer Service: Customer Satisfaction (overall score of 10)							
Overall System ⁷	7.8	8.0	(0.2)	(2.5%)	8.2	(0.4)	(4.9%)
Bus & SeaBus	7.8	8.0	(0.2)	(2.5%)	8.1	(0.3)	(3.7%)
SkyTrain: Expo & Millennium Lines	8.1	8.4	(0.3)	(3.6%)	8.2	(0.1)	(1.2%)
SkyTrain: Canada Line	8.5	8.5	-	-	8.5	-	-
West Coast Express	8.8	8.7	0.1	1.1%	8.6	0.2	2.3%
Customer Service: Customer Complaints³							
Overall System (per 1 million boarded passengers) ⁷	72.7	66.9	(5.8)	(8.7%)	78.2	5.5	7.0%
Bus & SeaBus (per 1 million boarded passengers)	78.4	73.5	(4.9)	(6.7%)	88.2	9.8	11.1%
SkyTrain: Expo & Millennium Lines (per 1 million boarded passengers)	13.4	14.0	0.6	4.3%	15.3	1.9	12.4%
SkyTrain: Canada Line (per 1 million boarded passengers)	7.9	5.7	(2.2)	(38.6%)	5.6	(2.3)	(41.1%)
West Coast Express (per 1 million boarded passengers)	96.2	126.3	30.1	23.8%	82.2	(14.0)	(17.0%)
HandyDART (per 100,000 boarded passengers)	243.1	247.7	4.6	1.9%	201.1	(42.0)	(20.9%)
Financial: Operating Costs							
Overall System (operating cost per capacity km) ⁸	\$0.125	\$0.113	(0.012)	(10.6%)	\$0.124	(0.001)	(0.8%)
Bus & SeaBus (operating cost per capacity km)	\$0.159	\$0.148	(0.011)	(7.4%)	\$0.153	(0.006)	(3.9%)
SkyTrain: Expo & Millennium Lines (operating cost per capacity km)	\$0.063	\$0.052	(0.011)	(21.2%)	\$0.065	0.002	3.1%
SkyTrain: Canada Line (operating cost per capacity km) ⁴	\$0.157	\$0.150	(0.007)	(4.7%)	\$0.159	0.002	1.3%
West Coast Express (operating cost per capacity km)	\$0.118	\$0.137	0.019	13.9%	\$0.134	0.016	11.9%
HandyDART (operating cost per trip)	\$54.67	\$54.67	-	-	\$47.79	(6.88)	(14.4%)
Financial: Operating Cost Recovery							
TransLink (conventional system) ^{9, 10}	44.1%	44.6%	(0.5%)	(1.1%)	41.3%	2.8%	6.8%

Footnotes for Appendix II begin on the following page.

¹The customer injury definition for CMBC and HandyDART represents the number of accepted injury claims arising from onboard incidents inside of the vehicle, while boarding, or as a result of a collision. The customer injury definition for Expo and Millennium Line and West Coast Express represents the number of injuries where the customer is transported to a hospital for treatment and the incident is reported to transit staff.

² The Customer Injuries rate for 2023 has been restated to reflect the latest information available.

³ The YTD 2023 ridership figures were restated at the end of 2023 to reflect final ridership figures.

⁴ Canada Line does not provide actual service delivery statistics, and estimates are used for reporting purposes.

⁵The YTD 2023 service kilometres of conventional bus have been restated to reflect the latest information available.

⁶ The YTD 2023 Revenue Vehicle Energy Consumption data has been restated to reflect the latest information available.

⁷ Excludes HandyDART.

⁸ Includes operating costs of Bus, Rail, and Transit Police. Excludes Access Transit.

⁹ Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes Access Transit, Roads & Bridges and Corporate One-Time.

¹⁰ 2023 ratio has been restated to align with the methodology adopted later in 2023.



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