



Financial and Performance Report

AS AT SEPTEMBER 30, 2020



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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.

1. Executive Summary

Building Transportation Excellence

As the integrated, multi-modal transportation authority for Metro Vancouver, TransLink plans, finances and operates the transportation network to help meet the unique needs of this region. Our vision is to create a better place to live, built on transportation excellence. Guided by our regional transportation strategy, we work to connect the region and enhance its livability by providing a sustainable transportation system network.

Operating within the ever-changing and uncertain landscape caused by the pandemic continues to pose a challenge for TransLink as we focus on the safety of our customers and employees while delivering on our priorities. We continue to employ our COVID-19 Safe Operations Program to keep riders moving safely, with measures including reduced capacity on buses to promote social distancing and implementing mandatory face masks on-board all vehicles.

We took steps to support the health and safety of employees and contractors by retrofitting our buses with operator protection barriers and transitioning our employees to work from home wherever possible.

The physical distancing measures enacted in mid-March have changed travel behavior in the region, with many businesses transitioning their workforce to working remotely, significantly impacting our major revenue streams: Transit, Fuel Tax and Parking Rights Tax.

With COVID-19 cases rising, we continue to see the effects of the pandemic with declined ridership. The impact will continue to be felt for the remainder of the year and into 2021.

In September 2020, the Province committed \$644 million relief funding to assist TransLink in providing pre-COVID levels of services. The funding recognizes that transit is an essential service and will enable delivery of reliable service levels over the coming months as our economy gradually reopens and our customers return to using transit more regularly.

Translink will continue to work closely with our senior government partners to address the longer-term financial challenges.



2. Update on Key Priorities Achieved in Q3 2020

With guiding principles of improving the quality of existing systems and services, and expanding the transit system, the 2020 Business Plan, Operating and Capital Budget is supported by three priorities aimed at improving customer experience and public support, ensuring a state of good repair and mobilizing the Mayors' 10-Year Vision. The COVID-19 pandemic has severely impacted our efforts to mobilize the Mayors' 10-Year Vision as service expansion has been put on hold due to low ridership. The key priorities were modified to focus directly on dealing with the Pandemic.

The following table is an update for the third quarter of 2020.

Priority One: Implement the Mayors' Vision
<i>We will successfully deliver the capital projects, service expansion and policy initiatives necessary to implement the Mayors' Vision.</i>
<ul style="list-style-type: none">Completed the conceptual view of Enterprise Digital Strategy based on input consultations and undergoing review.Completed replacement of 95% of Broadway and Columbia Stations escalators and continued the construction of escalators at Waterfront, Nanaimo, Gateway and King George Stations.Completed the racking upgrades at the Operations and Maintenance Centre (OMC) 2 Warehouse.Passed Second Reading of the rezoning application of Operation Control Centre (OCC) 2 and completed 60% of the detailed design for the Centre.Completed 89% of the regional level of harmonization of truck definitions and regulations as one of the requirements for the regional permit system for oversize/overweight vehicles.Completed a Regional Road Performance Monitoring Program and scheduled to launch in October 2020.Launched a new Truck Route Planner (TRP) to clearly communicate the Regional Truck Route Network (RTRN) and improve trip planning and wayfinding tools for the goods movement sector.
Priority Two: Maintain a State of Good Repair
<i>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.</i>
<ul style="list-style-type: none">Launched the Community Shuttle Refresher training for Transit Operators.Implemented the Field Level Hazard Assessment program in the Power department, Elevating Devices to improve the safety culture.Began the rail grinding work focused on the Expo Line, targeting New Westminster, Burnaby and Vancouver. Also, rail replacement work took place near 22nd Street and New Westminster Stations, as well as the Dunsmuir Tunnel.Delivered supervisory training courses for BCRTC for developing a safe and effective workforce.Achieved cost savings and cost avoidance in operating expenses of \$5.4M (\$1.7M carry forward into 2021) through the IT Cost Optimization Roadmap developed in Q2.Completed onboard technology deployment to Non-Revenue Fleet and completed the internal review of console specifications and updated timeline for the Transit Communications (T-COMM) construction renovation.Opened a Crime Reduction Unit (CRU) at the Surrey Central SkyTrain Station for handling complex investigations.Enhanced the enterprise-wide Safe Operating Action Plan, used as a basis to develop COVID-19 specific safety plans.

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.

- Removed bus stops temporarily on Route 002 (Macdonald / Downtown) as a pilot for bus stop optimization to address the growing congestion and improve the bus speed and reliability initiatives.
- In the third quarter of 2020, CMBC completed the commissioning of all new bus orders. The originally approved 2020 expansion initiative was deferred until further notice due to the pandemic.
- Released the real-time on-time performance dashboard to all BCRTC staff.
- Modified the format of patrol response training due to the impacts of COVID-19, in support of developing the Vapour Scent Detection capacity.
- Commenced an external evaluation of the Transit Police community-based Service Delivery Model and completed the environmental scanning for the Transit Police 2021-2025 Strategic Plan.
- Continued to work on the TransLink responsive website including the new alert identity management design and service, the new navigation functionality and design as well as rewriting and building corporate content.
- Planned for a potential flood on the Fraser River to ensure customer and employee safety.
- Approved the installation of Compass on HandyDART vehicles.
- Delivered and received positive feedback and support of the transit themed webinars to various organizations as part of the Business and Schools Outreach program.
- Continue to re-balance service to manage passenger loads, providing extra space on busier routes and minimize pass-ups.
- Distributed 35,000 TransLink branded masks to our customers over the 3 months at dozens of transit hubs.
- Mandated mask-wearing on all transit vehicles starting in August and achieved 95% compliance from our customers.

3. 2020 Third Quarter Financial Summary

CONSOLIDATED REVENUES AND EXPENSES Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	2020	2020	Budget Variance		2020	2020	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET**	Fav/(Unfav)	%
Revenue								
Taxation	633,626	706,968	(73,342)	(10.4%)	849,678	943,443	(93,765)	(9.9%)
Transit	292,051	539,484	(247,433)	(45.9%)	391,148	723,160	(332,012)	(45.9%)
Government transfers	111,678	115,714	(4,036)	(3.5%)	174,600	261,913	(87,313)	(33.3%)
Investment Income	40,359	40,034	325	0.8%	52,261	54,300	(2,039)	(3.8%)
Amortization of deferred concessionaire credit	17,471	17,407	64	0.4%	29,331	23,337	5,994	25.7%
Miscellaneous	16,368	12,443	3,925	31.5%	20,158	17,059	3,099	18.2%
Sub Total Continuing Operations	1,111,553	1,432,050	(320,497)	(22.4%)	1,517,176	2,023,212	(506,036)	(25.0%)
Gain/(Loss) on disposal	(30)	-	(30)	-	(24)	-	(24)	-
Total Revenue	1,111,523	1,432,050	(320,527)	(22.4%)	1,517,152	2,023,212	(506,060)	(25.0%)
Expenditures								
Bus Operations	573,345	620,208	46,863	7.6%	783,546	831,084	47,538	5.7%
Rail Operations	245,504	265,990	20,486	7.7%	335,724	355,527	19,803	5.6%
Transit Police	30,239	31,933	1,694	5.3%	39,878	42,528	2,650	6.2%
Corporate Operations	71,117	88,847	17,730	20.0%	106,088	118,082	11,994	10.2%
Roads & Bridges	26,045	53,865	27,820	51.6%	57,792	127,542	69,750	54.7%
Amortization of Capital Assets*	170,492	171,738	1,246	0.7%	234,368	244,307	9,939	4.1%
Interest*	142,323	138,644	(3,679)	(2.7%)	187,816	185,252	(2,564)	(1.4%)
Sub Total Continuing Operations	1,259,065	1,371,225	112,160	8.2%	1,745,212	1,904,322	159,110	8.4%
Corporate One-Time	9,308	19,242	9,934	51.6%	20,809	31,372	10,563	33.7%
Total Expenditures	1,268,373	1,390,467	122,094	8.8%	1,766,021	1,935,694	169,673	8.8%
(Deficit) Surplus for the period (PSAB)	(156,850)	41,583	(198,433)	(477.2%)	(248,869)	87,518	(336,387)	(384.4%)

* Amortization and Interest shown separately to facilitate analysis

** Restated to reflect budget transfers

The PSAB deficit recorded in nine months of 2020 was \$156.9 million which is \$198.4 million unfavourable to budget. Prior to any relief funding, the forecast to the end of the year is a \$248.9 million deficit.

Total revenues were unfavourable to budget by \$320.5 million (22.4 per cent) mainly due to transit revenue as a result of the significant decline in ridership from mid-March, suspension of U-Pass program from April - August and the suspension of bus fare collection between March-May due to no front door boardings. Fuel and parking rights tax revenue were also unfavourable as fewer cars were on the road due to the impacts of COVID-19 pandemic, with many workers working from home.

Total expenditures were favourable to budget by \$122.1 million (8.8 per cent) mainly due to lower fuel consumption and fuel prices, lower fare media costs and credit card fees from reduced ridership, lower labour expenses as a result of vacancies, re-prioritization of professional services and other measures taken to reduce expenses. The suspension of certain Major Road Network ("MRN") projects, deferral of expansion of Bus service and Canada Line also contributed to this favourable variance.

4. Key Performance Indicators

Financial Indicators

FINANCIAL POLICIES AND INDICATORS				
(\$ thousands)	September 30	December 31	Change	
	2020	2019	Fav/(Unfav)	%
Unrestricted cash and investments	794,054	563,341	230,713	41.0%
Capital assets	5,521,635	5,381,268	140,367	2.6%
Net direct debt	(2,694,730)	(2,375,414)	(319,316)	(13.4%)
Indirect P3 debt	(1,488,532)	(1,512,587)	24,055	1.6%
Total net direct debt and indirect P3 debt	(4,183,262)	(3,888,001)	(295,261)	(7.6%)
Gross interest cost as a % of operating revenue ¹	14.2%	11.5%	(2.7%)	(23.5%)

¹ Operating revenue is Total Revenue less Government transfers for capital projects, Interest Income and Amortization of deferred concessionaire credit.

TransLink continues to maintain financial strength to support the organization through the acute stage of the COVID-19 pandemic. The committed Senior Government relief funding will boost liquidity and help offset the revenue losses. Financial indicators are measured and monitored throughout the year.

Unrestricted cash and investment balances increased by \$230.7 million (41.0 per cent) in the first nine months of the year as a result of property tax revenues received and a bond issuance to fund our capital projects, net of regular cash outlays to support current operations, capital expenditures and service our debt obligations.

Capital assets increased by \$140.4 million (2.6 per cent) in the first nine months of 2020 due to \$310.9 million in additions, partly offset by amortization of \$170.5 million. Additions included land for a new operations and maintenance centre, SkyTrain system and infrastructure upgrades, bus infrastructure improvements, technology upgrade projects and community shuttles and conventional buses.

Net direct debt increased by \$319.3 million (13.4 per cent). This is mainly due to the issuance of a \$400 million bond in July to support the 2020 capital program. The increase was partially offset by scheduled debt payments, sinking fund contributions and reinvestment of sinking fund interest income during the first nine months.

Indirect P3 debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, declined by \$24.1 million (1.6 per cent) mainly due to the amortization of the Canada Line deferred concessionaire credit.

Gross interest cost as a percentage of operating revenues was 14.2 per cent and well within TransLink's 20 per cent policy. This indicator was 2.7 per cent higher than 2019, mainly due to decrease 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 ended September 30	YTD	YTD	Change		YTD	Budget Variance	
	2020	2019	Fav/(Unfav)	%	2020	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
Scheduled Transit Service							
Overall Performance Rating (out of 10)	7.9	7.8	0.1	1.3%	8.0	(0.1)	(1.3%)
Service Hours	5,166,198	5,191,690	(25,492)	(0.5%)	5,488,538	(322,340)	(5.9%)
Operating Cost Recovery ¹	33.8%	59.5%	(25.7%)	(43.2%)	56.8%	(23.0%)	(40.5%)
Operating Cost per Capacity Km ^{2,6}	\$0.098	\$0.096	(\$0.002)	(2.1%)	\$0.096	(0.002)	(2.1%)
Complaints per million Boarded Passengers ³	105.1	90.6	(14.5)	(16.0%)	85.4	(19.7)	(23.1%)
Access Transit Service							
Number of Trips	487,303	1,024,966	(537,663)	(52.5%)	1,059,431	(572,128)	(54.0%)
Operating Cost per Trip	\$72.34	\$40.20	(\$32.14)	(80.0%)	\$40.63	(\$31.71)	(78.0%)
Number of Trips Denied	399	759	360	47.4%	1,680	1,281	76.3%
Operator Complaints as a percentage of trips ⁴	0.11%	0.10%	(0.01%)	(10.0%)	0.08%	(0.03%)	(12.5%)
Service Complaints as a percentage of trips ⁴	0.09%	0.12%	0.03%	25.8%	0.09%	-	-
Ridership (thousands) ³							
Boarded Passengers	171,909	340,369	(168,460)	(49.5%)	351,054	(179,145)	(51.0%)
Journeys	101,110	204,442	(103,332)	(50.5%)	211,974	(110,864)	(52.3%)
Average Fare per Journey ⁵	\$2.70	\$2.41	\$0.29	11.9%	\$2.45	\$0.25	10.1%

¹ Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes Corporate One-time, HandyDART, Amortization and Interest Expense.

² Includes operating costs of Bus, Rail, and Transit Police. Excludes HandyDART, Amortization and Interest Expense.

³ The preliminary YTD 2019 ridership figures were restated at the end of 2019 to reflect final ridership figures.

⁴ 2019 HandyDART Complaints were adjusted for reclassification between operator and service complaints.

⁵ Calculated using Total Fare Revenue

⁶ 2020 budgeted capacity kilometers for West Coast Express and Canada Line have been restated to reflect adjustments

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 nine months of 2020 was 7.9 out of 10, similar to 2019 but slightly lower than budget. TransLink remains focused on service improvements. We are committed to transportation excellence and will continue to strive towards enhancing customer satisfaction and safety.

Service hours were 25,492 (0.5 per cent) lower than 2019 mainly due to brief service reductions caused by the pandemic and partially offset by service expansion implemented at the beginning of the year. Compared to budget, service hours were 322,340 (5.9 per cent) unfavourable mainly due to system wide deferral of planned service expansions because of the reduced passenger demand as a result of the pandemic. Inclement weather also contributed to service reductions at the beginning of the year.

Operating cost recovery represents the percentage of transit revenues compared to total operating costs of Bus, Rail, Transit Police and Corporate (excluding One-time costs). In the nine months of 2020, the cost recovery of 33.8 per cent was lower than the 2019 ratio of 59.5 per cent and lower than the budgeted ratio of 56.8 per cent due to a significant drop in transit revenues from the decline in ridership as a result of COVID-19.

Operating cost per capacity kilometre increased by 2.1 per cent compared to 2019 mainly due to increases in labour and administration expenses. Operating cost per capacity kilometer was 2.1 per cent unfavorable to budget mainly due to deferral of planned service expansions partly offset by lower than expected fuel, labour and professional service costs.

Complaints per million boarded passengers were higher compared to 2019 by 16.0 per cent and to budget by 23.1 per cent mainly due to the perceived difficulty of physical distancing on the system combined with the significant drop in ridership which drives up the ratio.

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.

The number of Access Transit trips provided in the first nine months of 2020 was 537,663 trips (52.5 per cent) lower compared to the same period in 2019 and was 572,128 trips (54.0 per cent) lower than budget. Ten days of severe winter weather in January and the COVID-19 pandemic significantly impacted demand and service delivery.

Operating cost per trip increased by \$32.14 (80.0 per cent) from \$40.20 in 2019 to \$72.34 in 2020 and was unfavourable to budget by \$31.71 (78.0 per cent) largely due to reduced trip demand due to effects of COVID-19, while fixed costs remained relatively consistent with 2019. Demand is currently 38 per cent of the budgeted trips allowing HandyDART to maintain two-meter physical distancing resulting in approximately 95 per cent of trips with two or fewer people per vehicle. For pre-COVID service, 100 per cent of Access Transit trips were shared ride, with as many as 12 customers per bus during peak periods.

Operator Complaints as a percentage of trips were higher than the first nine months of 2019 by 10.0 per cent and were unfavourable to budget by 12.5 per cent. Service Complaints as a percentage of trips were lower than the first nine months of 2019 and were at budget. First Transit continues to investigate and follow up every customer complaint. Coaching and remedial training are provided when required to ensure service quality meets customer expectation.

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 171.9 million, 49.5 per cent lower compared to the same period in 2019 and 51 per cent lower than budget.

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 2019, total system journeys declined by 50.5 per cent and compared to budget is 52.3 per cent lower.

Ridership has significantly declined in 2020 mainly as a result of the COVID-19 pandemic since mid-March 2020. In addition, ridership levels in January were also unfavorable due to inclement weather conditions.

The average fare per journey was \$2.70 for the first nine months of the year, an increase over 2019 of 11.9 per cent. This is partly due to an average fare increase of 2.0 per cent which was implemented on July 1, 2019. As a result, the decline in total revenue is not proportionate to decline in journeys which resulted in an increase in average fare per journey. The average fare per journey is 10.1 per cent higher than budget largely due to Government Bus Pass revenue which has remained at the budgeted levels, while journeys have been lower than expected. The higher average fare is also partly due to users switching from the monthly pass to the more expensive stored value product.

5. Consolidated Revenues

The following is a summary of consolidated revenues for the first nine months of 2020 and the updated forecast to the end of the year, compared to budget.

CONSOLIDATED REVENUES Nine months ended September 30 (\$ thousands)	YTD 2020 ACTUAL	YTD 2020 BUDGET	ACTUAL TO BUDGET		Annual 2020 Q3 FORECAST	Annual 2020 BUDGET*	FORECAST TO BUDGET	
			Budget Variance				Forecast Variance	
			Fav/(Unfav)	%			Fav/(Unfav)	%
Taxation								
Fuel	253,687	292,792	(39,105)	(13.4%)	348,188	390,389	(42,201)	(10.8%)
Property & Replacement	312,991	313,040	(49)	(0.0%)	417,732	417,386	346	0.1%
Parking Rights	38,346	66,190	(27,844)	(42.1%)	48,224	89,207	(40,983)	(45.9%)
Hydro Levy	16,477	16,497	(20)	(0.1%)	21,823	21,861	(38)	(0.2%)
Development cost charge	12,125	18,449	(6,324)	(34.3%)	13,712	24,600	(10,888)	(44.3%)
Transit	292,051	539,484	(247,433)	(45.9%)	391,147	723,160	(332,013)	(45.9%)
Government transfers	111,678	115,714	(4,036)	(3.5%)	174,600	261,913	(87,313)	(33.3%)
Investment Income	40,359	40,034	325	0.8%	52,261	54,300	(2,039)	(3.8%)
Amortization of deferred concessionaire credit	17,471	17,407	64	0.4%	29,331	23,337	5,994	25.7%
Miscellaneous	16,368	12,443	3,925	31.5%	20,158	17,059	3,099	18.2%
Revenue Before Gain/(Loss) on Disposals	1,111,553	1,432,050	(320,497)	(22.4%)	1,517,176	2,023,212	(506,036)	(25.0%)
Gain/(Loss) on disposal	(30)	-	(30)	-	(24)	-	(24)	-
Total Revenue	1,111,523	1,432,050	(320,527)	(22.4%)	1,517,152	2,023,212	(506,060)	(25.0%)

Total revenues for nine months of 2020 were \$1.1 billion, which is \$320.5 million (22.4 per cent) unfavourable to budget as transit revenue, fuel tax revenue, parking rights tax revenue and development cost charges were negatively impacted by the COVID-19 pandemic.

Total revenues are forecasted to be lower than budget by \$506.1 million (25.0 per cent) as we expect to continue to experience the impacts of COVID-19 for the remainder of the year.

Taxation

TAXATION REVENUES Nine months ended September 30 (\$ thousands)	YTD 2020 ACTUAL	YTD 2020 BUDGET	ACTUAL TO BUDGET		Annual 2020 Q3 FORECAST	Annual 2020 BUDGET	FORECAST TO BUDGET	
			Budget Variance				Forecast Variance	
			Fav/(Unfav)	%			Fav/(Unfav)	%
Fuel	253,687	292,792	(39,105)	(13.4%)	348,188	390,389	(42,201)	(10.8%)
Property & Replacement	312,991	313,040	(49)	(0.0%)	417,732	417,386	346	0.1%
Parking Rights	38,346	66,190	(27,844)	(42.1%)	48,224	89,207	(40,983)	(45.9%)
Hydro Levy	16,477	16,497	(20)	(0.1%)	21,823	21,861	(38)	(0.2%)
Development cost charge	12,125	18,449	(6,324)	(34.3%)	13,712	24,600	(10,888)	(44.3%)
Total Taxation	633,626	706,968	(73,342)	(10.4%)	849,679	943,443	(93,764)	(9.9%)

Taxation revenues are comprised of taxes collected on fuel, property and replacement taxes, the parking rights tax, the hydro levy and the development cost charge. Total taxation revenues for nine months of 2020 were \$73.3 million (10.4 per cent) unfavourable to budget mainly due to declines in fuel tax, parking rights tax revenue and development cost charges.

Fuel tax revenue for nine months of 2020 was \$39.1 million (13.4 per cent) unfavourable to budget and parking rights tax revenue was \$27.8 million (42.1 per cent) unfavourable mainly due to a decline in driving and use of parking in the region as a result of the COVID-19 pandemic. The development cost charge revenue was \$6.3 million (34.3 per cent) unfavourable to budget as real estate development in the region has decreased due to the pandemic.

Fuel tax revenue is forecasted to be \$42.2 million (10.8 per cent) lower than budget, parking rights tax revenue is forecasted to be \$41.0 million (45.9 per cent) lower and the development cost charge is forecasted to be \$10.9 million (44.3 per cent) lower due to the COVID-19 pandemic as described above.

Transit

TRANSIT REVENUES Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	2020	2020	Budget Variance		2020	2020	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET	Fav/(Unfav)	%
Fares	208,199	428,036	(219,837)	(51.4%)	272,002	567,628	(295,626)	(52.1%)
Programs	65,300	91,958	(26,658)	(29.0%)	94,318	128,565	(34,247)	(26.6%)
Total Fare Revenue	273,499	519,994	(246,495)	(47.4%)	366,320	696,193	(329,873)	(47.4%)
Other	18,552	19,490	(938)	(4.8%)	24,827	26,967	(2,140)	(7.9%)
Total Transit	292,051	539,484	(247,433)	(45.9%)	391,147	723,160	(332,013)	(45.9%)

Transit fare revenue includes revenue 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 \$247.4 million (45.9 per cent) unfavourable to budget in nine months of 2020 mainly due to a significant decline in ridership from mid-March and the suspension of bus fares collection between March to May 2020 due to no front door boardings, in response to provincial guidance for social distancing due to the COVID-19 pandemic. For nine months of 2020, boardings and journeys were 51.0 per cent and 52.3 per cent unfavourable to budget, respectively. The suspension of U-Pass program between April to August, decline in Park and Ride revenue also contributed to the unfavourable results.

Total transit revenues are forecasted to be \$332.0 million (45.9 per cent) unfavourable to budget as a result of the decline in ridership observed to date that is not expected to fully recover for the remainder of 2020 and also as a result of not implementing the budgeted fare increases on July 1, 2020.

Government Transfers

Transfers from government include funds received from Greater Vancouver Regional Fund (GVRF), Canada Line funding, Building Canada Fund, and other miscellaneous programs. In the first nine months of 2020, government funding was \$4.0 million (3.5 per cent) unfavourable to budget mainly due to the timing of bus replacement projects that has shifted the revenue recognition of government transfers. The full year forecast is expected to be \$87.3 million (33.3 per cent) lower than budget mainly due to the deferral of Conventional Bus and HandyDART expansion projects pending a review of the impact COVID-19 on ridership and required service levels.

Investment Income

Investment income for first nine months was \$0.3 million (0.8 per cent) favourable to budget mainly due to higher than budgeted cash and investment balances, almost fully offset by lower interest rates brought on by the Bank of Canada lowering its official rate by 1.50 per cent in the month of March as a move to counter the economic effects of COVID-19 pandemic. The full year forecast is expected to be \$2.0 million (3.8 per cent) unfavourable to budget mainly due to continuing lower interest rates.

Miscellaneous

Miscellaneous income was \$3.9 million (31.5 per cent) favourable to budget for nine months of 2020 mainly due to timing of recoveries attributed to capital projects, compressed natural gas (CNG) and energy saving program contributions. Miscellaneous income is forecasted to be \$3.1 million (18.2 per cent) favourable to budget.

6. Consolidated Expenses by Segment

CONSOLIDATED EXPENSES BY SEGMENT Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2020	YTD 2020	Budget Variance		Annual 2020	Annual 2020	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET**	Fav/(Unfav)	%
Bus Operations	573,345	620,208	46,863	7.6%	783,546	831,084	47,538	5.7%
Rail Operations	245,504	265,990	20,486	7.7%	335,724	355,527	19,803	5.6%
Transit Police	30,239	31,933	1,694	5.3%	39,878	42,528	2,650	6.2%
Corporate Operations	71,117	88,847	17,730	20.0%	106,088	118,082	11,994	10.2%
Roads & Bridges	26,045	53,865	27,820	51.6%	57,792	127,542	69,750	54.7%
Amortization of Capital Assets*	170,492	171,738	1,246	0.7%	234,368	244,307	9,939	4.1%
Interest*	142,323	138,644	(3,679)	(2.7%)	187,816	185,252	(2,564)	(1.4%)
Sub Total Continuing Operations	1,259,065	1,371,225	112,160	8.2%	1,745,212	1,904,322	159,110	8.4%
Corporate One-Time	9,308	19,242	9,934	51.6%	20,809	31,372	10,563	33.7%
Total Expenses by Segment	1,268,373	1,390,467	122,094	8.8%	1,766,021	1,935,694	169,673	8.8%

* 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 2020, CMBC completed the commissioning of all new bus orders. The originally approved 2020 expansion initiative was deferred until further notice due to the pandemic. Following the completion of functional and conceptual design, the Marpole Transit Centre moved forward to preliminary and detailed design. To address growing congestion and to improve bus speed and reliability, Route 002 was selected for bus stop optimization. As part of the pilot program, bus stops for this route were temporarily removed. However, due to the continued impact of COVID-19 on transit demand, the expansion for additional RapidBus service was deferred until ridership recovers.

BUS OPERATIONS BY CATEGORY Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2020	YTD 2020	Budget Variance		Annual 2020	Annual 2020	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET	Fav/(Unfav)	%
Administration	17,492	18,991	1,499	7.9%	24,643	25,814	1,171	4.5%
Contracted Services	50,839	59,929	9,090	15.2%	68,793	80,121	11,328	14.1%
Fuel and Power	30,561	46,040	15,479	33.6%	44,411	62,818	18,407	29.3%
Insurance	17,139	17,239	100	0.6%	23,269	23,150	(119)	(0.5%)
Maintenance, Materials and Utilities	58,646	59,088	442	0.7%	80,436	79,973	(463)	(0.6%)
Professional and Legal	1,023	3,325	2,302	69.2%	2,399	4,328	1,929	44.6%
Rentals, Leases and Property Tax	10,357	12,178	1,821	15.0%	14,029	16,085	2,056	12.8%
Salaries, Wages and Benefits	387,288	403,418	16,130	4.0%	525,566	538,795	13,229	2.5%
Total Expenses by Category	573,345	620,208	46,863	7.6%	783,546	831,084	47,538	5.7%

For the nine months ended September 30, 2020, the Bus Operations operating expenses were \$46.9 million (7.6 per cent) favourable to budget mainly due to vacancy savings as recruitment has been put on hold, lower fuel costs attributed to lower diesel prices and lower fuel consumption as a result of lower bus service hours from not implementing planned expansion and re-prioritization of discretionary consulting initiatives. Reductions in Access Transit demand due to COVID-19 also contributed to the favorability resulting in lower contracted services cost and lower fuel costs as compared to budget. Favourability is partly offset by higher than expected snow removal, additional safety and first aid supplies, and overtime costs.

Bus Operations operating expenses are forecasted to be \$47.5 million (5.7 per cent) favourable to budget at year-end mainly due to lower diesel prices and lower consumption from reduced service levels from not implementing planned expansion, vacancy savings and reduced consulting initiatives from re-prioritization. The favourability is partly offset by additional material and equipment purchases in response to COVID-19, and higher snow removal and overtime costs.

Service Delivery

BUS OPERATIONS							
Nine months ended September 30	YTD	YTD	Change		YTD	Budget Variance	
	2020	2019	Fav/(Unfav)	%	2020	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
SERVICE HOURS							
CMBC Operations	3,876,109	3,847,233	28,876	0.8%	4,138,667	(262,558)	(6.3%)
Conventional Bus	3,465,098	3,441,409	23,689	0.7%	3,713,308	(248,210)	(6.7%)
Community Shuttle	403,370	396,516	6,854	1.7%	415,089	(11,719)	(2.8%)
SeaBus	7,641	9,308	(1,667)	(17.9%)	10,270	(2,629)	(25.6%)
Contracted Transit Services	173,917	176,509	(2,592)	(1.5%)	182,591	(8,674)	(4.8%)
West Vancouver	84,373	86,219	(1,846)	(2.1%)	89,683	(5,310)	(5.9%)
Contract Community Shuttle	89,544	90,290	(746)	(0.8%)	92,908	(3,364)	(3.6%)
Conventional Transit Service Hours	4,050,026	4,023,742	26,284	0.7%	4,321,258	(271,232)	(6.3%)
SERVICE KILOMETRES							
CMBC Operations	75,140,902	74,781,773	359,129	0.5%	79,633,420	(4,492,518)	(5.6%)
Conventional Bus	66,517,063	66,572,204	(55,141)	(0.1%)	71,242,995	(4,725,932)	(6.6%)
Community Shuttle	8,520,551	8,083,743	436,808	5.4%	8,251,777	268,774	3.3%
SeaBus	103,288	125,826	(22,538)	(17.9%)	138,648	(35,360)	(25.5%)
Contracted Transit Services	3,661,666	3,795,403	(133,737)	(3.5%)	3,939,066	(277,400)	(7.0%)
West Vancouver	1,606,692	1,715,968	(109,276)	(6.4%)	1,822,604	(215,912)	(11.8%)
Contract Community Shuttle	2,054,974	2,079,435	(24,461)	(1.2%)	2,116,462	(61,488)	(2.9%)
Conventional Transit Service Kilometres	78,802,568	78,577,176	225,392	0.3%	83,572,486	(4,769,918)	(5.7%)
CAPACITY KILOMETRES							
CMBC Operations	3,984,450,229	3,813,400,233	171,049,996	4.5%	4,311,194,651	(326,744,422)	(7.6%)
Conventional Bus	3,773,589,315	3,601,394,905	172,194,410	4.8%	4,059,772,470	(286,183,155)	(7.0%)
Community Shuttle	170,410,921	161,674,860	8,736,061	5.4%	198,042,651	(27,631,730)	(14.0%)
SeaBus	40,449,993	50,330,468	(9,880,475)	(19.6%)	53,379,530	(12,929,537)	(24.2%)
Contracted Transit Services	121,434,067	127,387,124	(5,953,057)	(4.7%)	141,925,268	(20,491,201)	(14.4%)
West Vancouver	80,334,587	85,798,424	(5,463,837)	(6.4%)	91,130,214	(10,795,627)	(11.8%)
Contract Community Shuttle	41,099,480	41,588,700	(489,220)	(1.2%)	50,795,054	(9,695,574)	(19.1%)
Conventional Transit Capacity Kilometres	4,105,884,296	3,940,787,357	165,096,939	4.2%	4,453,119,919	(347,235,623)	(7.8%)

Compared to the first nine months of 2019, there were 26,284 (0.7 per cent) more service hours, 225,392 (0.3 per cent) more service kilometres and 165,096,939 (4.2 per cent) more capacity kilometres delivered. Service hours, service kilometres and capacity kilometres were higher mainly due to service expansion implemented in Q1. Capacity kilometres also increased due to the addition of double-decker buses which have considerably higher seating capacity than regular buses.

For the first nine months of 2020, actual service hours delivered were 271,231 (6.3 per cent) lower than budget, service kilometres were 4,769,918 (5.7 per cent) lower and capacity kilometres were 347,235,623 (7.8 per cent) lower. The lower service levels were mainly a result of service cancellations due to inclement weather in January and reductions across all services from deferral of planned service expansion due to the COVID-19 pandemic.

ACCESS TRANSIT							
Nine months ended September 30	YTD	YTD	Change		YTD	Budget Variance	
	2020	2019			2020		
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%
Service Kilometres	5,401,829	7,625,487	(2,223,658)	(29.2%)	7,941,150	(2,539,321)	(32.0%)
Access Transit Trips							
Trips - HandyDART	449,352	895,110	(445,758)	(49.8%)	945,375	(496,023)	(52.5%)
Trips - Taxi Supplement	37,951	129,856	(91,905)	(70.8%)	114,056	(76,105)	(66.7%)
Total Access Transit Trips	487,303	1,024,966	(537,663)	(52.5%)	1,059,431	(572,128)	(54.0%)

Total Access Transit trips provided in the first nine months of 2020 were 537,663 (52.5 per cent) lower compared to the same period in 2019 and were 572,128 (54.0 per cent) lower than budget. The COVID-19 pandemic triggered a significant fall in demand in March and has continued to suppress trip numbers throughout the subsequent year to date.

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 2020, rail grinding work occurred on the Expo and Millennium Lines, completing approximately 42 kilometres of rail grinding. Also, the rail replacement work took place near 22nd Street and New Westminster Stations as well as the Dunsmuir Tunnel. BCRTC has continued COVID-19 cleaning measures in stations and trains. Face masks were made mandatory onboard SkyTrain and West Coast Express cars in August.

RAIL OPERATIONS BY CATEGORY	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD	YTD	Budget Variance		Annual	Annual	Forecast Variance	
	2020	2020			2020	2020		
Nine months ended September 30 (\$ thousands)	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET	Fav/(Unfav)	%
Administration	4,355	5,425	1,070	19.7%	6,186	7,115	929	13.1%
Contracted Services	96,783	105,590	8,807	8.3%	130,073	141,489	11,416	8.1%
Fuel and Power	11,093	12,074	981	8.1%	15,194	16,569	1,375	8.3%
Insurance	4,617	4,252	(365)	(8.6%)	6,184	5,690	(494)	(8.7%)
Maintenance, Materials and Utilities	37,341	38,384	1,043	2.7%	52,095	51,735	(360)	(0.7%)
Professional and Legal	1,651	3,372	1,721	51.0%	2,983	4,457	1,474	33.1%
Rentals, Leases and Property Tax	1,476	1,063	(413)	(38.8%)	1,818	1,423	(395)	(27.8%)
Salaries, Wages and Benefits	88,188	95,830	7,642	8.0%	121,191	127,049	5,858	4.6%
Total Expenses by Category	245,504	265,990	20,486	7.7%	335,724	355,527	19,803	5.6%

For the nine months ended September 30, 2020 operating expenses were \$20.4 million (7.7 per cent) favourable to budget, mainly driven by the significant impact COVID-19 had on operations that resulted in reduced service levels from March 23 to May 25, continued optimization of offered service due to low ridership, deferred Canada Line and Expo and Millennium Lines' service expansion, and non-essential cost reductions. The reduced service levels resulted in lower operating, maintenance and fuel and power costs. The favourable variance also resulted from lower labour costs driven by hiring delays and reduced health benefit usage, lower contract services costs, lower diesel prices and hydro rates.

Rail Operations operating expenses are forecasted to be \$19.8 million (5.6 per cent) favourable to budget mainly due to impacts of reduced service and deferred service expansion, lower labour costs as a result of vacancies and reduced benefits usage, lower contract services costs, reduced discretionary spending and favourable fuel prices and hydro rates, partly offset by increased maintenance activities.

Service Delivery

RAIL OPERATIONS							
	YTD 2020	YTD 2019	Change		YTD 2020	Budget Variance	
Nine months ended September 30	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%
SERVICE HOURS							
SkyTrain: Expo & Millennium Lines	942,939	988,812	(45,873)	(4.6%)	958,310	(15,371)	(1.6%)
SkyTrain: Canada Line*	158,594	151,730	6,864	4.5%	177,189	(18,595)	(10.5%)
West Coast Express	14,640	27,407	(12,767)	(46.6%)	27,631	(12,991)	(47.0%)
Rail Operations Service Hours	1,116,174	1,167,949	(51,775)	(4.4%)	1,163,130	(46,956)	(4.0%)
SERVICE KILOMETRES							
SkyTrain: Expo & Millennium Lines	38,000,306	39,849,120	(1,848,814)	(4.6%)	38,619,873	(619,567)	(1.6%)
SkyTrain: Canada Line*	5,094,838	4,885,730	209,108	4.3%	5,692,227	(597,389)	(10.5%)
West Coast Express	551,644	1,032,683	(481,039)	(46.6%)	1,041,197	(489,553)	(47.0%)
Rail Operations Service Kilometres	43,646,788	45,767,533	(2,120,745)	(4.6%)	45,353,297	(1,706,509)	(3.8%)
CAPACITY KILOMETRES							
SkyTrain: Expo & Millennium Lines	3,276,568,210	3,391,435,958	(114,867,748)	(3.4%)	3,591,858,651	(315,290,441)	(8.8%)
SkyTrain: Canada Line*	731,109,236	693,529,374	37,579,863	5.4%	798,860,239	(67,751,003)	(8.5%)
West Coast Express ¹	81,422,772	152,424,114	(71,001,342)	(46.6%)	153,680,648	(72,257,876)	(47.0%)
Rail Operations Capacity Kilometres	4,089,100,218	4,237,389,446	(148,289,228)	(3.5%)	4,544,399,538	(455,299,320)	(10.0%)

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

¹ 2020 budgeted capacity kilometers for West Coast Express have been restated to reflect adjustments

Total Rail Operations service delivery for the first three quarters of 2020 decreased by 51,775 service hours (4.4 per cent), 2,120,745 service kilometres (4.6 per cent), and 148,289,228 capacity kilometres (3.5 per cent) compared to last year. This was mostly due to the COVID-19 influenced service reductions that were implemented from March 23 to May 25, 2020 and the continued optimization of offered service due to sustained impacts of the pandemic on ridership.

All three service delivery measures were below budget for the Expo and Millennium Lines with service hours being lower than budget by 15,371 (1.6 per cent), service kilometres by 619,567 (1.6 per cent) and capacity kilometres by 315,290,441 (8.8 per cent). This was mostly due to service reductions between March 23 to May 25, 2020, as a result of COVID-19. Planned service increases in September 2020 were also postponed due to the continued low ridership. The increased use of MK I trains, which have less capacity than MK III trains, has impacted all three measures, most notably capacity kilometres.

Although Canada Line service was expanded on January 21, 2020 the service reductions made in response to COVID-19 and the deferral of the service expansion that was planned for March 2020 resulted in lower than budget service hours of 18,595 (10.5 per cent), service kilometres by 597,389 (10.5 per cent) and capacity kilometres by 67,751,003 (8.5 per cent). By the end of the third quarter, Canada Line had not yet resumed full service.

All three indicators were below budget for West Coast Express as well, mostly due to the cancellation of trains and running shorter trains due to reduced passenger demand caused by the pandemic. Service hours were lower than budget by 12,991 (47.0 per cent), service kilometres by 489,553 (47.0 per cent) and capacity kilometres by 72,257,876 (47.0 per cent). WCE continues to operate at reduced service levels at the end of the third quarter.

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 2020, Transit Police trained for patrol to assist with Police Explosive K9 units. While the advancement of the strategic planning process was impacted by the COVID-19 crisis, Transit Police were able to advance an external evaluation of the Transit Police community-based Service Delivery Model.

POLICE OPERATIONS BY CATEGORY Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2020	YTD 2020	Budget Variance		Annual 2020	Annual 2020	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET	Fav/(Unfav)	%
Administration	2,248	2,594	346	13.3%	3,363	3,655	292	8.0%
Insurance	92	90	(2)	(2.1%)	121	120	(1)	(0.8%)
Maintenance, Materials and Utilities	1,002	930	(72)	(7.7%)	1,339	1,262	(77)	(6.1%)
Professional and Legal	212	279	67	24.0%	368	362	(6)	(1.7%)
Rentals, Leases and Property Tax	1,478	1,825	347	19.0%	1,526	2,507	981	39.1%
Salaries, Wages and Benefits	25,207	26,215	1,008	3.8%	33,161	34,622	1,461	4.2%
Total Expenses by Category	30,239	31,933	1,694	5.3%	39,878	42,528	2,650	6.2%

Transit Police operating expenses were \$1.7 million (5.3 per cent) favourable to budget in nine months of 2020. The favourable variance is mainly due to vacancy savings and lower training costs as a result of hiring fewer recruits due to COVID-19 as well as lower rental expenses as a result of a delayed timeline for moving into new premises.

Transit Police operating expenses is forecasted to be \$2.7 million (6.2 per cent) favourable to budget mainly due to vacancy savings, cancellation of training courses and reduction in material purchases as a result of the deferral of the Community Safety Officer pilot as well as lower rental expenses as a result of a delayed timeline for moving into new premises.

Corporate Operations

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

In the third quarter of 2020, TransLink has distributed 35,000 TransLink branded masks to our customers at dozens of transit hubs and made mask-wearing mandatory while onboard transit vehicles starting August 24, 2020 to ensure customers have confidence riding transit as British Columbia's economy continues to reopen and more people commute around the region. TransLink has also completed 95 per cent replacement of the Broadway and Columbia Stations escalators and continued the construction of escalators at Waterfront, Nanaimo, Gateway and King George Stations.

CORPORATE OPERATIONS BY CATEGORY Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD 2020	YTD 2020	Budget Variance		Annual 2020	Annual 2020	Forecast Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET*	Fav/(Unfav)	%
Administration	11,346	15,911	4,565	28.7%	17,322	21,465	4,143	19.3%
Contracted Services	9,547	11,063	1,516	13.7%	13,340	14,750	1,410	9.6%
Insurance	234	163	(71)	(43.8%)	289	219	(70)	(32.0%)
Maintenance, Materials and Utilities	1,065	1,436	371	25.8%	1,721	1,953	232	11.9%
Professional and Legal	5,290	8,555	3,265	38.2%	9,772	11,608	1,836	15.8%
Rentals, Leases and Property Tax	8,237	11,588	3,351	28.9%	16,233	15,662	(571)	(3.6%)
Salaries, Wages and Benefits	35,398	40,131	4,733	11.8%	47,411	52,425	5,014	9.6%
Total Expenses by Category	71,117	88,847	17,730	20.0%	106,088	118,082	11,994	10.2%

* Restated to reflect budget transfers

For nine months ended September 2020, expenses were \$17.7 million (20.0 per cent) favourable to budget. The favourable variance was mainly due to temporary vacancies as recruitment was put on hold, lower fare media costs and credit card fees as a result of reduced ridership and timing of some expenditures such as professional fees.

Corporate operations are forecasted to be \$12.0 million (10.2 per cent) favourable to budget mainly due to expected vacancy savings, lower fare media and credit card fees as a result of reduced ridership, re-prioritization of professional services and savings from contract abatements.

Roads and Bridges

ROADS & BRIDGES OPERATIONS BY CATEGORY Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD	YTD	Budget Variance		Annual	Annual	Forecast Variance	
	2020	2020			2020	2020		
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET*	Fav/(Unfav)	%
Administration	48	58	10	18.0%	74	76	2	2.6%
Capital Infrastructure contributions	4,090	18,547	14,457	77.9%	27,385	80,387	53,002	65.9%
Contracted Services	3,801	4,364	563	12.9%	5,630	5,827	197	3.4%
Insurance	852	918	66	7.2%	1,199	1,224	25	2.0%
Maintenance, Materials and Utilities	15,475	27,270	11,795	43.3%	20,063	36,358	16,295	44.8%
Professional and Legal	626	1,302	676	52.0%	1,539	1,829	290	15.9%
Rentals, Leases and Property Tax	212	186	(26)	(13.7%)	255	228	(27)	(11.8%)
Salaries, Wages and Benefits	941	1,220	279	22.8%	1,647	1,613	(34)	(2.1%)
Total Expenses by Category	26,045	53,865	27,820	51.6%	57,792	127,542	69,750	54.7%

Total expenditures for Roads and Bridges in the third quarter of 2020 were \$27.8 million (51.6 per cent) favourable to budget, and are forecasted to be \$69.8 million (54.7 per cent) favourable to budget for the full year. This is mainly due to timing of capital infrastructure contributions to municipalities, and the deferral of the MRN Pavement Rehabilitation program and the MRN Operations and Maintenance (“O&M”) projects due to the COVID-19 pandemic. The favourable variance was partly offset by Rapid Bus construction costs budgeted for in 2019 which were pushed into 2020 due to project delays.

Amortization

Amortization was \$1.2 million (0.7 per cent) favourable to budget primarily due to timing of the delivery of bus replacement vehicles. Amortization is forecasted to be \$9.9 million (4.1 per cent) under budget mainly due to deferral of various projects as a result of the COVID-19 pandemic, timing of revenue vehicle deliveries and lower than expected capitalizations in certain projects.

Interest

Interest expense for the first nine months of 2020 was \$3.7 million (2.7 per cent) unfavourable to budget mainly due to lower than budgeted interest capitalization as a result of lower spending on capital projects, partly offset by lower interest rates and running lower than budgeted Commercial Paper balances. The full year forecast is expected to be \$2.6 million (1.4 per cent) unfavourable to budget mainly due to reduced interest capitalization, partly offset by lower debt issuance and lower interest rates.

Corporate – One-time Costs

CORPORATE ONE-TIME SUMMARY BY PROJECT Nine months ended September 30 (\$ thousands)	ACTUAL TO BUDGET				FORECAST TO BUDGET			
	YTD	YTD	Budget Variance		Annual	Annual	Forecast Variance	
	2020	2020			2020	2020		
	ACTUAL	BUDGET	Fav/(Unfav)	%	Q3 FORECAST	BUDGET*	Fav/(Unfav)	%
Rapid Bus Program (Previously B-Line Program)	2,389	5,594	3,205	57.3%	3,104	10,871	7,767	71.4%
Feasibility Studies	2,814	5,790	2,976	51.4%	3,934	7,629	3,695	48.4%
Plan Development	624	1,793	1,169	65.2%	1,230	2,171	941	43.3%
Non-Capitalized items included in Capital Projects	1,017	3,491	2,474	70.9%	6,883	4,894	(1,989)	(40.6%)
Flexible Service Piloting Program	274	851	577	67.8%	959	1,667	708	42.5%
South of Fraser Rapid Transit Non-Capitalized items	102	990	888	89.7%	321	990	669	67.6%
Mobility Pricing	325	526	201	38.2%	612	750	138	18.4%
Low Carbon Fleet Strategy	14	225	211	93.8%	55	300	245	81.7%
SCBCPS Name Change	345	-	(345)	100.0%	536	0	(536)	-
Bus Speed and Reliability	144	235	91	38.7%	228	353	125	35.4%
Emergency Coordination Center	1,260	-	(1,260)	100.0%	947	-	(947)	100.0%
Sub Total	9,308	19,495	10,187	52.3%	18,809	29,625	10,816	36.5%
Corporate Contingency	-	(253)	(253)	100.0%	2,000	1,747	(253)	(14.5%)
Total Corporate One-Time	9,308	19,242	9,934	51.6%	20,809	31,372	10,563	33.7%

* Restated to reflect budget transfers

Corporate One-time costs were \$9.9 million (51.6 per cent) favourable to budget mainly due to timing of feasibility studies, the South of Fraser Rapid Transit and Rapid Bus projects, lower than expected costs in the Non-Capitalized items included in Capital Projects in addition to delays in Plan Development partly offset by COVID-19 related expenditures, such as physical distancing and other signage.

The forecast is \$10.6 million (33.7 per cent) favourable to budget mainly due to timing delays in Capital M Program, COVID-19 related delays in Plan Development, Rapid Bus projects and feasibility studies, partly offset by land acquisition costs related to OMC 4.

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 September 30, 2020, TransLink's total capital program budget was \$5.8 billion, which includes:

- \$3.2 billion in active capital projects;
- \$287.6 million in Approved-In-Principle (AIP) capital projects;
- \$1.9 billion in substantially complete capital projects; and
- \$386.7 million in capital infrastructure contributions to municipalities.

SUMMARY OF CAPITAL PROGRAM						
As of September 30, 2020 (\$ thousands)	Number of Projects	Total Current Budget	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
				Fav/(Unfav)	%	
Capital Projects						
Active	136	3,161,830	3,105,809	56,021	1.8%	1,793,862
AIP	37	287,554	261,306	26,248	9.1%	58,020
Subtotal	173	3,449,384	3,367,115	82,269	2.4%	1,851,882
Substantially Complete	94	1,932,402	1,882,034	50,368	2.6%	1,071,551
Closed	14	53,919	47,410	6,509	12.1%	21,689
Subtotal	108	1,986,321	1,929,444	56,877	2.9%	1,093,240
Capital Infrastructure Contributions - Active						
Active	25	386,724	384,057	2,667	0.7%	-
Subtotal	25	386,724	384,057	2,667	0.7%	-
Total Capital Program	306	5,822,429	5,680,616	141,813	2.4%	2,945,122

The capital program is supported in 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 by 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 September 30, 2020, there were 230 active and substantially complete projects with a final forecasted cost of \$5.0 billion. The total cash flows for these projects during the first three quarters were \$353.5 million.

SUMMARY OF ACTIVE PROJECTS								
As of September 30, 2020	Number of	Current	2020 YTD	Cumulative	Final	Forecast Variance to Current Budget		Senior Government Funding
(\$ thousands)	Projects	Budget	Spending	Date	Cost	Fav/(Un fav)	%	(Committed)
Active								
Equipment	16	248,299	11,937	34,069	240,517	7,782	3.1%	58,531
Infrastructure	70	693,948	92,874	263,730	680,513	13,435	1.9%	283,653
Major Construction	7	1,606,154	107,098	120,805	1,598,311	7,843	0.5%	1,030,552
Technology	19	144,500	17,037	42,058	136,963	7,537	5.2%	-
Vehicle	24	468,929	29,396	170,380	449,504	19,425	4.1%	421,126
Subtotal (Active Capital Projects)	136	3,161,830	258,342	631,042	3,105,808	56,022	1.8%	1,793,862
Substantially Complete	94	1,932,402	95,195	1,855,843	1,882,034	50,368	2.6%	1,071,551
Total Active Capital Projects	230	5,094,232	353,537	2,486,885	4,987,842	106,390	2.1%	2,865,413

Active Capital Projects

As of September 30, 2020, there were 136 active projects with expenditures of \$258.3 million in the first three quarters of 2020 and \$631.0 million in cumulative spending to date. A comparison of active project budgets against forecasted final costs show a favourable variance of \$56.0 million (1.8 per cent).

Infrastructure spending of \$92.9 million for the first nine months of 2020 includes a total of \$34.4 million spent on SkyTrain LED Information Displays, RapidBus infrastructure improvements and the Expo Line Escalator replacements. These upgrades will improve customer experience, address system capacity issues and maintain a state of good repair.

Major Construction spending of \$107.1 million for the first nine months of 2020 includes a total of \$89.2 million spent on land acquisition for a new Operations and Maintenance Centre.

Vehicle spending of \$29.4 million for the first nine months of 2020 includes a total of \$13.9 million spent mainly on the procurement of Mark III SkyTrain vehicles. 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. The spending on vehicle expansion projects during the first three quarters mainly relates to milestone payments for projects near completion. Some expansion projects in early stages of procurement have been halted pending further evaluation of the COVID-19 impacts on service needs.

Substantially Complete Capital Projects

As of September 30, 2020, there were 94 projects with a total budget of \$1.9 billion deemed substantially complete with \$95.2 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 \$50.4 million (2.6 per cent).

Notable projects that were substantially completed in the third quarter of 2020 include:

- Canada Line Capacity Expansion
- RTC Facility Upgrades to Accommodate Double Decker Buses

Approved in Principle (AIP) Capital Projects

In the third quarter, 14 projects were initiated, leaving 37 AIP projects remaining to be initiated with a total budget of \$287.6 million. Of the 37 projects, 13 projects with a budget of \$145.9 million were carried forward from 2019 and 24 projects with a budget of \$141.7 million are new in 2020. Due to the impact of COVID-19, the initiation of remaining AIP projects will continue to be assessed on an ongoing basis.

SUMMARY OF AIP PROJECTS			
As of September 30, 2020 (\$ thousands)	Number of Projects	Current Budget	Senior Government Funding (Committed)
Capital Projects			
Equipment	5	17,360	-
Infrastructure	22	179,399	24,160
Major Construction	3	64,614	18,400
Technology	5	10,470	-
Vehicle	2	15,711	15,460
Total AIP Projects	37	287,554	58,020

A significant portion of the projects remaining in AIP are related to infrastructure projects, including the improvements to RapidBus routes. Major construction projects remaining in AIP include the SkyTrain Operation Control Centre and infrastructure work for the Broadway Station. Majority of the vehicle budget remaining in AIP relates to the 2021 Conventional Bus Expansion project, which has been delayed to 2021 pending further evaluation of the COVID-19 impacts on service needs.

Closed Capital Projects

As of September 30, 2020, 14 projects with a final cost of \$47.4 million and an approved budget of \$53.9 million were completed and closed. Significant closed projects include the South of Fraser Rapid Transit Procurement Readiness project and the Running Rail Replacement project.

Cancelled Capital Projects

As of September 30, 2020, there were no project cancellations in the first three quarters of the year.

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 September 30, 2020, there were 25 active programs with a budget of \$386.7 million. The majority of the \$2.1 million in contributions in the first three quarters relates to road and bike infrastructure improvements funded under the Major Road Network Program.

Summary of Infrastructure Contribution Programs							Forecast Variance to Current Budget	
As of September 30, 2020 (\$ thousands)	Number of Projects	Current Budget	2020 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Fav/(Unfav)	%	
MRN Structurers Funding Program	3	47,120	-	79	47,024	96	0.2%	
Major Road Network and Bike Upgrades (MRNB)	10	206,646	1,125	119,124	204,914	1,732	0.8%	
Pavement Rehabilitation Program	3	62,075	-	61,629	62,061	14	0.0%	
Bicycle Infrastructure Capital Cost Share (BICCS)	3	46,314	409	2,214	46,115	199	0.4%	
Bus, Speed, Reliability, and Infrastructure (BSRI)	2	6,553	251	251	6,327	226	3.4%	
Walking Infrastructure to Transit (WITT)	4	18,016	328	1,785	17,617	399	2.2%	
Grand Total	25	386,724	2,113	185,082	384,058	2,666	0.7%	

8. Changes in Financial Position

Consolidated Statement of Financial Position			
(\$ thousands)	September 30 2020	December 31 2019	Change
Cash and cash equivalents	702,110	502,060	200,050
Accounts receivable	145,671	246,889	(101,218)
Loan receivable	193,015	190,009	3,006
Restricted cash and cash equivalents and investments	1,304,179	1,101,107	203,072
Investments	91,944	61,281	30,663
Debt reserve deposits	28,413	27,989	424
Financial Assets	2,465,332	2,129,335	335,997
Accounts payable and accrued liabilities	317,960	368,232	(50,272)
Debt	3,363,364	2,738,435	624,929
Deferred government transfers	1,170,503	1,188,463	(17,960)
Golden Ears Bridge contractor liability	1,026,764	1,033,348	(6,584)
Deferred concessionaire credit	461,768	479,239	(17,471)
Employee future benefits	148,348	143,709	4,639
Deferred revenue and deposits	161,437	62,201	99,236
Deferred lease inducements	15,032	13,452	1,580
Liabilities	6,665,176	6,027,079	638,097
Net Debt	(4,199,844)	(3,897,744)	(302,100)
Tangible capital assets	5,521,635	5,381,268	140,367
Supplies inventory	88,689	84,556	4,133
Prepaid expenses	31,658	30,910	748
Non-Financial Assets	5,641,982	5,496,734	145,248
Accumulated Surplus	1,442,138	1,598,990	(156,852)

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 \$101.2 million (41.0 per cent) was mainly due to a combination of collections of outstanding capital project funding from the Provincial government and taxation revenues.

Liabilities

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

The net decrease in deferred government transfers of \$18.0 million (1.5 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 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 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 \$99.2 million (159.5 per cent) was mainly due to property tax revenues received in August for October to December.

Non-Financial Assets

Capital assets increased by \$140.4 million (2.6 per cent) in the first nine months of 2020 due to \$310.9 million in additions, partly offset by amortization of \$170.5 million. Additions included land for a new operations and maintenance centre, SkyTrain system and infrastructure upgrades, bus infrastructure improvements, technology upgrade projects and community shuttles and conventional buses.

9. Liquidity and Capital Resources

Cash Flows and Liquidity

The following table shows unrestricted cash and investments with maturities of less than 12 months.

UNRESTRICTED CASH AND INVESTMENTS			
	September 30	December 31	
(\$ thousands)	2020	2019	Change
Cash and cash equivalents	702,110	502,060	200,050
Investments	91,944	61,281	30,663
Total Unrestricted cash and investments	794,054	563,341	230,713

TransLink's unrestricted cash and investment balances reflect accumulated funding resources available for supporting operations and capital spending commitments. The balance increased by \$230.7 million in the first nine months of 2020 as a result of the receipt of property tax remittances from Municipalities and issuance of bonds to finance the capital program; net of regular cash outlays to support current operations, capital expenditures and service debt obligations. The \$794.1 million in unrestricted cash and investments is well within policy requirements of 15 per cent of operating expenditures plus debt service costs. These balances are expected to decrease in the fourth quarter with lower than normal revenues during the current economic crisis.

Liquidity is supported by a \$500 million Commercial Paper program, of which \$60 million was outstanding as at September 30, 2020 (December 31, 2019: \$60 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.

RESTRICTED CASH AND INVESTMENTS			
(\$ thousands)	September 30 2020	December 31 2019	Change
Unspent government transfers	395,612	433,197	(37,585)
TPCC's investments	29,997	24,122	5,875
Green Bond Proceeds	46,292	108,373	(62,081)
Restricted Land Reserve	192,058	200,383	(8,325)
Self administered sinking funds	640,221	335,032	305,189
Total Restricted cash and investments	1,304,180	1,101,107	203,073

Restricted cash and investments increased by \$203.1 million mainly due to contributions to the self-administered sinking fund and reinvestment of sinking fund investment income, partly offset by releases to fund qualifying capital spending. The unspent government transfers are used to fund qualifying capital expenditures.

Self-administered sinking fund increased by \$305.2 million due to the addition of the proceeds from the April 2020 \$250 million bond issuance in preparation for the repayment of a TransLink bond (TL-1 \$300 million) coming to maturity in November 2020; as well as scheduled sinking fund contributions and reinvested investment income.

TPCC's investments increased by \$5.9 million mainly as a result of a reclassification of the TPCC's cash as restricted (previously only TPCC's investments were treated as restricted).

These increases were partially offset by the following decreases as a result of TransLink's capital spending: \$37.6 million reduction of Unspent government transfers; \$62.1 million decrease in Green Bond Proceeds to support capital projects with expected environmental benefits and the \$8.3 million decrease in the Restricted Land Reserve.

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, 2020, TransLink's outstanding debt obligation, as defined above, was \$3.96 billion.¹ (December 31, 2019: \$3.31 billion).

FINANCING	September 30		December 31		Change
(\$ thousands)	2020		2019		
Debt	3,363,364		2,738,435		624,929
Less: Self-administered sinking funds	(640,221)		(335,032)		(305,189)
Less: Debt reserve deposits	(28,413)		(27,989)		(424)
Net Direct Debt	2,694,730	64.4%	2,375,414	61.1%	319,316
Golden Ears Bridge contractor liability	1,026,764		1,033,348		(6,584)
Deferred concessionaire credit	461,768		479,239		(17,471)
Indirect P3 Debt	1,488,532	35.6%	1,512,587	38.9%	(24,055)
Subtotal Net Direct Debt and Indirect P3 Debt	4,183,262	100.0%	3,888,001	100.0%	295,261

Net direct debt increased by \$319.3 million mainly due to issuing a \$400 million bond in July to support the 2020 capital program. This increase was partly offset by scheduled debt payments and contributions to TransLink's self-administered sinking funds during the first nine months.

¹ Debt of \$3.36 billion plus MFA administered sinking funds of \$0.63 billion and net of capital lease reductions since inception, unamortised issuance costs and unamortised premium/discounts of \$0.03 billion.

Indirect P3 debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, declined by \$24.1 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. Because of significant COVID-19 related pressures and continuing uncertainty, Moody’s has revised TransLink’s Outlook to Negative.

The following table summarizes TransLink’s current credit ratings and outlooks:

CREDIT RATING				
As at October 27, 2020	Commercial Paper	Senior Debt	General Obligation	Outlook
Agency				
DBRS	R-1 mid	AA	AA	Stable
Moody's	Not Rated	Aa2	Aa2	Negative

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, 2020, with comparative information for December 31, 2019

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 702,110	\$ 502,060
Accounts receivable	145,671	246,889
Loan receivable	193,015	190,009
Restricted cash and cash equivalents and investments	1,304,180	1,101,107
Investments	91,944	61,281
Debt reserve deposits	28,413	27,989
	2,465,333	2,129,335
Liabilities		
Accounts payable and accrued liabilities	317,958	368,232
Debt	3,363,365	2,738,435
Deferred government transfers	1,170,503	1,188,463
Golden Ears Bridge contractor liability	1,026,764	1,033,348
Deferred concessionaire credit	461,768	479,239
Employee future benefits	148,348	143,709
Deferred revenue and deposits	161,437	62,201
Deferred lease inducements	15,032	13,452
	6,665,175	6,027,079
Net debt	(4,199,842)	(3,897,744)
Non-financial assets		
Tangible capital assets	5,521,635	5,381,268
Supplies inventory	88,689	84,556
Prepaid expenses	31,658	30,910
	5,641,982	5,496,734
Accumulated surplus	\$ 1,442,140	\$ 1,598,990

Consolidated Statement of Operations

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Nine months ended September 30, 2020, with comparative information for September 30, 2019

	2020 Budget	2020 Actual	2019 Actual
Revenues:			
Taxation	\$ 706,968	\$ 633,626	\$ 682,668
Transit	539,484	292,051	511,583
Government transfers	115,714	111,678	286,601
Amortization of deferred concessionaire credit	17,407	17,471	17,407
Investment income	40,034	40,359	42,350
Miscellaneous revenue	12,443	16,368	6,210
Gain (loss) on disposal of tangible capital assets	-	(30)	15
	1,432,050	1,111,523	1,546,834
Expenses:			
Bus operations	748,631	702,411	678,287
Corporate operations	125,777	98,320	106,373
Rail operations	357,066	339,107	325,289
Roads and bridges	126,241	97,690	118,416
Transit Police	32,752	30,845	30,380
	1,390,467	1,268,373	1,258,745
Surplus (deficit) for the period	41,583	(156,850)	288,089
Accumulated surplus, beginning of period	1,596,690	1,598,990	1,265,785
Accumulated surplus, end of period	\$ 1,638,273	\$ 1,442,140	\$ 1,553,874

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, 2020, with comparative information for September 30, 2019

	2020 Actual	2019 Actual
Surplus (deficit) for the period	\$ (156,850)	\$ 288,089
Acquisition of tangible capital assets	(310,883)	(403,917)
Amortization of tangible capital assets	170,492	153,824
Loss (gain) on disposal of tangible capital assets	30	(15)
Net proceeds (costs) from disposal of tangible capital asset	(6)	116
Unrealized remeasurement loss	-	(14,541)
	(140,367)	(264,533)
Change in supplies inventory	(4,133)	(7,946)
Change in prepaid expenses	(748)	(7,270)
	(4,881)	(15,216)
Decrease (increase) in net debt	(302,098)	8,340
Net debt, beginning of period	(3,897,744)	(3,915,827)
Net debt, end of period	\$ (4,199,842)	\$ (3,907,487)

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, 2020, with comparative information for September 30, 2019

	2020	2019
Cash provided by (used for):		
Operating transactions:		
Surplus (deficit) for the period	\$ (156,850)	\$ 288,089
Non-cash changes to operations	101,392	(90,730)
Changes in non-cash operating working capital	146,932	175,308
Cash provided by operating transactions	91,474	372,667
Capital transactions:		
Purchase of tangible capital assets	(309,996)	(403,735)
Net proceeds (costs) from disposal of tangible capital assets	(6)	116
Cash used for capital transactions	(310,002)	(403,619)
Investing transactions:		
Decrease (increase) in restricted cash and investments	(203,073)	191,358
Decrease (increase) in investments	(30,663)	8,956
Increase in debt reserve deposits	(424)	(460)
Cash provided by (used for) investing transactions	(234,160)	199,854
Financing transactions:		
Debt proceeds	650,000	-
Premiums on financing	12,435	-
Repayments of debt	(37,372)	(96,705)
Repayments of Golden Ears Bridge contractor liability	(6,584)	(5,091)
Government transfers received for tangible capital additions	32,323	18,930
Lease inducements received	1,936	1,117
Cash provided by (used for) financing transactions	652,738	(81,749)
Increase in cash and cash equivalents	200,050	87,153
Cash and cash equivalents, beginning of period	502,060	517,022
Cash and cash equivalents, end of period	\$ 702,110	\$ 604,175
Supplementary information:		
Interest paid	\$ 116,007	\$ 116,892
Tangible capital assets acquired by capital lease	887	182

Segment Report

South Coast British Columbia Transportation Authority
Segment Report
Nine months ended September 30, 2020
(in thousands of dollars)

	2020					Total	2019
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police		
Revenues:							
Taxation	\$ -	\$ 633,626	\$ -	\$ -	\$ -	\$ 633,626	\$ 682,668
Transit	-	292,051	-	-	-	292,051	511,583
Government transfers	-	111,678	-	-	-	111,678	286,601
Amortization of deferred concessionaire credit	-	-	17,471	-	-	17,471	17,407
Investment income	-	40,359	-	-	-	40,359	42,350
Miscellaneous revenue	12,337	2,531	564	-	936	16,368	6,210
Gain (loss) on disposal of tangible capital assets	-	(30)	-	-	-	(30)	15
	12,337	1,080,215	18,035	-	936	1,111,523	1,546,834
Expenses:							
Administration	17,492	12,631	4,355	48	2,248	36,774	36,944
Capital infrastructure contributions	-	-	-	4,090	-	4,090	13,223
Contracted services	50,839	9,553	96,783	3,801	-	160,976	166,703
Fuel and power	30,561	-	11,093	-	-	41,654	50,275
Insurance	17,139	234	4,617	852	92	22,934	22,619
Maintenance, materials and utilities	58,645	1,271	37,341	15,476	1,002	113,735	118,355
Professional and legal	1,023	11,128	1,651	626	212	14,640	21,495
Rentals, leases and property tax	10,357	8,277	1,476	212	1,478	21,800	21,794
Salaries, wages and benefits	387,289	37,330	88,189	940	25,207	538,955	515,401
Expenses before amortization and interest	573,345	80,424	245,505	26,045	30,239	955,558	966,809
Amortization of tangible capital assets	83,152	11,532	60,304	15,115	389	170,492	153,824
Interest	45,914	6,364	33,298	56,530	217	142,323	138,112
Amortization and interest	129,066	17,896	93,602	71,645	606	312,815	291,936
Total Expenses	702,411	98,320	339,107	97,690	30,845	1,268,373	1,258,745
Surplus (deficit), for the period	\$ (690,074)	\$ 981,895	\$ (321,072)	\$ (97,690)	\$ (29,909)	\$ (156,850)	\$ 288,089

Appendix II – Operating Indicators

OPERATING INDICATORS							
Nine months ended September 30	YTD	YTD	Change		YTD	Budget Variance	
	2020	2019	Fav/(Unfav)	%	2020	Fav/(Unfav)	%
	ACTUAL	ACTUAL			BUDGET		
Service Performance Items							
Safety: Customer Injuries (per 1 million boarded passengers, unless otherwise stated) ^{1,2}							
Bus & SeaBus	4.5	4.0	(0.5)	(12.5%)	4.0	(0.5)	(12.5%)
SkyTrain: Expo & Millennium Lines	0.9	1.0	0.1	10.0%	1.0	0.1	10.0%
West Coast Express	-	0.5	0.5	100.0%	0.4	0.4	100.0%
HandyDART (per 100,000 boarded passengers) ³	0.9	0.7	(0.2)	(28.6%)	0.8	(0.1)	(12.5%)
Safety: Employee Lost Time Frequency							
Bus & SeaBus (per 200,000 Hours Worked)	7.8	7.9	0.1	1.3%	8.0	0.2	2.5%
SkyTrain: Expo & Millennium Lines (per 200,000 Hours Worked)	4.4	6.2	1.8	29.0%	5.2	0.8	15.4%
West Coast Express (per 200,000 Hours Worked)	-	-	-	-	-	-	-
HandyDART (per 200,000 Hours Worked)	8.5	13.2	4.7	35.6%	13.0	4.5	34.6%
Safety: Bus & SeaBus Operator Assaults (per 1 Million Service Hours)	13.4	17.4	4.0	23.0%	14.3	0.9	6.3%
Ridership: Boarded Passengers (Thousands) ²							
Bus & SeaBus	111,121	213,669	(102,548)	(48.0%)	219,434	(108,313)	(49.4%)
SkyTrain: Expo & Millennium Lines	43,223	86,075	(42,852)	(49.8%)	90,063	(46,840)	(52.0%)
SkyTrain: Canada Line	16,318	37,807	(21,489)	(56.8%)	38,157	(21,839)	(57.2%)
West Coast Express	697	1,966	(1,269)	(64.5%)	2,033	(1,336)	(65.7%)
HandyDART	550	1,156	(606)	(52.4%)	1,366	(816)	(59.7%)
Ridership: Journeys (Thousands) ²							
Overall System	101,110	204,450	(103,340)	(50.5%)	211,974	(110,864)	(52.3%)
Vehicle Service Delivery: Percentage of Service Hours Delivered ⁴							
Bus & SeaBus	95.4%	98.4%	(3.0%)	(3.0%)	98.5%	(3.1%)	(3.1%)
SkyTrain: Expo & Millennium Lines	99.0%	99.3%	(0.3%)	(0.3%)	99.7%	(0.7%)	(0.7%)
SkyTrain: Canada Line	100.0%	100.0%	-	-	100.0%	-	-
West Coast Express	98.1%	99.7%	(1.6%)	(1.6%)	100.0%	(1.9%)	(1.9%)
HandyDART	99.7%	99.8%	(0.1%)	(0.1%)	99.8%	(0.1%)	(0.1%)
Vehicle Punctuality: On-Time Performance							
Bus (3 minutes late < On-Time < 1 minute early)	86.1%	80.9%	5.2%	6.4%	79.0%	7.1%	9.0%
SkyTrain: Expo & Millennium Lines (headway + 3 minutes)	95.2%	96.2%	(1.0%)	(1.0%)	96.5%	(1.3%)	(1.3%)
West Coast Express (headway + 5 minutes)	92.5%	96.0%	(3.5%)	(3.6%)	97.8%	(5.3%)	(5.4%)
HandyDART (earlier than and within 15 minutes of Scheduled Pick-Up Time)	94.2%	87.6%	6.6%	7.5%	90.0%	4.2%	4.7%
Vehicle Reliability: Mean Distance Between Failure							
Bus	27,937	23,356	4,582	19.6%	25,704	2,233	8.7%
Vehicle Reliability: Mean Distance Between Service Removals							
SkyTrain: Expo & Millennium Lines	122,978	230,342	(107,363)	(46.6%)	298,985	(176,006)	(58.9%)

¹ The customer injury definition for CMBC and HandyDART 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 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.

² The YTD 2019 ridership figures were restated at the end of 2018 to reflect final ridership figures

³ Restated 2019 to reflect the new injury definition.

⁴ Vehicle Service Delivery does not include cancelled service due to COVID-19.

Appendix II – Operating Indicators (Continued)

OPERATING INDICATORS Nine months ended September 30	YTD	YTD	Change		YTD	Budget Variance	
	2020	2019			2020		
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%
HandyDART Vehicle Productivity							
Trips per Service Hour (excludes Taxis)	1.4	2.3	0.9	39.1%	2.3	(0.9)	(39.1%)
Trip Denials	399	759	360	47.4%	1,680	1,281	76.3%
Environmental							
Bus & SeaBus (Spills per 1 Million Km)	1.5	2.4	0.9	37.5%	2.9	1.4	48.3%
Bus & SeaBus (Revenue Vehicle Energy Consumption in Gigajoules)	1,365,907	1,486,889	120,982	8.1%	1,578,813	212,906	13.5%
Customer Service: Customer Satisfaction (overall score of 10)							
Overall System ¹	7.8	7.8	-	-	8.0	(0.2)	(2.5%)
Bus & SeaBus	7.9	7.9	-	-	8.0	(0.1)	(1.3%)
SkyTrain: Expo & Millennium Lines	8.2	8.2	-	-	8.3	(0.1)	(1.2%)
SkyTrain: Canada Line	8.6	8.5	0.1	1.2%	8.7	(0.1)	(1.1%)
West Coast Express	8.9	9.0	(0.1)	(1.1%)	8.6	0.3	3.5%
Customer Service: Customer Complaints ²							
Overall System (per 1 million boarded passengers) ¹	105.1	90.5	(14.6)	(16.1%)	85.4	(19.7)	(23.1%)
Bus & SeaBus (per 1 million boarded passengers)	102.2	101.0	(1.2)	(1.2%)	97.3	(4.9)	(5.0%)
SkyTrain: Expo & Millennium Lines (per 1 million boarded passengers)	25.2	14.7	(10.5)	(71.4%)	14.8	(10.4)	(70.3%)
SkyTrain: Canada Line (per 1 million boarded passengers)	8.2	6.5	(1.7)	(26.2%)	5.0	(3.2)	(64.0%)
West Coast Express (per 1 million boarded passengers)	360.0	93.1	(266.9)	> (200.0%)	94.9	(265.1)	> (200.0%)
HandyDART (operator complaints as a % of trips)	0.11%	0.10%	(0.01%)	(10.0%)	0.08%	(0.03%)	(37.5%)
HandyDART (service complaints as a % of trips)	0.09%	0.12%	0.03%	25.0%	0.09%	-	-
Financial: Operating Costs							
Overall System (operating cost per capacity km) ^{1,4}	\$0.098	\$0.089	(0.009)	(10.1%)	\$0.096	(0.002)	(2.1%)
Bus & SeaBus (operating cost per capacity km)	\$0.128	\$0.132	0.004	3.0%	\$0.127	(0.001)	(0.8%)
SkyTrain: Expo & Millennium Lines (operating cost per capacity km)	\$0.042	\$0.034	(0.008)	(23.5%)	\$0.042	-	-
SkyTrain: Canada Line (operating cost per capacity km)	\$0.127	\$0.109	(0.018)	(16.4%)	\$0.126	(0.001)	(0.8%)
West Coast Express (operating cost per capacity km)	\$0.157	\$0.091	(0.066)	(72.6%)	\$0.101	(0.056)	(55.6%)
HandyDART (operating cost per trip)	\$72.34	\$40.20	(\$32.14)	(79.9%)	\$40.63	(31.71)	(78.1%)
Financial: Operating Cost Recovery							
TransLink (conventional system) ⁵	33.8%	59.5%	(25.7%)	(43.2%)	56.8%	(23.0%)	(40.5%)

¹ Excludes HandyDART.

² The preliminary YTD 2019 ridership figures were restated at the end of 2019 to reflect final ridership figures.

³ 2019 HandyDART Complaints were adjusted for reclassification between operator and service complaints.

⁴ Includes operating costs of Bus, Rail, and Transit Police. Excludes amortization and interest expense.

⁵ Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes Corporate One-time, HandyDART, Amortization and Interest Expense.



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Broadway - City Hall

W Broadway 400

translink.bc.ca

88104

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