



2024 Year-End Financial and Performance Report



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Caution Regarding Forward-Looking Statements

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

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the 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

Due to the unavailability of certain applications following the December 2020 cyber attack, 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. Financial and Performance Summary

Keeping the Region Moving

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

The [2024 Business Plan](#) focused on upcoming system expansion while maintaining service levels and high service quality in an environment of significant cost pressures. Several service enhancements were made during 2024, such as various bus service improvements implemented in September 2024 to address existing and emerging overcrowding, the SeaBus service change where weekday morning service now begins 15 minutes earlier, and an increase in the number of cars from 36 to 38 on West Coast Express (WCE). [Capstan Station](#) was officially opened on the Canada Line in December 2024. Other investments centred around service quality and resiliency were maintained, the transit system was kept in a state of good repair and to enhance the customer experience.

As part of the [Management Action Plan](#) to mitigate the structural funding deficit emerging in 2026, TransLink committed to cost reduction and financial optimization measures that are expected to total \$90 million annually. During the latter part of 2024, these cost efficiency initiatives were implemented, achieving savings of \$19.7 million. TransLink continues to work with government partners to secure new, sustainable sources of funding.

Ridership growth in 2024 was steady, following typical seasonal patterns, with an overall increase driven by population growth and increasing transit usage by commuters. Ridership in 2024 was 240.9 million journeys, exceeding budget by 2.9 per cent, representing a growth of 3.3 per cent over 2023. Average weekday, Saturday and Sunday/Holiday journeys all grew compared to 2023 despite some disruption to services due to labour action.

For the year ended December 31, 2024, TransLink recorded a surplus of \$300.6 million based on Canadian Public Sector Accounting Standards, which was \$250.1 million favourable to budget. This is mainly due to a one-time increase in property tax revenue to fund system's urgent transit needs, higher than budgeted investment income and higher transit revenue due to higher than anticipated ridership. Additionally, changes in schedules, including Broadway Subway and Surrey Langley SkyTrain projects, as well as municipal infrastructure projects resulted in lower costs and contributions which led to a favourable budget variance. This was partially offset by lower revenue recognized from government capital transfers due to project delays and lower fuel tax revenue due to growing zero-emission vehicle adoption, as well as higher than budgeted interest expense.

TransLink continues to closely monitor cost escalations including potential inflationary pressures caused by anticipated upcoming tariffs to ensure Metro Vancouverites can continue to move around the region as effectively as possible and count on reliable service. At the same time, TransLink is balancing the priorities of upholding safety and ensuring quality service, while operating within a tight fiscal envelope.

Key Priorities

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

The following outline the key accomplishments in 2024.

Priority One: Deliver Today

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

- Achieved 99.5 per cent service delivery for British Columbia Rapid Transit Company Ltd. (BCRTC) with 94.1 per cent of service being on time.
- Capstan Station opened on the Canada Line on December 20, 2024
- SkyTrain Customer Operations Telecommunication (SCOT) was launched, modernizing TransLink's communication infrastructure.
- Expanded the Cleaning and Maintenance text line to include 3 more stations (King George, Metrotown, and Main Street stations) bringing the number of stations in this program to six.
- Transformed 179 bus stops to be wheelchair accessible in 2024, exceeding the target of 150.
- Passenger queue system has been installed at Newton Exchange and Scott Road Station bus loop for the R6 route. Safety audits have been conducted to improve customer safety and efficiency.
- 27 On-system Newcomers Travel Training sessions with S.U.C.C.E.S.S. and Immigration Services Society of BC were facilitated, reaching over 550 participants.
- Through 2024, over 115 actively engaged and passionate Community Transit Volunteers assisted more than 21,000 transit customers with wayfinding and transit-related inquiries at major transit hubs.
- New [NightBus](#) maps were launched to help customers navigate better during evening hours. TransLink Wayfinding has been recognized as best in class by the Canadian Standards Association.
- Cross-team collaboration allowed for a strong and successful experience for customers during the Taylor Swift Eras tour concerts, with an integrated, end-to-end approach across the Enterprise resulting in a 80 per cent+ Customer Satisfaction scores for the weekend during the record-breaking ridership.
- Enrolled 16 new employers in the [Transit Friendly Employer \(TFE\) program](#).
- 41 real estate developments enrolled in the [Compass for Developments program](#), set to deliver 6,000 new passes to residents.
- Hosted a BRT Conference on June 26 for more than 140 elected officials, municipal staff, and key stakeholders with a roster of international BRT and transit experts sharing their experiences and key takeaways for Metro Vancouver.
- Revised Procurement Policy to include Indigenous Procurement Principles and Sustainable Procurement Principles.

- Recurring transit alerts for customers now in effect.
- The second and third classes of Community Safety Officers (CSOs) graduated in 2024, and the 24 graduates were deployed as part of the police service.

Priority Two: Deliver Tomorrow

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

- Three new Mark V trains were received and assembled at the Burnaby maintenance yard. Testing and commissioning are in progress.
- The construction phase of the new Operations and Control Centre building is 95 per cent complete. The system installation phase is progressing, and the project is on track to be operational by Q3 2026, well before the opening of the [Broadway Subway Project \(BSP\)](#).
- The Province completed tunnel boring for the BSP in July. Construction work on stations is progressing as planned.
- Three contracts (guideway, stations, and systems) for construction of the [Surrey Langley SkyTrain \(SLS\)](#) project were awarded by the Province in August. Construction officially began in November with piling and foundation work at the future Bakerview-166th Street Station, Langley City Centre Station, and 152nd Street Stations.
- Work continued on Compass Modernization Program to finalize program vision and the business case.
- Request For Information for HR Digital Transformation project was conducted in summer and Request For Proposal (RFP) scope validation was concluded in December. Governance model has been assigned, project team onboarded and work on current workflows has begun.
- The Enterprise Digital Strategy was finalized in December, execution plan is being established based on the initial priorities laid out in the strategy.
- The new [Customer Experience Action Plan](#) is in the initial stages of planning and ideation, and a working team is in place. Research has begun on core customer values with some early considerations for the areas of focus determined.
- Zero Emission Playbook was developed in 2024 with a targeted completion date in the spring of 2025. Implementation strategy and governance model are being developed and will be rolled out in 2025.

Priority Three: Deliver Together

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

- With the support of Equity Diversity Inclusion (EDI), Employee Resource Groups and HR leaders, maternity leave top up has been approved, as well as gender affirming care and family planning supports for same-sex couples.
- Concluded Phase 2 of the Future of Work assessment, with the implementation of WeCare days, paid sabbaticals, and new guidelines for working outside of British Columbia.
- All 'Year 2' actions from the [Climate Action Plan](#) are underway and/or completed. Transit Centre flood risk assessment contract has been awarded, with assessments to be completed in 2025. Priority actions for Year 3 are completion of assessments and advancement of building design guidelines.
- EDI team, alongside the Pride and Allies employee resource group, successfully implemented gender-inclusive washrooms at all work locations across the Enterprise.
- Transit Police completed six one-day Experiential Indigenous Learning sessions held in partnership with the Kwantlen First Nation, taken by a total of 209 Transit Police Officers, senior leaders, civilian professionals, and Police Board members.
- Hosted the Union International des Transports Publics (UITP) North America conference in June and included technical tours across TransLink's system for the delegates.

2. 5 Year Summary

An agreement for additional \$478.9 million of Provincial relief funding was signed in March 2023, adding to the previous Senior Government relief funding of \$851.8 million received between 2020 and 2022 that has allowed TransLink to maintain service at near pre-pandemic levels and affordable fare rate increases through 2020-2024. This provided a financial foundation for the Enterprise to offset revenue losses and high inflationary pressures and maintain service levels and planned operations through to the end of 2025, while continuing to work on addressing the structural revenue gap. Further, the [2024 Investment Plan](#) included a one-time increase of \$80 million in 2024 to TransLink's portion of property tax to fund the system's urgent transit needs. Translink ended 2024 with \$684.3 million in unrestricted cash and investment, well above the policy limit.

Throughout the past five years, TransLink continued to keep the region moving, including increased service hours to meet the increased demand and continued to provide safe, reliable transportation under increasingly tight fiscal pressure.

Ridership in 2020 and 2021 had fallen to below 50 per cent of pre-pandemic volumes seen in 2019, resulting in a reversal of historical ridership growth. Throughout the pandemic, ridership gradually recovered and, in the fall of 2022, exceeded 80 per cent of pre-COVID levels, despite disruptions caused by the Omicron variant in the initial months of the year. 2023 was a year of ridership stabilization and consistency. Population growth of 3.4 per cent in Metro Vancouver in 2024 continued to exceed the average annual pre-COVID rate of 1.5 per cent, which contributed to ridership growth of 3.3 per cent in 2024.

The collapse in the cost recovery ratio in 2020-2021 reflected the pandemic's dramatic impact on ridership and transit revenues, during which time service levels were maintained at largely pre-pandemic levels. The cost recovery ratio increased by 0.4 percentage points from 2023 to 2024 as a result of increased ridership and transit revenue in 2024. The cost recovery ratio increased by a Compound Annual Growth Rate (CAGR) of 8.4 per cent over the past five years due to continued ridership recovery since the onset of the pandemic in 2020.

Key financial and operating indicators are shown in the following table which provides a five-year historical summary.

5 YEAR PERFORMANCE TRENDS								
Year ended December 31 (all numbers in millions unless otherwise stated)	2020	2021	2022	2023	2024	COMPARISON TO 2023		Compound Annual Growth Rate (CAGR)
						Fav / (Unfav)	%	
FINANCIAL INDICATORS								
Unrestricted cash and investments ¹	493.6	741.2	857.8	671.1	684.3	13.2	2.0%	8.5%
Tangible capital assets	5,579.6	5,704.2	5,765.5	6,141.9	6,840.4	698.5	11.4%	5.2%
Net direct debt ²	2,645.7	2,466.9	2,586.5	2,705.9	2,827.7	(121.8)	(4.5%)	1.7%
Indirect P3 debt ³	1,480.2	1,445.7	1,408.9	1,369.5	1,327.3	42.2	3.1%	(2.7%)
Total net direct debt and indirect P3 debt	4,125.9	3,912.6	3,995.4	4,075.4	4,155.0	(79.6)	(2.0%)	0.2%
Gross interest cost as a % of operating revenue ⁴	14.4%	13.0%	11.2%	10.4%	10.3%	0.1%	1.0%	(8.0%)
OPERATING INDICATORS								
Scheduled Transit Service								
Overall performance rating (out of 10)	8.2	8.2	8.0	8.0	7.8	(0.2)	(2.5%)	(1.2%)
Service hours ^{5a}	6.9	7.0	7.0	7.1	7.2	0.1	1.4%	1.1%
Total cost recovery ratio ⁶	33.6%	33.5%	41.8%	46.0%	46.4%	0.4%	0.9%	8.4%
Operating cost per capacity kilometre ⁷	\$0.097	\$0.111	\$0.108	\$0.115	\$0.126	(\$0.011)	(9.6%)	6.8%
Complaints per million boarded passengers ^{*5b, 8}	103.3	92.8	74.0	70.7	75.0	(4.3)	(6.1%)	(7.7%)
Access Transit Service								
Number of trips (thousands)	620.1	695.6	964.9	1,175.9	1,165.8	(10.1)	(0.9%)	17.1%
Operating cost per trip *	\$75.14	\$69.70	\$57.73	\$54.79	\$57.11	(\$2.3)	(4.2%)	(6.6%)
Number of trips denied (thousands)	0.4	0.1	0.9	1.1	2.1	(1.0)	(90.9%)	51.4%
Complaints per 100,000 boarded passengers *	178.6	209.7	255.2	242.9	262.0	(19.1)	(7.9%)	10.1%
Ridership ⁸								
Boarded passengers (system)	218.8	223.5	325.9	391.6	404.2	12.6	3.2%	16.6%
Journeys (system)	128.0	130.9	193.6	233.2	240.9	7.7	3.3%	17.1%
Average fare per journey (scheduled)*	\$2.82	\$2.93	\$2.70	\$2.69	\$2.82	\$0.13	4.8%	-
REGIONAL INDICATORS ⁹								
Population of Service Region	2.75	2.77	2.85	2.97	3.07	0.10	3.4%	2.8%
Employment of Service Region	1.39	1.51	1.55	1.58	1.60	0.02	1.3%	3.6%

* Per unit calculation

¹ This represents the accumulated funded resources as calculated under the *South Coast British Columbia Transportation Authority Act* and is the amount of resources available to fund future operations.

² Includes bonds, debentures, capital leases, short-term debt net of sinking funds and debt reserve deposits.

³ Includes deferred concessionaire credit for Canada Line and contractor liability for Golden Ears Bridge.

⁴ Operating revenue is total revenue less Government transfers for capital projects and Senior Government relief funding, Development Cost Charges, investment income, miscellaneous revenue, gain (loss) on disposal on tangible capital assets and amortization of deferred concessionaire credit.

⁵ In December 2020, TransLink was the victim of a cyberattack. Immediate action and protective measures were taken by TransLink including the shutdown of multiple network systems. As a result, due to the unavailability of certain applications, some datasets are incomplete and/or required estimates. The following Operating Indicators have been impacted, and to support comparability, alternative estimates have been made, as described below in 5a and 5b:

^{5a} CMBC Service hours estimated for November 2020 to December 2021 are based on the best available data at the time of reporting to maintain consistency within the reporting period.

^{5b} TransLink was not able to capture complete complaint data from November 28, 2020 to August 18, 2021. To normalize the 2020 and 2021 metrics, boarded passenger totals are aligned with the periods when complaint data was fully available, being January 1 to November 27 for 2020 and September 1 to December 31 for 2021 – September being the first month of complete data in 2021.

⁶ Includes operating costs of Bus, Rail, Transit Police and Corporate Ongoing.

⁷ Includes operating costs of Bus, Rail and Transit Police (excludes Corporate and Access Transit costs).

⁸ Ridership estimates for 2020 differ from the methodology used in previous years as a result of the temporary suspension of fare collection on buses in the first months of the COVID-19 pandemic, the replacement of fareboxes on buses and the December 2020 cyberattack.

⁹ The region's population and employment figures for 2020 through 2023 have been restated to reflect the latest information available.

Financial Indicators

Strict financial discipline and prudent fiscal management has helped TransLink to maintain financial strength to support the organization through the acute stage of the COVID-19 pandemic and beyond. Early in the pandemic, the organization immediately put in place measures to reduce costs and worked with Senior Government to secure relief funding that enabled the continued provision of essential transit services in the region. In June 2024, TransLink announced the [Management Action Plan](#) and committed to cost reduction and financial optimization measures to mitigate the projected structural funding deficit emerging in 2026. Financial indicators are measured and monitored throughout the year to ensure tight fiscal management.

TransLink's unrestricted cash and investments is a metric representing the accumulated funding resources as defined by the [South Coast British Columbia Transportation Authority Act](#) (the SCBCTA Act). This represents the amount of resources available to fund future operations. Unrestricted cash and investments increased by \$13.2 million (2.0 per cent) from 2023 mainly due to the receipt of \$85.8 million of Senior Government relief funding committed to in 2023, partially offset by net outflows from operations in 2024.

From 2020 to 2024, capital assets increased by a CAGR of 5.2 per cent to support expansion and maintain the transit system in a state of good repair. Capital assets increased by \$698.5 million (11.4 per cent) in 2024. Refer to Section Changes in Financial Position – Non-Financial Assets for details on changes in capital assets.

Net direct debt has increased by \$182.0 million since 2020, a 1.7 per cent CAGR increase. The increase in debt supports capital investments for both expansion projects and maintaining assets in a state of good repair. Compared to 2023, net direct debt increased by \$121.8 million (4.5 per cent). This was primarily the result of a TransLink bond issuance of \$300.0 million net of a \$5.8 million discount, partially offset by an increase to TransLink's self-administered sinking fund of \$113.0 million, and net reductions in Municipal Finance Authority of BC (MFABC) held debt of \$59.4 million.

Indirect Public-Private Partnership (P3) debt, which includes the liability owed to the Golden Ears Bridge (GEB) contractor and the Canada Line deferred concessionaire credit, has declined by \$152.9 million (2.7 per cent CAGR) since 2020. Compared to 2023, indirect P3 debt decreased by \$42.2 million (3.1 per cent) due to the amortization of the Canada Line deferred concessionaire credit and repayment of the GEB contractor liability.

Gross interest costs as a percentage of operating revenues peaked at 14.4 per cent in 2020 because of the impact of COVID-19 on 2020 operating revenues. By 2023, the ratio resolved back down to 10.4 per cent and continued to decrease to 10.3 per cent in 2024, closely aligning with historical averages. TransLink continues to operate well within its policy limit of 20.0 per cent.

Operating Indicators

Operational trends include key performance metrics of service delivered to Metro Vancouver residents and transit ridership. In 2024, TransLink continued to monitor and measure its performance to strengthen its operations and provide customers with a positive experience.

Scheduled Transit Service

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

The overall combined performance rating, which measures the average customer satisfaction across the entire system, decreased by 0.2 from last year to an annual average rating of 7.8 for 2024. This decrease was anticipated, as ridership continued to grow, leading to overcrowding for many customers. The score this year is more in line with scores seen in 2019, prior to the significant shifts in ridership due to the COVID-19 pandemic.

Service hours increased by 1.4 per cent to 7.2 million hours in 2024. Over the past five years, service hours have increased by a CAGR of 1.1 per cent. Since the onset of the pandemic, travel behaviours have evolved and began stabilizing in 2023. In response, TransLink has been focusing on addressing overcrowding by increasing frequency to meet customer demand.

The total cost recovery ratio, measuring the percentage of direct operating costs covered by transit revenues, increased by 0.4 percentage points from 2023 to 2024 as a result of increased ridership and transit revenue recovery in 2024. The cost recovery ratio increased by a CAGR of 8.4 per cent over the past five years due to continued ridership recovery since the onset of the pandemic in 2020.

Operating cost per capacity kilometre increased by a CAGR of 6.8 per cent over the five-year period. This metric improved by 3.1 per cent from \$0.111 in 2021 to \$0.108 in 2022 as a result of lifting of bus seating restrictions on July 1, 2021, which increased the capacity by approximately one-third of a regular passenger load on conventional bus transit. However, operating cost per capacity kilometre increased by 6.5 per cent in 2023 and 9.6 per cent in 2024 as a result of higher labour costs and higher maintenance costs driven by inflation and increased maintenance to keep aging fleet and infrastructure in a state of good repair.

Complaints per million boarded passengers has improved by a CAGR of 7.7 per cent over the past five years. The improvement is mainly attributed to SkyTrain's ongoing maintenance program on rail replacement and rail grinding, alleviating noise levels for residents and improving customer ride quality, as well as the prompt communication to passengers about all potential travel delays caused by weather and single tracking maintenance program. The complaints per million boarded passenger indicators for 2020 and 2021 had incomplete complaints data from November 28, 2020 to September 1, 2021 due to the shutdown of multiple network systems which impairs comparative analysis. Complaints per million boarded passengers in 2024 were 6.1 per cent higher than last year mainly due to increased complaints during labour action.

Access Transit Service

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

Total Access Transit trips provided in 2024 were 10.1 thousand (0.9 per cent) lower than 2023, mainly due to HandyDART operating for most of September at essential service levels due to job action by Amalgamated Transit Union (ATU) Local 1724, the union representing HandyDART employees. TransLink remains committed to ensuring services are fully available for passengers unable to use conventional public transit without assistance.

Operating cost per trip increased by \$2.3 (4.2 per cent) from \$54.8 in 2023 to \$57.1 in 2024, mainly due to higher labour and maintenance costs. The operating cost per trip has decreased by a CAGR of 6.6 per cent over the past five years. During the pandemic, reduced trip demand and vehicle capacity limits led to sharp increase in operating cost per trip. As trip demand increased and capacity limits were lifted, the operating cost per trip has stabilized at lower levels from 2022 to 2024.

Although the number of trips denied has increased over the five-year period, the denial remains low during 2020 to 2023 representing less than 1.0 per cent of the total trips delivered. The number of trips denied was higher in 2024 due to job action by ATU Local 1724.

Complaints per one hundred thousand boarded passengers increased by a CAGR of 10.1 per cent over the past five years mainly due to the increase in taxi complaints. In 2024, complaints per one hundred thousand boarded passengers increased by 7.9 per cent over 2023, mainly due to operator behaviour and scheduling. Transdev, the company operating HandyDART service, continues to actively address these concerns by implementing programs focused on operator training and improving scheduling. Transdev remains committed to their hiring initiatives, which are currently in place to address recruitment challenges and improve customer experience.

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

Ridership

A boarding represents each time a passenger enters a fare-paid zone using Compass fare media or other proof of payment, including transfers. In 2024, total system boardings were 404.2 million, 3.2 per cent higher compared to 2023. Journeys represent a complete transit trip using Compass fare media or other proof of payment, regardless of the number of transfers. Compared to 2023, total system journeys in 2024 increased by 3.3 per cent to a total of 240.9 million.

Ridership growth in 2024 was steady, following typical seasonal patterns, with an overall increase driven by population growth and some growth from commuters increasing transit usage. Labour action in 2024 interrupted CMBC services for two days in January, WCE services for two days in August and HandyDART services for eight weeks in August and September. Average weekday journey growth in 2024 was 3.0 per cent vs 2023, slightly higher than average Saturday journey growth at 1.9 per cent and average Sunday/Holiday journey growth at 2.6 per cent.

The average fare per journey was \$2.82 for 2024, an increase of \$0.13 (4.8 per cent) relative to 2023 and \$0.07 (2.4 per cent) relative to the 2024 Budget.

3. Consolidated Statement of Operations Analysis

CONSOLIDATED REVENUES AND EXPENSES Year ended December 31 (\$ thousands)	YEAR OVER YEAR				ACTUAL TO BUDGET		
	2024	2023	CHANGE		2024	CHANGE	
	ACTUAL	ACTUAL	Fav/(Unfav)	%	BUDGET ²	Fav/(Unfav)	%
Revenue							
Taxation	1,078,147	978,412	99,735	10.2%	1,012,095	66,052	6.5%
Transit	718,737	671,560	47,177	7.0%	679,618	39,119	5.8%
Government transfers	424,922	715,668	(290,746)	(40.6%)	487,716	(62,794)	(12.9%)
Amortization of deferred concessionaire credit	23,337	23,273	64	0.3%	23,337	-	-
Investment income	213,519	192,228	21,291	11.1%	149,679	63,840	42.7%
Development Cost Charges	91,278	17,301	73,977	> 200.0%	52,700	38,578	73.2%
Miscellaneous revenue	66,179	19,966	46,213	> 200.0%	16,609	49,570	> 200.0%
Sub Total Continuing Operations	2,616,119	2,618,408	(2,289)	(0.1%)	2,421,754	194,365	8.0%
Gain (Loss) on disposal of tangible capital assets	332	8,085	(7,753)	(95.9%)	(798)	1,130	141.6%
Total Revenue	2,616,451	2,626,493	(10,042)	(0.4%)	2,420,956	195,495	8.1%
Expenses							
Bus Operations	1,015,531	945,537	(69,994)	(7.4%)	1,021,572	6,041	0.6%
Rail Operations	449,811	404,951	(44,860)	(11.1%)	457,705	7,894	1.7%
Transit Police	59,562	52,706	(6,856)	(13.0%)	61,689	2,127	3.4%
Corporate Operations	158,323	139,367	(18,956)	(13.6%)	167,042	8,719	5.2%
Roads and Bridges	145,891	151,116	5,225	3.5%	151,791	5,900	3.9%
Amortization of tangible capital assets ¹	266,303	259,680	(6,623)	(2.6%)	273,527	7,224	2.6%
Interest ¹	194,141	180,455	(13,686)	(7.6%)	178,607	(15,534)	(8.7%)
Sub Total Continuing Operations	2,289,562	2,133,812	(155,750)	(7.3%)	2,311,933	22,371	1.0%
Corporate One-time	26,281	19,778	(6,503)	(32.9%)	58,505	32,224	55.1%
Total Expenses	2,315,843	2,153,590	(162,253)	(7.5%)	2,370,438	54,595	2.3%
Surplus (Deficit) for the Year	300,608	472,903	(172,295)	(36.4%)	50,518	250,090	> 200.0%

¹ Amortization and Interest shown separately to facilitate analysis

² 2024 Budget has been restated to conform with the consolidated financial statement presentation adopted in 2023 and to reflect budget transfers during the year.

Consolidated Revenues

The *SCBCTA Act* provides TransLink with access to revenue sources to fund the provision and support of transportation services. Continuing revenue streams are mainly comprised of taxation, transit fares, and government transfers to fund capital program.

Total revenue was \$10.0 million (0.4 per cent) lower compared to 2023, primarily because the provincial relief funding of \$478.9 million was recognized in March 2023, according to Canadian Public Sector Accounting Standards. Excluding the provincial relief funding, TransLink's 2024 revenue was \$468.9 million higher than in 2023, mainly due to higher revenue from all streams, except for fuel tax revenue.

Total revenue for 2024 was \$195.5 million (8.1 per cent) favourable to budget mainly due to a one-time increase in property tax revenue, favourable investment income, miscellaneous revenue, transit revenue and higher revenue from Development Cost Charges (DCC). This was partially offset by lower revenue recognized from government capital transfers, and unfavourable fuel tax revenue.

Taxation

TAXATION REVENUES	YEAR OVER YEAR				ACTUAL TO BUDGET			
	Year ended December 31 (\$ thousands)	2024	2023	CHANGE		2024	BUDGET VARIANCE	
		ACTUAL	ACTUAL	Fav/ (Unfav)	%	BUDGET	Fav/ (Unfav)	%
Fuel tax	368,106	390,523	(22,417)	(5.7%)	389,469	(21,363)	(5.5%)	
Property tax	579,087	463,133	115,954	25.0%	493,224	85,863	17.4%	
Parking sales tax	89,551	83,758	5,793	6.9%	88,039	1,512	1.7%	
Hydro levy	23,601	23,080	521	2.3%	23,363	238	1.0%	
Replacement tax	17,802	17,918	(116)	(0.6%)	18,000	(198)	(1.1%)	
Total Taxation	1,078,147	978,412	99,735	10.2%	1,012,095	66,052	6.5%	

Fuel tax revenue was \$22.4 million (5.7 per cent) lower than 2023 and \$21.4 million (5.5 per cent) unfavourable to budget, primarily because of a continuous decline in fuel consumption driven by an increase in zero-emission and fuel-efficient vehicles, and a refund of prior years' fuel tax overpayment.

Property tax revenue was \$116.0 million (25.0 per cent) higher than 2023 and \$85.9 million (17.4 per cent) favourable to budget, primarily due to a one-time increase of \$80.0 million in total standard property tax collected for the 2024 year only to fund the system's urgent transit needs, as well as from new development and construction growth. Furthermore, year-over-year property tax increases are contributed to standard property tax revenue increases approved in 2024 Investment Plan.

Parking sales tax revenue saw an increase of \$5.8 million (6.9 per cent) compared to 2023 and was \$1.5 million (1.7 per cent) favourable to budget due to demographic shifts and changes in travel behavior.

Transit

TRANSIT REVENUES	YEAR OVER YEAR				ACTUAL TO BUDGET			
	Year ended December 31 (\$ thousands)	2024	2023	CHANGE		2024	BUDGET VARIANCE	
		ACTUAL	ACTUAL	Fav/ (Unfav)	%	BUDGET ¹	Fav/ (Unfav)	%
Fares	536,175	493,006	43,169	8.8%	503,602	32,573	6.5%	
Program	142,347	135,571	6,776	5.0%	140,332	2,015	1.4%	
Total Fare and Program Revenue	678,522	628,577	49,945	7.9%	643,934	34,588	5.4%	
Other	40,215	42,983	(2,768)	(6.4%)	35,684	4,531	12.7%	
Total Transit	718,737	671,560	47,177	7.0%	679,618	39,119	5.8%	

¹2024 Budget has been restated to conform with the consolidated financial statement presentation adopted in 2023.

Transit revenue includes revenue related to fares and programs, as well as other transit-related revenue. Fare revenue consists of single use cash fares, Stored Value, DayPass, and Monthly Pass products. Program revenue includes the [Government of BC Bus Pass](#) and [U-Pass BC](#) revenues. Other transit revenue includes advertising, rental, parking lot fees, fare infraction, and carbon credit sales.

Total transit revenue in 2024 was \$47.2 million (7.0 per cent) higher than in 2023 and \$39.1 million (5.8 per cent) favourable to budget mainly driven by higher transit ridership. Ridership growth in 2024 was steady, following typical seasonal patterns, driven by the population growth and some growth from commuters increasing transit usage.

Program revenue in 2024 was \$6.8 million (5.0 per cent) higher than in 2023, mainly driven by higher program enrollment and approved fee increases. This revenue was \$2.0 million (1.4 per cent) favourable to budget mainly driven by higher enrollment. The increase was observed in both the BC Government Bus Pass and U-Pass BC Program revenues.

Other transit revenue decreased by \$2.8 million (6.4 per cent) compared to 2023, primarily driven by a \$7.9 million reduction in carbon credit revenue due to timing of carbon credit sales. This was partially offset by higher year-over-year revenue from advertising, fare infractions, and other miscellaneous sources. These same factors contributed to variance compared to budget.

Government Transfers

GOVERNMENT TRANSFERS Year ended December 31 (\$ thousands)	YEAR OVER YEAR				ACTUAL TO BUDGET		
	2024	2023	CHANGE		2024	BUDGET VARIANCE	
	ACTUAL	ACTUAL	Fav/ (Unfav)	%	BUDGET	Fav/ (Unfav)	%
Senior Government Relief Funding	-	478,926	(478,926)	(100.0%)	-	-	-
Senior Government funding	357,048	169,475	187,573	110.7%	419,842	(62,794)	(15.0%)
Golden Ears Bridge tolling replacement revenue	67,874	67,267	607	0.9%	67,874	-	-
Total Government Transfers	424,922	715,668	(290,746)	(40.6%)	487,716	(62,794)	(12.9%)

Government transfers include funds received from the [Canada Community Building Fund \(CCBF\)](#) through [Metro Vancouver Regional Fund \(MVRF\)](#), [Investing in Canada Infrastructure Program \(ICIP\)](#), the [Public Transit Infrastructure Fund \(PTIF\)](#), Canada Line funding, Build Canada Fund and other miscellaneous programs. In addition, there is an annual portion of revenue recognized from funding provided by the Province of BC in lieu of tolling revenue on the GEB, as bridge tolling was eliminated on September 1, 2017.

Government transfers were \$290.8 million (40.6 per cent) lower than prior year mainly due to Senior Government relief funding of \$478.9 million that was recognized in March 2023, when the agreement committing such funding was signed. This was partly offset by the timing of vehicle deliveries and increased project activity for the [Marpole Transit Centre \(MTC\)](#) which resulted in higher revenue recognition from the CCBF in 2024 of 188.2 million.

Government transfers were \$62.8 million (12.9 per cent) unfavourable to budget mainly due to schedule delays for several projects which deferred the revenue recognition (\$52.6 million from the CCBF) and a \$9.3 million reclassification of the financial contribution from the City of Surrey to miscellaneous revenue.

Investment Income

Investment income increased by \$21.3 million (11.1 per cent) from 2023 mainly due to higher returns on GEB toll replacement funds, growing balances in the sinking funds due to continued contributions and carrying higher cash balances than in 2023. Investment income was \$63.8 million (42.7 per cent) favourable to budget primarily due to higher than budgeted investment returns and higher cash balances.

Development Cost Charges

[Development Cost Charges \(DCC\)](#) are fees that real estate developers pay toward the capital costs of certain types of public infrastructure associated with growth. As demand for public infrastructure grows with new development, the DCC program ensures that a portion of infrastructure costs is covered by new development. DCC revenue is recognized when there is spending incurred on DCC-eligible projects.

The DCC program revenue was \$74.0 million (more than 200 per cent) higher than in 2023 and \$38.6 million (73.2 per cent) favourable to budget in 2024 due to increased spending in DCC-eligible projects.

Miscellaneous Revenue

Miscellaneous revenue increased by \$46.2 million (more than 200 per cent) compared to 2023 and was \$49.6 million (more than 200 per cent) favourable to budget, primarily due to a \$39.0 million contribution from the City of Surrey following the execution of the Surrey Langley Skytrain (“SLS”) Funding and Support Agreement in 2024.

Gain (Loss) on Disposal of Assets

Gain (Loss) on disposal from tangible capital assets in 2024 was \$7.8 million (95.9 per cent) lower than in 2023 due to the net gain of \$7.9 million recognized on the sale of a Park and Ride site during 2023. Gain (Loss) on Disposal was 1.1 million (141.6 per cent) favourable to budget as anticipated loss from Mark I car disposals was more than offset by miscellaneous gains from the sale of other vehicles.

Consolidated Expenses by Segment

Year ended December 31 (\$ thousands)	CONSOLIDATED EXPENSES (BY SEGMENT)		YEAR OVER YEAR		ACTUAL TO BUDGET		
	2024	2023	CHANGE		2024	BUDGET VARIANCE	
	ACTUAL	ACTUAL	Fav/ (Unfav)	%	BUDGET ²	Fav/ (Unfav)	%
Bus Operations	1,015,531	945,537	(69,994)	(7.4%)	1,021,572	6,041	0.6%
Rail Operations	449,811	404,951	(44,860)	(11.1%)	457,705	7,894	1.7%
Transit Police	59,562	52,706	(6,856)	(13.0%)	61,689	2,127	3.4%
Corporate Operations	158,323	139,367	(18,956)	(13.6%)	167,042	8,719	5.2%
Roads and Bridges	145,891	151,116	5,225	3.5%	151,791	5,900	3.9%
Amortization of Capital Assets ¹	266,303	259,680	(6,623)	(2.6%)	273,527	7,224	2.6%
Interest ¹	194,141	180,455	(13,686)	(7.6%)	178,607	(15,534)	(8.7%)
Sub Total Continuing Operations	2,289,562	2,133,812	(155,750)	(7.3%)	2,311,933	22,371	1.0%
Corporate One-time	26,281	19,778	(6,503)	(32.9%)	58,505	32,224	55.1%
Total Expenses by Segment	2,315,843	2,153,590	(162,253)	(7.5%)	2,370,438	54,595	2.3%

¹ Amortization and Interest shown separately to facilitate analysis

² 2024 Budget has been restated to conform with the consolidated financial statement presentation adopted in 2023 and to reflect budget transfers during the year.

TransLink's consolidated operating expenses were \$162.3 million (7.5 per cent) higher than 2023 mainly due to contractual and economic labour increases, higher interest expense driven by increased utilization of debt and higher average interest rates, higher contracted services, increased maintenance to keep assets in a state of good repair, higher capital infrastructure contributions due to timing of projects, and higher administration costs due to inflationary pressures.

Total expenses were \$54.6 million (2.3 per cent) favourable to budget mainly driven by lower one-time costs due to changes in schedules of the Broadway Subway and Surrey Langley SkyTrain projects, lower administration costs due to savings in software, hardware and license costs, lower rental and property taxes than anticipated, lower capital infrastructure contributions due to slower progress on municipalities' work, and lower amortization resulting from lower-than-expected capitalization due to capital project delays. This was partially offset by higher interest expense.

Bus Operations operating expenses were \$70.0 million (7.4 per cent) higher than 2023 primarily due to higher labour costs driven by contractual increases, increase in staffing levels, higher usage of extended health benefits and the implementation of additional service hours as outlined in the 2024 Investment Plan. Material and maintenance costs was also higher due to continued inflation, and increased maintenance required for aging fleet, along with rising software, hardware, and licensing costs. Additionally, Access Transit costs were higher due to higher contractual increases and higher service hours. Contracted services costs were also higher due to higher material costs for an aging fleet, and inventory adjustments resulting from a new inventory management application.

Operating expenses were \$6.0 million (0.6 per cent) favourable to budget mainly due to savings in software, hardware and licenses costs, lower rental expenses than anticipated, partly due to the acquisition of a previously leased property, lower maintenance costs due to changes in the maintenance workplan, and lower professional fees due to cost reduction initiatives. This was partially offset by higher labour costs due to increased service hours approved in the 2024 Investment Plan, higher usage of extended health benefits, cost related to unused vacation time, and higher overtime due to vacancies, job action and weather-related events. Fuel and power costs were also higher than anticipated due to higher fuel prices and consumption.

Rail Operations operating expenses were \$44.9 million (11.1 per cent) higher than 2023 mainly due to higher labour costs driven by economic and contractual increases, increased staffing to support state of good repair and other key initiatives, and higher employee future benefits. Maintenance costs were also higher due to higher inventory parts expenses and structural maintenance, along with higher Canada Line contract costs due to inflation.

Operating expenses were \$7.9 million (1.7 per cent) favourable to budget mainly driven by lower rental and property tax expenses due to delays in securing a lease, reclassification of costs to capital and savings in property taxes due to a tax assessment adjustment, lower contracted services as a result of delayed opening of the Canada Line Capstan station, lower West Coast Express costs, and lower electricity expenses driven by lower consumption and lower professional services. The savings were partially offset by higher labour, driven by employee future benefits, overtime, vacation and banked time adjustments, and higher maintenance expenses.

Transit Police operating expenses were \$6.9 million (13.0 per cent) higher than 2023 largely due to higher salary and benefit costs as a result of contractual wage increases, benefit costs increase, as well as additional Community Safety Officers brought on board to supplement regular police force and additional police officers recruited in anticipation of opening of Broadway SkyTrain and additional civilian support staff for regulatory and expansion requirements.

Operating expenses were \$2.1 million (3.4 per cent) favourable to budget mainly due to the timing of new hires and unfilled vacancies, and lower rental cost than anticipated.

Corporate Operations expenses were \$19.0 million (13.6 per cent) higher than 2023 mainly due to higher labour costs as a result of contractual and economic increases, and higher cloud services and equipment costs due to inflation and an increased user base.

Operating expenses were \$8.7 million (5.2 per cent) favourable to budget primarily due to lower administration expenses driven by lower than anticipated business technology services contract and license costs, lower fare media costs, lower professional fees for Transit Oriented Development projects as a result of delays in projects for Coquitlam Central and North Vancouver, lower property tax costs due to a property tax refund related to prior years, and lower contracted services costs due to performance-related rebates. This was partially offset by higher labour costs mainly from unused vacation time.

Roads and Bridges expenses were \$5.2 million (3.5 per cent) lower than 2023 mainly due to a reduction in costs for the [RapidBus R6 project](#) as most of the work was completed in 2023, partially offset by higher capital infrastructure contributions as more municipalities' projects were completed.

Roads and Bridges expenses were \$5.9 million (3.9 per cent) favourable to budget primarily due to slower progress of municipalities' work, resulting in lower than anticipated capital infrastructure contributions to municipalities, partially offset by higher than budgeted spend in professional consulting expenses required to complete critical work.

Amortization in 2024 was \$6.6 million (2.6 per cent) higher compared to 2023 due to new assets capitalized in 2024.

Amortization was \$7.2 million (2.6 per cent) lower than budget mainly due to lower-than-expected capitalization because of delays in capital projects and vehicle deliveries.

Interest expense increased by \$13.7 million (7.6 per cent) compared to 2023 mainly due to higher long-term debt balance, utilization of short-term debt, and higher average interest rates, partially offset by higher interest capitalization.

Interest expense was \$15.5 million (8.7 per cent) unfavourable to budget mainly due to timing of debt issuance and utilization of the Commercial Paper program, and lower than budgeted interest capitalization as a result of delays in capital spending.

Corporate One-time expenses were \$6.5 million (32.9 per cent) higher than 2023 due to gradual ramp up of rail expansion projects and progress of [Bus Rapid Transit Program](#).

Corporate One-time expenses were \$32.2 million (55.1 per cent) favourable to budget due to lower than anticipated non-capitalizable costs associated with capital projects driven by slower than expected capital spend, vacancy savings in operational readiness programs for Rail Expansion due to the Province announcing re-scheduling the in-service dates for Broadway Subway and Surrey Langley SkyTrain projects, lower costs in the Bus Rapid Transit project and feasibility studies due to schedule delays and delays in project initiation, and reclassification of costs to capital.

Consolidated Expenses by Category

Year ended December 31 (\$ thousands)	CONSOLIDATED EXPENSES (BY CATEGORY)		YEAR OVER YEAR		ACTUAL TO BUDGET		
	2024	2023	CHANGE		2024	BUDGET VARIANCE	
	ACTUAL	ACTUAL	Fav/ (Unfav)	%	BUDGET ¹	Fav/ (Unfav)	%
Administration	73,391	65,183	(8,208)	(12.6%)	84,497	11,106	13.1%
Amortization of tangible capital assets	266,303	259,680	(6,623)	(2.6%)	273,527	7,224	2.6%
Capital infrastructure contributions	85,205	76,433	(8,772)	(11.5%)	92,803	7,598	8.2%
Contracted services	268,736	257,653	(11,083)	(4.3%)	272,186	3,450	1.3%
Fuel and power	87,185	89,420	2,235	2.5%	87,919	734	0.8%
Insurance	27,886	24,484	(3,402)	(13.9%)	29,864	1,978	6.6%
Interest	194,141	180,455	(13,686)	(7.6%)	178,607	(15,534)	(8.7%)
Maintenance, materials and utilities	239,898	229,788	(10,110)	(4.4%)	240,406	508	0.2%
Professional and legal	29,773	30,346	573	1.9%	33,511	3,738	11.2%
Rentals, leases and property tax	40,146	37,677	(2,469)	(6.6%)	47,940	7,794	16.3%
Salaries, wages and benefits	976,898	882,693	(94,205)	(10.7%)	970,673	(6,225)	(0.6%)
Sub Total Ongoing Expense	2,289,562	2,133,812	(155,750)	(7.3%)	2,311,933	22,371	1.0%
Corporate One-Time	26,281	19,778	(6,503)	(32.9%)	58,505	32,224	55.1%
Total Expenses by Category	2,315,843	2,153,590	(162,253)	(7.5%)	2,370,438	54,595	2.3%

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

Ongoing Expenses

Administration costs were \$8.2 million (12.6 per cent) higher than 2023 mainly due to higher software, license and support costs, and higher Radio and Telecom costs driven by contractual increases and an increased number of users. Administration expenses were \$11.1 million (13.1 per cent) favourable to budget mainly due to lower than anticipated costs for business technology services contracts and licenses, lower fare media costs due to lower usage than anticipated, and cost reduction initiatives. The savings were partially offset by higher credit card fees due to increased ridership.

Amortization expense variance analysis is covered in the previous section “Consolidated Expenses by Segment”

Capital infrastructure contributions are provided to municipalities to complete qualifying projects. Capital infrastructure contributions increased by \$8.8 million (11.5 per cent) compared to 2023 as more municipalities’ projects were completed compared to the prior year. Capital infrastructure contributions were \$7.6 million (8.2 per cent) lower than budget mainly due to timing of municipalities’ work.

Contracted services increased by \$11.1 million (4.3 per cent) compared to 2023 mainly due to higher contractual costs for Canada Line due to inflation, and higher service hours and contract rates for Access Transit, as well as costs associated with contractors. Contracted services costs were \$3.5 million (1.3 per cent) favourable to budget mainly due to delay of Capstan station opening and West Coast Express project delays, partly offset by retroactive costs from negotiated contractual labour increases for Access Transit and higher inflation.

Fuel and power costs decreased by \$2.2 million (2.5 per cent) compared to 2023 and were \$0.7 million (0.8 per cent) favourable to budget mainly due to lower fuel prices.

Insurance costs increased by \$3.4 million (13.9 per cent) compared to 2023 due to an increase in insurance premiums, partially offset by lower service kilometres as a result of the 2-day CUPE strike. Insurance costs were \$2.0 million (6.6 per cent) favourable to budget due to securing lower insurance premiums than anticipated.

Interest expense variance analysis is covered in the previous section “Consolidated Expenses by Segment”.

Maintenance, materials, and utilities increased by \$10.1 million (4.4 per cent) compared to 2023 mainly due to higher parts prices driven by inflation, as well as higher maintenance to keep aging fleet and infrastructure in a state of good repair. Maintenance, materials and utilities expenses were \$0.5 million (0.2 per cent) favourable to budget.

Professional and legal fees decreased by \$0.6 million (1.9 per cent) compared to 2023 mainly due to lower professional fees for the RapidBus R6 project as most of the work was completed in 2023, partially offset by higher consulting costs in other areas. Professional and legal fees were \$3.7 million (11.2 per cent) favourable to budget mainly due to delays in Transit Oriented Development as a result of delays in projects for Coquitlam Central and North Vancouver, timing of initiatives, and lower utilization of consulting services.

Rentals, leases, and property tax expenses increased by \$2.5 million (6.6 per cent) compared to 2023 mainly due to rental increases in 2024. Rentals, leases, and property tax expenses were \$7.8 million (16.3 per cent) favourable to budget mainly due to the acquisition of previously leased property, delays in securing leases, property tax savings due to a tax assessment adjustment and a property tax refund, and lower rental and property tax increases than anticipated.

Salaries and wages increased by \$94.2 million (10.7 per cent) compared to 2023 mainly due to negotiated contractual and economic labour increases and increased headcount in 2024 to deliver increased service hours and prepare for future expansion. Salaries and wages were \$6.2 million (0.6 per cent) unfavourable to budget mainly due to lower than anticipated salary capitalization due to capital project delays, costs related to unused vacation time, employee future benefits and higher extended health usage, partially offset by savings from vacancies.

4. Capital Program

TransLink's investment in capital assets continues to grow with the focus of supporting Enterprise priorities. The capital program is robust and managed with strong governance and oversight. As of December 31, 2024, TransLink's total approved capital program budget was \$10.6 billion, which includes:

- \$6.6 billion in active capital projects;
- \$2.7 billion in substantially complete capital projects;
- \$0.5 billion in Approved-In-Principle (AIP) capital projects; and
- \$0.8 billion in capital infrastructure contributions to municipalities

SUMMARY OF CAPITAL PROGRAM						
As of Dec 31, 2024 (\$ thousands)	Number of Projects	Total Current Budget	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
				Fav/(Unfav)	%	
Capital Projects						
Active	172	6,645,420	6,647,716	(2,296)	-	2,106,550
AIP	17	501,832	501,832	-	-	299,800
Subtotal	189	7,147,252	7,149,548	(2,296)	-	2,406,350
Substantially Complete	168	2,714,978	2,646,980	67,998	2.5%	1,098,737
Closed	1	5,117	4,754	363	7.1%	-
Subtotal	169	2,720,095	2,651,734	68,361	2.5%	1,098,737
Capital Infrastructure Contributions						
Active	31	453,199	436,372	16,827	3.7%	-
Substantially Complete	17	326,419	323,408	3,011	0.9%	-
Subtotal	48	779,618	759,780	19,838	2.5%	-
Total Capital Program	406	10,646,965	10,561,062	85,903	0.8%	3,505,087

The capital program is supported in part by \$3.5 billion in committed funding available to TransLink from the Canada Community Building Fund (formerly the Federal Gas Tax Fund), Public Transit Infrastructure Fund (PTIF), Investing in Canada Infrastructure Program (ICIP), and a one-time funding contribution from the Province. 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 December 31, 2024, there were 340 active and substantially complete projects with a final forecasted cost of \$9.3 billion. The total costs incurred for these projects during the year were \$876.2 million.

SUMMARY OF ACTIVE PROJECTS								
As of Dec 31, 2024 (\$ thousands)	Number of Projects	Current Budget	2024 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Forecast Variance to Current Budget		Senior Government Funding (Committed)
						Fav/(Unfav)	%	
Active								
Equipment	24	198,116	18,743	65,106	195,863	2,253	1.1%	10,598
Infrastructure	43	389,238	58,801	99,188	389,310	(72)	-	65,546
Major Construction	20	3,804,050	410,013	1,120,086	3,804,340	(290)	-	967,280
Technology	30	211,320	41,129	112,430	203,512	7,808	3.7%	-
Vehicle	35	866,445	108,846	131,679	866,777	(332)	-	706,027
Facilities	20	1,176,251	152,823	216,721	1,187,914	(11,663)	(1.0%)	357,099
Subtotal (Active Capital Projects)	172	6,645,420	790,355	1,745,210	6,647,716	(2,296)	-	2,106,550
Substantially Complete	168	2,714,978	85,807	2,625,959	2,646,980	67,998	2.5%	1,098,737
Total Active Capital Projects	340	9,360,398	876,162	4,371,169	9,294,696	65,702	0.7%	3,205,287

Active Capital Projects

As of December 31, 2024, there were 172 active projects with expenditures of \$790.4 million for the year and \$1.7 billion in cumulative spending to date. A comparison of active project budgets against forecasted final costs shows an unfavorable variance of \$2.3 million.

Infrastructure spending of \$58.8 million for the year includes \$13.7 million spent on the Expo Line Surrey Power Rail Replacement, \$7.3 million on the Brentwood Station Upgrade Phase 2, and \$7.2 million on BC Parkway Improvements-Stewardson Way project.

Major Construction spending of \$410.0 million for the year includes \$119.5 million spent on the Expo and Millennium Upgrade Program - Fleet Acquisition Phase 2, \$93.6 million on the SkyTrain Operation Control Centre and \$56.4 million on Operations Maintenance Centre (OMC) 4 Vehicle Storage Facility.

Vehicle spending of \$108.8 million for the year includes \$41.8 million spent on 2021 Conventional Bus Expansion and \$35.5 million on 2023 Conventional Bus Replacement.

Facilities spending of \$152.8 million for the year includes \$108.9 million spent on the Marpole Transit Centre (MTC). The unfavourable forecast variance to current budget of \$11.7 million is mainly due to Burnaby Transit Centre Facility Improvement Phase 2 Expansion – Design and MTC.

Substantially Complete Capital Projects

As of December 31, 2024, there were 168 projects with a total budget of \$2.7 billion deemed substantially complete with \$85.8 million spent year to date. These projects are in the final stages of project activity. The total expected favorable variance for these projects at completion is \$68.0 million (2.5 per cent).

Notable projects that were substantially completed during the year include:

- 2020 Conventional Bus Expansion with a budget of \$97.3 million
- Canada Line Capstan Station with a budget of \$64.0 million
- Investments in Transit Priority on Priority Rapid Bus Corridors with a budget of \$37.9 million

Approved in Principle (AIP) Capital Projects

As of December 31, 2024, there were 17 AIP projects remaining to be initiated with a total budget of \$0.5 billion. Of the 17 projects, one project with a budget of \$22.0 million was carried forward from prior years and 16 projects with a budget of \$479.8 million are new in 2024.

SUMMARY OF AIP PROJECTS			
As of Dec 31, 2024 (\$ thousands)	Number of Projects	Current Budget	Senior Government Funding (Committed)
Capital Projects			
Equipment	1	16,370	-
Infrastructure	4	42,364	13,300
Technology	2	15,300	-
Vehicle	10	427,798	286,500
Total AIP Projects	17	501,832	299,800

Significant projects remaining in AIP include:

- 2026 Conventional Bus Replacement (262 battery-electric buses) with a budget of \$136.7 million
- 2027 Conventional Bus Expansion (40 x 60' battery-electric buses (BEBs) for MTC) with a budget of \$107.2 million
- 2027 Conventional Bus Expansion (30 x 40' BEBs for MTC) with a budget of \$48.9 million

Closed Capital Projects

During the year ended December 31, 2024, the Rapid Bus Passenger Information Displays project with a final cost of \$4.8 million and an approved budget of \$5.1 million was completed and closed.

Cancelled Capital Projects

During the year ended December 31, 2024, five projects with budgets totalling \$14.7 million were cancelled, including:

- CMBC Capital Spares (\$10.8 million) – the 2024 capital program was cancelled due to the timing of implementation of the capital spares policy by CMBC.
- Steveston Bus Exchange Improvements (\$2.3 million) – the project was cancelled due to Richmond City Council not supporting the proposed changes. The exchange will remain status quo.
- TransLink Owned Bicycle Infrastructure 2022 (\$0.6 million) – the project was cancelled due to existing AIP funds re-allocated to On-Demand Bike Lockers Phase 2.
- Sustainability Platform Implementation (\$0.6 million) – the project was cancelled due to re-prioritization as a result of funding constraints.
- BCRTC Software Application Renewal Program (\$0.5 million) – the project was cancelled due to resourcing challenges. Resubmission of this project is expected in future.

Capital Infrastructure Contributions

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

As of December 31, 2024, there were 48 active programs with a budget of \$779.6 million. The majority of the \$85.9 million in contributions in the year relate to the Pavement Rehabilitation Program funded under the Major Road Network Program, Major Road Network and Bike Upgrades and Bicycle Infrastructure Capital Cost Share.

SUMMARY OF INFRASTRUCTURE CONTRIBUTION PROGRAMS						Forecast Variance to Current Budget	
As of Dec 31, 2024 (\$ thousands)	Number of Projects	Current Budget	2024 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Fav/ (Unfav)	%
MRN Structurers Funding Program	7	111,163	3,448	42,159	106,364	4,799	4.3%
Major Road Network and Bike Upgrades (MRNB)	13	308,111	23,260	234,208	302,273	5,838	1.9%
Pavement Rehabilitation Program	7	166,527	26,916	164,483	165,448	1,079	0.6%
Bicycle Infrastructure Capital Cost Share (BICCS)	7	118,498	21,838	74,442	113,218	5,280	4.5%
Bus, Speed, Reliability, and Infrastructure (BSRI)	6	33,239	3,311	13,438	31,829	1,410	4.2%
Walking Infrastructure to Transit (WITT)	8	42,080	7,136	28,408	40,648	1,432	3.4%
Grand Total	48	779,618	85,909	557,138	759,780	19,838	2.5%

Development Cost Charge (DCC) Program

During the year ended December 31, 2024, \$91.3 million of DCC contributions have been allocated as follows:

SUMMARY OF DCC PROGRAM				
As of December 31, 2024 (\$ thousands)	Current Budget	External Funding	TransLink Capital Cost	Allocation of DCC Received
Bus Exchange/Depot and SeaBus Expansion	1,045,729	617,552	428,177	12,971
New Major Projects	247,297	120,240	127,057	262
SkyTrain and West Coast Express Expansion	2,930,702	685,666	2,245,036	78,044
Total DCC Program	4,233,728	1,423,458	2,800,270	91,277

Capital Program - Comparison to 2024 Business Plan

As stated in the 2024 Business Plan, TransLink’s capital program is aligned with the current priorities of providing safe and reliable service and an outstanding customer experience, advancing the implementation of the Investment Plan and 10-Year Priorities (*Access for Everyone Plan*), and building a culture of safety, trust, worth, and collaboration with the people and the communities TransLink serves, while continuing to work on implementing key prioritized programs. The current capital program continues to address the emerging state of good repair investments needed to ensure existing assets serve customers and stakeholders safely, effectively and efficiently while advancing key expansion projects. The planned gross cash flows for all projects in the 2024 Business Plan were \$1,518.9 million; the actual gross cash flow for all projects in 2024 were \$962.1 million, a variance from plan of \$556.8 million.

Program Categories (\$ thousands)	2024 Planned Spending	2024 Actual Spending	Variance Underspend / (Overspend)
Equipment	33,967	26,412	7,555
Facilities	275,104	161,948	113,156
Infrastructure	173,798	83,990	89,808
Major Construction	612,260	410,311	201,949
Technology	84,286	42,021	42,265
Vehicles	209,009	151,480	57,529
Major Road Network	86,509	85,909	600
Contingency ¹	44,000	-	44,000
Grand Total	1,518,933	962,071	556,862

¹ During 2024, \$15.7 million of contingency was allocated to individual projects. Amounts spent are reflected under 2024 Actual Spending in this table and the tables below.

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

- Amendments experienced in the design phase of key projects causing delays to project schedules.
- Resource shortages across the industry affecting both supplies of materials and human resources causing project initiation delays and longer than anticipated procurement timeframes.
- Cost escalations experienced widely across TransLink’s capital program resulting in reassessments of project scope and additional value engineering.
- Several significant and complex interdependent capital projects causing cascading impacts to related projects when delays are incurred.
- Adjustments to vehicle acceptance schedules due to vendor delays and vehicle deficiencies identified upon review.

Equipment Projects

Lower than planned spending in equipment projects is a result of delays experienced across several significant projects which has deferred spending to future years. The delivery of the SkyTrain Customer and Operations Telecommunications (SCOT) System Upgrade project was pushed back due to issues in the final acceptance of an interdependent project. The Expo Line Traction Power Equipment Replacement program experienced difficulties in obtaining city approval for the crane lift plan, resulting in works being pushed into 2025. The CMBC Facilities Camera Replacement project was delayed due to additional required efforts at the RFP stage to ensure sufficient future-proofing requirements were met. The Replacement of Hegenscheidt Underfloor Lathe project had contract negotiations persist longer than anticipated resulting in delayed project initiation. These delays were partially offset by greater than

anticipated spending in 2024 for the Onboard Technology Assets Program (OTAP) as delays in a key phase of the program pushed spending from late 2023 into 2024.

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
Automatic Train Control (ATC) Existing Equipment Replacement Program	4,606	5,219	(613)
Capital Spares Procurement Program (BCRTC)	2,500	2,128	372
CMBC Facilities Camera Replacement	1,099	130	969
CMBC Hoist Asset Renewal Program	1,390	593	797
Expo Line Traction Power Equipment Replacement	10,646	8,791	1,855
Guideway Clearing Equipment Implementation	295	-	295
Installation of Fire Safety system on Millennium Line	339	563	(224)
Metro Vancouver Transit Police (MVTP) Police Equipment Replacement	800	517	283
Millennium Line Linear Heat Detector Upgrade Project	730	20	710
OTAP	674	1,727	(1,053)
Rail Switch Machine Test Bench	55	65	(10)
Rail-borne Equipment Replacement	3,252	4,191	(939)
Replacement of Hegenscheidt Underfloor Lathe	2,135	1,208	927
SCOT System Upgrade - Phase 5	2,477	136	2,341
SkyTrain Physical Security System	1,205	289	916
SkyTrain Training Simulator	254	-	254
Tunnel Ventilation Systems (TVS) Dunsmuir Fans and Dampers Upgrades - Design	96	-	96
Uninterruptible Power Supply (UPS) Replacement and Design Standardization	1,414	593	821
Projects not captured in Business Plan	-	242	(242)
Equipment Total	33,967	26,412	7,555

*2024 Actual Spending includes activity for projects that are substantially complete or closed as at December 31, 2024.

Facilities Projects

Lower than planned spending in facilities projects is largely a result of delays in the MTC and Port Coquitlam Transit Centre Electrification projects, which has shifted cash flows to future years. The MTC project experienced a complex permit approval process, unforeseen site conditions, seismic code requirement changes, and supply chain constraints which affected the completion of the project design and advancement of construction activities. The Port Coquitlam Transit Centre Electrification project was delayed due to a longer than anticipated procurement phase caused by complexity of the turnkey contract and scope refinement. The CMBC Trolley Overhead - Skeena project also contributed to the variance due to delays caused by low market availability and building code requirements affecting the project schedule. The Canada Line Capstan Station project partially offset these underspend variances as construction works previously anticipated to be completed in 2023 were pushed into 2024.

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
BCRTC OMC 1 and 2 - Space Optimization and Modernization	2,619	85	2,534
Burnaby Transit Centre (BTC) - Design	1,792	-	1,792
BTC Facility Improvement for Phase Two Expansion - Design & Implementation	24,460	23,292	1,168
BTC Master Plan - Pre-Design	2,606	719	1,887
Canada Line Capstan Station Project	3,456	7,065	(3,609)
Central Park Plaza Tenant Improvements (Phase 2)	152	2,425	(2,273)
CMBC - Burnaby Transit Centre South (BTCS) Emergency Generator Replacement	699	21	678
CMBC Gateway office relocation	1,888	1,921	(33)
CMBC Transit Centres and SeaBus Fuel Tanks Relocation/Replacement	1,204	190	1,014
CMBC Trolley Overhead - Skeena	6,472	981	5,491
Customer Amenities Pilot	1,991	581	1,410
MTC – Design and Implementation	171,578	108,854	62,724
OMC 1 3rd Floor Server Room Upgrade	800	101	699
OMC 1 Receiving Area and Storage Upgrades	512	47	465
Port Coquitlam Transit Centre Electrification Program	50,715	13,994	36,721
SeaBus Terminal Passenger Counting System Update	2,785	22	2,763
SeaBus Terminals Interior Refurbishment	1,375	1,474	(99)
Projects not captured in Business Plan	-	176	(176)
Facilities Total	275,104	161,948	113,156

*2024 Actual Spending includes activity for projects that are substantially complete or closed as at December 31, 2024.

Infrastructure Projects

Lower than planned spending in infrastructure projects is primarily due to challenges experienced in the procurement and design phases which resulted in project schedules and cash flows shifting to future periods. The following projects were significantly impacted:

- The BCRTC Roofing Replacement program needed to re-tender the implementation scope of the program as no compliant bids were received.
- The Expo Line Elevator Replacement program required a re-design with a new vendor to add benefits and increase capacity.
- The Catwalk program cancelled the initial RFP due to limited responses and needed to develop a new multi-stage RFP.
- The Gilmore Station Upgrade and Expansion project initiation was deferred due to negotiations with adjacent developers and several changes required at the design phase.
- The CMBC Roof Replacement program received tenders higher than anticipated and needed to reprioritize scope with the successful bidder to align with project budget.

Other key projects contributing to the underspend variance in 2024 include the BCRTC Rail Switch Machines and Turnout Replacement program which realized cost savings on equipment and labour, and the Trolley Overhead (TOH) Rectifier Station State of Good Repair program which experienced delays in one site and community pushback at a second site resulting in construction works being deferred to 2025.

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
BCRTC - System-wide Heating, Ventilation and Air Conditioning (HVAC) Replacement	375	-	375
BCRTC Rail Switch Machines and Turnout Replacement Program (2023-2025)	9,862	5,738	4,124
BCRTC Roofing Replacement Program	23,870	2,285	21,585
Bike Parkades - State of Good Repair	555	-	555
Brentwood SkyTrain Station Upgrades – Phase One and Two	12,685	7,881	4,804
BTC Retaining Walls - Seismic Stabilization	3,464	3,776	(312)
Catwalk Program	9,186	3	9,183
CMBC Pavement Rehabilitation Program	1,994	2,269	(275)
CMBC Roof Replacement Program	6,243	1,963	4,280
Coquitlam Central Multimodal Reconfiguration	392	-	392
Distributed Maintenance Sites	1,366	270	1,096
Expo Line Elevator Replacement	10,766	1,461	9,305
Expo Line Escalator Replacement	2,872	1,836	1,036
Expo Line Linear Induction Motors (LIM) Rail Replacement	2,244	299	1,945
Expo Line Surrey Power Rail Replacement	16,648	13,740	2,908
Expo Line Tunnels Ventilation System Rehabilitation	3,032	1,998	1,034
First Nation Transportation (FNT) Bus Infrastructure Costs	600	349	251
Gilmore Station Upgrade and Expansion Project	5,494	313	5,181
HandyDART Norland Facility	1,918	1,454	464
Investments in Transit Priority on Priority Rapid Bus Corridors – Phase One and Two	4,820	3,910	910
MVTP Bridgeport Deployment Office Upgrade	1,088	61	1,027
Millennium Line Elevator Replacement Program	8,128	5,890	2,238
Millennium Line Escalator Replacement Program	52	705	(653)
Noise Mitigation Solution	1,592	26	1,566
Non-Revenue Vehicle (SSV) Charging Stations	271	21	250
OMC 1 Yard Track Reconditioning Remaining Switches and Power Rail Design	1,271	143	1,128
Pattullo Bridge Rehabilitation	2,704	118	2,586
Phibbs Exchange Upgrade	2,721	1,664	1,057
PowerSmart Upgrades - BTCS Design	553	1,077	(524)

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
Radio Room and Antenna Replacement	1,789	359	1,430
Running Rail Replacement Program	6,050	2,992	3,058
SkyTrain Station Power Capacity - Phase Two	230	-	230
Steveston Bus Exchange Improvements	1,640	-	1,640
TransLink Owned Bicycle Infrastructure	6,441	7,834	(1,393)
Trolley Overhead (TOH) On-Street Infrastructure State of Good Repair Program	4,742	4,524	218
TOH Rectifier Station State of Good Repair Program	7,068	2,353	4,715
Vancouver Transit Centre (VTC) Skybridge State of Good Repair	2,089	51	2,038
WCE Facilities LED Lighting Retrofit	1,847	1,017	830
WCE Substations Equipment Replacement	1,530	346	1,184
Westham Island Bridge Rehabilitation	1,822	533	1,289
Yard Track Reconditioning	1,784	311	1,473
Projects not captured in Business Plan	-	4,420	(4,420)
Infrastructure Total	173,798	83,990	89,808

*2024 Actual Spending includes activity for projects that are substantially complete or closed as at December 31, 2024.

Major Construction Projects

Lower than planned spending in major construction projects is a result of delays experienced across several projects which have shifted cash flow spending to future years. Key project delays include:

- Anticipated milestones for the Expo Millennium Line Upgrade Program (EMUP) - Fleet Acquisition Program not being met as conditional acceptance was pushed into early 2025 while train qualification is completed.
- Procurement difficulties impacting the construction schedule of OMC 4 - Storage and Maintenance resulting in deferred spending.
- Reprioritization of initiatives and delays in interdependent projects causing a significant shift in spending for the EMUP - Rail Expansion Program Management.
- Postponed opening of the Province-led BSP to 2027 resulting in corresponding delays to TransLink's integration and support works.
- Design coordination with BC Hydro resulting in construction for the EMUP - Propulsion Power Upgrades Expo and Millennium Lines being deferred.

These delays were partially offset by earlier than anticipated milestone payments for SkyTrain vehicles in the Surrey Langley SkyTrain Project which resulted in additional spending in 2024.

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
Broadway Subway Project	26,672	7,748	18,924
Edmonds Operations and Maintenance Centre (OMC) Capacity Upgrade	31,132	19,915	11,217
EMUP - Fleet Acquisition	151,713	85,250	66,463
EMUP - Propulsion Power Upgrades Expo and Millennium Lines	30,812	12,345	18,467
EMUP - Rail Expansion Program Management	58,295	20,898	37,397
OMC 5 Project Development	6,487	8,538	(2,051)
OMC 4 - Storage and Maintenance	154,505	96,507	57,998
Optical Transportation Network	1,890	269	1,621
SkyTrain Advanced Radio System Phase One – Three	12,200	2,501	9,699
SkyTrain Customer and Operations Telecommunications Upgrade Phase One - Four	4,054	3,906	148
SkyTrain Operation Control Centre	109,051	93,618	15,433
Station Access and Safety Project	21,256	21,869	(613)
Surrey Langley SkyTrain (SLS) Project	4,193	36,637	(32,444)
Projects not captured in Business Plan	-	310	(310)
Major Construction Total	612,260	410,311	201,949

*2024 Actual Spending includes activity for projects that are substantially complete or closed as at December 31, 2024.

Technology Projects

Lower than planned spending in technology projects is primarily a result of delays and scope refinement experienced across several key projects which deferred spending to future years. The Enterprise Asset Management – CMBC project had lower than anticipated staff costs in 2024 and required further forecast refinement resulting in spending being pushed to 2025. The 2018 - 2024 IT Infrastructure Refresh project encountered resource challenges, supply chain shortages, and procurement delays which pushed project activity into future periods. The Cyber Security and IT Services Resiliency Program incurred lower spending as a result of additional requirements gathering at the RFP stage, and the Compass Modernization – Procurement phase project initiation was deferred due to a high level of complexity and competing priorities with other capital projects.

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
2018 - 2024 IT Infrastructure Refresh	13,225	2,786	10,439
BCRTC Software Application Renewal Program	1,628	582	1,046
Budgeting and Forecasting System Replacement	941	-	941
Bus Daily Operations Management System (DOMS) Product Migration	9,158	7,627	1,531
Business Continuity Management (BCM) Software	343	-	343
Business Technology Agile initiatives	500	500	0
Compass Modernization - Procurement Phase	3,005	-	3,005
Cyber Security and IT Services Resiliency Program	14,122	5,319	8,803
Electronic Bad Order (BO) Cards	350	-	350
Enterprise Asset Management - CMBC	27,808	15,032	12,776
Enterprise Emergency Communication System Implementation	255	160	95
Enterprise Health and Safety System	1,154	1,692	(538)
ERP Legacy System Data Preservation	110	-	110
ERP/Boundary Systems Remediation	1,121	-	1,121
Finance Enterprise Resource Planning and Enterprise Asset Management	632	(6)	638
Fire Life & Safety System (FLSS) Network Card Upgrade	395	-	395
Future of Work Technology Enablement	280	137	143
HandyDART Mobile Data Terminals (MDTs) Replacement	104	570	(466)
HR Management System (HRMS) Replacement	132	610	(478)
MyTime migration to Ultimate Software (UKG Dimensions)	1,882	1,109	773
Real-time Transit Information System (RTIS) Upgrade - Phase 1	276	691	(415)
Regional Transportation Monitoring Pilot	400	277	123
Sustainability Platform Implementation	571	-	571
Technical Drawings and Library Management System	1,829	-	1,829
Transit Information System Enhancements	165	290	(125)
TransLink Analytics Program (TAP) 2022	2,296	2,162	134
TransLink Software Application Renewal Program	1,604	1,040	564
Projects not captured in Business Plan	-	1,443	(1,443)
Technology Total	84,286	42,021	42,265

*2024 Actual Spending includes activity for projects that are substantially complete or closed as at December 31, 2024.

Vehicle Projects

Lower than planned spending on vehicle projects was due to delivery delays caused by vendor supply issues and quality assurance. Key projects delays include:

- Shortage of seats resulting in vendor delivery delays for the 2024 Conventional Bus Replacement (84 natural gas buses).
- Shortage of chassis and slot availability at body manufacturers resulting in delivery delays for the 2024 Community Shuttle Replacement (54 buses).
- High oil contamination levels resulting in quality assurance delays for the 2024 Conventional Bus Replacement (50 natural gas buses).

The underspend variance was partially offset by vehicle deliveries for the 2020 Conventional Bus Expansion (61 buses) as many of these vehicles were previously anticipated to be delivered in late 2023.

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
2020 Community Shuttle Expansion (9 buses)	1,863	735	1,128
2020 Conventional Bus Expansion (61 buses)	14,629	34,053	(19,424)
2020 MK I Skytrain car Refurbishment	2,000	(254)	2,254
2021 Community Shuttle Expansion (9 buses)	1,084	764	320
2021 Community Shuttle Replacement (64 buses)	16,495	13,889	2,606
2021 Conventional Bus Expansion (25 buses)	37,063	41,820	(4,757)
2021 HandyDART Vehicle Expansion (10 buses)	2,867	1,191	1,676
2022 MVTP Non-Revenue Vehicle Replacement (11 vehicles)	145	175	(30)
2023 BCRTC Service Support Vehicle Expansion (2 vehicles)	1	19	(18)
2023 BCRTC Service Support Vehicle Replacement (4 vehicles)	4	302	(298)
2023 CMBC Service Support Vehicle Expansion for MTC (11 vehicles)	82	-	82
2023 CMBC Service Support Vehicle Replacement (26 vehicles)	2,518	-	2,518
2023 Community Shuttle Replacement (27 buses)	6,517	6,770	(253)
2023 Conventional Bus Replacement (57 BEBs)	1,954	1,969	(15)
2023 HandyDART Vehicle Replacement (46 buses)	4,884	8,053	(3,169)
2023 MVTP Non-Revenue Vehicle Expansion (2 vehicles)	130	137	(7)
2023 MVTP Non-Revenue Vehicle Replacement (10 vehicles)	335	-	335
2024 - 2028 Conventional Bus Replacement (188 trolley buses)	524	2,024	(1,500)
2024 BCRTC Service Support Vehicle Replacement (10 vehicles)	21	26	(5)
2024 Community Shuttle Expansion to Reserves (11 buses)	8	-	8
2024 Community Shuttle Replacement (54 buses)	14,480	44	14,436

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
2024 Conventional Bus Replacement (50 natural gas buses)	45,669	35,469	10,200
2024 Conventional Bus Replacement (84 natural gas buses)	45,656	187	45,469
2024 HandyDART Vehicle Replacement (46 buses)	7,221	45	7,176
2025 Conventional Bus Replacement (6 double-decker buses)	915	-	915
2028 - 2029 Conventional Bus Replacement (1 pilot trolley bus)	5	-	5
CMBC Trolley Overhead (TOH) Truck replacement	7	-	7
WCE Locomotive Refurbishment	1,932	2,830	(898)
Projects not captured in Business Plan	-	1,232	(1,232)
Vehicles Total	209,009	151,480	57,529

*2024 Actual Spending includes activity for projects that are substantially complete or closed as at December 31, 2024.

Major Road Network Projects

Overall, the spending in 2024 for Major Road Network (MRN) projects was on budget. MRN projects are delivered by municipalities and therefore TransLink's planned spending is determined based on quarterly progress updates received from municipalities and through historical performance. MRN funding programs allow municipalities up to four years to complete construction, and one additional year to invoice TransLink. TransLink payment occurs at project completion. Due to the expansion of MRN funding in recent years as well as difficulties in securing vendors in a constrained market, municipalities often experience construction delays in these programs resulting in completion largely being achieved toward the end of the four-year timeframe.

Project Name (\$ thousands)	2024 Planned Spending	2024 Actual Spending*	Variance Underspend / (Overspend)
2014 - 2024 Major Road Network and Bike (MRNB) Capital Program	24,686	23,260	1,426
2018 - 2024 Bicycle Infrastructure Capital Cost (BICCS) Program	15,104	21,838	(6,734)
2018 - 2024 Major Road Network (MRN) Structures - Seismic Upgrade Program	9,598	3,448	6,150
2018 - 2024 Walking Infrastructure to Transit (WITT) Program	4,852	7,136	(2,284)
2019 - 2024 Bus Speed and Reliability (BSR) Program	5,722	3,311	2,411
2019 - 2024 MRN Pavement Rehabilitation Program	26,547	26,916	(369)
MRN Total	86,509	85,909	600

*2024 Actual Spending includes activity for projects that are substantially complete or closed as at December 31, 2024.

5. Changes in Financial Position

Consolidated Statement of Financial Position				
(\$ thousands)	December 31 2024	December 31 2023	Change	%
Cash and cash equivalents	436,083	276,248	159,835	57.9%
Accounts receivable	653,157	675,173	(22,016)	(3.3%)
Restricted cash and cash equivalents and investments	3,582,474	4,127,713	(545,239)	(13.2%)
Investments	248,221	394,831	(146,610)	(37.1%)
Debt reserve deposits	22,931	24,500	(1,569)	(6.4%)
Financial Assets	4,942,866	5,498,465	(555,599)	(10.1%)
Accounts payable and accrued liabilities	532,128	615,595	(83,467)	(13.6%)
Debt	3,593,360	3,360,119	233,241	6.9%
Deferred government transfers	3,526,862	3,769,885	(243,023)	(6.4%)
Golden Ears Bridge contractor liability	964,547	983,403	(18,856)	(1.9%)
Deferred concessionaire credit	362,745	386,082	(23,337)	(6.0%)
Employee future benefits	145,151	140,093	5,058	3.6%
Deferred development cost charges	-	40,348	(40,348)	(100.0%)
Deferred revenue and deposits	90,331	82,745	7,586	9.2%
Deferred lease inducements	11,697	12,795	(1,098)	(8.6%)
Asset retirement obligation	27,968	26,952	1,016	3.8%
Liabilities	9,254,789	9,418,017	(163,228)	(1.7%)
Net Debt	(4,311,923)	(3,919,552)	(392,371)	10.0%
Tangible capital assets	6,840,407	6,141,887	698,520	11.4%
Supplies inventory	152,888	128,609	24,279	18.9%
Property under development	20,932	20,102	830	4.1%
Prepaid capital	-	30,745	(30,745)	(100.0%)
Prepaid expenses	30,875	30,780	95	0.3%
Non-Financial Assets	7,045,102	6,352,123	692,979	10.9%
Accumulated Surplus	2,733,179	2,432,571	300,608	12.4%

Financial Assets

See “Liquidity and Capital Resources” section for the discussion on changes in cash and cash equivalents, restricted cash and cash equivalents and investments, and investments.

The decrease in accounts receivable of \$22.0 million (3.3 per cent) was mainly due to the collection of Senior Government relief funding of \$85.8 million, partially offset by an increase in development cost charges receivable and an increase in capital project funding outstanding from the Province.

Liabilities

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

Accounts payable and accrued liabilities decreased by \$83.5 million (13.6 per cent) primarily due to the settlement of an investment trade.

Deferred government transfers liability decreased by \$243.0 million (6.4 per cent) primarily due to revenues recognized as the funding stipulations for the various funding programs were met, partially offset by \$117.5 million in contributions received from the Province for the Investing in Canada Infrastructure Program.

The GEB contractor liability represents the financing for the construction of the GEB and is payable over the term ending June 2041.

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

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

During 2024, the entire deferred development cost charges balance was recognized as revenue, as qualifying costs on eligible projects were incurred.

The increase in deferred revenues and deposits of \$7.6 million (9.2 per cent) was mainly due to unearned transit fare revenue and Compass card deposits received.

Asset retirement obligations represent estimated future legal obligations requiring TransLink to remove or remediate certain tangible capital assets. The liability is accreted to the statement of operations with the passage of time.

Non-Financial Assets

For the year ended December 31, 2024, capital assets increased by \$698.5 million (11.4 per cent) which represents \$936.8 million additions to capital assets and \$30.7 million reclassification from prepaid capital to Work in Progress (WIP). These additions were partially offset by \$266.3 million in amortization and \$2.7 million in disposal.

The additions of \$936.8 million in 2024 primarily consisted of the following:

Additions to land, land improvements and buildings of \$168.3 million related to:

- Purchase of the land and buildings for Surrey Transit Center (STC): \$88.3 million
- OMC 1 & 2 infrastructure improvements: \$50.7 million
- SeaBus terminal upgrades: \$6.7 million
- Other land & building acquisitions & upgrades: \$22.6 million

Additions to equipment of \$128.9 million related to:

- Daily Operation Management Systems (DOMS) replacement: \$24.3 million
- SkyTrain Customer & Operations Telecom Upgrade: \$22.9 million
- Burrard station escalator: \$13.8 million
- SkyTrain Advanced Radio System: \$9.3 million
- Westham Island Bridge rehabilitation-related equipment: \$7.5 million
- Trolley overhead state of good repairs replacements: \$5.4 million
- Railborne equipment: \$4.7 million
- Switch machines replacement: \$4.4 million
- Rail replacement-related equipment: \$3.4 million
- Other equipment: \$33.2 million

Additions to vehicles and SeaBus \$113.2 million related to:

- Conventional revenue vehicles: \$57.5 million
- Automated Transit Control and Expansion support: \$20.9 million
- Community Shuttle vehicles: \$19.1 million
- HandyDART vehicle replacement: \$6.8 million
- Other: \$8.9 million

Additions to Bridges, guideways of \$58.7 million related to Canada Line Capstan Station.

Addition to Work-in-Progress of \$467.7 million is primarily related to the following projects:

- Mark V trains: \$120.8 million
- Marpole Transit Centre: \$85.6 million
- SkyTrain Operation Control Centre upgrades: \$83.6 million
- Conventional bus expansion vehicles: \$49.4 million
- Station access and safety project: \$21.7 million
- Other projects: \$106.6 million

As a future operator of the Surrey Langley Skytrain (“SLS”) and lessee of the SLS assets, TransLink has incurred \$30.7 million of capital expenditures for the assets that will be owned by the province. The SLS Funding Support Agreement was fully executed in May 2024 and, as a result, the associated capital expenditures in prepaid capital have been reclassified to Work-in-Progress.

Supplies inventory increased by \$24.3 million (18.9 per cent) from 2023, mainly due to higher parts costs, an aging fleet requires more replacements, fleet expansions, and longer delivery lead times necessitating increased stock on hand.

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

6. Liquidity and Capital Resources

Cash Flows and Liquidity

The following table shows TransLink's unrestricted cash and investments.

Unrestricted Cash and Investments				
As at December 31				
(\$ thousands)	2024	2023	CHANGE	%
Cash and cash equivalents	436,083	276,248	159,835	57.9%
Investments	248,221	394,831	(146,610)	(37.1%)
Total	684,304	671,079	13,225	2.0%

TransLink's unrestricted cash and cash equivalents and investments balances reflect accumulated funding resources available for support operations. The balance increased by \$13.2 million (2.0 per cent) mainly due to the collection of \$85.8 million of Senior Government relief funding, offset by net outflows from operations in 2024.

Restricted Funds

Restricted Cash and Cash Equivalents and Investments				
As at December 31				
(\$ thousands)	2024	2023	CHANGE	%
Government transfers for capital project funding	964,630	1,151,364	(186,734)	(16.2%)
GEB Restricted Funds	1,641,742	2,019,966	(378,224)	(18.7%)
TPCC Cash and Investments	34,648	33,107	1,541	4.7%
Green Bond Proceeds	-	66	(66)	(100.0%)
Land reserve	198,695	281,780	(83,085)	(29.5%)
Development Cost Charges Funds	-	11,667	(11,667)	(100.0%)
Sub-total	2,839,715	3,497,950	(658,235)	(18.8%)
Total Self-Administered Sinking Funds	742,759	629,763	112,996	17.9%
Total Restricted cash and investments	3,582,474	4,127,713	(545,239)	(13.2%)

Restricted cash and investments include unspent government transfers, funds segregated for TransLink's captive insurance Transportation Property and Casualty Corporation (TPCC), unspent proceeds from green bond issuance, land reserve funds, Development Cost Charges funds to be spent on qualifying projects, and self-administered sinking funds.

The purpose of the land reserve funds is to allow proceeds from the disposition of real property to be invested back into real property. The land reserve concept is consistent with the Mayors' Council 2012 resolution and the former TransLink Commissioner's comments that the supplemental plan (now known as the Investment Plan) should not liquidate capital assets to fund operations.

The decrease in restricted cash and investments of \$545.2 million (13.2 per cent) was mainly due to federal and municipal contributions, GEB Restricted Fund and Development Cost Charges funding qualifying capital spending, Land Reserve funding the purchase of a property, and the settlement of a trade that was outstanding as of December 31, 2023. These decreases were partially offset by accrued investment income on these funds. During the year, the entire deferred balance of Development Cost Charges and the outstanding Green Bond proceeds were fully allocated to qualifying projects. The increase of \$1.5 million (4.7 per cent) in TPCC cash and investments was mainly due to net investment income.

The \$113.0 million (17.9 per cent) increase in self-administered sinking funds was due to regularly scheduled contributions and investment income generated by the 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 SCBCTA Act, TransLink's outstanding gross direct debt obligations cannot exceed TransLink's borrowing limit, which is currently \$8.5 billion. Under the "Borrowing by authority" Section 31 (1) of the SCBCTA Act, the debt limit can be increased on the basis of an amount proposed in an Investment Plan, "if the investment plan was approved by the mayors' council on regional transportation under section 204.1." The Board approved the resolution for the current borrowing limit in the report "2024 - 2033 Investment Plan" on June 25, 2024. The Mayors' Council also approved the resolution in the report. The debt obligations are defined under the SCBCTA Act as the sum of current borrowings of TransLink secured by debentures, bonds, other forms of indentures, capital leases, short-term notes, lines of credit and bank overdrafts, excluding any prepaid financing costs.

As at December 31, 2024, TransLink's outstanding debt obligation, as defined above, was \$4.3 billion, comprised of debt totaling \$3.6 billion and Municipal Financing Authority of BC (MFABC) administered sinking funds of \$0.7 billion. This is net of capital lease reductions since inception, unamortized issue costs and unamortized premiums/discounts of \$3.2 million.

Financing				
As at December 31				
(\$ thousands)	2024	2023	CHANGE	%
Debt	3,593,360	3,360,119	233,241	6.9%
Less: Self-administered sinking funds	(742,759)	(629,763)	(112,996)	17.9%
Less: Debt reserve deposits	(22,931)	(24,500)	1,569	(6.4%)
Net Direct Debt	2,827,670	2,705,856	121,814	4.5%
Golden Ears Bridge contractor liability	964,547	983,403	(18,856)	(1.9%)
Deferred concessionaire credit	362,745	386,082	(23,337)	(6.0%)
Indirect P3 Debt	1,327,292	1,369,485	(42,193)	(3.1%)
Subtotal Net Direct Debt and Indirect P3 Debt	4,154,962	4,075,341	79,621	2.0%

Net direct debt, which finances capital spending, increased by \$121.8 million (4.5 per cent). This was the result of issuing a \$300.0 million Green bond in June 2024 which included a \$5.8 million discount, partially offset by an increase to TransLink’s self-administered sinking fund of \$113.0 million from contributions and fund income, and net reductions in MFABC held debt of \$59.4 million.

As part of TransLink’s continuing Green Bond issuance program, a Green Bond framework developed in 2018 detailing types of projects TransLink will select as eligible to be funded from Green Bond proceeds, how TransLink will manage the proceeds of any Green Bond issuances, and how it will report on the resulting environmental benefits of these projects once they are operational. As at the end of 2024, all proceeds of TransLink’s most recent Green Bond issuance have been spent on eligible projects.

Indirect P3 Debt decreased by \$42.2 million (3.1 per cent) through the principal repayment of \$18.9 million of the GEB contractor liability and the \$23.3 million amortization of the Canada Line deferred concessionaire credit.

Credit Rating

Maintaining a high-quality [credit rating](#) is essential to ensure that TransLink can access capital markets in the most cost-effective manner.

The following table summarizes TransLink’s current credit ratings and outlooks. As of December 31, 2024 Moody’s continues to affirm TransLink’s rating of Aa2 (Stable) reflective of TransLink’s strong institutional framework and its status as a taxing authority. As of December 31, 2024, Dominion Bond Rating Service (DBRS) affirmed TransLink’s rating of AA (Stable) due in part to TransLink’s effective financial management framework and practices.

Credit Rating								
As at December 31, 2024 Agency	2024				2023			
	Commercial Paper	Senior Debt	General Obligation	Outlook	Commercial Paper	Senior Debt	General Obligation	Outlook
DBRS Limited	R-1 mid	AA	AA	Stable	R-1 mid	AA	AA	Stable
Moody’s Investors Service	Not Rated	Aa2	Aa2	Stable	Not Rated	Aa2	Aa2	Stable

7. Risk Factors

Financial Risk

The main financial risks TransLink is exposed to are credit, liquidity and market risks.

Credit Risk

Credit risk is the risk of loss resulting from bad debts on accounts receivables and non-performing investments.

a) Accounts Receivable

The large majority of TransLink's accounts receivables are from the Province of British Columbia and Federal Government, including fuel tax, relief funding, capital project funding, and the Goods and Services Tax (GST) rebate from the Federal Government. For these balances, the collectability risk is not significant.

(b) Investments Credit

Investment credit risk arises from the investments held by TransLink to meet internal liquidity requirements and for general business purposes. TransLink's investment policy identifies authorized investment types, limits asset concentrations, stipulates credit evaluation standards and delegates approval authorities. As these investments are limited to approved, reputable counterparties that are monitored on an ongoing basis, the investment risk is considered low.

Liquidity Risk

Liquidity risk is the risk that TransLink may be unable to meet its financial obligations in a timely manner and at reasonable prices. Liquidity risk is low, as TransLink maintains an optimal mix of cash, short-term investments, and a \$500.0 million commercial paper program. The commercial paper program is a short-term borrowing facility where TransLink can issue promissory notes with terms to maturity generally ranging from 35 to 91 days. TransLink has a dealer group of six Canadian banks that can buy these promissory notes (more commonly known as commercial paper) and on-sell them to investors. An integral part of this commercial paper program is a standby credit facility of \$500.0 million committed out to March 2028 which acts as a liquidity backstop in the event that some or TransLink's entire dealer group decline to buy its promissory notes. As at December 31, 2024, TransLink had sufficient liquid funds to meet its obligations.

In addition, TransLink's long-term debt is directly accessed through the Canadian public and private debt capital markets, for the purpose of funding TransLink's capital program. An important liquidity risk mitigation measure has been the establishment of a self-administered sinking fund program to provide dedicated and restricted funding. This sinking fund investment portfolio is built over time to meet the repayment obligation of TransLink-issued bonds.

TransLink's ridership has substantially recovered since COVID-19, averaging nearly 90 per cent of pre-pandemic levels in 2024, with certain parts of the region now well exceeding pre-pandemic levels. However, fuel tax revenue has been a declining revenue source, as the region transitions to zero emission and higher fuel efficiency vehicles. Coupled together with inflationary pressures from rising costs due to inflation, supply chain challenges and negotiated labour agreements, this has put pressure on TransLink's finances. Emergency relief funding provided by the Province will help keep TransLink's financial position and liquidity at healthy levels through 2025. TransLink is working with Mayors' Council and the Province on the next investment plan that will identify new, sustainable revenue sources.

Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For TransLink, the following are the main types of market risk: interest rate risk, foreign exchange risk, commodity price risk and inflation risk.

(a) Interest Rate Risk

TransLink is subject to the market interest rates at the date of issuing or refinancing of its short-term or long-term debt obligations. TransLink mitigates the interest rate risk by issuing fixed interest rate instruments, monitoring the interest rate environment to achieve optimal rates and spreading maturities of borrowings over periods currently up to and including 2055, so that only a portion of outstanding debt will mature in any given fiscal year.

(b) Foreign Exchange Risk

TransLink receives all revenues in Canadian dollars and incurs operating expenses and capital expenditures predominantly in Canadian dollars. Accordingly, TransLink does not have significant exposure to losses arising from fluctuations in exchange rates.

(c) Commodity Price Risk

TransLink's commodity price risk pertains to the usage of natural gas, electricity, gasoline and diesel to run its fleet of transit vehicles. While the majority of the current bus fleet is powered by diesel fuel, for which prices have been steadily rising, TransLink enters into some fixed price contracts to help mitigate this risk. Commodity price risk is considered moderate. Plans for diesel bus replacements are for more sustainable forms of fuel, such as renewable natural gas and electricity. The increase in fuel source diversity means that diesel fuel will be progressively a much smaller component of TransLink's total operating expenses.

(d) Inflation Risk

TransLink is subject to inflation risk, i.e., the risk that prices will rise faster than expected. Inflation risk is considered to be moderate, with the December 2024 headline annual rate reported at 1.8 per cent, down from the peak of 8.1 per cent in May 2022. The headline rate for British Columbia is slightly higher at 2.6 per cent. Recent inflation has primarily been driven by price hikes in shelter (4.5 per cent) and health and personal care (3.2 per cent), but not by transportation (1.6 per cent) and food (0.6 per cent). Inflation is expected to continue to be stable at around the 2.0 per cent mid-point Bank of Canada target into 2025. Bank of Canada has recently forecasted inflation for 2025 at 2.3 per cent, however this does not include potential inflationary pressures caused by anticipated upcoming tariffs. Additionally, there have been elevated wage increases combined with weak productivity which could see higher than expected inflation in the coming months as businesses seek to pass on higher costs. TransLink is actively monitoring these effects on procurement and project delivery.

Enterprise Risk Management

As the region's multi-modal transportation provider, TransLink faces a range of strategic, operational, and reputational risks. These risks encompass the potential occurrence of adverse events or ineffective internal processes that could hinder the achievement of the organization's strategic priorities. These risks are structurally managed through TransLink's Enterprise Risk Management (ERM) program.

ERM is a systematic approach to identifying, assessing, and responding to risks that may affect TransLink's strategic objectives. The ERM Framework establishes a consistent risk taxonomy structure across the Enterprise. The risk identification process involves consultations with senior leadership, workshops, and reviews of recent incidents. Once identified, the risks are assessed using a standardized matrix that evaluates both likelihood and impact. Critical risks are then prioritized by the Senior Executive Committee and the Board. Risk owners develop mitigation plans, which are regularly monitored and reported to the Board and senior executives. The ERM program is a core component of TransLink's governance practices, integrated with the organization's overall strategy and business planning processes.

Among the critical risks, the risk of TransLink's ability to establish a sustainable funding model through new revenue sources remains at a heightened level. Key factors in this risk include the timing and success of the 2025 Investment Plan in generating sufficient revenue and securing the level of support from Senior Governments for necessary actions. This is particularly significant as TransLink seeks to maintain current service levels and fulfill its expansion commitments outlined in the [Access for Everyone Plan](#). More details on key risks are available in the [2025 Business Plan](#).

TransLink maintains a comprehensive insurance program utilizing a combination of insurers and its captive insurance company, Transportation Property Casualty Company (TPCC), to reduce the financial impact of potential losses.

Environmental and Climate Risk

TransLink and its operating companies use the principles of an Environmental Management System (EMS) to guide informed decision-making and effective management of environmental risk. TransLink, CMBC and BCRTC follow [International Organization for Standardization ISO 14001:2015](#) as a guideline to enhance environmental performance and to manage changes in environmental conditions, including climate change risk. The EMS is designed to ensure hazards and risks are identified and assessed, and controls are implemented to mitigate significant risks. The EMS includes processes for the identification and mitigation of environmental risks, and regular review of environmental impacts, while continually improving environmental performance.

In January 2022, the Board of Directors, and the Mayors' Council for Regional Transportation approved the [Climate Action Strategy](#) and new greenhouse gas (GHG) and climate targets for TransLink. This was followed in December 2022 with the Board's approval of the [Climate Action Plan](#), which outlined seven strategies and 48 actions, over three years (2023-2025) on how TransLink was going to reduce its greenhouse gas emissions and ensure its operations and infrastructure are resilient the changing climate. Across the three-year Plan, 35 of 48 actions are on track (73 per cent), eight actions (17 per cent) have been completed, three (6 per cent) have been incorporated with other actions (to improve effectiveness and efficiency), and two (4 per cent) have been delayed due to stakeholder engagement.

To reduce GHG Emissions under the Climate Action Plan, TransLink continued to progress construction of the Marpole Transit Centre designed for 340 battery electric buses and began work on the Port Coquitlam Transit Centre upgrades to accept over 100 battery electric buses. TransLink and CMBC completed the Zero Emission Playbook which outlines the required projects and timing to achieve a zero-emission bus fleet by 2040. Fleet replacements, upgrades to the infrastructure and operational cost estimates are being integrated into the next Investment Plan. Work is currently underway to develop the required accountability, governance structures, and change management for the delivery of zero-emissions, service expansion (*Access for Everyone*), and bus rapid transit projects.

To reduce GHG emissions of existing operations, TransLink continued to purchase renewable natural gas to offset 100 per cent of life cycle emissions from the natural gas bus fleet. CMBC began purchasing

renewable diesel for three of its transit centres and is implementing a plan to fuel 100 per cent of the diesel bus fleet with renewable diesel by the end of 2027. The West Coast Express began fueling its locomotives with 100 per cent renewable diesel. The investments in zero-emission fleet and infrastructure, along with purchasing of renewable fuels support TransLink's continued commitment to achieving its climate goal, environmental protection and improving air quality in the region.

To implement Adapt to Climate Impacts under the Climate Action Plan, TransLink drafted an Enterprise Resilience Program and integrated it into the draft 2025 Investment Plan. TransLink is currently developing a resilience framework to assess and co-manage the physical and financial risks associated with climate change, seismic, and other hazards. TransLink also initiated flood risk assessments for four of its transit centres and integrated climate change adaptation into Design Guidelines for Underground Infrastructure to be applied in future SkyTrain extension projects. These actions, together with TransLink's Emergency Management initiatives, will reduce the risk and vulnerabilities associated with climate change to infrastructure and operations.

Finally, TransLink revised its Sustainability Policy and the Procurement Policy to further integrate environmental and climate change factors into business decision-making, planning, and operations.

Labour Relations Risk

The majority of employees across the TransLink Enterprise are represented by six bargaining units including Unifor Locals 111 and 2200, the Canadian Union of Public Employees (CUPE) Locals 4500 and 7000, the Canadian Office and Professional Employees Union (MoveUP) Local 387, and Transit Police Professional Association (TPPA).

The following are expiration dates for bargaining unit agreements:

- CMBC's agreement with CUPE, Local 4500 – December 31, 2025;
- CMBC's agreements with Unifor, Local 111 and 2200 – March 31, 2026;
- CMBC's agreement with MoveUP – March 31, 2026;
- BCRTC's agreement with CUPE, Local 7000 – August 31, 2028;
- TSML's agreement with TPPA – December 31, 2025; and
- TransLink's agreement with MoveUP – March 31, 2026.

With all collective agreements being in place, there is no significant Labour Relations risk in 2025. Labour Relations will be a risk in 2026, and updates will follow in the next reporting cycle.

Project Risk

TransLink's capital program consists of projects that vary significantly in scope, risk, complexity, business value and budget. Projects can be classified into keeping assets in a state of good repair, upgrades and improvements to existing asset base, and expansion projects that generally increase service capacity or network.

Specific project risks include impacts of cost escalation due to inflation/supply chain constraints, delays due to resourcing constraints in the market, and scope changes as projects complexity increases. General risks managed in capital projects include supply chain issues with procuring long-lead items, budgets and schedules estimates, planning projects in isolation, succession planning within project teams, and increased complexity and interdependency between projects. To mitigate this, TransLink supplements internal resources and expertise with specialized engineering, design, planning,

construction/implementation resources, as needed, which provide the due diligence required by each project. Design assumptions and consideration risks are reduced by performing site and condition assessments of the project location prior to project start. Procurement risks are reduced through identifying a procurement strategy before a project start, appropriate market review and due diligence, tendering projects and the use of warranties and delay penalties. Scope changes and third-party approval risks are mitigated through early stakeholder engagement, detailed design reviews, and approvals with key stakeholders. Project interdependency challenges have been mitigated through robust program management.

TransLink's capital projects are initiated and approved through funding phase gates. The first phase is the Approval in Principle, and it consists of the identification of asset needs, solutions, and options analysis, which are used to develop the project scope, schedule, and budget. Project submissions from this phase are reviewed by Senior Management in the context of available funding and business priorities before approval by TransLink's Board to form the Annual Capital Plan.

The next phase(s) is the Specific Project Approval. This is a more rigorous phase, as it involves the creation of the detailed project work plan that includes scope definition, detailed schedule and budget, identification of key stakeholders and formal risk assessment. Complex projects may include multiple Specific Project Approvals throughout the life of a project. Projects are approved by either the Senior Leadership, the Executives team, or the Board, depending on the complexity and risk profile of each project.

Active projects are governed by project steering committees, which include Project Sponsor, Implementation Manager, a Project Management Officer member, and additional stakeholder representation based on the risk profile of a project. Project steering committees report to TransLink Senior Leadership and Executives who monitor project performance with a focus on budget, scope, schedule, risks, and issues. High risk exceptions are escalated to the Board.

Appendix 1 – Audited Consolidated Financial Statements

The 2024 Audited Consolidated Financial Statements are attached at the end of this report.

Appendix 2 – Five Year Historical Schedules

5 YEAR CONSOLIDATED REVENUES						Compound Annual Growth Rate (CAGR) 2020-2024
Year ended December 31 (\$ millions)	2020	2021	2022	2023	2024	
Taxation	850.0	899.4	978.1	978.4	1,078.1	6.1%
Transit	385.9	413.4	552.6	671.6	718.7	16.8%
Government transfers	149.8	172.0	251.1	236.7	424.9	29.8%
Amortization of deferred concessionaire credit	23.3	23.3	23.3	23.3	23.3	-
Investment income	53.8	52.9	109.1	192.2	213.5	41.1%
Development Cost Charges	19.7	44.8	25.2	17.3	91.3	46.7%
Miscellaneous revenue	18.4	22.5	17.4	20.0	66.2	37.7%
Sub Total Continuing Operations¹	1,500.9	1,628.3	1,956.8	2,139.5	2,616.1	14.9%
Senior Government Relief Funding	644.0	31.8	176.0	478.9	-	(100.0%)
Gain/loss on disposal of tangible capital assets	-	0.6	1.7	8.1	0.3	100.0%
Total Revenue¹	2,144.9	1,660.7	2,134.5	2,626.5	2,616.5	5.1%

¹ Some amounts may not add due to rounding

Total revenue from continuing operations, excluding Senior Government relief funding and gains or losses on the disposal of tangible capital assets, has increased at a Compound Annual Growth Rate (CAGR) of 14.9 per cent since 2020.

Taxation Revenue has grown over the past five years at a CAGR of 6.1 per cent, driven by standard property tax increases and increases resulting from new development and construction growth in the region, and a one-time increase of \$80.0 million in total standard property tax collected in 2024 to fund the system's urgent transit needs. Parking Sales Tax declined in 2020 due to COVID-19, then rebounded in 2021 to near pre-COVID levels, and significantly surpassed pre-COVID levels from 2022 onward. Fuel Tax recovered in 2021 and 2022 following the pandemic but has been declining since 2023 due to the increased adoption of zero-emission and fuel-efficient vehicles in the region.

Transit revenue was significantly lower in 2020 and 2021 due to the impact of the pandemic on ridership. Ridership began recovering in the second half of 2021 with continued growth in 2022 and 2023, reaching 85.6 per cent of pre-pandemic levels in 2023. In 2024, ridership increased by 3.3 per cent compared to 2023 under the impact of population growth and more people turning to transit. Overall, transit revenue has grown at a CAGR of 16.8 per cent from 2020 to 2024.

Revenue from Government Transfers, which exclude Senior Government relief funding, have increased by a CAGR of 29.8 per cent from 2020 to 2024. Following the COVID-related decline due to production delays in 2020, revenue recognized from Government transfers increased in 2021 and 2022 as delivery of buses ramped up. In 2022, revenue recognition of funds received under the Public Transit Infrastructure Fund (PTIF) began as agreement terms were met. In 2023, this revenue decreased by 5.7 per cent compared to 2022, due to lower vehicle deliveries. Revenue recognized from Government transfers in 2024 was \$188.2 million higher than 2023, mainly due to timing of vehicle deliveries and increased project activity for the Marpole Transit Center, which resulted in higher revenue recognition from the Canada Community Building Fund.

Investment income has grown at a CAGR of 41.1 per cent over the five-year period due to growing investment balances which include the sinking funds, interest earned on GEB toll replacement revenue funds, combined with increased interest rates driven by the Bank of Canada's monetary policy.

DCC revenue is recognized based on spending on eligible projects, and therefore, is subject to fluctuations from year to year. In 2020 and 2021, all DCC levied were fully recognized as revenue, totaling \$19.7 million and \$44.8 million, respectively. Subsequent years saw fluctuations due to project delays, with revenue recognition declining to \$25.2 million in 2022 and \$17.3 million in 2023. In 2024, revenue recognition surged to \$91.3 million, driven by increased spending on DCC-eligible projects.

Miscellaneous revenue, which includes third-party recoveries related to warranties, other recoverable costs, and one-off compensations remained relatively stable from 2020 to 2023. Miscellaneous revenue increased by \$46.2 million in 2024 mainly due to a contribution from the City of Surrey following the execution of the SLS Funding and Support Agreement in 2024. As a result of this increase, miscellaneous revenue has increased by a CAGR of 37.7 per cent over the five-year period.

5 YEAR CONSOLIDATED EXPENSES (BY SEGMENT)						Compound Annual Growth Rate (CAGR)
Year ended December 31	2020	2021	2022	2023	2024	2020-2024
(\$ millions)						
Bus Operations	760.6	806.3	860.5	945.5	1,015.5	7.5%
Rail Operations	316.5	346.7	363.6	405.0	449.8	9.2%
Transit Police	40.7	44.8	48.1	52.7	59.6	10.0%
Corporate operations	100.8	103.6	120.8	139.4	158.3	11.9%
Roads & Bridges	62.9	120.1	109.4	151.1	145.9	23.4%
Amortization of tangible capital assets ²	229.4	233.8	250.0	259.7	266.3	3.8%
Interest ²	189.3	182.0	181.4	180.5	194.1	0.6%
Sub Total Continuing Operations¹	1,700.2	1,837.3	1,933.8	2,133.8	2,289.6	7.7%
Corporate One-Time	15.1	21.8	71.1	19.8	26.3	14.9%
Total Expenses by Segment¹	1,715.3	1,859.1	2,004.9	2,153.6	2,315.8	7.8%

¹ Some amounts may not add due to rounding

² Amortization and Interest shown separately to facilitate analysis

Total expenses have grown by a CAGR of 7.8 per cent since 2020. Excluding one-time costs, the CAGR is 7.7 per cent, commensurate with service expansion, and rate of inflation.

Bus Operations costs have increased by a CAGR of 7.5 per cent, mainly due to increased labour costs as a result of negotiated contractual labour rate increases, service expansion costs, higher costs to maintain aging fleet compounded by inflation on part prices, increasing fuel costs and increases in contracted services labour and overhead.

Rail Operations costs have increased by a CAGR of 9.2 per cent, mainly due to increased labour costs driven by contractual and economic increases, and higher maintenance costs to ensure a state of good repair.

Transit Police expenses have increased by a CAGR of 10.0 per cent, mainly due to increased labour costs from contractual wage increases, additional headcount, higher property rental costs from expansion of head office space, and higher professional and legal costs.

Corporate Operations costs have increased by a CAGR of 11.9 per cent mainly due to increased labour costs, higher administration costs to support growing needs of the Enterprise, higher professional fees, and contractual increases.

Roads and Bridges costs have increased by a CAGR of 23.4 per cent, primarily due to increased capital infrastructure contributions to municipalities driven by a higher number of completed projects, cost inflation for MRN Operations and Maintenance work, and completion of the Rapid Bus R6 project.

Amortization expense has increased by a CAGR of 3.8 per cent, mainly due to an increase in depreciable tangible capital assets.

Interest expense remained stable over the five-year period due to low average interest rates offsetting the impact of increasing debt. Increase in 2024 compared to 2023 was mainly due to higher long-term debt balance, utilization of short-term debt, and higher average interest rates, partially offset by higher interest capitalization.

5 YEAR CONSOLIDATED EXPENSES (BY CATEGORY)						Compound Annual Growth Rate (CAGR) 2020-2024
Year ended December 31	2020	2021	2022	2023	2024	
(\$ millions)						
Administration	46.7	45.1	54.5	65.2	73.4	12.0%
Amortization of capital assets	229.4	233.8	250.0	259.7	266.3	3.8%
Capital infrastructure contributions	36.6	72.7	60.7	76.4	85.2	23.5%
Contracted services	215.4	223.0	236.6	257.7	268.7	5.7%
Fuel and power	55.9	67.2	90.0	89.4	87.2	11.8%
Insurance	29.3	24.6	25.3	24.5	27.9	(1.2%)
Interest	189.3	182.0	181.4	180.4	194.1	0.6%
Maintenance, materials and utilities	148.2	171.5	182.0	229.8	239.9	12.8%
Professional and legal	14.7	15.8	19.7	30.3	29.8	19.3%
Rentals, leases and property tax	29.2	33.5	38.6	37.7	40.1	8.3%
Salaries, wages and benefits	705.5	768.1	795.0	882.7	976.9	8.5%
Sub Total Continuing Operations¹	1,700.2	1,837.3	1,933.8	2,133.8	2,289.6	7.7%
Corporate One-Time	15.1	21.8	71.1	19.8	26.3	14.9%
Total Expenses by Category¹	1,715.3	1,859.1	2,004.9	2,153.6	2,315.8	7.8%

¹ Some amounts may not add due to rounding

Administration costs have increased by a CAGR of 12.0 per cent since 2020, mainly due to an increase in telecommunications, network, IT security and software costs to support growing needs of the Enterprise.

Amortization and interest expense variance analysis is covered on the previous page “5-year Consolidated Expenses (By Segment)”.

Capital infrastructure contributions have increased by a CAGR of 23.5 per cent, mainly due to the progress on the existing projects alongside the addition of new projects in 2024, thereby increasing the number of active projects.

Contracted Services have increased by a CAGR of 5.7 per cent, mainly due to higher contractual costs for Canada Line due to inflation, and higher service hours and contract rates for Access Transit.

Fuel and power have increased by a CAGR of 11.8 per cent, mainly due to an increase in fuel prices.

Maintenance, materials and utilities costs have increased by a CAGR of 12.8 per cent, mainly due to higher parts prices driven by inflation, as well as higher maintenance to keep aging fleet and infrastructure in a state of good repair, increased costs for hybrid and trolley bus battery replacement, and increases in building maintenance, janitorial costs, hydro and snow removal costs.

Professional and legal costs have increased by a CAGR of 19.3 per cent, mainly due to higher professional fees for Transit Oriented Development projects and RapidBus.

The 8.3 per cent CAGR of rentals, leases and property tax costs is mainly due to new rental properties, increases in rental costs of existing properties and higher property taxes.

The CAGR for salaries, wages and benefits of 8.5 per cent is mainly due to increased labour costs as a result of negotiated contractual and economic labour increases and increase in headcount.

Appendix 3 – Operating Indicators

OPERATING INDICATORS						Compound Annual Growth Rate (CAGR)
Year ended December 31	2020	2021	2022	2023	2024	2020-2024
Safety: Customer Injuries (per 1 million boarded passengers) ¹						
Bus & SeaBus	4.4	4.9	3.7	3.8	3.5	(5.6%)
SkyTrain: Expo & Millennium Lines	1.0	1.1	0.9	1.0	1.1	2.4%
West Coast Express	-	1.9	-	-	-	-
HandyDART (per 100,000 boarded passengers)	1.3	3.0	0.9	1.4	0.8	(11.4%)
Safety: Employee Lost Time Frequency						
Bus & SeaBus (per 200,000 Hours Worked) ^{2, 2a}	7.4	7.9	8.5	8.4	7.8	1.3%
SkyTrain: Expo & Millennium Lines (per 200,000 Hours Worked)	4.4	3.7	4.6	4.3	6.3	9.4%
HandyDART (per 200,000 Hours Worked)	8.1	9.9	16.8	16.8	10.2	5.9%
Safety: Bus & SeaBus Operator Assaults (per 1 Million Service Hours) ^{2b}						
	12.2	12.8	11.8	11.8	10.6	(3.5%)
Ridership: Boarded Passengers (Thousands) ³						
Bus & SeaBus	142,416	145,943	207,388	247,637	252,276	15.4%
SkyTrain: Expo & Millennium Lines	54,551	55,199	82,966	100,931	106,944	18.3%
SkyTrain: Canada Line	20,335	21,120	33,603	40,409	42,122	20.0%
West Coast Express	795	515	885	1,304	1,559	18.3%
HandyDART	698	767	1,060	1,306	1,301	16.8%
Ridership: Journeys (Thousands) ⁴						
Overall System	128,018	130,858	193,555	233,244	240,936	17.1%
Vehicle Service Delivery: Percentage of Service Hours Delivered ⁵						
Bus & SeaBus ^{2b}	96.2%	97.8%	98.6%	99.3%	99.2%	0.8%
HandyDART	99.7%	99.8%	99.5%	99.6%	99.5%	(0.1%)
Vehicle Service Delivery: Percentage of Train Trips Delivered ⁶						
SkyTrain: Expo & Millennium Lines	n/a	99.5%	99.3%	99.5%	99.5%	-
West Coast Express	n/a	99.2%	99.3%	99.5%	98.6%	-
Vehicle Punctuality: On-Time Performance						
Bus (3 minutes late < On-Time < 1 minute early) ^{2c}	86.2%	83.9%	81.5%	79.7%	78.5%	(2.3%)
SkyTrain: Expo & Millennium Lines (headway + 3 minutes) ⁷	96.4%	96.6%	95.9%	95.3%	94.1%	(0.6%)
West Coast Express (headway + 5 minutes)	93.1%	96.4%	94.7%	95.9%	93.5%	0.1%
HandyDART (earlier than and within 15 minutes of Scheduled Pick-Up Time)	94.7%	94.2%	91.7%	90.9%	90.6%	(1.1%)
Vehicle Reliability: Mean Distance Between Failure						
Bus ^{2d}	27,368	18,231	23,481	29,587	30,715	2.9%
HandyDART Vehicle Productivity						
Trips per Service Hour (excludes Taxis)	1.4	1.6	1.8	1.6	1.6	3.4%
Trip Denials	405	119	906	1,112	2,147	51.4%
Environmental						
Bus & SeaBus (Spills per 1 Million Km) ^{2e}	1.5	2.3	2.4	2.0	1.8	4.7%
Bus & SeaBus (Revenue Vehicle Energy Consumption in Gigajoules)	1,840,983	1,910,369	1,971,632	2,048,771	1,494,958	(5.1%)
Customer Service: Customer Satisfaction (overall score of 10) ⁹						
Overall System	8.2	8.2	8.0	8.0	7.8	(1.2%)
Bus & SeaBus	8.2	8.3	8.1	8.0	7.7	(1.6%)
SkyTrain: Expo & Millennium Lines	8.5	8.5	8.3	8.3	8.1	(1.2%)
SkyTrain: Canada Line	8.7	8.9	8.6	8.6	8.4	(0.9%)
West Coast Express	8.9	8.9	8.8	8.8	8.9	-
HandyDART	9.0	8.7	8.5	8.6	8.8	(0.6%)
Customer Service: Customer Complaints ^{2f}						
Overall System (per 1 million boarded passengers) ^{10,11}	103.3	92.8	74.0	70.7	75.0	(7.7%)
Corporate (per 1 million boarded passengers)	28.7	19.2	15.8	16.5	17.7	(11.4%)
Bus & SeaBus (per 1 million boarded passengers)	101.5	105.0	83.4	78.2	83.8	(4.7%)
SkyTrain: Expo & Millennium Lines (per 1 million boarded passengers)	25.1	17.8	15.4	13.5	14.3	(13.1%)
SkyTrain: Canada Line (per 1 million boarded passengers)	8.1	6.4	5.8	6.0	7.3	(2.6%)
West Coast Express (per 1 million boarded passengers)	358.1	191.8	143.5	124.2	84.0	(30.4%)
HandyDART (per 100,000 boarded passengers)	178.6	209.7	255.2	242.9	262.0	10.1%
Financial: Operating Costs ¹²						
Overall System (operating cost per capacity km) ^{10,11}	\$0.097	\$0.111	\$0.108	\$0.115	\$0.125	6.5%
Bus & SeaBus (operating cost per capacity km)	\$0.128	\$0.158	\$0.141	\$0.150	\$0.158	5.4%
SkyTrain: Expo & Millennium Lines (operating cost per capacity km)	\$0.040	\$0.045	\$0.047	\$0.053	\$0.063	12.0%
SkyTrain: Canada Line (operating cost per capacity km)	\$0.137	\$0.143	\$0.145	\$0.150	\$0.159	3.8%
West Coast Express (operating cost per capacity km)	\$0.165	\$0.207	\$0.184	\$0.133	\$0.124	(6.9%)
HandyDART (operating cost per trip)	\$75.14	\$69.70	\$57.73	\$54.79	\$57.11	(6.6%)
Financial: Operating Cost Recovery						
TransLink (conventional system) ¹³	33.6%	33.5%	41.8%	46.0%	46.4%	8.4%

Footnotes for Appendix 3 begin on the following page

¹ The customer injury definition for CMBC and HandyDART represents the number of accepted injury claims arising 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 the hospital for treatment and the incident is reported to transit staff.

² 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, due to the unavailability of certain applications, some datasets are incomplete and/or required estimates. The following Operating Indicators have been impacted and to support comparability, alternative estimates have been made as described below:

^{2a} 2020 Bus and SeaBus Employee Lost Time Frequency has been restated as it was previously reported based on best estimate.

^{2b} CMBC Service hours estimated for November 2020 to December 2021 are best-estimate basis in order to maintain consistency within the reporting period.

^{2c} The On-Time Performance for Bus excluded data not available for November 2020 to April 2021.

^{2d} The Vehicle Reliability: Mean Distance Between Failure for Bus excludes data not available for November 2020 to March 2021.

^{2e} Spills data was estimated for November to December 2020 based on the best available data at the time of reporting. Spills data was unavailable between January to June 2021 as a result of system unavailability; therefore, 2021 service kilometers for July-December are used to normalize this metric.

^{2f} TransLink was not able to capture complete complaint data from November 28, 2020 to August 18, 2021. To normalize the 2020 and 2021 metrics, boarded passenger totals are aligned with when the period's complaint data was fully available, being January 1 to November 27 for 2020 and September 1 to December 31 for 2021 – September being the first month of complete data in 2021.

³ Ridership estimates for 2020 differ from the methodology used in previous years as a result of the temporary suspension of fare collection on buses in the first months of the COVID-19 pandemic, the replacement of fareboxes on buses and the December 2020 cyberattack.

⁴ Ridership figures have been restated to reflect final numbers.

⁵ Expo and Millennium Lines and West Coast Express use a trip-based calculation for Service delivery that aligns with industry best practice.

⁶ Canada Line does not provide actual service delivery statistics, using scheduled service hours for reporting purposes.

⁷ 2020 indicator has been restated to conform with the methodology adopted in 2021.

⁸ For 2020 the indicator for Mean Distance Between Service Removals were restated as the refinement of the definition for service removals better reflects how SkyTrain Rolling Stock Reliability affects the customer experience. The updated definition adopted 2021 onwards better aligns with industry benchmarking practices.

⁹ The results for 2020 and 2021 were likely influenced by riders' changing perceptions and expectations of the transit system in the context of the ongoing COVID-19 pandemic. Ridership in these years was well below pre-pandemic levels and the incidence of qualifying for the Customer Service Performance study was considerably lower than before.

¹⁰ Excludes HandyDART

¹¹ Includes operating costs of Bus, Rail and Transit Police. Excludes amortization and interest expense.

¹² Calculations based on whole numbers.

¹³ Excludes Corporate One-Time Costs.

Appendix 4 – Allocated Costs between Divisions

ALLOCATED COST BREAKDOWN					
Year ended December 31					
(\$ thousands)	2020	2021	2022	2023	2024
Shared Services ¹					
Bus Operations	35,973	40,048	37,030	38,205	45,295
Access Transit	119	103	116	92	102
SkyTrain - Expo & Millennium Line	7,367	6,794	8,827	11,367	13,761
West Coast Express	106	264	227	382	353
Transit Police	2,988	2,566	1,878	2,538	3,341
Total Shared Services allocated	46,553	49,775	48,078	52,584	62,852
Costs Administered by TransLink and allocated to subsidiaries ²					
Bus Operations	15,829	17,837	21,930	27,407	29,861
Access Transit	-	-	-	-	13
SkyTrain - Expo & Millennium Line	3,901	3,780	5,421	5,768	6,387
SkyTrain - Canada Line	2,438	2,824	3,078	3,753	3,970
West Coast Express	404	444	626	583	529
Transit Police	1,893	2,280	2,904	3,103	2,833
Costs Administered by TransLink allocated	24,465	27,165	33,959	40,614	43,593
Bus Operations	51,802	57,885	58,960	65,612	75,156
Access Transit	119	103	116	92	115
SkyTrain - Expo & Millennium Line	11,268	10,574	14,248	17,135	20,148
SkyTrain - Canada Line	2,438	2,824	3,078	3,753	3,970
West Coast Express	510	708	853	965	882
Transit Police	4,881	4,846	4,782	5,641	6,174
Total costs allocated to Subsidiaries from TransLink	71,018	76,940	82,037	93,198	106,445

¹ Includes Business Technology, Human Resources and Administration costs

² Includes property tax, building leases, insurance, and fare media costs

TransLink's methodology for allocating shared costs to benefiting business units is equitable and consistent with leading practices. TransLink allocates costs to the following business units: Bus Operations, Access Transit, SkyTrain, West Coast Express and Transit Police, which directly benefit from or consume the service or costs.

Business units can be allocated 100.0 per cent of a cost if it is the only one benefiting and consuming that cost, or costs can be shared across multiple business units that benefit and consume the cost based on an allocation factor, such as headcount or square footage. The charges that are allocated to the business units include human resources, administration, fare media, rentals and leases, as well as information technology.

The allocated cost increase over the five-year period was primarily driven by rising technology expenses, including higher software, licensing, and support costs due to contractual increases and a growing number of users, higher rental expenses, higher property insurance premiums, and higher property taxes.



Together all the way

translink.ca



Consolidated Financial Statements
(Expressed in thousands of dollars)

**SOUTH COAST BRITISH COLUMBIA
TRANSPORTATION AUTHORITY**

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

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Vancouver BC V7Y 1K3
Canada
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Authority as at December 31, 2024, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor's report thereon, included in the 2024 Annual Statutory Report, 2024 Year-End Financial and Performance Report, and 2024 Accountability Report documents.



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

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

We obtained the information, other than the financial statements and the auditor's report thereon, included in the 2024 Annual Statutory Report, 2024 Year-End Financial and Performance Report, and 2024 Accountability Report documents as at the date of this auditor's report.

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

We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming our opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants

Vancouver, Canada
March 26, 2025

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 436,083	\$ 276,248
Accounts receivable (note 6(j))	653,157	675,173
Restricted cash and cash equivalents and investments (note 3(a))	3,582,474	4,127,713
Investments (note 3(b))	248,221	394,831
Debt reserve deposits (note 4)	22,931	24,500
	<u>4,942,866</u>	<u>5,498,465</u>
Liabilities		
Accounts payable and accrued liabilities (note 6(j))	532,128	615,595
Debt (note 5)	3,593,360	3,360,119
Deferred government transfers (note 6(a))	3,526,862	3,769,885
Golden Ears Bridge contractor liability (note 7(a))	964,547	983,403
Deferred concessionaire credit (note 8(a))	362,745	386,082
Employee future benefits (note 9(b))	145,151	140,093
Deferred development cost charges (note 10)	-	40,348
Asset retirement obligations (note 11)	27,968	26,952
Deferred revenue and deposits	90,331	82,745
Deferred lease inducements	11,697	12,795
	<u>9,254,789</u>	<u>9,418,017</u>
Net debt	(4,311,923)	(3,919,552)
Non-financial assets		
Tangible capital assets (note 12)	6,840,407	6,141,887
Supplies inventory	152,888	128,609
Prepaid expenses	30,875	30,780
Property under development (note 14)	20,932	20,102
Prepaid capital (note 13)	-	30,745
	<u>7,045,102</u>	<u>6,352,123</u>
Commitments and contingencies (note 15)		
Subsequent event (notes 12(a), 12(c) and 15(e)(iii))		
Accumulated surplus	<u>\$ 2,733,179</u>	<u>\$ 2,432,571</u>

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

“Lorraine Cunningham”

Chair

“Allan Seckel”

Director

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget <small>(note 2(x))</small>	2024 Actual	2023 Actual
Revenues:			
Taxation (note 19)	\$ 1,012,095	\$ 1,078,147	\$ 978,412
Transit (notes 6(k) and 20)	679,618	718,737	671,560
Government transfers (note 6(a))	487,716	424,922	715,668
Investment income	149,679	213,519	192,228
Development cost charges (note 10)	52,700	91,278	17,301
Amortization of deferred concessionaire credit (note 8(a))	23,337	23,337	23,273
Miscellaneous (note 21)	16,609	66,179	19,966
Gain (loss) on disposal of tangible capital assets	(798)	332	8,085
	2,420,956	2,616,451	2,626,493
Expenses:			
Bus operations	1,199,351	1,191,488	1,114,059
Corporate operations	263,869	223,640	194,045
Rail operations	599,529	593,432	538,027
Roads and bridges	245,439	245,786	252,402
Transit Police	62,250	61,497	55,057
	2,370,438	2,315,843	2,153,590
Surplus for the year	50,518	300,608	472,903
Accumulated surplus, beginning of year	2,467,317	2,432,571	1,959,668
Accumulated surplus, end of year	\$ 2,517,835	\$ 2,733,179	\$ 2,432,571

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 2(x))	2024 Actual	2023 Actual
Surplus for the year	\$ 50,518	\$ 300,608	\$ 472,903
Acquisition of tangible capital assets	(1,515,450)	(936,761)	(637,162)
Amortization of tangible capital assets	273,527	266,303	259,680
Prepaid capital transferred to tangible capital assets (note 13)	-	(30,745)	-
Net proceeds from disposal of tangible capital assets	-	3,015	9,136
Loss (gain) on disposal of tangible capital assets	798	(332)	(8,085)
	(1,241,125)	(698,520)	(376,431)
Change in supplies inventory	(21,988)	(24,279)	(31,299)
Change in property under development	-	(830)	(503)
Change in prepaid expenses	(4,192)	(95)	(778)
Prepaid capital transferred to tangible capital assets (note 13)	-	30,745	-
Change in prepaid capital	-	-	(993)
	(26,180)	5,541	(33,573)
Decrease (increase) in net debt	(1,216,787)	(392,371)	62,899
Net debt, beginning of year	(3,818,846)	(3,919,552)	(3,982,451)
Net debt, end of year	\$ (5,035,633)	\$ (4,311,923)	\$ (3,919,552)

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used for):		
Operating transactions:		
Surplus for the year	\$ 300,608	\$ 472,903
Non-cash changes to operations (note 17)	(154,233)	52,479
Changes in non-cash operating working capital (note 17)	(116,268)	(323,242)
Cash provided by operating transactions	30,107	202,140
Capital transactions:		
Purchase of tangible capital assets	(905,145)	(611,227)
Net proceeds from disposal of tangible capital assets	3,015	9,136
Cash used for capital transactions	(902,130)	(602,091)
Investing transactions:		
Decrease (increase) in restricted cash and cash equivalents and investments	545,239	(394,519)
Decrease (increase) in investments	146,610	(159,542)
Decrease (increase) in debt reserve deposits	1,569	(738)
Cash provided by (used for) investing transactions	693,418	(554,799)
Financing transactions:		
Debt proceeds	300,000	300,000
Discount and issuance costs on financing	(3,120)	(19,491)
Repayments of debt	(35,033)	(35,186)
Repayments of Golden Ears Bridge contractor liability	(85,789)	(83,547)
Government transfers received for tangible capital additions	162,382	446,532
Lease inducements received	-	132
Cash provided by financing transactions	338,440	608,440
Increase (decrease) in cash and cash equivalents	159,835	(346,310)
Cash and cash equivalents, beginning of year	276,248	622,558
Cash and cash equivalents, end of year	\$ 436,083	\$ 276,248
Supplementary information:		
Interest paid	\$ 226,712	\$ 202,002
Non-cash transactions related to tangible capital asset additions:		
Transfer from prepaid capital (note 13)	30,745	-
In-kind contribution to Surrey Langley SkyTrain project (note 21)	29,700	-
Arising from asset retirement obligations (note 11)	1,916	25,935

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

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

Year ended December 31, 2024

1. Operations:

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

Transit ridership continued to improve in 2024 relative to COVID-19 pandemic levels. However, taxation and transit revenues continue to be adversely affected. Coupled with inflationary pressures on costs, including labour costs, this continues to put pressure on TransLink's financial position. Emergency relief funding provided by the Province of British Columbia (the "Province") is expected to help TransLink maintain its financial position and liquidity in 2025 (note 6(i)). TransLink continues to work with the Mayors' Council and the Province to identify new, sustainable revenue sources.

2. Significant accounting policies:

(a) Basis of presentation:

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

(b) Basis of consolidation:

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

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

2. Significant accounting policies (continued):

(b) Basis of consolidation (continued):

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

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

All intercompany balances and transactions have been eliminated upon consolidation.

(c) Basis of accounting:

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

(d) Cash and cash equivalents:

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

(e) Financial instruments:

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

(i) Fair value:

Equity investments and derivatives that are quoted in an active market are reflected at fair value as at the reporting date. Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and related balances are reversed from the consolidated statement of remeasurement gains and losses. As at December 31, 2024, the Authority does not hold any equity investments or derivatives that are quoted in an active market, and thus, the Authority does not have any unrealized gains or losses and a consolidated statement of remeasurement gains and losses has not been included in these consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

2. Significant accounting policies (continued):

(e) Financial instruments (continued):

(ii) Cost:

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

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

(f) Supplies inventory:

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

(g) Property under development:

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

(h) Tangible capital assets:

Tangible capital assets have been recorded as follows:

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

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

2. Significant accounting policies (continued):

(h) Tangible capital assets (continued):

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

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

(i) Capitalization of interest:

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

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

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

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

(k) Pension plans and employee future benefits:

(i) Pension plan:

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

(ii) Employee future benefits:

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

2. Significant accounting policies (continued):

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

(ii) Employee future benefits (continued):

The accrued benefit obligation is actuarially determined annually to coincide with the Authority's fiscal year end. The most recent actuarial valuation of the plans was December 31, 2024. The plans are unfunded and require no contributions from employees. Employer contributions are based upon expected annual benefit payments.

Actuarial gains or losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains or losses are amortized over the average remaining service period of active employees in the consolidated statement of operations. The amortization period of the active employees covered by the post-retirement plan is 12-years (2023 - 12-years) and post-employment plan is 5-years (2023 - 6 years).

(l) Transit revenue:

Transit revenue is comprised primarily of fares and program revenues (U-Pass BC and Government Bus Pass programs). The Authority defers the portion of the revenue collected from transit services not yet provided to transit users. Transit revenue is recognized in the year in which the related services are provided.

(m) Development cost charges:

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

(n) Deferred concessionaire credit:

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

(o) Government transfers:

Government transfers with stipulations are deferred and recognized as revenue as the related stipulations in the agreement are met. Government transfers without stipulations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(p) Taxation revenue:

Taxes are recognized as revenue at their net realizable value when they meet the definition of an asset, are authorized and the taxable event has occurred.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

2. Significant accounting policies (continued):

(q) Liability for contaminated sites:

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

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

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

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

(r) Asset retirement obligations:

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

- (i)* there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii)* the past transaction or event giving rise to the liability has occurred;
- (iii)* it is expected that future economic benefits will be given up; and
- (iv)* a reasonable estimate of the amount can be made.

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

The obligation is measured based on the estimated future costs discounted using TransLink's cost of borrowing. The obligation is adjusted annually to reflect changes in the timing of future cash flows and, for accretion to reflect the passage of time, which is included in interest expense.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

2. Significant accounting policies (continued):

(s) Public private partnerships (“P3”):

A P3 arrangement occurs between a public sector entity and a private sector entity where the private sector entity designs, builds, finances and operates the infrastructure.

The Authority recognizes infrastructure assets acquired under P3 arrangements as tangible capital assets when the Authority controls the purpose and use of the infrastructure, access to the future economic benefits and exposure to risks of the infrastructure assets, and significant residual interest in the infrastructure, if any, at the end of the P3’s term. The assets are initially recognized at fair value, including costs incurred directly by the Authority, and are subsequently amortized over the assets’ useful lives in accordance with the amortization accounting policy (note 2(h)).

Under the financial liability model, the P3 related liability is initially recognized at the same amount as the assets, less any consideration paid to the private sector entity, and is subsequently measured at amortized cost using the interest rate implicit in the P3 arrangement.

Under the user-pay model, the private sector partner has the rights to earn revenue from third-party users or access to another revenue-generating asset as compensation. The P3 related liability is initially recognized at the same amount as the assets. Revenue from the user-pay model is recognized and the liability reduced according to the terms of the agreement.

The private sector entity receives monthly payments over the term of the P3 arrangement for the operating, capital and financing costs. Operating and financing costs are recognized as expenses by the Authority in the period to which they relate. For the Authority, capital repayments under the financial liability model reduces the P3 liability.

(t) Income taxes:

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

(u) Foreign currency translation:

Transactions of the Authority and its subsidiaries originating in foreign currencies are translated at the rates in effect at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at exchange rates in effect at the financial reporting date. Foreign exchange gains and losses are included in the annual surplus.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

2. Significant accounting policies (continued):

(v) Use of estimates:

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(w) Segment disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the Authority. TransLink has provided definitions of segments used and presented financial information in the segmented format (note 22). Business technology, human resources, payroll and administrative services costs are managed by the corporate segment and allocated among the operating segments to present the full cost of each segment. The main revenue sources are managed in the corporate segment and have not been allocated as there is no meaningful basis.

(x) Budget data:

The budget data presented in these consolidated financial statements were approved by the Board of Directors on December 6, 2023.

(y) New accounting standards:

On January 1, 2024, the Authority adopted the following new accounting standards which did not have an impact on the amounts presented in the consolidated financial statements:

(i) *PSG-8 Purchased Intangibles:*

The new accounting guideline permits recognition of purchased intangibles that are acquired through an arm's length exchange transaction between willing parties provided the purchased intangible meets the recognition criteria for an asset.

(ii) *PS 3160 Public Private Partnerships:*

The new accounting standard includes requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership.

(iii) *PS 3400 Revenue:*

The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

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

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

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

Investments are recorded at amortized cost.

The interest rates and maturity date ranges of the guaranteed investment certificates are as follows:

	2024	2023
Interest rate range	1.01% - 6.25%	1.01% - 6.25%
Maturity date range	January 2025 - September 2028	January 2024 - September 2028

The bonds have an average initial term of 191-months (2023 - 188-months) and an average remaining term to maturity of 119-months (2023 - 126 months). All bonds held by the Authority, as at December 31, 2024 and 2023, were rated A or higher.

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

	2024		2023	
	Effective rates	Coupon rates	Effective rates	Coupon rates
Weighted average rate	3.00%	2.80%	2.94%	2.79%
Interest rate range	1.30% - 5.56%	1.10% - 5.20%	0.93% - 5.56%	1.10% - 5.20%

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

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

(a) Restricted cash and cash equivalents and investments:

	2024	2023
Government transfers for capital project funding (i):		
Cash and cash equivalents	\$ 94,008	\$ 226,156
Investments:		
Guaranteed investment certificates	617,870	661,664
Bonds (note 18(b))	252,751	263,544
	964,629	1,151,364
Self-administered sinking funds:		
Cash and cash equivalents	118,429	14,380
Investments:		
Guaranteed investment certificates	128,026	118,908
Bonds (note 18(b))	496,305	496,475
	742,760	629,763
Land reserve:		
Cash and cash equivalents	84,600	74,904
Guaranteed investment certificates	114,095	206,876
	198,695	281,780
Green Bond proceeds:		
Cash and cash equivalents	-	66
Development cost charges:		
Cash and cash equivalents	-	11,667
TPCC (wholly-owned captive insurance subsidiary):		
Cash and cash equivalents	3,086	1,684
Bonds (note 18(b))	31,562	31,423
	34,648	33,107
Golden Ears Bridge forgone toll revenue funding (note 6(h)):		
Cash and cash equivalents	674,463	652,683
Investments:		
Guaranteed investment certificates	-	500,000
Fund units (note 18(b)):		
Bond	456,506	436,409
Public equity	279,125	296,849
Private debts	84,019	29,227
Mortgages	57,013	50,276
Real estate	62,590	53,671
Infrastructure	24,513	-
Private equity	3,513	851
	1,641,742	2,019,966
Total restricted cash and cash equivalents and investments	\$ 3,582,474	\$ 4,127,713

(i) Unspent government transfers for capital project funding consist of \$964,629,000 (2023 - \$1,151,364,000) of Canada Community Building Fund (previously known as the "Gas Tax") funding.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

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

(b) Unrestricted investments:

Unrestricted investments are comprised of guaranteed investment certificates of \$248,221,000 (2023 - \$394,831,000).

4. Debt reserve deposits and callable demand notes:

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

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

In addition to the debt reserve deposit, the Authority is required by the MFA to issue a non-interest-bearing demand note for an amount equal to one-half the average annual installment of principal and interest relative to any debt borrowed less the debt reserve deposit. The demand notes payable to the MFA are callable only if, in the event of a default by the Authority or Metro Vancouver Regional District (the interposed significant lender over the Authority's long-term debt), there are insufficient funds in the Authority's debt reserve deposit held at the MFA to meet a required interest, principal payment or sinking fund contribution. As the Authority is in full compliance with its debt payments and no such call has been made by the MFA on these demand notes, the face value has not been recorded as a liability on the consolidated statement of financial position. At year-end, the maximum value of the demand notes totaled \$24,187,000 (2023 - \$25,649,000).

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

5. Debt:

	2024	2023
Unsecured sinking fund bonds held by the MFA, weighted average coupon rate of 4.52% (2023 - 4.44%) (effective rate 4.54% (2023 - 4.46%)), maturing at various dates from 2025 to 2036, original 20 to 30-year (2023 - 20- to 30-year) term	\$ 889,565	\$ 954,344
Less: accumulated payments to MFA administered debt sinking funds (including vested and accrued actuarial earnings)	(676,429)	(683,083)
Unsecured serial debenture held by the MFA, coupon rate of 5.10% interest payable semi-annually (effective rate 5.19%), maturing in 2025, principal repayment of approximately \$3 million annually, original 20-year term	2,941	5,809
Unsecured bullet maturity bond series TL-2, face value \$200 million, interest rate 4.65% (effective rate 4.70%), maturing 2041, original 30-year term	198,890	198,828
Unsecured bullet maturity bond series TL-3, face value \$250 million, interest rate 3.85% (effective rate 3.82%), maturing 2052, original 40-year term	251,306	251,314
Unsecured bullet maturity bond series TL-4, face value \$365 million, interest rate 4.45% (effective rate 3.97%), maturing 2044, original 30.5-year term	389,516	390,349
Unsecured bullet maturity bond series TL-5, face value \$465 million, interest rate 3.05% (effective rate 2.43%), maturing 2025, original 10.5-year term	466,221	469,011
Unsecured bullet maturity bond series TL-6, face value \$200 million, interest rate 3.15% (effective rate 3.18%), maturing 2048, original 31-year term	198,881	198,842
Unsecured bullet maturity bond series TL-7 (Green), face value \$400 million, interest rate 3.25% (effective rate 3.31%), maturing 2028, original 10-year term	399,062	398,823
Unsecured bullet maturity bond series TL-8 (Green), face value \$200 million, interest rate 2.65% (effective rate 2.68%), maturing 2050, original 31-year term	198,751	198,711
Unsecured bullet maturity bond series TL-9, face value \$400 million, interest rate 1.60% (effective rate 1.64%), maturing 2030, original 10-year term	399,115	398,943
Unsecured bullet maturity bond series TL-10 (Green), face value \$600 million, interest rate 4.15% (effective rate 4.37%), maturing 2053, original 31-year term	578,624	578,228
Unsecured bullet maturity bond series TL-11 (Green), face value \$300 million, interest rate 4.60% (effective rate 4.66%), maturing 2055, original 31-year term	296,917	-
	\$ 3,593,360	\$ 3,360,119

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

5. Debt (continued):

The Authority has an unsecured revolving credit facility with a syndicate of Canadian financial institutions totaling \$500 million, which will expire on March 23, 2028. The credit facility is to be used primarily as a liquidity backstop of commercial paper and provides for loans at varying rates of interest based on certain benchmark interest rates, specifically the Canadian prime rate and the Canadian banker's acceptance rate, and on the Authority's credit ratings at the time of drawdown. The Authority is also required to pay commitment fees, which are also dependent on the Authority's credit ratings. This credit facility has no financial covenants or requirements to maintain a specific credit rating and was not drawn upon in 2024.

The Authority's unsecured commercial paper program is backstopped by the abovementioned syndicated credit facility, which enables it to issue commercial paper up to a maximum aggregate of \$500 million. As at December 31, 2024 and 2023, there was no outstanding commercial paper issued.

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

	Sinking fund bonds held by MFA	Serial debenture held by MFA	Bullet maturity bonds	Total
Future payments:				
2025	\$ 30,220	\$ 2,941	\$ 465,000	\$ 498,161
2026	30,220	-	-	30,220
2027	19,942	-	-	19,942
2028	10,178	-	400,000	410,178
2029	6,820	-	-	6,820
Thereafter	12,481	-	2,515,000	2,527,481
	109,861	2,941	3,380,000	3,492,802
Future actuarial interest	103,709	-	-	103,709
	213,570	2,941	3,380,000	3,596,511
Unamortized premium (issue costs)	(434)	-	(2,717)	(3,151)
	\$ 213,136	\$ 2,941	\$ 3,377,283	\$ 3,593,360

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

6. Transfers from other governments:

(a) Deferred government transfers:

	Balance, January 1, 2024	Contributions received	Interest earned	Recognized as revenue	Balance, December 31, 2024
Capital project funding:					
Canada Community Building Fund (b)	\$ 1,118,569	\$ -	\$ 43,431	\$ (258,024)	\$ 903,976
Canada Line funding (c) Public Transit Infrastructure Fund (d)	360,282	-	-	(23,244)	337,038
Investing in Canada Infrastructure Program (e)	156,464	-	-	(48,469)	107,995
Building Canada Fund (f)	198,233	117,510	-	(2,962)	312,781
Evergreen Line funding (g)	45,729	-	-	(2,968)	42,761
Transit Secure Fund	5,600	-	-	-	5,600
Miscellaneous programs	2,327	-	-	(422)	1,905
	-	1,441	-	(1,441)	-
	1,887,204	118,951	43,431	(337,530)	1,712,056
Operating funding:					
Golden Ears Bridge forgone toll revenue (h), (iii):	1,882,681	-	-	(67,875)	1,814,806
Canada Line Operating Fund (note 8(c))	-	19,248	-	(19,248)	-
Properties environmental program	-	69	-	(69)	-
Other cost sharing projects	-	200	-	(200)	-
	1,882,681	19,517	-	(87,392)	1,814,806
	\$ 3,769,885	\$ 138,468	\$ 43,431	\$ (424,922)	\$ 3,526,862

The balance as at December 31, 2024 of \$3,526,862,000 (2023 - \$3,769,885,000) consists of:

- (i) Unspent Canada Community Building Fund funding (formerly the “Gas Tax” funding) of \$899,229,000 (2023 - \$1,107,442,000);
- (ii) Spent funding of \$812,827,000 (2023 - \$779,762,000) that will be recognized as revenue as the related stipulations in the agreements are met; and
- (iii) Golden Ears Bridge forgone toll revenue funding of \$1,814,806,000 (2023 - \$1,882,681,000) that will be recognized as revenue as the related stipulations in the agreement are met.

(b) Canada Community Building Fund (“CCBF”):

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

6. Transfers from other governments (continued):

(b) Canada Community Building Fund (continued):

In 2024, the Authority entered into a new funding agreement with UBCM (the "Agreement").

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

For tangible capital assets, acquired on or after April 1, 2014, there are no holding period stipulations and thus, the contributions are recognized in revenue when the funds are spent on eligible items.

The following summarizes the changes in the restricted cash and cash equivalents and investments and unspent funding balances:

	2024	2023
Restricted cash and cash equivalents and investments (note 3(a)):		
Opening balance	\$ 1,151,364	\$ 814,811
Amount received during the year	-	329,577
Interest earned	43,431	41,007
Amount paid on designated public transit projects	(230,166)	(34,031)
Ending balance	964,629	1,151,364
Expenses incurred but not yet paid	(65,400)	(43,922)
Unspent funding, ending balance	\$ 899,229	\$ 1,107,442

(c) Canada Line funding:

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

6. Transfers from other governments (continued):

(d) Public Transit Infrastructure Fund:

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

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

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

(e) Investing in the Canada Infrastructure Program:

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

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

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

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

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

6. Transfers from other governments (continued):

(f) Building Canada Fund:

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

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

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

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

(g) Evergreen Line funding:

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

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

(h) Golden Ears Bridge ("GEB") transfer for forgone toll revenue:

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

6. Transfers from other governments (continued):

(i) Pandemic Relief funding:

In 2022, a Contribution Agreement was entered into to provide TransLink with \$176,000,000 to offset 2023 to 2025 losses caused by the COVID-19 pandemic.

In 2023, another Contribution Agreement was entered into to provide TransLink with an additional \$468,106,000 to offset 2023 to 2025 losses caused by the COVID-19 pandemic and higher than expected inflationary pressures, and \$10,820,000 to fund free transit for youth aged 12 and under, with payments to be made by the 2024 and 2025 fiscal years. In 2024, \$85,764,000 was received and \$393,162,000 is recorded in accounts receivable as at December 31, 2024 (2023 - \$478,926,000).

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

(j) Working capital balances:

	2024	2023
Trade accounts receivable	\$ 27,432	\$ 28,725
Due from Government of Canada	13,853	15,092
Due from Province of British Columbia	564,491	595,848
Due from regional districts	44,927	33,352
Due from other authorities	2,454	2,156
Accounts receivable	\$ 653,157	\$ 675,173
	2024	2023
Trade accounts payable and accrued liabilities	\$ 366,110	\$ 475,375
Due to Government of Canada	6,853	6,304
Due to Province of British Columbia	13,828	8,815
Due to regional districts	137,011	116,957
Due to other authorities	8,326	8,144
Accounts payable and accrued liabilities	\$ 532,128	\$ 615,595

(k) Transit revenues:

Included in transit revenues is \$18,475,000 (2023 - \$17,425,000) of U-Pass program contributions from the Province, to assist with the administration and to offset forgone transit revenue.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

7. Golden Ears Bridge:

(a) Golden Ears Bridge contractor liability:

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

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

	2024	2023
Opening balance	\$ 983,403	\$ 999,512
Interest accretion on contractor liability to last payment date	66,933	67,438
Payments made	(85,789)	(83,547)
Ending balance	\$ 964,547	\$ 983,403

As the last monthly payment of the year was made on December 8, 2024, the interest accrual from December 9 to 31, 2024 of \$4,087,000 (2023 - \$4,178,000), is included in accounts payable and accrued liabilities.

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

	Capital and interest
2025	\$ 84,192
2026	85,868
2027	87,499
2028	89,205
2029	90,990

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

7. Golden Ears Bridge (continued):

(b) Operating agreement with GCGP:

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

	OMR
2025	\$ 5,752
2026	5,867
2027	5,984
2028	6,104
2029	6,226

8. Canada Line:

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

(a) Deferred concessionaire credit:

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

	2024	2023
Opening balance	\$ 386,082	\$ 409,355
Less: amortization	(23,337)	(23,273)
Closing balance	\$ 362,745	\$ 386,082

(b) Operating commitments:

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

	Each 28-day period
January 2025 to December 2034	\$ 6,516
January 2035	5,343
February 2035 to July 2040	4,171

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

8. Canada Line (continued):

(b) Operating commitments (continued):

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

2025	\$ 142,000
2026	146,000
2027	149,000
2028	152,000
2029	155,000

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

(c) Operating contributions:

In 2024, the Province provided funding related to the Canada Line operating expenses, subject to quality and availability deductions totalling \$19,248,000 (2023 - \$19,219,000).

9. Pension plans and employee future benefits:

(a) Pension plans:

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

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

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

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

(a) Pension plans (continued):

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

In 2024, the Authority recorded total expense for pension contributions of \$72,528,000 (2023 - \$64,643,000).

(b) Employee future benefits:

(i) Post-retirement:

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

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

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

In 2024, the total expense recorded in the consolidated financial statements for the post-retirement obligations under these plans amounts to \$6,643,000 (2023 - \$2,438,000).

(ii) Post-employment:

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

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

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

In 2024, the total expense recorded in these consolidated financial statements for the obligations under these plans amounts to \$4,996,700 (2023 - \$2,222,000).

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

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

(b) Employee future benefits (continued):

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

	Post- retirement benefits	Post- employment benefits	Total 2024	Total 2023
Accrued benefit obligation	\$ 94,066	\$ 26,888	\$ 120,954	\$ 113,743
Unamortized net actuarial gain	23,942	255	24,197	26,350
Accrued benefit liability	\$ 118,008	\$ 27,143	\$ 145,151	\$ 140,093

The accrued benefit liability is not funded.

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

	Post- retirement benefits	Post- employment benefits	Total 2024	Total 2023
Current period benefit cost	\$ 5,224	\$ 5,338	\$ 10,562	\$ 7,182
Interest cost	4,149	1,085	5,234	4,165
Amortization of actuarial gains	(2,730)	(1,427)	(4,157)	(6,687)
Net expense	6,643	4,996	11,639	4,660
Actuarially determined payments	(2,235)	(4,346)	(6,581)	(5,769)
Change in accrued benefit liability	\$ 4,408	\$ 650	\$ 5,058	\$ (1,109)

(v) The significant assumptions used are as follows:

	2024	2023
Discount rates	4.01% - 4.52%	4.03% - 4.41%
Expected health care cost trend rates	4.04% - 5.74%	4.04% - 5.74%

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

10. Deferred development cost charges:

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

	2024		2023	
Opening balance	\$	40,348	\$	15,132
Contributions		50,083		42,068
Interest earned		847		449
Revenue recognized		(91,278)		(17,301)
Ending balance	\$	-	\$	40,348

In 2024, sufficient qualifying costs were incurred on eligible projects to fully utilize all remaining development cost charges collected.

11. Asset retirement obligations:

	Leasehold improvements		Other		Total	
					2024	Total 2023
Opening balance	\$	25,118	\$	1,834	\$	26,952
Initial recognition on adoption of accounting standard		-		-		25,935
Liability settled		(1,401)		(508)		(1,909)
Accretion expense		956		53		1,009
Changes in estimates		1,844		72		1,916
Ending balance	\$	26,517	\$	1,451	\$	27,968

Asset retirement obligations are measured at fair value at each financial reporting date using the present value methodology. For 2024, the discount rate was 4.03% (2023 - 4.03%) and the inflation rate was 2.00% (2023 - 2.00%). The estimated future settlement dates for the liabilities range from 1- to 85-years (2023 - 1- to 86-years). The undiscounted liability at December 31, 2024 was \$41,930,000 (2023 - \$41,147,000). During the year ended December 31, 2024, accretion of \$1,009,000 (2023 - \$1,017,000) was recorded as interest expense.

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

12. Tangible capital assets:

Cost	Balance, January 1, 2024	Additions, net of transfers	Disposals	Balance, December 31, 2024
Land	\$ 575,166	\$ 81,032	\$ (2,045)	\$ 654,153
Land improvements	65,835	2,215	-	68,050
Buildings	445,554	85,117	(359)	530,312
Bridges, guideways, stations, and tunnels	2,372,044	58,669	-	2,430,713
Other supporting systems	1,441,074	-	-	1,441,074
Vehicles and SeaBus	2,197,730	113,197	(22,199)	2,288,728
Equipment	1,119,620	128,870	(1,664)	1,246,826
Tangible capital projects-in-progress	968,790	498,406	-	1,467,196
	\$ 9,185,813	\$ 967,506	\$ (26,267)	\$ 10,127,052

Accumulated amortization	Balance, January 1, 2024	Amortization expense	Disposals	Balance, December 31, 2024
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	(31,029)	(3,379)	-	(34,408)
Buildings	(172,838)	(14,606)	149	(187,295)
Bridges, guideways, stations, and tunnels	(338,452)	(24,593)	-	(363,045)
Other supporting systems	(519,494)	(55,938)	-	(575,432)
Vehicles and SeaBus	(1,321,334)	(105,618)	21,771	(1,405,181)
Equipment	(660,779)	(62,169)	1,664	(721,284)
Tangible capital projects-in-progress	-	-	-	-
	\$ (3,043,926)	\$ (266,303)	\$ 23,584	\$ (3,286,645)

Net book value	Balance, January 1, 2024	Balance, December 31, 2024
Land	\$ 575,166	\$ 654,153
Land improvements	34,806	33,642
Buildings	272,716	343,017
Bridges, guideways, stations, and tunnels	2,033,592	2,067,668
Other supporting systems	921,580	865,642
Vehicles and SeaBus	876,396	883,547
Equipment	458,841	525,542
Tangible capital projects-in-progress	968,790	1,467,196
	\$ 6,141,887	\$ 6,840,407

Included in tangible capital projects-in-progress is \$30,745,000 (2023 - nil) transferred from prepaid capital (note 13).

Interest capitalized during the year amounted to \$32,795,000 (2023 - \$21,000,000).

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

12. Tangible capital assets (continued):

(a) Expo and Millennium Line:

The Expo and Millennium Line guideways and related systems are leased/licensed from the Province for nominal proceeds and the Authority is responsible for operations and maintenance. As at December 31, 2024, the Authority has made leasehold improvements on the Expo and Millennium Line guideways with a net book value totaling \$405,089,000 (2023 - \$385,672,000). The Expo and Millennium line leases expire on January 31, 2025. Effective February 1, 2025, the Expo and Millennium line leases with the Province are extended to February 1, 2040. The improvements are capitalized and amortized over their expected useful lives and not the term of the lease.

(b) West Coast Express:

BCTFA leases to TransLink all its interests (owned and otherwise) with respect to the West Coast Express properties and infrastructure. As at December 31, 2024, the net book value of West Coast Express improvements totaled \$5,820,000 (2023 - \$6,210,000).

(c) Evergreen Line:

The Evergreen Line (an extension of the Millennium Line) links neighborhoods in Burnaby, Port Moody and Coquitlam and is operated by TransLink as part of the regional transportation network. The Evergreen Line is funded by the Federal Government, BCTFA, TransLink and other partners. On October 31, 2016, the Evergreen Line was substantially completed and accordingly, a portion of the Evergreen Line infrastructure ("TransLink Evergreen Line Infrastructure") was transferred from BCTFA to TransLink including stations, guideway and the related systems east of Inlet Centre station (excluding Inlet Centre station) and the vehicle storage facility. As at December 31, 2024, the net book value of Evergreen Line guideways and system owned by TransLink, excluding SkyTrain vehicles, totaled \$284,533,000 (2023 - \$289,997,000).

BCTFA holds the underlying property rights on which the TransLink Evergreen Line Infrastructure is located. Effective February 1, 2025, BCTFA and TransLink entered into an agreement whereby TransLink may exercise and obtain the benefit of BCTFA's interests to such property rights for a 100-year term.

13. Prepaid capital:

In prior years, TransLink incurred \$30,745,000 of capital expenditures for the Surrey Langley SkyTrain ("SLS") assets that will be owned by the Province. The expenditures represent a portion of TransLink's share of the SLS development costs. In 2024, these costs were transferred to tangible capital assets (tangible capital projects-in-progress) upon signing of the SLS Project Funding and Support Agreement between BCTFA and the Authority, which formally establishes TransLink as the future operator and future lessee of the SLS assets owned by the Province.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

14. Investment in partnerships:

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

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

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

(a) Broadway and Arbutus Project Limited Partnership:

The Partnership’s summarized financial statements are as follows:

Statement of financial position	2024	2023
Assets:		
Cash	\$ 873	\$ 388
Receivables and prepaid expenses	28	21
Property under development	41,864	40,204
Total assets	\$ 42,765	\$ 40,613
Liabilities:		
Payables and deposits	\$ 128	\$ 84
Partners’ equity	42,637	40,529
Total liabilities and partners’ equity	\$ 42,765	\$ 40,613
Statement of operations	2024	2023
Revenues	\$ 152	\$ 262
Operating expenses	76	123
Net income	\$ 76	\$ 139

(b) Broadway and Arbutus GP Inc.:

There were no significant balances or transactions related to Broadway and Arbutus GP Inc. for the 2024 and 2023 fiscal years, and therefore, there are no significant impacts on the Authority’s consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

15. Commitments and contingencies

(a) Operating leases:

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

2025	\$	25,729
2026		24,675
2027		24,408
2028		24,030
2029		22,983
	\$	121,825

Included in the payment schedule above are certain commitments that extend beyond 2029. Significant commitments beyond 2029 are as follows:

- (i) The Authority has a premise lease, with the Brewery District Investments Ltd., for the head office of TransLink, CMBC and TSML which ends in 2033. The monthly commitment for basic rent and operating costs subsequent to year 2029 is estimated to be \$920,000.

(b) WCE - lease and operating commitments:

In connection with operating the commuter rail system, the operating commitment for WCE include train operations, rolling stock maintenance, and miscellaneous services.

The following summarizes the WCE operating commitments:

2025	\$	15,804
2026		1,517
2027		80
	\$	17,401

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

The Authority has a contract, with Cubic Transportation Systems Inc. ("Cubic"), to operate its transit fare system until December 31, 2030.

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

15. Commitments and contingencies (continued)

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

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

2025	\$	18,018
2026		18,603
2027		19,360
2028		20,069
2029		20,979
	\$	97,029

The fixed monthly base payment for 2030 is \$1,769,000. Additionally, an amount of \$9,704,000 is payable in 2030, the final year.

(d) MRN capital funding:

The Authority has signed several funding agreements with municipalities for major MRN projects. As at December 31, 2024, the MRN capital infrastructure contributions committed and not paid is \$190,677,000 (2023 - \$174,756,000). This amount will be paid to the municipalities upon completion of their projects.

(e) Lawsuits and claims:

As at December 31, 2024, a number of lawsuits and claims, arising in the ordinary course of business, have been initiated against the Authority. Management is of the opinion that sufficient provisions net of any recoveries have been recorded in the consolidated financial statements for any lawsuits and claims made against the Authority, except as noted below.

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

- A class action lawsuit filed by Cambie area merchants, where no specific amount has been claimed at this time. The main claims from the merchants are for damages in the tort of nuisance which were dismissed in 2015. The courts have only allowed claims of a lesser value, specifically for injurious affection to property interests, to be advanced by the merchants. After various legal proceedings over a number of years, settlement discussions with the remaining approximately 23 claimants are ongoing. The amount of these claims cannot be estimated at this time.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

15. Commitments and contingencies (continued)

(e) Lawsuits and claims (continued):

(i) (continued):

- A lawsuit filed by a number of the Cambie area merchants, where no specific amount has been claimed at this time.
- Two additional lawsuits, each filed by individual Cambie area merchants, where no specific amounts have been claimed at this time.

(ii) A proposed class action lawsuit and labour grievances have been filed against the Authority or its subsidiaries in relation to the data breach resulting from the cyberattack in 2020 against the Authority. The certification application in the proposed class action lawsuit was heard by the court in December 2022 and its decision was rendered in June 2023 denying certification of the class action. The plaintiffs appealed the decision and the appeal hearing occurred in January 2024. The Court of Appeal rendered its decision in July 2024, reversing the lower court's decision and remitting the matter back to the lower court to determine certification. TransLink's leave to appeal application to the Supreme Court of Canada was dismissed in March 2025. As such, the BC Supreme Court will conduct a hearing regarding the potential certification of the class action. It is anticipated that the hearing will occur in the summer of 2025 and that a decision would be rendered 3 to 6 months later. The Authority believes that the outcome of the claims and a reasonable estimate of any potential losses cannot be determined at this time and therefore, no provisions have been recorded in the consolidated financial statements.

(iii) On March 19, 2025, the Authority was served with a claim for a potential class action relating to overnight work during the construction of Capstan Station. The Authority is in the process of assessing this claim.

(f) Other capital and inventory commitments:

As at December 31, 2024, \$1,573,537,000 (2023 - \$1,174,330,000) has been contractually committed for other capital projects and inventory.

(g) Letters of credit:

As at December 31, 2024, the Authority has issued letters of credit to the Receiver General of Canada, British Columbia Hydro and Power and several municipalities totaling \$5,932,000 (2023 - \$5,719,000) which expire in 2025 and 2026.

(h) Broadway and Arbutus Project Limited Partnership:

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

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

16. Contractual rights:

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

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

2025	\$ 672,013
2026	361,018
2027	217,077
2028	202,668
2029	197,441
	\$ 1,650,217

After 2029, contractual rights pertain to the following:

- (i) Canada Community Building Funds funding ranging from \$175,700,000 to \$182,700,000 annually until 2032.
- (ii) Canada Line operating contributions from the Province of \$1,478,000 for each 28-day period to March 2040, which is approximately \$19,200,000 per annum subject to quality and availability deductions.
- (iii) Real estate leases and Telecom site license fees totalling \$1,784,000 to be collected between 2030 to 2041.

17. Statement of cash flows:

	2024	2023
Non-cash changes to operations:		
Amortization of tangible capital assets	\$ 266,303	\$ 259,680
Amortization of bond premium	(2,426)	(2,933)
Amortization of deferred concessionaire credit	(23,337)	(23,273)
Amortization of deferred government transfers	(405,405)	(217,154)
Amortization of deferred lease inducements, net of additions	(1,098)	(192)
Interest accretion on contractor liability	66,933	67,438
Interest accretion on asset retirement obligations	1,009	1,017
Gain on disposal of tangible capital assets	(332)	(8,085)
Sinking fund interest held by MFA	(26,180)	(24,019)
In-kind contribution to Surrey Langley SkyTrain project (note 21)	(29,700)	-
	\$ (154,233)	\$ 52,479

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

17. Statement of cash flows (continued):

	2024	2023
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	\$ 22,016	\$ (538,264)
Increase in supplies inventory	(24,279)	(31,299)
Increase in prepaid capital	-	(993)
Increase in property under development	(830)	(503)
Increase in prepaid expenses	(95)	(778)
Increase (decrease) in accounts payable and accrued liabilities	(83,467)	215,389
Increase (decrease) in deferred development cost charges	(40,348)	25,216
Decrease asset retirement obligations (note 11)	(1,909)	-
Increase in deferred revenue and deposits	7,586	9,099
Increase (decrease) in employee future benefits	5,058	(1,109)
	\$ (116,268)	\$ (323,242)

18. Financial instruments:

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

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

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

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

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

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

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

18. Financial instruments:

(b) Fair values:

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

2024	Fair values	Amortized cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 248,401	\$ 252,751
Self-administered sinking funds - bonds	455,220	496,305
TPCC - bonds	31,693	31,562
Fund units:		
Bond	456,333	456,506
Public equity	326,584	279,125
Private debts	92,182	84,019
Mortgages	59,117	57,013
Real estate	49,233	62,590
Infrastructure	25,235	24,513
Private equity	3,938	3,513

2023	Fair values	Amortized cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 250,385	\$ 263,544
Self-administered sinking funds - bonds	455,190	496,475
TPCC - bonds	30,481	31,423
Fund units:		
Bond	443,139	436,409
Public equity	302,187	296,849
Private debts	32,014	29,227
Mortgages	49,573	50,276
Real estate	44,585	53,671
Private equity	825	851

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

19. Taxation revenue:

	2024	2023
Property tax	\$ 579,087	\$ 463,133
Fuel tax	368,106	390,524
Parking rights tax	89,551	83,757
Hydro levy	23,601	23,080
Replacement tax	17,802	17,918
	<u>\$ 1,078,147</u>	<u>\$ 978,412</u>

20. Transit revenue:

	2024	2023
Fares	\$ 536,175	\$ 493,006
Programs	142,347	135,571
Other	40,215	42,983
	<u>\$ 718,737</u>	<u>\$ 671,560</u>

21. Miscellaneous revenue:

In 2024, the Authority received a one-time \$39,000,000 contribution from the City of Surrey upon execution of the SLS Funding and Support Agreement (note 13). The contribution was recorded as miscellaneous revenue in the consolidated statement of operations. The contribution consists of an in-kind contribution of \$29,700,000, which was recorded in tangible capital projects-in-progress, and a cash payment of \$9,300,000.

22. Segmented information:

(a) Bus operations:

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

(b) Corporate operations:

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

22. Segmented information (continued):

(c) Rail operations:

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

(d) Roads and bridges:

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

(e) Transit Police:

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

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements

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

Year ended December 31, 2024

22. Segmented information (continued):

	2024					
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	Total
Revenues:						
Taxation	\$ -	\$ 1,078,147	\$ -	\$ -	\$ -	\$ 1,078,147
Transit	-	718,737	-	-	-	718,737
Government transfers	-	424,922	-	-	-	424,922
Investment income	-	213,519	-	-	-	213,519
Development cost charges	-	91,278	-	-	-	91,278
Amortization of deferred concessionaire credit	-	-	23,337	-	-	23,337
Miscellaneous	12,010	52,050	933	81	1,105	66,179
Gain on disposal of tangible capital assets	-	283	49	-	-	332
	12,010	2,578,936	24,319	81	1,105	2,616,451
Expenses:						
Administration	26,548	31,566	10,992	67	4,816	73,989
Capital infrastructure contributions	-	-	-	85,205	-	85,205
Contracted services	95,999	17,584	148,496	6,646	11	268,736
Fuel and power	70,966	-	16,219	-	-	87,185
Insurance	17,458	291	8,531	1,493	113	27,886
Maintenance, materials, and utilities	101,363	2,800	87,491	46,811	2,002	240,467
Professional and legal	4,865	30,235	5,122	3,454	586	44,262
Rentals, leases and property tax	24,575	10,594	1,982	82	2,913	40,146
Salaries, wages and benefits	673,757	91,534	170,978	2,133	49,121	987,523
Expenses before amortization and interest	1,015,531	184,604	449,811	145,891	59,562	1,855,399
Amortization of tangible capital assets	119,054	26,408	97,170	22,360	1,311	266,303
Interest	56,903	12,628	46,451	77,535	624	194,141
	175,957	39,036	143,621	99,895	1,935	460,444
	1,191,488	223,640	593,432	245,786	61,497	2,315,843
Surplus (deficit) for the year	\$ (1,179,478)	\$ 2,355,296	\$ (569,113)	\$ (245,705)	\$ (60,392)	\$ 300,608

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Notes to Consolidated Financial Statements (continued)

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

Year ended December 31, 2024

22. Segmented information (continued):

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