



2022 Statutory Annual Report



SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY 2022 STATUTORY ANNUAL REPORT

The *South Coast British Columbia Transportation Authority* (TransLink) is required to provide an annual report and audited financial statements to the Mayors' Council on Regional Transportation by March 31st. This report fulfills the reporting obligation to provide:

- A. A summary of operations during the year with comparison to the strategic transportation plan and the applicable service, capital and operational plans;
- B. The audited financial statements for the year;
- C. A summary of the nature of complaints received in the year and actions taken in response to those complaints;
- D. A summary of the results of the customer satisfaction survey process;
- E. Amendments to the articles of the Authority;
- F. A summary of the date, type and outcome of meetings of TransLink's Board of Directors held during the year;
- G. Fare Collection Bylaw;
- H. A summary of tickets issued and collection under Section 248; and
- I. A summary of Development Cost Charges received, reserve fund balances and expenditures, any waivers and reductions issued.

<p>This report should be read in conjunction with the 2022 Accountability Report, in order to obtain a full understanding of the organization and its financial and operational performance. The 2022 Accountability Report will be posted on TransLink's website.</p>

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EXECUTIVE SUMMARY

Under the *South Coast British Columbia Transportation Authority Act*, TransLink is required to prepare an annual report that includes a summary of operations for the year, along with a comparison to the organization's applicable strategic, service, capital and operational plans. This 2022 Statutory Annual Report meets that requirement and includes other reporting obligations such as audited financial statements, complaints and customer satisfaction summaries.

This report should be read in conjunction with the 2022 Accountability Report to obtain a full understanding of the organization and the strategic platform that drives its financial and operational performance. The 2022 Accountability Report will be posted on the TransLink website.

TransLink's current strategic plan applicable to 2022, as defined by legislation, is the 2022-2031 Investment Plan as approved by the Mayors' Council on Regional Transportation on May 26, 2022. This 2022 Statutory Annual Report makes reference to the 2022 year of this Investment Plan (the Plan). The 2022 Investment Plan will advance key transit priorities including the Surrey Langley SkyTrain project, 500 new battery electric and renewable natural gas buses and expanding current services across the network. It targets funding stabilization through maintaining current bus service levels until the next Investment Plan, and cost-saving measures, together with supplemental revenue streams including additional commercial revenues, carbon credits from our Low Carbon Fleet Strategy, a sustainable level of fare increases and Senior Government relief funding.

Through 2022, the scope and permanency of the changes catalyzed by the COVID-19 pandemic to the ways people move across Metro Vancouver continued to crystallize. In this year of transition from the pandemic, TransLink navigated the uncertainties of new ridership patterns, while facing the economic challenges brought on by supply chain disruptions and inflationary pressures, concurrently gearing up to support the region in the post-pandemic era. With ridership budgeted at 77.7 per cent of pre-pandemic levels for 2022, service levels were set to both meet the year's projected demand and to provide a baseline from which the Plan could pivot to allow services to evolve over the course of the ten-year horizon.

Overall, TransLink's ridership reached 70.8 per cent of pre-COVID levels for 2022, up from 47.9 per cent in 2021. The onset of the Omicron variant reset recovery back to a low of 50.0 per cent of pre-COVID in early January. Whilst from there the trajectory of ridership realigned with that anticipated in the Plan, the re-baselining of ridership triggered by Omicron resulted in an unfavourable fare revenue variance for the remainder of 2022. March saw the rescinding of the mandatory mask policy on the conventional transit network, and ridership and transit revenue continued to grow strongly into the summer and fall, reaching a high of over 80 per cent of pre-COVID levels during October, and dipping slightly towards the end of the year due to multiple large snow events and extreme cold in December.

Since the approval of the 2022 Investment Plan, new cost increases and lower than expected fare revenue have resulted in immediate funding pressures. Higher inflation, significant escalation in construction costs as well as labour costs have required us to recalibrate the capital program, and historically high fuel prices have impacted Bus operations. These acute macro-economic pressures, coupled with slower than expected return of ridership and a shift in fare revenue structure away from monthly passes towards more single-fare and off-peak travel, have necessitated a review of our priorities to make sure we prioritize provision of high quality service to our customers, advance select key priorities and achieve further efficiencies, while continuing the work with our funding partners to identify new sustainable funding sources.

TransLink remains committed to designing and delivering a transportation system that connects our customers, residents, businesses and goods movers in a way that protects the environment and helps meet the unique needs of our region. Guided by the Plan and our 10-Year Priorities, TransLink is preparing to help the region move forward from the pandemic in 2023, while navigating its lasting impacts.

A. OPERATIONS SUMMARY

1 Transit Service Levels

The table below provides a summary of conventional transit service hours, Access Transit trips and ridership numbers, comparing 2022 actual results to the Plan.

	Actual 2022	Investment Plan 2022	Fav/(Unfav) Over Plan	% Change
Conventional Transit <i>(thousands of service hours)</i>				
Conventional Bus	4,800	4,920	(120)	(2.4%)
Community Shuttle	548	570	(22)	(3.8%)
West Vancouver Conventional Bus	120	126	(6)	(4.8%)
SkyTrain Expo and Millennium Lines	1,271	1,297	(26)	(2.0%)
SkyTrain Canada Line	200	215	(15)	(7.0%)
SeaBus	14	15	(1)	(6.7%)
West Coast Express	18	16	2	12.5%
Total Conventional Transit	6,971	7,159	(188)	(2.6%)
Access Transit Trips <i>(thousands of trips)</i>				
HandyDART	797	1,230	(433)	(35.2%)
Taxi Supplement	168	152	16	10.5%
Total Access Transit Trips	965	1,382	(417)	(30.2%)
Ridership (in millions)				
Boardings	326	369	(43)	(11.7%)
Journeys ¹	194	211	(17)	(8.1%)

¹ A journey is a complete transit trip made using conventional transit service or HandyDART Access Transit service, regardless of the number of transfers.

Conventional Transit Service Levels

Conventional transit service hours were lower than Plan by 2.6 per cent, or 188,000 hours, with service levels impacted by continuing COVID-19 related changes as well as weather events. Conventional bus service hours were lower than Plan mainly due to service cancellations and frequency reductions in various bus routes due to the impacts of COVID-19 in early 2022. Coast Mountain Bus Company Ltd. (CMBC) has been monitoring how travel patterns have changed throughout the COVID-19 pandemic, using these findings to reallocate service to the busiest bus routes. CMBC adjusts service quarterly to reflect changes in how customers are using the system and continues to closely monitor customer demand and adjust service as needed to best serve transit customers.

Expo and Millennium Lines service hours were below the Plan by 2.0 per cent mainly driven by service impacts from winter weather conditions in January and December and single tracking in August due to SkyBridge maintenance work. Canada Line service was below Plan by 7.0 per cent due to the impacts of COVID-19 in early 2022. West Coast Express service hours were 12.5 per cent above the Plan due to additional cars added incrementally throughout the year to meet increasing demand. While still operating four trips in each direction, 25 cars were in service by year end rather than 18 as assumed in the Plan.

Access Transit Service Levels

The COVID-19 pandemic continued to significantly impact demand for Access Transit services, and trip numbers continued to be lower than Plan but have increased by 39.0 per cent compared to 2021 actual. CMBC remains committed to ensuring services are fully available for passengers unable to use conventional public transit without assistance.

Ridership

Journeys represent a complete transit trip using Compass fare media or other proof of payment, regardless of the number of transfers. Journeys for conventional transit service and Access Transit trips were 193.6 million in 2022, 8.1 per cent below the Plan. This was primarily a result of the short yet severe wave of Omicron COVID-19 variant at the start of 2022, which pitched ridership recovery down to 50.0 per cent of pre-COVID levels. Following the Omicron wave, commencing February ridership recovery returned closer to the anticipated trajectory set out in the Plan and surpassed the highest recovery rate from 2021. March saw the rescinding of the mandatory mask policy on the conventional transit network, which further promoted ridership recovery. From there, we saw steady growth until mid-autumn when ridership began to stabilize and remained consistently between 75 to 80 per cent of pre-COVID for the rest of the year. Ridership in September and October, in terms of total counts and recovery as a percent of pre-COVID, was at its peak, reaching over 80 per cent recovery for the first-time during October. In November and December, ridership was negatively impacted by severe weather patterns, with multiple large snow events and a period of extreme cold. Discretionary travel has returned at a higher rate than commuting travel, as evidenced by higher weekend recovery rates as compared to weekday. This makes weather a more influential factor in transit ridership, as discretionary trips are less likely to be made during poor weather.

2 2022 Investment Plan Status Report

TransLink's 2022 Investment Plan focuses on achieving financial stability, maintaining the region's transportation system in a state of good repair, right-sizing TransLink's services and expenditures to the needs of the region and advancing a few select strategic projects to make the region's integrated transportation system more reliable, efficient and effective for users. A status update of the Plan is provided below.

As transit ridership and fare revenue moved on a continuously improving trajectory, TransLink is in a better position to expand and improve transit, while maintaining our system in good repair and advancing key projects. In 2022, service levels were right-sized to demand across the transit network to continue to support the region as ridership demographics shifted following the COVID-19 pandemic, prioritizing customer and employee safety while maintaining substantially pre-COVID levels of service.

Transportation Investments in the 2022 Plan

The Plan maintains existing transit service and programs and advances select strategic capital projects including regional funding for the Surrey Langley SkyTrain Project (SLS) extension, which will be delivered by the Government of British Columbia (BC) and completing accessible customer experience upgrades like braille signage at bus stops. It also advances the Low Carbon Fleet Strategy by procuring and putting into service over 500 new battery electric and renewable natural gas buses, and constructing the supporting charging infrastructure.

Bus, SeaBus and HandyDART

Bus

- Service levels were right-sized to both meet the year's projected demand and to provide a baseline from which the next Investment Plan can pivot and allow services to evolve over the course of the ten-year horizon.

HandyDART

- Completed 2020 HandyDART Expansion with a budget of \$1.6 million for an additional 10 new Microbuses to replace aging fleet.

RapidBus and Bus Priority

RapidBus

- Completed over 75 per cent installation of WIFI on RapidBus fleet, which is active and available for customers to use.
- Continued to advance work towards R6 Scott Road RapidBus launch in 2023.
- R7 RapidBus connecting central Richmond to Expo Line focused on alignment is in planning with City of Richmond.

Bus Speed and Reliability

- Improved service by completing bus stop balancing on Bus Route 4 (UBC / Powell) and Route 7 (Dunbar / Nanaimo) resulting in time savings for customers of over five minutes per round trip during the busiest times of day.

Reliable and Fast Transit (RAFT)

SkyTrain

- Advanced construction on the Millennium Line Extension to Broadway (Broadway Subway Project) with preliminary and excavation work on future stations and the arrival of two tunnel boring machines near the future Great Northern Way-Emily Carr station location.
- Advanced Refined Business Case for Millennium Line UBC Extension, taking direction from TransLink Board and Mayors' Council on Regional Base Project Scope and scoping for next phases of project development, including a full business case.

- Commenced production of Mark V SkyTrain cars with the first of these cars expected to arrive in 2023 for testing. The full complement of vehicles is expected to be in service by the end of 2027, supporting Broadway Subway Project (BSP) and Surrey Langley SkyTrain (SLS) expansion.
- Announced rescoping of Burrard SkyTrain Station upgrades due to higher than anticipated construction bid prices to ensure financial viability. Upgrades to ensure the station remains in a state of good repair will be prioritized.
- Completed draft scope of work for the Mark II SkyTrain fleet overhaul project.
- Completed seven Mark I floor replacements as part of the Mark I refurbishment project.
- Completed expansion of Operations and Maintenance Centre 3, increasing train storage capacity along Millennium Line, accommodating up to 30 more train cars. Storing trains in a proper facility provides easier and more readily available train cleaning and servicing, as well as reducing potential risk of vandalism.

Surrey Langley SkyTrain

- Received approval from the Government of British Columbia for SLS project, with major construction expected to begin in 2024 and the line becoming operational in late 2028.
- *West Coast Express*
- Completed refurbishment of four West Coast Express (WCE) locomotives.

Preparing for Future Expansion

Future Major Project Business Casing

- Released Transport 2050 (T2050): 10-Year Priorities, detailing first decade of investments prioritized to support the transportation needs of Metro Vancouver's growing population. Key objectives include doubling regional bus service levels, adding new rapid transit on up to nine corridors and exploring further potential SkyTrain extensions.
- Commenced full business case for Burnaby Mountain Gondola after Burnaby Council endorsed the project and preferred route in 2022.
- Completed scoping for Bus Rapid Transit Action plan and expansion programs.

Safe Roads and People First Streets

TransLink-Owned Cycling Infrastructure

- Implemented next generation bike lockers and racks at Richmond-Brighouse and Lonsdale Quay with new supporting software. TransLink will use first phase survey results to decide whether to proceed with implementing further lockers.

TransLink-Owned Bridges

- Continued to keep TransLink-owned bridges in a state of good repair through our operations and maintenance contracts. TransLink continued to work with the Government of British Columbia on finalizing decommissioning of the Pattullo Bridge following the opening of the replacement bridge to the traffic, scheduled in 2024.

Transit Passenger Facilities and Technology Investments

Technology

- Progressed systems implementation and equipment provisioning to support resident, remote and hybrid work styles.
- As part of ERP program, completed configuration and system integration testing of the BCRTC Enterprise Asset Management (EAM) and Finance and Supply Chain Management (FSM) systems. Deployed two releases of EAM and the first release of the FSM systems at BCRTC.
- Completed bus fleet installation of Onboard Technology Assets Program
- BCRTC Payroll, Scheduling, & Timekeeping system went live at the end of 2022. The project team completed eight weeks of customer support through four successful pay cycles.

- Commenced construction of Brentwood Station Upgrades June 2022 in coordination with BCRTC, CMBC and City of Burnaby. Excavated and installed stairway, elevator, and mezzanine foundation and structural steel, provisioning for new Transit Police room and two new escalators to improve safety, station accessibility, customer flow and help to prepare for future demand.

Infrastructure Resilience

State of Good Repair

- Announced major upgrades to Brentwood Town Centre SkyTrain Station. Upgrades began in June 2022 and will improve safety, station accessibility, customer flow and help to prepare for future demand.
- Completed Expo Line Escalator Replacement Project 16 months ahead of schedule and with cost savings of \$9.0 million for a total of 37 escalator replacements across the Expo Line.
- Completed Phase Two of SkyBridge Joint Replacement Project on New Westminster side of the bridge, following Phase One work performed last year on the Surrey side.

Fleet and Facilities to Advance the Low Carbon Fleet Strategy

- Commenced testing of new battery electric buses to ensure reliability and serviceability of buses and charging stations in all seasons with the expectation that the buses will travel up to 150 kilometres on a single charge, even in winter months.
- Continued work on order of 15 additional battery-electric buses for Route 100 (22nd Street/Marpole Loop) out of Hamilton Transit Centre. The lead bus arrived in December 2022 with an expected in-service date of February 2023 and remaining 14 buses are scheduled to begin arriving in the last quarter of 2023.
- Awarded contract for charging infrastructure at Hamilton Transit Centre and 22nd Street to support 15 battery electric buses with construction expected to start in January 2023.
- Initiated procurement for charging equipment and battery-electric buses for Port Coquitlam Transit Centre (PTC) and in-route chargers. Achieved 30 per cent design milestone for charging infrastructure at Port Coquitlam Transit Centre and continued preparations for 57 battery-electric buses. In parallel, the final concept design is being finalized.
- Continued design of fully electrified Marpole Transit Centre, critical to deploying up to 350 battery-electric buses by 2025.

Plans, Policies and Partnerships

In 2022, TransLink continued to develop and implement a wide range of policies, plans and partnerships to achieve a more equitable and inclusive transportation system that is resilient, accessible, affordable and reliable.

Reconciliation, Social Equity and Resilience

Advance Indigenous Relations Work

- Released T2050, the first public document casting the strategic lens of Reconciliation across our priorities, with improved transportation service options on reserve and treaty lands, increased network safety, engagement of Indigenous Nations in early transit system planning, land use, environmental management and decision-making. TransLink invited Indigenous Nations with modern treaties and unceded territories within the Lower Mainland to provide feedback on the 10-Year Priorities through a series of meetings and online resources. TransLink held a total of six meetings with Indigenous Nations and one focus group with urban Indigenous organizations and received written and verbal comments which re-affirmed the key priorities stated during the T2050 Indigenous engagement.
- Endorsed tariff amendment to recognize National Day of Truth and Reconciliation as a TransLink Statutory Holiday and enable off-peak fares. Enabling off-peak fares will allow Indigenous Peoples and others to take transit and gather for scheduled events on September 30 each year to acknowledge the

tragic and ongoing impacts of the residential schools for survivors and their families and to heal as one community.

- Unveiled Indigenous murals by three Musqueam artists on Canada Line Bridge to reflect the past, present and future of the region through the lens of reconciliation.

Equity, Diversity and Inclusion (EDI)

- Piloted "Women Leading the Way" (WLW) program for 20 women across the enterprise. WLW is part of a suite of leadership programs based on the Action Learning Model and focused on values-based leadership for advancing leaders.
- Released EDI training for all staff, with modules covering unconscious bias, inclusive leadership through courageous conversation and allyship.
- Launched the 'iBelong Multicultural Employee Resource Group', a place to share and celebrate cultures and have important yet difficult conversations while supporting cultural diversity and inclusion.
- Continued to support and expand employee resources groups such as Caregivers, Pride and Allies, and Women and Allies and initiated an Indigenous Employee Resource Group to create a safe and inclusive workplace and build a sense of community.

Resilience

- Developed the detailed Climate Action Plan including the Resilience and Adaptation Roadmap to adapt infrastructure and operations to climate change so that TransLink can become more climate resilient and help reduce risks to our staff, customers and communities we serve.

Convenient Choices

Improve Customer Experience

- Launched TransLink Community Volunteer Program as part of the Customer Experience Action Plan. The volunteer program is aimed at adding another welcoming presence and touchpoint for customers and promoting and marketing current and upcoming projects and initiatives.
- Installed Braille and tactile signage at 7,300 of 8,400 CMBC bus stops with conclusion expected by summer 2023.
- Launched Customer Experience Action Plan, including a new webpage and dedicated email address where customers and employees can share their ideas for improving their experience.
- Launched Enhanced Arts and Culture program as a part of the Customer Experience Action Plan to expand and diversify the presence of music and art across the transit system.
- Installed touch-screen transit kiosks at 54 locations across the network, allowing customers to plan their trips and access live transit information.

Advance New Mobility Technologies

- Deployed piloting of illuminated signage and delineation zones in select BCRTC vehicles to increase employees' safety. The pilot aims at testing technologies that increase employees' risk awareness and safety perception and will be concluded and evaluated in 2023.
- Piloted bus capacity information in partnership with Transit App to display predictive capacity, which led to several spin-off projects aiming at getting better customer data as well as strengthening TransLink's internal capability to display capacity information.
- Initiated the TransLink's policy for Shared Micro-mobility to provide support to enable regionally integrated expansion of shared micro-mobility over the next decade.

Integrate Land Use and Transportation Planning

- Conducted scoping and pre-planning activities related to our next area planning process that is set to launch in 2023 and includes Vancouver, the University of British Columbia, Burnaby and New Westminster.

- Worked collaboratively with Cities of Langley and Surrey, Township of Langley, Province of British Columbia and Metro Vancouver to ensure a consistent and collaborative approach to transportation along the Surrey Langley SkyTrain.
- Continued to support coordination of a significant number of transit-adjacent development projects to support transit-oriented communities.
- In collaboration with Metro Vancouver, initiated the development of a Regional Parking Strategy and Regional Electric Vehicle Charging Analysis and Guidance related to the use of public realm for sustainable transportation.

Encourage Sustainable Travel

- Launched the 'Transit for the Planet' media and social media campaign to promote transit use on Earth Day and continued transit use for various special events.
- Promoted discretionary travel across key RapidBus, SkyTrain and regular bus routes as part of the Ride & Shine campaign, utilizing visual and engaging media content and improving ridership at points of interest at a rate higher than system-wide.
- Launched the Bike Bus initiative between Bridgeport Station and Tsawwassen Ferry Terminal, providing greatly increased bicycle capacity for the summer months for customers travelling along one of our most popular routes.
- Activated several formal partnerships with key Metro Vancouver corporations to encourage transit use and promote TransLink services alongside programs such as the 'Tap in to Win' campaign, which saw over 68,000 entries.

Reliable Choices

Work with Goods Movement Partners

- Reached regional agreement to partner with the Province on the development and implementation of a Multi-jurisdictional Permit System in March to support initiatives to harmonize municipal trucking-related definitions, regulations and policies. The region is 94 per cent harmonized as of December 2022 and on target to reach 98 per cent harmonization in January 2023.
- Continued to coordinate with Metro Vancouver on potential approaches for improving the emission profile of the heavy truck fleet to assess options for reducing health-harming emissions from medium and heavy-duty commercial vehicles.
- Reached notional agreement with the Province and Metro Vancouver to partner on a study of options for reducing health-harming emissions from medium and heavy-duty commercial vehicles.

Manage the Network

- Created Report Card tool to identify poor-performing routes with eight separate metrics to highlight actionable performance items impacting CMBC services. Conducted "deep dive" analysis on 18 top-risk routes and provided actionable recommendations to optimize performance.

Affordable Choices

Make Living Close to Transit Affordable

- The pilot run of the transit passes for developer program started in the last quarter of 2022. TransLink continues to work with local governments and developers to offer transit passes for new developments.
- Included affordable housing-related commitments in the Supportive Policies Agreements for the Surrey Langley SkyTrain project, such as increasing the supply of market housing and affordable housing, ensuring higher-density, mixed-use, retail, office and transit-oriented development around SkyTrain stations and increasing active transportation integration.

Safe and Comfortable Choices

Plan for Safety and Emergencies

- Prepared to protect TransLink's infrastructure in the event of Fraser River flooding and underwent winter weather planning to prepare for severe snowstorms.

Build Community Relationships with Transit Police

- Launched Blue Eagle Community Cadet Program in Surrey in partnership with Surrey RCMP, Surrey Schools, Options Community Services and Surrey Crime Prevention. The Blue Eagle Cadets participated in the National Indigenous Day celebration in Surrey, recognizing Indigenous culture and advancing truth and reconciliation.
- Received approval from the Provincial Government for a Designated Law Enforcement Unit composed of Community Safety Officers, under the supervision of the Metro Vancouver Transit Police.
- Placed Indigenous art piece decal provided by artist Christine McKenzie onto Transit Police vehicles.

Carbon Free Choices

Make the Transportation System Carbon-Free and Resilient

- Released Climate Action Strategy mapping an aggressive path to net zero greenhouse gas emissions by 2050. The Climate Action Strategy provides new emission reduction targets and identifies opportunities to create a more climate-resilient transit system.
- Endorsed detailed Climate Action Plan in December 2022 including the Resilience and Adaptation Roadmap with first-year actions included in 2023 operational budgets and initiated by respective divisions and departments across the enterprise.

Funding

Under the Plan, new funding sources are needed to sustain service levels and support transportation system expansion over the longer term. Key updates regarding TransLink's funding model in 2022, as included in the Plan, are as follows:

Capital Funding and Partner Government Contributions

Investing in Canada Infrastructure Program (ICIP)

- Includes project funding for the Expo-Millennium Line Upgrade program, Onboard Technology Assets Program and other priority projects. Total ICIP funding received in 2022 was \$77.2 million.

Canada Community Building Fund (CCBF)

- Includes project funding primarily utilized for TransLink's revenue vehicle fleet and supporting infrastructure. CCBF is a Federal funding program and an essential funding source to help us meet Greenhouse Gas (GHG) emission reduction targets. Total CCBF funding received in 2022 was \$358.5 million.

Provincial Contribution Towards 10-Year Vision

- The Government of British Columbia has committed to funding 40 per cent of the capital costs of the Mayors' 10-Year Vision. This contribution includes the delivery of major projects such as the Broadway Subway Project and Surrey Langley Skytrain.

Development Cost Charges (DCC)

- The DCC program was established in 2018 with first year of revenue recognized in 2020 to help fund the construction and expansion of the regional transit system. DCC revenue of \$25.2 million was recognized for the year allocated towards New Major Projects, SkyTrain and West Coast Express Expansions, Bus Exchange/Depot Upgrades and SeaBus Expansions.

The COVID-19 pandemic has had a profound impact on TransLink's operating revenues with transit ridership expected to be below pre-pandemic levels throughout much of the ten-year period of the plan. During this time of

global uncertainty, the Plan strives to limit the burden on taxpayers and takes a conservative approach to raising new revenues over a series of investment plans, first by achieving and maintaining financial stability and then by addressing any remaining funding gap through additional new revenue sources.

3 2022 Financial Plan

The Plan identifies operating expenses over the ten-year period from 2022 to 2031, as well as how those expenses will be funded from established revenue sources. These revenues and expenses take into account commitments made, services and programs provided and assumptions, using the Public Sector Accounting Board (PSAB) accounting standards. The table below compares the 2022 actual results to the 2022 year of the Plan.

(\$ millions)	Actual 2022	2022 Year in the Plan ¹	Fav/(Unfav) Over Plan	% Change
Revenue				
Taxation				
<i>Fuel tax</i>	424.5	395.7	28.8	7.3%
<i>Property tax</i>	437.9	434.0	3.9	0.9%
<i>Parking sales tax</i>	75.0	62.7	12.3	19.6%
<i>Hydro levy</i>	22.6	22.5	0.1	0.4%
<i>Replacement tax</i>	18.0	18.0	-	-
Transit	552.6	619.3	(66.7)	(10.8%)
Government transfers				
<i>Senior Government Relief Funding</i>	176.0	176.0	-	-
<i>Senior Government Funding</i>	184.5	248.0	(63.5)	(25.6%)
<i>Golden Ears Bridge Tolling Replacement Revenue</i>	66.6	49.8	16.8	33.7%
Amortization of deferred concessionaire credit	23.3	23.3	-	-
Investment income	109.1	82.5	26.6	32.2%
Development Cost Charges	25.2	31.5	(6.3)	(20.0%)
Miscellaneous revenue	17.5	13.9	3.6	25.9%
Sub Total Continuing Operations Revenue	2,132.8	2,177.2	(44.4)	(2.0%)
Gain (Loss) on disposal of tangible capital assets	1.7	(0.2)	1.9	> 200.0%
Total Revenue (PSAB)	2,134.5	2,177.0	(42.5)	(2.0%)
Expenses				
Bus Operations	860.5	872.5	12.0	1.4%
Rail Operations	363.6	377.2	13.6	3.6%
Transit Police	48.1	45.7	(2.4)	(5.3%)
Corporate Operations	120.8	143.4	22.6	15.8%
Roads and Bridges	109.4	141.2	31.8	22.5%
Amortization of tangible capital assets	250.0	258.4	8.4	3.2%
Interest	181.4	179.8	(1.6)	(0.9%)
Sub Total Continuing Operations Expenditures	1,933.8	2,018.2	84.4	4.2%
Corporate One-time	71.1	38.8	(32.3)	(83.2%)
Total Expenses (PSAB)	2,004.9	2,057.0	52.1	2.5%
Surplus (Deficit) for the period (PSAB)	129.6	120.0	9.6	8.0%
Accumulated Surplus², beginning of the year	1,830.1	1,830.1	-	-
Accumulated Surplus², end of the year	1,959.7	1,950.1	9.6	0.5%

¹ Investment Plan reflects allocated shared service expenses for comparative purposes.

² The Accumulated Surplus is derived under Public Sector Accounting Standards and does not represent cash.

Revenues

The fluctuations across our revenue streams through the course of 2022 reflected the breadth and depth of the changes the pandemic have had on the way people of the region move, work and play. Transit revenues in 2022 proved unfavourable to Plan, primarily as a result of the short but severe Omicron variant wave at the beginning of the year, which uncoupled the trajectory of ridership recovery from that anticipated in the Plan. Partly offsetting these lower transit revenues were other revenue sources such as taxation revenues and investment income that exceeded the Plan. As a result, total 2022 revenue of \$2.1 billion was \$42.5 million (2.0 per cent) unfavourable to the 2022 year in the Plan.

Fuel tax revenue was favourable by \$28.8 million (7.3 per cent) compared to the Plan due to higher than expected gasoline and diesel sales. With the partial reversion to working onsite, and the return of leisure travel, fuel consumption in Metro Vancouver exceeded anticipated levels. Similarly to fuel tax, parking sales tax was favourable by \$12.3 million (19.6 per cent) compared to the Plan, attributable to commuters' higher uptake of vehicles as opposed to transit when returning to worksites. Property tax revenue was favourable by \$3.9 million (0.9 per cent) compared to the Plan due to higher payments in lieu of property taxes and higher than expected non-market change as a result of new construction and zoning.

Transit revenue of \$552.6 million was \$66.7 million (10.8 per cent) unfavourable to the Plan, primarily due to the impact of the Omicron variant in early 2022, pinning January ridership back to around 50 per cent of pre-COVID levels. Ridership recovery realigned to the anticipated trajectory commencing February, albeit the re-baselining impact of Omicron created an unfavourable variance for the remainder of 2022. In addition, the fare products mix utilized by transit users has proven different to that assumed in the Plan, with fewer two-zone, three-zone and West Coast Express tickets sold as opposed to one-zone tickets. Recovery for adult monthly passes was also not as significant as for concession monthly passes, with commuters enjoying the flexibility of hybrid work, making fewer trips throughout the working week and therefore not requiring a monthly pass.

The DCC program revenue was \$25.2 million for 2022, \$6.3 million (20.0 per cent) unfavourable to the Plan due to delays in eligible capital projects, causing less revenue recognized in 2022.

Total government transfers were \$427.1 million, which include CCBF funding received through the Greater Vancouver Regional Fund (GVRF), Public Transit Infrastructure Fund (PTIF), Canada Line funding, Senior Government relief funding and other miscellaneous programs. In addition, there is funding provided by the Province of BC in lieu of foregone tolling revenue on the Golden Ears Bridge (GEB) as bridge tolling was eliminated on September 1, 2017. The GEB tolling replacement revenues were \$16.8 million (33.7 per cent) favourable to the Plan as at the time of preparation, the revenue recognition basis for this revenue had not yet been finalized, and the ultimate recognition basis was different to that assumed in the Plan. TransLink received Senior Government relief funding of \$176.0 million in 2022, designed to offset losses caused by the pandemic in 2023–2025. Senior Government funding was unfavourable by \$63.5 million (25.6 per cent) mainly due to the timing of vehicle deliveries and construction delays. These delays were caused by COVID-19 procurement delays, global supply shortages, the 2021 flood event, quality concerns delaying the acceptance of vehicles and other issues experienced at the project planning stage affecting initiation. These factors have shifted the revenue recognition of government transfers. The unfavourable variance is partly offset by accelerated recognition of deferred funding related to the write-down of the Surrey Newton Guildford Light Rail Transit Project following its confirmed cancellation through the 2022 Investment Plan.

Investment income was \$26.6 million (32.2 per cent) favourable to the Plan primarily due to higher than budgeted cash and investment balances, including the receipt of a \$2.0 billion upfront settlement of the future monthly Golden Ears Bridge Toll Replacement Revenue and increased interest rates due to the Bank of Canada policy activity.

Miscellaneous revenue was \$3.6 million (25.9 per cent) favourable to the Plan mainly due to payment from Trans Mountain Pipeline for land and work space use, along with favourable miscellaneous recoveries and unbudgeted foreign exchange gains.

Gain on disposal of assets was \$1.9 million favourable to the Plan mainly due to the unbudgeted sale of the statutory right of ways to Trans Mountain Pipeline and miscellaneous disposals.

Expenses

Bus Operations expenses were \$12.0 million (1.4 per cent) favourable to the Plan, mainly due to vacancies arising from a tight labour market in addition to lower than planned Access Transit demand. This is partly offset by higher fuel and material parts prices.

Rail Operations expenses were \$13.6 million (3.6 per cent) favourable to the Plan, mainly due to savings arising from vacancies, fewer maintenance activities caused by supply chain/parts delays and vacancies, and lower West Coast Express service levels, partly offset by higher overtime costs and Canada Line contract inflation.

Transit Police expenses were \$2.4 million (5.0 per cent) unfavourable to the Plan, mainly due to higher contractual labour increases, hiring of additional recruits, higher year-end leave balances, benefit increases, more overtime related to special events and higher vehicle repair and fuel costs. These unfavourable variances were partly offset by savings from a delay in the Community Safety Officer program.

Corporate Operations expenses were \$22.6 million (15.8 per cent) favourable to the Plan, mainly due to savings arising from vacancies, lower professional fees as a result of project deferral, lower technology costs and lower fare media costs as a result of lower than expected ridership.

Roads and Bridges expenses were \$31.8 million (22.5 per cent) favourable to the Plan mainly due to timing of municipalities' work, resulting in lower than anticipated capital infrastructure contributions to municipalities.

Amortization expense was \$8.4 million (3.2 per cent) favourable to the Plan due to lower-than-expected capitalization in various projects such as the Vehicle Fleet Replacement and Expansion programs, Expo and Millennium Upgrade Program Fleet Acquisition, Expo Line Traction Power Equipment, and the MK I Refurbishment project.

Interest expense for 2022 was \$1.6 million (0.9 per cent) unfavourable to the Plan mainly due to lower interest capitalized during construction associated with timing of capital spending, increased cost of real interest debt due to higher than budgeted interest rates and increased cost of short-term debt.

Corporate One-time expenses were \$32.3 million (83.2 per cent) unfavourable to the Plan mainly due to a write-down of \$44.9 million of previously capitalized costs related to the Surrey-Newton-Guildford (SNG) Light Rail Transit project due to project cancellation through 2022 Investment Plan, partly offset by delays in RapidBus project costs and delays in activation of planned feasibility studies.

4 2022 Capital Program

Schedule 1

Schedule 1 below lists the projects that were included in the 2022 Capital Program as Approved in Principle (AIP) and indicates their current status. The schedule includes activity related to new capital projects in 2022, including any carry forward AIP projects from 2021.

Project and Program Titles (\$ thousands)	Opening Budget as of January 1, 2022	Approved in Principle (AIP) 2022 Budget	Specific Project Approval (SPA) for the year ended December 31, 2022	Current Project Budget as at December 31, 2022 (cumulative AIPs and SPAs)	Current Project as at December 31, 2022		
					Actual Cost to Date	Final Forecast Cost	Estimated Completion Date
Equipment							
CMBC Hoist Asset Renewal Program	-	2,048	2,038	2,038	23	2,016	Apr-30-24
Expo Millennium Line Upgrades Program (EMUP) - Optical Transportation Network ¹	-	11,228	11,228	3,700	-	3,700	Mar-31-25
Onboard Technology Assets Program (OTAP)	59,288	12,769	-	59,288	42,221	47,896	Dec-31-23
Rail-borne Equipment Replacement	-	6,689	6,689	6,689	-	6,696	Jun-16-25
Replacement of Hegenscheidt Underfloor Lathe	366	4,344	7,000	7,366	209	5,917	Dec-31-24
SkyTrain Customer and Operations Telecommunications Upgrade Phase One - Four	23,732	1,500	1,500	25,232	16,146	25,242	Dec-31-24
Equipment - projects with budgets less than \$2 million	1,077	1,682	624	1,701	160	1,571	Nov-30-22 to Mar-31-24
Equipment Total	84,463	40,260	29,079	106,014	58,759	93,038	
Facilities							
2022 BCRTC Roof Replacement	1,559	4,359	2,800	4,359	18	4,258	Dec-31-23
BCRTC Operations and Maintenance Centre (OMC) 1 and 2 - Space Optimization and Modernization	3,950	4,050	-	3,950	2,995	3,258	Dec-31-23
Expo Line Traction Power Equipment Replacement	10,347	10,200	10,200	20,547	1,674	20,868	Dec-31-25
Seabus Terminal Passenger Counting System Update	-	4,000	4,000	4,000	-	4,000	Apr-16-25
Surrey Langley SkyTrain (SLS) Project Development	35,353	3,600	3,600	38,953	30,520	38,982	Dec-31-28
Waterfront Station Power Systems Upgrade	6,863	475	475	7,338	4,996	7,561	Oct-31-23
Facilities - projects with budgets less than \$2 million	1,990	2,594	1,464	3,454	531	3,084	Feb-28-23 to Oct-31-24
Facilities Total	60,062	29,278	22,539	82,601	40,734	82,011	
Infrastructure							
Broadway Station Track Intrusion System Upgrade	2,200	359	-	2,200	1,016	2,149	Apr-30-23
Broadway Subway Project (BSP) – TransLink system integration	133,693	10,614	10,614	144,307	10,384	143,006	Dec-31-26
Burnaby Transit Center (BTC) Retaining Walls - Seismic Stabilization	3,100	5,100	2,000	5,100	90	4,922	Jul-31-24
Burnaby Transit Centre (BTC) Facility Improvement for Phase Two Expansion - Design	1,646	817	817	2,463	502	2,796	Dec-31-23
CMBC Trolley Overhead - Skeena Relocation	-	12,504	11,437	11,437	701	11,426	May-31-24
Edmonds Operations and Maintenance Centre (OMC) Capacity Upgrade	90,274	14,000	14,164	104,438	56,437	104,485	Dec-31-27
EMUP - Propulsion Power Upgrades Expo and Millennium Lines	58,915	43,498	44,784	103,699	7,030	103,652	Dec-31-26
EMUP - Rail Expansion Program Management	123,074	20,000	20,000	143,074	9,109	143,059	Dec-31-28

Project and Program Titles (\$ thousands)	Opening Budget as of January 1, 2022	Approved in Principle (AIP) 2022 Budget	Specific Project Approval (SPA) for the year ended December 31, 2022	Current Project Budget as at December 31, 2022 (cumulative AIPs and SPAs)	Current Project as at December 31, 2022		
					Actual Cost to Date	Final Forecast Cost	Estimated Completion Date
Expo Line Tunnels Ventilation System Rehabilitation	5,165	4,000	4,000	9,165	4,156	8,975	Dec-31-24
Investments in Transit Priority on Priority Rapid Bus Corridors – Phase Two	49,181	36,266	23,200	72,381	40,657	69,631	Nov-30-23
Noise Mitigation Solution	-	4,910	4,910	4,910	-	4,962	Dec-31-28
Operations and Maintenance Centre (OMC) 4	244,369	523,976	523,977	768,346	156,788	768,530	Dec-31-27
Port Coquitlam Transit Centre Infrastructure to Support Battery Electric Buses (BEBs)	4,945	25,659	50,416	55,361	2,112	55,381	Dec-31-25
Richmond Transit Centre Facility Upgrades to Accommodate Double Decker Buses	10,347	2,455	2,455	12,802	10,014	12,470	Apr-30-23
Running Rail Replacement – 2023	32,747	45,960	13,213	45,960	1,809	44,666	Dec-31-28
SeaBus facility and seawall - State of Good Repair	970	3,230	3,230	4,200	2,242	4,781	Jul-31-23
System Integration and Program Management	11,435	65,872	66,511	77,946	4,620	78,202	Dec-31-26
TOH On-Street Infrastructure State of Good Repair Program 2022	20,075	24,828	4,753	24,828	2,401	24,689	Dec-31-27
Infrastructure - projects with budgets less than \$2 million ²	-	11,177	8,053	6,348	1,167	6,204	Jan-31-23 to Oct-31-24
Infrastructure Total	792,136	855,225	808,534	1,598,965	311,235	1,593,986	
Technology							
2021 IT Infrastructure Refresh	-	7,400	7,855	7,855	1,742	8,247	Dec-31-23
Bus Daily Operations Management System (DOMS) Product Migration	21,874	6,724	5,561	27,435	14,017	23,290	Dec-31-24
Enterprise Health and Safety System	2,498	1,912	1,912	4,410	1,721	2,933	Nov-30-23
Technology - projects with budgets less than \$2 million	-	2,020	2,491	2,491	367	2,534	Sep-30-23 to Nov 30-2023
Technology Total	24,372	18,056	17,819	42,191	17,847	37,004	
Vehicles							
2021 Conventional Bus Expansion (25 buses)	16,440	30,405	26,600	43,040	714	43,850	Jun-30-25
2023 Community Shuttle Replacements (27 buses)	-	6,900	6,900	6,900	-	6,900	Dec-31-24
2023 Conventional Bus Replacement - (57 buses) Battery Electric Buses (BEBs)	-	88,740	88,685	88,685	-	88,685	Dec-31-26
2023 HandyDART Vehicle Replacement (46 vehicles)	1,250	6,960	7,200	8,450	172	8,388	Dec-31-24
2023 Conventional Bus Replacement (50 compressed natural gas buses)	-	46,048	46,000	46,000	1	46,000	Dec-31-24
Vehicles - projects with budgets less than \$2 million	288	4,176	4,508	4,796	-	4,758	Aug-30-23 to Mar-31-25
Vehicles Total	17,978	183,229	179,893	197,871	887	198,581	
Bridges							
Westham Island Bridge Rehabilitation	2,122	1,822	-	2,122	99	1,918	Dec-31-23
Bridges Total	2,122	1,822	-	2,122	99	1,918	
MRN Upgrade							
Bus Speed and Reliability	-	5,260	5,260	5,260	-	5,260	Dec-31-26
MRN and Bike Capital (MRNB) Funding Program	-	23,614	23,614	23,614	-	23,614	Dec-31-27
MRN Upgrade Total	-	28,874	28,874	28,874	-	28,874	

Project and Program Titles (\$ thousands)	Opening Budget as of January 1, 2022	Approved in Principle (AIP) 2022 Budget	Specific Project Approval (SPA) for the year ended December 31, 2022	Current Project Budget as at December 31, 2022 (cumulative AIPs and SPAs)	Current Project as at December 31, 2022		
					Actual Cost to Date	Final Forecast Cost	Estimated Completion Date
Walking							
Walking Infrastructure to Transit (WITT) Funding Program	-	6,000	6,195	6,195	-	6,195	Dec-31-28
Walking Total	-	6,000	6,195	6,195	-	6,195	
Regional Cycling							
Bicycle Infrastructure Capital Cost Sharing (BICCS) Funding Program	-	16,087	17,757	17,757	-	17,757	Dec-31-28
Regional Cycling Total	-	16,087	17,757	17,757	-	17,757	
MRN Seismic							
MRN Structures Rehabilitation and Seismic Upgrade Funding Program	-	15,500	16,257	16,257	-	16,257	Dec-31-27
MRN Seismic Total	-	15,500	16,257	16,257	-	16,257	
MRN Pavement Rehab							
MRN Pavement Rehabilitation Funding Program	-	25,701	25,701	25,701	25,349	25,701	Dec-31-26
MRN Pavement Rehab Total	-	25,701	25,701	25,701	25,349	25,701	
Grand Total	981,133	1,220,032	1,152,648	2,124,548	454,910	2,101,322	

- (1) Part of the AiP budget was transferred to the Rail Expansion Program Management project due to scope realignments and budget changes within the Rail Expansion Program.
- (2) Part of the AiP budget for the Richmond Transit Centre Roof Replacement – Phase 2 project was transferred to the RTC roof replacement project to administer as a single project in order to improve efficiency.

Schedule 1a

Schedule 1a below lists the status of TransLink capital programs with project additions, cancellations, disencumbered Approved in Principle projects, and projects not yet initiated during 2022.

Project and Program Titles (\$ thousands)	Budget	Reason
Project Additions		
Bentall 3 Radio Room and Antenna Replacement Project R2	3,250	Project is aimed to build a new radio room at Bentall 3 Tower. This radio antenna is critical to SkyTrain's day-to-day operations as it provides operational and emergency radio services for SkyTrain west of Joyce.
Optical Transportation Network	3,700	Project is aimed to address immediate needs of fiber redundancy and end-of-support Optical Transport Network (OTN) radio equipment, and create a medium-term plan to address the 2028 end-of-support for the rest of the equipment.
Project Additions - projects with budgets less than \$2 million	1,201	Majority of the minor projects related to service vehicle replacements, hub office addition for Metro Vancouver Transit police and a lift replacement at Columbia Station.
Project Additions Total	8,151	
Project Cancellations and Scope Reductions		

Project and Program Titles (\$ thousands)	Budget	Reason
CMBC Employee Scheduling Implementation Project	2,040	Project was cancelled as TransLink's timekeeping system (MyTime) vendor's decision to end support of the current platform came two years earlier than previously announced.
Free Transit for Youth 12 & Under - System Upgrades	3,050	Implementation of Phase 2 of the project (card-based solution) was cancelled.
Gilmore Station Upgrade and Expansion Project	9,887	Project scope was reduced by 50 per cent as a cost saving measure to accommodate the significant cost increases and financial challenges in the active program.
Onboard Technology Assets Program (OTAP)	12,769	Project scope related to the Community Shuttle was reduced as a cost saving measure to accommodate the significant cost increases and financial challenges in the active program.
RapidBus Upgrade Program (formerly B-Line Cost-Share)	13,590	Project was cancelled as a cost saving measure to accommodate the significant cost increases and financial challenges in the active program.
TransLink Owned Bicycle Infrastructure	6,422	Project budget was disencumbered by 50 per cent and transferred as part of the reallocation of the TransLink Owned Bike Infrastructure (TLOBI) capital program in order to create a more structured and streamlined approach.
Investments in Transit Priority on Priority Rapid Bus Corridors – Phase One and Two	12,216	Project budget and scope was deferred to future years.
Operations and Maintenance Center (OMC) 5 - Land Acquisition	150,000	Project budget for land acquisition was cancelled as the intended site for OMC 5 changed in 2022. The Province will now purchase the initial land.
Project Cancellations and Scope Reductions - projects with budgets less than \$2 million	4,924	Majority of the minor projects that had scope reduction or cancellations were due to resource constraints issues and also as part of cost savings measures to alleviate cost pressures on the active program.
Project Cancellations and Scope Reductions Total	214,898	
Projects Not Initiated		
2021 Next Generation SeaBus Design	2,653	Project initiation was deferred to reduce the risk that the design might be outdated by the time the implementation starts as there is no secured funding to support the implementation phase at this time.
Automatic Train Control (ATC) 2022	4,316	Project activation was deferred to 2023 to relieve cost pressures on the active program.
Customer Amenities Pilot	2,087	
Elevating Devices Asset Renewal Program - Millennium Line Escalators 2022	10,102	
New Simon Fraser University Exchange Contribution	3,185	
SkyTrain Station Power Capacity - Phase Two	7,140	
Station Ground Switch Replacement	7,500	
TOH Rectifier Station State of Good Repair Program	33,091	Project initiation was deferred due to design phase taking longer than expected. Initiation is expected to be reassessed in 2023.
Burnaby Transit Centre (BTC) Facility Improvements for Phase Two Expansion	44,579	
Cyber Security and IT Services Resiliency Program	40,000	
Technical Drawings and Library Management System (TDLS)	3,100	Project initiation was deferred due to a lack of BTS resources available to support project implementation as a result of the backlog created by the Cyber security incident. Initiation is expected to be reassessed in 2023.

Project and Program Titles (\$ thousands)	Budget	Reason
CMBC CloudSuite Enterprise Asset Management (EAM)- Design & Implementation	21,000	Project initiation was deferred due to delays in prior phases of the ERP Program. Initiation is expected to be reassessed in 2023.
Expo Line Elevator Replacement	22,469	Project initiation was deferred due to delays in awarding a new vendor for the elevating devices. Initiation is expected to be reassessed in 2023.
Gilmore Station Upgrade and Expansion Project	9,887	Project initiation was deferred due to delays in negotiations with real estate developer at the Gilmore Station adjacent property development. Initiation is expected to be reassessed in 2023.
Marpole Transit Centre (MTC) – Implementation	482,715	Implementation phase of the project is contingent on permit approvals, which are currently pending. Initiation of the implementation phase will take place in 2023.
Port Coquitlam Transit Center Facility Improvements	34,236	Project initiation was deferred due to delays in the design phases and aligning various PTC projects under one program. Initiation is expected to be reassessed in 2023.
Projects Not Initiated - projects with budgets less than \$2 million	8,803	Majority of the minor project deferrals pertained to resource constraints created by delays in completion of active projects. Some projects were elected to be deferred as part of cost saving measures to address unprecedented cost pressures.
Projects Not Initiated Total	736,863	

Schedule 2

Schedule 2 provides a comparison of the 2022 cash flow forecast in the 2022 Investment Plan to actual spending in 2022.

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

- Supply chain disruptions causing vendors difficulty in securing materials in a timely manner and delivery timelines that have been exceeding historical expectations;
- Resource shortages across the industry resulting in project initiation delays and longer than anticipated procurement timeframes to award contracts to vendors;
- Amendments to scope in the early stages of project initiation as a result of efforts to align priorities and ensure a cohesive strategy;
- Decisions made by the Province to take over the delivery of significant projects; and
- Decisions made by TransLink to de-scope or pause projects as a result of reprioritizing and the financial pressures caused by the COVID-19 pandemic.

Capital Expenditures

Business Segment	2022 Cash Flow (\$ thousands)		
	10 Year Plan	Actual	Variance: Plan vs Actual
Bus			
Equipment	26,862	16,714	10,148
Facilities	5,768	5,651	117
Infrastructure	75,551	35,329	40,222
Technology	15,072	4,582	10,490
Vehicles	114,244	55,264	58,980
Bus Total	237,497	117,540	119,957
Rail			
Equipment	68,089	21,330	46,759
Facilities	32,104	10,902	21,202
Infrastructure	457,982	178,716	279,266
Technology	19,448	13,893	5,555

Business Segment	2022 Cash Flow (\$ thousands)		
	10 Year Plan	Actual	Variance: Plan vs Actual
Vehicles	61,922	52,742	9,180
Rail Total	639,545	277,583	361,962
Corporate			
Equipment	1,896	578	1,318
Facilities	19,575	6,242	13,333
Infrastructure	23,788	8,926	14,862
Technology	73,967	44,983	28,984
Vehicles	1,920	495	1,425
Corporate Total	121,146	61,224	59,922
TransLink Owned Roads and Bridges			
Cycling	8,936	1,182	7,754
Bridges	10,836	1,320	9,516
TransLink Owned Roads and Bridges Total	19,772	2,502	17,270
Total Capital Expenditures and Infrastructure Contributions	1,017,960	458,849	559,111

Infrastructure Contributions

Business Segment	2022 Cash Flow (\$ thousands)		
	10 Year Plan	Actual	Variance: Plan vs Actual
Municipal Owned Walking and Cycling			
Walking	6,181	4,963	1,218
Regional Cycling	14,854	7,402	7,452
Municipal Owned Walking and Cycling Total	21,035	12,365	8,670
Municipal Owned Roads			
MRN Pavement Rehab	25,683	25,588	95
MRN Upgrade	28,460	13,471	14,989
MRN Seismic	16,862	5,336	11,526
Municipal Owned Roads Total	71,005	44,395	26,610
Total Capital Expenditures and Infrastructure Contributions	92,040	56,760	35,280

Capital Expenditures and Infrastructure Contributions

Capital Expenditures and Infrastructure Contributions	2022 Cash Flow (\$ thousands)		
	10 Year Plan	Actual	Variance: Plan vs Actual
Capital Expenditures	1,017,960	458,849	559,111
Infrastructure Contributions	92,040	56,760	35,280
Total Capital Expenditures and Infrastructure Contributions	1,110,000	515,609	594,391

5 Transportation Demand Management

Transportation Demand Management (TDM) is coordinated in Metro Vancouver under TransLink's TravelSmart Program. TravelSmart represents partnerships between TransLink, municipalities, various government partners as well as non-governmental and industry partners, all committed to helping more people choose transit, ridesharing, carpooling, car-sharing, cycling and walking in place of single-occupancy vehicle trips. Changing behaviour is a component of the TDM measures necessary to balance growing mobility expectations against the capacity of our transportation system and the impacts of our travel choices.

TDM is legislated as part of TransLink's mandate in the *South Coast British Columbia Transportation Authority Act* (under section 4(1) (b)) and TravelSmart was Canada's first integrated transportation demand management program.

The Metro Vancouver Regional Growth Strategy (RGS) describes policies to meet the growing demands from an anticipated one million-plus new residents by 2050 and 600,000 new jobs in the region over the next 30 years. Central to the strategy are goals for denser land use and increased investment in transit and active transportation to create the conditions for reducing the high level of single-occupancy vehicle trips in most areas.

The Transport 2050 (T2050) responds to the RGS and describes how to provide convenient choices for everyone by 2050: "active transportation and transit are competitive choices accounting for at least half of all passenger trips, with the taxi, ride-hail and car-share accounting for most of the remaining passenger trips", and how to provide carbon-free choices for everyone such that by 2030 "we have lowered carbon pollution from light-duty vehicles by 65 per cent over 2010 levels; and have eliminated carbon pollution from transport altogether by 2050." Behaviour change measures are essential to T2050, as they provide the motivation, information and support necessary to enable individuals to change their travel habits.

TransLink's Transit-Oriented Communities (TOC) guidelines highlight the necessity for TDM strategies to "discourage unnecessary driving and promote sustainable modes of travel", including providing incentives for travelers to make the most effective use of all of our transportation networks, carshare, carpool and parking management supports, as well as workplace and school travel planning, to take advantage of available capacity and reduce transport network crowding and congestion.

The following summarizes activities and outcomes from the 2022 business year.

TDM Programs and Initiatives

Compass for Developments

- Launched the Compass for Developments program which allows developers to make a one-time bulk purchase of Compass cards, while allowing strata and/or property managers to facilitate the distribution of the transit benefits to occupants. This satisfies municipal TDM requirements for transit benefits by reducing the reliance on parking and single-occupancy vehicle trips, while delivering benefits to building occupants, developers and the region.
- Launched a three-month demonstration pilot with real estate developers for TransLink to monitor the ridership of participants and better understand the benefits of subsidized transit. The pilot data, both the quantitative Compass Card data and the voluntary behavioural survey, will be analysed to understand potential trends and impacts of this initiative.

Employer TDM & Mobility Projects

- Launched the Transit-Friendly Employer Certification (TFE) Certification, a new initiative to encourage employers to subsidize transit for their employees. The TFE Certification will allow employers who provide

at least a 50 per cent transit subsidy to promote their commitment to sustainable mobility in recruiting campaigns and sustainability reports.

- Following the launch of TFE, 2,456 certified riders were brought into the system as of December 2022.
- TransLink for Organizations, which is TransLink's employer transit program, aim to promote sustainable transportation options and increase revenue through employer-funded transit benefits. Over 108 employers were engaged and consulted in 2022, some including, Vancouver International Airport, Provincial Health Services Authority, Lush Cosmetics and Intel Canada, all of which became Transit-Friendly Employers.
- Developed an independent shuttle program with nine use cases to connect remote business parks and recreational sites to transit in Metro Vancouver via the Liftango shuttle platform. Primary travel markets which will be served in early 2023 include Mitchell Island, Parkland Refinery and Gloucester Industrial Estates.
- Launched a new commute management and rewards pilot to support new and existing business partnerships. The pilot is designed to help major employers engage their employees to implement sustainable transportation programs, provide incentives, track and analyze impacts on emissions, which is possible through modal shift to provide a return on investment.

Children & Youth Travel

- Developed TravelSmart4Kids: A Regional Travel Strategy for Children aged 12 and Under. This is a coordinated approach in Metro Vancouver to enable and encourage children to travel by active and sustainable modes of transportation in Metro Vancouver which include walking, cycling, rolling and taking transit.
- Developed School Catchments Geographic Information Systems (GIS) Mapping to better understand where school catchment boundaries are within the region. This develops useful datasets for TransLink, municipalities and various school districts, which can be utilized for future analyses to improve TransLink services for specific groups.

Active Transportation

HUB Cycling Partnership

Through our partnership with HUB Cycling, sponsored and supported TDM programming for various bike events, consulting services and cycling education programs:

- **Bike Awards** – An event to celebrate success stories of individuals and organizations making biking better in Metro Vancouver, including infrastructure improvements, bike friendly businesses and schools. The 2022 event welcomed 158 attendees.
- **Go By Bike Week** – TransLink supported the annual Go By Bike Week commuter cycling events in May and October with a total of 9,207 participants registering and over 11,700 cyclers or walkers stopping by one of our 74 celebration and community stations. Hundreds of participants also attended group rides, cycling webinars or workshops.
- **Bike Education** – Through several online and in-person training and education courses the following outcomes were achieved with the support of TransLink funding:
 - Bike to School education with 15,750 students educated, 149 schools and 18 municipalities reached;
 - Ride the Road with 6,361 participants attended the Active Travel course;
 - TransLink Bike to School Courses also known as the Everyone rides 4/5, a cycling education program;
 - Three Learn2Ride courses; and
 - 95 Streetwise Cycling in-person and online courses with 1,820 participants.

- **Bike to School Week** – Bike to School Week saw 137 participating schools in 2022, with 46 schools participating for the first time. 8,286 students participated with 23,875 bike trips logged as well as 19,856 other sustainable transportation trips taken.
- **Bike to Shop** – The annual Bike to Shop campaign saw 1,500 participants registered in 2022, with 65 businesses taking part across eleven neighborhoods and seven municipalities, leaving nearly one million marketing impressions.
- **Bike Friendly Building Assessments** – This helps fund cycling assessments to improve cycling and end of trip facilities with large developments. These large developments include downtown Vancouver Hudson's Bay Building redevelopment, the Grosvenor Americas Brentwood project, Vancouver General Hospital, BC Children's and Women's Hospitals and QuadReal Property Group's Vancouver Headquarters building.
- **Regional Cycling Maps** – In 2022, HUB Cycling distributed 30,000 of TransLink's new regional cycling maps at public events, libraries, businesses, municipalities and via other non-profit partners.

Better Environmentally Sound Transportation (BEST) Partnership

- **Bike Valet** – Through the contribution agreement with BEST, this funded free bike parking events including a 12-day Bike Valet at Vancouver General Hospital and 18,683 bikes parked and 839 registered through Garage 529 across all events including BC Place, Granville Island and TransLink's Car Free Days.
- **Seniors** – Supported Living Streets (Walk30 and Walktober events) and Seniors on the Move (18 walk events reaching 1,270 participants and ten workshops) through BEST to encourage more connections for pedestrians including campaigns, events and walking tours to address road safety concerns and barriers to active transportation and shared mobility modes.

B.C. SCRAP-IT

- Continued partnerships with B.C. SCRAP-IT offers transit passes in exchange for scrapping old internal combustion engine vehicles. In 2022, 60 participants selected TransLink's transit pass option: Adult Monthly Passes (44) and Concession passes (16).

6 Short-Term Fares Assessed

Short-term fares for Bus, SeaBus, SkyTrain and HandyDART from January 1, 2022 to June 30, 2022 are shown in the table below.

Fare Type	Status	Time	Within 1-Zone	Within 2-Zones	Within 3-Zones
Regular Short-Term Fares:					
Cash*	Adult	Regular	\$3.05	\$4.35	\$5.90
		Off-Peak	All Zones — \$3.05		
	Concession	Regular	\$2.00	\$3.00	\$4.05
		Off-Peak	All Zones — \$2.00		
DayPass*	Adult	No restrictions	\$10.75 — valid all zones		
	Concession		\$8.45 — valid all zones		
Discounted Short-Term Fares:					
Stored Value*	Adult	Regular	\$2.45	\$3.55	\$4.60
		Off-Peak	All Zones — \$2.45		
	Concession	Regular	\$2.00	\$3.00	\$4.05
		Off-Peak	All Zones — \$2.00		
FareSavers	Adult		All Zones — \$24.50 (10 tickets)		

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

Buses and HandyDART are all 1-Zone travel seven days a week.

Short-term fares for Bus, SeaBus, SkyTrain and HandyDART effective July 1, 2022 are shown in the table below.

Fare Type	Status	Time	Within 1-Zone	Within 2-Zones	Within 3-Zones
Regular Short-Term Fares:					
Cash*	Adult	Regular	\$3.10	\$4.45	\$6.05
		Off-Peak	All Zones — \$3.10		
	Concession	Regular	\$2.05	\$3.05	\$4.15
		Off-Peak	All Zones — \$2.05		
DayPass*	Adult	No restrictions	\$11.00 — valid all zones		
	Concession		\$8.65 — valid all zones		
Discounted Short-Term Fares:					
Stored Value*	Adult	Regular	\$2.50	\$3.65	\$4.70
		Off-Peak	All Zones — \$2.50		
	Concession	Regular	\$2.05	\$3.05	\$4.15
		Off-Peak	All Zones — \$2.05		
FareSavers	Adult		All Zones — \$25.00 (10 tickets)		

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

Buses and HandyDART are all 1-Zone travel seven days a week. FareSavers are no longer available for purchase; however, they continue to be accepted on buses and HandyDART only.

WCE operates on a different fare structure than other transit services.

Short-term fares for WCE from January 1, 2022 to June 30, 2022 are shown in the table below.

Fare Type	Status	Within 1-zone	Within 2-zones	Within 3-zones	Within 4-zones	Within 5-zones
Regular Short-Term Fares:						
One-way Ticket*	Adult	\$5.90		\$7.65	\$9.45	\$12.80
	Concession	\$3.55		\$4.55	\$5.85	\$7.90
Return Ticket	Adult	\$11.25		\$14.85	\$18.15	\$24.30
	Concession	\$7.15		\$9.20	\$11.50	\$15.60
Discounted Short-Term Fares:						
One-way Ticket- Stored Value*	Adult	\$5.00		\$6.50	\$7.95	\$10.75
	Concession	\$2.95		\$3.80	\$4.90	\$6.60
Return Ticket- Stored Value	Adult	\$11.00		\$14.05	\$17.40	\$23.25
	Concession	\$6.90		\$8.70	\$11.00	\$14.85

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

Short-term fares for WCE as of July 1, 2022 are shown in the table below.

Fare Type	Status	Within 1-zone	Within 2-zones	Within 3-zones	Within 4-zones	Within 5-zones
Regular Short-Term Fares:						
One-way Ticket*	Adult	\$6.05		\$7.85	\$9.65	\$13.10
	Concession	\$3.65		\$4.65	\$6.00	\$8.10
Return Ticket	Adult	\$11.50		\$15.20	\$18.55	\$24.85
	Concession	\$7.30		\$9.40	\$11.75	\$15.95
Discounted Short-Term Fares:						
One-way Ticket- Stored Value*	Adult	\$5.10		\$6.65	\$8.15	\$11.00
	Concession	\$3.05		\$3.95	\$5.00	\$6.75
Return Ticket- Stored Value	Adult	\$11.25		\$14.35	\$17.80	\$23.80
	Concession	\$7.05		\$8.90	\$11.25	\$15.20

*The Canada Line YVR Add-Fare is required. Add-Fare is a short-term fare premium over the applicable fare in the amount of \$2.50 each way, which is collected as a return fare premium of \$5.00 payable at YVR-Airport Station, Templeton Station or Sea Island Centre Station for conventional SkyTrain and SeaBus travel.

7 Borrowings Undertaken in 2022

7.1 Long-term Borrowing

TransLink continues to minimize debt costs through strategic borrowings. Since 2010, TransLink has raised more than \$3.1 billion from investors in the capital market.

During 2022, TransLink issued its third Green Bond, with a total par value of \$300.0 million.

The terms of TransLink's long-term debt issuance activity are detailed below:

Issue No.	Amount Borrowed ¹	Coupon Rate ²	Remaining Term	Maturity Date	Semi-Annual Interest Payments	Principal due on maturity
TL-10 Green (Issued on 12-Dec-2022)	\$300,000,000	4.15%	31 Years	12-Dec-2053	\$6,225,000	\$300,000,000

¹ Unsecured, par value

² Coupon rate fixed to maturity. Effective yield: 4.195%.

7.2 Short-term Borrowing – Commercial Paper Program

On May 13, 2010, TransLink launched a \$500.0 million Commercial Paper Program backstopped by a line of credit from a syndicate of six Canadian chartered banks. Having this \$500.0 million program available at favourable interest rates, compared to using a bank facility, provides flexibility in managing TransLink's cash flow needs.

Action	Deal #	Amount	Interest Rate (%)	Transaction Date	Maturity Date	Total Outstanding
Repay	314	-\$30,000,000			27-Jan-22	\$0
Issue	315	\$30,000,000	0.48190	27-Jan-22	28-Apr-22	\$30,000,000
Repay	315	-\$30,000,000			28-Apr-22	\$0
Issue	316	\$30,000,000	1.55828	28-Apr-22	28-Jul-22	\$30,000,000
Repay	316	-\$30,000,000			28-Jul-22	\$0
Issue	317	\$30,000,000	3.22940	28-Jul-22	26-Oct-22	\$30,000,000
Repay	317	-\$30,000,000			26-Oct-22	\$0

B. AUDITED FINANCIAL STATEMENTS

The 2022 Audited Consolidated Financial Statements are attached at the end of this report.

C. COMPLAINTS SUMMARY

Corporate Overview

TransLink's combined service hours for Bus and Rail operations, excluding HandyDART, was 7.0 million service hours in 2022, consistent with 2021. The number of boarded passengers for HandyDART was 1.1 million in 2022, 43.4 per cent increased from 767 thousand in 2021. Service levels were appropriately allocated to better meet customers' demand.

Throughout the acute phase of the pandemic, despite the extraordinary challenges, TransLink did not stop moving: prioritizing safety, we remained committed to customer service excellence. We continued to align operations with provincial pandemic guidelines including mandatory masks on board and physical distancing and vaccination policies for employees and contractors to ensure the continued safety of our customers and employees. As a result of the COVID-19 Omicron wave, 2022 began with extended restrictions from the Provincial Health Officer. As the Public Health Officer eased the mandatory masks policy in indoor public places, on March 10, 2022 TransLink rescinded its mandatory mask policy across the conventional transit network, except for HandyDART.

The number of complaints was proportionately lower in tandem with reduced ridership in the beginning of the year. As ridership recovered and steadily increased to 75-80 per cent of pre-COVID levels in the latter half of the year, the number of complaints comparatively increased. This return in ridership was exceeded by a ramp up in driving levels, contributing to increased congestion which placed higher pressure on bus schedules. This context of a region in transition through a shifted paradigm of travelling norms, which also likely changed tolerance levels to issues such as overcrowding and frequency of service, is relevant to the reading of 2022 complaints.

The most common sources of customer complaints in 2022 were Transit Operators and Operator-related, SkyTrain track noises as well as weather-caused and service-related delay complaints. TransLink continues to monitor customer complaints closely and adjusts services as needed to best serve our customers.

"Complaints per million customer interactions" represents the ratio of all complaints from across the Enterprise against the total number of Enterprise-wide customer interactions, allowing us to report on our performance. Customer interactions are defined as total boardings on the transit system. The 2022 Enterprise-wide complaints were 26,735 against a total of 325.9 million customer interactions, resulting in a ratio of 82.0 complaints per million customer interactions. This is lower than the ratio in each of the last two years, as well as the most recent year in which complete information is available, being 97.2 complaints per million customer interactions in 2019.

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, Enterprise complaints information is incomplete, to various degrees, across the period of November 28, 2020 to August 19, 2021. For comparative 2020 and 2021 years information, the 2021 Statutory Annual Report is posted on the TransLink Website.

A summary of complaints and customer interactions for 2022 is provided in Table A below.

Table A

Corporate Summary	2022
CMBC	17,288
SkyTrain (Expo and Millennium Lines)	1,276
SkyTrain (Canada Line)	194
West Coast Express	127
HandyDART	2,705
Transit Service Complaints	21,590
TransLink Corporate	5,145
Total Complaints	26,735
Total Customer Interactions	325,902,000
Complaints per Million Customer Interactions	82.0

Coast Mountain Bus Company

In 2022, CMBC recorded a total of 17,288 complaints. Among the 17,288 complaints registered, 55 per cent of all complaints involved Transit Operators and 41 per cent were related to service delivery. CMBC remains committed to customer excellence and will continue to monitor closely customer complaints and adjust our service as needed to best serve our customers.

All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are urgent and, in 2022, all were investigated within 48 hours. P3 complaints are less critical and must be resolved within 15 business days. In 2022, approximately 95 per cent of complaints were closed within the abovementioned response timelines, according to the priority ratings assigned to each complaint received.

In 2022, we continued our focus on customer experience with the following accomplishments:

- Right-sized and adapted service levels as needed to meet the changing customer demand. We continue to monitor ridership and overcrowding to ensure service is provided where it is needed most as more people choose transit.
- Released a new Customer Experience Action plan to better serve the changing needs of customers over the next five years.
- Launched a new summer service for cyclists heading to the Tsawwassen Ferry Terminal. The Bike Bus provides more room for bicycles on the Bridgeport Station to Tsawwassen Ferry Terminal route, one of the most popular routes for our cycling customers.
- Continued the installation of Braille bus stop signs, with 7,300 of the 8,400 bus stops having Braille signage by the end of 2022. The project is expected to be completed by the Summer 2023. The new signage provides the bus stop ID number, bay number (if applicable), routes served by the stop and the phone number for Customer Information.
- Completed over 75 per cent installation of WIFI on RapidBus fleet, which is active and available for customers to use, with the remainder projected to complete by March 2023.

CMBC received a total of 2,439 commendations throughout 2022. The excellent work of our CMBC Operators contributed the vast majority of commendations, with 86% (2,106) attributed to Operator behaviour and driving.

SkyTrain — Expo and Millennium Lines

In 2022, the Expo and Millennium Lines received 1,276 complaints. Approximately one-third of them were related to Stations and Parkways. The main driver of the Stations and Parkways were complaints about track noise, with the vast majority of those complaints coming from residents residing near the guideway and stations. As an ongoing part of SkyTrain's maintenance program, rail replacement and rail grinding are undertaken to help alleviate the noise level and improve ride quality. BCRTC added two new grinders in 2022, expanding our rail grinding capacity.

The second highest complaints category was for Service/Schedule. Within this category, 80 per cent of the complaints received related to delays, many of which were triggered by weather events in January and December, as well as the single tracking maintenance program. Bus bridges were provided and the de-icing and clearing of snow were completed to reduce the impact on customers. BCRTC continues to ensure that passengers are informed about all potential travel delays by putting notices on TransLink social media channels and messaging on screens at stations.

BCRTC continues to receive commendations from customers in appreciation for SkyTrain attendants' courteous assistance. The vast majority of the 77 commendations received in 2022 were to recognize the excellent service offered by SkyTrain attendants.

SkyTrain — Canada Line

There were 194 complaints received in 2022 with the majority of the complaints received during the last two quarters of the year.

Through the summer months particularly in July and August, customer complaints were due to the lack of cold air in the trains. While the trains are equipped with air-conditioning, the summer temperature combined with full trains particularly during peak hours, created an uncomfortable ride for customers.

Another area that received many complaints in 2022 is Service Schedule. Customer complaints were mainly related to delays. The winter storm in December caused track issues due to snow and ice build-up on switches and power rails, which in turn, caused service delays for customers. Alternate service, such as bus bridges, was implemented along with mitigation efforts, including de-icing tracks and clearing snow, to reduce customer impact.

Customer commendations trended upwards, with Canada Line receiving 45 in 2022. Customers appreciated the friendly and helpful conduct from Canada Line staff when providing assistance during their journey.

West Coast Express

West Coast Express received 127 complaints in 2022. The largest category of complaints was under the Service Schedule category, which represented 41 per cent of all complaints received and mainly related to delays. Within this category, over a third of complaints were received in March, when WCE service is impacted by the annual Canadian Pacific track maintenance program. WCE management continues to work closely with Canadian Pacific Railway to reduce the impacts to WCE service.

The second major source of complaints was concerning Customer Relations reaching 18 per cent of all complaints. The complaints vary in nature, with most of them regarding onboard customer-to-customer etiquette, such as eating or drinking on trains and other types of passenger behaviour.

WCE received 27 commendations in 2022.

HandyDART

In 2022, TransLink continued its mandatory mask requirement for customers and employees on HandyDART as the Provincial Health Officer continues to require masks in medical settings and many customers using this service are travelling to and from medical appointments. Out of all complaints received in 2022, Operator-related complaints were 36 per cent, taxi complaints were 34 per cent and service-related complaints accounted for 30 per cent.

Every complaint is reviewed and both the complainant and the employee(s) concerned receive a follow-up. A thorough investigation is completed to understand the root cause and then appropriate steps are taken to rectify the situation including actions such as coaching and/or process review. Taxi complaints are reviewed with the taxi company and a similar process is followed.

All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are deemed urgent and in 2022, all P1 complaints were resolved within 48 hours. P3 complaints are deemed less critical and must be resolved within five business days. First Transit, the HandyDART service provider, continues to investigate every customer complaint including follow up with the complainant. Coaching and remedial training are provided when required.

In the first six months of 2022, driver behaviour and scheduling concerns were the top drivers of customer complaints. To improve the customer experience and reduce customer complaints, First Transit deployed a driver behavior program in November 2021 that targets operators who have had above average complaints about their behaviour and this program continued into 2022. First Transit also hired a Customer Service Manager to bolster the customer and community relationships. In the second half of 2022, complaints mainly related to scheduling and clerk behaviour, such as booking agents, schedulers and dispatchers. First Transit deployed a clerk behaviour program in October 2022 to address the complaints in this category.

To reduce taxi-related complaints, First Transit continues to support customer service training to the taxi companies. First Transit is reviewing and evaluating the contract terms with taxi providers to enhance client satisfaction. This aims to add more rigorous reporting and monitoring requirements, including standards which tie to financial levers, providing greater oversight and accountability for HandyDART's operation over the taxi services.

Detailed Complaint Tables

Tables B and C show complaints received from 2022. Table B reflects specific transit services while Table C covers TransLink Corporate in the same period.

Table B

CMBC	2022		
	Bus ¹	HandyDART	Total
Service Delivery	5,420	1,719	7,139
Service Planning	1,038	-	1,038
Staff	8,520	986	9,506
Website	120	-	120
Cell Phone/Radio	47	-	47
Accessibility/Racks	308	-	308
Other	1,835	-	1,835
Subtotal	17,288	2,705	19,993

¹ Includes SeaBus and Community Shuttle as well as the contracted services of Langley and Bowen Island Community Shuttles and West Vancouver's Blue Bus.

BCRTC	2022			
	SkyTrain Expo and Millennium	SkyTrain Canada Line	West Coast Express	Total
Service Schedule	252	46	52	350
Stations/Parkways	419	36	12	467
Trains	214	35	11	260
Customer Relations	176	38	35	249
Safety/Security	215	39	17	271
Sub-total	1,276	194	127	1,597

Transit Service Total	2022
Complaints (CMBC + BCRTC)	21,590
Total Customer Interactions	325,902,000

Table C

TransLink Corporate	2022
Policy-Related (Fares, service optimization, advertising, Compass, fare gates, etc.)	5,145

Complaint Handling Through Social Media

Customer complaints at TransLink are handled on several social media channels. In 2022, the CMBC-staffed @TransLink Twitter channel received the most complaints and/or comment. This is followed by the TransLink-staffed Facebook and Instagram channels.

When complaints are made via social media, staff engage with customers to resolve the issue. If a complaint cannot be dealt with online, if a matter needs escalation or if privacy issues are a concern, customers are encouraged to log their complaints with CMBC's Customer Information Services department through an online form or by contacting the department offline. Customers are then engaged on an individual basis until a resolution can be reached.

Twitter

In 2022, the primary social media channel for customer inquiries was through @TransLink on Twitter. In 2022, we sent approximately 25,700 tweets, which equates to approximately 70 tweets per day. This is up 22.5 per cent from the previous year. From customers, we received approximately 49,100 tweets, this is an increase of 11.3 per cent over the previous year.

At the end of 2022, our Twitter account had increased by approximately 16,000 net new followers for a total following of 222,727, or a 7.7 per cent growth. We can likely attribute this growth to customers returning to transit and coming to our Twitter channel to receive relevant transit related information.

The majority of tweets from customers were service-related inquiries about bus locations followed by COVID-19 and the mask mandate. The top three most engaged tweets from @TransLink were about recruitment and working for one of BC's top employers, a sign-off tweet wishing customers a Merry Christmas and May the 4th.

Facebook

On Facebook, customer complaints and/or comments on Facebook remained similar to that in 2021. This channel saw a moderate growth of 3,619 new followers for a new total of 43,075. We attribute the plateauing growth on this channel primarily to the channel's declining popularity, as well as the shift in customer communications towards Twitter and Instagram.

The most engaging post in 2022 was a historic photo of SkyTrain marking 37 years in service, followed by an updated avatar featuring branding for our inaugural Transit 4 The Planet campaign in support of Earth Day.

Instagram

Instagram continues to be an emerging social media channel for many of our customers. Instagram Reels and Stories are quickly becoming the primary way for customers to share complaints, commendations and stories about their TransLink experiences. Customers are often choosing Instagram direct messages as a first point of contact for questions and concerns. Our top posts for 2022 included a behind the scenes look at the new SkyTrain Mark V car being built, Compass Mini-Train launch, our partnership with Cirque du Soleil encouraging customers to take transit to the event and our Reel explaining how to access lost property after losing something on transit.

D. CUSTOMER SATISFACTION

2022 Customer Service Performance Ratings

Table D below summarizes the percentage of customers who gave good-to-excellent service ratings, which is defined as a rating of 8, 9, or 10 out of 10.

All transit systems and mode-specific attribute measures, including overall service, are based on asking customers directly. In other words, overall service is not calculated mathematically from any of the specific service attributes, such as frequency or reliability.

The analysis is segmented into the following groups:

- Transit System (includes people who have ridden the bus, SeaBus or SkyTrain at least once within the last 30 days);
- Bus System (includes all CMBC bus service, as well as West Vancouver Transit and contracted Community Shuttle service);
- SkyTrain (the SkyTrain segment includes the Expo, Millennium and Canada Lines);
- SeaBus;
- WCE; and
- HandyDART (with registered HandyDART customers).

Data are from three sources:

- TransLink's Bus, SkyTrain, SeaBus Customer Service Performance Survey interviews adults who have taken transit at least once within the last 30 days in Metro Vancouver. Interviews are conducted daily by phone;
- TransLink's WCE Customer Service Performance Survey is conducted twice per year (March and September) onboard the WCE train. Surveys are partly administered by an interviewer and then completed by the respondent; and
- TransLink's HandyDART Customer Service Performance Survey is conducted once per year in the Fall by phone, primarily with past month's users of the service.

Customer Service Performance Summary for 2022 — Transit System, Bus, SeaBus, SkyTrain, WCE and HandyDART

Transit System

2022 saw the removal of COVID-19 restrictions in March on all transit service except HandyDart along with an associated increase in the number of people returning to office for work. This led to greater use of the transit system, but also greater congestion on the roads due to higher vehicular traffic volumes. Over the course of 2022, ratings have slowly been trending down toward pre-pandemic levels, as ridership levels have recovered and overall transportation activity in the region has ramped back up.

This past year, seven-in-ten adult transit riders (70 per cent) gave the system good-to-excellent scores of 8, 9 or 10 out of 10 for overall service. These ratings were steady through the first three quarters of the year, then dropping in the final quarter when the system got busier (70, 71 and 76 per cent for Q1, Q2 and Q3 respectively, then 64 per cent in Q4).

The top key drivers of riders' perception of TransLink's services are Value for Money and Good Connections. These both held fairly steady throughout the year and their annual values are both in line with 2021. 59 per cent of TransLink's customers felt they were getting good-to-excellent value for the money they spend on transit (down

slightly from 61 per cent in 2021). More than half (55 per cent) of TransLink's customers rated transit services as having Good Connections (56 per cent in 2021).

Bus

More than two thirds (68 per cent) of bus riders rated the overall bus service provided in Metro Vancouver as good-to-excellent, down from 72 per cent in 2021 which is considered a good result in light of the bus ridership increase and the pressure on schedules resulting from increased road congestion.

The top three strengths of the bus service remain: having an operator who drives safely and professionally (89 per cent of riders gave scores of 8 or higher), having a direct route (81 per cent of riders gave scores of 8 or higher) and feeling safe from crime on board the bus (79 per cent of riders gave scores of 8 or higher).

Frequency of service, overcrowding and on-time reliability remain the three lowest-rated bus service attributes, although the ratings for each attribute still remain higher than pre-pandemic values.

SkyTrain

In 2022, 78 per cent of SkyTrain customers, which includes Canada Line, gave the overall service good-to-excellent scores. This was down from 83 per cent in 2021.

As expected in light of the ongoing ridership recovery, ratings for overcrowding declined in 2022 (54 per cent compared to 65 per cent in 2021). Also associated with increased crowding, ratings for cleanliness declined to 67 per cent, down from 73 per cent in 2021. Courteous, Competent and Helpful Staff and Staff Availability ratings were maintained, but all other attributes were down slightly from 2021.

SeaBus

SeaBus remains a highly rated transit mode with almost nine-in-ten (89 per cent) SeaBus customers rating the service an 8 out of 10 or higher overall. This is consistent with 88 per cent in 2021. Ratings for Clean and Graffiti-Free Vessel and Staff Available When Needed are both down slightly from 2021, while all other attributes are holding steady or are up slightly from a year ago.

West Coast Express

In 2022, 85 per cent of WCE riders gave Overall Service good-to-excellent scores, down slightly from 88 per cent in 2021. As WCE continues to operate fewer trains than it did prior to the start of the pandemic (four daily trains in each direction versus the five daily trains previously), the frequency of service ratings remain below pre-covid values.

HandyDART

HandyDART remains a highly rated transit service, with 79 per cent of riders giving good-to-excellent ratings for overall service. This is slightly down from 82 per cent in 2021, but still rating highly when compared to pre-pandemic years. With an increase in demand over 2021, ease of booking a trip, vehicle availability and on-time reliability were all down from last year. However, all ratings related to HandyDART vehicles (Cleanliness and Vehicle Safety) and drivers (Courteous Drivers, Skills to Assist Passengers) remained at 90 per cent or higher (riders awarding good-to-excellent ratings).

Table D - 2022 Customer Service Performance Scores

Attributes*	Transit System	Bus System	SkyTrain	SeaBus	West Coast Express	Handy DART
	Per cent who gave scores of 8, 9 or 10 out of 10					
Overall Service	70%	68%	78%	89%	85%	79%
Value for Money	59%				65%	88%
Good Connections	55%				69%	
Adequacy of Transit Information — Stops/Stations	54%					
Adequacy of Transit Information On-Board — Bus	53%					
Adequacy of Transit Information On-Board -- SkyTrain	68%					
Adequacy of Transit Information On-Board — SeaBus	61%					
Transit Information Availability (On-Board and Stations)					76%	
Operation of Service During Convenient Hours	63%				43%	
Having Enough Bus Shelters	38%					
Ease of Getting Information from Telephone Information Line	78%					
Ease of Finding Information on Website	58%					
Having a Courteous Bus Operator/Having Courteous, Competent and Helpful Staff/Drivers		76%	85%	96%	93%	94%
Safe and Professional Bus Operator		89%				
Feeling Safe from Crime on Board the Bus / SkyTrain		79%	75%			
Feeling Safe from Crime at the Stop and Transit Exchange /Inside SkyTrain Stations / at SeaBus Stations		75%	69%	86%		
Feeling Safe from Crime (On-Board and Stations)					92%	
Feeling Safe from Crime (WCE Parking Lots)					70%	
Not Being Overcrowded		54%	54%	73%	70%	
On-Time, Reliable Service		60%	84%	95%	76%	73%
Clean and Graffiti Free Buses / SkyTrain Cars / Vessel / Vehicles and Stations		74%	67%	83%	91%	
Having A Direct Route		81%				
Trip Duration from the Time You Boarded to the Time You Got Off		78%		90%	88%	
Frequency of Service		54%	77%	75%	54%	
Staff Availability			35%	66%	88%	
Delays Are Announced and Explained			35%		77%	
Enough Parking					60%	
Equipment Provides a Safe Ride					93%	
Driver's Skills to Assist Passengers Who Have a Physical Disability						93%
Feeling Safe from Injury When Riding HandyDART						94%
Ease of Booking a Trip on HandyDART						72%
HandyDART Vehicle Cleanliness and Good Repair						90%
Availability of HandyDART When Needed						78%

*Attributes that are not applicable under a particular mode are shaded grey

E. CHANGES TO ARTICLES OF THE AUTHORITY

The Articles of the Authority are established by the Board of Directors of the Authority pursuant to Section 190(3) (f) of the *South Coast British Columbia Transportation Authority Act*. The Articles are available on TransLink's website.

There were no amendments to the Articles of the Authority in 2022.

F. BOARD SUMMARY

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
January 19, 2022	Real Estate Development Committee	<ul style="list-style-type: none"> Received Real Estate Development projects reports In camera item, recommended for Board approval
January 27, 2022	Joint Board and Mayors' Council Meeting	<ul style="list-style-type: none"> Approved Transport 2050
February 4, 2022	Board Meeting	<ul style="list-style-type: none"> Approved in camera item
February 17, 2022	Board Meeting	<ul style="list-style-type: none"> Approved in camera item
February 18, 2022	Real Estate Development Committee	<ul style="list-style-type: none"> In camera item, recommended for Board approval
March 3, 2022	Information Technology Committee	<ul style="list-style-type: none"> Received Information Technology projects reports Information Technology Committee Terms of Reference, recommended for Board Approval
March 14, 2022	Planning and Stakeholder Relations Committee	<ul style="list-style-type: none"> Millennium Line UBC Extension Recommendations, recommended for Board approval Indigenous Relations Vision Statement and Guiding Principles, recommended for Board approval Independent Transit Service Application, Richmond Discovery Shuttle, recommended for Board approval
March 14, 2022	Human Resources and Governance Committee	<ul style="list-style-type: none"> Guidance for Screening Panels, recommended for Board approval In camera items, recommended for Board approval

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
March 15, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> • 2021 Year End Financial and Performance Report, endorsed for public release • 2021 Statutory Annual Report, recommended for Board approval • 2021 Audited Consolidated Financial Statements, recommended for Board approval • Approved Internal Audit and Continuous Improvement Annual Project Plan for 2022 • Approved Internal Audit and Continuous Improvement Policy Charter Update • Enactment of South Coast British Columbia Transportation Authority 2022 Property Tax Bylaw Number 144-2022, recommended for Board adoption • Enactment of South Coast British Columbia Transportation Authority 2022 Replacement Tax Bylaw Number 145-2022, recommended for Board adoption • South Coast British Columbia Transportation Authority Tariff Bylaw 146-2022, recommended for Board adoption • In Camera item, recommended for Board approval
March 18, 2022	Board Meeting	<ul style="list-style-type: none"> • Approved in camera item
March 24, 2022	Board Meeting	<ul style="list-style-type: none"> • Approved Indigenous Relations Vision Statement and Guiding Principles • Approved 2021 Statutory Annual Report • Approved 2021 Audited Consolidated Financial Statements • Adopted South Coast British Columbia Transportation Authority 2022 Property Tax Bylaw Number 144-2022 • Adopted South Coast British Columbia Transportation Authority 2022 Replacement Tax Bylaw Number 145-2022 • Adopted South Coast British Columbia Transportation Authority Transit Tariff Bylaw 146-2022 • Approved Independent Transit Service Application, Richmond Discovery Shuttle • Approved Millennium Line UBC Extension Recommendations • Approved Guidance for Screening Panels • Approved in camera items
March 31, 2022	Joint Board and Mayors' Council Meeting	<ul style="list-style-type: none"> • Approved public consultation for Transport 2050
March 31, 2022	Real Estate Development Committee	<ul style="list-style-type: none"> • Received Real Estate Development projects reports • In camera item, recommended for Board approval
April 6, 2022	Board Meeting	<ul style="list-style-type: none"> • Approved in camera item

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
April 19, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> Amendment to General Fund Investment Policy, recommended for Board approval
April 21, 2022	Board Meeting	<ul style="list-style-type: none"> Approved Amendment to General Fund Investment Policy Approved in camera item
May 19, 2022	Board Meeting	<ul style="list-style-type: none"> Approved in camera item
May 19, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> 2022-2031 Investment Plan, recommended for Board approval
May 19, 2022	Human Resources and Governance Committee	<ul style="list-style-type: none"> Indigenous Relations Joint Advisory Working Group, recommended for Board approval
May 25, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> 2022 Q1 Financial and Performance Report, endorsed for public release 2021 <i>Financial Information Act</i> Report, recommended for Board approval
May 25, 2022	Board Meeting	<ul style="list-style-type: none"> Approved 2021 <i>Financial Information Act</i> Report Approved in camera item
May 26, 2022	Joint Board and Mayors' Council Public Meeting	<ul style="list-style-type: none"> Approved 2022-2031 Investment Plan
June 9, 2022	Information Technology Committee	<ul style="list-style-type: none"> Received Information Technology projects reports Received Internal Audit Information Technology projects updates Information Technology Committee Terms of Reference, recommended for Board approval
June 9, 2022	Real Estate Development Committee	<ul style="list-style-type: none"> Received Real Estate Development projects reports
June 13, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> South Coast British Columbia Transportation Authority Tariff Bylaw 147-2022, recommended for Board adoption Credit Agreement Extension, recommended for Board approval Bowen Island Community Shuttle Service Contract Award, recommended for Board approval Establishment of Investment Task Force, recommended for Board approval In camera item, recommended for Board approval

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
June 14, 2022	Planning & Stakeholder Relations Committee	<ul style="list-style-type: none"> • Metro Vancouver's Regional Growth Strategy recommended for Board approval • Driving Down Emissions Project Workplan, recommended for Board approval • South Coast British Columbia Transportation Authority Transit Tariff Bylaw 147-2022, recommended for Board adoption • Board Committee name change, recommended for Board approval • Indigenous Relations Joint Advisory Working Group Membership, recommended for Board approval
June 14, 2022	Human Resources and Governance Committee	<ul style="list-style-type: none"> • Indigenous Relations Joint Advisory Working Group Membership, recommended for Board approval • Board Committee name change, recommended for Board approval • TransLink Privacy Breach and Complaint Reporting Policy, recommended for Board approval • Amendments to the Board Governance Manual, recommended for Board approval • Information Technology Committee Terms of Reference, recommended for Board approval • In camera item, recommended for Board approval
June 23, 2022	Board Meeting	<ul style="list-style-type: none"> • Adopted South Coast British Columbia Transportation Authority Transit Tariff Bylaw 147-2022 • Approved amendments to the Board Governance Manual • Approved Metro Vancouver's Regional Growth Strategy • Approved Information Technology Committee Terms of Reference • Approved Bowen Island Community Shuttle Service Contract Award • Approved Credit Agreement Extension • Approved Driving Down Emissions Project Workplan • Approved TransLink Privacy Breach and Complaint Reporting Policy • Approved Indigenous Relations Joint Advisory Working Group • Approved Indigenous Relations Joint Advisory Working Group Membership • Approved Board Committee name change • Approved in camera items
June 30, 2022	Joint Board and Mayors' Council Meeting	<ul style="list-style-type: none"> • Endorsed Transport 2050: 10-Year Priorities
July 21, 2022	Board Meeting	<ul style="list-style-type: none"> • Approved in camera item
July 29, 2022	Board Meeting	<ul style="list-style-type: none"> • Approved in camera items

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
August 3, 2022	Human Resources and Governance Committee	<ul style="list-style-type: none"> Received in camera report
August 24, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> 2022 Q2 Financial and Performance Report, endorsed for public release
September 7, 2022	Real Estate Development Committee	<ul style="list-style-type: none"> Real Estate Development projects reports In camera item, recommended for Board approval
September 15, 2022	Information Technology Committee	<ul style="list-style-type: none"> Received Information Technology projects reports Received Internal Audit Information Technology projects updates In camera item, recommended for Board approval
September 20, 2022	Planning, Communities and Communication Committee	<ul style="list-style-type: none"> Amendments to TransLink Advertising Policy, recommended for Board approval Engagement plans, recommended for Board approval
September 20, 2022	Human Resources and Governance Committee	<ul style="list-style-type: none"> Indigenous Relations Joint Advisory Working Group Terms of Reference, recommended for Board approval In camera item, recommended for Board approval
September 22, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> Amendments to TransLink Corporate Safety and Health Policy, recommended for Board approval Amended and Restated Credit Agreement, recommended for Board approval
September 28, 2022	Board Meeting	<ul style="list-style-type: none"> Approved amendments to TransLink Corporate Safety and Health Policy Approved engagement plans Approved amendments to TransLink Advertising Policy Approved Amended and Restated Credit Agreement Approved Indigenous Relations Joint Advisory Working Group Terms of Reference Approved Subsidiary Board Appointment Approved in camera items
November 2, 2022	Planning, Communities and Communication Committee	<ul style="list-style-type: none"> HandyDART Users' and Access Transit Users' Advisory Committees 2023 appointments, recommended for Board approval
November 2, 2022	Real Estate Development Committee	<ul style="list-style-type: none"> Received Real Estate Development projects reports
November 16, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> 2022 Q3 Financial and Performance Report, endorsed for public release

Meeting Date	Board/Committee Meeting	Resolutions/Outcomes
November 18, 2022	Information Technology Committee	<ul style="list-style-type: none"> Received Information Technology Projects reports Received Internal Audit Information Technology projects updates
November 21, 2021	Finance and Audit Committee	<ul style="list-style-type: none"> Real estate transaction, recommended for Board approval Endorsed Sustainable Procurement Strategy 2023 Business Plan, Operating and Capital Budget, recommended for Board approval Annual Review of Financial and Risk Management Policies, recommended for Board approval TransLink Rules and Regulations – Addition of Rule #13 – No Consumption of Illegal Drugs, recommended for Board approval In camera item, recommended for Board approval
November 22, 2022	Human Resources and Governance Committee	<ul style="list-style-type: none"> Subsidiary Governance Framework Review, recommended for Board approval 2023 Board Committees, recommended for Board approval Subsidiary Board appointments, recommended for Board approval In camera items, recommended for Board approval
November 25, 2022	Finance and Audit Committee	<ul style="list-style-type: none"> Received in camera report
December 1, 2022	Board Meeting	<ul style="list-style-type: none"> Approved 2023 Business Plan, Operating and Capital Budget Approved Subsidiary Governance Framework Review Approved TransLink Rules and Regulations – Addition of Rule #13 – No Consumption of Illegal Drugs Approved Annual Review of Financial and Risk Management Policies Endorsed Sustainable Procurement Strategy Approved real estate transaction Approved HandyDART Users' and Access Transit Users' Advisory Committees 2023 appointments Approved 2023 Board Committees Approved Subsidiary Board appointments Approved in camera items
December 15, 2022	Board Meeting	<ul style="list-style-type: none"> In camera discussion

G. FARE COLLECTION BYLAW

The current version of the Fare Collection Bylaw is shown below.

Definitions

1. In this regulation:

"Act" means the *South Coast British Columbia Transportation Authority Act*;

"pass" means a record that the authority or a related party has issued or recognized as authorization for the person to whom it was issued to enter a fare paid zone or board a transit vehicle that is not a fare paid zone, and includes, without limitation, a transfer, a fare receipt, a monthly pass, any other time-limited pass and a payment card;

"payment card" means a record issued by the authority or a related party if the following apply:

- (a) the person to whom the record is issued can, by paying money to the authority or a related party, create or increase a credit balance on the record;
- (b) the credit balance on the record can be applied by the person to whom the record was issued towards any fare;

"surcharge date", in relation to a ticket, means the later of

- (a) the date that is 180 days after the date of service of the ticket,
- (b) if the person to whom the ticket was issued disputes his or her liability under the ticket in accordance with section 4, the date that is 31 days after the date on which a notice of decision in response to the dispute is provided to that person under section 4 (4), and
- (c) if the person to whom the ticket was issued appeals his or her liability under the ticket in accordance with section 7, the date that is 7 days after the date on which a notice of decision in response to the appeal is provided to that person under section 7 (5);

"ticket" means a ticket issued under section 248 of the Act.

Description of infraction

2. Every word and phrase set out in Column 2 of Schedule 1 to this regulation is authorized to be used on a ticket to describe the infraction of contravening the provision of the Act referred to in Column 1 opposite that word or phrase.

Ticketed amounts

3. (1) For the contravention of a provision of the Act set out in Column 1 of Schedule 1 to this regulation,
 - (a) Column 2 of Schedule 1 sets out the description of the infraction for the purposes of section 2, and
 - (b) Column 3 of Schedule 1 prescribes the fine for the infraction.
- (2) On the surcharge date applicable to a ticket, a surcharge of \$40 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made before the surcharge date.
- (3) On the date that is 366 days after the date of service of the ticket, an additional surcharge of \$60 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made on or before that date.

Dispute process

4. (1) For the purposes of section 251 (1) of the Act, a person to whom a ticket has been issued may dispute his or her liability under the ticket
 - (a) within 14 days after the date of service of the ticket, or

- (b) if the authority is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 14-day period to dispute liability under the ticket, within any longer period that the authority may, in writing, specify.
- (2) To dispute liability under a ticket, the person to whom the ticket was issued must, within the dispute period referred to in subsection (1) of this section, provide to the authority, in accordance with subsection (3), a notice of the dispute
 - (a) identifying on which of the grounds set out in section 251 (1) of the Act the person is basing the dispute, and
 - (b) providing any information relevant to the dispute.
- (3) A notice of dispute under subsection (2) of this section must be provided to the authority by
 - (a) mailing it to the head office of the authority, or
 - (b) providing it electronically in the manner set out on the authority's website.
- (4) Within 30 days after receiving a notice of dispute under subsection (2), the authority must
 - (a) decide whether to confirm or cancel the ticket, and
 - (b) provide to the person who submitted the notice of dispute, in accordance with subsection (5), notice of that decision and the basis on which it was made.
- (5) A notice of decision under subsection (4) must be provided to the person who submitted the notice of dispute by
 - (a) mailing the notice of decision to the postal address provided for that person in the notice of dispute, or
 - (b) emailing the notice of decision to the email address provided for that person in the notice of dispute.

Appeal period

- 5. (1) For the purposes of section 253 of the Act, a person who has disputed liability under a ticket in accordance with section 4 of this regulation and Division 3 of Part 12 of the Act may appeal liability under the ticket to an arbitrator
 - (a) within 30 days after the authority provided notice under section 4 (4) of this regulation of the authority's decision, or
 - (b) if the arbitrator is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 30-day period to appeal liability under the ticket, within any longer period that the arbitrator may, in writing, specify.
- (2) A request under subsection (1) (b) for an extension of time within which to appeal liability under a ticket must
 - (a) set out the reason why the person was unable to provide a notice of appeal within the 30-day period referred to in subsection (1) (a), and
 - (b) be provided to the authority by
 - (i) mailing the request to the head office of the authority, or
 - (ii) providing the request electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a request referred to in subsection (2), the authority must provide the request to the arbitrator.
- (4) Within 14 days after receiving a request under subsection (3), the arbitrator must provide notice to the appellant and the authority as to whether an extension of time within which to appeal liability under the ticket has been granted and if an extension is granted, indicate the date before which the notice of appeal must be provided to the authority.

Additional grounds for appeal

- 6. For the purpose of section 253 (c) of the Act, a person may appeal liability under a ticket on the ground that relevant information was not submitted in the dispute procedure.

Appeal process

7. (1) To appeal liability under a ticket, the person to whom the ticket was issued must, within the appeal period referred to in section 5 (1), provide to the authority, in accordance with subsection (2) of this section, a notice of appeal
 - (a) identifying on which of the grounds set out in section 253 of the Act or section 6 of this regulation the person is basing the appeal, and
 - (b) providing any information relevant to the appeal.
- (2) A notice of appeal under subsection (1) must be provided to the authority by
 - (a) mailing it to the head office of the authority, or
 - (b) providing it electronically in the manner set out on the authority's website.
- (3) Promptly after receiving a notice of appeal under subsection (2), the authority must provide the notice of appeal to the arbitrator who has the earliest availability.
- (4) An arbitrator to whom a notice of appeal is provided under subsection (3) may request from the appellant or the authority any additional records or information that the arbitrator considers appropriate and may, in his or her sole discretion, authorize the appellant and the authority to provide the additional records or information to the arbitrator in one or more of the following manners:
 - (a) in person;
 - (b) in writing;
 - (c) electronically.
- (5) After receiving a notice of appeal under subsection (3), the arbitrator must
 - (a) confirm or cancel the ticket, and
 - (b) provide, in accordance with subsection (6), to
 - (i) the person who submitted the notice of appeal, and
 - (ii) the authority notice of that decision and the basis on which it was made.
- (6) A notice of decision under subsection (5) must be provided to the person who submitted the notice of appeal by
 - (a) mailing the notice of decision to the postal address provided for that person in the notice of appeal, or
 - (b) emailing the notice of decision to the email address provided for that person in the notice of appeal.

Cancellation of tickets

8. If a ticket is cancelled under section 4 or 7 and some or all of the ticketed amount of the ticket has been paid to the authority, the authority must refund the amount paid.

Payment of fare

9. For the purposes of section 244 (1) (a) of the Act, a person may satisfy the requirement to pay the fare required by the tariff in any of the following manners:
 - (a) if a pass has been issued to the person and that pass is valid for application to the fare,
 - (i) if a device that can record the use of the pass has been installed or made available by the authority or a related party for the fare paid zone or transit vehicle, by using the pass in such a way that
 - (A) its use is recorded by the device, and
 - (B) if the pass is a payment card, the unpaid portion, if any, of the fare is debited from the pass, or
 - (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that pass to that transit employee for inspection;

- (b) if, under the tariff, another form of payment is authorized,
 - (i) if a device that can recognize that form of payment has been installed or made available for the fare paid zone or transit vehicle by the authority or a related party, by using that form of payment in such a way that
 - (A) its use is recorded by the device, and
 - (B) if applicable, the unpaid portion, if any, of the fare is debited from the form of payment, or
 - (ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that form of payment to that transit employee for inspection.

Proof of payment

- 10.** To comply with section 244 (1) (b) of the Act in relation to a fare, a person must
- (a) obtain and retain any receipt issued by the authority or a related party for the payment of that fare,
 - (b) if a pass that is valid for application to the fare is used, retain the pass, or
 - (c) if under the tariff another form of payment is authorized and that other form of payment is used, retain that form of payment and obtain and retain
 - (i) any receipt issued by the authority or a related party, and
 - (ii) any record in the person's power or control, whether in electronic form or otherwise, that confirms that the form of payment was used in payment of the fare.

Schedule 1

South Coast British Columbia Transportation Authority Act

Provision	Contravention	Fines
Section 244 (1) (a)	Fare evasion	\$173
Section 244 (2)	Failure to produce	\$173

H. SECTION 248 TICKETS AND COLLECTIONS

The numbers of tickets issued and dollar amounts collected under Section 248 from January 1 to December 31, 2022 are represented in the table below.

	Tickets Issued under Section 248 (number)	Collected Ticket Amounts (\$)
January 1 to December 31, 2022	6,676	929,390

I. DEVELOPMENT COST CHARGES

The Development Cost Charges (DCC) Program was established as part of the funding strategy for investments included in the 10-Year Mayors' Vision. TransLink's Phase Two Investment Plan outlines the capital project categories that would be supported by the DCC program. For 2022, the DCC reserve fund had no opening balance and total contributions of \$40.3 million during the year of which \$25.2 million were recognized as revenue. In the reporting year, a total of 24 applications were approved for a total waiver of \$4.4 million of levies.

DCC Reserve Fund	2022 (\$)
Opening balance	-
Contributions	40,289,926
Interest earned	361
Revenue recognized	(25,158,313)
Ending balance	15,131,974

DCC Waiver Applications	Number of Applications	Value of Applications (\$)
Approved DCC waiver applications	24	4,373,182
Approved DCC reduction applications	-	-

During the year ended December 31, 2022, the funds from the \$25.2 million recognized in DCC revenue have been proportionately allocated as follows:

SUMMARY OF DCC PROGRAM				
As of December 31, 2022 (\$ thousands)	Current Budget	External Budget	TransLink Capital Cost	Allocation of DCC Received
Bus Exchange/Depot and Seabus Expansion	178,223	56,801	56,621	826
New Major Projects	48,496	4,541	43,847	640
SkyTrain and West Coast Express Expansion	2,468,066	763,101	1,623,613	23,692
Total DCC Program	2,694,785	824,443	1,724,081	25,158

Consolidated Financial Statements
(Expressed in thousands of dollars)

**SOUTH COAST BRITISH COLUMBIA
TRANSPORTATION AUTHORITY**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2022
- 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, 2022, 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 2022 Annual Statutory Report, 2022 Year-End Financial and Performance Report, and 2022 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 2022 Annual Statutory Report, 2022 Year-End Financial and Performance Report, and 2022 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Vancouver, Canada
March 29, 2023

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

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

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets		
Cash and cash equivalents	\$ 622,558	\$ 575,623
Accounts receivable (note 7(k))	136,909	159,207
Loan receivable (note 3)	-	131,060
Restricted cash and cash equivalents and investments (note 4(a))	3,733,194	1,237,197
Investments (note 4(b))	235,289	165,616
Debt reserve deposits (note 5)	23,762	26,272
	4,751,712	2,294,975
Liabilities		
Accounts payable and accrued liabilities (note 7(k))	400,206	364,458
Debt (note 6)	3,141,748	2,937,864
Deferred government transfers (note 7(a))	3,540,507	1,325,681
Golden Ears Bridge contractor liability (note 8(a))	999,512	1,013,077
Deferred concessionaire credit (note 9(a))	409,355	432,629
Employee future benefits (note 10(b))	141,202	138,224
Deferred development cost charges (note 11)	15,132	-
Deferred revenue and deposits	73,646	64,449
Deferred lease inducements	12,855	13,890
	8,734,163	6,290,272
Net debt	(3,982,451)	(3,995,297)
Non-financial assets		
Tangible capital assets (note 12)	5,765,456	5,704,158
Supplies inventory	97,310	91,161
Property under development (note 14)	19,599	-
Prepaid capital (note 13)	29,752	-
Prepaid expenses	30,002	30,040
	5,942,119	5,825,359
Commitments and contingencies and subsequent event (note 15)		
Accumulated surplus	\$ 1,959,668	\$ 1,830,062

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

“Lorraine Cunningham”
Chair

“Tracy Redies”
Director

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
	(note 2(u))		
Revenues:			
Taxation (note 19)	\$ 933,012	\$ 978,076	\$ 899,448
Transit (note 7(l))	619,339	552,624	413,400
Government transfers (note 7(a))	315,121	427,136	203,780
Amortization of deferred concessionaire credit (note 9(a))	23,273	23,274	23,273
Investment income	44,996	109,064	52,882
Development cost charges (note 11)	31,525	25,158	44,773
Miscellaneous revenue	13,901	17,458	22,535
Gain (loss) on disposal of tangible capital assets	(200)	1,748	560
	1,980,967	2,134,538	1,660,651
Expenses:			
Bus operations	1,041,994	1,041,321	979,003
Corporate operations	184,346	217,242	147,371
Rail operations	515,994	490,217	472,086
Roads and bridges	238,896	207,459	215,172
Transit Police	46,634	48,693	45,504
	2,027,864	2,004,932	1,859,136
Surplus (deficit) for the year	(46,897)	129,606	(198,485)
Accumulated surplus, beginning of year	1,836,866	1,830,062	2,028,547
Accumulated surplus, end of year	\$ 1,789,969	\$ 1,959,668	\$ 1,830,062

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, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
	(note 2(u))		
Surplus (deficit) for the year	\$ (46,897)	\$ 129,606	\$ (198,485)
Acquisition of tangible capital assets	(798,991)	(413,490)	(358,471)
Amortization of tangible capital assets	258,400	250,019	233,789
Write-down of tangible capital assets (note 12)	-	53,755	-
Tangible capital assets transfer to			
prepaid capital	-	29,752	-
Land transferred to partnership (note 14)	-	17,735	-
Net proceeds from disposal of tangible capital assets	-	2,679	674
Loss (gain) on disposal of tangible capital assets	200	(1,748)	(560)
	(540,391)	(61,298)	(124,568)
Change in supplies inventory	(9,106)	(6,149)	(7,548)
Change in property under development	-	(19,599)	-
Prepaid capital transferred from tangible capital assets	-	(29,752)	-
Change in prepaid expenses	(2,914)	38	(3,214)
	(12,020)	(55,462)	(10,762)
Decrease (increase) in net debt	(599,308)	12,846	(333,815)
Net debt, beginning of year	(4,167,609)	(3,995,297)	(3,661,482)
Net debt, end of year	\$ (4,766,917)	\$ (3,982,451)	\$ (3,995,297)

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, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used for):		
Operating transactions:		
Surplus (deficit) for the year	\$ 129,606	\$ (198,485)
Non-cash changes to operations (note 17)	35,428	92,698
Changes in non-cash operating working capital (note 17)	208,438	775,781
Cash provided by operating transactions	373,472	669,994
Capital transactions:		
Purchase of tangible capital assets	(413,490)	(358,471)
Net proceeds from disposal of tangible capital assets	2,679	674
Cash used for capital transactions	(410,811)	(357,797)
Investing transactions:		
Increase in restricted cash and cash equivalents and investments	(2,495,997)	(203,843)
Increase in investments	(69,673)	(69,557)
Decrease in debt reserve deposits	2,510	2,293
Cash used for investing transactions	(2,563,160)	(271,107)
Financing transactions:		
Debt proceeds	300,000	-
Issue costs on financing	(2,331)	-
Repayments of debt	(66,561)	(68,833)
Repayments of Golden Ears Bridge contractor liability	(13,565)	(11,225)
Government transfers received in lieu of foregone toll revenue (note 7(i)(ii))	2,000,000	-
Government transfers received for tangible capital additions	429,891	217,020
Cash provided by financing transactions	2,647,434	136,962
Increase in cash and cash equivalents	46,935	178,052
Cash and cash equivalents, beginning of year	575,623	397,571
Cash and cash equivalents, end of year	\$ 622,558	\$ 575,623
Supplementary information:		
Interest paid	\$ 189,181	\$ 187,960
Tangible capital assets transferred to prepaid capital (note 13)	29,752	-
Property under development acquired through a non-cash land transfer to partnership (note 14)	17,735	-

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, 2022

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 has been steadily improving since the COVID-19 outbreak in 2020. The slower return of the workforce to the office by transit has had an adverse effect on the transit revenues of which the long-term effects on the Authority’s operations are not known at this time. The short-term impact has been offset through relief funding provided by senior government to help the Authority maintain operations and service levels (note 7(j)).

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 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 liability 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, 2022

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. Revenues are recognized in the year in which they are earned and measurable. 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 three 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, 2022, 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, 2022

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 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, loan receivable and accounts payable and accrued liabilities are measured at amortized cost using the effective interest rate method. Any gains, losses or interest expense is recorded in the annual surplus (deficit) depending on the nature of the financial liability that gave rise to the gain, loss or expense. Valuation allowances are made when collection is in doubt.

(f) Supplies inventory:

Supplies inventory is valued at the lower of average cost and net realizable value. Cost includes 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 realization 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 of British Columbia (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, 2022

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 and major capital acquisitions 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 appropriate 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.

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, 2022

2. Significant accounting policies (continued):

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

(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 to disabled employees is actuarially determined based on future projected benefits of currently disabled employees. The obligations under these post-retirement and post-employment benefit plans are accrued as the employees render services necessary to earn the future benefits. The measurement date of the accrued benefit obligation coincides with the Authority's fiscal year. The most recent actuarial valuation of the plans was December 31, 2022. 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 (2021 – 12-years) and post-employment plan is 6 years (2021 - 6 years).

(l) Deferred revenue:

The Authority defers the portion of the revenue collected from transit services relating to services not yet rendered. This revenue is recognized in the year in which 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 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.

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, 2022

2. Significant accounting policies (continued):

(o) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

A significant portion of the Authority's government funding for capital purposes is received from the Government of Canada (the "Federal Government") through the Canada Community Building Fund (previously known as "Gas Tax") program and other similar programs. Under these agreements, the Authority is required to acquire or construct specific transit assets using these funds. The Authority is also required under certain agreements to maintain the assets over a set holding period and repay funds if the associated assets are sold before the end of the holding period.

(p) 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 organism 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 operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(q) 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.

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, 2022

2. Significant accounting policies (continued):

(r) 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 statement of financial position dates. Foreign exchange gains and losses are included in income.

(s) Use of estimates:

The preparation of the 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 the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(t) 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 20). Business Technology, Human Resource, Payroll and Administrative Services costs are managed by the corporate segment and allocated among the operating segments, as appropriate. Interest has been allocated based on the allocated depreciation.

(u) Budget data:

The budget data presented in these consolidated financial statements were approved by the Board of Directors on December 2, 2021.

3. Loan receivable:

In 2016, the Authority sold the Oakridge Transit Centre land for proceeds of \$440,000,000. The loan receivable of \$131,060,000 as at December 31, 2021 is the present value of the outstanding instalments that were due at the time based on a discount rate of 2.10%. In 2022, the Authority received the remaining \$132,000,000 of proceeds (2021 - \$54,050,000), including interest to settle the loan balance, resulting in there being no remaining loan receivable balance as at year-end.

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, 2022

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

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

- (i) Guaranteed investment certificates, banker's acceptance notes and bonds held at various financial institutions; and
- (ii) Money market fund units managed by British Columbia Investment Management Corporation with underlying debt securities that have maturities of up to 45-days.

Investments are recorded at amortized cost. The bonds have an average initial term of 187-months (2021 - 201-months) and an average remaining term to maturity of 138-months (2021 - 153 months). All bonds held by the Authority, as at December 31, 2022 and 2021, were rated A or higher.

Details of interest rate and maturity date ranges of the term deposits are as follows:

	2022	2021
Interest rate range	0.80% - 5.57%	0.60% - 1.61%
Maturity date range	January 2023 - June 2026	March 2022 - June 2026

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

	2022		2021	
	Effective rates	Coupon rates	Effective rates	Coupon rates
Weighted average rate	2.85%	2.79%	2.67%	2.87%
Interest rate range	1.05% - 5.37%	1.10% - 5.20%	0.93% - 4.51%	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, 2022

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

(a) Restricted cash and cash equivalents and investments:

	2022	2021
Government transfers for capital project funding (i):		
Cash and cash equivalents	\$ 41,602	\$ 141,095
Investments:		
Guaranteed investment certificates	491,262	262,144
Bonds (note 18(b))	288,584	122,401
Total government transfers for capital project funding	821,448	525,640
Self-administered sinking funds:		
Cash and cash equivalents	5,164	9,639
Investments:		
Guaranteed investment certificates	39,391	32,309
Bonds maturing beyond one year (note 18(b))	486,886	402,702
Total self-administered sinking funds	531,441	444,650
Land reserve:		
Cash and cash equivalents	75,810	79,429
Guaranteed investment certificates	273,684	157,500
Total land reserve	349,494	236,929
Green Bond proceeds:		
Cash and cash equivalents	38	-
TPCC (wholly-owned captive insurance subsidiary):		
Cash and cash equivalents	1,724	3,743
Bonds (note 18(b))	28,629	26,235
Total TPCC	30,353	29,978
Golden Ears Bridge forgone tolling revenue funding (note 7(iii)):		
Cash and cash equivalents	250,420	-
Guaranteed investment certificates	1,750,000	-
Total Golden Ears Bridge forgone tolling revenue funding	2,000,420	-
Total restricted cash and cash equivalents and investments	\$ 3,733,194	\$ 1,237,197

(i) Unspent government transfers for capital project funding consist of \$814,811,000 (2021 - \$500,558,000) of Canada Community Building Fund (previously known as "Gas Tax") funding and \$6,637,000 (2021 - \$25,082,000) of other funding.

(b) Unrestricted investments:

Unrestricted investments are comprised of guaranteed investment certificates, banker's acceptances and bonds of \$235,289,000 (2021 - \$165,616,000).

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, 2022

5. 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 (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, their 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 \$25,649,000 (2021 - \$27,696,000).

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, 2022

6. Debt:

	2022	2021
Unsecured commercial paper, due in the next 12 months	\$ -	\$ 30,000
Unsecured sinking fund bonds held by the MFA, weighted average coupon rate of 4.29% (2021 - 3.96%) (effective rate 4.32% (2021 - 3.98%)), maturing at various dates from 2024 to 2036, original 20 to 30-year (2021 - 10 to 30 year) term	954,162	1,033,998
Less: accumulated payments to MFA administered debt sinking funds (including vested and accrued actuarial earnings)	(626,676)	(648,637)
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	8,606	11,334
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	198,790	198,757
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	251,348	251,380
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	391,184	391,995
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	471,769	474,481
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	198,813	198,788
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	398,612	398,416
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	198,678	198,650
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	398,792	398,644
Unsecured bullet maturity bond series TL-10 (Green), face value \$300 million, interest rate 4.15% (effective rate 4.20%), maturing 2053, original 31-year term	297,669	-
Capital leases, weighted average implicit rate of 2.17% (2021 - 2.85%), maturing at various dates during 2023 (2021 - 2022 to 2023)	1	58
	\$ 3,141,748	\$ 2,937,864

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, 2022

6. 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, 2026. 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 requirement to maintain a specific credit rating and was not drawn upon in 2022.

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, 2021, there was \$30,000,000 of outstanding commercial paper issued at an average interest rate of 0.24%. The commercial paper was fully repaid in January 2022 resulting in no commercial paper being outstanding as at December 31, 2022.

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 on Bonds Held by MFA	Serial Debenture Held by MFA	Bullet Maturity Bonds	Capital Leases	Total
Future payments:					
2023	\$ 32,390	\$ 2,797	\$ -	\$ 1	\$ 35,188
2024	32,389	2,868	-	-	35,257
2025	30,220	2,941	465,000	-	498,161
2026	30,220	-	-	-	30,220
2027	19,942	-	-	-	19,942
Thereafter	29,480	-	2,315,000	-	2,344,480
	174,641	8,606	2,780,000	1	2,963,248
Future actuarial interest	153,683	-	-	-	153,683
	328,324	8,606	2,780,000	1	3,116,931
Unamortized premium / (issue costs)	(838)	-	25,655	-	24,817
	\$ 327,486	\$ 8,606	\$ 2,805,655	\$ 1	\$ 3,141,748

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, 2022

7. Transfers from other governments:

(a) Deferred government transfers:

	Balance, January 1, 2022	Contributions received	Interest earned	Recognized as revenue	Balance, December 31, 2022
Capital project funding:					
Canada Community Building Fund (b)	\$ 510,119	\$ 358,480	\$ 15,293	\$ (63,420)	\$ 820,472
Canada Line funding (c)	406,770	-	-	(23,244)	383,526
Public Transit Infrastructure Fund (d)	256,188	-	-	(51,255)	204,933
Investing in Canada Infrastructure Program (e)	67,070	55,648	-	-	122,718
Building Canada Fund (f)	51,665	-	-	(2,968)	48,697
Capstan Station funding (g)	25,082	-	-	(23,219)	1,863
Evergreen Line funding (h)	5,600	-	-	-	5,600
Transit Secure Fund	3,171	-	-	(422)	2,749
Miscellaneous programs	16	470	-	(486)	-
	1,325,681	414,598	15,293	(165,014)	1,590,558
Operating funding:					
Golden Ears Bridge forgone toll revenue (iii):					
Prior to March 31, 2022	-	16,578	-	(16,578)	-
Effective March 31, 2022	-	2,000,000	-	(50,051)	1,949,949
Pandemic Relief funding (j)	-	176,000	-	(176,000)	-
Canada Line Operating Fund (note 9(c))	-	19,205	-	(19,205)	-
Properties Environmental program	-	156	-	(156)	-
Other cost sharing projects	-	132	-	(132)	-
	-	2,212,071	-	(262,122)	1,949,949
	\$ 1,325,681	\$ 2,626,669	\$ 15,293	\$ (427,136)	\$ 3,540,507

The balance as at December 31, 2022 of \$3,540,507,000 (2021 - \$1,325,681,000) consists of:

- (i) Unspent Canada Community Building Fund funding (formerly Gas Tax funding) of \$814,811,000 (2021 - \$500,558,000) and unspent funding for various other projects of \$6,637,000 (2021 - \$25,082,000);
- (ii) Spent funding of \$769,110,000 (2021 - \$800,041,000) that will be recognized as revenue as the related stipulations in the agreements are met; and
- (iii) Golden Ears Bridge forgone toll revenue funding related to the agreement effective March 31, 2022 of \$1,949,949,000 (2021 - nil) that will be recognized as revenue as the related stipulations in the agreement are met.

(b) Canada Community Building Fund:

The Authority receives funding annually from the Government of Canada via a Gas Tax funding agreement between the Authority and the Union of British Columbia Municipalities ("UBCM"). The Authority is required to spend the 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, 2022

7. Transfers from other governments (continued):

(b) Canada Community Building Fund (continued):

In 2015, the Authority entered into a new funding agreement with UBCM (the "Agreement").

Under the terms of 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.

Tangible capital assets acquired on or after April 1, 2014 are not subject to stipulations and the contributions are recognized in revenue when the funds are spent on eligible items.

Receipts and disbursements for the year are as follows:

	2022	2021
Opening balance, unspent funds	\$ 500,558	\$ 362,912
Amount received during the year	358,480	154,130
Interest earned	15,293	4,999
Amount spent on designated public transit projects	(59,520)	(21,483)
Closing balance, unspent funds	\$ 814,811	\$ 500,558

(c) Canada Line funding:

The Authority has received certain contributions for the Canada Line infrastructure from the Federal and Provincial Governments 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 prior to the 30-year term, the Authority is required to refund a portion of the contributions received, the amount of which decreases over time. As such, the Authority recognizes the revenue from the contributors over the holding period of 30-years.

(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.

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, 2022

7. Transfers from other governments (continued):

(d) Public Transit Infrastructure Fund (continued):

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 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 Canada Infrastructure Program:

The Investing in 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.

Investments in infrastructure are being made through targeted streams. Through the Public Transit 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 their 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 will recognize the revenue over the stipulation period of 5-years.

(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.

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, 2022

7. Transfers from other governments (continued):

(f) Building Canada Fund (continued):

Under the agreement, if any of the assets acquired are disposed or used in a manner other than as described in their 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) Capstan Station funding:

On March 21, 2012, TransLink entered into a funding agreement with the City of Richmond ("CoR") in relation to the design and construction of the Canada Line Capstan Station. The project was divided into three phases: preliminary design, detailed design and construction, and CoR agreed to contribute funding for the three phases totaling \$25,316,600 (subject to inflationary adjustments). On December 16, 2019, TransLink received the total funding from CoR and is required to complete the project within 30-months of the date of receipt.

Accordingly, the Authority will recognize revenue as expenditures are incurred on the project.

On December 15, 2020, TransLink entered into an additional agreement with CoR which entitled the Authority to receive \$3,000,000 within 30-days of the agreement date to fund revised design elements of the station. The funding was received on January 29, 2021, resulting in TransLink being obligated to deliver the revised design elements. This funding will be returned if the revised design elements are not constructed within the completed Capstan Station.

(h) 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 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 milestones throughout the stipulation period of 25-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, 2022

7. Transfers from other governments (continued):

(i) Golden Ears Bridge transfer for forgone toll revenue:

(i) Prior to March 31, 2022:

In August 2017, the Province announced the removal of tolls on the Golden Ears Bridge (the "GEB") effective September 1, 2017. On August 23, 2017, the Authority entered into an agreement with the Province to receive payments for foregone projected toll revenue to 2050, provided that the Authority does not charge users tolls for any new crossings and ensures the continued availability and operation of the GEB. The Authority recognized the funding as revenue if these conditions were met. This agreement was replaced with a new agreement effective March 31, 2022.

(ii) Effective March 31, 2022:

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 foregone toll revenue for the period from April 1, 2022 to December 31, 2050. This agreement replaces the previous agreement dated August 23, 2017. The agreement stipulates that TransLink not charge tolls to users of the GEB for any crossings and 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 (note 4(a)). The Authority recognizes the funding as revenue over the period of the foregone toll revenue.

(j) Pandemic Relief funding:

In 2020, in response to the impacts of COVID-19, the Federal and Provincial Governments announced that they have entered into the Federal/Provincial Safe Restart Funding Agreement to help provinces and territories safely restart their economies under their individual recovery plans. The commitment from the Federal Government to provide funding to the Province is conditional on the Province matching federal contributions under a 50/50 cost-sharing arrangement.

In 2020, the Province entered into a Contribution Agreement with TransLink to provide \$600,000,000 of funding for the financial impacts of COVID-19 for 2020 and 2021, plus an additional \$44,000,000 to offset TransLink's estimated revenue loss from limiting average annual public fare increases to 2.3% from 2021 to 2024.

In 2021, an Amending Agreement was entered into to provide TransLink with further relief funding of \$16,900,000 to offset lower than forecasted fuel tax revenue and \$14,900,000 to offset the anticipated costs and foregone revenue of providing free transit for youth aged 12 and under.

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, 2022

7. Transfers from other governments (continued):

(j) Pandemic Relief funding (continued):

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

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

(k) Working capital balances:

	2022	2021
Trade accounts receivable	\$ 27,566	\$ 23,517
Due from Government of Canada	6,414	10,045
Due from Province of British Columbia	66,183	90,971
Due from regional districts	34,059	31,883
Due from other authorities	2,687	2,791
Accounts receivable	\$ 136,909	\$ 159,207

	2022	2021
Trade accounts payable and accrued liabilities	\$ 272,122	\$ 248,132
Due to Government of Canada	5,811	6,752
Due to Province of British Columbia	5,511	5,044
Due to regional districts	108,752	96,615
Due to other authorities	8,010	7,915
Accounts payable and accrued liabilities	\$ 400,206	\$ 364,458

(l) Transit revenues:

Included in transit revenues is \$16,850,000 (2021 - \$15,500,000) of contributions from the Province to assist with administering the U-Pass BC program and to offset foregone transit revenue.

8. 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 was executed in March 2006 and terminates in June 2041.

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, 2022

8. Golden Ears Bridge (continued):

(a) Golden Ears Bridge contractor liability (continued):

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

	2022	2021
Opening balance	\$ 1,013,077	\$ 1,024,302
Interest accretion on contractor liability to last payment date	66,268	63,826
Payments made	(79,833)	(75,051)
Ending balance	\$ 999,512	\$ 1,013,077

As the last monthly payment of the year was made on December 8, 2022, the interest accrual from December 9 to 31, 2022 of \$4,153,000 (2021 - \$3,977,000) 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
2023	\$ 82,608
2024	82,816
2025	83,970
2026	85,568
2027	87,294

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, 2022

8. 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
2023	\$ 5,330
2024	5,427
2025	5,535
2026	5,646
2027	5,760

9. 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.

	2022	2021
Opening balance	\$ 432,629	\$ 455,902
Less: amortization	(23,274)	(23,273)
Closing balance	\$ 409,355	\$ 432,629

(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 2023 to December 2034	\$ 6,462
January 2035	5,289
February 2035 to July 2040	4,117

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, 2022

9. 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 five years adjusted for certain operational metrics and estimated inflation, are as follows:

2023	\$ 132,000
2024	135,000
2025	138,000
2026	141,000
2027	143,000

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:

The Province has committed to provide funding of \$1,478,000 at each 28-day period to November 2039 related to the Canada Line operating expenses, which is approximately \$19,300,000 per annum subject to quality and availability deductions. The funding received in 2022 was \$19,205,000 (2021 - \$19,233,000).

10. 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.

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, 2022

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

(a) Pension plans (continued):

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. The actuary does not attribute portions of the UAL to individual employers. Contributions are expensed in the year when payments are made. Every three 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, 2020 and resulted in a surplus of \$2,667,000,000. 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, 2023, with results available in 2024, and for MPP will be as at December 31, 2024 with results available in 2025.

In 2022, the Authority recorded total expense for pension contributions of \$58,286,000 (2021 - \$56,957,000).

(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 2022, the total expense recorded in the consolidated financial statements for the post-retirement obligations under these plans amounts to \$6,232,000 (2021 - \$7,393,000).

(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.

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, 2022

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

(b) Employee future benefits (continued):

(ii) Post-employment (continued):

In 2022, the total expense recorded in the consolidated financial statements for the obligations under these plans amounts to \$1,545,000 (2021 - \$2,916,000).

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

	Post- retirement benefits	Post- employment benefits	Total 2022	Total 2021
Accrued benefit obligation	\$ 67,224	\$ 20,432	\$ 87,656	\$ 109,482
Unamortized net actuarial gain	45,807	7,739	53,546	28,742
Accrued benefit liability	\$ 113,031	\$ 28,171	\$ 141,202	\$ 138,224

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 2022	Total 2021
Current period benefit cost	\$ 5,585	\$ 3,840	\$ 9,425	\$ 11,555
Plan amendment	-	23	23	-
Interest cost	2,592	539	3,131	2,537
Amortization of actuarial gains	(1,945)	(2,857)	(4,802)	(3,783)
Net expense	6,232	1,545	7,777	10,309
Actuarially determined payments	(1,701)	(3,098)	(4,799)	(4,420)
Change in accrued benefit liability	\$ 4,531	\$ (1,553)	\$ 2,978	\$ 5,889

(v) The significant assumptions used are as follows:

	2022	2021
Discount rates	4.15% - 4.65%	2.40% - 2.80%
Expected health care cost trend rates	4.00% - 5.79%	4.00% - 5.90%

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, 2022

11. 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.

	2022	2021
Opening balance	\$ -	\$ -
Contributions	40,290	44,773
Revenue recognized	(25,158)	(44,773)
Ending balance	\$ 15,132	\$ -

12. Tangible capital assets:

Cost	Balance, January 1, 2022	Additions, net of transfers	Disposals and write-down (d)	Balance, December 31, 2022
Land	\$ 522,901	\$ 875	\$ (18,156)	\$ 505,620
Land improvements	57,765	564	-	58,329
Buildings	386,929	20,201	(5)	407,125
Bridges, guideways, stations, and tunnels	2,372,044	-	-	2,372,044
Other supporting systems	1,296,913	41,204	-	1,338,117
Vehicles and SeaBus	2,107,504	73,635	(19,445)	2,161,694
Equipment	903,255	77,121	(531)	979,845
Tangible capital projects-in-progress	647,222	170,138	(53,755)	763,605
	\$ 8,294,533	\$ 383,738	\$ (91,892)	\$ 8,586,379

Accumulated amortization	Balance, January 1, 2022	Amortization expense	Disposals and write-down	Balance, December 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	(26,544)	(1,805)	-	(28,349)
Buildings	(149,405)	(10,884)	-	(160,289)
Bridges, guideways, stations, and tunnels	(287,018)	(24,243)	-	(311,261)
Other supporting systems	(414,875)	(50,436)	-	(465,311)
Vehicles and SeaBus	(1,123,850)	(111,491)	19,040	(1,216,301)
Equipment	(588,683)	(51,160)	431	(639,412)
	\$ (2,590,375)	\$ (250,019)	\$ 19,471	\$ (2,820,923)

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, 2022

12. Tangible capital assets (continued):

Net book value	Balance, January 1, 2022	Balance, December 31, 2022
Land	\$ 522,901	\$ 505,620
Land improvements	31,221	29,980
Buildings	237,524	246,836
Bridges, guideways, stations, and tunnels	2,085,026	2,060,783
Other supporting systems	882,038	872,806
Vehicles and SeaBus	983,654	945,393
Equipment	314,572	340,433
Tangible capital projects in progress	647,222	763,605
	\$ 5,704,158	\$ 5,765,456

Included in tangible capital assets is capital leased equipment with a net book value of \$692,000 (2021 - \$1,905,000).

Interest capitalized during the year amounted to \$6,522,000 (2021 - \$3,479,000).

(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, 2022, the Authority has made leasehold improvements on the Expo and Millennium Line guideways with a net book value totaled \$340,213,000 (2021 - \$318,998,000). The Expo and Millennium line leases expire on January 31, 2024 and have renewal options. As the Authority expects to renew the leases, the improvements are capitalized and amortized over their expected useful lives and not the term of the leases.

(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, 2022, the net book value of West Coast Express improvements totaled \$6,600,000 (2021 - \$2,846,000).

(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 Government of Canada, 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, 2022, the net book value of Evergreen Line guideways and system owned by TransLink, excluding SkyTrain vehicles, totaled \$296,755,000 (2021 - \$303,521,000).

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, 2022

12. Tangible capital assets (continued):

(c) Evergreen Line (continued):

As BCTFA holds the underlying property rights on which the TransLink Evergreen Line Infrastructure is located, BCTFA and TransLink have agreed to enter into an agreement whereby TransLink may exercise and obtain the benefit of BCTFA's interests to such property rights for a 100-year term on certain terms and conditions, including that if the agreement expires or terminates then BCTFA will reimburse TransLink for the remaining net book value of the TransLink Evergreen Line Infrastructure.

(d) Write-downs:

In 2022, the Surrey-Newton-Guildford Light Rail Transit Project and Burrard Station Upgrade Project were cancelled and resulted in write-downs of tangible capital assets of \$44,875,000 and \$8,880,000, respectively.

13. Prepaid capital:

As the future operator of the Surrey Langley SkyTrain ("SLS") and lessee of the SLS assets, TransLink incurred \$29,752,000 of capital expenditures for the assets that will be owned by the Province. The expenditures represent TransLink's share of the SLS development costs. These costs were transferred from tangible capital assets to prepaid capital in 2022 once it was determined that the SLS assets would be owned by the Province.

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 holds 50% ownership of the Partnership through a wholly-owned subsidiary, TOD Investments Ltd. The Authority's Partnership units were acquired in exchange for land with a book value of \$17,735,000 and \$1,357,000 of cash.

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.

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, 2022

14. Investment in partnerships (continued):

(a) Broadway and Arbutus Project Limited Partnership:

The Partnership's summarized financial statements are as follows:

	As at December 31, 2022
Statement of financial position	
Assets:	
Cash	\$ 1,220
Receivables and prepaid expenses	32
Property under development	39,198
Total assets	\$ 40,450
Liabilities:	
Payables and deposits	\$ 60
Partners' equity	40,390
	\$ 40,450
Statement of operations	For the period from inception to December 31, 2022
Revenues	\$ 120
Operating expenses	57
Net income	\$ 63

(b) Broadway and Arbutus GP Inc.:

There were no significant balances or transactions related to Broadway and Arbutus GP Inc. during the year, 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, 2022

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:

2023	\$ 26,790
2024	24,316
2025	19,497
2026	18,782
2027	18,372
	<hr/>
	\$ 107,757

Included in the payment schedule above are certain commitments that extend beyond 2027. Significant commitments beyond 2027 are as follows:

- (i) The Authority has a premise lease with the Brewery District Investments Ltd. for the head office of TransLink and TSML which ends in 2033. The monthly commitment for basic rent and operating costs subsequent to year 2027 ranges from \$877,000 to \$907,000.

(b) WCE - lease and operating commitments:

In connection with operating the Commuter Rail System, the operating commitment for WCE include train operations, office lease, rolling stock maintenance, and miscellaneous services.

The following summarizes the WCE operating commitments:

2023	\$ 16,152
2024	12,865
2025	9,748
2026	17
	<hr/>
	\$ 38,782

(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. Subsequent to the 2022 year-end, the Authority exercised its option to extend the contract with Cubic for an additional five years ending 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, 2022

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:

2023	\$ 16,411
2024	17,014
2025	17,670
2026	18,244
2027	18,987
	<hr/>
	\$ 88,326

The fixed monthly base payments range from \$1,640,000 to \$1,782,000 for 2028 to 2030. Additionally, an amount of \$9,515,000 is payable in 2030 when the contract expires.

(d) MRN Capital Funding:

The Authority has signed several funding agreements with municipalities for major MRN projects. As at December 31, 2022, the net amount of MRN capital infrastructure contributions committed and not paid is \$160,698,000 (2021 - \$133,864,000). This amount will be paid to the municipalities upon completion of their projects.

(e) Lawsuits and claims:

As at December 31, 2022, 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 TransLink 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 the 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 of the merchants for damages for the tort of nuisance 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, the parties are now engaged in settlement discussions toward a final resolution. Approximately 40 claims may be advanced. The amount of these claims cannot be estimated at this time.
- A lawsuit filed by a number of 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.

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, 2022

15. Commitments and contingencies (continued):

(e) Lawsuits and claims (continued):

(i) (continued)

Once a reasonable estimate of the potential liability, if any, is determined, a provision will be recognized.

(ii) A proposed class action lawsuit and labor 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 remains under reserve. 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.

(f) Other capital and inventory commitments:

As at December 31, 2022, \$1,039,891,000 (2021 - \$1,008,965,000) has been contractually committed for other capital projects and inventory.

(g) Letters of credit:

As at December 31, 2022, the Authority has issued letters of credit to the Receiver General of Canada, BC Hydro and Power Authority, and several municipalities totaling \$3,620,000 (2021 - \$2,458,000) which expire in 2023 and 2024.

(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 obtained as part of the rezoning process for the project.

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, capital expansion and debt repayment. These include, but are not limited to, funding agreements for Canada Community Building Fund, ICIP, BC Bus Pass program, U-Pass BC program and Canada Line.

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, 2022

16. Contractual rights (continued):

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

2023	\$ 777,089
2024	390,260
2025	171,662
2026	38,257
2027	26,230
	\$ 1,403,498

The annual amounts beyond 2027 range from \$4,434,000 to \$20,332,000 until 2040.

17. Statement of cash flows:

	2022	2021
Non-cash changes to operations:		
Amortization of tangible capital assets	\$ 250,019	\$ 233,789
Amortization of bond premium	(2,961)	(2,901)
Amortization of deferred concessionaire credit	(23,274)	(23,273)
Amortization of deferred government transfers	(215,065)	(87,824)
Amortization of deferred lease inducements, net of additions	(1,035)	(890)
Gain on disposal of tangible capital assets	(1,748)	(560)
Write-down of tangible capital assets	53,755	-
Sinking fund interest held by MFA	(24,263)	(25,643)
	\$ 35,428	\$ 92,698
	2022	2021
Changes in non-cash operating working capital:		
Decrease in accounts receivable	\$ 22,298	\$ 734,663
Decrease in loan receivable	131,060	51,298
Increase in supplies inventory	(6,149)	(7,548)
Increase in property under development	(1,864)	-
Decrease (increase) in prepaid expenses	38	(3,214)
Increase (decrease) in accounts payable and accrued liabilities	35,748	(9,861)
Increase in deferred development cost charges	15,132	-
Increase in deferred revenue and deposits	9,197	4,554
Increase in employee future benefits	2,978	5,889
	\$ 208,438	\$ 775,781

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, 2022

18. Financial instruments:

(a) Credit, interest and foreign exchange risk:

Unless otherwise noted, it is management's opinion that the Authority is not exposed to any significant credit or interest rate risk 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 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 2021.

(b) Fair values:

The fair values of certain debt and 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.

2022	Fair values	Amortized cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 265,470	\$ 288,584
Self-administered sinking funds - bonds	427,758	486,886
TPCC - bonds	26,687	28,629

2021	Fair values	Amortized cost
Restricted investments:		
Government transfers for capital projects - bonds	\$ 121,556	\$ 122,401
Self-administered sinking funds - bonds	432,361	402,702
TPCC - bonds	26,015	26,235

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, 2022

19. Taxation revenue:

	2022	2021
Property tax	\$ 437,922	\$ 418,787
Fuel tax	424,534	389,652
Parking rights tax	74,970	50,733
Hydro levy	22,657	22,377
Replacement tax	17,993	17,899
	\$ 978,076	\$ 899,448

20. 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.

(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 (continued)

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

Year ended December 31, 2022

20. Segmented information (continued):

	2022					
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	Total
Revenues:						
Taxation	\$ -	\$ 978,076	\$ -	\$ -	\$ -	\$ 978,076
Transit	-	552,624	-	-	-	552,624
Government transfers	-	427,136	-	-	-	427,136
Amortization of deferred concessionaire credit	-	-	23,274	-	-	23,274
Investment income	-	109,064	-	-	-	109,064
Development cost charges	-	25,158	-	-	-	25,158
Miscellaneous revenue	9,015	6,250	870	20	1,303	17,458
Gain (loss) on disposal of tangible capital assets	-	1,832	(84)	-	-	1,748
	9,015	2,100,140	24,060	20	1,303	2,134,538
Expenses:						
Administration	21,979	22,381	7,183	27	3,144	54,714
Capital infrastructure contributions	-	-	-	60,666	-	60,666
Contracted services	78,890	15,903	135,815	5,960	-	236,568
Fuel and power	74,365	-	15,631	-	-	89,996
Insurance	16,555	446	6,843	1,358	88	25,290
Maintenance, materials, and utilities	83,492	3,439	56,347	38,137	1,619	183,034
Professional and legal	3,345	24,001	3,524	1,847	231	32,948
Rentals, leases and property tax	18,489	15,337	1,808	104	2,852	38,590
Salaries, wages and benefits	563,395	56,718	136,430	1,316	40,136	797,995
Write-down of tangible capital assets	-	53,755	-	-	-	53,755
Expenses before amortization and interest	860,510	191,980	363,581	109,415	48,070	1,573,556
Amortization of tangible capital assets	123,871	17,310	86,761	21,649	428	250,019
Interest	56,940	7,952	39,875	76,395	195	181,357
	180,811	25,262	126,636	98,044	623	431,376
	1,041,321	217,242	490,217	207,459	48,693	2,004,932
Surplus (deficit) for the year	\$ (1,032,306)	\$ 1,882,898	\$ (466,157)	\$ (207,439)	\$ (47,390)	\$ 129,606

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, 2022

20. Segmented information (continued):

	2021					
	Bus operations	Corporate operations	Rail operations	Roads and bridges	Transit Police	Total
Revenues:						
Taxation	\$ -	\$ 899,448	\$ -	\$ -	\$ -	\$ 899,448
Transit	-	413,400	-	-	-	413,400
Government transfers	-	203,780	-	-	-	203,780
Amortization of deferred concessionaire credit	-	-	23,273	-	-	23,273
Investment income	-	52,882	-	-	-	52,882
Development cost charges	-	44,773	-	-	-	44,773
Miscellaneous revenue	9,385	11,036	696	-	1,418	22,535
Gain (loss) on disposal of tangible capital assets	-	560	-	-	-	560
	9,385	1,625,879	23,969	-	1,418	1,660,651
Expenses:						
Administration	22,063	18,223	5,635	25	2,756	48,702
Capital infrastructure contributions	-	-	-	72,711	-	72,711
Contracted services	71,448	14,248	131,731	5,612	-	223,039
Fuel and power	51,865	-	15,352	-	-	67,217
Insurance	16,729	323	6,136	1,294	96	24,578
Maintenance, materials, and utilities	77,030	2,037	54,064	37,595	1,579	172,305
Professional and legal	1,883	23,544	3,286	1,423	257	30,393
Rentals, leases, and property tax	16,940	12,534	1,423	296	2,298	33,491
Salaries, wages and benefits	548,334	54,430	129,071	1,211	37,823	770,869
Expenses before amortization and interest	806,292	125,339	346,698	120,167	44,809	1,443,305
Amortization of tangible capital assets	114,733	14,710	83,290	20,597	459	233,789
Interest	57,978	7,322	42,098	74,408	236	182,042
	172,711	22,032	125,388	95,005	659	415,831
	979,003	147,371	472,086	215,172	45,504	1,859,136
Surplus (deficit) for the year	\$ (969,618)	\$ 1,478,508	\$ (448,117)	\$ (215,172)	\$ (44,086)	\$ (198,485)

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, 2022

21. Comparative information:

Certain comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.