



# Financial and Performance Report

AS AT SEPTEMBER 30, 2019



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***Caution Regarding Forward-Looking Statements***

From time to time, TransLink makes written and/or oral forward-looking statements, including 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.

## 2. Executive Summary

### Building Transportation Excellence

#### Creating a more livable region

TransLink delivers a wide range of services and programs to meet the transportation needs of 2.5 million people in Metro Vancouver. These include bus, SeaBus, SkyTrain, West Coast Express, and HandyDART services. Guided by a regional mandate, TransLink provides a transportation system that moves people and goods, while supporting the growth strategy, environmental objectives, and economic development of the region.

To meet the challenges of growth and congestion in a way that is affordable and fair, in 2014 the Mayors' Council on Regional Transportation developed the 10-Year Vision for Metro Vancouver Transit and Transportation (10-Year Vision). The focus of 2019 is to continue the ambitious rollout of transit services throughout the region, invest in critically-required maintenance on the system to ensure safety and reliability and to enhance the customer experience.

As committed in Phase Two of the 10-Year Vision: 2018-2027 Investment Plan (Investment Plan), TransLink has made significant strides towards its service expansion commitments in the third quarter of 2019. Coast Mountain Bus Company (CMBC) has implemented ten-minute weekday peak service for SeaBus and has put into full revenue service a total of 173 new conventional buses year to date. We have also put two battery-electric buses into revenue

service. British Columbia Rapid Transit Company (BCRTC) has added five new trains, bringing the total number of rail cars in service to 314. Further, the first phase of public engagement for our 30-Year Regional Strategy, Transport 2050 was successfully completed.

Strong ridership continues to grow in the third quarter after reaching record-breaking levels in 2018. For the nine months ending September 30, 2019, ridership growth in journeys increased by 4.3 per cent and boardings 4.2 per cent over the same period in 2018. The increased ridership trend is a reflection of increased transit service committed in the 10-Year Vision, sustained transit reliability, high employment levels and rising gas prices.

For the nine months ending September 30, 2019, TransLink reported a \$288.1 million surplus on a Public Sector Accounting Board (PSAB) basis. The majority of this surplus is from Senior Government funding that is earmarked for Capital Projects. Our enterprise continues to demonstrate financial strength and ability to deliver on the commitments supporting the 10-Year Vision.

TransLink achieved strong third quarter results and will continue to deliver the planned expansion, invest in maintenance and repairs and improve customer experience by creating enhancements to the system.



### 3. Update on Key Priorities Achieved in Q3 2019

With guiding principles of improving the quality of existing systems, improving quality of services and expanding the transit system, the 2019 Business Plan, Operating and Capital Budget is supported by three priorities; implement the Mayors' 10-Year Vision, ensure a state of good repair and improve customer experience and public support. The following table is an update for the third quarter of 2019.

#### Priority One: Implement the Mayors' Vision

*We will successfully deliver the capital projects, service expansion and policy initiatives necessary to implement the Mayors' Vision.*

- Successfully implemented service expansion in September with 9 per cent more service on the Expo Line and 5 per cent more service on the Millennium Line during peak service.
- Implemented ten-minute weekday peak service for SeaBus in the first week of September with the existing fleet.
- Commissioned five new trains of 20 rail cars into full revenue service, bringing the total rail car fleet to 314.
- Completed Nanaimo Station Exchange upgrade and progressed on the construction of the Lonsdale Quay Exchange.
- Achieved 2019 recruitment targets for transit operators in the third quarter and held a recruitment event in preparation for the 2020 service expansion.
- Issued a request for proposal to procure 205 new SkyTrain cars for the Expo and Millennium Lines.

#### Priority Two: Maintain a State of Good Repair

*TransLink will proactively manage and maintain all assets in a state of good repair to ensure safety and reliability, optimize lifecycle costs and enhance the customer experience.*

- Commissioned two battery-electric buses into full revenue service.
- Installed 52 new radio consoles on buses, bringing a total of 75 buses in service with the new radio system.
- Continued work on the Granville Station escalator replacements.
- Completed maintenance plan audits of West Coast Express and Canada Line.
- Completed installation of new fareboxes on all Community Shuttle vehicles.

## Priority Three: Enhance Customer Experience

*With a customer first approach, we will build public trust and confidence in TransLink by focusing on growing ridership, engaging stakeholders and implementing the Mayors' 10-Year Vision.*

- Developed 11 instructional videos for conventional system travel geared towards passengers with disabilities.
- Installed and activated Passenger Information Displays (PIDS) at Production Way-University, Stadium-Chinatown, Main Street-Science World and Lake City Way Stations.
- Completed customer kiosks setup at 11 SkyTrain and bus exchange locations and installed Entrance Passenger Information Displays (E-PIDS) at Main Street-Science World and Stadium-Chinatown Stations.
- Completed Phase One of Transport 2050 Engagement, the largest public engagement program TransLink has ever completed with more than 28,000 surveys filled and engagement events in every municipality in the region as well as several neighbouring communities.
- Launched a new “Hold-On” safety campaign to increase customer safety awareness on buses, stairs and escalators.
- Finalized the BC Parkway intersection improvement study and started BC Parkway Design Guidelines development.
- Received safety campaign branding at the two new Transit Police sub-offices including Commercial-Broadway and New Westminster Stations.
- Produced a small tri-fold card to support communication between Transit Police Officers and persons who are deaf or hard of hearing (DHH) in order to reduce potential difficulty and stress within interactions.
- Upgraded Compass sale channels to include American Express at Compass Vending Machines, Customer Service Centres, buses and at all fare gates.
- Enrolled three organizations on the Compass Pass for Organizations program where participants provide subsidized transit passes for their employees.

## 4. 2019 Third Quarter Financial Summary

CONSOLIDATED REVENUES AND EXPENSES Nine months ending September 30 (\$ thousands)	YEAR OVER YEAR		ACTUAL TO BUDGET				FORECAST TO BUDGET				
	YTD 2019	YTD 2018	Change		YTD 2019	Budget Variance		Annual 2019	Annual 2019	Forecast Variance	
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET**	Fav/(Unfav)	%
Revenue											
Taxation	682,668	610,577	72,091	11.8%	650,635	32,033	4.9%	907,586	874,526	33,060	3.8%
Transit	511,583	474,671	36,912	7.8%	499,538	12,045	2.4%	683,709	669,274	14,435	2.2%
Government transfers	286,601	146,595	140,006	95.5%	318,471	(31,870)	(10.0%)	428,552	388,039	40,513	10.4%
Investment Income	42,350	38,521	3,829	9.9%	38,685	3,665	9.5%	56,011	52,850	3,161	6.0%
Amortization of deferred concessionaire credit	17,407	17,407	-	-	17,407	-	-	23,337	23,337	-	-
Miscellaneous	6,210	5,297	913	17.2%	3,987	2,223	55.8%	7,293	5,882	1,411	24.0%
<b>Sub Total Continuing Operations</b>	<b>1,546,819</b>	<b>1,293,068</b>	<b>253,751</b>	<b>19.6%</b>	<b>1,528,723</b>	<b>18,096</b>	<b>1.2%</b>	<b>2,106,488</b>	<b>2,013,908</b>	<b>92,580</b>	<b>4.6%</b>
Gain/(Loss) on disposal	15	129	(114)	(88.4%)	(82)	97	(118.3%)	(3)	(122)	119	97.5%
<b>Total Revenue</b>	<b>1,546,834</b>	<b>1,293,197</b>	<b>253,637</b>	<b>19.6%</b>	<b>1,528,641</b>	<b>18,193</b>	<b>1.2%</b>	<b>2,106,485</b>	<b>2,013,786</b>	<b>92,699</b>	<b>4.6%</b>
Expenditures											
Bus Operations	565,051	537,047	(28,004)	(5.2%)	577,838	12,787	2.2%	764,129	777,818	13,689	1.8%
Rail Operations	239,145	230,333	(8,812)	(3.8%)	243,927	4,782	2.0%	324,642	326,870	2,228	0.7%
Transit Police	29,845	28,590	(1,255)	(4.4%)	30,682	837	2.7%	40,766	40,845	79	0.2%
Corporate Operations	73,685	68,950	(4,735)	(6.9%)	76,411	2,726	3.6%	101,750	102,134	384	0.4%
Roads & Bridges	45,626	60,226	14,600	24.2%	47,948	2,322	4.8%	78,265	94,692	16,427	17.3%
Amortization of Capital Assets*	153,824	142,658	(11,166)	(7.8%)	159,322	5,498	3.5%	215,653	226,513	10,860	4.8%
Interest*	138,112	137,076	(1,036)	(0.8%)	137,481	(631)	(0.5%)	192,612	185,118	(7,494)	(4.0%)
<b>Sub Total Continuing Operations</b>	<b>1,245,288</b>	<b>1,204,880</b>	<b>(40,408)</b>	<b>(3.4%)</b>	<b>1,273,609</b>	<b>28,321</b>	<b>2.2%</b>	<b>1,717,817</b>	<b>1,753,990</b>	<b>36,173</b>	<b>2.1%</b>
Corporate - One-time	13,455	8,166	(5,289)	(64.8%)	54,801	41,346	75.4%	48,937	70,575	21,638	30.7%
<b>Total Expenditures</b>	<b>1,258,743</b>	<b>1,213,046</b>	<b>(45,697)</b>	<b>(3.8%)</b>	<b>1,328,410</b>	<b>69,667</b>	<b>5.2%</b>	<b>1,766,754</b>	<b>1,824,565</b>	<b>57,811</b>	<b>3.2%</b>
<b>Surplus for the period (PSAB)</b>	<b>288,091</b>	<b>80,151</b>	<b>207,940</b>	<b>259.4%</b>	<b>200,231</b>	<b>87,860</b>	<b>43.9%</b>	<b>339,731</b>	<b>189,221</b>	<b>150,510</b>	<b>79.5%</b>

\* Amortization and Interest shown separately to facilitate analysis  
\*\* Restated to reflect budget transfers

The PSAB surplus recorded in the first nine months of 2019 was \$288.1 million which is \$87.9 million (43.9 per cent) favourable to budget. The majority of this surplus is from Senior Government Funding that is earmarked for Capital Projects.

Total revenues were favourable to budget by \$18.2 million (1.2 per cent) due to higher than anticipated fuel purchases in the region, a one-time fuel tax adjustment and higher transit revenue as a result of ridership exceeding growth expectations, partly offset by the timing of government transfers.

Total expenditures were favourable to budget by \$69.7 million (5.2 per cent) mainly due to timing for the RapidBus (formerly B-Line) expansion, timing of feasibility studies, lower labour expenses as a result of temporary vacancies, lower than expected fuel costs and lower amortization due to timing of vehicle deliveries.

The surplus at the end of 2019 is forecasted to be \$150.5 million (79.5 per cent) favourable to budget mainly due to the timing of government transfers, higher fuel tax revenue, higher transit revenue as a result of strong ridership, timing of capital projects by municipalities, lower amortization as well as lower fuel costs.

## 5. Key Performance Indicators

### Financial Indicators

TransLink continues to maintain financial strength to support the 10-Year Vision and maintain our assets in a state of good repair. Financial indicators are measured and monitored throughout the year.

FINANCIAL POLICIES AND INDICATORS				
(\$ thousands)	September 30	December 31	Change	
	2019	2018	Fav/(Unfav)	%
Unrestricted cash and investments	656,392	578,195	78,197	13.5%
Capital assets	5,329,154	5,079,162	249,992	4.9%
Net direct debt	(2,221,112)	(2,371,421)	150,309	6.3%
Indirect P3 debt	(1,520,392)	(1,542,890)	22,498	1.5%
Total net direct debt and indirect P3 debt	(3,741,504)	(3,914,311)	172,807	4.4%
Gross interest cost as a % of operating revenue	11.0%	11.9%	0.9%	7.6%

Unrestricted cash and investment balances increased by \$78.2 million in the first nine months of 2019 mainly due to the receipt of property tax revenues in August, partly offset by regular cash outlays to support current operations and service our debt obligations. The \$656.4 million in unrestricted cash and investments is well within policy requirements of 15.0 per cent of operating expenditures plus debt service costs.

Capital assets increased by \$250.0 million (4.9 per cent) in the first nine months of 2019 due to \$403.8 million in additions, partly offset by amortization of \$153.8 million. Additions included SkyTrain system upgrades, SkyTrain station upgrades at Surrey Central Station, Joyce-Collingwood Station and Commercial-Broadway Station, Expo Line running rail replacement, SkyTrain cars, Community Shuttles, Conventional buses and HandyDART vehicles.

Net direct debt decreased by \$150.3 million. This is due to scheduled debt payments, sinking fund contributions and reinvestment of sinking fund interest income during the first nine months. TransLink also paid down its Commercial Paper by \$60 million.

Indirect P3 debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, decreased by \$22.5 million mainly due to the amortization of the Canada Line deferred concessionaire credit.

Gross interest cost as a percentage of operating revenues was 11.0 per cent and well within TransLink's 20 per cent policy. This indicator was 0.9 per cent lower than 2018 year-end resulting mainly from an increase in operating revenues.

## 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							
Nine months ending September 30	YTD	YTD	Change		YTD	Budget Variance	
	2019	2018	Fav/(Unfav)	%	2019	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
<b>Scheduled Transit Service</b>							
Overall Performance Rating (out of 10)	7.8	7.9	(0.1)	(1.3%)	8.0	(0.2)	(2.5%)
Service Hours	5,191,690	5,125,269	66,421	1.3%	5,222,130	(30,440)	(0.6%)
Operating Cost Recovery <sup>1,2</sup>	59.5%	58.1%	1.4%	2.4%	56.7%	2.8%	4.9%
Operating Cost per Capacity Km <sup>2,3</sup>	\$0.089	\$0.085	(\$0.004)	(4.7%)	\$0.089	-	-
Complaints per million Boarded Passengers <sup>3,4</sup>	90.6	87.9	(2.7)	(3.1%)	87.5	(3.1)	(3.5%)
<b>Access Transit Service</b>							
Number of Trips	1,024,966	979,573	45,393	4.6%	1,031,028	(6,062)	(0.6%)
Operating Cost per Trip	\$40.20	\$40.82	\$0.62	1.5%	\$40.96	\$0.76	1.9%
Number of Trips Denied	759	557	(202)	(36.3%)	1,634	875	53.5%
Operator Complaints as a percentage of trips	0.10%	0.09%	(0.01%)	(11.1%)	0.08%	(0.02%)	(25.0%)
Service Complaints as a percentage of trips	0.12%	0.10%	(0.01%)	(9.8%)	0.09%	(0.03%)	(33.3%)
<b>Ridership (thousands) <sup>4</sup></b>							
Boarded Passengers	340,369	326,749	13,620	4.2%	332,550	7,819	2.4%
Journeys	204,442	196,004	8,438	4.3%	200,520	3,922	2.0%
Average Fare per Journey <sup>5</sup>	\$2.41	\$2.33	\$0.08	3.4%	\$2.40	\$0.01	0.4%

<sup>1</sup> Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes One-time, Access Transit, amortization and interest expense.

<sup>2</sup> Restated YTD 2018 to reflect year end adjustments

<sup>3</sup> Includes operating costs of Bus, Rail, and Transit Police. Excludes amortization and interest expense.

<sup>4</sup> Preliminary YTD 2018 ridership figures published during 2018, were restated at the end of 2018 to reflect final ridership figures

<sup>5</sup> Calculated using Total Fare 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 nine months of 2019 was 7.8 out of 10, which is 1.3 per cent lower than prior year. The system rating has been steady over the last two years as we focus on service improvements and meeting ridership demand. TransLink remains committed to transportation excellence and will continue to strive towards enhancing customer satisfaction and safety.

Service hours were higher year-over-year (66,421 or 1.3 per cent) mainly due to service expansion. Compared to budget, service hours were 30,440 (0.6 per cent) lower than budget mainly due to service adjustments and later than expected delivery of new Mark III trains.

Total operating cost recovery represents the percentage of transit revenues compared to total operating costs of Bus, Rail, Transit Police and Corporate (excludes One-time costs). In the first nine months of 2019, the cost recovery of 59.5 per cent was higher than 2018 by 1.4 per cent and favourable to budget by 2.8 per cent mainly due to increasing transit revenues and lower operating expenses than budget mainly as a result of savings from temporary vacancies and fuel costs.

The operating cost per capacity kilometre increased by 4.7 per cent compared to 2018 mainly due to increased labour expenses (as a result of service expansion) and additional maintenance costs caused by severe weather in the first quarter of the year. Compared to budget, the operating cost per capacity kilometre is consistent with budget.

Complaints per million boarded passengers were higher compared to 2018 and to budget mainly due to the poor weather conditions the Lower Mainland experienced in the first quarter of the year, which had one of the highest snowfalls on record and caused unanticipated service disruptions in Metro Vancouver.

### **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.

There were 45,393 more Access Transit trips provided in the first nine months of 2019 compared to the same period in 2018, which represents a year-over-year increase of 4.6 per cent. The number of trips were 6,062 (0.6 per cent) lower than budget primarily due to winter weather conditions in the first part of 2019. Increase in demand has been consistent in the second and third quarters resulting in more trips than plan most months. Without the decrease in service due to weather, Access Transit would have delivered approximately 10,000 more trips than budgeted over the nine-month period.

The operating cost per trip decreased by \$0.62 (1.5 per cent) from \$40.82 in 2018 to \$40.20 in 2019 mainly due to operational efficiencies. Access Transit was able to deliver more trips in the first three quarters of 2019 while maintaining overhead and fixed costs relatively consistent with 2018. Compared to budget, the operating cost per trip was \$0.76 (1.9 per cent) lower mainly due to lower fuel costs as well as fewer HandyDART trips delivered than budgeted partially offset by higher taxi supplement trips delivered.

Complaints are marginally higher than the first nine months of last year and budget. Several system events occurred in July and August which resulted in negative impacts to service delivery. Multiple initiatives are in place to address scheduling issues which drive most complaints. Changes to service areas, scheduling parameters, enhanced training and the introduction of a Joint Scheduling Committee are some of the initiatives being implemented and expected to result in multiple improvements going forward. In addition, a system upgrade is imminent which will improve system reliability.

### **Ridership**

Boardings represent each time a passenger enters a fare paid zone using Compass fare media or other proof of payment, including transfers. Year to date, total system boardings were 340.4 million, 4.2 per cent higher compared to the same period in 2018.

Journeys represent a complete transit trip using Compass fare media or other proof of payment, regardless of the number of transfers. Compared to the first nine months of 2018, total system journeys grew by 4.3 per cent to a year to date total of 204.4 million.

Ridership growth has remained strong through the third quarter of 2019 mainly as a result of service expansion and high sustained employment growth in the region. Overall, boardings and journeys have exceeded expectations and are favourable to budget by 2.4 per cent and 2.0 per cent, respectively. For the full year, boardings and journeys are forecasted to be 2.3 per cent and 2.0 per cent favourable to budget with higher than expected ridership.

The average fare per journey was \$2.41 for the first nine months of the year, an increase over 2018 of approximately 3.4 per cent which is consistent with the fare increase enacted on July 1, 2019. The average fare per journey is consistent with budget.

## 6. Consolidated Revenues

TransLink's revenue sources are broad and diverse, enabling our organization to withstand a changing economy while providing the capacity to deliver stable and predictable transportation services. The three main sources include taxation revenues, transit revenues and government transfers. The following is a summary of consolidated revenues for the first nine months of 2019 compared to budget.

CONSOLIDATED REVENUES Nine months ending September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2019	YTD 2019	Budget Variance		Annual 2019	Annual 2019	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET*	Fav/(Unfav)	%
Taxation								
Fuel	304,690	273,344	31,346	11.5%	401,486	368,904	32,582	8.8%
Property & Replacement	302,297	302,058	239	0.1%	402,984	402,744	240	0.1%
Parking Rights	59,446	58,955	491	0.8%	81,593	81,301	292	0.4%
Hydro Levy	16,235	16,278	(43)	(0.3%)	21,523	21,577	(54)	(0.3%)
Transit	511,583	499,538	12,045	2.4%	683,709	669,274	14,435	2.2%
Government transfers	286,601	318,471	(31,870)	(10.0%)	428,552	388,039	40,513	10.4%
Investment Income	42,350	38,685	3,665	9.5%	56,011	52,850	3,161	6.0%
Amortization of deferred concessionaire credit	17,407	17,407	-	-	23,337	23,337	-	-
Miscellaneous	6,210	3,987	2,223	55.8%	7,293	5,882	1,411	24.0%
<b>Revenue Before Gain/(Loss) on Disposals</b>	<b>1,546,819</b>	<b>1,528,723</b>	<b>18,096</b>	<b>1.2%</b>	<b>2,106,488</b>	<b>2,013,908</b>	<b>92,580</b>	<b>4.6%</b>
Gain/(Loss) on disposal	15	(82)	97	(118.3%)	(3)	(122)	119	97.5%
<b>Total Revenue</b>	<b>1,546,834</b>	<b>1,528,641</b>	<b>18,193</b>	<b>1.2%</b>	<b>2,106,485</b>	<b>2,013,786</b>	<b>92,699</b>	<b>4.6%</b>

\* Restated to reflect budget transfers

Total revenues for the first nine months of 2019 were \$1.5 billion and favourable to budget by \$18.2 million (1.2 per cent) mainly due to \$31.3 million higher fuel tax revenue and \$12.0 million higher transit revenue as a result of strong ridership, offset partially by lower government transfers.

Total revenues are forecasted to be higher than budget by \$92.7 million (4.6 per cent) mainly due to expectations of higher government transfers, fuel tax revenue and transit revenue.

### Taxation

TAXATION REVENUES Nine months ending September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2019	YTD 2019	Budget Variance		Annual 2019	Annual 2019	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET	Fav/(Unfav)	%
Fuel	304,690	273,344	31,346	11.5%	401,486	368,904	32,582	8.8%
Property & Replacement	302,297	302,058	239	0.1%	402,984	402,744	240	0.1%
Parking Rights	59,446	58,955	491	0.8%	81,593	81,301	292	0.4%
Hydro Levy	16,235	16,278	(43)	(0.3%)	21,523	21,577	(54)	(0.3%)
<b>Total Taxation</b>	<b>682,668</b>	<b>650,635</b>	<b>32,033</b>	<b>4.9%</b>	<b>907,586</b>	<b>874,526</b>	<b>33,060</b>	<b>3.8%</b>

Taxation revenues are composed of taxes collected on fuel, property and replacement, parking rights and the hydro levy. Total taxation revenues for the first nine months of 2019 were \$32.0 million (4.9 per cent) favourable to budget.

Fuel tax revenues for the first nine months of 2019 were \$31.3 million (11.5 per cent) favourable to budget driven in part by \$16.8 million higher than expected fuel purchases throughout the year, one-time adjustment of \$14.5 million relating to a tax submission adjustment from prior years. Property and replacement tax, parking rights tax, and hydro levy tax sources remain consistent to budget.

Total taxation revenue is forecasted to be \$33.1 million (3.8 per cent) higher than budget mainly driven by fuel tax revenue. We continue to analyze the trending of the fuel sales volume, the impacts of pricing and leakage of sales outside our region and other economic factors that could impact fuel sales volumes.

## Transit

TRANSIT REVENUES Nine months ending September 30 (\$ thousands)	YTD		ACTUAL TO BUDGET		FORECAST TO BUDGET			
	2019	2019	Budget Variance		Annual	Annual	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	2019 Q3 FORECAST	2019 BUDGET	Fav/(Unfav)	%
Fares	402,633	393,559	9,074	2.3%	533,721	521,318	12,403	2.4%
Programs	88,449	87,875	574	0.7%	123,383	122,915	468	0.4%
<b>Total Fare Revenue</b>	<b>491,082</b>	<b>481,434</b>	<b>9,648</b>	<b>2.0%</b>	<b>657,104</b>	<b>644,233</b>	<b>12,871</b>	<b>2.0%</b>
Other	20,501	18,104	2,397	13.2%	26,605	25,041	1,564	6.2%
<b>Total Transit</b>	<b>511,583</b>	<b>499,538</b>	<b>12,045</b>	<b>2.4%</b>	<b>683,709</b>	<b>669,274</b>	<b>14,435</b>	<b>2.2%</b>

Transit fare revenues include revenues related to fares and programs. 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 revenues include advertising, rental, parking lot fees and fare infraction.

Total transit revenues were \$12.0 million (2.4 per cent) favourable to budget in the first nine months of 2019 mainly due to greater ridership than expected as a result of increased transit service, high employment levels and high gas prices. For the first nine months of 2019, boardings and journeys were 2.4 per cent and 2.0 per cent favourable to budget, respectively. Higher than expected advertising revenues also contributed to the favourable results. Total transit revenues are forecasted to be \$14.4 million (2.2 per cent) favourable to budget as a result of the strong ridership growth trend observed to date that is expected to continue for the remainder of 2019.

### Government Transfers

Transfers from government include funds received from Greater Vancouver Regional Fund (GVRF), Canada Line funding, Building Canada Fund, toll replacement revenue, and other miscellaneous programs. In the first nine months of 2019, government funding was \$31.9 million (10.0 per cent) lower than budget mainly due to the timing of bus replacement projects that has shifted into the fourth quarter. Government transfers are forecasted to be \$40.5 million higher than budget primarily driven by the timing of project deliveries from 2018 to 2019.

### Investment Income

Investment income was \$3.7 million (9.5 per cent) favourable to budget mainly due to higher cash and investment balances attracting additional interest income. The full year forecast is expected to be \$3.2 million (6.0 per cent) favourable to budget mainly due to higher than budgeted cash balances.

### Miscellaneous

Miscellaneous income was \$2.2 million (55.8 per cent) favourable to budget for the first nine months of 2019 mainly due to third-party recoveries and favourable labour recovery rates. Miscellaneous income is forecasted to be \$1.4 million (24.0 per cent) favourable to budget.

## 7. Consolidated Expenses by Segment

Consolidated expenses by segment for the first nine months of 2019 compared to budget are shown below.

CONSOLIDATED EXPENSES BY SEGMENT Nine months ending September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2019	YTD 2019	Budget Variance		Annual 2019	Annual 2019	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET**	Fav/(Unfav)	%
Bus Operations	565,051	577,838	12,787	2.2%	764,129	777,818	13,689	1.8%
Rail Operations	239,145	243,927	4,782	2.0%	324,642	326,870	2,228	0.7%
Transit Police	29,845	30,682	837	2.7%	40,766	40,845	79	0.2%
Corporate Operations	73,685	76,411	2,726	3.6%	101,750	102,134	384	0.4%
Roads & Bridges	45,626	47,948	2,322	4.8%	78,265	94,692	16,427	17.3%
Amortization of Capital Assets*	153,824	159,322	5,498	3.5%	215,653	226,513	10,860	4.8%
Interest*	138,112	137,481	(631)	(0.5%)	192,612	185,118	(7,494)	(4.0%)
Sub Total Continuing Operations	1,245,288	1,273,609	28,321	2.2%	1,717,817	1,753,990	36,173	2.1%
Corporate - Onetime	13,455	54,801	41,346	75.4%	48,937	70,575	21,638	30.7%
<b>Total Expenses by Segment</b>	<b>1,258,743</b>	<b>1,328,410</b>	<b>69,667</b>	<b>5.2%</b>	<b>1,766,754</b>	<b>1,824,565</b>	<b>57,811</b>	<b>3.2%</b>

\* Amortization and Interest shown separately to facilitate analysis

\*\* Restated to reflect budget transfers

### Bus Operations

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

In the third quarter of 2019, CMBC met its Transit Operator recruitment targets for 2019 and implemented the ten-minute weekday peak service for SeaBus. The battery-electric bus pilot was launched and two battery-electric buses were put into revenue service. New radio systems were installed in 52 buses, bringing the total number of buses with the new radio system to 75. In addition, CMBC completed the installation of the new fareboxes on all Community Shuttles and installed digital kiosks at two bus exchanges.

BUS OPERATIONS BY CATEGORY Nine months ending September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2019	YTD 2019	Budget Variance		Annual 2019	Annual 2019	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET	Fav/(Unfav)	%
Administration	14,077	14,701	624	4.2%	19,491	20,210	719	3.6%
Contracted Services	57,329	58,046	717	1.2%	75,561	77,689	2,128	2.7%
Fuel and Power	38,092	46,286	8,194	17.7%	53,552	63,543	9,991	15.7%
Insurance	17,446	16,716	(730)	(4.4%)	23,737	22,629	(1,108)	(4.9%)
Maintenance, Materials and Utilities	54,131	53,051	(1,080)	(2.0%)	74,638	73,154	(1,484)	(2.0%)
Professional and Legal	2,030	2,479	449	18.1%	3,754	3,923	169	4.3%
Rentals, Leases and Property Tax	11,144	11,832	688	5.8%	14,998	15,624	626	4.0%
Salaries, Wages and Benefits	370,802	374,729	3,927	1.0%	498,398	501,047	2,649	0.5%
<b>Total Expenses by Category</b>	<b>565,051</b>	<b>577,840</b>	<b>12,789</b>	<b>2.2%</b>	<b>764,129</b>	<b>777,819</b>	<b>13,690</b>	<b>1.8%</b>

For the nine months ending September 30, the Bus Division was \$12.8 million (2.2 per cent) favourable to budget mainly due to lower fuel costs attributed to lower prices, driven by removal of the diesel fixed price contract and lower consumption from fewer service hours than expected. In addition, temporary vacancies and greater taxi usage compared to HandyDART contributed to the favourable variance, partly offset by higher than expected snow removal and major vehicle repair costs as well as higher than expected increase in insurance premiums.

Bus operating expenses are forecasted to be \$13.7 million (1.8 per cent) favourable to budget mainly due to lower fuel costs and vacancy savings, partly offset by higher overtime, higher operator costs due to increased service hours for the remainder of the year, higher maintenance costs, snow removal costs and insurance costs.

## Service Delivery

BUS OPERATIONS							
Nine months ending September 30	YTD	YTD	Change		YTD	Budget Variance	
	2019	2018	Fav/(Unfav)	%	2019	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
<b>SERVICE HOURS</b>							
<b>CMBC Operations</b>	<b>3,847,233</b>	<b>3,744,310</b>	<b>102,923</b>	<b>2.7%</b>	<b>3,864,332</b>	<b>(17,099)</b>	<b>(0.4%)</b>
Conventional Bus	3,441,409	3,324,780	116,629	3.5%	3,438,161	3,248	0.1%
Community Shuttle	396,516	410,377	(13,861)	(3.4%)	416,582	(20,066)	(4.8%)
SeaBus	9,308	9,153	155	1.7%	9,589	(281)	(2.9%)
<b>Contracted Transit Services</b>	<b>176,509</b>	<b>195,858</b>	<b>(19,349)</b>	<b>(9.9%)</b>	<b>176,637</b>	<b>(128)</b>	<b>(0.1%)</b>
West Vancouver	86,219	105,706	(19,487)	(18.4%)	85,206	1,013	1.2%
Contract Community Shuttle	90,290	90,152	138	0.2%	91,431	(1,141)	(1.2%)
<b>Conventional Transit Service Hours</b>	<b>4,023,742</b>	<b>3,940,168</b>	<b>83,574</b>	<b>2.1%</b>	<b>4,040,969</b>	<b>(17,227)</b>	<b>(0.4%)</b>
<b>SERVICE KILOMETRES</b>							
<b>CMBC Operations</b>	<b>74,781,773</b>	<b>73,232,814</b>	<b>1,548,959</b>	<b>2.1%</b>	<b>75,851,784</b>	<b>(1,070,011)</b>	<b>(1.4%)</b>
Conventional Bus	66,572,204	64,717,025	1,855,179	2.9%	67,051,149	(478,945)	(0.7%)
Community Shuttle	8,083,743	8,392,055	(308,312)	(3.7%)	8,670,992	(587,249)	(6.8%)
SeaBus	125,826	123,734	2,092	1.7%	129,643	(3,817)	(2.9%)
<b>Contracted Transit Services</b>	<b>3,795,403</b>	<b>4,258,505</b>	<b>(463,102)</b>	<b>(10.9%)</b>	<b>3,841,225</b>	<b>(45,822)</b>	<b>(1.2%)</b>
West Vancouver	1,715,968	2,240,496	(524,528)	(23.4%)	1,810,629	(94,661)	(5.2%)
Contract Community Shuttle	2,079,435	2,018,009	61,426	3.0%	2,030,596	48,839	2.4%
<b>Conventional Transit Service Kilometres</b>	<b>78,577,176</b>	<b>77,491,319</b>	<b>1,085,857</b>	<b>1.4%</b>	<b>79,693,009</b>	<b>(1,115,833)</b>	<b>(1.4%)</b>

Compared to the first nine months of last year, there were 83,574 (2.1 per cent) more service hours and 1,085,857 (1.4 per cent) more service kilometers delivered. Service hours were higher mainly due to service expansion implemented as committed in the Investment Plan.

For the first nine months of 2019, actual service hours delivered were under budget by 17,227 (0.4 per cent) and service kilometres were under budget by 1,115,833 kilometres (1.4 per cent). Service hours were lower than budget as a result of day-to-day service cancellations, partially offset by additional service hours delivered to address increasing congestion in the Lower Mainland.

ACCESS TRANSIT							
Nine months ending September 30	YTD	YTD	Change		YTD	Budget Variance	
	2019	2018	Fav/(Unfav)	%	2019	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
<b>Service Kilometres</b>	<b>7,625,487</b>	<b>7,300,735</b>	<b>324,752</b>	<b>4.4%</b>	<b>7,689,556</b>	<b>(64,069)</b>	<b>(0.8%)</b>
<b>Access Transit Trips</b>							
Trips - HandyDART	895,110	873,479	21,631	2.5%	954,436	(59,326)	(6.2%)
Trips - Taxi Supplement	129,856	106,094	23,762	22.4%	76,592	53,264	69.5%
<b>Total Access Transit Trips</b>	<b>1,024,966</b>	<b>979,573</b>	<b>45,393</b>	<b>4.6%</b>	<b>1,031,028</b>	<b>(6,062)</b>	<b>(0.6%)</b>

Total Access Transit trips provided in the first nine months of 2019 were 45,393 (4.6 per cent) higher compared to the same period in 2018 as a result of higher demand and service increases approved in the Investment Plan.

Compared to budget, total Access Transit trips provided for the first nine months of 2019 were 6,062 (0.6 per cent) lower than planned primarily due to poor winter conditions in the first part of 2019. HandyDART was limited to operating only essential service levels over a number of days in the first quarter. Despite a lower than budgeted number of trips to date, during the second and third quarter the number of trips delivered have regularly exceeded our targets thereby improving the year-to-date variance.

The increase in taxi usage for HandyDART trips is mainly due to our commitment to keep denials to a minimum as we are faced with increased demand for service.

## 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 third quarter of 2019, five new Mark III 4-car trains were fully tested and commissioned and brought into full revenue service, bringing our available fleet to 314 rail cars. With the new fleet, BCRTC successfully implemented planned service expansion in the third quarter, increasing service hours on the Expo and Millennium Lines during peak service. In addition, digital kiosks are now in place at nine SkyTrain stations for customers seeking the latest transit information as well as new Train Passenger Information Displays (PIDS) and Entrance Passenger Information Displays (E-PIDS) at various SkyTrain stations.

RAIL OPERATIONS BY CATEGORY	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD	YTD	Budget Variance		Annual	Annual	Forecast Variance	
	2019	2019	Fav/(Unfav)	%	2019	2019	Fav/(Unfav)	%
Nine months ending September 30 (\$ thousands)	ACTUAL	BUDGET			Q3 FORECAST	BUDGET		
Administration	3,895	5,188	1,293	24.9%	5,856	7,033	1,177	16.7%
Contracted Services	93,390	94,571	1,181	1.2%	125,788	126,649	861	0.7%
Fuel and Power	12,183	12,549	366	2.9%	16,687	16,997	310	1.8%
Insurance	4,157	4,100	(57)	(1.4%)	5,521	5,467	(54)	(1.0%)
Maintenance, Materials and Utilities	36,177	32,868	(3,309)	(10.1%)	49,609	44,836	(4,773)	(10.6%)
Professional and Legal	2,264	3,895	1,631	41.9%	4,141	4,953	812	16.4%
Rentals, Leases and Property Tax	925	1,669	744	44.6%	1,240	2,226	986	44.3%
Salaries, Wages and Benefits	86,154	89,087	2,933	3.3%	115,800	118,709	2,909	2.5%
<b>Total Expenses by Category</b>	<b>239,145</b>	<b>243,927</b>	<b>4,782</b>	<b>2.0%</b>	<b>324,642</b>	<b>326,870</b>	<b>2,228</b>	<b>0.7%</b>

For the nine months ending September 30, Rail operating expenses were \$4.8 million (2.0 per cent) under budget. The positive results include temporary vacancy savings, favourable contract services costs, timing of consulting fees and lower than anticipated property taxes and hydro costs, partly offset by increased maintenance activities and snow and ice removal costs.

Rail Operations is forecasted to be \$2.2 million (0.7 per cent) under budget mainly due to lower labour costs driven by temporary vacancies and lower benefit costs offset by higher overtime, lower than budgeted property taxes, deferral of train condition assessments and favourable hydro and contract services costs, partly offset by higher maintenance costs.

## Service Delivery

RAIL OPERATIONS							
Nine months ending September 30	YTD	YTD	Change		YTD	Budget Variance	
	2019	2018	Fav/(Unfav)	%	2019	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
<b>SERVICE HOURS</b>							
SkyTrain: Expo & Millennium Lines	988,812	1,005,834	(17,022)	(1.7%)	1,001,946	(13,134)	(1.3%)
SkyTrain: Canada Line*	151,730	151,800	(70)	(0.0%)	151,730	-	-
West Coast Express	27,406	27,467	(61)	(0.2%)	27,485	(79)	(0.3%)
<b>Rail Operations Service Hours</b>	<b>1,167,948</b>	<b>1,185,101</b>	<b>(17,153)</b>	<b>(1.4%)</b>	<b>1,181,161</b>	<b>(13,213)</b>	<b>(1.1%)</b>
<b>SERVICE KILOMETRES</b>							
SkyTrain: Expo & Millennium Lines	39,849,120	40,535,126	(686,006)	(1.7%)	40,378,374	(529,254)	(1.3%)
SkyTrain: Canada Line*	4,885,730	4,887,993	(2,263)	(0.0%)	4,885,731	(1)	(0.0%)
West Coast Express	1,032,684	1,034,808	(2,124)	(0.2%)	1,035,686	(3,002)	(0.3%)
<b>Rail Operations Service Kilometres</b>	<b>45,767,534</b>	<b>46,457,927</b>	<b>(690,393)</b>	<b>(1.5%)</b>	<b>46,299,791</b>	<b>(532,257)</b>	<b>(1.1%)</b>

\* Canada Line does not provide actual service delivery statistics, using scheduled service hours and service kilometres for reporting purposes

Total Rail operations service levels in the first three quarters of 2019 decreased by 17,153 (1.4 per cent) service hours and 690,393 (1.5 per cent) service kilometres compared to 2018 mainly due to the increased usage of higher capacity Mark III trains to deliver the same service with fewer service hours.

Compared to budget, the Expo and Millennium Lines service hours and service kilometres were unfavourable by 13,134 (1.3 per cent) and 529,254 (1.3 per cent), respectively, mainly due to severe winter weather resulting in service delays in the first quarter of the year. The planned service increase was also delayed due to later than expected delivery of the new Mark III trains.

WCE service hours and service kilometres were slightly below budget due to the cancellation of one train trip resulting from a conductor error in the second quarter of the year.

## Police Operations

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

In the third quarter of 2019, Transit Police produced small tri-fold cards to help communication between Transit Police Officers and persons who are deaf or hard of hearing (DHH) in order to reduce potential difficulty and stress within interactions. In addition, Neighbourhood Police Officers and Patrol Officers continued to engage in numerous community outreach events to educate and inform customers on many safety features available, including the Transit Police texting tool.

POLICE OPERATIONS BY CATEGORY	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD	YTD	Budget Variance		Annual	Annual	Forecast Variance	
Nine months ending September 30	2019	2019	Fav/(Unfav)	%	2019	2019	Fav/(Unfav)	%
(\$ thousands)	ACTUAL	BUDGET			Q3 FORECAST	BUDGET		
Administration	2,679	2,742	63	2.3%	3,693	3,801	108	2.8%
Insurance	73	37	(36)	(97.3%)	120	50	(70)	(140.0%)
Maintenance, Materials and Utilities	1,088	881	(207)	(23.5%)	1,574	1,185	(389)	(32.8%)
Professional and Legal	187	283	96	33.9%	341	384	43	11.2%
Rentals, Leases and Property Tax	1,446	1,589	143	9.0%	2,094	2,193	99	4.5%
Salaries, Wages and Benefits	24,372	25,150	778	3.1%	32,944	33,232	288	0.9%
<b>Total Expenses by Category</b>	<b>29,845</b>	<b>30,682</b>	<b>837</b>	<b>2.7%</b>	<b>40,766</b>	<b>40,845</b>	<b>79</b>	<b>0.2%</b>

Transit Police operating expenses were \$837 thousand (2.7 per cent) favourable to budget in the first nine months of 2019. The favourable variance is primarily due to temporary vacancy savings, timing of expenses related to IT software licensing and support as well as lower than expected professional fees. The favourable variance was partly offset by additional vehicle costs and the purchase of police equipment.

## Corporate Operations

Corporate operations support the operating companies with a focus on achieving enterprise priorities.

In the third quarter of 2019, TransLink launched a new “Hold-on” safety campaign to increase customer safety awareness on buses, stairs and escalators. The first phase of public engagement for our 30-Year Regional Strategy, Transport 2050, was completed with more than 28,000 surveys collected – the largest public engagement program undertaken by TransLink. TransLink also upgraded Compass sale channels to include American Express at all Compass Vending Machines, Customer Service Centres, buses and fare gates.

CORPORATE OPERATIONS BY CATEGORY Nine months ending September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2019	YTD 2019	Budget Variance		Annual 2019	Annual 2019	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET*	Fav/(Unfav)	%
Administration	14,294	14,177	(117)	(0.8%)	20,014	19,132	(882)	(4.6%)
Contracted Services	11,876	10,532	(1,344)	(12.8%)	14,043	14,043	-	-
Insurance	190	150	(40)	(26.7%)	194	201	7	3.5%
Maintenance, Materials and Utilities	1,287	1,114	(173)	(15.5%)	2,125	1,595	(530)	(33.2%)
Professional and Legal	6,246	9,007	2,761	30.7%	11,672	11,495	(177)	(1.5%)
Rentals, Leases and Property Tax	7,937	7,297	(640)	(8.8%)	10,718	9,941	(777)	(7.8%)
Salaries, Wages and Benefits	31,855	34,134	2,279	6.7%	42,984	45,727	2,743	6.0%
<b>Total Expenses by Category</b>	<b>73,685</b>	<b>76,411</b>	<b>2,726</b>	<b>3.6%</b>	<b>101,750</b>	<b>102,134</b>	<b>384</b>	<b>0.4%</b>

\* Restated to reflect budget transfers

For the first nine months of 2019, expenses were \$2.7 million (3.6 per cent) favourable to budget. The favourable variance was mainly due to timing of professional fees and temporary vacancies, partly offset by early payment of the Compass contract asset renewal fee. Corporate operations are forecasted to be \$384 thousand (0.4 per cent) favourable to budget mainly as a result of vacancy savings, partly offset by higher credit card settlement fees and increased property taxes due to higher assessed values.

## Roads and Bridges

Total expenditures for Roads and Bridges in the third quarter of 2019 were \$2.3 million (4.8 per cent) favourable to budget mainly due to lower than anticipated capital project activities by municipalities and timing difference of bridge operating expenses and consulting fees, partly offset by higher than expected property taxes due to reclassification of TransLink-owned properties from tax-exempt to taxable. Roads and Bridges are forecasted to be \$16.4 million (17.0 per cent) favourable to budget mainly due to delays in capital projects by municipalities, partly offset by higher property taxes and non-routine bridge repair costs.

## Amortization

Amortization was \$5.5 million (3.5 per cent) favourable to budget primarily due to timing of completed projects, such as the Commercial-Broadway Station upgrades and the delivery of bus replacement vehicles. The full year is forecasted to be \$10.9 million (4.8 per cent) favourable to budget mainly due to timing of revenue vehicle deliveries in 2019, changes in the estimated useful lives of the Richmond and Vancouver Transit Centres and timing of project capitalization of station upgrades.

## **Interest**

Interest expense for the first nine months of 2019 was \$631 thousand (0.5 per cent) unfavourable to budget mainly due to reduced interest capitalization as a result of lower spending on capital projects, partly offset by lower debt issuance and lower rates than budgeted. The full year forecast is expected to be \$7.2 million (3.9 per cent) unfavourable to budget mainly due to an estimated loss on the settlement of an interest rate hedging contract as well as reduced interest capitalization, partly offset by lower debt issuance and lower interest rates.

## **Corporate – One-time Costs**

Corporate One-time costs were \$41.3 million (75.4 per cent) favourable to budget mainly due to timing of RapidBus (formerly B-Line) expenses, feasibility studies and projects. The forecast is \$21.6 million (30.7 per cent) favourable to budget mainly due timing of RapidBus, feasibility studies and projects as well as timing of South of Fraser Rapid Transit project costs.

## 8. 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 September 30, 2019, TransLink's total capital program budget was \$5.5 billion, including:

- \$3.1 billion in active capital projects;
- \$651.4 million in Approved-In-Principle (AIP) capital projects;
- \$1.3 billion in substantially complete capital projects; and
- \$394.5 million in capital infrastructure contributions to municipalities.

SUMMARY OF CAPITAL PROGRAM						
As of September 30, 2019 (\$ thousands)	Number of Projects	Total Current Budget	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
				Fav/(Unfav)	%	
<b>Capital Projects</b>						
Active	141	3,109,593	3,060,174	49,419	1.6%	1,898,889
AIP	38	651,396	651,396	-	-	334,176
<b>Subtotal</b>	<b>179</b>	<b>3,760,989</b>	<b>3,711,570</b>	<b>49,419</b>	<b>1.3%</b>	<b>2,233,065</b>
Substantially Complete	64	1,252,224	1,217,838	34,386	2.7%	544,656
Closed	23	126,167	123,760	2,407	1.9%	80,172
Cancelled	2	5,147	5,147	-	-	-
<b>Subtotal</b>	<b>89</b>	<b>1,383,538</b>	<b>1,346,745</b>	<b>36,793</b>	<b>2.7%</b>	<b>624,828</b>
<b>Capital Infrastructure Contributions - Active</b>						
Active	26	394,516	386,849	7,667	1.9%	-
<b>Subtotal</b>	<b>26</b>	<b>394,516</b>	<b>386,849</b>	<b>7,667</b>	<b>1.9%</b>	<b>-</b>
<b>Total Capital Program</b>	<b>294</b>	<b>5,539,043</b>	<b>5,445,164</b>	<b>93,879</b>	<b>1.7%</b>	<b>2,857,893</b>

The capital program is supported in large part by \$2.9 billion in committed funding available to TransLink from the Federal Gas Tax Fund, Public Transit Infrastructure Fund (PTIF), Investing in Canada Infrastructure Program (ICIP) and Building Canada Fund (BCF). External funding programs apply to eligible projects within the capital program. For the Federal Gas Tax 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, ICIP and BCF, TransLink incurs the costs of the projects which are recovered through invoicing the Province for the portion that is funded per the respective agreements.

## Active and Substantially Complete Capital Projects

As of September 30, there were 205 active and substantially complete projects with a final forecasted cost of \$4.3 billion. The total cash flows for these projects during the first three quarters of the year were \$442.3 million.

SUMMARY OF ACTIVE PROJECTS								
As of September 30, 2019 (\$ thousands)	Number of Projects	Current Budget	2019 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
						Fav/(Unfav)	%	
<b>Active</b>								
Equipment	20	166,469	23,486	32,595	155,771	10,698	6.4%	44,253
Infrastructure	71	678,970	86,528	207,206	675,282	3,688	0.5%	207,380
Major Construction	4	371,677	10,214	66,824	361,054	10,623	2.9%	132,060
Technology	21	76,670	7,840	26,487	66,450	10,220	13.3%	-
Vehicle	25	1,815,807	158,613	484,355	1,801,617	14,190	0.8%	1,515,196
<b>Subtotal (Active Capital Projects)</b>	<b>141</b>	<b>3,109,593</b>	<b>286,681</b>	<b>817,467</b>	<b>3,060,174</b>	<b>49,419</b>	<b>1.6%</b>	<b>1,898,889</b>
<b>Substantially Complete</b>	<b>64</b>	<b>1,252,224</b>	<b>155,606</b>	<b>1,204,513</b>	<b>1,217,838</b>	<b>34,386</b>	<b>2.7%</b>	<b>544,656</b>
<b>Total Active Capital Projects</b>	<b>205</b>	<b>4,361,817</b>	<b>442,287</b>	<b>2,021,980</b>	<b>4,278,012</b>	<b>83,805</b>	<b>1.9%</b>	<b>2,443,544</b>

### Active Capital Projects

As of September 30, there were 141 active projects with expenditures of \$286.7 million in the first three quarters of 2019 and \$817.5 million in cumulative spending to date. A comparison of active project budgets against forecasted final costs show a favourable variance of \$49.4 million (1.6 percent).

Infrastructure spending of \$86.5 million year to date includes a total of \$37.6 million spent on SkyTrain station upgrade projects such as escalators, roof replacements, replacing platform LED screens, running rail replacements, and expansion of the Coquitlam vehicle storage facility. These upgrades will improve customer experience once completed as they address system capacity issues.

Vehicle spending of \$158.6 million for the first three quarters of the year related mainly to the procurement of Mark III SkyTrain vehicles, Conventional Bus Replacement and Conventional Bus Expansion projects accounting for \$118.3 million of the total spend. These projects add to the existing rail and bus fleet to support further service expansion and to maintain the fleet in a state of good repair.

Major Construction spending of \$10.2 million for the first three quarters of 2019 included the project work for the Surrey Langley SkyTrain and Broadway Subway projects. The Broadway Subway project is being delivered by the Province of BC.

### Substantially Complete Capital Projects

As of September 30, there were 64 projects with a total budget of \$1.3 billion deemed substantially complete with \$155.6 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 \$34.4 million (2.7 percent) mainly due to the Commercial Broadway Skytrain Station upgrades, Surrey Central Station upgrades, Metrotown Station and Exchange upgrades and the Open Payment Acceptance at Compass projects all expected to complete under budget.

Other notable projects that were substantially completed in the third quarter include:

- 2016 Data Warehouse Business Intelligence Program;
- Fare Box Expansion and Replacement, and
- Equipment for Deferred Retirement Program.

### Approved in Principle (AIP) Capital Projects

As of September 30, there were 38 AIP projects remaining to be initiated with a total budget of \$651.4 million. Of the 38 projects, 8 projects with a budget of \$23.9 million were carried forward from 2018 and 30 projects with a budget of \$627.5 million are new in 2019.

<b>SUMMARY OF AIP PROJECTS</b>			
As of September 30, 2019 (\$ thousands)	Number of Projects	Current Budget	Senior Government Funding (Committed)
<b>Capital Projects</b>			
Equipment	7	60,310	-
Infrastructure	19	102,309	17,200
Major Construction	2	419,517	307,446
Technology	7	58,990	-
Vehicle	3	10,270	9,530
<b>Total AIP Projects</b>	<b>38</b>	<b>651,396</b>	<b>334,176</b>

A significant portion of AIP projects are related to major construction to improve and expand SkyTrain facilities. Major construction projects include the Expo and Millennium Line Upgrade Program (\$285.7 million) and TransLink and BCRTC services to the Broadway Subway Project (\$133.8 million).

### Closed Capital Projects

As of September 30, 23 projects with a final cost of \$123.8 million and an approved budget of \$126.2 million were completed and closed. Significant closed projects include 2012 Conventional Vehicles Replacement, 2015 HandyDART Vehicles Replacement and Expo Line Propulsion Power Upgrade.

### Cancelled Capital Projects

As of September 30, two AIP projects with a budget of \$5.1 million were cancelled.

### Capital Infrastructure Contributions

These expenditures consist of contributions to municipalities for the rehabilitation and upgrade of the Major Road Network 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 September 30, there were 26 active programs with a budget of \$394.5 million. The 2019 contribution program dedicated \$75.0 million in funding for regional road improvements, seismic upgrades, bicycle route upgrades and improvements around stations for access and safety improvements.

## 9. Changes in Financial Position

<b>Consolidated Statement of Financial Position</b>			
(\$ thousands)	September 30 2019	December 31 2018	Change
Cash and cash equivalents	604,175	517,022	87,153
Accounts receivable	119,872	250,598	(130,726)
Loan receivable	254,701	250,734	3,967
Restricted cash and cash equivalents and investments	788,536	979,894	(191,358)
Investments	52,217	61,173	(8,956)
Debt reserve deposits	29,881	29,421	460
<b>Financial Assets</b>	<b>1,849,382</b>	<b>2,088,842</b>	<b>(239,460)</b>
Accounts payable and accrued liabilities	310,413	340,267	(29,854)
Debt	2,568,500	2,665,085	(96,585)
Deferred government transfers	1,041,103	1,249,094	(207,991)
Golden Ears Bridge contractor liability	1,035,287	1,040,378	(5,091)
Deferred concessionaire credit	485,105	502,512	(17,407)
Employee future benefits	142,828	139,653	3,175
Deferred revenue and deposits	160,121	55,136	104,985
Deferred lease inducements	13,512	12,544	968
<b>Liabilities</b>	<b>5,756,869</b>	<b>6,004,669</b>	<b>(247,800)</b>
<b>Net Debt</b>	<b>(3,907,487)</b>	<b>(3,915,827)</b>	<b>8,340</b>
Tangible capital assets	5,329,154	5,079,162	249,992
Supplies inventory	82,190	74,244	7,946
Prepaid expenses	35,476	28,206	7,270
<b>Non-Financial Assets</b>	<b>5,446,820</b>	<b>5,181,612</b>	<b>265,208</b>
<b>Accumulated Surplus</b>	<b>1,539,333</b>	<b>1,265,785</b>	<b>273,548</b>
Accumulated surplus is comprised of:			
Accumulated operating surplus	1,553,874	1,265,785	
Accumulated rereasurement losses	(14,541)	-	
	<u>1,539,333</u>	<u>1,265,785</u>	

### Financial Assets

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

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

The decrease in accounts receivable of \$130.7 million (52.2 per cent) was mainly due to collections of outstanding capital project funding from the Provincial government.

## **Liabilities**

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

The net decrease in deferred government transfer of \$208.0 million (16.7 per cent) was due to revenues recognized as the funding stipulations are met, partly offset by funding received during the period.

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 credit represents 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 increase in employee future benefits, which represent 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.

The increase in deferred revenues and deposits of \$105.0 million (190.4 per cent) was attributable to a combination of property tax revenues received in August for October to December, unearned transit fare and program revenues and Compass Card deposits.

## **Non-Financial Assets**

Capital assets increased by \$250.0 million (4.9 per cent) in the first nine months of 2019 due to \$403.8 million in additions, partly offset by amortization of \$153.8 million. See "Investments in Capital Assets" for discussion on project activities.

## **Accumulated Surplus**

In May 2019, TransLink entered into a derivative contract to capitalize on low interest rates in preparation for a planned bond issuance in the fall. However, as long-term interest rates have continued to decline, this has resulted in an unrealized remeasurement loss of \$14.5 million as at September 30, 2019. This contract will be settled on or before November 15, 2019, at which time a gain or loss will be realized depending on the interest rate at that time.

## 10.Liquidity and Capital Resources

### Cash Flows and Liquidity

TransLink's conscious and proactive decision-making has created financial capacity that will allow the organization to successfully manage the financial horizon. The following table shows unrestricted cash and investments with maturities of less than 12 months.

<b>UNRESTRICTED CASH AND INVESTMENTS</b>			
(\$ thousands)	September 30 2019	December 31 2018	Change
Cash and cash equivalents	604,175	517,022	87,153
Investments	52,217	61,173	(8,956)
<b>Total Unrestricted cash and investments</b>	<b>656,392</b>	<b>578,195</b>	<b>78,197</b>

TransLink's unrestricted cash and investment balances reflect accumulated funding resources available for supporting operations. The balance increased by \$78.2 million in the first nine months of 2019 mainly due to the receipt of property tax remittances from municipalities in August, partly offset by regular cash outlays to support current operations and service our debt obligations.

Liquidity is further supported by a \$500.0 million Commercial Paper program, of which \$60.0 million was outstanding as at September 30, 2019 (December 31, 2018: \$120.0 million).

### Restricted Funds

Restricted cash and investments are used for the repayment of bonds, payment of Transportation Property & Casualty Company Inc. (TPCC) insurance claims, land purchases and capital purchases. The following table shows TransLink's restricted funds.

<b>RESTRICTED CASH AND INVESTMENTS</b>			
(\$ thousands)	September 30 2019	December 31 2018	Change
Unspent government transfers	308,643	533,538	(224,895)
TPCC's investments	23,963	25,095	(1,132)
Green Bond Proceeds	61	11,688	(11,627)
Restricted Land Reserve	138,362	145,330	(6,968)
Self administered sinking funds	317,507	264,243	53,264
<b>Total Restricted cash and investments</b>	<b>788,536</b>	<b>979,894</b>	<b>(191,358)</b>

Restricted cash and investments decreased mainly due to releases to fund qualifying capital spending, offset by contributions to the self-administered sinking fund and reinvestment of sinking fund investment income. The unspent government transfers are used to fund qualifying capital expenditures.

## 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 debt obligations cannot exceed TransLink's borrowing limit which is currently \$5.5 billion. 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.

Any future increases in TransLink's borrowing limits need to be approved by the Mayors' Council through an investment plan. As at September 30, 2019, TransLink's outstanding debt obligation, as defined above, was \$3.2 billion<sup>1</sup> (December 31, 2018: \$3.2 billion).

<b>FINANCING</b>			
(\$ thousands)	September 30 2019	December 31 2018	Change
Debt	2,568,500	2,665,085	(96,585)
Less: Self-administered sinking funds	(317,507)	(264,243)	(53,264)
Less: Debt reserve deposits	(29,881)	(29,421)	(460)
<b>Net Direct Debt</b>	<b>2,221,112</b>	<b>2,371,421</b>	<b>(150,309)</b>
Golden Ears Bridge contractor liability	1,035,287	1,040,378	(5,091)
Deferred concessionaire credit	485,105	502,512	(17,407)
<b>Indirect P3 Debt</b>	<b>1,520,392</b>	<b>1,542,890</b>	<b>(22,498)</b>
<b>Subtotal Net Direct Debt and Indirect P3 Debt</b>	<b>3,741,504</b>	<b>3,914,311</b>	<b>(172,807)</b>

Net direct debt decreased by \$150.3 million. This is due to scheduled debt payments, sinking fund contributions and reinvestment of sinking fund interest income during the first nine months. TransLink also paid down its Commercial Paper by \$60 million.

Indirect P3 debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, declined by \$22.5 million mainly due to the amortization of the Canada Line deferred concessionaire credit.

## 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:

<b>CREDIT RATING</b>				
As at September 30, 2019 Agency	Commercial Paper	Senior Debt	General Obligation	Outlook
DBRS	R-1 mid	AA	AA	Stable
Moody's	Not Rated	Aa2	Aa2	Stable

<sup>1</sup> Debt of \$2.57 billion plus MFA administered sinking funds of \$0.61 billion and net of capital lease reductions since inception, unamortised issuance costs and unamortised premium/discounts of \$0.02 billion.

## 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)

September 30, 2019, with comparative information for December 31, 2018

	September 30 2019	December 31 2018
<b>Financial assets</b>		
Cash and cash equivalents	\$ 604,175	\$ 517,022
Accounts receivable	119,872	250,598
Loan receivable	254,701	250,734
Restricted cash and cash equivalents and investments	788,536	979,894
Investments	52,217	61,173
Debt reserve deposits	29,881	29,421
	<b>1,849,382</b>	<b>2,088,842</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	310,413	340,267
Debt	2,568,500	2,665,085
Deferred government transfers	1,041,103	1,249,094
Golden Ears Bridge contractor liability	1,035,287	1,040,378
Deferred concessionaire credit	485,105	502,512
Employee future benefits	142,828	139,653
Deferred revenue and deposits	160,121	55,136
Deferred lease inducements	13,512	12,544
	<b>5,756,869</b>	<b>6,004,669</b>
<b>Net debt</b>	<b>(3,907,487)</b>	<b>(3,915,827)</b>
<b>Non-financial assets</b>		
Tangible capital assets	5,329,154	5,079,162
Supplies inventory	82,190	74,244
Prepaid expenses	35,476	28,206
	<b>5,446,820</b>	<b>5,181,612</b>
<b>Accumulated surplus</b>	<b>\$ 1,539,333</b>	<b>\$ 1,265,785</b>
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,553,874	1,265,785
Accumulated remeasurement loss	(14,541)	-
	<b>1,539,333</b>	<b>1,265,785</b>

## Consolidated Statement of Operations

### SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Nine months ended September 30, 2019, with comparative information for September 30, 2018

	2019 Budget	2019 Actual	2018 Actual
<b>Revenues:</b>			
Taxation	\$ 650,635	\$ 682,668	\$ 610,578
Transit	499,538	511,583	474,671
Government transfers	318,471	286,601	146,594
Amortization of deferred concessionaire credit	17,407	17,407	17,407
Investment income	38,685	42,350	38,521
Miscellaneous revenue	3,987	6,210	5,297
Gain (loss) on disposal of tangible capital assets	(82)	15	129
	<b>1,528,641</b>	<b>1,546,834</b>	<b>1,293,197</b>
<b>Expenses:</b>			
Bus operations	691,931	678,287	638,547
Corporate operations	153,544	106,373	97,076
Rail operations	330,714	325,289	314,561
Roads and bridges	120,742	118,416	134,018
Transit Police	31,479	30,380	28,844
	<b>1,328,410</b>	<b>1,258,745</b>	<b>1,213,046</b>
Operating surplus for the period	200,231	288,089	80,151
Accumulated operating surplus, beginning of period	1,266,771	1,265,785	1,080,315
Accumulated operating surplus, end of period	\$ 1,467,002	\$ 1,553,874	\$ 1,160,466

## 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)

Nine months ended September 30, 2019, with comparative information for September 30, 2018

	2019 Actual	2018 Actual
Operating surplus for the period	\$ 288,089	\$ 80,151
Acquisition of tangible capital assets	(403,917)	(227,502)
Amortization of tangible capital assets	153,824	142,658
Gain on disposal of tangible capital assets	(15)	(129)
Net proceeds from disposal of tangible capital assets	116	596
Unrealized remeasurement loss	(14,541)	-
	(264,533)	(84,377)
Change in supplies inventory	(7,946)	(4,521)
Change in prepaid expenses	(7,270)	(12,667)
	(15,216)	(17,188)
Decrease (increase) in net debt	8,340	(21,414)
Net debt, beginning of period	(3,915,827)	(3,913,622)
Net debt, end of period	\$ (3,907,487)	\$ (3,935,036)

## Consolidated Statement of Cash Flows

### SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

Nine months ended September 30, 2019, with comparative information for September 30, 2018

	2019	2018
Cash provided by (used for):		
Operating transactions:		
Operating surplus for the period	\$ 288,089	\$ 80,151
Non-cash changes to operations	(90,730)	37,116
Changes in non-cash operating working capital	175,308	85,477
Cash provided by operating transactions	372,667	202,744
Capital transactions:		
Purchase of tangible capital assets	(403,735)	(226,209)
Net proceeds from disposal of tangible capital assets	116	596
Cash used for capital transactions	(403,619)	(225,613)
Investing transactions:		
Decrease (increase) in restricted cash and investments	191,358	(40,734)
Decrease (increase) in investments	8,956	(732)
Decrease (increase) in debt reserve deposits	(460)	1,447
Cash provided by (used for) investing transactions	199,854	(40,019)
Financing transactions:		
Repayments of debt	(96,705)	(72,015)
Repayments of Golden Ears Bridge contractor liability	(5,091)	(3,717)
Government transfers received for tangible capital additions	18,930	99,547
Lease inducements received	1,117	-
Cash provided by (used for) financing transactions	(81,749)	23,815
Increase (decrease) in cash and cash equivalents	87,153	(39,073)
Cash and cash equivalents, beginning of period	517,022	424,010
Cash and cash equivalents, end of period	\$ 604,175	\$ 384,937
Supplementary information:		
Interest paid	\$ 116,892	\$ 115,327
Tangible capital assets acquired by capital lease	182	1,293

## Segment Report

### South Coast British Columbia Transportation Authority

#### Segment Report

Nine months ended September 30, 2019

(in thousands of dollars)

	2019					Total	2018
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police		
<b>Revenues:</b>							
Taxation	\$ -	\$ 682,668	\$ -	\$ -	\$ -	\$ 682,668	\$ 610,578
Transit	-	511,583	-	-	-	511,583	474,671
Government transfers	-	286,601	-	-	-	286,601	146,594
Amortization of deferred concessionaire credit	-	-	17,407	-	-	17,407	17,407
Investment income	-	42,350	-	-	-	42,350	38,521
Miscellaneous revenue	1,893	2,678	669	-	970	6,210	5,297
Gain on disposal of tangible capital assets	-	15	-	-	-	15	129
	1,893	1,525,895	18,076	-	970	1,546,834	1,293,197
<b>Expenses:</b>							
Administration	14,077	16,166	3,894	127	2,680	36,944	38,073
Capital infrastructure contributions	-	-	-	13,223	-	13,223	14,554
Contracted services	57,329	11,876	93,391	4,107	-	166,703	165,186
Fuel and power	38,092	-	12,183	-	-	50,275	53,770
Insurance	17,447	190	4,157	752	73	22,619	19,579
Maintenance, materials and utilities	54,131	1,427	36,177	25,532	1,088	118,355	112,991
Professional and legal	2,030	16,413	2,264	601	187	21,495	26,712
Rentals, leases and property tax	11,144	8,051	925	228	1,446	21,794	20,372
Salaries, wages and benefits	370,802	33,017	86,154	1,056	24,372	515,401	482,075
Expenses before amortization and interest	565,052	87,140	239,145	45,626	29,846	966,809	933,312
Amortization of tangible capital assets	71,718	12,180	54,556	15,032	338	153,824	142,658
Interest	41,517	7,053	31,588	57,758	196	138,112	137,076
Amortization and interest	113,235	19,233	86,144	72,790	534	291,936	279,734
Total Expenses	678,287	106,373	325,289	118,416	30,380	1,258,745	1,213,046
Operating surplus (deficit), for the period	\$ (676,394)	\$ 1,419,522	\$ (307,213)	\$ (118,416)	\$ (29,410)	\$ 288,089	\$ 80,151

## Appendix II – Operating Indicators

OPERATING INDICATORS							
Nine months ending September 30	YTD	YTD	Change		YTD	Budget Variance	
	2019 ACTUAL	2018 ACTUAL	Fav/(Unfav)	%	2019 BUDGET	Fav/(Unfav)	%
<b>Service Performance Items</b>							
<b>Safety: Customer Injuries (per 1 million boarded passengers, unless otherwise stated) 1,2</b>							
Bus & SeaBus	4.1	4.0	(0.1)	(2.5%)	4.1	-	-
SkyTrain: Expo & Millennium Lines	1.0	1.0	-	-	1.0	-	-
West Coast Express	0.5	1.6	1.1	68.8%	0.4	(0.1)	(25.0%)
HandyDART (per 100,000 boarded passengers)	0.7	2.1	1.4	66.7%	4.6	3.9	84.8%
<b>Safety: Employee Lost Time Frequency</b>							
Bus & SeaBus (per 200,000 Hours Worked)	7.9	7.6	(0.3)	(3.9%)	7.6	(0.3)	(3.9%)
SkyTrain: Expo & Millennium Lines (per 200,000 Hours Worked)	6.2	5.6	(0.6)	(10.7%)	4.0	(2.2)	(55.0%)
West Coast Express (per 200,000 Hours Worked)	-	-	-	-	-	-	-
HandyDART (per 200,000 Hours Worked)	13.2	17.4	4.2	24.1%	14.4	1.2	8.3%
<b>Safety: Bus &amp; SeaBus Operator Assaults (per 1 Million Service Hours)</b>	17.4	17.4	-	-	15.0	(2.4)	(16.0%)
<b>Ridership: Boarded Passengers (Thousands) 2</b>							
Bus & SeaBus	213,407	202,787	10,620	5.2%	204,721	8,686	4.2%
SkyTrain: Expo & Millennium Lines	86,046	83,175	2,871	3.5%	87,819	(1,773)	(2.0%)
SkyTrain: Canada Line	37,795	36,531	1,264	3.5%	37,003	792	2.1%
West Coast Express	1,966	1,857	109	5.9%	1,863	103	5.5%
HandyDART	1,156	1,097	59	5.4%	1,145	11	1.0%
<b>Ridership: Journeys (Thousands) 2</b>							
Overall System	204,442	196,004	8,438	4.3%	200,520	3,922	2.0%
<b>Vehicle Service Delivery: Percentage of Service Hours Delivered</b>							
Bus & SeaBus	98.4%	98.9%	(0.5%)	(0.5%)	98.5%	(0.1%)	(0.1%)
SkyTrain: Expo & Millennium Lines	99.3%	99.7%	(0.4%)	(0.4%)	99.7%	(0.4%)	(0.4%)
SkyTrain: Canada Line	100.0%	100.0%	-	-	100.0%	-	-
West Coast Express	99.7%	99.9%	(0.2%)	(0.2%)	100.0%	(0.3%)	(0.3%)
HandyDART	99.8%	99.7%	0.1%	0.1%	99.4%	0.4%	0.4%
<b>Vehicle Punctuality: On-Time Performance</b>							
Bus (3 minutes late < On-Time < 1 minute early)	80.9%	80.8%	0.1%	0.1%	79.0%	1.9%	2.4%
SkyTrain: Expo & Millennium Lines (headway + 3 minutes)	96.2%	96.3%	(0.1%)	(0.1%)	96.5%	(0.3%)	(0.3%)
West Coast Express (headway + 5 minutes)	96.0%	96.9%	(0.9%)	(0.9%)	97.8%	(1.8%)	(1.8%)
HandyDART (earlier than and within 15 minutes of Scheduled Pick-Up Time)	87.6%	88.0%	(0.4%)	(0.5%)	90.0%	(2.4%)	(2.7%)
<b>Vehicle Reliability: Mean Distance Between Failure</b>							
Bus	23,356	19,582	3,774	19.3%	19,335	4,021	20.8%

<sup>1</sup> The customer injury definition for CMBC represents the number of accepted injury claims arising from on-board incidents inside of the vehicle, while boarding, or as a result of a collision. The customer injury definition for HandyDART represents the number of confirmed injury incidents which occurs while a customer is either inside of the vehicle, boarding or alighting or any injury that occurs 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 hospital for treatment and the incident is reported to transit staff.

<sup>2</sup> The YTD 2018 ridership figures were restated at the end of 2018 to reflect final ridership figures

## Appendix II – Operating Indicators (Continued)

OPERATING INDICATORS Nine months ending September 30	YTD	YTD	Change		YTD	Budget Variance	
	2019	2018			2019		
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%
<b>HandyDART Vehicle Productivity</b>							
Trips per Service Hour (excludes Taxis)	2.3	2.1	0.2	9.5%	2.1	0.2	9.5%
Trip Denials	759	557	(202)	(36.3%)	1,634	875	53.5%
<b>Environmental</b>							
Bus & SeaBus (Spills per 1 Million Km)	2.4	5.3	2.9	54.7%	5.9	3.5	59.3%
Bus & SeaBus (Revenue Vehicle Energy Consumption in Gigajoules)	1,486,889	1,468,065	(18,824)	(1.3%)	1,553,074	66,185	4.3%
<b>Customer Service: Customer Satisfaction (overall score of 10)</b>							
Overall System <sup>1</sup>	7.8	7.9	(0.1)	(1.3%)	8.0	(0.2)	(2.5%)
Bus & SeaBus	7.9	7.9	-	-	8.0	(0.1)	(1.3%)
SkyTrain: Expo & Millennium Lines	8.2	8.3	(0.1)	(1.2%)	8.3	(0.1)	(1.2%)
SkyTrain: Canada Line	8.5	8.5	-	-	8.7	(0.2)	(2.3%)
West Coast Express	9.0	8.9	0.1	1.1%	8.6	0.4	4.7%
<b>Customer Service: Customer Complaints <sup>2</sup></b>							
Overall System (per 1 million boarded passengers) <sup>1</sup>	90.6	87.9	(2.7)	(3.1%)	67.3	(23.3)	(34.6%)
Bus & SeaBus (per 1 million boarded passengers)	101.1	103.1	2.0	1.9%	100.7	(0.4)	(0.4%)
SkyTrain: Expo & Millennium Lines (per 1 million boarded passengers)	14.7	15.2	0.5	3.3%	15.0	0.3	2.0%
SkyTrain: Canada Line (per 1 million boarded passengers)	6.5	5.0	(1.5)	(30.0%)	5.0	(1.5)	(30.0%)
West Coast Express (per 1 million boarded passengers)	93.1	105.0	11.9	11.3%	98.5	5.4	5.5%
HandyDART (operator complaints as a % of trips)	0.10%	0.09%	(0.01%)	(11.1%)	0.08%	(0.02%)	(25.0%)
HandyDART (service complaints as a % of trips)	0.12%	0.10%	(0.02%)	(20.0%)	0.09%	(0.03%)	(33.3%)
<b>Financial: Operating Costs</b>							
Overall System (operating cost per capacity km) <sup>1,3,4</sup>	\$0.089	\$0.085	(0.004)	(4.7%)	\$0.089	-	-
Bus & SeaBus (operating cost per capacity km)	\$0.132	\$0.127	(0.005)	(3.9%)	\$0.132	-	-
SkyTrain: Expo & Millennium Lines (operating cost per capacity km)	\$0.034	\$0.032	(0.002)	(6.2%)	\$0.034	-	-
SkyTrain: Canada Line (operating cost per capacity km)	\$0.109	\$0.107	(0.002)	(1.9%)	\$0.110	0.001	0.9%
West Coast Express (operating cost per capacity km)	\$0.091	\$0.092	0.001	1.1%	\$0.099	0.008	8.1%
HandyDART (operating cost per trip)	\$40.20	\$40.82	\$0.62	1.5%	\$40.96	0.76	1.9%
<b>Financial: Operating Cost Recovery</b>							
TransLink (conventional system) <sup>4,5</sup>	59.5%	58.1%	1.4%	2.4%	56.7%	2.8%	4.9%

<sup>1</sup> Excludes HandyDART as data is only available on an annual basis

<sup>2</sup> The preliminary YTD 2018 ridership figures were restated at the end of 2018 to reflect final ridership figures

<sup>3</sup> Includes operating costs of Bus, Rail, and Transit Police. Excludes amortization and interest expense.

<sup>4</sup> Restated YTD 2018 to reflect year end adjustments

<sup>5</sup> Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes Corporate One-time, amortization and interest expense.



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