



# Financial and Performance Report

AS AT MARCH 31, 2022



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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.

***A Note Regarding 2021 Comparative Data In This Report***

TransLink was the victim of a cyberattack on December 1, 2020. Immediate action and protective measures were taken by TransLink, including the shut down of multiple network systems.

The cyberattack resulted in no material ongoing impact on TransLink's financial performance; however, financial data restoration activities were ongoing during 2021.

As a result, due to the unavailability of certain applications, certain datasets for 2021 conveyed within the body of this report are partially complete and/or compiled on a best-estimate basis. In those instances, that has been disclosed within the relevant section.

# 1. Executive Summary

## Reconnecting Our Vibrant Region

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, embraced by the communities we serve.

In developing our 2022 Business Plan, TransLink was resolved to navigate the continued uncertainty of the scope and permanency of the changes brought on by COVID-19 while also gearing up to support the region in the post-pandemic era. Anticipating that ridership would reach just over 80 per cent of pre-pandemic levels by Fall 2022, service levels had been right sized to both meet the year's projected demand and to provide a baseline from which the next Investment Plan can pivot and allow services to evolve over the course of the ten-year horizon. By identifying and proceeding with only those expenditures which are absolutely necessary to strengthen our contribution to the region, we have established capacity to invest in areas which are central to our priorities.

The first quarter of 2022 began with transit ridership and fare revenue recovery interrupted by the COVID-19 Omicron wave, which necessitated extended restrictions from the Provincial Health Officer and slowed the pace of our region's social and economic recovery. Nevertheless, from a low of 50 per cent of pre-COVID levels in early January, ridership bounced back to the established trajectory of recovery in February, as the Omicron variant passed its peak and the Province eased restrictions. In alignment with the Public Health Officer's easing of the mask in indoor public places, TransLink rescinded its mandatory mask policy across the conventional transit network in March. By the end of March, ridership recovery had reached 70 per cent of pre-COVID levels, the highest yet since the beginning of the pandemic. Whilst fare revenue recovery is commensurate with increasing ridership over the course of the first quarter, it is \$17.4 million (18.3 per cent) unfavourable to budget a result of the Omicron impact.

Rebuilding ridership, while maintaining customer and employee safety, remains central to our focus. During the first quarter, TransLink released the new Customer Experience Action Plan, to better serve the changing needs of customers over the next five years. Building on the success of the first Customer Experience Action Plan from 2019, this new plan outlines five key priority areas to provide customers with a more exceptional experience on transit. As we also look ahead to meeting the region's needs beyond the pandemic, the first quarter of 2022 saw the release of Transport 2050, the region's new 30-year transportation strategy. We also unveiled our Climate Action Strategy (CAS), mapping an aggressive path to net-zero greenhouse gas emissions by 2050. CAS provides new emission reduction targets and identifies opportunities to create a more climate-resilient transit system.

For the first quarter ended March 31, 2022, TransLink recorded a surplus of \$138.2 million based on the Public Sector Accounting Board (PSAB) Standards basis. This surplus included Senior Government relief funding of \$176.0 million received in 2022. While this funding is intended to help offset losses caused by the pandemic in 2023-2025, due to the requirements of PSAB accounting standards, the entire amount of relief funding was recorded in March 2022. This funding is in addition to the previously received Safe Restart funding that has allowed TransLink to maintain service at near pre-pandemic levels and maintain lower fare rate increases than previously contemplated through 2021-2024.

Excluding Senior Government relief funding, the deficit for the first quarter is \$37.8 million, higher than the \$4.4 million deficit anticipated in the budget. TransLink remains committed to providing safe, efficient and reliable transportation options, while developing and deploying the strategies necessary to maintain current service levels and keeping the transit system infrastructure in a state of good repair.

## 2. Update on Key Priorities Achieved in Q1 2022

TransLink's paramount focus is to manage the financial impacts of COVID-19 as we look to finalize the next 10-Year Investment Plan and manage the structural gap in revenue caused by the pandemic. Our four key corporate priorities ensure continued focus on the customer, our workforce and ensuring our infrastructure is maintained in a state of good repair, all within the current financial environment. In tandem, we continue to advance true and meaningful reconciliation with Metro Vancouver's Indigenous Peoples.

The following table is an update for the first quarter of 2022.

<b>Priority One: Rebuild Customer Ridership</b>	
<i>TransLink will rebuild ridership by focusing on restoring public trust and confidence in transit as the economy recovers</i>	
	<ul style="list-style-type: none"><li>• In alignment with the Public Health Officer's decision to lift the mask order for all indoor public places, the mask mandate was lifted on March 11, 2022, for all transit modes except HandyDART.</li></ul>
	<ul style="list-style-type: none"><li>• Increased the frequency of deep cleaning on buses from four times per year to six times per year resulting in a higher level of cleanliness and protection for our customers.</li></ul>
	<ul style="list-style-type: none"><li>• Launched the new Customer Experience Action Plan, including a new webpage and dedicated email address where customers and employees can share their ideas for improving their experience.</li></ul>
	<ul style="list-style-type: none"><li>• Continued installation of braille and tactile signage at further 300 bus stops, with a view of the installation of signage at all bus stops across the network by the end of 2022, at approximately 8,400 bus stops.</li></ul>
	<ul style="list-style-type: none"><li>• Placed an Indigenous art piece provided by artist Christine McKenzie onto Transit Police vehicles by way of a decal, signifying the continued commitment of the Transit Police to strengthening relationships with Indigenous communities.</li></ul>
	<ul style="list-style-type: none"><li>• Completed bus stop balancing on Route 4 (UBC / Powell) and Route 7 (Dunbar / Nanaimo) with all changes trialled in January 2022 made permanent. Ten bus stops were reinstated in response to customer feedback. These bus stop balancing changes will result in time savings for customers of over five minutes per round trip in the busiest times of day.</li></ul>
	<ul style="list-style-type: none"><li>• Completed installation of Wi-Fi on RapidBuses at Hamilton Transit Centre and commenced Wi-Fi installation on RapidBuses at Richmond Transit Centre. Preparations complete to deploy Wi-Fi on the SkyTrain MKII fleet, with deployment commencing next quarter.</li></ul>
	<ul style="list-style-type: none"><li>• Implemented a new initiative called "Kid Commute: A Walking School Bus Program" to reduce traffic congestion dropping off children at school, promoting physical activity and lowering air pollution. A walking school bus is a group of students from the same school, walking under the supervision of a designated leader along predetermined routes, similar to a regular bus.</li></ul>
	<ul style="list-style-type: none"><li>• Released Transport 2050, the region's new 30-year transportation strategy, setting the stage for major investments and policies. Transport 2050 sets out five goals that will set the direction for the regional transportation system: convenient, reliable, affordable, safe &amp; comfortable and carbon-free.</li></ul>
	<ul style="list-style-type: none"><li>• Invited Indigenous Nations' participation in development of the Regional Transportation Strategy and Transport 2050. Ten local Indigenous Nations and two Indigenous organizations were offered the opportunity to participate through the Transport 2050 Indigenous Advisory Committee (IAC) or individually. As a result, Transport 2050 is the first TransLink public document containing significant Indigenous content.</li></ul>
	<ul style="list-style-type: none"><li>• Commenced initial analysis on a new On-Time Performance toolset to identify the most cancelled bus routes by line, depot and day. Information collected will allow us to resolve the causes of these cancellations.</li></ul>
	<ul style="list-style-type: none"><li>• Launched new Transit Police 2022-2026 strategic plan to the public and stakeholders: "Safety for all transit users in Metro Vancouver". The strategic plan is centred around three pillars: Cross-Regional Policing, Engaged Community Partners and Modern Policing Culture.</li></ul>
	<ul style="list-style-type: none"><li>• Implemented Targeted Mobile Enforcement Team (TMET) to make a notable operational impact on transit safety and order through enhanced enforcement. TMET also conducted various joint forces operations with different police agencies, integrated law enforcement units and security/transit partners.</li></ul>

- Launched a new Blue Eagle Community Cadet Program in Surrey in partnership with the Surrey RCMP, Surrey Schools, Options Community Services and Surrey Crime Prevention.
- Advanced the Refined Business Case for the Millennium Line UBC Extension, seeking direction from decision-makers on Regional Base Project Scope and scoping the next phases of project development, including a full business case.
- Commenced the full business case for the Burnaby Mountain Gondola after Burnaby Council endorsed the project and preferred route in January 2022.
- Strengthened Transit Police's support to Indigenous Peoples through additional staff and Transit Police Board training and the ongoing work of the Transit Police Indigenous Liaison Officer.
- Developed an Equity Evaluation Framework to evaluate Transport 2050: 10-Year Priorities and investment decisions. This consisted of quantitative and qualitative analysis and workshops with equity-deserving groups.

## Priority Two: Foster a Safe, Skilled and Resilient Workforce

*TransLink will help build resilience among the workforce by focusing on business continuity, transparency and adaptability*

- Successfully launched the pilot supervisory leadership training program in February to support succession planning for leadership and management development.
- Piloted the "Women Leading The Way" (WLW) program for 20 women across the enterprise, which focuses on values-based leadership for advancing leaders and offers a hands-on, year-long leadership training program.
- Selected as one of BC's Top Employers for 2022, for reasons including helping to foster social connection over the past year through a variety of virtual events, offering training for employees at every stage of their career and supporting new mothers with maternity leave top-ups and additional leave options.
- Conducted focus groups with female Transit Operators, as part of our goal to improve diversity and inclusion across TransLink Enterprise. Reviewed the feedback collected with resulting action items including strategies on attracting and retaining female Transit Operators, uniform reviews and many other initiatives.
- Delivered the first two modules of the SafeStart pilot training project to British Columbia Rapid Transit Company Ltd. (BCRTC) senior leaders, facilities maintenance, and power department staff. SafeStart is an advanced safety awareness and skills development programme, which aims to help people avoid mistakes that lead to injury.
- Progressed on systems implementation and equipment provisioning to support resident, remote and hybrid work styles for a return to the office in the second quarter of 2022.

## Priority Three: Deliver a Reliable Transportation System in 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*

- Commenced the production of the Mark V SkyTrain cars, with the first of these cars expected to arrive in 2023 for testing. The full complement of vehicles is expected to be in service by the end of 2027, supporting the Broadway Subway Project (BSP) and the Surrey-Langley SkyTrain (SLS) expansion.
- Announced major upgrades to the Brentwood Town Centre SkyTrain Station. The upgrades, which will begin in the next quarter, will improve safety, station accessibility, customer flow and help to prepare for future demand.
- Completed replacement of the second of three escalators at Scott Road SkyTrain Station as part of the Expo Line Escalator Replacement Project. This is part of TransLink's critical investment into the system, which will keep escalators operating safely and reliably.
- Reached regional agreement to partner with the Province on the development and implementation of a Multi-jurisdictional Permit System. This supports initiatives to harmonize municipal trucking-related definitions, regulations and policies, with target completion by the end of 2022.

- Commenced testing of new Nova battery-electric buses to ensure reliability and serviceability of battery-electric buses and charging stations in all seasons. New Nova buses are expected to travel up to 150 kilometres on a single charge, even in winter months.
- Completed performance testing for the demonstration battery bus for Route 100 (22nd St Station / Marpole Loop) to prepare for commissioning the first of 15 buses expected to be delivered in the third quarter of 2022.
- Completed the draft scope of work for the Mark II SkyTrain fleet overhaul project and commenced refurbishment of two West Coast Express locomotives.
- Launched the first wave of the Enterprise Asset Management (EAM) software system. EAM will help BCRTC to improve the usability and advancement of asset management capabilities, ensuring BCRTC assets remain in a state of good repair and enhancing rail service reliability, quality and resiliency.
- Announced the rescoping of Burrard SkyTrain Station upgrades due to the higher than anticipated construction bid prices, to ensure financial viability. Upgrades to ensure the station remains in a state of good repair will be prioritized.

### **Priority Four: Achieve Financial Sustainability**

*TransLink will actively manage the financial health and work towards the achievement of long-term financial sustainability*

- Secured an additional \$176.0 million of Senior Government relief funding to allow TransLink to help offset losses caused by the COVID-19 pandemic.
- Released Climate Action Strategy, mapping an aggressive path to net-zero greenhouse gas emissions by 2050. The Climate Action Strategy provides new emission reduction targets and identifies opportunities to create a more climate-resilient transit system.
- Completed and published the 2020-21 Green Bond Impact Report as well as identified projects for future Green Bond issuance. Benefits reported from the \$600.0 million Green Bond proceeds include increasing overall SkyTrain station capacity, SkyTrain power system and train control upgrades to improve train service as well as procurement of 80 new rail cars and refurbishment of 36 existing rail cars to improve customer comfort and energy efficiency.
- Submitted compliance report to BC Ministry of Energy, Mines and Low Carbon Innovation in accordance with the Renewable and Low Carbon Fuel Requirements Regulation. A recent amendment to the regulation now entitles TransLink to report on its use of electricity for transportation purposes, such as battery-electric buses and electric trolleybuses, which will result in more Carbon Credits.



### 3. 2022 First Quarter Financial Summary

CONSOLIDATED REVENUES AND EXPENSES	YEAR OVER YEAR				ACTUAL TO BUDGET		
	YTD	YTD	Change		YTD	Budget Variance	
	2022	2021	Fav/(Unfav)		2022	Fav/(Unfav)	
	ACTUAL	ACTUAL		%	BUDGET		%
Three months ended March 31 (\$ thousands)							
Revenue							
Taxation	232,527	216,285	16,242	7.5%	228,171	4,356	1.9%
Transit	117,653	90,010	27,643	30.7%	134,397	(16,744)	(12.5%)
Government transfers	212,961	31,192	181,769	> 200.0%	85,265	127,696	149.8%
Amortization of deferred concessionaire credit	5,739	5,739	-	-	5,739	-	-
Development cost charges	7,881	4,232	3,649	86.2%	7,881	-	-
Investment Income	12,395	14,335	(1,940)	(13.5%)	11,322	1,073	9.5%
Miscellaneous revenue	3,347	4,947	(1,600)	(32.3%)	2,996	351	11.7%
<b>Sub Total Continuing Operations</b>	<b>592,503</b>	<b>366,740</b>	<b>225,763</b>	<b>61.6%</b>	<b>475,771</b>	<b>116,732</b>	<b>24.5%</b>
Gain (Loss) on disposal on tangible capital assets	49	3	46	> 200.0%	(50)	99	198.0%
<b>Total Revenue</b>	<b>592,552</b>	<b>366,743</b>	<b>225,809</b>	<b>61.6%</b>	<b>475,721</b>	<b>116,831</b>	<b>24.6%</b>
Expenditures							
Bus Operations	203,880	193,278	(10,602)	(5.5%)	210,144	6,264	3.0%
Rail Operations	85,661	82,586	(3,075)	(3.7%)	90,209	4,548	5.0%
Transit Police	11,854	10,986	(868)	(7.9%)	11,099	(755)	(6.8%)
Corporate Operations	27,562	23,662	(3,900)	(16.5%)	29,601	2,039	6.9%
Roads & Bridges	20,669	11,474	(9,195)	(80.1%)	28,718	8,049	28.0%
Amortization of Capital Assets*	57,779	56,490	(1,289)	(2.3%)	60,706	2,927	4.8%
Interest*	44,998	45,485	487	1.1%	44,305	(693)	(1.6%)
<b>Sub Total Continuing Operations</b>	<b>452,403</b>	<b>423,961</b>	<b>(28,442)</b>	<b>(6.7%)</b>	<b>474,782</b>	<b>22,379</b>	<b>4.7%</b>
Corporate One-Time	1,988	3,432	1,444	42.1%	5,337	3,349	62.8%
<b>Total Expenses</b>	<b>454,391</b>	<b>427,393</b>	<b>(26,998)</b>	<b>(6.3%)</b>	<b>480,119</b>	<b>25,728</b>	<b>5.4%</b>
<b>Surplus/(Deficit) for the period (PSAB)</b>	<b>138,161</b>	<b>(60,650)</b>	<b>198,811</b>	<b>&gt; 200.0%</b>	<b>(4,398)</b>	<b>142,559</b>	<b>&gt; 200.0%</b>

\* Amortization and Interest shown separately to facilitate analysis

The PSAB surplus recorded in the first quarter of 2022 was \$138.2 million, which is \$142.6 million favourable to the budget. The surplus included Senior Government relief funding of \$176.0 million received in 2022. This funding is in addition to the \$675.8 million received as part of the Safe Restart funding agreement through 2020 and 2021 that has allowed TransLink to maintain service at near pre-pandemic levels in 2020-2021, maintain lower fare rate increases than previously contemplated in 2021-2024, and deliver Free Transit for Youth 12 and Under program that started in September 2021. The new funding will help offset losses caused by the pandemic. The funding was recognized in full upon receipt, in accordance with PSAB accounting standards.

Excluding the Senior Government relief funding, the PSAB deficit was \$33.4 million unfavourable to budget mainly due to timing of revenue recognized from Senior Government capital funding and lower transit revenue, partially offset by favourable labour costs variances, timing of capital infrastructure contributions and favourable taxation revenue.

Total revenue from continuing operations, excluding government transfers, was unfavourable to budget by \$11.0 million (2.8 per cent) mainly due to the impact of the Omicron variant, which resulted in a rapid drop in ridership in early January. The unfavourable variance was partly offset by higher taxation revenues, which were \$4.4 million (1.9 per cent) favourable to budget, due to higher than expected fuel sales and usage of parking facilities.

Total expenses were favourable to budget by \$25.7 million (5.4 per cent) mainly due to lower labour expenses as a result of temporary vacancies, lower capital infrastructure contributions due to timing of municipalities' work completion, lower amortization due to timing of assets put into service, lower contracted services as a result of lower ridership, lower maintenance due to timing of expenses, partly offset by higher fuel costs driven by higher fuel prices, and timing of computer software and equipment costs.



## 4. Key Performance Indicators

### Financial Indicators

TransLink measures and monitors its financial indicators throughout the year.

FINANCIAL POLICIES AND INDICATORS				
(\$ thousands)	March 31	December 31	Change	
	2022	2021	Fav/(Unfav)	%
Unrestricted cash and investments	633,585	741,239	(107,654)	(14.5%)
Capital assets	5,733,829	5,704,158	29,671	0.5%
Net direct debt	(2,438,385)	(2,466,942)	28,557	1.2%
Indirect P3 debt	(1,436,806)	(1,445,706)	8,900	0.6%
<b>Total net direct debt and indirect P3 debt</b>	<b>(3,875,191)</b>	<b>(3,912,648)</b>	<b>37,457</b>	<b>1.0%</b>
Gross interest cost as a % of operating revenue <sup>1,2</sup>	12.1%	12.9%	0.8%	6.2%

<sup>1</sup> Includes operating expenditures (excluding municipal capital infrastructure contributions), interest expense and debt principal repayments.

<sup>2</sup> Operating revenue is total revenue less government transfers for capital projects, investment income and amortization of deferred concessionaire credit.

Unrestricted cash and investment balances decreased by \$107.7 million (14.5 per cent) in the first quarter of 2022 as a result of regular cash outflows to support current operations and contributions to the self-administered sinking funds. The \$633.6 million in unrestricted cash and investments is well within policy requirements of 15 per cent of operating expenditures plus debt service costs.

Capital assets increased by \$29.7 million (0.5 per cent) in the first quarter of 2022 due to \$87.5 million in additions, partially offset by amortization of \$57.8 million. Additions included SkyTrain system and infrastructure upgrades, bus infrastructure improvements, SkyTrain vehicle milestone payments and technology upgrade projects.

Net direct debt decreased by \$28.6 million (1.2 per cent) in the first quarter of 2022 mainly due to scheduled debt payments and contributions to TransLink's self-administered sinking fund.

Indirect Public-Private Partnership (P3) debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, decreased by \$8.9 million (0.6 per cent) mainly due to amortization of the Canada Line deferred concessionaire credit.

Gross interest cost as a percentage of operating revenues was 12.1 per cent and well within TransLink's 20 per cent policy. This indicator was 6.2 per cent lower than in 2021 due to increase in operating revenue in 2022 compared to 2021.

## Operating Indicators

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

OPERATING INDICATORS							
Three months ended March 31	YTD 2022	YTD 2021	Change		YTD 2022	Budget Variance	
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%
<b>Scheduled Transit Service</b>							
Overall Performance Rating (out of 10)	8.0	8.3	(0.3)	(3.6%)	8.0	-	-
Service Hours <sup>1, 2a</sup>	1,725,935	1,728,488	(2,553)	(0.1%)	1,778,007	(52,072)	(2.9%)
Operating Cost Recovery <sup>3</sup>	37.6%	30.6%	7.0%	22.9%	41.6%	(4.0%)	(9.6%)
Operating Cost per Capacity Km <sup>2b, 4</sup>	\$0.104	\$0.118	\$0.014	11.9%	\$0.102	(0.002)	(2.0%)
Complaints per million Boarded Passengers <sup>2c</sup>	73.8	n/a	n/a	n/a	93.0	19.2	20.6%
<b>Access Transit Service</b>							
Number of Trips	211,490	136,388	75,102	55.1%	340,064	(128,574)	(37.8%)
Operating Cost per Trip	\$59.01	\$85.32	\$26.31	30.8%	\$43.36	(\$15.65)	(36.1%)
Number of Trips Denied	6	1	(5)	> (200.0%)	59	53	89.8%
Complaints per one hundred thousand boarded passengers <sup>5</sup>	212.4	142.1	(70.3)	(49.5%)	288.1	75.7	26.3%
<b>Ridership (thousands)<sup>6</sup></b>							
Boarded Passengers	66,915	45,288	21,627	47.8%	77,681	(10,766)	(13.9%)
Journeys	39,519	26,111	13,408	51.4%	44,477	(4,958)	(11.1%)
Average Fare per Journey <sup>7</sup>	\$2.80	\$3.18	(\$0.38)	(11.9%)	\$2.87	(\$0.07)	(2.4%)

<sup>1</sup> Canada Line does not provide actual service delivery statistics, using estimated service hours for reporting purposes; estimated service hours have been restated from prior year.

<sup>2</sup> In December 2020, TransLink was the victim of a cyberattack. Immediate action and protective measures were taken by TransLink including the shut down of multiple network systems. As a result of the unavailability of certain applications, some datasets in the first quarter of 2021 were incomplete. The following Operating Indicators have been impacted:

<sup>2a</sup> The YTD 2021 service hours have been restated to reflect final service hours.

<sup>2b</sup> The YTD 2021 capacity kilometres have been restated to reflect final capacity kilometres.

<sup>2c</sup> TransLink was not able to capture complete complaints data from January 1 to March 31, 2021.

<sup>3</sup> Includes operating costs of Bus, Rail, Transit Police and Corporate On-going. Excludes Corporate One-time, HandyDART, Amortization and Interest Expense.

<sup>4</sup> Includes operating costs of Bus, Rail, and Transit Police. Excludes HandyDART, Amortization and Interest Expense.

<sup>5</sup> The ratio of HandyDART complaints per one hundred thousand boarded passengers has combined both the Operator Complaints with the Service Complaints as a percentage of trips metrics to remain consistent with the Year-End Financial and Performance Report.

<sup>6</sup> The preliminary YTD 2021 ridership figures were restated at the end of 2021 to reflect final ridership figures.

<sup>7</sup> Calculated using Total Fare and Program Revenue.

### Scheduled Transit Service

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

The overall system performance rating at the end of the first quarter of 2022 was an average of 8.0 out of 10, which was equal to the target for the same period. This reflects a decline in the customer ratings relative to the same period a year ago, but it is in line with the pre-COVID rating. Increased ridership levels saw a higher number of respondents than the previous year.

Service hours were 2,553 (0.1 per cent) lower than 2021 due to service adjustments for various bus routes as a result of lower than expected ridership recovery as a result of Omicron variant and service impacts due to inclement weather conditions in the first week of January 2022. Due to lower than expected ridership recovery, service hours were 52,072 (2.9 per cent) lower than budget.

Operating cost recovery represents the percentage of transit revenues compared to the total operating costs of Bus, Rail, Transit Police and Corporate (excluding one-time costs). In the first quarter of 2022, the cost recovery of 37.6 per cent was higher than 2021 by 7.0 per cent, with increased ridership having a proportionately greater impact on

operating revenues than on operating costs as a result service levels having been right-sized for managing customer demand. Compared to budget, it was unfavourable by 4.0 per cent mainly due to lower transit revenues as a result of the impact on ridership caused by the spread of the Omicron variant.

Compared to budget, operating cost per capacity kilometre was 2.0 per cent unfavourable mainly due to the lower than expected capacity kilometres as a result of bus service adjustments in January and increased use of lower capacity Mark I trains driven by the inclement weather in the first quarter of 2022.

Complaints data was not available for the first quarter of 2021 due to the unavailability of the application used to capture information on complaints as a result of the December 2020 cyberattack. Compared to budget, complaints per million boarded passengers were 11.2 per cent favourable, due to lower than planned ridership, and a proportionately greater reduction in the number of complaints.

### **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 three months of 2022 was higher compared to the same period in 2021 (75,102 more trips or 55.1 per cent) and was unfavourable compared to budget (128,574 fewer trips or 37.8 per cent). Trips were significantly reduced since March 2020 due to the COVID-19 pandemic which is continuing to significantly impact demand in 2022. Whilst masks remain mandatory on HandyDART services, physical distancing protocols have been eliminated and full capacity has been available on the system since the third quarter of 2021. TransLink remains committed to ensuring services are fully available for passengers unable to use conventional public transit without assistance. As such, budgeted 2022 service levels is based on demand from 2019 actual trips delivered.

Operating cost per trip decreased by \$26.31 (30.8 per cent) from \$85.32 in 2021 to \$59.01 in 2022. As costs are largely fixed and relatively consistent with 2021, this change was mainly due to an increase in trip demand compared to 2021. Operating cost per trip was unfavourable to budget by \$15.65 (36.1 per cent) mainly due to lower than expected demand, while fixed costs tracked close to budget.

The number of trips denied remains very low as service demand continues to be well below the service capacity.

Driver behaviour and scheduling concerns continue to be the top drivers of customer complaints. In an effort to improve the customer experience and reduce customer complaints, First Transit deployed a driver behaviour program in November 2021 that targets Operators who had more complaints about their behaviour than average, and the program continues in 2022. HandyDART also continues to seek to optimize subscription trips and will be working with taxi companies through refresher training. First Transit has now hired a Customer Service Manager to bolster the customer and community relationships.

## **Ridership**

Boardings represent each time a passenger enters a fare paid zone using Compass fare media or other proof of payment, including transfers. For the first quarter of 2022, total system boardings were 66.9 million, 47.8 per cent higher compared to the same period in 2021 and 13.9 per cent lower compared to the budget.

A journey represents a complete transit trip using Compass fare media or other proof of payment, regardless of the number of transfers. Total system journeys in the first quarter of 2022 were 39.5 million, 51.4 per cent higher compared to the same period in 2021 and 11.1 per cent lower than budget.

By the end of 2021, both boardings and journeys had recovered to over 60 per cent of pre-COVID levels. Starting at the end of December 2021, the Provincial Health Officer imposed new restrictions to combat the spread of the Omicron variant. In early January, both boardings and journeys dropped back down to under 50 per cent of pre-COVID. After this initial drop, though, ridership quickly and steadily recovered. By the last week of March 2022, both boardings and journeys had reached close to 70 per cent of pre-COVID levels, the highest level of recovery since the beginning of the pandemic.

The average fare per journey was \$2.80 for the first quarter of 2022, a decrease of 11.9 per cent from 2021 and 2.4 per cent lower than budget. The average fare for the first quarter in 2022 is lower mainly due to a higher than expected ridership increase by post secondary students using the U-Pass.

## 5. Consolidated Revenues

The following is a summary of consolidated revenues for the first quarter of 2022 compared to the budget.

CONSOLIDATED REVENUES		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Taxation				
Fuel	99,984	97,130	2,854	2.9%
Property & Replacement	113,280	113,003	277	0.2%
Parking Sales	13,831	12,415	1,416	11.4%
Hydro Levy	5,432	5,623	(191)	(3.4%)
Transit	117,653	134,397	(16,744)	(12.5%)
Government transfers	212,961	85,265	127,696	149.8%
Amortization of deferred concessionaire credit	5,739	5,739	-	-
Development cost charges	7,881	7,881	-	-
Investment Income	12,395	11,322	1,073	9.5%
Miscellaneous revenue	3,347	2,996	351	11.7%
<b>Revenue Before Gain/(Loss) on Disposals</b>	<b>592,503</b>	<b>475,771</b>	<b>116,732</b>	<b>24.5%</b>
Gain (Loss) on disposal on tangible capital assets	49	(50)	99	198.0%
<b>Total Revenue</b>	<b>592,552</b>	<b>475,721</b>	<b>116,831</b>	<b>24.6%</b>

The first quarter of 2022 began with the COVID-19 Omicron wave, which necessitated extended restrictions from the Provincial Health Officer and set back our region's social and economic recovery. From that low point of 50 per cent of pre-COVID levels in early January, ridership improved to a high of 70 per cent of pre-COVID levels by the end of March, alongside decreased restrictions. However, Transit Revenues were \$16.7 million (12.5 per cent) unfavourable to budget for the quarter as a result of the Omicron impact. Government transfers were favourable due to the recognition of \$176.0 million of additional Senior Government Relief funding; excluding Government transfers, total revenue from continuing operations, excluding government transfers was unfavourable to budget by \$11.0 million (2.8 per cent).

### Taxation

TAXATION REVENUES		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Fuel	99,984	97,130	2,854	2.9%
Property & Replacement	113,280	113,003	277	0.2%
Parking Sales	13,831	12,415	1,416	11.4%
Hydro Levy	5,432	5,623	(191)	(3.4%)
<b>Total Taxation</b>	<b>232,527</b>	<b>228,171</b>	<b>4,356</b>	<b>1.9%</b>

Taxation revenues are comprised of taxes collected on fuel, property and replacement taxes, parking sales tax and the hydro levy. Total taxation revenues for the first quarter of 2022 were \$4.4 million (1.9 per cent) favourable to budget.

Fuel sales volumes exceeded the anticipated recovery in the first quarter of 2022, and demand for monthly parking subscriptions also exceeded budget as employees gradually returned to worksites. Fuel tax revenue for the first quarter of 2022 was \$2.9 million (2.9 per cent) favourable and parking sales tax revenue for the first quarter of 2022 was \$1.4 million (11.4 per cent) favourable to budget.

## Transit

TRANSIT REVENUES		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	2022 ACTUAL	2022 BUDGET	Budget Variance	
			Fav/(Unfav)	%
Fares	77,969	95,388	(17,419)	(18.3%)
Programs	32,698	32,397	301	0.9%
<b>Total Fare and Program Revenue</b>	<b>110,667</b>	<b>127,785</b>	<b>(17,118)</b>	<b>(13.4%)</b>
Other	6,986	6,612	374	5.7%
<b>Total Transit</b>	<b>117,653</b>	<b>134,397</b>	<b>(16,744)</b>	<b>(12.5%)</b>

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

Total transit revenue was \$16.7 million (12.5 per cent) unfavourable to budget mainly driven by fare revenue, which was \$17.4 million (18.3 per cent) unfavourable to budget as a result of lower than expected ridership recovery caused by the Omicron variant and a record high number of cases in the Metro Vancouver region. The 2022 Budget did not anticipate renewed public health restrictions amidst a new variant and had expected a positive recovery continuing from the end of 2021. In January, ridership dropped down to 50.2 per cent of pre-COVID levels. After this initial drop, ridership has quickly and steadily recovered since February. March ridership continued on a positive trajectory and reached the highest post-pandemic levels, resulting from the eased COVID-19 restrictions in mid-March. By the end of March, journeys reached 68.2 per cent of pre-COVID levels.

Program revenue was \$0.3 million (0.9 per cent) favourable to budget due to higher than expected U-Pass revenue as a result of higher participation from post secondary schools since September 2021. Other transit revenue was favourable to the budget by \$0.4 million (5.7 per cent) mainly due to higher property rental revenue.

## Government Transfers

GOVERNMENT TRANSFERS		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	2022 ACTUAL	2022 BUDGET	Budget Variance	
			Fav/(Unfav)	%
Senior Government Relief Funding	176,000	-	176,000	-
Senior Government funding	20,383	68,687	(48,304)	(70.3%)
Golden Ears Bridge tolling replacement revenue	16,578	16,578	-	-
<b>Total Government Transfers</b>	<b>212,961</b>	<b>85,265</b>	<b>127,696</b>	<b>149.8%</b>

Government transfers include funds received from Greater Vancouver Regional Fund (GVRP), Canada Line funding, Building Canada Fund and other miscellaneous programs.

In the first quarter of 2022, total government transfers were \$127.7 million (149.8 per cent) favourable to the budget due to the recognition of \$176.0 million of Senior Government relief funding as required by the PSAB accounting standards. The new funding will help offset losses caused by the pandemic.

Senior Government funding is for capital projects and was unfavourable to budget by \$48.3 million (70.3 per cent) mainly due to timing of vehicle deliveries and final acceptance. This was caused by COVID-19 procurement delays and quality concerns delaying the acceptance of vehicles which has shifted the revenue recognition of government transfer.

**Investment Income**

Investment income was \$1.1 million (9.5 per cent) favourable to budget mainly due to higher interest income as a result of higher than budgeted cash and investment balances.

**Miscellaneous Revenue**

Miscellaneous revenue was \$0.4 million (11.7 per cent) favourable to budget mainly due to higher labour and material recoveries as a result of timing of the projects.



## 6. Consolidated Expenses by Segment

Consolidated expenses by segment for the first quarter of 2022 compared to budget are shown below.

CONSOLIDATED EXPENSES BY SEGMENT		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Bus Operations	203,880	210,144	6,264	3.0%
Rail Operations	85,661	90,209	4,548	5.0%
Transit Police	11,854	11,099	(755)	(6.8%)
Corporate Operations	27,562	29,601	2,039	6.9%
Roads & Bridges	20,669	28,718	8,049	28.0%
Amortization of Capital Assets*	57,779	60,706	2,927	4.8%
Interest*	44,998	44,305	(693)	(1.6%)
<b>Sub Total Continuing Operations</b>	<b>452,403</b>	<b>474,782</b>	<b>22,379</b>	<b>4.7%</b>
Corporate One-Time	1,988	5,337	3,349	62.8%
<b>Total Expenses by Segment</b>	<b>454,391</b>	<b>480,119</b>	<b>25,728</b>	<b>5.4%</b>

\* Amortization and Interest shown separately to facilitate analysis

### Bus Operations

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

CMBC continues to support accessibility initiatives, installing Braille and tactile signage at a further 300 bus stops during the first quarter of 2022. As part of the Fleet Electrification pilot project, CMBC completed performance testing of the demonstration bus for Route 100 (22<sup>nd</sup> Street Station / Marpole Loop). The first of 15 battery buses are scheduled to be delivered in the third quarter of 2022. In addition, CMBC commenced initial analysis on a new On-Time Performance toolset to identify the most often cancelled bus routes by line, depot and day. Information collected will allow us to resolve the causes of these cancellations.

BUS OPERATIONS BY CATEGORY		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Administration	5,295	4,462	(833)	(18.7%)
Contracted Services	18,288	20,552	2,264	11.0%
Fuel and Power	16,835	15,409	(1,426)	(9.3%)
Insurance	4,277	4,191	(86)	(2.1%)
Maintenance, Materials and Utilities	20,128	19,049	(1,079)	(5.7%)
Professional and Legal	688	853	165	19.3%
Rentals, Leases and Property Tax	4,544	4,614	70	1.5%
Salaries, Wages and Benefits	133,825	141,014	7,189	5.1%
<b>Total Expenses by Category</b>	<b>203,880</b>	<b>210,144</b>	<b>6,264</b>	<b>3.0%</b>

For the quarter ended March 31, 2022, Bus operating expenses were \$6.3 million (3.0 per cent) favourable to budget mainly due to savings from temporary vacancies and lower Access Transit demand. The favourable variance is partially offset by higher fuel costs, unfavourable costs of materials used in repairs, and the timing of computer software and hardware costs.

## Service Delivery

BUS OPERATIONS				
Three months ended March 31	YTD 2022 ACTUAL	YTD 2022 BUDGET	Budget Variance	
			Fav/(Unfav)	%
<b>SERVICE HOURS</b>				
<b>CMBC Operations</b>	<b>1,295,382</b>	<b>1,340,404</b>	<b>(45,022)</b>	<b>(3.4%)</b>
Conventional Bus	1,157,723	1,195,783	(38,060)	(3.2%)
Community Shuttle	134,278	141,009	(6,731)	(4.8%)
SeaBus	3,381	3,612	(231)	(6.4%)
<b>Contracted Transit Services</b>	<b>59,182</b>	<b>59,754</b>	<b>(572)</b>	<b>(1.0%)</b>
West Vancouver	29,831	28,741	1,090	3.8%
Contract Community Shuttle	29,351	31,013	(1,662)	(5.4%)
<b>Conventional Transit Service Hours</b>	<b>1,354,564</b>	<b>1,400,158</b>	<b>(45,594)</b>	<b>(3.3%)</b>
<b>SERVICE KILOMETRES</b>				
<b>CMBC Operations</b>	<b>24,866,743</b>	<b>25,745,532</b>	<b>(878,789)</b>	<b>(3.4%)</b>
Conventional Bus	22,240,349	22,995,774	(755,425)	(3.3%)
Community Shuttle	2,580,689	2,701,358	(120,669)	(4.5%)
SeaBus	45,705	48,400	(2,695)	(5.6%)
<b>Contracted Transit Services</b>	<b>1,216,867</b>	<b>1,228,221</b>	<b>(11,354)</b>	<b>(0.9%)</b>
West Vancouver	563,043	544,486	18,557	3.4%
Contract Community Shuttle	653,824	683,735	(29,911)	(4.4%)
<b>Conventional Transit Service Kilometres</b>	<b>26,083,610</b>	<b>26,973,753</b>	<b>(890,143)</b>	<b>(3.3%)</b>
<b>CAPACITY KILOMETRES</b>				
<b>CMBC Operations</b>	<b>1,346,096,980</b>	<b>1,416,933,448</b>	<b>(70,836,468)</b>	<b>(5.0%)</b>
Conventional Bus	1,266,564,177	1,333,466,856	(66,902,679)	(5.0%)
Community Shuttle	61,936,536	64,832,592	(2,896,056)	(4.5%)
SeaBus	17,596,267	18,634,000	(1,037,733)	(5.6%)
<b>Contracted Transit Services</b>	<b>43,843,953</b>	<b>43,633,940</b>	<b>210,013</b>	<b>0.5%</b>
West Vancouver	28,152,170	27,224,300	927,870	3.4%
Contract Community Shuttle	15,691,783	16,409,640	(717,857)	(4.4%)
<b>Conventional Transit Capacity Kilometres</b>	<b>1,389,940,933</b>	<b>1,460,567,388</b>	<b>(70,626,455)</b>	<b>(4.8%)</b>

For the first three months of 2022, actual service hours delivered were 45,594 (3.3 per cent) unfavourable to budget, service kilometres were 890,143 (3.3 per cent) unfavourable and capacity kilometres were 70,626,455 (4.8 per cent) unfavourable. The lower service hours and kilometres mainly resulted from frequency reductions in various routes as a result of ridership changes due to the continued impact of the COVID-19 and reductions in service levels to address anticipated operator shortages.

ACCESS TRANSIT				
Three months ended March 31	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
<b>Service Kilometres</b>	<b>2,038,756</b>	<b>2,597,026</b>	<b>(558,270)</b>	<b>(21.5%)</b>
<b>Access Transit Trips</b>				
Trips - HandyDART	189,633	302,879	(113,246)	(37.4%)
Trips - Taxi Supplement	21,857	37,185	(15,328)	(41.2%)
<b>Total Access Transit Trips</b>	<b>211,490</b>	<b>340,064</b>	<b>(128,574)</b>	<b>(37.8%)</b>

The number of Access Transit trips provided in the first three months of 2022 was lower than budget (128,574 fewer trips or 37.8 per cent). Trips were significantly reduced since March 2020 due to the COVID-19 pandemic which is continuing to significantly impact demand in 2022. TransLink remains committed to ensuring services are fully available for passengers unable to use conventional public transit without assistance.

## 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 commuter rail service. In addition, BCRTC manages the agreement with InTransit BC for the operation and maintenance of the Canada Line.

In the first quarter of 2022, the draft scope of work for the Mark II fleet overhaul was completed and refurbishment of a second West Coast Express locomotive commenced. In addition, production of the Mark V SkyTrain cars has commenced, with the first of these cars expected to arrive in 2023 for testing. The full complement of vehicles is expected to be in service by the end of 2027, supporting BSP and SLS expansion. BCRTC also launched the first wave of the Enterprise Asset Management (EAM) software system. The EAM will help BCRTC to improve the usability and advancement of asset management capabilities, ensuring assets remain in a state of good repair and enhancing Rail service reliability, quality and resiliency.

RAIL OPERATIONS BY CATEGORY		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Administration	1,799	1,469	(330)	(22.5%)
Contracted Services	32,690	33,158	468	1.4%
Fuel and Power	4,252	4,281	29	0.7%
Insurance	1,691	1,647	(44)	(2.7%)
Maintenance, Materials and Utilities	12,123	14,345	2,222	15.5%
Professional and Legal	417	711	294	41.4%
Rentals, Leases and Property Tax	413	509	96	18.9%
Salaries, Wages and Benefits	32,276	34,089	1,813	5.3%
<b>Total Expenses by Category</b>	<b>85,661</b>	<b>90,209</b>	<b>4,548</b>	<b>5.0%</b>

For the first quarter ended March 31, 2022, Rail operating expenses were \$4.5 million (5.0 per cent) favourable to budget mainly due to timing of maintenance activities, savings from temporary vacancies, timing of contracted and professional services. This favourable variance is partly offset by the timing of computer software and hardware costs.

## Service Delivery

RAIL OPERATIONS				
Three months ended March 31	YTD 2022 ACTUAL	YTD 2022 BUDGET	Budget Variance	
			Fav/(Unfav)	%
<b>SERVICE HOURS</b>				
SkyTrain: Expo & Millennium Lines	314,317	320,673	(6,356)	(2.0%)
SkyTrain: Canada Line <sup>1</sup>	53,128	53,196	(68)	(0.1%)
West Coast Express	3,926	3,980	(54)	(1.4%)
<b>Rail Operations Service Hours</b>	<b>371,371</b>	<b>377,849</b>	<b>(6,478)</b>	<b>(1.7%)</b>
<b>SERVICE KILOMETRES</b>				
SkyTrain: Expo & Millennium Lines	12,666,908	12,923,115	(256,207)	(2.0%)
SkyTrain: Canada Line <sup>1</sup>	1,706,733	1,708,961	(2,228)	(0.1%)
West Coast Express	148,781	149,990	(1,209)	(0.8%)
<b>Rail Operations Service Kilometres</b>	<b>14,522,422</b>	<b>14,782,066</b>	<b>(259,644)</b>	<b>(1.8%)</b>
<b>CAPACITY KILOMETRES</b>				
SkyTrain: Expo & Millennium Lines	1,105,700,988	1,162,795,644	(57,094,656)	(4.9%)
SkyTrain: Canada Line <sup>1</sup>	239,526,900	239,839,730	(312,830)	(0.1%)
West Coast Express	21,960,046	22,138,671	(178,625)	(0.8%)
<b>Rail Operations Capacity Kilometres</b>	<b>1,367,187,934</b>	<b>1,424,774,045</b>	<b>(57,586,111)</b>	<b>(4.0%)</b>

<sup>1</sup> Canada Line's service hours, service kilometres are estimated from schedule data for reporting purposes.

Service kilometres and hours for the Expo and Millennium Lines were below budget by 2.0 per cent. The variance is mainly driven by service impacts due to the winter weather conditions in the first week of January. The snowy conditions in January and higher than budgeted use of Mark I trains throughout the quarter resulted in capacity kilometres being 4.9 per cent lower than budget. The six-car Mark I trains provide more vehicle kilometres but offer lower capacity than other trains in the fleet mix. Increased use of Mark I trains was required to support the snow operation and facilitate state-of-good-repair fleet maintenance campaigns for Mark II and Mark III trains.

Canada Line's service indicators aligned with budget (within 0.1 per cent) during the first quarter of 2022.

West Coast Express continued to operate four trains with a total of 18 cars per day in each direction in the first quarter of 2022. There were four weather-related train cancellations in January resulting in all service indicators in the first quarter of 2022 being slightly below budget.

## 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 first quarter of 2022, Transit Police released its new 2022-2026 Strategic Plan, "Safety for all transit users in Metro Vancouver". The strategic plan is centred around three pillars – Cross-Regional Policing, Engaged Community Partners and Modern Policing Culture. New volunteers were trained for the Transit Police's Waterfront Community Policing Office. The volunteers promote transit safety tips, work on specific initiatives such as the 'See Something Say Something' campaign and observe and report any suspicious activity in and around transit stations. Initiatives in the first quarter also included strengthening Transit Police's support to Indigenous Peoples through additional staff and Transit Police Board training and the ongoing work of the Transit Police Indigenous Liaison Officer. The Blue

Eagle Community Cadet Program for youth aged 12 to 15 was expanded to Surrey. It is being implemented in collaboration with the Surrey RCMP and Surrey Police Service, with the support of various government and community agencies.

POLICE OPERATIONS BY CATEGORY Three months ended March 31 (\$ thousands)	ACTUAL TO BUDGET			
	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Administration	767	588	(179)	(30.4%)
Insurance	23	36	13	36.1%
Maintenance, Materials and Utilities	413	300	(113)	(37.7%)
Professional and Legal	88	72	(16)	(22.2%)
Rentals, Leases and Property Tax	533	564	31	5.5%
Salaries, Wages and Benefits	10,030	9,539	(491)	(5.1%)
<b>Total Expenses by Category</b>	<b>11,854</b>	<b>11,099</b>	<b>(755)</b>	<b>(6.8%)</b>

For the quarter ended March 31, 2022, Transit Police operating expenses were \$0.8 million (6.8 per cent) unfavourable to budget mainly due to higher salary costs resulting from the timing of benefit costs, the timing of new recruit hires and training expenses, timing of computer software and hardware costs as well as the timing of maintenance and material costs.

## Corporate Operations

Corporate operations support the operating subsidiaries with a focus on planning, project delivery and achieving enterprise priorities.

In the first quarter of 2022, TransLink took two bold first steps in charting our course for the future. We released the Climate Action Strategy, which maps an aggressive path to net-zero greenhouse gas emissions by 2050 by providing new emission reduction targets and identifying opportunities to create a more climate-resilient transit system. We then released Transport 2050, the region's new 30-year transportation strategy, establishing the five goals that will set the direction for the regional transportation system: convenient, reliable, affordable, safe & comfortable and carbon-free.

Transport 2050 is also the first TransLink public document containing significant Indigenous content. As a part of Transport 2050, the Transport 2050 Indigenous Advisory Committee (IAC) was established, comprised of ten local Indigenous Nations and two Indigenous organizations, with the main priorities of improved transportation service options on reserve land and treaty lands, and engaging Indigenous Nations in environmental management and decision-making.

CORPORATE OPERATIONS BY CATEGORY Three months ended March 31 (\$ thousands)	ACTUAL TO BUDGET			
	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Administration	4,607	4,408	(199)	(4.5%)
Contracted Services	3,973	3,975	2	0.1%
Insurance	99	113	14	12.4%
Maintenance, Materials and Utilities	437	500	63	12.6%
Professional and Legal	1,636	2,370	734	31.0%
Rentals, Leases and Property Tax	3,452	3,581	129	3.6%
Salaries, Wages and Benefits	13,358	14,654	1,296	8.8%
<b>Total Expenses by Category</b>	<b>27,562</b>	<b>29,601</b>	<b>2,039</b>	<b>6.9%</b>

For the first quarter of 2022, expenses were \$2.0 million (6.9 per cent) favourable to budget. The favourable variance was mainly due to savings from temporary vacancies and timing of initiatives requiring professional fees, partly offset by timing of computer software and equipment costs.

## Roads and Bridges

In the first quarter of 2022, TransLink's Roads and Bridges Operations prepared for the Knight Street Bridge Deck Rehabilitation, with construction anticipated beginning in the fall. In addition, Roads and Bridges continued the design phase for the Westham Island Bridge upcoming rehabilitation work and continued to support the Province in the Pattullo Bridge Replacement Project.

ROADS & BRIDGES OPERATIONS BY CATEGORY		ACTUAL TO BUDGET		
Three months ended March 31 (\$ thousands)	YTD 2022	YTD 2022	Budget Variance	
	ACTUAL	BUDGET	Fav/(Unfav)	%
Administration	7	10	3	30.0%
Capital Infrastructure contributions	9,016	16,694	7,678	46.0%
Contracted Services	1,440	1,450	10	0.7%
Insurance	328	328	-	-
Maintenance, Materials and Utilities	9,203	9,406	203	2.2%
Professional and Legal	160	230	70	30.4%
Rentals, Leases and Property Tax	155	154	(1)	(0.6%)
Salaries, Wages and Benefits	360	446	86	19.3%
<b>Total Expenses by Category</b>	<b>20,669</b>	<b>28,718</b>	<b>8,049</b>	<b>28.0%</b>

Roads and Bridges were \$8.1 million (28.0 per cent) favourable to budget mainly due to lower capital infrastructure contributions relating to the timing of municipalities' work and timing of Major Road Network (MRN) Operations and Maintenance projects.

## Amortization

Amortization was \$2.9 million (4.8 per cent) lower than budget primarily due to timing of the delivery and final acceptance of vehicles caused by COVID-19 procurement delays and quality concerns delaying the acceptance of vehicles.

## Interest

Interest expense was \$0.7 million (1.6 per cent) unfavourable to budget due to lower interest costs capitalized as a result of capital project delays, partially offset by reduced interest cost compared to budget due to timing of new debt issuance.

## Corporate – One-time Costs

CORPORATE ONE-TIME SUMMARY BY PROJECT Three months ended March 31 (\$ thousands)	ACTUAL TO BUDGET			
	YTD	YTD	Budget Variance	
	2022	2022		
	ACTUAL	BUDGET	Fav/(Unfav)	%
Feasibility Studies	411	1,544	1,133	73.4%
Rapid Bus Program (Previously B-Line Program)	383	338	(45)	(13.3%)
Plan Development	163	338	175	51.8%
Non-Capitalized items included in Capital Projects	452	2,238	1,786	79.8%
Mobility Pricing	228	245	17	6.9%
Bus Speed and Reliability	69	56	(13)	(23.2%)
12 & Under Free Transit Program	-	45	45	100.0%
Other	282	533	251	92.6%
<b>Total Corporate One-Time</b>	<b>1,988</b>	<b>5,337</b>	<b>3,349</b>	<b>62.8%</b>

Corporate One-time costs were \$3.3 million (62.8 per cent) favourable to budget mainly due to lower non-capitalized costs as a result of timing of capital projects spend and lower spend on Feasibility Studies for the SkyTrain Station Power Capacity Study.



## 7. Investment in Capital Assets

TransLink's investment in capital assets continues to grow with the focus on supporting enterprise priorities. The capital program is robust and managed with strong governance and oversight. As of March 31, 2022, TransLink's total capital program budget was \$7.2 billion, which includes:

- \$3.4 billion in active capital projects;
- \$1.1 billion in Approved-In-Principle (AIP) capital projects;
- \$2.2 billion in substantially complete capital projects; and
- \$475.9 million in capital infrastructure contributions to municipalities.

SUMMARY OF CAPITAL PROGRAM						
As of March 31, 2022 (\$ thousands)	Number of Projects	Total Current Budget	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
				Fav/(Unfav)	%	
Capital Projects						
Active	140	3,402,721	3,370,195	32,526	1.0%	1,187,611
AIP	71	1,089,615	1,089,615	-	0.0%	443,804
Substantially Complete	139	2,229,034	2,131,270	97,764	4.4%	1,083,540
Subtotal	350	6,721,370	6,591,080	130,290	1.9%	2,714,955
Capital Infrastructure Contributions						
Active	30	475,867	470,677	5,190	1.1%	-
Subtotal	30	475,867	470,677	5,190	1.1%	-
Total Capital Program	380	7,197,237	7,061,757	135,480	1.9%	2,714,955

The capital program is supported in part by \$2.7 billion in committed funding available to TransLink from the Canada Community Building Fund (formerly the Federal Gas Tax Fund), Public Transit Infrastructure Fund (PTIF), and Investing in Canada Infrastructure Program (ICIP). External funding programs apply to eligible projects within the capital program. For the Canada Community Building Fund, TransLink receives approval and funding in advance of project initiation. These funds are held in restricted cash and treated as deferred government transfers until costs are incurred in the approved projects, at which time funds are released to general operating funds and government transfers revenue is recognized. For PTIF and ICIP TransLink incurs the costs of the projects which are recovered through invoicing the Province for the portion that is funded per the respective agreements. Revenue for these programs is amortized based on the terms of the respective agreements.

## Active and Substantially Complete Capital Projects

As of March 31, 2022, there were 279 active and substantially complete projects with a final forecasted cost of \$5.5 billion. The total costs incurred for these projects during the first quarter of the year were \$101.8 million.

SUMMARY OF ACTIVE PROJECTS								
As of March 31, 2022 (\$ thousands)	Number of Projects	Current Budget	2022 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
						Fav/ (Unfav)	%	
Active								
Equipment	15	189,039	7,288	63,667	180,899	8,140	4.3%	28,697
Infrastructure	69	630,712	13,416	137,628	621,451	9,261	1.5%	183,700
Major Construction	16	2,091,291	46,388	377,432	2,086,716	4,575	0.2%	663,855
Technology	17	160,024	6,785	81,606	154,775	5,249	3.3%	
Vehicle	23	331,655	21,237	82,333	326,354	5,301	1.6%	311,359
Subtotal (Active Capital Projects)	140	3,402,721	95,114	742,666	3,370,195	32,526	1.0%	1,187,611
Substantially Complete	139	2,229,034	6,722	2,073,828	2,131,270	97,764	4.4%	1,083,540
Total Active Capital Projects	279	5,631,755	101,836	2,816,494	5,501,465	130,290	2.3%	2,271,151

## Active Capital Projects

As of March 31, 2022, there were 140 active projects with expenditures of \$95.1 million for the quarter and \$742.7 million in cumulative spending to date. A comparison of active project budgets against forecasted final costs shows a favourable variance of \$32.5 million (1.0 per cent).

Infrastructure spending of \$13.4 million for the first quarter of the year included \$4.2 million spent on the Canada Line Capstan Station and \$1.5 million spent on Noise Mitigation Solution Implementation Phase.

Major Construction spending of \$46.4 million for the first quarter of the year included \$26.7 million spent on the Fleet Acquisition project as part of the Expo and Millennium Upgrade Program and \$10.9 million on a new Operations and Maintenance Center.

Vehicle spending of \$21.2 million for the first quarter of the year included \$10.7 million spent on the 2020 Conventional Bus Expansion project and \$5.7 million on West Coast Express Fleet Refurbishment.

## Substantially Complete Capital Projects

As of March 31, 2022, there were 139 projects with a total budget of \$2.2 billion deemed substantially complete with \$6.7 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 \$97.8 million (4.4 per cent).

Notable projects that were substantially completed in the first quarter of the year include:

- Automatic Train Control Existing Equipment Replacement;
- Expo Line Tunnels Ventilation System Rehabilitation; and
- Phase Two of the CMBC Trolley Overhead Truck Replacement.

### Approved in Principle (AIP) Capital Projects

As of March 31, 2022, 71 AIP projects were remaining to be initiated with a total budget of \$1.1 billion. Of the 71 projects, 21 projects with a budget of \$209.7 million were carried forward from prior years and 50 projects with a budget of \$879.9 million are new in 2022. In the first quarter of 2022, 12 projects were initiated.

SUMMARY OF AIP PROJECTS			
As of March 31, 2022 (\$ thousands)	Number of Projects	Current Budget	Senior Government Funding (Committed)
Capital Projects			
Equipment	4	20,386	11,218
Infrastructure	34	330,976	27,300
Major Construction	6	521,235	301,696
Technology	19	107,934	-
Vehicle	8	109,084	103,590
<b>Total AIP Projects</b>	<b>71</b>	<b>1,089,615</b>	<b>443,804</b>

A significant portion of the projects remaining in AIP is related to infrastructure, major construction and vehicle projects including the implementation of the Marpole Transit Centre (Major Construction), Facility Improvements for Phase Two Expansion of the Burnaby Transit Centre (Infrastructure) and the 2023 Conventional Bus Replacement Project (Vehicle).

### Closed Capital Projects

During the first quarter ended March 31, 2022, nine projects with a final cost of \$153.8 million and an approved budget of \$159.8 million were completed and closed. Significant closed projects include the 2017 Conventional Bus Replacement project, the Seismic Upgrade South SeaBus Seawall and Skywalk project and the New Westminster Station Upgrade Construction project.

### Cancelled Capital Projects

During the first quarter ended March 31, 2022, there were no project cancellations.

## Capital Infrastructure Contributions

These expenses 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 March 31, 2022, there were 30 active programs with a budget of \$475.9 million. The majority of the \$0.3 million in contributions in the year related to the Pavement Rehabilitation Program funded under the Major Road Network Program.

SUMMARY OF INFRASTRUCTURE CONTRIBUTION PROGRAMS						Forecast Variance to Current Budget	
As of March 31, 2022 (\$ thousands)		Current Budget	2022 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Fav/ (Unfav)	%
MRN Structurers Funding Program	4	62,330	-	939	62,179	151	0.2%
Major Road Network and Bike Upgrades (MRNB)	10	227,257	-	139,400	223,144	4,113	1.8%
Pavement Rehabilitation Program	4	87,981	239	86,370	87,332	649	0.7%
Bicycle Infrastructure Capital Cost Share (BICCS)	4	64,413	-	8,226	64,215	198	0.3%
Bus, Speed, Reliability, and Infrastructure (BSRI)	3	10,713	69	1,566	10,775	(62)	(0.6%)
Walking Infrastructure to Transit (WITT)	5	23,173	-	4,316	23,032	141	0.6%
<b>Grand Total</b>	<b>30</b>	<b>475,867</b>	<b>308</b>	<b>240,817</b>	<b>470,677</b>	<b>5,190</b>	<b>1.1%</b>

## 8. Changes in Financial Position

Consolidated Statement of Financial Position			
(\$ thousands)	March 31 2022	December 31 2021	Change
Cash and cash equivalents	436,254	575,623	(139,369)
Accounts receivable	2,382,479	159,207	2,223,272
Loan receivable	65,010	131,060	(66,050)
Restricted cash and cash equivalents and investments	1,654,407	1,237,197	417,210
Investments	197,331	165,616	31,715
Debt reserve deposits	26,430	26,272	158
<b>Financial Assets</b>	<b>4,761,911</b>	<b>2,294,975</b>	<b>2,466,936</b>
Accounts payable and accrued liabilities	373,406	364,458	8,948
Debt	2,930,628	2,937,864	(7,236)
Deferred government transfers	3,681,698	1,325,681	2,356,017
Golden Ears Bridge contractor liability	1,009,916	1,013,077	(3,161)
Deferred concessionaire credit	426,890	432,629	(5,739)
Employee future benefits	139,384	138,224	1,160
Deferred revenue and deposits	69,482	64,449	5,033
Deferred lease inducements	13,635	13,890	(255)
<b>Liabilities</b>	<b>8,645,039</b>	<b>6,290,272</b>	<b>2,354,767</b>
Net Debt	(3,883,128)	(3,995,297)	112,169
Tangible capital assets	5,733,829	5,704,158	29,671
Supplies inventory	91,959	91,161	798
Prepaid expenses	25,563	30,040	(4,477)
<b>Non-Financial Assets</b>	<b>5,851,351</b>	<b>5,825,359</b>	<b>25,992</b>
<b>Accumulated Surplus</b>	<b>1,968,223</b>	<b>1,830,062</b>	<b>138,161</b>

### Financial Assets

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

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

The increase in accounts receivable of \$2.2 billion reflects an accrual related to the restructuring and refinancing of the GEB Toll Replacement Agreement on March 31, 2022 and \$176.0 million in Senior Government relief funding.

Loan receivable represents the net present value of future payments of proceeds from the 2016 sale of the Oakridge Transit Centre. The decrease of \$66.1 million (50.4 per cent) was attributable to payments received during the quarter, partially offset by interest earned on the outstanding balance.

### Liabilities

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

The increase in deferred government transfers liability is primarily due to an upfront payment related to Golden Ears Bridge foregone tolling revenue. In August 2017, the Province announced its intention for TransLink to eliminate tolls on the Golden Ears Bridge (GEB) effective September 1, 2017. Consequently, on August 23, 2017, TransLink entered into a temporary agreement with the Province to replace TransLink's foregone tolling revenue. On March 31, 2022, TransLink entered into a Long-Term Agreement with the Province (Long-Term Agreement), under which TransLink is to receive an upfront payment of \$2.0 billion as settlement for TransLink's foregone tolling revenue for

the period from April 1, 2022 to December 31, 2050. The stipulations of the Long-Term Agreement ending December 31, 2050 outline that TransLink will not charge user tolls for any crossings of the GEB and will keep the GEB open and operational for public users except for permitted closures specified in the Long-Term agreement. TransLink will be liable to repay the Province for the related portion of the upfront payment contingent upon any defaults on the stipulations contained in the Long-Term Agreement. This Long-Term Agreement replaces the previous temporary agreement.

In addition, deferred government transfers liability increased by \$358.5 million due to funding received from the Canada Community Building Fund (Gas Tax).

The Golden Ears Bridge contractor liability is for 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 represents post-retirement and post-employment benefits, was due to the estimated current service cost and related interest. The post-retirement portion of this liability will draw down, upon the retirement of the employees.

The increase in deferred revenues and deposits of \$5.0 million (7.8 per cent) was mainly due to unearned transit fare revenue and program revenues.

### **Non-Financial Assets**

Capital assets increased by \$29.7 million (0.5 per cent) in the first three months of 2022 due to \$87.5 million in additions, partly offset by amortization of \$57.8 million. Additions included SkyTrain system and infrastructure upgrades, bus infrastructure improvements, SkyTrain vehicle milestone payments and technology upgrade projects.

## 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			
(\$ thousands)	March 31 2022	December 31 2021	Change
Cash and cash equivalents	436,254	575,623	(139,369)
Investments	197,331	165,616	31,715
<b>Total Unrestricted cash and investments</b>	<b>633,585</b>	<b>741,239</b>	<b>(107,654)</b>

TransLink's unrestricted cash and investment balances decreased by \$139.4 million in the first quarter of 2022 as a result of regular cash outflows to support current operations and contributions to the self-administered sinking funds.

The \$633.6 million in unrestricted cash and investments is well within policy requirements of 15 per cent of operating expenditures plus debt service costs.

Liquidity is further supported by a \$500.0 million Commercial Paper program, of which \$30.0 million was outstanding as at March 31, 2022 (December 31, 2021: \$30.0 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.

RESTRICTED CASH AND INVESTMENTS			
(\$ thousands)	March 31 2022	December 31 2021	Change
Unspent government transfers	862,129	525,640	336,489
TPCC's investments	28,910	29,978	(1,068)
Restricted Land Reserve	297,555	236,929	60,626
Self administered sinking funds	465,813	444,650	21,163
<b>Total Restricted cash and investments</b>	<b>1,654,407</b>	<b>1,237,197</b>	<b>417,210</b>

For the first quarter of 2022, restricted cash and investments increased mainly due to the receipt of the annual Gas Tax transfer from the Union of BC Municipalities (UBCM) and installment payment received for the sales of the Oakridge Transit Centre, unrestricted cash contributions to the self-administered sinking fund and reinvested investment income within the sinking fund.

### 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. During 2018, the borrowing limit was increased from \$4.0 billion to \$5.5 billion based on Phase Two of the 10-Year Mayors' Vision 2018-2027 Investment Plan, approved on June 28, 2018. 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 contemplated in a proposed Investment Plan need to be approved by the Mayors' Council after consultation with Metro Vancouver. As at March 31, 2022, TransLink's outstanding debt obligation, as defined above, was \$3.56 billion, being the debt of \$2.93 billion plus Municipal Financing Authority of BC (MFABC) administered sinking funds of \$0.66 billion and net of capital lease reductions since inception, unamortized issue costs and unamortized premiums/discounts of \$0.03 billion (December 31, 2021: \$3.56 billion).

FINANCING			
(\$ thousands)	March 31 2022	December 31 2021	Change
Debt	2,930,628	2,937,864	(7,236)
Less: Self-administered sinking funds	(465,813)	(444,650)	(21,163)
Less: Debt reserve deposits	(26,430)	(26,272)	(158)
<b>Net Direct Debt</b>	<b>2,438,385</b>	<b>2,466,942</b>	<b>(28,557)</b>
Golden Ears Bridge contractor liability	1,009,916	1,013,077	(3,161)
Deferred concessionaire credit	426,890	432,629	(5,739)
<b>Indirect P3 Debt</b>	<b>1,436,806</b>	<b>1,445,706</b>	<b>(8,900)</b>
<b>Subtotal Net Direct Debt and Indirect P3 Debt</b>	<b>3,875,191</b>	<b>3,912,648</b>	<b>(37,457)</b>

Debt, which primarily finances capital spending, decreased by \$7.2 million, mainly due to increases in the Municipal Finance Authority (MFA) Sinking Fund and the amortization of bonds discounts.

Net direct debt decreased by \$28.6 million mainly due to scheduled debt payments and contributions to TransLink's self-administered sinking fund during the first quarter of 2022.

Indirect P3 debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, decreased by \$8.9 million mainly due to 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. In March 2022, Moody's revised TransLink's rating from Aa2 (Negative) to Aa2 (Stable), reflecting TransLink's strong institutional framework and its status as a taxing authority as well as its positive management of the uncertainties arising from the COVID-19 pandemic. As of March 31, 2022, Dominion Bond Rating Service (DBRS) affirmed TransLink's rating of AA (Stable).

CREDIT RATING								
Agency	As at March 31, 2022				As of December 31, 2021			
	Commercial Paper	Senior Debt	General Obligation	Outlook	Commercial Paper	Senior Debt	General Obligation	Outlook
DBRS Limited	R-1 mid	AA	AA	Stable	R-1 mid	AA	AA	Stable
Moody's Investor's Service	Not Rated	Aa2	Aa2	Stable	Not Rated	Aa2	Aa2	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 Financial Position

#### SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position

(Expressed in thousands of dollars)

March 31, 2022, with comparative information for December 31, 2021

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents	\$ 436,254	\$ 575,623
Accounts receivable	2,382,479	159,207
Loan receivable	65,010	131,060
Restricted cash and cash equivalents and investments	1,654,407	1,237,197
Investments	197,331	165,616
Debt reserve deposits	26,430	26,272
	<b>4,761,911</b>	<b>2,294,975</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	373,406	364,458
Debt	2,930,628	2,937,864
Deferred government transfers	3,681,698	1,325,681
Golden Ears Bridge contractor liability	1,009,916	1,013,077
Deferred concessionaire credit	426,890	432,629
Employee future benefits	139,384	138,224
Deferred revenue and deposits	69,482	64,449
Deferred lease inducements	13,635	13,890
	<b>8,645,039</b>	<b>6,290,272</b>
<b>Net debt</b>	<b>(3,883,128)</b>	<b>(3,995,297)</b>
<b>Non-financial assets</b>		
Tangible capital assets	5,733,829	5,704,158
Supplies inventory	91,959	91,161
Prepaid expenses	25,563	30,040
	<b>5,851,351</b>	<b>5,825,359</b>
<b>Accumulated surplus</b>	<b>\$ 1,968,223</b>	<b>\$ 1,830,062</b>

## Consolidated Statement of Operations

### SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Three months ended March 31, 2022, with comparative information for March 31, 2021

	2022 Budget	2022 Actual	2021 Actual
Revenues:			
Taxation	\$ 228,171	\$ 232,527	\$ 216,285
Transit	134,397	117,653	90,010
Government transfers	85,265	212,961	31,192
Amortization of deferred concessionaire credit	5,739	5,739	5,739
Investment income	11,322	12,395	14,335
Development cost charges	7,881	7,881	4,232
Miscellaneous revenue	2,996	3,347	4,947
Gain (loss) on disposal of tangible capital assets	(50)	49	3
	475,721	592,552	366,743
Expenses:			
Bus operations	252,734	246,533	235,340
Corporate operations	40,377	34,551	32,200
Rail operations	123,560	116,805	113,579
Roads and bridges	52,207	44,495	35,123
Transit Police	11,241	12,007	11,151
	480,119	454,391	427,393
Surplus (deficit) for the period	(4,398)	138,161	(60,650)
Accumulated surplus, beginning of period	1,836,866	1,830,062	2,028,547
Accumulated surplus, end of period	\$ 1,832,468	\$ 1,968,223	\$ 1,967,897

## 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)

Three months ended March 31, 2022, with comparative information for March 31, 2021

	2022 Actual	2021 Actual
Surplus (deficit) for the period	\$ 138,161	\$ (60,650)
Acquisition of tangible capital assets	(87,450)	(43,634)
Amortization of tangible capital assets	57,779	56,490
Gain on disposal of tangible capital assets	(49)	(3)
Net proceeds from disposal of tangible capital assets	49	3
	(29,671)	12,856
Change in supplies inventory	(798)	(2,065)
Change in prepaid expenses	4,477	2,938
	-	873
	3,679	
Decrease (increase) in net debt	112,169	(46,921)
Net debt, beginning of period	(3,995,297)	(3,661,482)
Net debt, end of period	\$ (3,883,128)	\$ (3,708,403)

## Consolidated Statement of Cash Flows

### SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

Three months ended March 31, 2022, with comparative information for March 31, 2021

	2022	Restated 2021
Cash provided by (used for):		
Operating transactions:		
Surplus (deficit) for the period	\$ 138,161	\$ (60,650)
Non-cash changes to operations	28,982	32,989
Changes in non-cash operating working capital	(2,138,402)	601,606
Cash provided by (used for) operating transactions	(1,971,259)	573,945
Capital transactions:		
Purchase of tangible capital assets	(87,450)	(43,634)
Net proceeds from disposal of tangible capital assets	49	3
Cash used for capital transactions	(87,401)	(43,631)
Investing transactions:		
Increase in restricted cash and investments	(417,210)	(159,681)
Increase in investments	(31,715)	(90)
Increase in debt reserve deposits	(158)	(106)
Cash used for investing transactions	(449,083)	(159,877)
Financing transactions:		
Repayments of debt	(33)	(171)
Repayments of Golden Ears Bridge contractor liability	(3,161)	(2,593)
Government transfers received in advance for operational funding	2,000,000	-
Government transfers received for tangible capital additions	371,568	159,587
Cash provided by financing transactions	2,368,374	156,823
Increase (decrease) in cash and cash equivalents	(139,369)	527,260
Cash and cash equivalents, beginning of period	575,623	397,571
Cash and cash equivalents, end of period	\$ 436,254	\$ 924,831
Supplementary information:		
Interest paid	\$ 24,294	\$ 23,980

**SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**

Consolidated Statement of Cash Flows (continued)

(Expressed in thousands of dollars)

Three months ended March 31, 2022, with comparative information for March 31, 2021

	2022	2021
Non-cash changes to operations:		
Amortization of tangible capital assets	\$ 57,779	\$ 56,490
Amortization of bond premium	(822)	(807)
Amortization of deferred concessionaire credit	(5,739)	(5,739)
Amortization of deferred government transfers	(15,551)	(10,374)
Amortization of deferred lease inducements net of additions	(255)	(252)
Gain on disposal of tangible capital assets	(49)	(3)
Sinking fund interest held by Municipal Finance Authority of BC	(6,381)	(6,326)
	\$ 28,982	\$ 32,989
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	\$ (2,223,272)	\$ 623,497
Decrease in loan receivable	66,050	5,166
Increase in supplies inventory	(798)	(2,065)
Decrease in prepaid expenses	4,477	2,938
Increase (decrease) in accounts payable and accrued liabilities	8,948	(32,491)
Increase in deferred revenue and deposits	5,033	2,602
Increase in employee future benefits	1,160	1,959
	\$ (2,138,402)	\$ 601,606

## Segment Report

### South Coast British Columbia Transportation Authority

#### Segment Report

Period ended March 31, 2022

(in thousands of dollars)

	2022						
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	Total	2021
<b>Revenues:</b>							
Taxation	\$ -	\$ 232,527	\$ -	\$ -	\$ -	\$ 232,527	\$ 216,285
Transit	-	117,653	-	-	-	117,653	90,010
Government transfers	-	212,961	-	-	-	212,961	31,192
Amortization of deferred concessionaire credit	-	-	5,739	-	-	5,739	5,739
Investment income	-	12,395	-	-	-	12,395	14,335
Development cost charges	-	7,881	-	-	-	7,881	4,232
Miscellaneous revenue	2,120	620	257	10	340	3,347	4,947
Gain on disposal of tangible capital assets	-	49	-	-	-	49	3
	2,120	584,086	5,996	10	340	592,552	366,743
<b>Expenses:</b>							
Administration	5,295	4,751	1,799	7	767	12,619	10,177
Capital infrastructure contributions	-	-	-	9,016	-	9,016	239
Contracted services	18,288	3,973	32,690	1,440	-	56,391	53,763
Fuel and power	16,835	-	4,252	-	-	21,087	14,790
Insurance	4,277	99	1,691	328	23	6,418	7,280
Maintenance, materials and utilities	20,128	515	12,123	9,203	413	42,382	41,332
Professional and legal	688	2,732	417	160	88	4,085	3,255
Rentals, leases and property tax	4,544	3,452	413	155	533	9,097	8,105
Salaries, wages and benefits	133,825	14,028	32,276	360	10,030	190,519	186,477
Expenses before amortization and interest	203,880	29,550	85,661	20,669	11,854	351,614	325,418
Amortization of tangible capital assets	28,449	3,336	20,771	5,122	101	57,779	56,490
Interest	14,204	1,665	10,373	18,704	52	44,998	45,485
Amortization and interest	42,653	5,001	31,144	23,826	153	102,777	101,975
Total Expenses	246,533	34,551	116,805	44,495	12,007	454,391	427,393
Surplus (deficit), for the period	\$ (244,413)	\$ 549,535	\$ (110,809)	\$ (44,485)	\$ (11,667)	\$ 138,161	\$ (60,650)



## Appendix II – Operating Indicators

OPERATING INDICATORS							
Three months ended March 31	YTD 2022	YTD 2021	Change		YTD 2022	Budget Variance	
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET	Fav/(Unfav)	%
<b>Safety: Customer Injuries (per 1 million boarded passengers, unless otherwise stated)<sup>1</sup></b>							
Bus & SeaBus <sup>2,3</sup>	3.4	5.0	1.6	32.0%	5.3	1.9	35.8%
SkyTrain: Expo & Millennium Lines	0.8	0.8	-	-	1.0	0.2	20.0%
West Coast Express	-	-	-	-	-	-	-
HandyDART (per 100,000 boarded passengers)	0.9	2.0	1.1	55.0%	0.4	(0.5)	(125.0%)
<b>Safety: Employee Lost Time Frequency</b>							
Bus & SeaBus (per 200,000 Hours Worked) <sup>4a</sup>	10.5	7.9	(2.6)	(32.9%)	7.9	(2.6)	(32.9%)
SkyTrain: Expo & Millennium Lines (per 200,000 Hours Worked)	6.8	3.2	(3.6)	(112.5%)	4.0	(2.8)	(70.0%)
West Coast Express (per 200,000 Hours Worked)	-	-	-	-	-	-	-
HandyDART (per 200,000 Hours Worked)	15.2	14.3	(0.9)	(6.3%)	13.0	(2.2)	(16.9%)
<b>Safety: Bus &amp; SeaBus Operator Assaults (per 1 Million Service Hours)<sup>4b</sup></b>	11.6	15.4	3.8	24.7%	11.6	-	-
<b>Ridership: Boarded Passengers (Thousands)<sup>3</sup></b>							
Bus & SeaBus	43,231	30,090	13,141	43.7%	50,397	(7,166)	(14.2%)
SkyTrain: Expo & Millennium Lines	16,771	11,085	5,686	51.3%	19,704	(2,933)	(14.9%)
SkyTrain: Canada Line	6,513	3,862	2,651	68.6%	7,127	(614)	(8.6%)
West Coast Express	169	101	68	67.3%	201	(32)	(15.9%)
HandyDART	232	150	82	54.7%	252	(20)	(7.9%)
<b>Ridership: Journeys (Thousands)<sup>3</sup></b>							
Overall System	39,519	26,111	13,408	51.4%	44,477	(4,958)	(11.1%)
<b>Vehicle Service Delivery: Percentage of Service Hours Delivered<sup>4b</sup></b>							
Bus & SeaBus	98.9%	97.8%	1.1%	1.1%	98.0%	0.9%	0.9%
SkyTrain: Canada Line <sup>5</sup>	100.0%	100.0%	-	-	100.0%	-	-
HandyDART	99.7%	99.9%	(0.2%)	(0.2%)	99.8%	(0.1%)	(0.1%)
<b>Vehicle Service Delivery: Percentage of Train Trips Delivered</b>							
SkyTrain: Expo & Millennium Lines <sup>4c</sup>	98.9%	99.5%	(0.6%)	(0.6%)	99.7%	(0.8%)	(0.8%)
West Coast Express	99.2%	99.5%	(0.3%)	(0.3%)	99.9%	(0.7%)	(0.7%)
<b>Vehicle Punctuality: On-Time Performance</b>							
Bus (3 minutes late < On-Time < 1 minute early) <sup>4d</sup>	83.6%	n/a	n/a	n/a	82.0%	1.6%	2.0%
SkyTrain: Expo & Millennium Lines (headway + 3 minutes) <sup>4c</sup>	96.0%	97.3%	(1.3%)	(1.3%)	96.5%	(0.5%)	(0.5%)
West Coast Express (headway + 5 minutes)	89.4%	94.5%	(5.1%)	(5.4%)	97.8%	(8.4%)	(8.6%)
HandyDART (earlier than and within 15 minutes of Scheduled Pick-Up Time)	94.5%	97.0%	(2.5%)	(2.6%)	90.0%	4.5%	5.0%
<b>Vehicle Reliability: Mean Distance Between Failure</b>							
Bus <sup>4d</sup>	26,381	n/a	n/a	n/a	29,917	(3,536)	(11.8%)
<b>Vehicle Reliability: Mean Distance Between Service Removals</b>							
SkyTrain: Expo & Millennium Lines <sup>4e</sup>	207,654	242,896	(35,242)	(14.5%)	215,000	(7,346)	(3.4%)
<b>HandyDART Vehicle Productivity</b>							
Trips per Service Hour (excludes Taxis)	1.9	1.3	0.6	46.2%	2.3	(0.4)	(17.4%)
Trip Denials	6	1	(5)	> (200.0%)	59	53	89.8%
<b>Environmental</b>							
Bus & SeaBus (Spills per 1 Million Km) <sup>4f</sup>	2.4	n/a	n/a	n/a	2.0	(0.4)	(20.0%)
Bus & SeaBus (Revenue Vehicle Energy Consumption in Gigajoules) <sup>6</sup>	490,285	460,888	(29,397)	(6.4%)	521,767	31,482	6.0%
<b>Customer Service: Customer Satisfaction (overall score of 10)</b>							
Overall System <sup>7</sup>	8.0	8.3	(0.3)	(3.6%)	8.0	-	-
Bus & SeaBus	8.1	8.4	(0.3)	(3.6%)	8.2	(0.1)	(1.2%)
SkyTrain: Expo & Millennium Lines	8.3	8.6	(0.3)	(3.5%)	8.3	-	-
SkyTrain: Canada Line	8.7	8.8	(0.1)	(1.1%)	8.7	-	-
West Coast Express	8.9	9.0	(0.1)	(1.1%)	8.6	0.3	3.5%
<b>Customer Service: Customer Complaints<sup>3</sup></b>							
Overall System (per 1 million boarded passengers) <sup>4g, 7</sup>	73.8	n/a	n/a	n/a	88.7	14.9	16.8%
Bus & SeaBus (per 1 million boarded passengers) <sup>4g</sup>	82.0	n/a	n/a	n/a	119.0	37.0	31.1%
SkyTrain: Expo & Millennium Lines (per 1 million boarded passengers) <sup>4g</sup>	17.5	n/a	n/a	n/a	17.9	0.4	2.2%
SkyTrain: Canada Line (per 1 million boarded passengers) <sup>4g</sup>	4.6	n/a	n/a	n/a	6.2	1.6	25.8%
West Coast Express (per 1 million boarded passengers) <sup>3</sup>	237.3	247.5	10.2	4.1%	216.0	(21.3)	(9.9%)
HandyDART (complaints per one hundred thousand boarded passengers) <sup>8</sup>	212.4	142.1	(70.3)	(49.5%)	288.1	75.7	26.3%
<b>Financial: Operating Costs</b>							
Overall System (operating cost per capacity km) <sup>4h, 7, 9</sup>	\$0.104	\$0.118	0.014	11.9%	\$0.102	(0.002)	(2.0%)
Bus & SeaBus (operating cost per capacity km) <sup>4h</sup>	\$0.136	\$0.190	0.054	28.5%	\$0.132	(0.004)	(3.0%)
SkyTrain: Expo & Millennium Lines (operating cost per capacity km) <sup>4h</sup>	\$0.045	\$0.042	(0.003)	(7.1%)	\$0.046	0.001	2.2%
SkyTrain: Canada Line (operating cost per capacity km) <sup>4h</sup>	\$0.132	\$0.140	0.008	5.7%	\$0.133	0.001	0.8%
West Coast Express (operating cost per capacity km) <sup>4h</sup>	\$0.198	\$0.213	0.015	7.1%	\$0.231	0.033	14.3%
HandyDART (operating cost per trip)	\$59.01	\$85.32	\$26.310	30.8%	\$43.36	(15.65)	(36.1%)
<b>Financial: Operating Cost Recovery</b>							
TransLink (conventional system) <sup>10</sup>	37.6%	30.6%	7.0%	22.8%	41.6%	(4.0%)	(9.6%)

Footnotes for Appendix II begin on the following page.

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

<sup>2</sup> The Customer Injuries rate for 2021 has been restated to reflect the latest information available.

<sup>3</sup> The YTD 2021 ridership figures were restated at the end of 2021 to reflect final ridership figures.

<sup>4</sup> In December 2020, TransLink was the victim of a cyberattack. Immediate action and protective measures were taken by TransLink including the shut down of multiple network systems. As a result, in the first quarter in 2021, due to the unavailability of certain applications, some datasets are incomplete and/or required estimates. The following operating indicators have been impacted:

<sup>4a</sup> The YTD 2021 number of hours worked on Bus and SeaBus has been restated to reflect the final figure.

<sup>4b</sup> The YTD 2021 service hours have been restated to reflect the final service hours.

<sup>4c</sup> The YTD 2021 delayed and cancelled trips have been restated as it they had been based on best available data at the time of reporting.

<sup>4d</sup> Data was not available for January 1 to March 31, 2021.

<sup>4e</sup> The YTD 2021 service kilometres have been restated to reflect the final service kilometres.

<sup>4f</sup> Spills data was not available for January 1 to March 31, 2021.

<sup>4g</sup> The YTD 2021 limited complaints data was compiled manually, primarily based on simplified feedback forms submitted through e-mail. The exception of selected services (West Vancouver's Blue Bus, HandyDART and Compass Vending Machines) was unaffected as information is recorded in separate external systems and were unaffected by the cyberattack. While Translink was able to collect the full boardings data from January 1 to March 31, 2021, the incomplete nature of the complaint dataset impairs accurate comparative analysis for the ratio of Complaints per million Boarded Passengers.

<sup>4h</sup> The YTD 2021 capacity kilometres data has been restated to reflect the final capacity kilometres.

<sup>5</sup> Canada Line does not provide actual service delivery statistics, using scheduled service hours for reporting purposes.

<sup>6</sup> The YTD 2021 Revenue Vehicle Energy Consumption data has been restated to reflect the latest information available.

<sup>7</sup> Excludes HandyDART.

<sup>8</sup> The ratio of HandyDART complaints per one hundred thousand boarded passengers has combined both the Operator Complaints with the Service Complaints as a percentage of trips metrics to remain consistent with the Year-End Financial and Performance Report.

<sup>9</sup> Includes operating costs of Bus, Rail, and Transit Police. Excludes amortization and interest expense.

<sup>10</sup> 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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