


BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 9

STATEMENT OF FINANCIAL INFORMATION APPROVAL

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 & Chief Financial Officer
Date: 2019/10/03

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

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 9

STATEMENT OF FINANCIAL INFORMATION APPROVAL

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
Date: October 7, 2019

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, 2019

Debt Issue	Debt Issue	Debt Type	Maturity	Rate	Currency	Principal	Sinking Fund Book Value	Sinking Fund Market Value
BCCP-62	BCT-CP-62	Bond	10-Mar-2020	6.44%	CAD	1,828,000	2,084,378	2,147,713
BCCP-63	BCT-CP-63	Bond	10-Apr-2020	6.43%	CAD	17,770,000	19,303,831	19,973,093
BCCP-169	BCCP-169	Bond	10-Dec-2020	3.86%	CAD	1,300,000	877,635	885,977
BCCP-70	BCT-CP-70	Bond	10-Apr-2021	6.33%	CAD	11,300,000	12,276,167	12,893,703
BCCP-176	BCCP-176	Bond	8-Aug-2021	3.39%	CAD	2,571,958	1,546,013	1,565,879
BCCP-77	BCT-CP-77	Bond	13-Nov-2021	5.97%	CAD	2,100,000	1,649,224	1,773,984
BCCP-82	BCCP-82	Bond	10-Jun-2022	6.27%	CAD	8,140,000	6,094,727	6,600,963
BCCP-84	BCCP-84	Bond	12-Aug-2022	6.05%	CAD	9,100,000	8,620,958	9,143,362
BCCP-85	BCCP-85	Bond	10-Sep-2022	5.74%	CAD	6,110,000	6,451,430	6,838,879
BCCP-142	BCCP-142	Bond	9-Dec-2023	5.02%	CAD	500,000	247,496	262,847
BCCP-107	BCCP-107	Bond	11-Jul-2025	4.57%	CAD	3,179,500	1,687,053	1,899,166
BCCP-108	BCCP-108	Bond	11-Aug-2025	4.61%	CAD	5,000,000	2,666,696	2,977,377
BCCP-173	BCCP-173	Bond	11-Jul-2026	4.01%	CAD	29,056,381	10,666,843	11,318,034
BCCP-113	BCCP-113	Bond	8-Aug-2026	4.78%	CAD	1,711,057	799,230	923,394
BCCP-119	BCCP-119	Bond	11-Dec-2026	4.30%	CAD	8,285,000	4,022,995	4,556,636
BCCP-128	BCCP-128	Bond	9-Oct-2027	4.86%	CAD	2,200,000	906,580	1,048,630
BCCP-139	BCCP-139	Bond	7-Oct-2028	4.98%	CAD	7,212,000	2,671,269	3,053,248
BCCP-143	BCCP-143	Bond	9-Dec-2028	5.19%	CAD	2,747,000	991,889	1,138,145
BCCP-145	BCCP-145	Bond	11-May-2029	5.01%	CAD	22,500,000	7,505,129	8,582,537
BCCP-174	BCCP-174	Bond	11-Jul-2031	4.21%	CAD	6,145,256	1,457,157	1,606,023
BCCP-157	BCCP-157	Bond	9-Mar-2040	4.60%	CAD	11,423,000	1,783,000	2,130,738
BCCP-159	BCCP-159	Bond	12-Apr-2040	4.73%	CAD	8,700,000	1,209,757	1,444,451
Total						168,879,152	95,519,457	102,764,779

BRITISH COLUMBIA TRANSIT

FIR, Schedule 1, Section 5 (1)

Schedule of Guarantees & Indemnity Agreements
For the Year Ended March 31, 2019

Guarantee Agreements

No guarantee agreements were in effect at March 31, 2019.

Indemnity Agreements

Unitech Construction Management Ltd.
Neovation Corporation

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, 2019

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	\$ 20,250	\$ 1,584
Cairns, Kelly	14,000	2,704
LeClerc, Carol	10,750	2,992
Milne, Wendal	10,750	956
Members of the Commission and Board of Directors		
Brice, Susan	11,500	863
Hamilton, Carol	8,525	823
Members of the Commission		
Desjardins, Barbara	450	-
Helps, Lisa	600	-
Atwell, Richard	150	-
Finall, Alice	300	-
Tait, Maja	300	-
Young, Geoff	600	-
Dubow, Sharmarke	150	-
Haynes, Fred	150	-
Martin, Robert	150	-
Murdoch, Kevin	150	-
Orr, Geoff	150	-
Alto, Marianne	-	-
Total Remuneration and Expenses	\$ 78,925	\$ 9,922

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, 2019

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Abbott, William	\$ 78,498	-
Abraham, Eric	116,436	-
Adrienne Svoboda, Jennifer	77,778	-
Ages, Mark	102,279	-
Alder, David	88,311	-
Allan, David	95,968	-
Anderson, Brian	192,497	16,562
Anderson, Stephen	107,423	25,646
Andrei, Gabriel	106,937	-
Andrzejewski, Dariusz (Darek)	80,347	-
Appleby, Timothy	75,569	-
Arneson, Monty	77,849	-
Atlas, Baljit	86,389	-
Aveyard, Pauline	87,664	2,136
Bailer, Daniel	90,032	-
Baker, Mark	98,779	-
Bakewell, Robert	84,372	-
Ball, Michael	78,466	-
Baluch, James	82,890	540
Banerd, Christopher	81,286	-
Banerd, Warren	110,099	-
Banning, Mark	79,198	-
Barnes, Jeannett	82,041	-
Barry, John	97,181	-
Baskett, William	89,907	-
Beattie, Neal	78,664	-
Beaulieu, Loretta	81,160	1,419
Bell, Aron	85,442	-
Bell, Gerald	92,197	-
Bellows, Brian	91,639	-
Bentley, Matthew	78,424	-
Berekoff, Nicolette	89,629	-
Bhattacharjee, Sankalpa	82,787	17,674
Booth, Lesley	75,741	-
Booth, Michael	100,714	3,129
Boss, James	107,977	-
Boyd, Matthew	112,447	14,293
Braga, Adelio (Adel)	75,732	-
Brilz, Grant	92,314	5,982
Brisbane, Craig	81,533	-
Broydell, Nancy	88,183	2,901
Bunce, Evan	105,078	-
Burden, Kerry	75,027	-
Burgoyne, Patricia	75,303	-
Byrne, Denny	130,089	9,362
Campbell, Debra	98,988	1,560
Carragher, Jennifer	79,815	-
Carrington, Juliet	75,537	-
Cathrea, Michael	77,830	-

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Charchuk, Eric	80,622	-
Chisholm, Kathleen	92,881	-
Chisholm, Robert	92,395	12,679
Chown, Jennifer	83,737	624
Coleman, Jeffrey	89,948	4,555
Connelly, Jacquelin	85,438	979
Conner, Gregory	176,683	14,513
Corbett, Neil	109,898	16,115
Correa, Michael	82,758	-
Costello, Maryanne	80,974	-
Couch, Nigel	93,088	14,955
Craig, Michael	98,113	-
Cronk, Terry	90,730	-
Dallaway, Steven	87,063	9,155
Danks, Matthew	96,340	-
Dann, Jeremy	90,475	-
De Laet, Sheryl	75,042	-
Dennis, Ryan	83,477	2,192
deVooght, Pamela	86,150	-
DeYaeger, Kyle	81,042	-
Dickie, Glenn	89,142	-
Dickinson, Guy	82,680	-
Dosanjh, Tarinder	89,533	-
Drake, Ryan	85,911	334
Duberry, A.M. Larry	79,718	-
Duncan, Alexander	97,178	-
Dunning, Tara	98,981	113
Dyck, Jonathon	97,839	3,063
Dyson, Ronald	88,433	-
Edmonstone, Mordecai	90,677	20
Egginton, Garry	102,277	-
English, Joseph	83,698	-
Ferguson, B. Brent	76,350	-
Flemming, Ronald	89,708	-
Fletcher, Bob	95,674	-
Fortier, Clayton	88,900	-
Freire, Andrew	92,934	2,382
Frias, Robert	86,994	-
Fudge, Christopher	97,817	22,809
Furlong, Marie-Andree	90,792	1,672
Gaug, Ronald	86,726	-
Gervais, Justin	91,424	2,637
Ghosh, Jay	93,361	-
Gibbs, Neil	85,319	3,427
Gibson, Matthew	97,891	-
Gill, Amarjit	115,227	-
Gimse, C. Bjorn	89,544	15,327
Golchin, Manny	84,544	-
Goosney, Michael	79,589	-
Gotto, Michael	81,015	-
Green, F. Nate	104,994	-
Gubby, Nick	76,515	-
Guthrie, David	122,552	-
Hales, Graham	81,985	-
Hall, Curtis	96,579	-
Hall, Robert	102,467	14,486
Halliday, Kenneth	78,670	2,183

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Hamilton, Daryl	95,286	20
Hamilton, Gordon	77,197	-
Harper, Christopher	80,385	-
Harrington, Michael	79,302	-
Harriott, Danielle	87,146	15,548
Harris, Spencer	89,802	-
Hart, Robert	89,927	12,541
Hartley, Thomas	112,078	-
Hattie, Mike	95,790	-
Head, Bruce	104,077	-
Hegar, Mark	88,033	6,005
Henderson, W. Neil	116,335	-
Hileman, Garth	81,558	-
Hill, Gregory	90,465	2,823
Hill, Luke	80,471	-
Hill, Megan	124,472	113
Hitchborn, Justin	77,714	369
Hobbs, Donna	123,797	2,749
Hooper, Carolyn	88,572	624
Houssin, Gregory	77,478	-
Huber, Geoffrey	89,829	2,112
Huff, Norma	84,176	-
Hunter, Lori	108,864	3,627
Isbister, Sean	88,337	-
Jensen, Shawn	75,547	-
Johnson, Sarah	82,944	29
Joki-Erkkila, Juha	99,406	-
Jones, Kenneth	96,883	-
Jones, Leanne	101,985	-
Jones, Ronald	98,592	52
Juanicotena, Fernando	88,665	-
Kiefer, Christopher	82,201	-
King, Dustin	92,914	-
Kitchener, James	79,969	-
Klee, Robin	78,654	-
Kovacs, Joseph	75,129	-
Krenbrink, Terry	75,263	-
Kuwert, A. Eric	103,226	113
Lamb, Aaron	173,980	8,727
Lance, Paul	89,816	20
Langridge, Terry	125,561	-
Lavoie, Jason	85,981	869
Lay, Melissa	79,354	-
LeClair, James	79,460	-
Leslie, Coralie	132,389	-
Lever, William	86,314	-
Levitt, Alexander	80,383	-
Locke, Michael	94,288	-
Lott, Bridget	80,248	840
Loughran, Elizabeth	76,290	1,670
Louis, Donald	80,964	-
Lowery, James	81,153	-
Lowther, Don	88,410	175
Lysne, Philip	88,434	-
MacDonald, John	83,311	-
MacPhee, Todd	88,458	922
Maguire, Tristan	93,233	-

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Maier, E. Karl	102,232	-
Mar, Wayne	102,685	-
Marchand, Joseph	75,027	-
Maric, Goran	100,405	-
Marson, Brooke	79,892	-
Massa, Douglas	81,383	-
Matechuk, Michael	108,662	5,745
Maxwell, James	86,951	4,209
McCallum, Shannon	78,674	50
McCarthy, C. Wayne	76,583	-
McColeman, Stephen	75,561	-
McConnell, Shellene	80,347	8,991
McCoy, David	100,348	1,212
McFarlane, Timothy	88,587	2,331
McGregor, Peter	78,446	-
McKeracher, Kristen	84,129	401
McMullen, Adriana	90,718	15,440
McNeill, Terry	100,343	-
McRae, Norma	82,684	-
Megenbir, Levi	86,537	17,611
Melanson, Terrence	123,552	-
Millar, Lloyd	75,207	-
Miller, Andrew	84,849	536
Miller, Neil	75,243	-
Milligan, Donald	106,094	1,198
Millward, Steven	102,603	6,443
Millwater, Kenneth	76,022	-
Mockford, Donald	82,142	-
Mohat, Robert	82,723	-
Montgomery, Tony	85,201	-
Moore, Myrna	97,635	9,164
Morgan, Ian	79,355	-
Morgan, Paula	75,004	-
Morin, William	76,837	50
Morrison, Gary	77,570	-
Moss, Gary	83,930	-
Moutan, David	79,627	-
Mumeni, Ahmed	85,634	10,107
Munro, Timothy	80,637	-
Murray, Catriona	95,687	1,197
Myers, Ann	102,921	2,834
Naylor, William	88,759	20
Nelson, Eric	113,566	16,544
Nicol, Jesse	79,816	-
Niessen, Cassandra	93,993	4,045
Nordstrom, Errol	97,889	3,425
O'Connell, Kaitlin	76,386	-
Olague, Jose	104,643	-
Oppermann, Claire	76,198	-
Orr, Graham	104,208	2,200
Palmer, John	123,222	2,372
Pancel, Michael	86,870	-
Pandher, Manmohan	105,082	-
Parker, Wayne	97,934	-
Parrett, Kevin	101,318	-
Patterson, Leslie	118,115	47,388
Pearson, Leah	78,279	-

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Perry, Dallas	93,910	-
Perry, Daniel	80,595	734
Peters, Bruce	105,630	-
Peterson, Todd	101,242	-
Pheiffer, Mark	92,892	-
Phillips, Sarah	83,662	1,221
Pimentel, Fernando	78,155	-
Pinkerton, Erinn	231,846	12,439
Proud, Lawrence	108,462	1,583
Prudhon, Colin	88,237	-
Quaite, Bradach	84,352	9,615
Quamina, David	78,718	-
Ram, Jim	75,280	-
Reaney, Greg	81,534	-
Redden, Glen	90,671	-
Rego, Pedro	82,631	-
Ribeiro, Louie	93,504	20
Ridout, Christy	155,270	8,147
Ridout, Shawn	93,176	-
Ringma, Robert	94,201	14,751
Robinson, Jonathan	82,207	-
Robinson, Richard	76,099	-
Rosenke, Matthew	77,757	-
Rowden, Ian	81,549	10,700
Rowe, Kevin	90,014	5,304
Ruch, Freddy	99,312	-
Ruffolo, Salvatore	85,735	1,264
Sagar, Navtej	79,880	-
Saluja, Amarjyot	87,657	-
Scagliati, Mario	100,720	-
Schaefer, Mark	84,939	20
Schaerer, Jurgen	82,420	-
Schubert, Kevin	125,152	5,539
Schulz, Boyd	78,617	-
Seaman, Paul	90,264	-
Semutakirwa, Parfait	81,226	-
Shular, Hali	77,234	-
Sidhu, Dalbir	84,636	9,415
Singh, Vincent	80,567	-
Somerset, Christian	78,015	-
Sousa, Paul	76,589	-
Spencer, Kevin	78,900	998
Spier, Brian	80,504	369
Spingat, Lothar	91,277	-
Stewart, Alan	88,933	2,733
Stillings, Jeremy	82,481	8,058
Stoker, Phillip	76,573	-
Strandlund, Teresa	93,287	705
Strumpski, Bert	82,723	-
Stublely, Wade	94,766	-
Summers, Gwen	91,447	3,965
Taggart, Michael	75,649	-
Takhar, Gursev	105,491	-
Taylor, Lindsay	82,590	3,770
Thomas, Desikan	87,874	8,160
Thomas, James	77,542	113
Thomas, W. Alan	184,513	6,917

EMPLOYEE NAME	*REMUNERATION	TOTAL EXPENSES
Thomson, Kobi	81,242	4,491
Thornton-Joe, Philip	87,816	188
Timmermans, Levi	114,570	2,486
Timmins, Ryan	93,776	-
Trahan, Mike	80,828	-
Trails, Theresa	76,033	-
Trotter, Lisa	95,878	15,396
Tsui, Alexandre	91,438	-
Tyler, Robert	76,694	-
Van Doormaal, Paul	77,490	-
van Munster, J. Kent	86,453	17,413
Van Schaik, Adolf	117,588	-
Vanderkuyl, Paul	95,614	-
Viger, Albert	79,001	20
Wadsworth, James	107,426	1,863
Wakefield, Christopher	80,195	2,721
Walker, Douglas	94,499	22,901
Waring, Andrew	88,169	-
Watson, William	91,073	405
Weatherell, Timothy	88,181	-
Weeks, James	79,321	6,986
Wells, Michael	79,279	-
White, Andrew	86,573	8,356
White, Kelvin	107,399	971
Wiles, William	83,667	-
Will, Jeffrey	114,069	-
Wilson, Allan	84,078	20
Wilson, Brandi	80,450	4,698
Wilson, Christopher	76,353	-
Wise, Jason	90,952	-
Wood, Terri	77,479	5,925
Woodruff, Joseph	108,931	-
Yates, Christopher	86,596	-
Yeo, G. Keith	75,163	-
Yeo, Tim	80,382	-
Yusef, Mazen	81,869	1,231
Zaporojets, Vitalii	85,415	3,000
Zarft, Christopher	78,279	-
Zimmerman, Melissa	110,767	2,287
Over 75,000 Remuneration	\$ 28,836,472	\$ 686,783
Less than 75,000 Remuneration	39,015,353	531,791
Grand Total Employees	67,851,825	1,218,574

*Remuneration in 2019 is based on a 26-pay period cycle (2018 - 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, 2019

Total remuneration - elected officials, employees appointed by Cabinet and members of the Board of Directors	\$ 78,925
Total remuneration - other employees	67,851,825
Subtotal	<u>\$ 67,930,750</u>
Less: Capitalized remuneration	(2,804,167)
Less: Members of the Board of Directors' remuneration	(78,925)
Plus: Employee benefits	15,888,520
Plus: Other employee payments	753,325
Plus: Change in Accrued Payroll Liabilities & Amounts Due to Timing	(1,113,257)
Total per Statement of Revenue and Expenditure	<u><u>\$ 80,576,246</u></u>

BRITISH COLUMBIA TRANSIT

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

Statement of Severance Agreements
For the Year Ended March 31, 2019

There were 11 severance agreements made between BC Transit and its non-unionized employees during the fiscal year 2018/2019.

These agreements represent from one to eighteen months of compensation.

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

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, 2019

Vendor Name	Aggregate Amount Paid
1172192 B.C. LTD.	\$ 63,883
4REFUEL CANADA LTD.	27,138
627535 B.C. LTD.	95,082
A.C.E. COURIER	77,042
ACCIONA FACILITY SERVICES CANADA	323,925
ACCORD METAL FABRICATORS LTD.	29,713
ACKLANDS-GRAINGER INC.	38,702
ACME SUPPLIES LTD.	38,308
ALEXANDER DENNIS (CANADA) INC.	48,725
ALEXANDER DENNIS INC.	1,220,791
AMPCO MANUFACTURERS INC.	194,306
APPNOVATION TECHNOLOGIES INC.	49,043
ARCHIE JOHNSTONE PLUMBING & HEATING LTD.	1,634,782
ARCHITECTURE49 INC	2,665,079
ARI FINANCIAL SERVICES INC.	70,627
ARROW & SLOCAN LAKES COMMUNITY	1,499,552
ASJ CONTRACTING LTD.	136,617
AXION TECHNOLOGIES LTD.	262,353
BAKER TRANSIT PARTS INC.	82,782
BC HYDRO	569,321
BC HYDRO (CONSTRUCTION COSTS)	62,069
BCT EMPLOYEE HEALTH & BENEFIT TRUST	75,334
BELLA COOLA VALLEY BUS COMPANY LTD.	251,853
BELLTECH ELECTRIC INC.	396,612
BERKS INTERTRUCK LTD.	38,443
BERRY & SMITH TRUCKING LTD.	109,121
BETTER CHOICE STAFFING LTD.	78,121
BLR FABRICATION INC.	159,139
BLUEBIRD CABS LTD.	342,486
BRC GROUP	3,088,770
BRODEX INDUSTRIES LTD	40,968
CAMPUS NISSAN	88,597
CANADA TICKET INC.	193,172
CANADIAN ENERGY	119,824
CANADIAN FREIGHTWAYS	30,949
CANADIAN LINEN AND UNIFORM	99,525
CAPITAL REGION EMERGENCY SERVICES	511,440
CAREFREE SOCIETY	1,502,862
CASCADIA PROJECT SERVICES INC.	375,079
CATALYS LUBRICANTS INC.	324,506
CBI OT SERVICES - COMOX VALLEY	40,230
CBM NA INC	379,827
CBS PARTS LTD.	348,863

Vendor Name	Aggregate Amount Paid
CENTRAL WEB OFFSET LTD	56,040
CHARTER TELECOM INC	429,652
CITY OF ABBOTSFORD	714,044
CITY OF ABBOTSFORD (PROP LEASE)	228,771
CITY OF CAMPBELL RIVER	110,290
CITY OF DUNCAN	26,991
CITY OF KAMLOOPS	100,249
CITY OF KELOWNA	489,887
CITY OF KELOWNA (PROP LEASE)	111,169
CITY OF LANGFORD	194,417
CITY OF NELSON	1,082,609
CITY OF POWELL RIVER	1,104,941
CITY OF PRINCE GEORGE	90,267
CITY OF REVELSTOKE	44,147
CITY OF VERNON	43,738
CITY OF VICTORIA	4,103,181
CITYKINECT INC.	57,920
CLEAN ENERGY COMPRESSION CORP. DBA IMW	86,921
CLEAN ENERGY FUELING SERVICES CORP	356,419
CLEARLITE GLASS BC LTD.	67,922
CLIFFE STREET CENTRE LTD (PROP LEASE)	41,869
COAST ENVIRONMENTAL LTD.	151,805
COLUMBIA FIRE & SAFETY LTD.,	43,191
CONSIDINE & COMPANY	54,039
COPE 378 HEALTH & WELFARE TRUST	212,490
COWICHAN LAKE COMMUNITY	240,889
COWICHAN VALLEY REGIONAL DIST.	64,579
CULLEN DIESEL POWER LTD	145,416
CUMMINS CANADA ULC	4,634,342
CUMMINS-ALLISON INC.	66,284
DAMS FORD LINCOLN SALES LTD.	128,223
DAVE SPIERS PLUMBING AND HEATING	135,379
DELL CANADA INC.	117,962
DELTA HOTELS BY MARRIOTT VICTORIA	27,349
DENSO SALES CANADA INC.	29,464
DIAMOND MANUFACTURING INC.	41,956
DIGABIT INC. DBA DOCUMOTO	160,191
DILAX SYSTEMS INC.	1,189,033
DILIGENT CORPORATION	27,242
DISTRICT OF SAANICH	260,315
DIVERSIFIED TRANSPORTATION LTD.	8,839,854
DODD'S FURNITURE & MATTRESS	48,342
DSA MEDIA	353,176
DUBOIS CHEMICALS CANADA, INC.	32,987
DYNAMIC SPECIALTY VEHICLES LTD	7,874,382
E H EMERY ELECTRIC LTD	43,430
ECLIPSYS SOLUTIONS	577,571
ELECTRONIC DATA MAGNETICS	225,301
ELEVATE CONSULTING	41,927
ELREG DISTRIBUTORS LTD.	104,049
EMPRESS TRANSPORTATION / YELLOW CAB	170,345
ENEX FUELS LTD	25,195
ENGINEERED AIR	204,290

Vendor Name	Aggregate Amount Paid
EXEC-U-NET CONSULTING GROUP	71,172
FARMER CONSTRUCTION LTD.	672,516
FASTENAL CANADA LTD	48,476
FIRSTCANADA ULC	67,594,232
FORTISBC ENERGY INC.	1,126,945
FORWARD LAW LLP (IN TRUST)	584,164
FOTOPRINT LTD.	188,155
FOUNTAIN TIRE (VICTORIA)	41,474
FRASER & HOYT INCENTIVES	70,602
FSX EQUIPMENT INC.	72,051
GANGES FAERIE MINISHUTTLE	569,556
GARIVAL INC.	1,102,222
GARTNER CANADA CO.	92,505
GIRO INC.	542,869
GRANDE WEST TRANSPORTATION	21,740,153
GRAPHIC OFFICE INTERIORS LTD.	98,558
GREAT WEST LIFE	221,471
GREAT WEST LIFE ASSURANCE CO.	37,635
GREEN LINE HOSE & FITTINGS LTD.	25,034
GREGG DISTRIBUTORS LTD.	60,363
GRYPHON CONSTRUCTION	96,899
GUILLEVIN INTERNATIONAL CO.	26,756
HALLIBURTON GROUP CANADA	243,368
HAR VER B ENTERPRISES INC.	77,546
HARBOUR DOOR SERVICES LTD.	85,025
HEALTHCARE BENEFIT TRUST	1,653,597
HENRY'S GARDENING	27,051
HERJAVEC GROUP (TORONTO)	346,479
HIGH LINE Software CORPORATION	100,580
HILLSIDE PRINTING	39,171
HOLDFAST METALWORKS LTD.	709,790
HOURIGANS CARPETS & LINOS LTD.	51,733
HUB INTERNATIONAL INSURANCE BROKERS	1,238,422
ICBC	1,799,305
IMPACT IRONWORKS LTD.	723,244
INDUSTRIAL RUBBER SUPPLIES	82,854
INSIGHTSOFTWARE.COM INC	179,879
INTERIOR HEALTH	97,118
ISLAND INTEGRATED SYSTEMS LTD.	39,463
ISLAND TRACTOR & SUPPLY LTD.	79,038
ISP3 SOLUTION PROVIDERS INC.	659,179
JENNER CHEVROLET OLDSMOBILE	166,729
JIM GRISTWOOD O/A JK LIMO & TAXI	26,257
JIM PATTISON TOYOTA VICTORIA	80,970
KAL TIRE (LANGFORD)	135,324
KERR CONTROLS INC.	62,541
KIMBERLEY COMMUNITY TRANSPORTATION	369,545
KING BROS. LTD.	147,383
KMS TOOLS & EQUIPMENT LTD.	30,927
KODIAK MOBILE VIDEO	181,863
KPMG LLP	151,603
LAKERS' GO BUS SOCIETY	763,944
LDN TRANSPORTATION	210,407

Vendor Name	Aggregate Amount Paid
LES HALL FILTER SERVICE	50,832
LIFEWORCS CANADA LTD	83,297
LONG VIEW SYSTEMS	329,951
LOOMIS EXPRESS	133,312
LORDCO PARTS LTD.	192,738
LUCERIX INTERNATIONAL CORP.	26,778
LUCID MANAGEMENT GROUP LTD.	1,238,736
LYNDON ENTERPRISES LTD.	384,049
M & L PAINTING	159,527
MATTHEWS STORE FIXTURES AND SHELVING LTD	77,097
MCGREGOR & THOMPSON HARDWARE LTD	35,722
MERIDIAN REHABILITATION CONSULTING INC.	176,552
MICHELIN NORTH AMERICA INC (CAN)	394,020
MICROSOFT CORPORATION	203,618
MINISTER OF FINANCE	532,838
MITCHELL PRESS	231,849
MOLONEY PAINTING LTD	34,417
MONK OFFICE SUPPLY LTD.	86,302
NATSCO - TRANSIT SOLUTIONS	70,224
NEOVATION CORPORATION	101,271
NEW FLYER INDUSTRIES LTD.	5,897,193
NEWTERRA LTD	152,368
NICOLA VALLEY TRANSPORTATION SOCIETY	433,116
NORDBO SERVICES LTD.	119,015
NORTH ISLAND COMMUNITY SERVICES SOCIETY	365,570
NOVABUS	127,040
NRG RESEARCH GROUP	137,130
OAK TRANSIT INCORPORATED	703,632
OAKCREST PARK ESTATES LTD.	834,627
OLDE COUNTRY MASONRY LTD.	44,793
OLYMPUS STAGE LINES LTD.	321,777
ORACLE CANADA ULC	798,635
OTACO SEATING	303,473
PACIFIC BLUE CROSS	3,382,828
PACIFIC SPRAY BOOTHS LTD	562,004
PALADIN TECHNOLOGIES	97,663
PARKER JOHNSTON INDUSTRIES LTD.	270,152
PARKLAND REFINING (BC) LTD	10,806,022
PASSENGER CONTRACTED TRANS. SERVICES LTD	445,987
PATIO SOCIAL INC. (DBA PATIO)	27,946
PENTICTON & DISTRICT	163,361
PENTICTON TRANSIT SERVICES	2,831,031
POWELL RIVER TAXI LTD	342,276
PREVOST CAR INC.	3,029,314
PRINCE GEORGE TRANSIT LTD	6,849,677
PRINCETON & DISTRICT	112,431
PROCUREMENT LAW OFFICE PROFESSIONAL CORP	52,531
PSH BUSINESS CONSULTANTS INC.	45,637
PUBLIC SERVICE PENSION PLAN	10,424,842
PUROLATOR INC.	30,218
PWTRANSIT	3,317,616
RADIO WORKS	122,170
RALMAX CONTRACTING LTD	374,604

Vendor Name	Aggregate Amount Paid
RANDSTAD CANADA	31,789
RBC/BC TRANSIT GRP PLAN #005422	36,900
REBER CREATIVE	78,309
RECEIVER GENERAL FOR CANADA	18,696,341
REGIONAL DISTRICT OF BULKLEY-NECHAKO	57,286
REGIONAL DISTRICT OF NANAIMO	9,534,721
RESOLVER INC.	60,488
RESORT MUNICIPALITY OF WHISTLER	148,589
REVENUE SERVICES OF BC (MSP)	634,599
RICOH CANADA INC.	95,476
RICON CORPORATION	35,960
RON'S DRYWALL LTD.	44,578
SAFETY-KLEEN CANADA, INC.	35,008
SCHOOL DISTRICT # 20, TRAIL	54,938
SEASTAR SOLUTIONS	127,884
SEON DESIGN INC	426,804
SERVICE FIRST LTD.	55,467
SHAW CABLE	26,314
SIDNEY TAXI LTD	36,672
SLEGG L.P.	33,291
SMART SOFTWARE, INC.	50,419
SMITHERS COMMUNITY SERVICES	277,679
SNC-LAVALIN INC.	98,338
SOUND WAVES ENTERTAINMENT	26,937
SOUTH OKANAGAN TRANSIT SOCIETY	32,773
SPORTWORKS NW, INC.	122,227
STANTEC CONSULTING LTD.	332,989
STONE PACIFIC CONTRACTING LTD.	1,905,227
STRATEGIC MAPPING INC.	4,772,770
SUMMIT EARTHWORKS INC	924,225
SUN CITY COACHLINES LTD.	1,503,055
SUNSHINE COAST REGIONAL DIST.	2,861,409
SURESPAN STRUCTURES LTD	506,646
SUTRAK CORPORATION	48,979
TAXI CANADA LTD.	99,445
TECH WEB DIRECT	40,442
TECNET CANADA INC.	29,714
TELUS ADVANCED COMMUNICATIONS	35,456
TELUS COMMUNICATIONS (BC) INC.	222,504
TELUS MOBILITY (BC)	432,847
TELUS SERVICES INC.	197,845
TERAGO NETWORKS INC.	43,118
THE AFTERMARKET PARTS COMPANY, LLC	1,796,862
THE GEAR CENTRE	209,053
THERMO KING OF BRITISH COLUMBIA INC.	122,703
THINK COMMUNICATIONS INC.	329,779
TOM KINGSTON	28,350
TOM'S THUMB LANDSCAPING	30,083
TOP LINE ROOFING LTD.	336,039
TOTEM TOWING	103,571
TRAIL TRANSIT SERVICES INC.	2,513,337
TRAN SIGN (1999) LTD.	54,851
TRANSIT INFORMATION PRODUCTS	27,963

Vendor Name	Aggregate Amount Paid
TRAPEZE SOFTWARE ULC	348,696
UNI - SELECT CANADA STORES INC.	28,100
UNIFOR LEADERSHIP TRAINING FUND	66,603
UNISYNC GROUP LTD.	206,780
UNITECH CONSTRUCTION MANAGEMENT LTD.	500,880
UNITED STATES SEATING	63,004
UPLAND CONTRACTING LTD	2,831,475
VAN KAM FREIGHTWAYS LTD	62,036
VICTORIA CONTRACTING & VICTORIA TAXI	34,043
VICTORIA WATERJET LTD	229,876
VOITH TRANSMISSION CANADA INC.	83,575
WABTEC - VAPOUR	354,262
WASTE CONNECTIONS OF CANADA INC.	125,506
WATSON & ASH TRANSP. CO. LTD.	27,026
WATT CONSULTING GROUP	6,373,461
WEST SHORE CONSTRUCTORS LIMITED	79,184
WESTERN BUS PARTS & SERVICE LTD	984,192
WESTERN SCALE CO. LTD	29,132
WESTVAC INDUSTRIAL LTD	306,003
WHEATON CHEVROLET BUICK	38,696
WHISTLER CONNECTION LTD	354,582
WHISTLER TRANSIT LTD.	443,543
WHITE & PETERS LTD.	7,935,836
WILCO CIVIL INC.	39,257
WORKSAFE BC	1,033,329
WSP CANADA INC.	1,044,576
YELLOWHEAD COMMUNITY SERVICES	354,070
	349,283
Consolidated Total of Payments in Excess of \$25,000 Paid to Suppliers	<u>\$ 292,008,010</u>
Consolidated Total of Payments in Less than \$25,000 Paid to Suppliers	<u>3,788,201</u>
Total Aggregate Payments Made to Suppliers Per Accounts Payable Ledger	<u>\$ 295,796,211</u>

BRITISH COLUMBIA TRANSIT

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

Reconciliation of Vendor Payments to Financial Statements Year ended March 31, 2019

Vendor Analysis Reconciliation

Vendor Analysis \$ 295,796,211

Vendor Payments Not on Statement of Operations

Amounts paid to vendors on Capital Assets and WIP	(69,262,676)
Other Timing Differences Between Cash Disbursements and the Accrual Basis of Accounting	(11,577,349)
	<u>\$ (80,840,025)</u>

Expense Items Not in 18/19 Vendor Analysis

Employee Net Pay via Payroll	43,554,814
Amortization	61,047,000
Debt service	9,106,000
	<u>\$ 113,707,814</u>

\$ 328,664,000

BC Transit Statement of Operations

Operations	242,546,000
Maintenance	55,699,000
Administration	30,419,000
	<u>\$ 328,664,000</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, 2019

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, 2019

MANAGEMENT REPORT

Year ended March 31, 2019

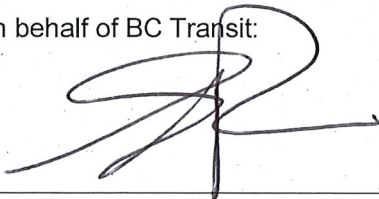
The consolidated financial statements of British Columbia Transit ("BC Transit") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as required by section 23.1 of the *Budget Transparency and Accountability Act* of the Province of 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 30, 2019.

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 the Office of the Auditor General 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 30, 2019



Brian Anderson, CPA, CMA
Vice President, Operations
May 30, 2019



INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of British Columbia Transit, and
To the Minister of Transportation and Infrastructure, Province of British Columbia*

Qualified Opinion

I have audited the accompanying consolidated financial statements of British Columbia Transit (BC Transit) which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes in net debt, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the financial position of BC Transit as at March 31, 2019, and the results of its operations, change in its net debt, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2(a) to the consolidated financial statements, BC Transit's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. BC Transit was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian Public Sector Accounting Standards, BC Transit's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of BC Transit do not meet the definition of a liability, and as such, BC Transit's method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had BC Transit made an adjustment for this departure in the current year, the liability for deferred revenue and contributions as at March 31, 2019 would have been

lower by \$42 million, the liability for deferred capital contributions would have been lower by \$262 million, revenue, annual surplus and accumulated surplus would have been higher by \$304 million and net debt would have been lower by \$304 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of BC Transit in accordance with the ethical requirements that are relevant to my audit of BC Transit's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report, I obtained the draft 2018/19 Annual Service Plan Report. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, BC Transit has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the annual report affected by this departure from PSAS.

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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the consolidated 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 the

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 when BC Transit will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether BC Transit's 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 my 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my

auditor's report. However, future events or conditions may cause BC Transit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit and I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Stuart Newton, CPA, CA
Deputy Auditor General

Victoria, British Columbia, Canada
June 6, 2019

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Financial Position
(In thousands of dollars)

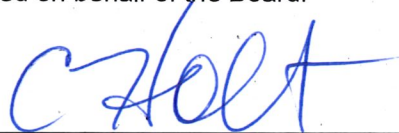
March 31, 2019, with comparative figures for March 31, 2018

	March 31, 2019	March 31, 2018
FINANCIAL ASSETS	\$	\$
Cash and cash equivalents (note 3)	11,167	9,264
Accounts receivable (note 4)	83,989	68,086
Debt sinking funds (note 7)	102,765	101,833
	197,921	179,183
LIABILITIES		
Accounts payable and accrued liabilities	36,394	23,604
Due to Province	-	332
Deferred revenue and contributions (note 5)	84,737	72,567
Deferred capital contributions (note 6)	262,662	236,016
Debt (note 7)	168,879	180,044
Employee future benefits (note 8)	22,083	21,022
	574,755	533,585
NET DEBT	(376,834)	(354,402)
NON FINANCIAL ASSETS		
Tangible capital assets (note 9)	381,741	357,622
Inventories (note 24)	14,210	9,008
Prepaid expenses	3,150	2,431
Prepaid lease payments	4,042	4,426
	403,143	373,487
ACCUMULATED SURPLUS		
Accumulated operating surplus	19,064	13,048
Accumulated remeasurement gains	7,245	6,037
	26,309	19,085

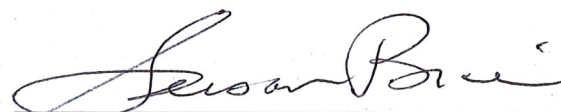
Commitments, contingent liabilities, contractual rights and contingent assets (notes 11, 12, 13 and 14).

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

Approved on behalf of the Board:



Catherine Holt, Chair
May 30, 2019



Susan Brice, Director
May 30, 2019

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Operations
(In thousands of dollars)

Year ended March 31, 2019, with comparative figures for March 31, 2018

	Budget 2019 (note 17)	March 31, 2019	March 31, 2018
REVENUE	\$	\$	\$
Operations	77,472	80,759	76,970
Government transfers:			
Provincial (note 15)	114,463	114,888	108,978
Local government (note 15)	114,989	97,742	86,863
Deferred capital contributions (note 6)	31,571	34,421	30,414
Investment and other income	4,033	3,987	4,206
	342,528	331,797	307,431
EXPENSES (note 16)			
Operations	246,998	242,546	222,404
Maintenance (note 24)	64,457	55,699	57,393
Administration	31,073	30,419	27,681
	342,528	328,664	307,478
NET SURPLUS (deficit) from operations	-	3,133	(47)
OTHER			
Disposal of capital assets			
Loss on disposal of capital assets	-	(281)	(117)
Other capital recoveries	-	233	212
Contributions for land purchase (note 15)	-	2,942	5,067
Gain on investments	-	18	14
Other expense	-	(29)	-
	-	2,883	5,176
ANNUAL SURPLUS	-	6,016	5,129
Accumulated operating surplus, beginning of year	13,048	13,048	7,919
Accumulated operating surplus, end of year	13,048	19,064	13,048

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, 2019, with comparative figures for March 31, 2018

	Budget 2019 (note 17)	March 31, 2019	March 31, 2018
	\$	\$	\$
Surplus for the year	-	6,016	5,129
Acquisition of tangible capital assets	(157,826)	(85,447)	(114,865)
Amortization of tangible capital assets	57,173	61,047	55,764
Disposal of tangible capital assets	-	281	227
	(100,653)	(18,103)	(53,745)
Acquisition of inventories of parts	-	(32,852)	(27,660)
Consumption of inventories of parts	-	27,650	27,987
Acquisition of prepaid expenses	-	(10,291)	(12,046)
Consumption of prepaid expenses	-	9,572	11,961
Consumption of prepaid leases	-	384	381
	-	(5,537)	623
Gain (loss) on portfolio investment	-	1,208	(2,290)
		1,208	(2,290)
Increase in net debt	(100,653)	(22,432)	(55,412)
Net debt, beginning of year	(354,402)	(354,402)	(298,990)
Net debt, end of year	(455,055)	(376,834)	(354,402)

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

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Remeasurement Gains and Losses
(In thousands of dollars)

March 31, 2019, with comparative figures for March 31, 2018

	March 31, 2019	March 31, 2018
	\$	\$
Accumulated remeasurement gains, beginning of year	6,037	8,327
Unrealized gain (loss) on investments	1,190	(2,304)
Realized gain on investments, reclassified to Consolidated Statement of Operations	18	14
Accumulated remeasurement gains, end of year	7,245	6,037

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

BRITISH COLUMBIA TRANSIT

Consolidated Statement of Cash Flows
(In thousands of dollars)

March 31, 2019, with comparative figures for March 31, 2018

	March 31, 2019	March 31, 2018
	\$	\$
Cash provided by (used for):		
Operating transactions		
Annual surplus	6,016	5,129
Non-cash charges to operations (note 18)	27,093	25,785
Changes in non-cash operating working capital (note 18)	2,866	(7,434)
Cash provided by operating transactions	35,975	23,480
Capital transactions		
Proceeds on disposal of tangible capital assets	118	173
Cash used to acquire tangible capital assets	(84,448)	(113,662)
Cash applied to capital transactions	(84,330)	(113,489)
Investing transactions		
Decrease (increase) in debt sinking funds and investments net of unrealized gain	276	(10,121)
Cash provided by (applied to) investing transactions	276	(10,121)
Financing transactions		
Debt repaid	(11,200)	-
Deferred capital contributions received	61,182	69,731
	49,982	69,731
Increase (decrease) in cash and cash equivalents	1,903	(30,399)
Cash and cash equivalents, beginning of year	9,264	39,663
Cash and cash equivalents, end of year	11,167	9,264
Supplemental cash flow information:		
Cash paid for interest	9,106	9,106
Cash received from interest	387	192

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, 2019, with comparative figures for March 31, 2018

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, is responsible for the administration of all funds raised by certain tax levies. These funds held in trust are excluded from the consolidated financial statements and are summarized in note 10.

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 the deferral of revenue recognition to future years, recognized for non-capital government transfers in the period the restriction the transfer is subject to is met and for capital transfers in income systematically over the useful life of the asset, rather than in the year the transfer was made. This results in differences in deferred contributions, deferred capital contributions and accumulated operating surplus on the consolidated statement of financial position, and the government transfers revenue and annual surplus on the statement of operations.

(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, 2019, with comparative figures for March 31, 2018

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, 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 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.

(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, 2019, with comparative figures for March 31, 2018

2. Summary of Significant Accounting Policies (continued)

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

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the 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 1 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 statement of operations.

(iii) Debt sinking funds

Investments in sinking funds consist of pooled investment portfolios and 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. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments.

(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

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

2. Summary of Significant Accounting Policies (continued)

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 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, 2018.

(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, 2019, 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	5 – 40
Vehicles – including major components	2 – 20
Other Equipment	4 – 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, 2019, with comparative figures for March 31, 2018

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) Intangibles

Intangible assets are not recognized in BC Transit's 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. 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:

Asset Retirement Obligations (PS3280): This new section will require recognition of a liability related to future costs of legal obligations to be incurred upon the retirement of controlled tangible capital assets. This section applies to fiscal years beginning on or after April 1, 2021. Management is in the process of assessing the impact of this standard.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

3. Cash and Cash Equivalents

Major components of cash and cash equivalents are comprised of the following:

	2019	2018
	\$	\$
Cash	11,145	9,242
Cash equivalents	22	22
Cash and cash equivalents	11,167	9,264

4. Accounts Receivable

Accounts receivable are comprised of the following:

	2019	2018
Provincial:	\$	\$
Operating	11,156	11,261
Capital grants	21,670	9,242
	32,826	20,503
Federal capital grants	25,243	21,218
Local governments	15,531	19,664
Trade and other	10,389	6,701
	83,989	68,086

5. Deferred Revenue and Contributions

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

Deferred contributions fund sinking fund and interest payments. These are recovered from local government partners over the estimated service life of the related assets. These contributions may differ from the annual amortization of the related assets. Differences are deferred to be recognized as a recovery in future periods.

Deferred revenue is restricted for a specific purpose and recognized as revenue in the year in which the stipulation or restriction on the contribution has been met.

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

	2019	2018
	\$	\$
Deferred service funding contributions	42,375	41,644
Deferred contributions	34,357	25,948
Deferred revenue	8,005	4,975
Total deferred revenue and contributions	84,737	72,567

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

5. Deferred Revenue and Contributions (continued)

Continuity of deferred service funding, contributions and revenue:

	2019	2018
Deferred service funding contributions:	\$	\$
Balance, beginning of year	41,644	32,493
Service funding contributions received	67,462	65,979
Service funding contributions applied	(66,731)	(56,828)
Balance, end of year	42,375	41,644
Deferred contributions:		
Balance, beginning of year	25,948	17,736
Contributions received	40,511	39,329
Contributions used	(32,102)	(31,117)
Balance, end of year	34,357	25,948
Deferred revenue:		
Balance, beginning of year	4,975	4,982
Amounts received	4,430	786
Amounts recognized as revenue	(1,400)	(793)
Balance, end of year	8,005	4,975
Balance, end of year	84,737	72,567

6. Deferred Capital Contributions

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

	2019	2018
	\$	\$
Balance, beginning of year	236,016	196,737
Contributions and other additions	61,182	69,731
Impairment and disposals of capital assets	(115)	(38)
Amortization	(34,421)	(30,414)
Balance, end of year	262,662	236,016

7. 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:

	2019	2018
	\$	\$
Debt has a weighted average rate of 5.06%, maturing at various dates to 2040, amortized from 9 to 30 years	168,879	180,044

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

7. Debt (continued)

The total debt maturities for the next five years are as follows:

	\$
2020	1,828
2021	19,070
2022	15,972
2023	23,350
2024	500
Thereafter	108,159

Investments held in sinking funds, including interest earned, are to be used to repay the related debt at maturity. Gain on investments includes \$18 (2018 - \$14) 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:

	2019		2018	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Provincial bonds	93,320	100,513	93,640	99,636
Money market funds	166	166	184	184
Corporate bonds	2,034	2,086	1,972	2,013
Total	95,520	102,765	95,796	101,833

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

	\$
2020	4,631
2021	4,279
2022	3,971
2023	3,766
2024	3,456
Thereafter	17,761

In April 2017, BC Transit entered into an unsecured revolving credit facility with a Canadian financial institution totaling \$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, 2019, 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, 2019, BC Transit has not drawn on the facility.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

8. 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:

	2019	2018
Accrued benefit obligation:	\$	\$
Balance, beginning of year	21,022	19,457
Current benefit cost and event-driven expense	1,244	1,315
Interest	459	563
Amortization of actuarial loss	(298)	64
Benefits paid	(344)	(377)
Balance, end of year	22,083	21,022
Unamortized actuarial gain	(5,183)	(3,686)
Liability for benefits	16,900	17,336

The employee future benefits liability reported on the statement of financial position is comprised of:

	2019	2018
	\$	\$
Non-pension post-retirement benefits	13,774	14,492
Post-employment benefits	859	815
Continuation of long-term disability benefits	2,267	2,029
Total liability for benefits	16,900	17,336
Unamortized actuarial gain	5,183	3,686
Employee future benefit obligation	22,083	21,022

The unamortized actuarial gain on future payments is amortized over the expected period of the liability which is 10 years (2018 – 10 years) for post-employment benefits and 10 years (2018 – 10 years) for post-retirement benefits.

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

	2019	2018
Discount rate	2.7% - 2.9%	2.9% - 3.1%
Expected future inflationary increases	2.60% - 5.15%	2.60% - 5.15%
Weighted average health care trend - end of year	6.58% in 2019 grading to 3.76% in and after 2040	6.56% in 2018 grading to 4.29% in and after 2029
Dental and MSP trend – end of year	4.0%	4.5%

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

8. Employee Future Benefit Obligations (continued)

Public Service Pension Plan

BC Transit and its employees contribute to the Public Service Pension Plan, a jointly trustee 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 106,000 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, 2019, for employer contributions was \$5,736 (2018 – \$5,290).

9. Tangible Capital Assets

Cost	Balance, March 31, 2018	Additions	Disposals	Balance, March 31, 2019
	\$	\$	\$	\$
Land	25,844	597	-	26,441
Exchanges, shelters and other transit infrastructure	64,552	2,724	-	67,276
Buildings	57,284	247	-	57,531
Vehicles	497,580	71,874	(35,005)	534,449
Other equipment	61,373	10,010	-	71,383
Capital projects in progress	38,396	85,447	(85,452)	38,391
Total	745,029	170,899	(120,457)	795,471

Accumulated amortization	Balance, March 31, 2018	Disposals	Amortization	Balance, March 31, 2019
	\$	\$	\$	\$
Exchanges, shelters and other transit infrastructure	20,995	-	5,151	26,146
Buildings	28,363	-	1,958	30,321
Vehicles	293,145	(34,724)	47,718	306,139
Other equipment	44,904	-	6,220	51,124
Capital projects in progress	-	-	-	-
Total	387,407	(34,724)	61,047	413,730

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

9. Tangible Capital Assets (continued)

	Balance, March 31, 2018	Balance, March 31, 2019
Net book value	\$	\$
Land	25,844	26,441
Exchanges, shelters and other transit infrastructure	43,557	41,130
Buildings	28,921	27,210
Vehicles	204,435	228,310
Other equipment	16,469	20,259
Capital projects in progress	38,396	38,391
Total	357,622	381,741

Cost	Balance, March 31, 2017	Additions	Disposals	Balance, March 31, 2018
	\$	\$	\$	\$
Land	15,694	10,150	-	25,844
Exchanges, shelters and other transit infrastructure	61,908	2,644	-	64,552
Buildings	51,151	6,133	-	57,284
Vehicles	462,998	75,629	(41,047)	497,580
Other equipment	58,921	2,452	-	61,373
Capital projects in progress	20,717	114,865	(97,186)	38,396
Total	671,389	211,873	(138,233)	745,029

Accumulated amortization	Balance, March 31, 2017	Disposals	Amortization	Balance, March 31, 2018
	\$	\$	\$	\$
Exchanges, shelters and other transit infrastructure	16,116	-	4,879	20,995
Buildings	26,488	-	1,875	28,363
Vehicles	290,506	(40,998)	43,637	293,145
Other equipment	39,531	-	5,373	44,904
Capital projects in progress	-	-	-	-
Total	372,641	(40,998)	55,764	387,407

	Balance, March 31, 2017	Balance, March 31, 2018
Net book value	\$	\$
Land	15,694	25,844
Exchanges, shelters and other transit infrastructure	45,792	43,557
Buildings	24,663	28,921
Vehicles	172,492	204,435
Other equipment	19,390	16,469
Capital projects in progress	20,717	38,396
Total	298,748	357,622

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
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Year Ended March 31, 2019, with comparative figures for March 31, 2018

9. Tangible Capital Assets (continued)

Assets under construction having a value of \$38,391 (2018 - \$38,396) 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 \$281 (2018 - \$227) were written off. Interest capitalized for capital projects in 2019 was \$1,107 (2018 - \$439).

10. Victoria Regional Transit Commission

BC Transit holds funds in trust on behalf of the Victoria Regional Transit Commission. These funds are not included in the consolidated statement of financial position. The cash held in trust and transactions during the year are as follows:

	2019	2018
	\$	\$
Cash held in trust, beginning of year	3,760	9,023
Revenue:		
Fuel tax	20,446	12,558
Property tax	28,863	29,114
Investment and other income	80	112
Government transfers	(46,760)	(47,047)
Cash held in trust, end of year	6,389	3,760

11. Commitments

BC Transit has outstanding commitments as summarized below:

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
Operating leases	1,817	1,953	1,613	1,717	1,687
Facilities	30,064	199	-	-	-
Vehicle purchases	26,550	30,898	-	-	-
Information technology	438	-	-	-	-
Other	6,145	5,772	5,911	6,054	6,200
Total	65,014	38,822	7,524	7,771	7,887

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, 2019, 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, 2019 there were seven letters of credit outstanding for a total amount of \$3,715, none of which have been drawn upon.

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

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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 in fiscal 2019/20 and 2020/21 through a three-year operating program contribution agreement (\$113,445 each year).
- 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 \$27,163 and provincial funding of up to \$17,321 for future fiscal years to fund eligible expenditures incurred to March 31, 2020 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 \$57,780 and provincial funding of up to \$50,321 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, 2019 (2018 - \$1,430).

15. Government Transfers

The transfers reported on the statement of operations are:

	2019	2018
Government transfers:	\$	\$
Provincial contributions:		
Operating transfers	114,888	108,978
Deferred capital contributions	26,103	25,211
Write-off of capital assets	115	38
Contributions for land purchase	440	5,067
	<u>141,546</u>	<u>139,294</u>
Federal contributions:		
Deferred capital contributions	7,072	3,833
	<u>7,072</u>	<u>3,833</u>
Local government contributions:		
Transfers under cost share agreements	97,742	86,863
Deferred capital contributions	991	1,160
Contributions for land purchase	2,502	-
	<u>101,235</u>	<u>88,023</u>
Other:		
Deferred capital contributions	255	210
Total government transfers	<u>250,108</u>	<u>231,360</u>

BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements
(In thousands of dollars)

Year Ended March 31, 2019, with comparative figures for March 31, 2018

16. Classification of Expense By Object

	Budget	2019	2018
	\$	\$	\$
Contracted management fees, wages and benefits	102,109	99,380	95,756
Salaries, wages and benefits	82,236	80,576	72,917
Amortization of capital assets	57,173	61,047	55,764
Fuel and lubricants	31,066	26,515	22,960
Fleet maintenance	24,801	18,322	22,661
Interest	10,640	9,106	9,106
Insurance	6,291	6,317	5,721
Facility maintenance	3,993	4,816	3,647
Information systems	4,695	4,168	3,630
Leases and taxes	4,407	4,062	3,887
Major projects and initiatives	3,953	3,549	1,154
Corporate expenses	2,335	2,539	2,490
Local government expenses	2,284	2,273	2,221
Marketing and communications	2,112	2,117	2,124
Taxi programs	1,812	1,793	1,735
Contracted and professional fees	1,634	1,257	852
Travel and meetings	1,007	827	853
Total operating expenses	342,548	328,664	307,478

17. Budget Data

The budget data presented in these consolidated financial statements was included in the 2018/19-2020/21 Service Plan approved by the Board of Directors on January 25, 2018, and by the Government of British Columbia on February 20, 2018.

18. Additional Information For the Statement of Cash Flows

	2019	2018
Non-cash charges to operations:	\$	\$
Amortization of debt discount	35	38
Amortization of tangible capital assets	61,047	55,764
Amortization of prepaid lease	384	381
Loss on the disposal of tangible capital assets	48	16
Amortization of deferred capital contributions	(34,421)	(30,414)
	27,093	25,785
Changes in non-cash operating working capital:		
Accounts receivable	(15,903)	(23,718)
Accounts payable and accrued liabilities	12,790	(2,007)
Provincial revenue and funding payable	(332)	332
Deferred revenue and contributions	11,171	16,153
Employee future benefits	1,061	1,565
Inventories of parts	(5,202)	326
Prepaid expenses	(719)	(85)
	2,866	(7,434)

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Notes to Consolidated Financial Statements
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Year Ended March 31, 2019, with comparative figures for March 31, 2018

19. Financial Instruments

(a) Fair Value

The carrying value of cash and cash equivalents, assets held for sale, accounts receivable and accounts payable and accrued liabilities, approximate their fair value due to the relatively short periods to maturity of the instruments. Debt sinking funds are reflected on the 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 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.

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 is comprised of 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.

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Notes to Consolidated Financial Statements
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Year Ended March 31, 2019, with comparative figures for March 31, 2018

19. Financial Instruments (continued)

Sensitivity Analysis

The following table is a sensitivity analysis indicating the impact on net surplus (deficit) 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	405
Foreign exchange risk	305
Commodity risk (fuel)	313

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 7. 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 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.

(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 from 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.

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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 the 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.

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, require BC Transit to recognize non-capital government transfers as revenue in the period the restriction is met, 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, 2019 – decrease in deferred revenue and contributions by \$41,612 (2018 - \$30,031) and a decrease in deferred capital contributions by \$262,662 (2018 - \$236,016), and an increase in accumulated surplus by \$304,274 (2018 – \$266,047).

For the year ended March 31, 2019 – increase in annual surplus by \$38,227 (2018 – increase by \$47,670).

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 program, continue to be settled in an orderly manner and BC Transit will continue to monitor these claims. \$1,828 (2018 - \$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. Inventory Tracking Process

Before April 1, 2018, inventory was expensed and billed at the time of shipment to regional transit systems. On April 1, 2018, a new software program and related processes were implemented that provide BC Transit with the ability to accurately track inventory balances at regional locations. Inventory is now tracked and valued at the lower of cost or net realizable value. The change in process resulted in a \$4,400 one-time adjustment that recognized the value of inventory at regional locations and decreased maintenance expense for the year ended March 31, 2019. The decrease was credited back to the local transit system accounts.

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25. Comparative Figures

Certain of the comparative figures have been reclassified to conform to current year's consolidated financial statement presentation.