

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 9

Statement of Financial Information Approval
As at March 31, 2020

The undersigned represents BC Transit Management and has the overall responsibility for the preparation of the financial information included in this report, produced under the *Financial Information Act*.



Name: Roland Gehrke
Title: Vice President, Finance and Chief Financial Officer

Date: September 25, 2020

Prepared pursuant to the Financial Information Regulation, Schedule 1, Section 9

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 9

Statement of Financial Information Approval As at March 31, 2020

The undersigned represents the Board of Directors of BC Transit and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Name: Catherine Holt
Catherine Holt
Title: Chair, Board of Directors

Date: September 26, 2020

Prepared pursuant to the Financial Information Regulation, Schedule 1, Section 9

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 4 (1)(a) & (b)

Schedule of Long Term Debt and Sinking Funds As at March 31, 2020

Debt Issue	Debt Issue	Debt Type	Maturity	Rate	Currency	Principal	Sinking Fund Book Value	Sinking Fund Market Value
BCCP-63	BCT-CP-63	Bond	10-Apr-2020	6.43%	CAD	17,770,000	20,639,708	20,639,970
BCCP-169	BCCP-169	Bond	10-Dec-2020	3.86%	CAD	1,300,000	997,630	1,008,752
BCCP-70	BCT-CP-70	Bond	10-Apr-2021	6.33%	CAD	11,300,000	12,797,138	13,283,679
BCCP-176	BCCP-176	Bond	8-Aug-2021	3.39%	CAD	2,571,958	1,785,848	1,820,902
BCCP-77	BCT-CP-77	Bond	13-Nov-2021	5.97%	CAD	2,100,000	1,783,883	1,903,052
BCCP-82	BCCP-82	Bond	10-Jun-2022	6.27%	CAD	8,140,000	6,617,812	7,115,325
BCCP-84	BCCP-84	Bond	12-Aug-2022	6.05%	CAD	9,100,000	9,300,596	9,887,762
BCCP-85	BCCP-85	Bond	10-Sep-2022	5.74%	CAD	6,110,000	6,687,197	7,121,568
BCCP-142	BCCP-142	Bond	9-Dec-2023	5.02%	CAD	500,000	274,165	293,253
BCCP-107	BCCP-107	Bond	11-Jul-2025	4.57%	CAD	3,179,500	1,851,472	2,099,982
BCCP-108	BCCP-108	Bond	11-Aug-2025	4.61%	CAD	5,000,000	2,923,100	3,293,994
BCCP-173	BCCP-173	Bond	11-Jul-2026	4.01%	CAD	29,056,381	12,369,540	13,435,897
BCCP-113	BCCP-113	Bond	8-Aug-2026	4.78%	CAD	1,711,057	881,276	1,029,436
BCCP-119	BCCP-119	Bond	11-Dec-2026	4.30%	CAD	8,285,000	4,433,949	5,111,282
BCCP-128	BCCP-128	Bond	9-Oct-2027	4.86%	CAD	2,200,000	1,007,078	1,183,527
BCCP-139	BCCP-139	Bond	7-Oct-2028	4.98%	CAD	7,212,000	2,992,904	3,495,535
BCCP-143	BCCP-143	Bond	9-Dec-2028	5.19%	CAD	2,747,000	1,109,557	1,300,400
BCCP-145	BCCP-145	Bond	11-May-2029	5.01%	CAD	22,500,000	8,494,516	9,980,728
BCCP-174	BCCP-174	Bond	11-Jul-2031	4.21%	CAD	6,145,256	1,692,444	1,915,303
BCCP-157	BCCP-157	Bond	9-Mar-2040	4.60%	CAD	11,423,000	2,017,445	2,447,802
BCCP-159	BCCP-159	Bond	12-Apr-2040	4.73%	CAD	8,700,000	1,385,405	1,681,728
Total						\$ 167,051,152	\$ 102,042,663	\$ 110,049,877

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 5 (1)

Schedule of Guarantees & Indemnity Agreements As at March 31, 2020

Guarantee Agreements

No guarantee agreements were in effect at March 31, 2020.

Indemnity Agreements

Clean Energy Fueling Services Corp.

Hootsuite

Linkedin Ireland Unlimited Company

Meltwater News Canada Inc.

Neovation Corporation

Pricewaterhouse Coopers

Shaw Telecom G.P.

Unitech construction Management

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 6(2)(a)

Schedule Showing the Remuneration and Expenses Paid in Respect of Each Board Member or Commission Member For the Year Ended March 31, 2020

Elected Officials, Commission Members, and Members of the Board of Directors

Member Name		Remuneration	Total Expenses
Members of the Board of Directors			
Holt, Catherine	Chair	\$ 24,250	\$ 2,300
Hall, Lyn		10,750	5,225
Elliot, Karen		10,750	696
Milne, Wendal		10,750	2,363
Redlin, Blair		16,250	4,571
Members of the Commission and Board of Directors			
Brice, Susan		12,100	1,198
Helps, Lisa		10,600	622
Members of the Commission			
Dubow, Sharmarke		600	-
Haynes, Fred		450	13
Martin, Robert		450	-
Murdoch, Kevin		600	-
Orr, Geoff		600	-
Tait, Maja		450	88
Total Remuneration and Expenses		\$ 98,600	\$ 17,076

BRITISH COLUMBIA TRANSIT
 FIR, Schedule 1, Section 6 (2)(b) & (c)

Schedule Showing the Remuneration and Expenses over \$75,000
 Paid in Respect of Each Employee
 For the Year Ended March 31, 2020

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Abraham, Eric	\$ 113,456	\$ -
Adrienne Svoboda, Jennifer	84,377	231
Ages, Mark	101,764	-
Alder, David	84,476	-
Allan, David	98,419	-
Anderson, Brian	82,109	7,618
Anderson, Stephen	115,709	23,821
Andrei, Gabriel	98,530	-
Andrzejewski, Dariusz (Darek)	81,179	-
Angus, Joanne	82,512	-
Aparicio, Julio	80,529	90
Apostoliuk, Kaylee	81,309	2,404
Atlas, Baljit	89,028	-
Aveyard, Pauline	91,705	4,099
Bailer, Daniel	94,962	-
Baker, Mark	91,785	249
Bakewell, Robert	83,731	-
Baluch, James	87,499	145
Banerd, Christopher	90,047	-
Banerd, Warren	110,951	-
Banning, Mark	82,262	-
Barnes, Jeannett	88,451	-
Barrett, Howard	80,590	-
Baskett, William	76,876	-
Bateman, Amalia	76,865	-
Beattie, Darrin	101,915	172
Beaulieu, Loretta	92,485	2,728
Bell, Aron	81,712	-
Bell, Gerald	92,767	-
Berekoff, Nicolette	93,653	-
Berna, Laura-Lea	146,120	2,187
Bhattacharjee, Sankalpa	84,536	5,064
Bissett, Michele	83,829	-
Booth, Lesley	85,003	-
Booth, Michael	110,548	940
Boss, James	108,925	69
Boyd, Matthew	122,832	19,838
Braga, Adelio (Adel)	83,068	-
Brilz, Grant	102,615	447
Brown, Allan	75,871	822
Broydell, Nancy	96,208	884
Bullivant, Bronson	81,268	17,790
Bunce, Evan	100,883	-
Byrne, Denny	132,690	9,271
Campbell, Debra	100,928	36
Campbell, Ryan	81,213	5,967
Carr, Gordon	78,813	-

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Carragher, Jennifer	81,404	-
Carrington, Juliet	76,107	-
Cathrea, Michael	76,359	-
Charchuk, Eric	81,102	20
Chisholm, Kathleen	95,514	480
Chisholm, Robert	91,115	3,904
Chown, Jennifer	94,213	-
Christensen, Terry	76,821	-
Coleman, Jeffrey	94,406	3,683
Connelly, Jacquelin	92,053	1,190
Conner, Gregory	188,468	13,561
Cooke, Lelania	83,387	-
Correa, Michael	76,141	-
Couch, Nigel	99,569	8,251
Craig, Michael	93,992	-
Cronk, Terry	81,773	165
Crossley, Matthew	106,201	754
Cunningham, Michael	75,912	-
Dabhi, Jentilal	84,169	3,220
Dallaway, Steven	91,056	14,740
Danks, Matthew	97,082	-
Dann, Jeremy	90,178	-
Darimont, John	81,466	125
Davidson, Jordan	75,961	-
Davies, Lauren	89,973	-
Davis, Michael	75,929	75
De Laet, Sheryl	81,752	-
Dennis, Ryan	89,634	4,771
deVooght, Pamela	88,911	-
DeYaeger, Kyle	82,444	132
Dickie, Glenn	91,819	-
Dickinson, Guy	81,453	-
Doiron, Lauren	84,670	20,407
Dosanjh, Tarinder	93,756	85
Drake, Ryan	92,241	4,494
Duberry, A.M. Larry	93,070	280
Duncan, Alexander	95,308	231
Dunning, Tara	103,122	2,008
Dust, Dean	75,037	-
Dyck, Jonathon	95,885	1,625
Dyrbye, Brad	91,792	350
Dyson, Ronald	80,972	-
Dzogan, Spencer	123,754	350
Eager, Emlyn	79,483	7,422
Edmonstone, Mordecai	88,866	-
Egginton, Garry	103,024	-
English, Joseph	82,857	181
Erez, Ariel	76,024	7,620
Ferguson, R. Andy	76,827	-
Flemming, Ronald	105,268	1,412
Fletcher, Bob	94,679	-
Foote, Norman	75,610	-
Freire, Andrew	101,454	3,848
Frias, Robert	86,267	-
Fudge, Christopher	105,285	21,852
Furlong, Marie-Andree	92,537	4,355
Garford, Michael	93,794	-

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Gaug, Ronald	81,412	-
Gehrke, Roland	107,838	16,505
Gervais, Justin	82,664	6,240
Ghosh, Jay	86,644	-
Gibbs, Neil	88,638	3,675
Gibson, Matthew	96,386	-
Gill, Amarjit	111,374	-
Gimse, C. Bjorn	88,380	12,934
Girardeaux, Olivier	76,325	5,960
Golchin, Manny	86,934	-
Gottfried, Timothy	78,275	-
Gotto, Michael	79,189	-
Gramlich, Craig	124,114	763
Green, F. Nate	113,450	-
Gubby, Nick	79,222	175
Hagman, Michael	83,473	511
Hales, Graham	82,991	-
Hall, Curtis	96,013	-
Hall, Robert	108,414	4,853
Halliday, Kenneth	78,549	1,052
Hamilton, Daryl	110,155	170
Hamilton, Gordon	85,519	242
Harper, Christopher	91,681	-
Harriott, Danielle	88,034	13,089
Harris, Spencer	98,089	-
Hart, Robert	91,094	20,316
Hartley, Thomas	116,865	-
Hattie, Mike	91,737	-
Head, Bruce	100,879	600
Hegar, Mark	85,681	1,376
Henderson, W. Neil	124,300	-
Hileman, Garth	118,628	20
Hill, Gregory	100,617	2,789
Hill, Luke	79,727	-
Hill, Megan	129,901	1,973
Hissein, Aboubakar	82,276	-
Hitchborn, Justin	87,087	-
Hittos, Pierre	79,300	-
Hobbs, Donna	133,788	4,439
Hooper, Carolyn	99,955	-
Houssin, Gregory	75,397	-
Huang, Kai Dong (Tracy)	80,544	998
Huber, Geoffrey	96,219	2,610
Huff, Norma	84,682	-
Hunter, Lori	127,668	1,358
Isbister, Sean	93,791	350
Jahn, Christopher	77,774	1,967
Jimenez, Juan	77,589	-
Johal, Sukhdev	81,449	-
Johnson, Sarah	91,820	551
Joki-Erkkila, Juha	115,126	-
Jones, Kenneth	83,498	-
Jones, Leanne	118,885	-
Jones, Ronald	95,077	-
Juanicotena, Fernando	93,141	-
Keith, Harry	76,433	-
Kennett, Ryan	80,801	7,487

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Kiefer, Christopher	87,825	595
King, Dustin	94,561	1,193
Kirby, Melissa	90,175	629
Kitchener, James	81,968	20
Klee, Robin	88,355	-
Konyu, Robert	79,492	-
Kunderman, Edward	85,739	12,456
Kuwert, A. Eric	96,720	734
Lamb, Aaron	189,633	8,715
Lance, Paul	84,725	2,068
Langridge, Terry	133,826	-
Lavoie, Jason	85,153	1,797
Lavoie, Jennifer	77,583	379
Lay, Melissa	83,468	-
LeClair, James	75,270	-
Lee, Brandon	79,611	-
Leslie, Coralie	136,042	-
Lever, William	83,554	40
Locke, Michael	102,489	225
Lott, Bridget	92,955	647
Loughran, Elizabeth	83,125	2,758
Louis, Donald	90,901	1,512
Lowery, James	79,837	-
Lowther, Don	95,216	220
Lunt, William	86,688	-
Lysne, Philip	84,019	-
MacDonald, John	90,431	354
MacGregor, Steven	82,902	217
Mackay, Robert	123,558	5,589
MacKinnon, E. Gordon	75,386	-
Maguire, Tristan	101,798	-
Maier, E. Karl	101,357	154
Maric, Goran	104,365	-
Marson, Brooke	90,606	273
Massa, Douglas	76,088	-
Matechuk, Michael	118,350	13,368
Maxwell, James	92,562	-
McCarthy, C. Wayne	77,397	-
McColeman, Stephen	78,580	-
McConnell, Shellene	91,538	1,038
McCormick, J. Scott	75,318	-
McCoy, David	80,351	11,132
McDonough, Kyle	97,420	157
McFarlane, Timothy	92,562	240
McGregor, Peter	80,893	-
McKenna, Sean	82,233	-
McKeracher, Kristen	92,932	2,053
McLachlan, Gordon	87,235	-
McMullen, Adriana	99,806	25,891
McNeill, Terry	99,164	-
McQuarrie, Gregory	76,655	-
McRae, Norma	93,240	-
Megenbir, Levi	92,492	16,267
Melanson, Terrence	134,928	2,844
Miller, Andrew	92,088	775
Milligan, Donald	107,400	2,689
Millward, Steven	105,546	2,054

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Minty, Casey	76,245	3,461
Moar, Monika	83,253	-
Mockford, Donald	78,002	-
Mohat, Robert	77,747	-
Montgomery, Tony	77,912	-
Moore, Myrna	109,217	9,241
Morais, Jose	81,311	-
Morgan, Ian	84,742	-
Morgan, Paula	75,304	-
Moss, Gary	84,113	-
Mosses, Gordon	76,689	-
Mossey, Chelsea	90,989	32,686
Mountan, David	82,300	273
Munro, Timothy	83,421	-
Murray, Catriona	99,902	1,191
Myers, Ann	110,668	1,337
Myers, R. Scott	82,905	1,917
Naylor, William	98,825	1,691
Nelson, Eric	122,256	11,054
Nelson, Luke	78,802	-
Niessen, Cassandra	95,584	395
Nishikawa, Yasuhiro	76,109	-
Nordstrom, Errol	101,262	2,612
O'Connell, Kaitlin	88,726	-
Olague, Jose	103,388	-
Palmer, John	127,433	7,270
Pancel, Michael	90,150	30
Pandher, Manmohan	105,428	-
Parker, Wayne	101,943	-
Parrett, Kevin	114,440	-
Patterson, Kathleen	77,301	-
Patterson, Leslie	104,787	15,557
Paz, Jennifer	85,748	113
Pearson, Leah	77,504	-
Perry, Dallas	98,361	1,184
Peters, Bruce	96,929	157
Peterson, Todd	108,578	3,250
Pheiffer, Mark	99,157	-
Phillips, Sarah	91,100	5,403
Pimentel, Fernando	81,544	-
Pinkerton, Erinn	267,757	22,966
Pitt, Danton	88,705	571
Prudhon, Colin	89,739	-
Quaite, Bradach	95,135	2,265
Quamina, David	88,826	-
Randall, Dale	76,021	-
Ravelli, Sacha	78,043	2,514
Reaney, Greg	89,240	-
Redden, Glen	95,306	-
Rego, Pedro	80,779	-
Riach, Bradley	80,085	-
Ribeiro, Louie	90,888	147
Ridout, Christy	182,076	7,223
Ridout, Shawn	97,411	-
Rinaldis, Michael	81,280	-
Ringma, Robert	99,112	26,672
Robinson, Richard	78,218	-

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Rollier, Larry	75,439	-
Rosenke, Matthew	77,995	175
Rowden, Ian	88,045	7,067
Rowe, Kevin	95,592	5,926
Ruch, Freddy	97,782	-
Ruffolo, Salvatore	88,150	784
Sagar, Navtej	78,344	-
Saluja, Amarjyot	93,347	-
Scagliati, Mario	103,216	-
Schaefer, Mark	100,129	199
Schaerer, Jurgen	89,015	-
Schubert, Kevin	138,574	6,303
Schulz, Boyd	80,970	-
Seaman, Paul	75,083	-
Semutakirwa, Parfait	82,013	-
Shams, Navid	88,550	1,168
Sidhu, Dalbir	86,746	5,687
Sidhu, Gurvinder	86,069	-
Simms, Lee	79,156	-
Singh, Vincent	81,267	-
Smith, Mitchell	76,760	-
Somerset, Christian	88,335	-
Sorchinski, Brian	76,180	-
Sousa, Paul	80,298	-
Sparling, Jeffrey	81,542	-
Spencer, Kevin	83,679	1,742
Spingat, Lothar	81,974	-
Stark, David	86,228	-
Stevens, Sheryl	87,105	19,496
Stewart, Alan	91,576	1,471
Stillings, Jeremy	94,609	6,980
Stoker, Phillip	79,313	685
Strumpski, Bert	81,211	-
Stuart, Douglas	84,583	-
Sturrock, James	76,236	-
Summers, Gwen	94,792	5,405
Takhar, Gursev	115,549	-
Taylor, Carla	83,338	-
Taylor, Lindsay	86,226	9,116
te Kampe, Gerrit	82,047	-
Thomas, Desikan	91,668	9,455
Timmermans, Levi	128,528	7,960
Timmins, Ryan	93,854	170
Tolhurst, Christopher	79,863	150
Trahan, Mike	80,138	-
Tremblay, Kailen	81,930	878
Trotter, Lisa	113,226	11,289
Tsui, Alexandre	91,195	-
Turner, Geoff	76,351	-
Tyler, Robert	77,800	-
Van Doormaal, Paul	76,847	-
van Munster, J. Kent	92,524	22,630
Van Schaik, Adolf	109,395	-
Vanderkuyl, Paul	98,888	-
Wadsworth, James	106,471	1,301
Wakefield, Christopher	81,976	3,767
Walker, Douglas	91,776	16,492

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Wan, Wen	90,882	2,505
Waring, Andrew	91,553	-
Watson, William	94,419	-
Weatherell, Timothy	91,486	16
Weeks, James	86,737	4,230
Weiss, Cameron	75,662	-
Wells, Michael	77,096	-
White, Andrew	95,307	7,975
White, Kelvin	110,895	2,429
Wiles, William	88,885	-
Will, Jeffrey	121,988	-
Williams, Shannon	76,743	798
Wilson, Allan	88,193	-
Wilson, Brandi	80,386	2,237
Wilson, Christopher	75,558	-
Wise, Jason	78,072	-
Wood, Terri	83,370	1,855
Woodruff, Joseph	110,785	20
Woods, David (Phil)	85,693	12,370
Wright, Seth	75,423	2,157
Yates, Christopher	85,740	-
Yeo, G. Keith	79,257	42
Yeo, Tim	86,790	-
Zaporojets, Vitalii	85,041	-
Zarft, Christopher	80,534	-
Zerbin, Taylor	91,623	2,321
Zimmerman, Melissa	129,280	5,247
Over 75,000 Remuneration	\$ 33,190,139	\$ 820,227
Less than 75,000 Remuneration	\$ 39,142,966	\$ 276,515
Grand Total Employees	\$ 72,333,105	\$ 1,096,742

*Remuneration in 2020 is based on a 26-pay period cycle (2019 - 26 pay periods) and includes Gross Pay and Taxable benefits payable to the employee, per the definition of "remuneration" under FIR Schedule 1, subsection 6(1). Remuneration also includes banked time payouts such as overtime and annual vacation.

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 6 (2)(d)

Schedule Showing the Remuneration and Expenses Paid to or on Behalf of Each Employee (Reconciliation) For the Year Ended March 31, 2020

Total remuneration - elected officials, employees appointed by Cabinet and members of the Board of Directors	\$ 98,600
Total remuneration - other employees	\$ 72,333,105
Subtotal	<u>\$ 72,431,705</u>
Less: Capitalized remuneration	\$ (2,703,015)
Less: Remuneration for Members of the Board of Directors	\$ (98,600)
Plus: Employee benefits	\$ 16,608,014
Plus: Other employee payments	\$ 589,195
Plus: Change in Accrued Payroll Liabilities & Amounts Due to Timing	\$ 673,701
Total per Statement of Revenue and Expenditure	<u><u>\$ 87,501,000</u></u>

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 6 (7)(a) & (b)

For the Year Ended March 31, 2020

There were four severance agreements made between BC Transit and its non-unionized employees during the fiscal year 2019/2020.

These agreements represent from one to 18 months of compensation. **

This statement is prepared under the *Financial Information Regulation*, Schedule 1, Section 6(7).

***"Compensation" means salary and benefits. Benefits may include the employer's share of health and welfare benefits and superannuation premiums.

BRITISH COLUMBIA TRANSIT

Part II FIR, Schedule 1, Section 7 (1)(a) & (b)

Alphabetical List of Suppliers who Received Aggregate Payments In Excess of \$25,000 Year ended March 31, 2020

Vendor Name	Aggregate Amount Paid
1172192 B.C. LTD.	\$ 112,353
627535 B.C. LTD.	97,424
A-TECH DOORS	27,801
A.C.E. COURIER	108,732
ABC TRANSMISSIONS	32,608
ACCIONA FACILITY SERVICES CANADA	325,038
ACCORD METAL FABRICATORS LTD.	50,301
ACKLANDS	26,862
ACME SUPPLIES LTD.	74,133
ADRIANA MCMULLEN	27,069
ALEXANDER DENNIS INC.	1,277,727
AMPCO MANUFACTURERS INC.	44,568
ARCHIE JOHNSTONE PLUMBING & HEATING LTD.	505,432
ARCHITECTURE49 INC.	1,373,553
ARI FINANCIAL SERVICES INC.	66,293
AROW GLOBAL CORPORATION	206,642
ARPAC STORAGE SYSTEMS CORPORATION	42,855
ARROW & SLOCAN LAKES COMMUNITY	1,695,894
ASJ CONTRACTING LTD.	376,664
ASSA ABLOY ENTRANCE SYSTEMS CANADA INC.	116,496
BAKER TRANSIT PARTS INC.	142,594
BC HYDRO	648,471
BCT EMPLOYEE HEALTH & BENEFIT TRUST	81,904
BELLA COOLA VALLEY BUS COMPANY LTD.	262,099
BELLTECH ELECTRIC INC.	167,832
BERKS INTERTRUCK LTD.	47,947
BERRY & SMITH TRUCKING LTD.	211,061
BLUEBIRD CABS LTD.	346,417
BRC GROUP	395,763
BRIGHTSIDE SOLUTIONS INC.	70,568
BRINKMAN & ASSOCIATES REFORESTATION LTD.	546,246
CANADA TICKET INC.	234,906
CANADIAN ENERGY	242,002
CANADIAN LINEN AND UNIFORM	114,033
CAPITAL REGION EMERGENCY SERVICES	3,887,562
CAREFREE SOCIETY	1,366,103
CASCADE ROOFING & EXTERIORS INC.	718,098
CASCADIA PROJECT SERVICES INC.	191,257
CATALYS LUBRICANTS INC.	344,454

Vendor Name	Aggregate Amount Paid
CBI HEALTH CENTRE	64,389
CBI OT SERVICES	118,066
CBM NA INC.	455,027
CBS PARTS LTD.	471,205
CHAMCO INDUSTRIES LTD.	73,797
CHARTER TELECOM INC.	254,732
CITY OF ABBOTSFORD (PROP LEASE)	252,899
CITY OF CAMPBELL RIVER	28,415
CITY OF KAMLOOPS	147,928
CITY OF KELOWNA	239,925
CITY OF KELOWNA (PROP LEASE)	245,209
CITY OF LANGFORD	206,015
CITY OF NELSON	1,270,621
CITY OF POWELL RIVER	1,044,069
CITY OF PRINCE GEORGE	92,190
CITY OF REVELSTOKE	31,783
CITY OF VERNON	47,786
CITY OF VICTORIA	476,804
CITYKINECT INC.	45,183
CLEAN ENERGY FUELING SERVICES CORP	1,256,077
CLIFFE STREET CENTRE LTD. (PROP LEASE)	47,388
COAST KAMLOOPS HOTEL & CONFERENCE CENTRE	78,825
COAST MOUNTAIN BUS CO. LTD.	35,795
COENCORP CONSULTANT CORPORATION	122,345
COLLIERS MACAULAY NICOLLS INC. (IN TRUST)	36,750
COLUMBIA FIRE & SAFETY LTD.	61,394
CONSIDINE & COMPANY	104,171
COOK ROBERTS LLP	26,929
COURVAL SCHEDULING INC.	35,402
COWICHAN LAKE COMMUNITY	229,253
CULLEN DIESEL POWER LTD.	208,480
CUMMINS CANADA ULC	5,373,334
CUSTOMAIR	270,560
DAVE SPIERS PLUMBING AND HEATING	70,443
DELL CANADA INC.	114,047
DIGABIT INC. DBA DOCUMOTO	93,913
DILAX SYSTEMS INC.	234,707
DILIGENT CANADA INC.	29,568
DISTRICT OF SAANICH	306,083
DIVERSIFIED TRANSPORTATION LTD.	8,511,320
DODD'S FURNITURE & MATTRESS (PROP LEASE)	56,240
DOROSH CONSTRUCTION LTD.	2,020,451
DSA MEDIA	239,806
DUBOIS CHEMICALS CANADA, INC.	41,775
DYNAMIC SPECIALTY VEHICLES LTD.	1,030,399
E H EMERY ELECTRIC LTD.	94,674
ECLIPSYS SOLUTIONS	373,205
EDGEWOOD HOLDINGS LTD.	26,000
ELECTRONIC DATA MAGNETICS INC.	319,158

Vendor Name	Aggregate Amount Paid
ELREG DISTRIBUTORS LTD.	118,040
EMPRESS TRANSPORTATION / YELLOW CAB	203,317
ENGINEERED AIR	405,440
EXEC-U-NET CONSULTING GROUP	88,537
EXP SERVICES INC.	43,124
FARMER CONSTRUCTION LTD.	170,681
FALCONRIDGE MARKETING CORP.	2,792,985
FASTENAL CANADA LTD.	31,669
FIRSTCANADA ULC	75,315,978
FORTISBC ENERGY INC.	1,399,877
FOTO PRINT	148,685
FOUNTAIN TIRE (VICTORIA)	78,207
FRASER & HOYT INCENTIVES	91,378
GANGES FAERIE MINISHUTTLE	634,157
GARIVAL INC.	709,209
GARTNER CANADA CO.	95,558
GFL ENVIRONMENTAL INC.	94,005
GIRO INC.	207,772
GLOBE CONTRACTING LTD.	42,248
GRANDE WEST TRANSPORTATION	4,717,553
GRAPHIC OFFICE INTERIORS LTD.	242,836
GREAT WEST LIFE ASSURANCE CO.	42,127
GREEN LINE HOSE & FITTINGS LTD.	44,192
GREGG DISTRIBUTORS LTD.	78,492
GRYPHON CONSTRUCTION	117,344
HALLIBURTON GROUP CANADA	304,816
HARBOUR CITY KITCHENS INC.	26,918
HARBOUR DOOR SERVICES LTD.	41,218
HEALTHCARE BENEFIT TRUST	1,730,819
HENRY'S GARDENING	32,109
HERJAVEC GROUP (TORONTO)	187,668
HIGH LINE SOFTWARE CORPORATION	98,509
HOLDFAST METALWORKS LTD.	2,590,253
HOOTSUITE INC.	55,070
HOURIGANS CARPETS & LINOS LTD.	40,845
HUB INTERNATIONAL INSURANCE BROKERS	1,233,018
ICBC	1,831,946
iD2 COMMUNICATIONS INC.	29,749
INFOTECH RESEARCH	118,849
INSIGHTS LEARNING & DEVELOPMENT	25,491
INSIGHTSOFTWARE.COM INC.	245,357
INSTITUTE FOR APPLIED NETWORK SECURITY	37,375
INTERIOR HEALTH	91,356
INTRAWORKS ELECTRICAL SYSTEMS INC.	28,844
ISLAND ASPHALT LTD.	240,550
ISP3 SOLUTION PROVIDERS INC.	66,174
JENNER CHEVROLET OLDSMOBILE	206,728
KAL TIRE (LANGFORD)	48,609
KELLER EQUIPMENT SUPPLY LTD.	181,740

Vendor Name	Aggregate Amount Paid
KERR CONTROLS INC.	145,807
KIMBERLEY COMMUNITY TRANSPORTATION	472,638
KING BROS. LTD.	123,107
KMS TOOLS & EQUIPMENT LTD.	41,399
KNAPPETT PROJECTS LTD.	7,757,902
KODIAK MOBILE VIDEO	393,967
KPMG LLP	95,174
LAKERS' GO BUS SOCIETY	809,955
LAMAR TRANSIT ADVERTISING	25,736
LDN TRANSPORTATION	224,780
LEADERS INTERNATIONAL EXECUTIVE SEARCH	105,867
LEGER MARKETING ALBERTA INC.	80,153
LES HALL FILTER SERVICE	54,873
LIFEWORCS CANADA LTD.	83,297
LONG VIEW SYSTEMS	155,665
LOOMIS EXPRESS	160,138
LORDCO PARTS LTD.	344,165
LTG RAIL CANADA LTD.	33,199
LUCERIX INTERNATIONAL CORP.	31,357
LUMINATOR TECHNOLOGY GROUP	50,491
LYNDON ENTERPRISES LTD.	80,124
M & L PAINTING	296,749
MANTEO RESORT LP	35,531
MARANDA CONSULTING INC.	61,976
MASON LIFT LTD.	178,671
MERCER (CANADA) LIMITED	28,787
MERIDIAN REHABILITATION CONSULTING INC.	187,263
METAL BUILDING GROUP (MBG BUILDINGS INC.)	275,047
MICHELIN NORTH AMERICA INC. (CAN)	490,670
MICROSOFT CORPORATION	264,581
MINISTER OF FINANCE	2,754,741
MINISTRY OF TRANSPORTATION & INFRASTRUCT (PROP LEASE)	26,250
MITCHELL PRESS	311,653
MONARCH NORTH AMERICA STRUCTURES LIMITED	1,366,500
MONK OFFICE SUPPLY LTD.	80,881
MONSTER WORLDWIDE CANADA LTD.	27,294
MOORE CANADA CORPORATION	48,721
MORNEAU SHEPELL	39,679
MRC TOTAL BUILD LP	1,138,883
NATSCO - TRANSIT SOLUTIONS	210,170
NELSON ROOFING & SHEET METAL LTD.	1,590,668
NEOVATION CORPORATION	88,892
NEW FLYER INDUSTRIES LTD.	18,523,066
NICOLA VALLEY TRANSPORTATION SOCIETY	449,226
NORCAN FLUID POWER LTD.	29,078
NORDBO SERVICES LTD.	127,963
NRG RESEARCH GROUP	71,813
NU-TECH SYSTEMS LTD.	90,391
NUWEST CONTRACTING LTD.	238,394

Vendor Name	Aggregate Amount Paid
OAK TRANSIT INCORPORATED	755,426
OAKCREST PARK ESTATES LTD. (PROP LEASE)	675,756
OLYMPUS STAGE LINES LTD.	366,489
OOPS INC.	34,908
ORACLE CANADA ULC	563,132
OTACO SEATING	34,273
P.R.I.D.E. PROGRAM	31,021
PACIFIC BLUE CROSS	3,139,674
PACIFIC SPRAY BOOTHS LTD.	140,436
PALADIN TECHNOLOGIES	440,778
PARKLAND REFINING (BC) LTD.	10,321,268
PASSENGER CONTRACTED TRANS. SERVICES LTD.	810,581
PATIO SOCIAL INC. (DBA PATIO)	102,373
PAYSCALE INC.	32,911
PENTICTON TRANSIT SERVICES	3,403,767
POWELL RIVER TAXI LTD.	439,214
PREVOST CAR INC.	4,066,620
PRICE WATERHOUSECOOPERS LLP	44,100
PRINCE GEORGE TRANSIT LTD.	6,726,215
PRINCETON & DISTRICT	185,591
PSH BUSINESS CONSULTANTS INC.	45,479
PUBLIC SERVICE PENSION PLAN	11,567,712
PUROLATOR INC.	25,936
PWTRANSIT	4,918,861
QUATREX ENVIRONMENTAL INC.	388,782
RADIO WORKS	101,578
RALMAX CONTRACTING LTD.	263,946
RBC/BC TRANSIT GRP PLAN #005422	34,758
REBER CREATIVE	124,656
RECEIVER GENERAL FOR CANADA	20,039,118
REGIONAL DISTRICT OF BULKLEY	48,546
REGIONAL DISTRICT OF NANAIMO	10,193,818
RESOLVER INC.	86,071
RESORT MUNICIPALITY OF WHISTLER	145,274
REVELSTOKE CONNECTION LTD.	446,539
REVENUE SERVICES OF BC (MSP)	547,648
RICOH CANADA INC.	114,107
RICON CORPORATION	70,191
RON'S DRYWALL LTD.	39,643
SAFETY - KLEEN CANADA, INC.	30,258
SCHOOL DISTRICT # 20, TRAIL (PROP LEASE)	60,155
SCOTIABANK	42,818
SEASTAR SOLUTIONS	183,782
SEON DESIGN INC.	370,690
SHENZHEN HFX TECHNOLIGY CO. LTD.	39,713
SIDNEY TAXI LTD.	39,451
SIOUX CORPORATION	39,033
SMART SOFTWARE INC.	45,455
SMITHERS COMMUNITY SERVICES	371,792

Vendor Name	Aggregate Amount Paid
SNC - LAVALIN INC.	205,110
SPORTWORKS NW, INC.	54,998
SPR TRAFFIC SERVICES LP	54,321
STANTEC CONSULTING LTD.	194,279
STONE PACIFIC CONTRACTING LTD.	1,596,738
STRATAGEN SYSTEMS INC.	57,243
STRATEGIC MAPPING INC.	2,344,203
SUNCORP VALUATIONS	58,800
SUNSHINE COAST REGIONAL DIST.	2,877,231
TC PUBLICATION LIMITED PARTNERSHIP	32,945
TECH WEB DIRECT	48,370
TELUS	254,481
TELUS MOBILITY (BC)	525,179
TELUS SERVICES INC.	159,300
THE AFTERMARKET PARTS COMPANY, LLC	1,800,799
THE GEAR CENTRE	231,454
THERMO KING OF BRITISH COLUMBIA INC.	136,078
THINK COMMUNICATIONS INC.	127,854
THYSSENKRUPP ELEVATOR (CANADA) LTD.	53,767
TOK TRANSIT BC LTD.	1,774,569
TOP LINE ROOFING LTD.	152,864
TOTEM TOWING	135,301
TRACKIT LLC	76,075
TRAIL TRANSIT SERVICES INC.	2,552,907
TRAN SIGN (2019) LTD.	61,159
TRANE CANADA	436,675
TRAPEZE SOFTWARE ULC	339,907
TST-CF EXPRESS	71,540
ULINE CANADA CORPORATION	47,392
UNI - SELECT CANADA INC.	62,380
UNIFOR LEADERSHIP TRAINING FUND	71,818
UNISYNC GROUP LTD.	231,400
UNITECH CONSTRUCTION MANAGEMENT LTD.	427,586
UNITED RENTALS OF CANADA INC.	99,458
UNITED STATES SEATING	58,635
UNIVERSITY OF VICTORIA	30,149
UPLAND CONTRACTING LTD.	998,596
VAN KAM FREIGHTWAYS LTD.	52,834
VICTORIA CONTRACTING & MUNICIPAL MAINTENANCE CORPORATION	108,762
VICTORIA TAXI	223,122
VITATEK CLEANING SOLUTIONS	169,737
VOITH TRANSMISSION CANADA INC.	420,557
WASH-BOTS CANADA LTD.	75,600
WASTE CONNECTIONS OF CANADA INC.	30,748
WATSON & ASH TRANSP. CO. LTD.	6,146,191
WATT CONSULTING GROUP	69,894
WAYSIDE PRINTERS	44,201
WEST SHORE PARKS & RECREATION	31,777
WESTCANA ELECTRIC INC.	95,041

Vendor Name	Aggregate Amount Paid
WESTERN OIL SERVICES LTD.	239,336
WESTERN SCALE CO. LTD.	306,996
WESTMATIC INC.	302,124
WESTVAC INDUSTRIAL LTD.	273,792
WFN MAINTENANCE & PUBLIC WORKS	42,860
WHEATON CHEVROLET BUICK	552,531
WHISTLER TRANSIT LTD.	8,306,797
WILCO CIVIL INC.	2,481,280
WOOD ENVIRONMENT & INFRASTRUCTURE SOLUTIONS	79,516
WORKSAFE BC	1,105,415
WSP CANADA INC.	201,744
YELLOWHEAD COMMUNITY SERVICES	405,933
Consolidated Total of Payments in Excess of \$25,000 Paid to Suppliers	<u>\$ 304,281,743</u>
Consolidated Total of Payments in Less than \$25,000 Paid to Suppliers	<u>\$ 3,283,781</u>
Total Aggregate Payments Made to Suppliers Per Accounts Payable Ledger	<u><u>\$ 307,565,524</u></u>

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 7 (1)(c)

Reconciliation of Vendor Payments to Financial Statements Year ended March 31, 2020

Vendor Analysis Reconciliation

Vendor Analysis		\$ 307,565,524
Vendor Payments Not on Statement of Operations		
Amounts paid to vendors on Capital Assets and WIP	(61,230,904)	
Other Timing Differences Between Cash Disbursements and the Accrual Basis of Accounting	(20,542,954)	
		<u>\$ (81,773,858)</u>
Expense Items Not in 2019/20 Vendor Analysis		
Employee Net Pay via Payroll	49,245,051	
Amortization	59,793,783	
Debt service	8,585,693	
		<u>\$ 117,624,527</u>
		<u><u>\$ 343,416,193</u></u>
BC Transit Statement of Operations		
Operations	244,587,370	
Maintenance	66,087,890	
Administration	32,740,933	
		<u>\$ 343,416,193</u>

BRITISH COLUMBIA TRANSIT

Part II FIR, Schedule 1, Section 7 (2)(b)

Total of Payments to Suppliers for Grants and Contributions
Exceeding \$25,000
For the Year Ended March 31, 2020

Vendor Name	Aggregate Amount Paid
Consolidated total of grants exceeding \$25,000	\$ -
Consolidated total of contributions exceeding \$25,000	-
Consolidated total of all grants and contributions exceeding \$25,000	<u>\$ -</u>

Consolidated Financial Statements of

BRITISH COLUMBIA TRANSIT

Year ended March 31, 2020

MANAGEMENT REPORT

Year ended March 31, 2020

The consolidated financial statements of British Columbia Transit (“BC Transit”) are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as required by section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia except in regard to the accounting for government transfers which is based on the Restricted Contributions Regulation 198/2011.

These consolidated financial statements include some amounts based on management’s best estimates and careful judgment. A precise determination of assets and liabilities is dependent upon future events and, consequently, the preparation of periodic consolidated financial statements necessarily involves the use of management’s judgment in establishing the estimates and approximations used. The consolidated financial statements have, in management’s opinion, been properly prepared within the framework of the accounting policies summarized in the notes to the consolidated financial statements and incorporate, within reasonable limits of materiality, all information available as at May 28, 2020.

BC Transit’s system of internal controls is designed to provide reasonable assurance that assets are safeguarded, transactions are properly recorded and executed in accordance with management’s authorization, financial information is reliable and ethics codes are observed. Inherent to the concept of reasonable assurance is the recognition that there are limits in all internal control systems and that system costs should not exceed the expected benefits. The system includes the selection, training and development of qualified personnel, organizational division of responsibilities, appropriate delegation of authority and formal written company policies and procedures including the Code of Conduct applicable to all BC Transit officers and employees.

The consolidated financial statements have been examined by PricewaterhouseCoopers LLP of British Columbia, BC Transit’s independent external auditors. Their responsibility is to express their opinion whether the consolidated financial statements are prepared, in all material respects, in accordance with the accounting requirements of Canadian public sector accounting standards. The Board of Directors meets regularly with management and the external auditors to satisfy itself that BC Transit’s system of internal control is adequate and to ensure that responsibilities for financial reporting are being met.

On behalf of BC Transit:



Erinn Pinkerton
President and Chief Executive Officer
May 28, 2020



Roland Gehrke, CPA CA
Vice President, Finance and Chief Financial Officer
May 28, 2020



Independent auditor's report

To the Board of Directors of British Columbia Transit

Our opinion

In our opinion, the accompanying consolidated financial statements of British Columbia Transit (BC Transit) and its subsidiaries as at March 31, 2020 and for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

What we have audited

BC Transit's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2020;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of change in net debt for the year then ended;
- the consolidated statement of remeasurement gains and losses for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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 consolidated financial statements* section of our report.

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

Independence

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

PricewaterhouseCoopers LLP
Central City Tower, 13450 102 Avenue, Suite 1400, Surrey, British Columbia, Canada V3T 5X3
T: +1 604 806 7000, F: +1 604 806 7806

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Emphasis of matter - basis of accounting

We draw attention to note 2(a) to the consolidated financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 21 to the consolidated financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

Comparative information

We draw attention to note 3 to the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2019 has been revised. The consolidated financial statements of BC Transit for the year ended March 31, 2019 (prior to the revision of the comparatives information) were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on May 30, 2019 due to the significant differences between the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia which was the basis of accounting used by BC Transit, and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

As part of our audit of the consolidated financial statements of BC Transit for the year ended March 31, 2020 we also audited the adjustments described in note 3 that were applied to revise the consolidated financial statements for the year ended March 31, 2019. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements of BC Transit for the year ended March 31, 2019 other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the year ended March 31, 2019 taken as a whole.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing BC Transit'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 BC Transit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing BC Transit's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 BC Transit'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 BC Transit'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 consolidated 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 BC Transit to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within BC Transit to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We 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.

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

Surrey, British Columbia
June 2, 2020

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Financial Position
(In thousands of dollars)

March 31, 2020, with comparative figures for March 31, 2019

	March 31, 2020	March 31, 2019
FINANCIAL ASSETS	\$	\$
Cash and cash equivalents (note 4)	28,842	17,556
Accounts receivable (note 5)	67,055	83,989
Debt sinking funds (note 8)	110,050	102,765
	205,947	204,310
LIABILITIES		
Accounts payable and accrued liabilities	36,855	36,394
Due to Province	926	-
Deferred revenue and contributions (note 6)	88,174	87,669
Deferred capital contributions (note 7)	273,811	259,608
Debt (note 8)	167,051	168,879
Employee future benefits (note 9)	22,184	22,083
	589,001	574,633
NET DEBT	(383,054)	(370,323)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10)	387,033	375,230
Inventories	16,671	14,210
Prepaid expenses	3,152	3,150
Prepaid lease payments	3,690	4,042
	410,546	396,632
ACCUMULATED SURPLUS		
Accumulated operating surplus	19,485	19,064
Accumulated remeasurement gains	8,007	7,245
	27,492	26,309

Commitments, contingent liabilities, contractual rights, contingent assets and significant events (notes 11, 12, 13, 14 and 24).

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:



Catherine Holt, Chair
May 28, 2020



Blair Redlin, Director
May 28, 2020

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Operations
(In thousands of dollars)

Year ended March 31, 2020, with comparative figures for March 31, 2019

	Budget 2020 (note 17)	March 31, 2020	March 31, 2019
REVENUE	\$	\$	\$
Operations	81,104	83,396	80,759
Government transfers:			
Provincial (note 15)	117,889	108,078	114,888
Local government (note 15)	113,572	108,589	97,263
Deferred capital contributions (note 7)	34,672	35,738	33,928
Investment and other income	5,663	7,732	3,987
	352,900	343,533	330,825
EXPENSES (note 16)			
Operations	252,242	244,587	241,715
Maintenance	68,610	66,088	55,607
Administration	32,048	32,741	30,370
	352,900	343,416	327,692
NET SURPLUS from operations	-	117	3,133
OTHER			
Disposal of capital assets			
Loss on disposal of capital assets	-	(1,322)	(281)
Other capital recoveries	-	495	233
Contributions for land purchase (note 15)	-	819	2,942
Gain on investments	-	348	18
Other expense	-	(36)	(29)
	-	304	2,883
ANNUAL SURPLUS	-	421	6,016
Accumulated operating surplus, beginning of year	19,064	19,064	13,048
Accumulated operating surplus, end of year	19,064	19,485	19,064

The accompanying notes are an integral part of these consolidated financial statements.

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Change in Net Debt
(In thousands of dollars)

Year ended March 31, 2020, with comparative figures for March 31, 2019

	Budget 2020	March 31, 2020	March 31, 2019
	Note 17		
	\$	\$	\$
Surplus for the year	-	421	6,016
Acquisition of tangible capital assets	(193,437)	(72,919)	(84,448)
Amortization of tangible capital assets	58,561	59,794	60,075
Disposal of tangible capital assets	-	1,322	281
	(134,876)	(11,382)	(18,076)
Acquisition of inventories of parts	-	(29,259)	(32,852)
Consumption of inventories of parts	-	26,798	27,650
Acquisition of prepaid expenses	-	(10,185)	(10,291)
Consumption of prepaid expenses	-	10,183	9,572
Consumption of prepaid leases	-	352	384
	-	(2,111)	(5,537)
Realized gain reclassified to operations	-	(348)	(18)
Gain on portfolio investment	-	1,110	1,226
	-	762	1,208
Increase in net debt	(134,876)	(12,731)	(22,405)
Net debt, beginning of year	(370,323)	(370,323)	(347,918)
Net debt, end of year	(505,199)	(383,054)	(370,323)

The accompanying notes are an integral part of these consolidated financial statements.

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Remeasurement Gains
(In thousands of dollars)

Year ended March 31, 2020, with comparative figures for March 31, 2019

	March 31, 2020	March 31, 2019
	\$	\$
Accumulated remeasurement gains, beginning of year	7,245	6,037
Unrealized gain on investments	1,110	1,226
Realized gain on investments, reclassified to Consolidated Statement of Operations	(348)	(18)
Accumulated remeasurement gains, end of year	8,007	7,245

The accompanying notes are an integral part of these consolidated financial statements.

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Cash Flows
(In thousands of dollars)

Year ended March 31, 2020, with comparative figures for March 31, 2019

	March 31, 2020	March 31, 2019
Cash provided by (used for):	\$	\$
Operating transactions		
Annual surplus	421	6,016
Non-cash charges to operations (note 18)	24,657	26,596
Changes in non-cash operating working capital (note 18)	15,594	(1,579)
Cash provided by operating transactions	40,672	31,033
Capital transactions		
Proceeds on disposal of tangible capital assets	81	118
Acquisition of tangible capital assets	(72,049)	(76,759)
Cash used for capital transactions	(71,968)	(76,641)
Investing transactions		
Purchase of debt sinking funds and investments	(8,355)	(9,856)
Redemption of debt sinking funds and investments	2,180	10,150
Cash (used for) provided by investing transactions	(6,175)	294
Financing transactions		
Debt repaid	(1,828)	(11,200)
Deferred capital contributions received	50,585	61,046
Cash provided by financing transactions	48,757	49,846
Increase in cash and cash equivalents	11,286	4,532
Cash and cash equivalents, beginning of year	17,556	13,024
Cash and cash equivalents, end of year	28,842	17,556
Supplemental cash flow information:		
Cash paid for interest	8,586	9,106
Cash received from interest	901	387

The accompanying notes are an integral part of these consolidated financial statements.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

1. Nature of Operations

British Columbia Transit (“BC Transit”) is a Crown corporation, established under the *British Columbia Transit Act*, as amended in 1998, to operate the urban transit systems in the Province of British Columbia (the “Province”) outside of the Metro Vancouver Regional service area. BC Transit is included in the government reporting entity of the Province of British Columbia and reports to the Legislative Assembly through the Ministry of Transportation and Infrastructure. BC Transit is exempt from income taxes under the *Income Tax Act*.

BC Transit, on behalf of the Victoria Regional Transit Commission (“VRTC”), is responsible for the administration of all funds raised by certain tax levies. These funds are recorded as a liability and summarized in note 6.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as required by section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia and supplemented by Regulation 198/2011 issued by the Province of British Columbia Treasury Board.

Regulation 198/2011 requires that restricted contributions be recognized as revenue in the period the restriction is met, and that restricted contributions for the purpose of acquiring or developing a depreciable tangible capital asset, be recognized as revenue at the same rate the amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

Canadian public sector accounting standards require government transfers, which do not contain a stipulation that creates a liability, to be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met. The Regulation allows for contributions externally restricted for specific purposes other than for the acquisition or development of a depreciable tangible capital asset to be recorded as a deferred contribution, and recognized into revenue in the year in which the stipulation or restriction on the contributions has been met by BC Transit. This results in differences in deferred capital contributions and accumulated operating surplus on the consolidated statement of financial position, and the government transfers revenue and annual surplus on the consolidated statement of operations. The impact of accounting for restricted contributions in accordance with Regulation 198/2011 is disclosed in Note 21.

(b) Basis of Consolidation

Consolidated Entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of organizations which are controlled by BC Transit. Controlled organizations are consolidated with inter-organizational transactions, balances, and activities eliminated on consolidation.

The following organizations are controlled by BC Transit and are fully consolidated in these financial statements:

TBC Vehicle Management Inc.	0922667 B.C. Ltd.
TBC Operations Inc.	0925406 B.C. Ltd.
TBC Properties Inc.	0928624 B.C. Ltd.
0915866 B.C. Ltd.	

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

2. Summary of Significant Accounting Policies (continued)

(c) *Deferred Contributions and Revenue Recognition*

Government transfers received relate to contributions from federal, provincial and local governments to fund capital projects, operating costs, amortization, sinking fund and interest payments.

Under Restricted Contributions Regulation 198/2011, government transfers are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services are recorded and referred to as deferred capital contributions and are recognized as revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized as revenue in the year in which the stipulation or restriction on the contribution has been met.

See note 21 for the impact of this regulation on these consolidated financial statements.

Transit user charges are recognized as operations revenue when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured and when services have been provided to the users. Transit passes purchased in advance of services being performed are deferred and recognized in the month the service is delivered.

(d) *Investment Income*

Investment income is reported as revenue in the period earned. When required by the funding party or related Act, investment income earned on deferred contributions is added to the investment and forms part of the deferred contributions balance.

(e) *Financial Instruments*

BC Transit has elected to measure specific financial instruments at fair value, to correspond with how they are evaluated and managed. These financial instruments are identified in this note by financial asset and financial liability classification and are not reclassified for the duration of the period they are held. All other financial assets and financial liabilities are measured at cost or amortized cost. The following classification system is used to describe the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category:

- Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2** Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3** Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available, and are most suitable and appropriate based on the type of financial instrument being valued, in order to establish what the transaction price would have been on the measurement date in an arm's-length transaction.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

2. Summary of Significant Accounting Policies (continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations. A write-down of an investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in bank and in transit, certificates of deposit and short-term investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a term to maturity of 90 days or less at acquisition, are held for the purpose of meeting short-term cash commitments rather than for investing, are reported at fair value and are measured using a Level 2 valuation.

(ii) Accounts receivable

Accounts receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made to reflect accounts receivable at the lower of cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowance are recognized in the consolidated statement of operations.

(iii) Debt sinking funds

Investments in sinking funds consist of Canadian, Provincial government and Crown corporation bonds managed by the British Columbia Investment Management Corporation ("BCI"), a corporation established under the *Public Sector Pension Plans Act*. Sinking fund investments are recorded at fair value and measured using a Level 1 valuation.

(iv) Debt and other financial liabilities

All debt and other financial liabilities are recorded using cost or amortized cost. Discounts and premiums arising on the issuance of debt are amortized over the term of the debt.

(f) Employee Future Benefits

- (i) BC Transit and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pension Plans Act*. Multi-employer, jointly-trusted pension plans follow defined contribution pension plan accounting. Contributions are expensed as they become payable.
- (ii) Outside of the Public Service Pension Plan, BC Transit maintains various benefit arrangements available to retired employees including non-pension post-retirement benefits (retiree hospital, drugs, vision, medical, MSP), post-employment benefits (vacation, overtime) and continuation of long-term disability benefits. The future obligations under these benefit plans are accrued as the employees render the services necessary to earn the benefit. Management, using an estimate of salary escalation and expected retirement ages, calculates the cost of the defined retirement benefit. The recorded liability represents these estimated future costs discounted to a present value

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

2. Summary of Significant Accounting Policies (continued)

using market interest rates applicable to BC Transit, and the cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan. The accrued employee benefit obligations and the net periodic benefit cost were estimated by an actuarial valuation completed effective for March 31, 2019, then extrapolated to March 31, 2020.

(g) *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. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

1. An environmental standard exists;
2. Contamination exceeds the environmental standard;
3. BC Transit:
 - a) is directly responsible; or
 - b) accepts responsibility; and
4. A reasonable estimate of the amount can be made.

As at March 31, 2020, BC Transit has not identified any contaminated sites that meet the criteria for recognition.

(h) *Non-Financial Assets*

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) *Tangible capital assets*

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, design, construction, development, improvement or betterment of the asset. The costs, less the residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land	Indefinite
Exchanges, shelters, and other transit infrastructure	3 – 40
Buildings – including major components	5 – 40
Vehicles – including major components	2 – 20
Other equipment	3 – 20

(ii) *Contributions of tangible capital assets*

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt with a corresponding entry made to deferred capital contributions. The contributed tangible capital assets are then amortized over their estimated useful lives.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

2. Summary of Significant Accounting Policies (continued)

(iii) *Interest capitalization*

Interest is capitalized whenever debt is issued to finance the construction of tangible capital assets. Interest is capitalized from the date of advance of funds until the assets are available for service.

(iv) *Inventories*

Inventories held for consumption are recorded at the lower of historical cost or replacement cost.

(v) *Impairment of tangible capital assets*

BC Transit monitors the recoverability of tangible capital assets. Whenever events or changes in circumstances indicate that the tangible capital asset no longer contributes to the ability to provide transit services or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down to residual value.

(vi) *Prepaid expenses and leases*

Prepaid expenses and leases include prepaid insurance, parts credits, prepaid software and prepaid property leases. These are expensed over the period they are expected to benefit.

(vii) *Intangible assets*

Intangible assets are not recognized in BC Transit's consolidated financial statements.

(i) **Measurement Uncertainty**

The preparation of 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 the revenues and expenses during the period.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Significant measurement uncertainty includes assumptions used in the determination of amortization periods, employee future benefits and estimating provisions for certain accrued liabilities including contingent liabilities. Actual results could differ from these estimates.

(j) **New Accounting Pronouncements**

Standards and interpretations issued that are relevant to the operations of BC Transit, but not yet effective include:

- (i) In March 2018, PSAB issued PS 3280, Asset Retirement Obligations. PS 3280 defines and establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets. The main features of PS 3280 are as follows:
 - An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.
 - Asset retirement costs associated with a tangible capital asset controlled by the entity increase the carrying amount of the related tangible capital asset (or a component thereof) and are expensed in a rational and systematic manner.
 - Asset retirement costs associated with an asset no longer in productive use are expensed.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

2. Summary of Significant Accounting Policies (continued)

- Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset (or a component thereof), or an expense, depending on the nature of the re-measurement and whether the asset remains in productive use.
- Asset retirement obligations include post-retirement operation, maintenance and monitoring.
- A present value technique is often the best method with which to estimate the liability.

PS 3280 applies to fiscal years beginning on or after April 1, 2021. Management is in the process of assessing the impact of adoption of PS 3280 on the consolidated financial statements of BC Transit.

- (ii) In June 2018, PSAB issued PS 3400 Revenue. PS 3400 proposes a framework describing two categories of revenue – transactions with performance obligations and transactions with no performance obligations. PS 3400 applies to fiscal years beginning on or after April 1, 2022. Management is in the process of assessing the impact of adoption of PS3400 on the consolidated financial statements of the BC Transit.

3. Revision of Comparative Figures

The following revisions have been made to the comparative figures:

1. Management has adjusted the comparative figures relating to an error identified in the calculation of interest during construction in prior periods.
2. The Victoria Regional Transit Commission approved revised terms, requiring their Transit Fund to be presented as a liability to BC Transit. Comparative figures have been revised to align with the current year presentation.

The revisions made are noted in the table below:

Consolidated statement of financial position:

	As previously reported	Change	March 31, 2019 Revised
	\$	\$	\$
Cash and cash equivalents	11,167	6,389	17,556
Deferred revenue and contributions	84,737	2,932	87,669
Deferred capital contributions	262,662	(3,054)	259,608
Tangible capital assets	381,741	(6,511)	375,230

Consolidated statement of operations:

	As previously reported	Change	March 31, 2019 Revised
	\$	\$	\$
Local government revenue	97,742	(479)	97,263
Deferred capital contributions	34,421	(493)	33,928
Operations expense	242,546	(831)	241,715
Maintenance expense	55,699	(92)	55,607
Administration expense	30,419	(49)	30,370

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

4. Cash and Cash Equivalents

Major components of cash and cash equivalents comprise the following:

	2020	2019
	\$	\$
Cash	8,594	17,534
Cash equivalents	20,248	22
Cash and cash equivalents	28,842	17,556

5. Accounts Receivable

Accounts receivable comprise the following:

	2020	2019
	\$	\$
Provincial:		
Operating	3,521	11,156
Capital grants	19,494	21,670
	23,015	32,826
Federal capital grants	20,537	25,243
Local governments	14,081	15,531
Trade and other	9,422	10,389
	67,055	83,989

6. Deferred Revenue and Contributions

Operating contributions that have been received, but not yet earned are reflected as deferred service funding.

Deferred contributions are recovered from government funding partners, these relate to the operating costs and capital cost of assets required to provide transit service. Differences between contributions received and costs incurred are deferred and used to fund transit services in future periods.

Deferred Victoria Transit funds are held on behalf of the VRTC. These funds are restricted for the use of funding transit in the Capital Regional District. Inflows to the VRTC fund include property taxes, gas tax and interest. Outflows are in the form of municipal billings and occur on a monthly basis.

Deferred sales represent transit fees received in advance of services being performed, these are recognized as revenue over the period the service is performed.

The deferred revenue and contributions, reported on the consolidated statement of financial position, comprise the following:

	2020	2019
	\$	\$
Deferred service funding contributions	23,965	45,769
Deferred contributions	46,533	34,947
Deferred Victoria Transit Fund	17,080	6,389
Deferred sales	596	564
Total deferred revenue and contributions	88,174	87,669

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

6. Deferred Revenue and Contributions (continued)

Continuity of deferred service funding, contributions and revenue:

	2020	2019
Deferred service funding contributions:	\$	\$
Balance, beginning of year	45,769	43,337
Service funding contributions received	69,609	69,163
Service funding contributions applied	(91,413)	(66,731)
Balance, end of year	23,965	45,769
Deferred contributions:		
Balance, beginning of year	34,947	25,549
Contributions received	39,910	41,500
Contributions used	(28,324)	(32,102)
Balance, end of year	46,533	34,947
Deferred Victoria Transit Fund		
Balance, beginning of year	6,389	3,760
Revenue fuel tax received	19,421	20,446
Revenue property tax received	31,753	28,863
Investment and other income received	285	80
Transfer from deferred service funding	9,434	-
Government transfers	(50,202)	(46,760)
Balance, end of year	17,080	6,389
Deferred sales		
Balance, beginning of year	564	609
Amounts received	1,362	1,355
Amounts recognized as revenue	(1,330)	(1,400)
Balance, end of year	596	564
Balance, end of year	88,174	87,669

7. Deferred Capital Contributions

Deferred capital contributions include federal, provincial and municipal grants subject to amortization on the same basis as the related asset.

	2020	2019
	\$	\$
Balance, beginning of year	259,608	232,605
Contributions	50,585	61,046
Impairment and disposals of capital assets	(644)	(115)
Amortization	(35,738)	(33,928)
Balance, end of year	273,811	259,608

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

8. Debt

BC Transit's debt, including principal and interest, is either held or guaranteed by the Province. BC Transit has not experienced any losses to date under this indemnity. Under the *British Columbia Transit Act*, BC Transit is subject to a borrowing ceiling limit of \$500 million in total. The Minister of Finance, as BC Transit's fiscal agent, arranges financing at BC Transit's request.

The gross amount of debt and the amount of sinking fund assets available to retire the debt are as follows:

	2020	2019
Debt has a weighted average rate of 5.08%, maturing at various dates to 2040, amortized from 9 to 30 years	\$167,051	\$168,879

The total debt principle and interest payments for the next five years are as follows:

	\$
2021	26,352
2022	22,445
2023	28,736
2024	5,436
2025	4,911
Thereafter	134,801

Investments held in sinking funds, including interest earned, are to be used to repay the related debt at maturity. Gain on investments includes \$348 (2019 - \$18) of realized gains on disposition of investments in sinking funds. Sinking fund investments are managed by the British Columbia Investment Management Corporation and have cost and market values as follows:

	2020		2019	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Provincial bonds	81,807	89,774	93,320	100,513
Money market funds	18,797	18,797	166	166
Corporate bonds	1,439	1,479	2,034	2,086
Total	102,043	110,050	95,520	102,765

Debt sinking fund installments in each of the next five years are as follows:

	\$
2021	4,279
2022	3,971
2023	3,766
2024	3,456
2025	3,433
Thereafter	14,328

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

8. Debt (continued)

In April 2017, BC Transit entered into an unsecured revolving credit facility with a Canadian financial institution totalling \$10 million. The credit facility may be terminated in whole or in part and shall be due on demand. Interest on the credit facility is based on the prime lending rate which is a variable per annum reference rate of interest for loans made by the Bank of Canada in Canadian dollars. Interest accrues on a day-to-day basis. At March 31, 2020, the facility was not in use.

In November 2002, BC Transit entered into a loan agreement pursuant to section 54(1) of the *Financial Administration Act* with the Minister of Finance and Corporate Relations to lend a maximum principal amount not to exceed \$90 million in Canadian currency. Terms and conditions of the loan state the Minister will use reasonable commercial efforts to comply with the borrowing requirements of BC Transit; however, the terms and conditions of the loan are within the sole discretion of the Minister. The maximum term on the loan is one year and can be another term as approved by the Minister and is due upon maturity. Interest on the loan is based on money market rates. As of March 31, 2020, BC Transit has not drawn on the facility.

9. Employee Future Benefit Obligations

BC Transit provides sick leave and other various benefits to its employees. These amounts and other employee-related liabilities will require funding in future periods and are set out below.

Continuity of employee future benefits liability:

	2020	2019
Accrued benefit liability:	\$	\$
Balance, beginning of year	22,083	21,022
Current benefit cost and event-driven expense	547	1,244
Interest	405	459
Amortization of actuarial gain	(478)	(298)
Benefits paid	(373)	(344)
Balance, end of year	22,184	22,083
Unamortized actuarial gain	(6,462)	(5,183)
Obligation for benefits	15,722	16,900

The employee future benefits liability reported on the consolidated statement of financial position comprises:

	2020	2019
	\$	\$
Non-pension post-retirement benefits	12,865	13,774
Post-employment benefits	904	859
Continuation of long-term disability benefits	1,953	2,267
Total obligation for benefits	15,722	16,900
Unamortized actuarial gain	6,462	5,183
Employee future benefit liability	22,184	22,083

The unamortized actuarial gain on future payments is amortized over the expected period of the liability which is 10 years (2019 – 10 years) for post-employment benefits and 10 years (2019 – 10 years) for post-retirement benefits.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

9. Employee Future Benefit Obligations (continued)

The actuarial assumptions adopted in measuring BC Transit's accrued benefit obligations are as follows:

	2020	2019
Discount rate	2.3% - 2.9%	2.7% - 2.9%
Assumed future salary increases	2.6% - 5.15%	2.60% - 5.15%
Weighted average health care trend - end of year	6.45% in 2020 grading to 3.76% in and after 2040	6.58% in 2019 grading to 3.76% in and after 2040
Dental and MSP trend - end of year	4.0%	4.0%

Public Service Pension Plan

BC Transit and its employees contribute to the Public Service Pension Plan, a jointly-trusted pension plan. The Public Service Pension Plan Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration benefits. The plan has approximately 133,000 active and retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the funding. The latest actuarial valuation as at March 31, 2017, indicated a funding surplus of \$1,896 million for basic pension benefits. The next valuation will be March 31, 2020, with results available later in 2020.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year. This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, and therefore there is no consistent and reliable basis for allocating the obligation, assets and costs to individual employers participating in the plan.

The total amount paid into this pension plan by BC Transit for the year ended March 31, 2020, for employer contributions was \$6,234 (2019 – \$5,736).

10. Tangible Capital Assets

Cost	Balance, March 31, 2019	Additions	Disposals	Transfers	Balance, March 31, 2020
	\$	\$	\$	\$	\$
Land	25,889	-	-	2,961	28,850
Exchanges, shelters and other transit infrastructure	66,880	-	-	1,172	68,052
Buildings	55,177	-	-	34,712	89,889
Vehicles	527,266	-	(34,572)	28,407	521,101
Other equipment	67,601	-	-	16,513	84,114
Capital projects in progress	38,383	72,919	(512)	(83,765)	27,025
Total	781,196	72,919	(35,084)	-	819,031

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

10. Tangible Capital Assets (continued)

	Balance, March 31, 2019	Disposals	Amortization	Transfers	Balance, March 31, 2020
Accumulated amortization	\$	\$	\$	\$	\$
Exchanges, shelters and other transit infrastructure	25,917	-	5,227	-	31,144
Buildings	29,785	-	2,173	-	31,958
Vehicles	301,294	(33,762)	45,994	-	313,526
Other equipment	48,970	-	6,400	-	55,370
Capital projects in progress	-	-	-	-	-
Total	405,966	(33,762)	59,794	-	431,998

	Balance, March 31, 2019	Balance, March 31, 2020
Net book value	\$	\$
Land	25,889	28,850
Exchanges, shelters and other transit infrastructure	40,963	36,908
Buildings	25,392	57,931
Vehicles	225,972	207,575
Other equipment	18,631	28,744
Capital projects in progress	38,383	27,025
Total	375,230	387,033

Cost	Balance, March 31, 2018	Additions	Disposals	Transfers	Balance, March 31, 2019
	\$	\$	\$	\$	\$
Land	25,294	-	-	595	25,889
Exchanges, shelters and other transit infrastructure	64,171	-	-	2,709	66,880
Buildings	55,309	-	-	(132)	55,177
Vehicles	490,884	-	(35,010)	71,392	527,266
Other equipment	57,707	-	-	9,894	67,601
Capital projects in progress	38,397	84,447	(3)	(84,458)	38,383
Total	731,762	84,447	(35,013)	-	781,196

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2020, with comparative figures for March 31, 2019

10. Tangible Capital Assets (continued)

	Balance, March 31, 2018	Disposals	Amortization	Transfers	Balance, March 31, 2019
Accumulated amortization	\$	\$	\$	\$	\$
Exchanges, shelters and other transit infrastructure	20,793	-	5,124	-	25,917
Buildings	27,889	-	1,896	-	29,785
Vehicles	288,867	(34,733)	47,160	-	301,294
Other equipment	43,075	-	5,895	-	48,970
Capital projects in progress	-	-	-	-	-
Total	380,624	(34,733)	60,075	-	405,966

	Balance, March 31, 2018	Balance, March 31, 2019
Net book value	\$	\$
Land	25,294	25,889
Exchanges, shelters and other transit infrastructure	43,378	40,963
Buildings	27,420	25,392
Vehicles	202,017	225,972
Other equipment	14,632	18,631
Capital projects in progress	38,397	38,383
Total	351,138	375,230

Assets under construction having a value of \$27,025 (2019 - \$38,383) have not been amortized. Amortization of these assets will commence when the asset is available for service.

During the year, assets with a net book value of \$1,322 (2019 - \$281) were written off. Interest capitalized for capital projects in 2020 was \$nil (2019 - \$nil).

11. Commitments

BC Transit has outstanding commitments as summarized below:

	2021	2022	2023	2024	2025
	\$	\$	\$	\$	\$
Operating leases	1,711	1,486	1,441	1,075	973
Facilities	12,358	208	-	-	-
Vehicle purchases	60,186	20,413	-	-	-
Operating contracts	5,917	5,752	5,883	6,025	6,170
Total	80,172	27,859	7,324	7,100	7,143

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12. Contingent Liabilities

The nature of BC Transit's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at March 31, 2020, management has determined that BC Transit has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the financial position of BC Transit.

BC Transit provides secured letters of credit where required for development permits or other activities. The letters of credit are held by a beneficiary who can request a draw on BC Transit's bank account for the specified amount in the event of non-compliance. At March 31, 2020, there were seven letters of credit outstanding for a total amount of \$3,184, none of which have been drawn upon.

13. Contractual Rights

BC Transit has three contractual rights contribution agreements with the Province of British Columbia which are summarized below:

- i. Funding for the provincial share of operating services to March 31, 2021 through a three-year operating program contribution agreement for \$115,296.
- ii. Funding to acquire tangible capital assets as part of Canada and British Columbia's Public Transit Infrastructure Fund. The contribution agreement allows federal funding of up to \$3,912 and provincial funding of up to \$2,509 for future fiscal years to fund eligible expenditures incurred to March 31, 2021, as defined within the agreement.
- iii. Funding to acquire tangible capital assets as part of Canada and British Columbia's investing in Canada Infrastructure Program. Approved projects under the contribution agreement allow federal funding of up to \$90,463 and provincial funding of up to \$85,174 for future fiscal years to fund eligible expenditures incurred to December 31, 2027, as defined within the agreement.

14. Contingent Assets

BC Transit occasionally experiences losses which are expected to be covered by insurance. There were no claims in process for losses on tangible capital assets at March 31, 2020 (2019 - \$nil).

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15. Government Transfers

The transfers reported on the consolidated statement of operations are:

	2020	2019
Government transfers:	\$	\$
Provincial contributions:		
Operating transfers	108,078	114,888
Deferred capital contributions	25,018	25,721
Write-off of capital assets	644	115
Contributions for land purchase	819	440
	134,559	141,164
Federal contributions:		
Deferred capital contributions	9,566	6,992
Write-off of capital assets	58	-
	9,624	6,992
Local government contributions:		
Transfers under cost share agreements	108,589	97,263
Deferred capital contributions	912	967
Contributions for land purchase	-	2,502
	109,501	100,732
Other:		
Deferred capital contributions	242	248
Total government transfers	253,926	249,136

16. Classification of Expense By Object

	Budget	2020	2019
	\$	\$	\$
Contracted management fees, wages and benefits	105,403	105,897	99,380
Salaries, wages and benefits	88,190	87,501	80,576
Amortization of capital assets	58,561	59,794	60,075
Fuel and lubricants	31,666	26,149	26,515
Fleet maintenance	24,365	21,410	18,322
Interest	9,473	8,586	9,106
Insurance	6,618	6,542	6,317
Facility maintenance	5,699	5,293	4,816
Information systems	5,353	4,772	4,168
Leases and taxes	4,897	4,754	4,062
Major projects and initiatives	470	259	3,549
Corporate expenses	2,809	2,973	2,539
Local government expenses	2,352	2,352	2,273
Marketing and communications	2,290	2,172	2,117
Taxi programs	2,081	2,285	1,793
Contracted and professional fees	1,552	1,684	1,257
Travel and meetings	1,121	993	827
Total operating expenses	352,900	343,416	327,692

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
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17. Budget Data

The budget data presented in these consolidated financial statements was included in the 2019/20-2021/22 Service Plan approved by the Board of Directors on January 31, 2019, and by the Government of British Columbia on February 18, 2019.

18. Additional Information For the Statement of Cash Flows

	2020	2019
Non-cash charges to operations:	\$	\$
Amortization of debt discount	-	35
Amortization of tangible capital assets	59,794	60,075
Amortization of prepaid lease	352	384
Gain on the disposal of debt sinking funds	(348)	(18)
Loss on the disposal of tangible capital assets	597	48
Amortization of deferred capital contributions	(35,738)	(33,928)
	24,657	26,596
Changes in non-cash operating working capital:		
Accounts receivable	16,934	(15,903)
Accounts payable and accrued liabilities	461	12,790
Provincial revenue and funding payable	926	(332)
Deferred revenue and contributions	505	14,415
Employee future benefits	101	1,061
Inventories of parts	(2,461)	(5,202)
Prepaid expenses	(2)	(719)
Net change in accrued acquisition of tangible capital assets	(870)	(7,689)
	15,594	(1,579)

19. Financial Instruments

(a) Fair Value

The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities, approximates their fair value due to the relatively short periods to maturity of the instruments. Debt sinking funds are reflected on the consolidated statement of financial position at fair value.

In evaluating the fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and/or different valuation techniques may have a material effect on the estimated fair value amounts for financial instruments. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange.

(b) Risks Associated With Financial Assets and Liabilities

BC Transit is exposed to financial risks from its operating expenses, financial assets and liabilities. The financial risks include market risk relating to commodity prices, interest rates and foreign exchange risks as well as credit risk and liquidity risk.

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19. Financial Instruments (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises commodity price risk, interest rate risk, foreign exchange risk and credit risk as discussed below.

Commodity Price Risk

BC Transit is exposed to commodity price risk. Commodity price risk and volatility has a significant impact on BC Transit's fuel costs. Management continually monitors the exposure to commodity price volatility and assesses possible risk mitigation strategies including continuing to buy at rack prices, use of alternative fueling technologies, entering into physical fixed price agreements to fix all or a portion of fuel prices with a supplier, and/or the potential to enter into financial commodity derivative contracts. Management does not have the authority under the *British Columbia Transit Act* to enter into financial commodity derivative contracts directly. The ability for management to execute physical hedge agreements with suppliers is governed under formal policies and is subject to limits established by the Board of Directors. No such hedge agreements were entered into during the year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. BC Transit is exposed to interest rate risk to the extent that there are changes in the prime interest rate. BC Transit may, from time to time, enter into interest rate swap contracts to manage exposure to interest rates and cash flow risk. No such derivative contracts were entered into during the year.

Foreign Exchange Risk

BC Transit is exposed to currency risk on purchases of various capital assets and parts from suppliers requiring payment in either US dollars or pounds sterling. These risks are monitored and can be mitigated by management by entering into foreign currency option agreements. There were no such arrangements entered into during the year.

Sensitivity Analysis

The following table is a sensitivity analysis indicating the impact on annual surplus of a change in each type of market risk discussed above. The sensitivity analysis is based on reasonable possible movement within the forecast period, being one year. These assumptions may not be representative of actual movements in these risks and should not be relied upon. Given the volatility in the financial and commodity markets, the actual percentage changes may differ significantly from the outcomes noted below. Each risk is contemplated independent of other risks.

Estimated impact of a 1% change on annual surplus:	\$
Interest rate risk	226
Foreign exchange risk	519
Commodity risk (fuel)	267

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19. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that BC Transit will encounter difficulty in meeting obligations associated with financial liabilities as they come due. BC Transit manages liquidity risk through its cash, debt, sinking fund and funding management initiatives. Accounts payable and accrued liabilities are due in the next fiscal year. Maturity of long-term debt is disclosed in note 8. Other commitments with future minimum payments are disclosed in note 11.

Credit Risk

Credit risk is the potential for financial loss to BC Transit if the counterparty in a transaction fails to meet its obligations. Financial instruments that potentially give rise to concentrations of credit risk include cash and cash equivalents, accounts receivable and debt sinking funds where they are invested in Canadian Money Market and Bond Funds. It is management's opinion that BC Transit is not exposed to any significant credit risk due to the credit worthiness of the investments and collectability of accounts receivable.

(c) Capital Disclosures

BC Transit defines capital as accumulated surplus plus deferred capital contributions. BC Transit receives the majority of these capital funds from federal, provincial or municipal government partners.

BC Transit's objective when managing capital is to meet its current Service Plan initiatives with the current funding available. BC Transit manages its capital structure in conjunction with the Province and makes adjustments to its Service Plan and related budgets based on available government funding. The focus is to ensure that service levels are preserved within the funding restrictions by the Province and municipal partners.

BC Transit is not subject to debt covenants or other restrictions with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined by the funding party. BC Transit has complied with the external restrictions on any external funding provided.

20. Related-Party Transactions

There are certain parties that are considered related due to their ability to exercise control over the financial and operating policies of BC Transit. All transactions between BC Transit and its related parties are considered to possess commercial substance and are consequently recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As a Crown corporation of the Province, BC Transit and the Province are considered related parties. Provincial transactions and balances have been disclosed elsewhere in these consolidated financial statements (note 15).

The BC Transit Board of Directors and Senior Leadership Team are also considered related parties. Transactions consist of remuneration and expense reimbursement.

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21. Impact of Accounting For Government Transfers in Accordance With Section 23.1 of the *Budget Transparency and Accountability Act*

As noted in the significant accounting policies, note 2(a), section 23.1 of the *Budget Transparency and Accountability Act* and Restricted Contributions Regulation 198/2001 allow for contributions externally restricted for specific purposes other than for the acquisition or development of a depreciable tangible capital asset to be recorded as a deferred contribution, and recognized into revenue in the year in which the stipulation or restriction on the contributions has been met by BC Transit, and also require BC Transit to recognize government transfers for the acquisition of capital assets as revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized as revenue. The impact of correcting this difference on the consolidated financial statements of BC Transit is as follows:

As at March 31, 2020, a decrease in deferred capital contributions by \$274,041 (2019 – \$259,608), and an increase in accumulated surplus by \$274,041 (2019 – \$259,608).

For the year ended March 31, 2020, an increase in annual surplus by \$14,433 (2019 – increase by \$27,003).

22. Investment in Transportation Property and Casualty Company Inc.

In January 2010, the Board of Directors approved the withdrawal from the Transportation Property and Casualty Company Inc. Program (“TPCCP”). As a replacement to TPCCP, BC Transit procured a comprehensive stand-alone insurance coverage program effective April 1, 2010, which is renewed annually. Claims which have been registered and served prior to the withdrawal from the TPCCP, continue to be settled in an orderly manner and BC Transit will continue to monitor these claims. \$1,828 (2019 - \$1,828) remains in cash equivalents to offset other potential future claims. See note 12 for further details regarding unsettled claims.

23. Economic Dependency

BC Transit is dependent on receiving government transfers from the Province of British Columbia and Local Government Partners for its continued existence and ability to carry out its normal activities.

24. Significant Events

In March 2020, the World Health Organization declared a global pandemic related to the coronavirus disease known as COVID-19. The impacts to the economy are expected to be far reaching. BC Transit has been impacted with decreased ridership and temporary cancellation of fare collection starting on March 19, 2020.

The impacts to BC Transit are being assessed, but the nature and amount are still to be determined.