


**BC 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: Brian Anderson  
Title: Acting Vice President of Finance and Chief Financial Officer

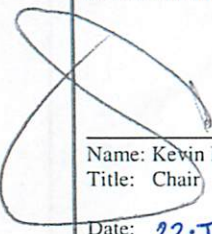
Date: 22 July 2015

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: Kevin Mahoney

Title: Chair

Date: 22 July 2015

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

**BC TRANSIT**  
**FIR, Schedule 1**  
**Schedule of Long Term Debt and Sinking Funds**  
**As at March 31, 2015**

<b>Debt Issue</b>	<b>Debt Type</b>	<b>Debt Maturity</b>	<b>Debt Rate</b>	<b>Debt Currency</b>	<b>Debt Principal</b>	<b>Sinking Fund Book Value</b>	<b>Sinking Fund Market Value</b>
BCCP-158	Bond	12-Apr-15	3.35%	CAD	16,200,000	12,388,928	12,386,620
BCCP-168	Bond	10-Dec-15	2.72%	CAD	9,395,000	6,994,394	7,027,276
BCCP-175	Bond	8-Aug-16	2.24%	CAD	6,377,796	3,562,097	3,608,828
BCCD-21	Bond	18-Dec-18	4.65%	CAD	11,200,000	5,517,518	5,784,877
BCCP-62	Bond	10-Mar-20	6.44%	CAD	1,828,000	1,633,091	1,921,095
BCCP-63	Bond	10-Apr-20	6.43%	CAD	17,770,000	9,500,768	11,431,642
BCCP-63	Bond	10-Apr-20	6.43%	CAD	-	4,705,238	5,455,068
BCCP-169	Bond	10-Dec-20	3.86%	CAD	1,300,000	423,155	453,976
BCCP-70	Bond	10-Apr-21	6.33%	CAD	11,300,000	8,728,363	10,419,551
BCCP-176	Bond	8-Aug-21	3.39%	CAD	2,571,958	635,999	693,564
BCCP-77	Bond	13-Nov-21	5.97%	CAD	2,100,000	1,158,770	1,427,380
BCCP-82	Bond	10-Jun-22	6.27%	CAD	8,140,000	4,178,270	5,199,052
BCCP-84	Bond	12-Aug-22	6.05%	CAD	9,100,000	6,104,794	7,126,422
BCCP-85	Bond	10-Sep-22	5.74%	CAD	6,110,000	2,442,679	2,851,318
BCCP-85	Bond	10-Sep-22	5.74%	CAD	-	2,261,723	2,595,313
BCCP-142	Bond	9-Dec-23	5.02%	CAD	500,000	143,572	166,647
BCCP-107	Bond	11-Jul-25	4.57%	CAD	3,179,500	1,082,845	1,363,232
BCCP-108	Bond	11-Aug-25	4.61%	CAD	5,000,000	1,697,076	2,119,345
BCCP-173	Bond	11-Jul-26	4.01%	CAD	29,056,381	4,292,137	4,927,249
BCCP-113	Bond	8-Aug-26	4.78%	CAD	1,711,057	498,198	647,194
BCCP-119	Bond	11-Dec-26	4.30%	CAD	8,285,000	2,510,904	3,109,923
BCCP-128	Bond	9-Oct-27	4.86%	CAD	2,200,000	538,487	686,397
BCCP-139	Bond	7-Oct-28	4.98%	CAD	7,212,000	1,487,441	1,846,380
BCCP-143	Bond	9-Dec-28	5.19%	CAD	2,747,000	553,785	685,931
BCCP-145	Bond	11-May-29	5.01%	CAD	22,500,000	3,862,790	4,783,205
BCCP-174	Bond	11-Jul-31	4.21%	CAD	6,145,256	585,420	685,677
BCCP-157	Bond	9-Mar-40	4.60%	CAD	11,423,000	921,768	1,156,435
BCCP-159	Bond	12-Apr-40	4.73%	CAD	8,700,000	565,490	729,088
<b>Subtotal</b>					<b>212,051,948</b>	<b>88,975,700</b>	<b>101,288,685</b>
					<b>(149,062)</b>		
					<b>211,902,886</b>	<b>88,975,700</b>	<b>101,288,685</b>

**BC TRANSIT**  
**FIR, Schedule 1, Section 5**

**SCHEDULE OF GUARANTEES & INDEMNITY AGREEMENTS**  
**FOR YEAR ENDED MARCH 31, 2015**

There were no indemnity agreements entered into during the year which required the prior approval of the Minister of Finance or the Director of Risk Management Branch of the Ministry of Finance pursuant to the Guarantees and Indemnities Regulation (B.C. Reg. 258/87).

All agreements were undertaken as a normal part of doing business.

## **BRITISH COLUMBIA TRANSIT**

FIR, Schedule 1, subsection 6(7)

### **Statement of Severance Agreements For the Year Ended March 31, 2015**

There were 2 severance agreements, representing 12.23 months compensation total, made between BC Transit and its non-unionized employees during the fiscal year 2014/2015.

These agreements present from 5 to 7.23 months of compensation.

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

**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, 2015**

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

<b>Member Name</b>		<b>Remuneration</b>	<b>Total Expenses</b>
<b><u>Members of the Board of Directors:</u></b>			
Mahoney, Kevin	<b>Chair</b>	\$18,000	\$3,682
Cairns, Kelly		14,500	2,452
Milobar, Peter		9,500	1,667
De Clark, Bob		8,500	394
Sjostrom, Mary		7,125	1,264
<b><u>Members of the Commission and Board of Directors:</u></b>			
Brice, Susan	<b>Chair - Commission</b>	11,950	137
Hamilton, Carol		9,450	78
<b><u>Members of the Commission:</u></b>			
Desjardins, Barbara		450	
Alto, Marianne		300	
Fortin, Dean		300	
Leonard, Frank		150	
Atwell, Richard		150	
Finall, Alice		150	29
<b>Total Remuneration and Expenses</b>		<b>\$80,525</b>	<b>\$9,704</b>

**BRITISH COLUMBIA TRANSIT**

**Schedule Showing the Remuneration and Expenses over \$75,000  
Paid In Respect of Each Employee  
For the Year Ended March 31, 2015**

<b>EMPLOYEE NAME</b>	<b>*REMUNERATION</b>	<b>TOTAL EXPENSES</b>
Abraham, Eric	101,126	
Achadinha, Manuel**	305,539	14,970
Alder, David	75,513	
Anderson, Brian**	174,933	9,210
Anderson, Stephen	92,483	18,732
Andrei, Gabriel	77,818	
Aveyard, Pauline	89,717	1,906
Barry, John	95,545	1,377
Bell, Gerald	75,657	
Bellows, Brian	84,020	
Berekoff, Nicolette	76,260	
Birnie, Colin	77,788	1,767
Boss, James	99,565	3,785
Boyd, Matthew	90,937	23,138
Brown, Ronald	81,779	3,473
Broydell, Nancy	79,966	2,136
Brydon, Stephen	102,726	8,127
Bunce, Evan	75,426	20
Burton, Meribeth	92,067	5,004
Campbell, Debra	83,674	3,367
Capron, Vance	95,630	
Carlson, Donna	80,128	40
Carmichael, Andii	96,368	604
Caton, Douglas	89,129	4,882
Chaudhry, Anwar	77,624	2,579
Chisholm, Robert	90,886	16,326
Connor, Shaun	97,050	11,948
Cosgrove, Patrick	82,464	
Couch, Nigel	87,116	14,788
Craig, Kevin	117,234	2,582
Craig, Michael	75,358	
Cronk, Terry	85,119	
Curran, Georgina	87,505	35,031
Dallaway, Steven	87,155	16,175
Danks, Matthew	88,456	
DeJong, Johan	89,227	
Dickinson, Guy	80,258	
Felker, Erin	87,409	24,411
Ferrari, Semone	78,386	5,460
Flemming, Ronald	78,408	
Fletcher, Bob	82,299	
Fortier, Clayton	84,796	
Frost, Michael	120,737	9,147
Fudge, Christopher	77,052	9,026
Furlong, Marie-Andree	81,107	1,502

**BRITISH COLUMBIA TRANSIT**

**Schedule Showing the Remuneration and Expenses over \$75,000  
Paid In Respect of Each Employee  
For the Year Ended March 31, 2015**

<b>EMPLOYEE NAME</b>	<b>*REMUNERATION</b>	<b>TOTAL EXPENSES</b>
Gardner, Rodney	85,434	
Garford, Michael	82,373	3,229
Gatt, Fraser	84,632	
Gauvin, Kerry	88,894	75
Gervais, Justin	88,181	191
Gibson, Matthew	79,011	
Giles, Michael	76,753	3,594
Gill, Amarjit	90,752	
Gimse, C.Bjorn	84,498	14,204
Glew, Shawn	76,987	209
Green, F.Nate	91,362	
Guthrie, David	126,978	4,900
Hall, Robert	93,689	9,759
Hamilton, Daryl	81,986	
Harris, Spencer	91,075	
Hartley, Thomas	86,000	
Harvard, Stephen	95,811	
Hattie, Mike	78,285	
Head, Bruce	80,030	20
Hegar, Mark	98,918	16,517
Henderson, W.Neil	110,980	117
Hileman, Garth	80,577	
Hill, Megan	117,507	1,743
Inouye, Cameron	84,788	6,013
Jaye, David	94,379	
Johal, Ranjeet	94,795	1,095
Jolie, Gordon	93,696	1,280
Jones, Andrew	81,499	
Jones, Leanne	94,234	
Khan, Asif	94,863	545
Kuwert, A.Eric	84,118	42
Lamb, Aaron**	142,698	6,714
Langridge, Terry	109,784	
Leslie, Coralie	113,296	
Little, Ryan	76,981	20,937
Lloyd, Robert	78,552	
Loussarian, Paul	113,216	4,695
MacPhee, Todd	82,484	1,564
Madison, Robert	94,470	5,384
Maier, E.Karl	89,011	3,520
Mar, Wayne	77,371	
Matters, Oliver	104,781	7,746
McCoy, David	75,915	5,497
McDonald, Alison	79,634	11,453



**BRITISH COLUMBIA TRANSIT**

**Schedule Showing the Remuneration and Expenses over \$75,000  
Paid In Respect of Each Employee  
For the Year Ended March 31, 2015**

<b>EMPLOYEE NAME</b>	<b>*REMUNERATION</b>	<b>TOTAL EXPENSES</b>
McNeill, Terry	80,623	
McRae, Norma	75,985	
Melanson, Terrence	84,451	
Milligan, Donald	99,518	3,010
Millward, Steven	91,468	42
Moore, Myrna	87,345	9,421
Morin, William	83,070	
Moss, Gary	78,483	
Niessen, Cassandra	79,876	37
Nordstrom, Errol	90,114	4,612
Olague, Jose	99,280	
Orr, Graham	91,228	
Palmer, John	124,277	10,501
Parker, Wayne	86,993	
Parrett, Kevin	78,221	
Partridge, Jason	75,251	3,439
Patterson, Leslie	91,472	23,558
Peters, Bruce	82,865	
Pettigrew, Joshua	93,543	1,444
Pheiffer, Mark	94,326	
Pinkerton, Erinn**	140,415	7,115
Pizarro, Daniel	89,938	31,849
Preston, Alisa	77,567	5,452
Proud, Lawrence	115,164	3,319
Ram, Jim	91,224	
Rantucci, Peter	128,113	8,262
Reid, Nora	84,089	5,705
Ribeiro, Louie	78,100	20
Ridout, Christy	113,670	2,226
Ridout, Shawn	75,291	75
Robinson, Wayne	84,270	2,779
Ruch, Freddy	75,134	
Ruffolo, Salvatore	86,873	3,503
Sadler, Leslie	75,387	4,489
Schubert, Kevin	101,063	14,888
Semmens, Benjamin	80,835	4,064
Shearer, William	90,938	1,064
Sheehan, Maureen	115,549	872
Siu, Ly	87,460	1,675
Soepboer, Jacob	75,632	4,533
South, Carl	80,378	10,478
Spingat, Lothar	79,764	
Springer, Michael	79,227	7,261
Stewart, Alan	80,824	13,574

**BRITISH COLUMBIA TRANSIT**

**Schedule Showing the Remuneration and Expenses over \$75,000  
Paid In Respect of Each Employee  
For the Year Ended March 31, 2015**

<b>EMPLOYEE NAME</b>	<b>*REMUNERATION</b>	<b>TOTAL EXPENSES</b>
Strobl, Doug	85,915	4,355
Takhar, Gursev	88,912	
Thornton-Joe, Philip	85,077	2,859
Timmins, Ryan	82,480	
Tsui, Alexandre	77,479	
van Munster, J.Kent	87,596	1,017
Van Schaik, Adolf	94,510	
VanSchaik, Johann	88,523	28,552
Wadsworth, James	88,959	1,825
Walker, Douglas	81,743	55
Wasiuta, Anita	86,476	1,065
Waters, J.Shawn	103,860	7
Wegwitz, Tania	92,879	9,495
Wick, Leanne	93,087	3,910
Wiebe, Steven	80,798	7,324
Will, Jeffrey	79,809	
Wilson, Jacqueline	77,384	95
Wood, Paul	76,663	
Woodruff, Joseph	81,889	
<b>Over 75,000 Remuneration</b>	<b>13,850,051</b>	<b>632,382</b>
<b>Less than 75,000 Remuneration</b>	<b>41,799,565</b>	<b>378,932</b>
<b>Grand Total Employees</b>	<b>55,649,616</b>	<b>1,011,314</b>

\* Remuneration in 2015 is based on 26 pay period annual cycle. Reported payments in this schedule are based on a paid basis as opposed to the year earned. Includes banked time payouts such as overtime and annual vacation.

\*\* Please refer to Executive Compensation Disclosure on BC Transit's website for executive compensation that is presented on an earned basis.

**BRITISH COLUMBIA TRANSIT**  
 FIR, Schedule 1, section 6  
 Schedule showing the Remuneration and Expenses  
 Paid In Respect of each Employee (Reconciliation)  
 For the Year Ended March 31, 2015

**Reconciliation**

	<u>Remuneration</u>	<u>Expenses</u>
Commission Members And Members Of The Board Of Directors	80,525	9,704
Employees' Total Remuneration	<u>55,649,616</u>	<u>1,011,314</u>
Employer Portion CPP And EI	<u>3,070,071</u>	
Total Remuneration	<u><u>\$58,800,212</u></u>	<u><u>\$1,021,018</u></u>

**BRITISH COLUMBIA TRANSIT**  
**Part II FIR, Schedule 1, section 7**  
**Alphabetical List of Suppliers who Received Aggregate Payments**  
**In Excess of \$25,000**  
**Year ended March 31, 2015**

<b>Vendor Name</b>	<b>Aggregate Amount Paid</b>
627535 B.C. LTD.	68,324
A.C.E. COURIER	81,557
ABC TRANSMISSIONS	39,979
ACKLANDS-GRAINGER INC.	94,811
ADDING RESULTS	275,385
AIR LIQUIDE CANADA	310,451
ALEXANDER DENNIS	1,819,585
ARROW & SLOCAN LAKES COMMUNITY	1,259,611
AXION TECHNOLOGIES LTD.	43,872
BAKER TRANSIT PARTS INC.	138,137
BARTLETT TREE EXPERTS	57,527
BC HYDRO	332,851
BC INT. COMMERCIAL ARBITRATION CENTRE	30,000
BC TRANSIT FITNESS & LIFESTYLE CENTRE	95,746
BCT EMPLOYEE HEALTH & BENEFIT TRUST	226,610
BEE-CLEAN BUILDING MAINTENANCE	219,169
BELLA COOLA VALLEY BUS COMPANY LTD.	229,418
BENINI CONSULTING LTD.	88,628
BLUEBIRD CABS LTD.	452,143
BMS INTEGRATED SERVICE INC.	136,074
BMT GROUP SERVICES	48,393
BOARDWALK COMMUNICATIONS	148,296
BRC GROUP	816,313
BRIDGESTONE/FIRESTONE CANADA	29,474
CANADA TICKET INC.	113,030
CANADIAN AUTO WORKERS UNION	686,336
CANADIAN ENERGY	224,256
CANADIAN LINEN SUPPLY	94,067
CANADIAN URBAN TRANSIT ASSOCIATION	33,075
CANON CANADA INC. BUSINESS SOLUTIONS DIV	39,792
CAPITAL REGION EMERGENCY SERVICES	428,462
CAREFREE SOCIETY	1,125,721
CARWOOD MOTOR UNITS LTD	25,618
CBM NA INC	443,187
CBS PARTS LTD.	279,470
CBSC CAPITAL INC.	54,844
CEDARS AT COBBLE HILL	39,765
CHEVRON CANADA LTD.	299,268

**BRITISH COLUMBIA TRANSIT**  
**Part II FIR, Schedule 1, section 7**  
**Alphabetical List of Suppliers who Received Aggregate Payments**  
**In Excess of \$25,000**  
**Year ended March 31, 2015**

<b>Vendor Name</b>	<b>Aggregate Amount Paid</b>
CHEW EXCAVATING LTD.	87,311
CITY OF ABBOTSFORD	219,973
CITY OF KAMLOOPS	132,194
CITY OF KELOWNA	1,312,747
CITY OF LANGFORD	199,099
CITY OF NELSON	1,146,705
CITY OF POWELL RIVER	1,013,588
CITY OF PRINCE GEORGE	94,203
CITY OF REVELSTOKE	42,650
CITY OF VERNON	32,407
CITY OF VICTORIA	856,089
CKKQ-FM & CJZN-FM	27,221
CLEAN ENERGY COMPRESSION CORP. DBA IMW	1,202,875
CLEVER DEVICES LTD	33,250
CLIFFE STREET CENTRE LTD	71,383
COAST ENVIRONMENTAL LTD.	98,427
COAST INDUSTRIAL PARTS LTD.,	38,288
COLUMBIA FIRE & SAFETY LTD.,	29,144
COLWOOD LANGFORD AUTO SUPPLY	36,224
COMMPLAN CANADA	33,526
CONSIDINE & COMPANY	139,351
CON-WAY FREIGHT-CANADA INC	53,376
COPE LOCAL 378	366,386
CORPORATE ELECTRIC LTD.	28,008
COWICHAN LAKE COMMUNITY	199,115
COWICHAN VALLEY VOLUNTEER SOCIETY	262,865
CTC TRAINCANADA	27,120
CULLEN DIESEL POWER LTD	500,035
CUMMINS WESTERN CANADA LTD	3,174,619
DAFCO FILTRATION GROUP	31,518
DATA SYSTEMS INTERNATIONAL, NA (DSI)	33,618
DENSO SALES CANADA INC.	102,399
DIGITAL DIRECT PRINTING	36,644
DILAX SYSTEMS INC.	67,453
DISTRICT OF LAKE COUNTRY	313,576
DISTRICT OF SAANICH	239,767
DIVERSIFIED TRANSPORTATION LTD.	6,391,313
DODD'S FURNITURE & MATTRESS	47,250

**BRITISH COLUMBIA TRANSIT**  
**Part II FIR, Schedule 1, section 7**  
**Alphabetical List of Suppliers who Received Aggregate Payments**  
**In Excess of \$25,000**  
**Year ended March 31, 2015**

<b>Vendor Name</b>	<b>Aggregate Amount Paid</b>
DYNAMIC SPECIALTY VEHICLES LTD	22,212,750
E H EMERY ELECTRIC LTD	111,338
ECLIPSYS SOLUTIONS	311,360
ELECTRONIC DATA MAGNETICS	162,929
ELREG DISTRIBUTORS LTD.	233,232
EMIL ANDERSON CONSTRUCTION (EAC)	4,893,562
EMPRESS TRANSPORTATION / YELLOW CAB	257,097
EXEC-U-NET CONSULTING GROUP	91,382
FIRSTCANADA ULC	65,558,988
FIVE FIVE TRANSPORT	714,848
FORTIS BC - NATURAL GAS	683,777
FOTOPRINT LTD.	57,984
FRANZ ENVIRONMENTAL	25,945
GANGES FAERIE MINISHUTTLE	442,379
GARIVAL INC.	818,034
GIRO INC.	606,314
GLENOAK FORD SALES LTD.	37,973
GLOBE CONTRACTING LTD	123,372
GRANDE WEST TRANSPORTATION	181,612
GRAPHIC OFFICE INTERIORS LTD.	191,501
GREAT WEST LIFE	1,432,531
HALLIBURTON GROUP CANADA	184,421
HARRIS & COMPANY	90,720
HELP FILL A DREAM FOUNDATION OF CANADA	26,078
HEMLOCK PRINTERS LTD.	33,462
HIGH LINE CORPORATION	119,786
HILLSIDE PRINTING	33,179
HORIZON NORTH RELOCATABLE STRUCTURES	37,822
ICBC	1,126,002
ID2 COMMUNICATIONS INC.	63,242
INDUSTRIAL RUBBER SUPPLIES	37,738
INIT INNOVATIONS IN TRANSPORTATION, INC.	922,057
INSIGHTSOFTWARE.COM	138,538
INTEGRO INSURANCE BROKERS	1,074,613
INTERIOR HEALTH	100,559
ISLAND CORRIDOR FOUNDATION	130,745
ISLAND ENERGY	37,550
JENNER CHEVROLET OLDSMOBILE	53,955

**BRITISH COLUMBIA TRANSIT**  
**Part II FIR, Schedule 1, section 7**  
**Alphabetical List of Suppliers who Received Aggregate Payments**  
**In Excess of \$25,000**  
**Year ended March 31, 2015**

<u>Vendor Name</u>	<u>Aggregate Amount Paid</u>
JETDOG SOLUTIONS	65,003
JOHN VANDER VEEN TRUCKING	52,814
KAL TIRE (LANGFORD)	47,864
KERR CONTROLS INC.	111,908
KIMBERLEY COMMUNITY TRANSPORTATION	270,773
KING BROS. LTD.	189,140
KITIMAT MINI BUS LTD	172,428
KPMG LLP	45,662
LAMAR TRANSIT ADVERTISING	46,414
LDN TRANSPORTATION	201,913
LOOMIS EXPRESS	89,776
LORDCO PARTS LTD.	75,313
LUCID MANAGEMENT GROUP LTD.	1,416,388
LUMINATOR HOLDING LP	29,012
LYNDON ENTERPRISES LTD.	423,909
MACPHERSON BROWN LTD.	46,531
MADISON PAVING (1976) LTD.	25,200
MARINE CANADA ACQUISITION LP	219,670
MERCEDES-BENZ CANADA INC	954,212
MERCER (CANADA) LIMITED	88,307
MICHAEL DAVIS	25,366
MICHELIN NORTH AMERICA INC (CAN)	587,571
MICROSERVE	300,363
MINISTER OF FINANCE	4,230,977
MINISTRY OF TRANSPORTATION	204,618
MITCHELL PRESS	175,194
MONK OFFICE SUPPLY LTD.	56,362
MOTOR COACH INDUSTRIES LTD.	57,705
MYRA SYSTEMS	139,762
NANAIMO REG. TRANSIT SYSTEM	10,279,300
NEC UNIFIED SYSTEMS	49,731
NEOPART CANADA, INC.	36,810
NEW FLYER INDUSTRIES LTD.,	4,641,110
NICOLA VALLEY TRANSPORTATION SOCIETY	231,268
NORCAN FLUID POWER LTD.	109,434
NORDBO SERVICES LTD.	116,538
NORTH ISLAND COMMUNITY SERVICES SOCIETY	303,722
NOVABUS	8,475,201

**BRITISH COLUMBIA TRANSIT**  
**Part II FIR, Schedule 1, section 7**  
**Alphabetical List of Suppliers who Received Aggregate Payments**  
**In Excess of \$25,000**  
**Year ended March 31, 2015**

<b>Vendor Name</b>	<b>Aggregate Amount Paid</b>
NRG RESEARCH GROUP	84,946
OAK TRANSIT INCORPORATED	222,404
OAKCREST PARK ESTATES LTD.	695,881
OFFICE OF THE AUDITOR GENERAL OF BC	89,250
OLYMPUS STAGE LINES LTD.	316,214
OMEGA UNIFORM SYSTEMS LTD.	189,145
OMICRON CANADA INC	169,673
OPTUM HEALTH SERVICES (CANADA ) LTD	72,547
ORACLE CANADA ULC	244,257
PACIFIC BLUE CROSS	1,990,483
PBX ENGINEERING LTD.	53,932
PENTICTON & DISTRICT	404,234
PENTICTON TRANSIT SERVICES	2,037,245
PHH VEHICLE MANAGEMENT SERVICE	49,866
POWELL RIVER TAXI LTD	308,161
PPM 2000 INC.	51,896
PREVOST CAR INC.	1,586,510
PRINCE GEORGE TRANSIT LTD	5,733,615
PRINCETON & DISTRICT	123,775
PRINT ADVANTAGE	39,131
PRINTER WORKS	35,796
PROGRESSIVE WASTE SOLUTIONS	50,035
PUBLIC SERVICE PENSION PLAN	8,717,236
PUROLATOR COURIER LTD	26,897
QUARTECH SYSTEMS LTD.	312,747
RADIO WORKS	131,989
REBER CREATIVE	95,201
RECEIVER GENERAL FOR CANADA	15,397,099
REGIONAL DISTRICT OF NANAIMO	47,376
RESORT MUNICIPALITY OF WHISTLER	184,949
REVENUE SERVICES OF BC (MSP)	1,294,553
RGS CONSULTING LTD.	102,805
ROCKY MOUNTAIN SHERPAS INC.	81,023
ROGER MILLER	68,006
ROGERS AT&T	73,729
ROYAL ROADS UNIVERSITY	39,935
SAFETY-KLEEN CANADA, INC.	43,685
SCHEDULE MASTERS INC.	26,499



**BRITISH COLUMBIA TRANSIT**  
**Part II FIR, Schedule 1, section 7**  
**Alphabetical List of Suppliers who Received Aggregate Payments**  
**In Excess of \$25,000**  
**Year ended March 31, 2015**

<b>Vendor Name</b>	<b>Aggregate Amount Paid</b>
SCHOOL DISTRICT # 20, TRAIL	100,993
SHAW CABLE	33,180
SHELL CANADA PRODUCTS	11,001,145
SIDNEY TAXI LTD	26,546
SIGNS OF THE TIMES	304,500
SMITHERS COMMUNITY SERVICES	190,513
SNC-LAVALIN INC	1,207,958
SOFTCHOICE LP	114,362
SOUTH COAST BC TRANS AUTHORITY-TRANSLINK	61,793
SOUTH OKANAGAN TRANSIT SOCIETY	91,984
SPORTWORKS NW, INC.	56,569
STAN THOMPSON AUTO UPHOLSTERY	42,676
SUMMIT ENVIRONMENTAL CONSULTANTS INC.	26,928
SUN CITY COACHLINES LTD.	1,563,494
SUN PEAKS GRAND HOTEL & CONFERENCE CTR	30,297
SUNSHINE COAST REGIONAL DIST.	2,171,869
TARA PRECISION	150,990
TC PUBLICATION LIMITED PARTNERSHIP	105,649
TECH-WEB GRAPHICS LTD.	112,430
TELUS COMMUNICATIONS INC.	510,978
TETRA TECH WEI INC.	31,322
THE DATA GROUP OF COMPANIES	94,952
THE GEAR CENTRE	155,586
THE LAKERS' GO BUS SOCIETY	694,046
THERMO KING OF BRITISH COLUMBIA INC.	85,073
THINK COMMUNICATIONS	184,327
TIME ACCESS SYSTEMS INC.	31,645
TOTEM TOWING	70,220
TRAFCO CANADA	56,330
TRAIL TRANSIT SERVICES INC.	2,555,053
TRAN SIGN (1999) LTD.	29,676
TRANS-WESTERN ELECTRIC LTD.	224,461
TRAPEZE SOFTWARE INC.	148,193
TRUCK TRAILER & BUS COMPONENTS LTD	56,563
UNISOURCE CANADA, INC.	26,903
UNITED WAY	33,909
UNIVERSITY OF VICTORIA	662,790
URBAN SYSTEMS LTD.	91,343

**BRITISH COLUMBIA TRANSIT**  
**Part II FIR, Schedule 1, section 7**  
**Alphabetical List of Suppliers who Received Aggregate Payments**  
**In Excess of \$25,000**  
**Year ended March 31, 2015**

<b>Vendor Name</b>	<b>Aggregate Amount Paid</b>
VAN KAM FREIGHTWAYS LTD	87,576
VICTORIA CONTRACTING	45,853
VICTORIA TAXI	322,669
VICTORIA WATERJET LTD	88,421
VIGIL SOLUTIONS INC.	35,800
VOITH TRANSMISSION CANADA INC.	454,121
WABTEC - VAPOUR	143,439
WATSON & ASH TRANSP. CO. LTD.	5,379,591
WESCLEAN ISLAND SALES LTD.	38,888
WESTERN CANADA IC BUS INC	37,824
WESTERN SCALE CO. LTD	152,810
WESTVAC INDUSTRIAL LTD	170,798
WHEATON CHEVROLET BUICK	53,526
WHISTLER TRANSIT LTD.	8,679,781
WHITELAW TWINING LAW CORPORATION	1,000,000
WILSON'S TRANSPORTATION LTD.	2,077,575
WORKSAFE BC	1,108,777
YELLOWHEAD COMMUNITY SERVICES	328,822
 Consolidated Total of Payments in Excess of \$25,000 Paid to Suppliers	 <b>252,139,848</b>
 Consolidated Total of Payments Less than \$25,000 Paid to Suppliers	 <b>3,311,041</b>
 Total Aggregate Payments Made to Suppliers Per Accounts Payable Ledger	 <b>255,450,889</b>

**BRITISH COLUMBIA TRANSIT**  
**FIR, Schedule 1, section 7**  
**Reconciliation of Vendor Payments to Financial Statements**  
**Year ended March 31, 2015**

**Vendor Analysis Reconciliation**

<b>Vendor Analysis</b>	<b>\$</b>	<b>255,450,889</b>
------------------------	-----------	--------------------

**Vendor Payments not on Statement of Operations:**

Amounts paid to vendors on Capital Assets and WIP	(69,359,860)	
Other Timing Differences Between Cash Disbursements & the Accrual Basis of Accounting	2,566,002	
		(66,793,858)

**Expense Items not in 14/15 vendor analysis**

Employee Net Pay via Payroll	35,103,969	
Amortization	46,371,000	
Debt service	10,478,000	
		91,952,969

	<b>\$</b>	<b>280,610,000</b>
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**BC Transit Statement of operations:**

Operations	205,866,000	
Maintenance	49,331,000	
Administration	25,413,000	

	<b>\$</b>	<b>280,610,000</b>
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**NOTE**

A reconciliation of amounts reported in the Financial Information Act Return and the audited consolidated financial statements has not been prepared. BC Transit prepares its Financial Statements on an accrual basis while the amounts reported in the Financial Information Act Return are based on cash payments in the year. This will result in timing differences between amounts recorded as expenses in the Financial Statements and amounts paid in the year.

Consolidated Financial Statements of

**BRITISH COLUMBIA TRANSIT**

Year ended March 31, 2015

# MANAGEMENT REPORT

Year ended March 31, 2015

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, 2015.

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 conflict of interest policy of all BC Transit officers and employees.

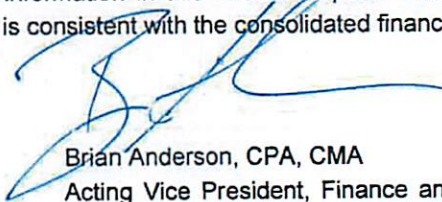
The consolidated financial statements have been examined by the Auditor General of British Columbia, BC Transit's independent external auditors. Their responsibility is to express their opinion whether the consolidated financial statements are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act*. 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.

Management is responsible for all of the information in this Annual Report. Financial information presented elsewhere in this Annual Report is consistent with the consolidated financial statements.



Manuel Achadinha  
President and Chief Executive Officer

Date: May 28, 2015



Brian Anderson, CPA, CMA  
Acting Vice President, Finance and Chief Financial  
Officer

Date: May 28, 2015





## 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*

I have audited the accompanying consolidated financial statements of British Columbia Transit (“the entity”), which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statement of operations, consolidated statement of changes in net debt, consolidated statement of remeasurement gains and losses and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the consolidated Financial Statements***

Management is responsible for the preparation of these consolidated financial statements in accordance with the accounting requirements of 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

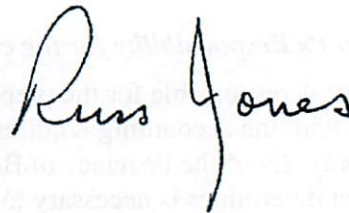
In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the consolidated financial statements of British Columbia Transit for the year ended March 31, 2015, 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.

**Emphasis of Matter**

Without modifying my opinion, I draw attention to Note 2(a) to the consolidated financial statements which discloses that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 19 to the consolidated financial statements discloses the impact of these differences.



Victoria, British Columbia  
May 28, 2015

Russ Jones, CPA, FCA  
Deputy Auditor General





# BRITISH COLUMBIA TRANSIT

Consolidated Statement of Financial Position  
(In thousands of dollars)

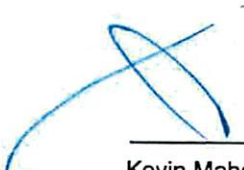
March 31, 2015, with comparative figures for March 31, 2014

	March 31, 2015	March 31, 2014
		(Restated – note 3)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (note 4)	\$ 38,056	\$ 40,706
Assets held for sale (note 9)	1,000	-
Accounts receivable:		
Provincial and federal capital grants	2,735	5,088
Local government	13,622	14,580
Trade and other	5,627	5,706
Debt sinking funds (note 7)	101,289	94,127
	162,329	160,207
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	40,722	32,964
Provincial funding payable	1,503	1,415
Deferred revenue and contributions (note 5)	14,555	9,228
Deferred capital contributions (note 6)	819,660	805,787
Debt (note 7)	211,903	231,140
Employee future benefits (note 8)	16,646	14,074
	1,104,989	1,094,608
<b>NET DEBT</b>	\$ (942,660)	\$ (934,401)
<b>NON FINANCIAL ASSETS</b>		
Tangible capital assets (note 9)	319,661	300,713
Tangible capital assets under lease (note 10)	676,584	680,194
Inventories	9,353	8,987
Prepaid expenses	1,509	1,340
Prepaid lease payments	3,641	3,824
	1,010,748	995,058
<b>ACCUMULATED SURPLUS</b>		
Accumulated operating surplus	55,766	55,296
Accumulated rereasurement gains	12,322	5,361
	\$ 68,088	\$ 60,657

Commitments and contingencies (notes 12 and 13)

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements

Approved on behalf of the Board:

  
\_\_\_\_\_  
Kevin Mahoney, Chair  
May 28, 2015

  
\_\_\_\_\_  
Kelly Cairns, Director  
May 28, 2015

# BRITISH COLUMBIA TRANSIT

Consolidated Statement of Operations  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for March 31, 2014

	Budget 2015 (Note 2(i))	March 31, 2015	March 31, 2014 (Restated – note 3)
<b>Revenue:</b>			
Operations	\$ 71,018	\$ 69,182	\$ 69,192
Government transfers:			
Provincial (note 14)	103,492	96,211	95,415
Local government (note 14)	95,828	88,315	84,984
Deferred capital contributions (note 14)	32,420	23,449	38,746
Investment and other income	3,810	4,030	5,219
	<u>306,568</u>	<u>281,187</u>	<u>293,556</u>
<b>Expenses: (note 15)</b>			
Operations	230,799	205,866	222,507
Maintenance	51,111	49,332	46,517
Administration	24,658	25,413	24,293
	<u>306,568</u>	<u>280,611</u>	<u>293,317</u>
Net income from operations	-	576	239
<b>Other:</b>			
<b>Vancouver Assets:</b>			
Deferred capital contributions (note 6)	14,773	14,757	14,581
Amortization expense (note 10)	(14,773)	(15,187)	(15,010)
<b>Disposal and impairment of capital assets</b>			
Impairment of capital assets (note 9)	-	(4,600)	-
Loss on disposal of capital assets (note 9)	-	(716)	-
Deferred capital contributions	-	2,881	-
Provincial government transfers (note 14)	-	1,985	-
Other capital recoveries	-	450	16
Other income	-	39	-
Gain on investments	-	275	706
Foreign exchange gain (loss)	-	10	(7)
	-	<u>(106)</u>	<u>286</u>
Surplus for the year	-	470	525
Accumulated operating surplus, beginning of year	52,290	55,296	54,771
Accumulated operating surplus, end of year	<u>\$ 52,290</u>	<u>\$ 55,766</u>	<u>\$ 55,296</u>

The accompanying notes and supplementary schedules 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, 2015, with comparative figures for March 31, 2014

	Budget 2015	March, 31 2015	March 31, 2014
	(Note 2(i))		(Restated – note 3)
Surplus for the year	\$ -	\$ 470	\$ 525
Acquisition of tangible capital assets	(136,919)	(83,212)	(79,413)
Amortization of tangible capital assets	70,875	61,559	75,608
Loss (gain) on sale of tangible capital assets	-	6,076	(16)
Proceeds on sale of tangible capital assets and assets under lease	-	240	86
	(66,044)	(14,867)	(3,210)
Acquisition of inventories of parts	-	(27,537)	(27,380)
Consumption of inventories of parts	-	27,170	26,728
Acquisition of prepaid expenses	-	(6,189)	(5,435)
Consumption of prepaid expenses	-	6,020	5,318
Acquisition of prepaid leases	-	(118)	(1,223)
Consumption of prepaid leases	-	301	1,440
	-	(353)	(552)
Realized (gain) reclassified to operations	-	(275)	(699)
Unrealized (loss) on portfolio investment	-	7,236	(2,077)
	-	6,961	(2,776)
Change in net debt	(66,044)	(8,259)	(6,538)
Net debt, beginning of year	(937,407)	(934,401)	(927,863)
Net debt, end of year	\$ (1,003,451)	\$ (942,660)	\$ (934,401)

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements

# BRITISH COLUMBIA TRANSIT

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

Years ended March 31, 2015, with comparative figures for March 31, 2014

	March 31, 2015	March 31, 2014
Accumulated remeasurement gains and (losses), beginning of year	\$ 5,361	\$ 8,137
Unrealized gain (loss) on investments	7,236	(2,077)
Realized (gain) on investments, reclassified to Consolidated Statement of Operations (Gain on investments)	(275)	(699)
Accumulated remeasurement gains and (losses), end of year	\$ 12,322	\$ 5,361

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements

# BRITISH COLUMBIA TRANSIT

Consolidated Statement of Cash Flows  
(In thousands of dollars)

Years ended March 31, 2015, with comparative figures for March 31, 2014

	March 31, 2015	March 31, 2014
		(Restated – note 3)
Cash provided by (used for):		
Operating activities:		
Annual surplus (deficit)	\$ 470	\$ 525
Non-cash charges to operations (note 16)	23,693	23,743
Changes in non-cash operating working capital (note 16)	18,519	(3,178)
Net change in cash from operating activities	42,682	21,090
Capital activities:		
Proceeds from disposal of assets under lease	-	-
Proceeds on sale of tangible capital assets	240	54
Cash used to acquire tangible capital assets and assets under lease	(69,360)	(56,885)
Net change in cash from capital activities	(69,120)	(56,831)
Investing activities:		
Increase in debt sinking funds and investments net of unrealized gain	(201)	(11,474)
Net change in cash from investing activities	(201)	(11,474)
Financing activities:		
Prepaid lease payments	(118)	(1,223)
Debt repaid	(19,275)	(9,604)
Deferred capital contributions received	43,382	28,870
Net change in cash from financing activities	23,989	18,043
Net change in cash and cash equivalents	(2,650)	(29,172)
Cash and cash equivalents, beginning of year	40,706	69,878
Cash and cash equivalents, end of year	\$ 38,056	\$ 40,706
Supplemental cash flow information:		
Cash paid for interest	\$ 10,562	\$ 11,026
Cash received from interest	\$ 470	\$ 692

The accompanying notes and supplementary schedules 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, 2015, with comparative figures for 2014

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## 1. Nature of Operations:

British Columbia Transit ("BC Transit") was 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 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 11.

## 2. Summary of Significant Accounting Policies:

### (a) Basis of accounting:

The 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 the contribution is subject to is met, and that restricted contributions for the purpose of acquiring or developing a depreciable tangible capital asset, be recognized in 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:

#### (i) 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.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 2. Summary of Significant Accounting Policies (continued):

### (b) Basis of consolidation (continued):

#### (i) Consolidated entities

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

TBC Vehicle Management Inc.

TBC Operations Inc.

TBC Properties Inc.

0915866 B.C. Ltd.

0922667 B.C. Ltd.

0925406 B.C. Ltd.

0928624 B.C. Ltd.

### (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 recognized in 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 in revenue in the year in which the stipulation or restriction on the contribution has been met.

See note 19 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.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 2. Summary of Significant Accounting Policies (continued):

### (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. Forward contracts to purchase fuel for BC Transit's normal use are not recognized as financial assets in these financial statements and do not need to be fair valued. 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.

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 measured using a Level 1 valuation.



# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 2. Summary of Significant Accounting Policies (continued):

### (e) Financial instruments (continued):

#### (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 fund balances consist of pooled investment portfolios and Canadian, Provincial government and Crown Corporation bonds managed by the British Columbia Investment Management Corporation ("bcIMC"), 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.

### (f) Employee future benefits:

(i) BC Transit and its employees contribute to the Public Service Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The pension plan is a multi-employer defined benefit plan, together with other British Columbia public service employers, in accordance with the Public Sector Pension Plans Act. The plan provides a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over 5 years. Inflation adjustments are contingent upon available funding.

Multi-employer defined benefit plans follow defined contribution pension plan accounting. Contributions to the plan are recorded as an expense in the year they are made. The joint trustee board of the plan determines the required plan contributions annually. Using this method, employer contribution rates are set out so that, in combination with member contributions, they will fully pay for benefits earned by the typical new entrants to the Plan and will maintain the Plan's unfunded accrual liability for funding purposes, if any, as a constant percentage of employer payrolls.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at March 31, 2014, indicated a surplus of \$193,698 for basic pension benefits for all plan employers including BC Transit. The actuary does not attribute portions of the deficit to individual employers.

Total cash payments to the multi-employer plan for employee future benefits for the year ended March 31, 2015 consisting of cash contributed by BC Transit to its multi-employer defined benefit plan was \$4,715 (2013/14 - \$4,706)

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 2. Summary of Significant Accounting Policies (continued):

### (f) Employee future benefits (continued):

(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 obligation 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 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, 2015.

### (g) 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 acquisition, construction, development or betterment of the asset. The cost, less 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 – not amortized
Exchanges, shelters, and other transit infrastructure	3 – 40
Buildings	5 – 40
Vehicles – including major components	2 – 20
Hydrogen components and chassis (note 9)	4 – 10
Hydrogen fuelling station (note 9)	5
Equipment and other capital assets	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 to deferred capital contributions. Tangible capital assets are amortized over their estimated useful lives.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 2. Summary of Significant Accounting Policies (continued):

### (g) Non-financial assets (continued):

#### (iii) Interest capitalization:

Interest is capitalized whenever external 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) Leased tangible capital assets (Vancouver Assets):

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Asset	Useful Life - Years
SkyTrain – transit infrastructure	20 – 100
SkyTrain buildings	20
West Coast Express – transit infrastructure	30

#### (v) Inventories:

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

#### (vi) 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.

#### (vii) Intangibles:

Intangible assets are not recognized in BC Transit financial statements.

#### (h) 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.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 2. Summary of Significant Accounting Policies (continued):

### (i) Budget data:

The budget data presented in these consolidated financial statements was included in the 2014/15 – 2016/17 Service Plans approved by the Board of Directors on January 23, 2014.

### (j) New Accounting Pronouncements

#### (i) BC Transit has adopted the standards and interpretations that are relevant to the operations of BC Transit and effective March 31, 2015.

##### a. Liability for contaminated sites (PS 3260)

Contamination 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:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. British Columbia Transit:
  - a. is directly responsible; or
  - b. accepts responsibility; and
- iv. A reasonable estimate of the amount can be made.

The implementation of PS 3260 did not have material impact to BC Transit's consolidated financial statements.

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

##### a. Related Party Disclosures (PS 2200)

This new Section defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. This standard applies to fiscal years beginning on or after April 1, 2017, earlier adoption is permitted.

The adoption of this standard is not expected to have a material impact to BC Transit's consolidated financial statements.

##### b. Inter-entity Transactions (PS 3420)

This new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This Section applies to fiscal years beginning on or after April 1, 2017, earlier adoption is permitted.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 2. Summary of Significant Accounting Policies (continued):

### (j) New Accounting Pronouncements (continued)

The adoption of this standard is not expected to have a material impact to BC Transit's consolidated financial statements.

## 3. Correction of Prior Period Error:

During the year, management ascertained that its liability for employee future benefits for prior years was misstated. As a result, the accumulated operating surplus, benefits expense and liability for April 1, 2013 and March 31, 2014 have been restated.

The impact of the correction of prior period errors is presented below:

### (i) Consolidated Statement of Financial Position

	March 31, 2014		
	As previously Reported	Cumulative Correction	Restated
Employee Future Benefits	\$ 17,080	\$ (3,006)	\$ 14,074

	April 1, 2013		
	As previously reported	Correction	Restated
Employee Future Benefits	\$ 14,963	\$ (2,640)	\$ 12,323

### (ii) Consolidated Statement of Operations

	March 31, 2014		
	As previously reported	Correction	Restated
Expenses	\$ 293,683	\$ (366)	\$ 293,317

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

### 3. Correction of Prior Period Error (continued):

(iii) Accumulated Operating Surplus

	March 31, 2014	April 1, 2013
Accumulated operating surplus, as previously reported	\$ 52,290	\$ 52,131
Restatement:		
Restatement of April 1, 2013	2,640	2,640
Restatement of March 31, 2014	366	-
Accumulated operating surplus, as restated	\$ 55,296	\$ 54,771

### 4. Cash and cash equivalents:

Major components of cash and cash equivalents are as follows:

	2015	2014
Cash	\$ 7,727	\$ 9,785
Cash equivalents	27,870	28,043
Restricted cash equivalents (note 20)	2,459	2,878
	\$ 38,056	\$ 40,706

### 5. Deferred revenue and contributions:

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

Debt service contributions to fund sinking fund and interest payments 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. Such differences are deferred to be recognized as a recovery in future periods.

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

	2015	2014
Deferred revenue	\$ 5,873	\$ 4,139
Deferred service contributions	8,682	5,089
Total deferred revenue and contributions	\$ 14,555	\$ 9,228

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 5. Deferred revenue and contributions (continued):

Continuity of deferred revenue is as follows:

	2015	2014
Balance, beginning of year	\$ 4,139	\$ 2,570
Contributions received	1,734	1,569
	5,873	4,139
Contributions used	-	-
Balance, end of year	\$ 5,873	\$ 4,139

Continuity of deferred contributions is as follows:

	2015	2014
Balance, beginning of year	\$ 5,089	\$ 4,946
Contributions from local governments	40,014	36,151
	45,103	41,097
Deferred local contributions used	(36,421)	(36,008)
Balance, end of year	\$ 8,682	\$ 5,089

## 6. Deferred capital contributions:

The deferred capital contributions, reported on the consolidated statement of financial position, are made up of the following:

	2015	2014
Deferred capital contributions	\$ 191,379	\$ 177,227
Deferred capital contributions -Vancouver Assets	628,281	628,560
Total deferred capital contributions	\$ 819,660	\$ 805,787

Deferred capital contributions include Federal and Provincial grants subject to amortization on the same basis as the related asset.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 6. Deferred capital contributions (continued):

	2015	2014
<b>Capital assets:</b>		
Balance, beginning of year	\$ 177,227	\$ 187,135
Contributions and other additions	43,382	28,871
Impairment and disposals of capital assets	(2,881)	(33)
Internal transfer	(2,900)	-
Amortization	(23,449)	(38,746)
Balance, end of year	191,379	177,227
<b>Capital assets under lease (Vancouver Assets):</b>		
Balance, beginning of year	628,560	620,613
Contributions and other additions	11,578	22,528
Internal transfer	2,900	-
Amortization	(14,757)	(14,581)
Balance, end of year	628,281	628,560
<b>Total deferred capital contributions</b>	<b>\$ 819,660</b>	<b>\$ 805,787</b>

## 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:

	2015	2014
Sinking fund bonds, weighted average interest rate of 4.70%, maturing at various dates to 2040, amortized from 5 to 30 years	\$ 211,903	\$ 231,140

Investments held in sinking funds, including interest earned, are to be used to repay the related debt at maturity. Gain on investments includes \$279 (2014 - \$517) 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:



# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 7. Debt (continued):

	2015		2014	
	Cost	Market value	Cost	Market value
Money market funds	\$ 17,197	\$ 17,197	\$ 5,984	\$ 5,984
Provincial/Corporate bonds	71,779	84,092	82,782	88,143
<b>Total</b>	<b>\$ 88,976</b>	<b>\$ 101,289</b>	<b>\$ 88,766</b>	<b>\$ 94,127</b>

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

2016	\$ 25,595
2017	6,378
2018	-
2019	11,200
2020	1,828
Thereafter	167,051

In October 1992, BC Transit entered into an unsecured revolving credit facility with a Canadian Financial Institution totaling \$10 million. The revolving credit may be terminated in whole or in part and shall be due on demand. Interest on the revolving credit 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. As of March 31, 2015 BC Transit has not drawn on the facility.

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. Term 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, 2015 BC Transit has not drawn on the facility.

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

2016	\$ 12,638
2017	8,005
2018	6,780
2019	6,083
2020	4,631
Thereafter	33,232

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 8. Employee future benefits:

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

	2015	2014
<b>Accrued benefit obligation:</b>		
Balance, beginning of year	\$ 14,074	\$ 12,323
Current benefit cost and event-driven expense	1,703	1,092
Interest	649	582
Actuarial loss	422	295
Benefits paid	(202)	(218)
Balance, end of year	16,646	14,074
Unamortized actuarial loss	1,336	4,264
<b>Liability for benefits</b>	<b>\$ 17,982</b>	<b>\$ 18,338</b>

Information about BC Transit's benefit plans is as follows:

	2015	2014
Non-pension post retirement benefits	\$ 15,265	\$ 16,322
Post employment benefits	953	400
Continuation of long term disability benefits	1,764	1,616
<b>Total liability for benefits</b>	<b>\$ 17,982</b>	<b>\$ 18,338</b>

Included in expenses is \$422 (2014 – \$295) for amortization of the actuarial loss.

The unamortized actuarial loss on future payments is amortized over the expected period of the liability which is 8 years (2014 – 10 years) for post employment benefits and 10 years (2014 – 11 years) for post retirement benefits.

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

	2015	2014
Discount rate	2.2% - 2.7%	2.9% - 3.6%
Expected future inflationary increases	2.6% - 5.15%	2.6% - 5.15%
Weighted average health care trend - end of year	6.94% in 2015 grading to 4.29% in and after 2029	6.88% in 2014 grading to 4.50% in and after 2029
Dental and MSP trend – end of year	4.5%	4.5%

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 9. Tangible capital assets:

Cost	Balance, March 31, 2014	Additions	Disposals	Balance, March 31, 2015
Land	\$ 2,608	\$ -	\$ -	\$ 2,608
Exchanges, shelters and other transit infrastructure	28,194	2,860	-	31,054
Buildings	49,722	1	-	49,723
Vehicles	389,253	49,606	(25,659)	413,200
Hydrogen chassis	11,780	-	(11,780)	-
Other equipment	42,208	6,465	-	48,673
Capital projects in progress	61,613	71,635	(58,931)	74,317
<b>Total</b>	<b>\$ 585,378</b>	<b>\$ 130,567</b>	<b>\$ (96,370)</b>	<b>\$ 619,575</b>

Accumulated amortization	Balance, March 31, 2014	Disposals	Amortization	Balance, March 31, 2015
Exchanges, shelters and other transit infrastructure	\$ 6,128	\$ -	\$ 1,649	\$ 7,777
Buildings	21,091	-	1,792	22,883
Vehicles	225,588	(24,943)	37,984	238,629
Hydrogen chassis	5,003	(6,180)	1,177	-
Other equipment	26,855	-	3,770	30,625
Capital projects in progress	-	-	-	-
<b>Total</b>	<b>\$ 284,665</b>	<b>\$ (31,123)</b>	<b>\$ 46,372</b>	<b>\$ 299,914</b>

Net book value	Balance March 31, 2014	Balance March 31, 2015
Land	\$ 2,608	\$ 2,608
Exchanges, shelters, and other transit infrastructure	22,066	23,277
Buildings	28,631	26,840
Vehicles	163,665	174,571
Hydrogen chassis	6,777	-
Other equipment	15,353	18,048
Capital projects in progress	61,613	74,317
<b>Total</b>	<b>\$ 300,713</b>	<b>\$ 319,661</b>

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 9. Tangible capital assets (continued):

Cost	Balance, March 31, 2013	Additions	Disposals	Balance, March 31, 2014
Land	\$ 2,608	\$ -	\$ -	\$ 2,608
Exchanges, shelters and other transit infrastructure	22,313	5,881	-	28,194
Buildings	42,441	7,281	-	49,722
Vehicles	374,639	31,442	(16,828)	389,253
Hydrogen components and chassis	52,648	-	(40,868)	11,780
Hydrogen fuel station	9,810	-	(9,810)	-
Other equipment	39,007	3,223	(22)	42,208
Capital projects in progress	52,555	56,885	(47,827)	61,613
<b>Total</b>	<b>\$ 596,021</b>	<b>\$ 104,712</b>	<b>\$ (115,355)</b>	<b>\$ 585,378</b>

Accumulated amortization	Balance, March 31, 2013	Disposals	Amortization	Balance, March 31, 2014
Exchanges, shelters and other transit infrastructure	\$ 4,468	\$ -	\$ 1,660	\$ 6,128
Buildings	19,237	-	1,854	21,091
Vehicles	208,149	(16,759)	34,198	225,588
Hydrogen components and chassis	30,361	(40,868)	15,510	5,003
Hydrogen fuel station	6,370	(9,810)	3,440	-
Other equipment	22,940	(21)	3,936	26,855
Capital projects in progress	-	-	-	-
<b>Total</b>	<b>\$ 291,525</b>	<b>\$ (67,458)</b>	<b>\$ 60,598</b>	<b>\$ 284,665</b>

Net book value	Balance March 31, 2013	Balance March 31, 2014
Land	\$ 2,608	\$ 2,608
Exchanges, shelters, and other transit infrastructure	17,845	22,066
Buildings	23,204	28,631
Vehicles	166,490	163,665
Hydrogen components and chassis	22,287	6,777
Hydrogen fuel station	3,440	-
Other equipment	16,067	15,353
Capital projects in progress	52,555	61,613
<b>Total</b>	<b>\$ 304,496</b>	<b>\$ 300,713</b>

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 9. Tangible capital assets (continued):

Assets under construction having a value of \$74,317 (2014 - \$61,613) have not been amortized. Amortization of these assets will commence when the asset is available for service.

On November 26, 2013 the Province of BC confirmed completion of the Hydrogen Fuel Cell Pilot Project effective on the contract maturity date of March 31, 2014. The Hydrogen fuel station and hydrogen fuel components were fully amortized as at March 31, 2014. In December 2014, BC Transit received offers to purchase the hydrogen buses as part of its expression of interest posted on BC Bid, and elected not to proceed with these offers. Subsequent to the expression of interest, BC Transit has negotiated a non-binding offer from a third party bus supplier to acquire the hydrogen buses (chassis) in exchange for a parts credit of approximately \$1 million. The full carrying value of the hydrogen chassis of \$5.6 has been impaired down to its net realizable value, and \$1 million has been reclassified to Assets Held for Sale.

During the year, \$5,316 (2014 - \$71) of equipment was recognized as a write-down. A write-down of \$716 was recognized when equipment was removed from service, and an impairment of \$4,600 was recognized on the hydrogen fleet.

Interest capitalized for capital projects in 2015 was \$1,372 (2014 - \$1,424).

## 10. Tangible capital assets under lease:

Capital assets under lease consist of land, land improvements, stations, guideways and other assets related to the SkyTrain system and West Coast Express. These assets are made available to the South Coast British Columbia Transportation Authority ("SCBCTA") for their use pursuant to an Order in Council and operating lease and represent one of the Province's contributions toward public transportation in the Metro Vancouver service area.

The operating lease arrangements with SCBCTA for the Expo and Millennium Line guideways or system improvements include a nominal lease fee amount and expire in 2018 and 2016, respectively. The Expo lease has an available five-year renewal period.

On May 14, 2015, Bill-2, *BC Transportation Financing Authority Transit Assets and Liabilities Act*, was granted Royal Assent, effective May 21, 2015. The Bill calls for the transfer of all of BC Transit's tangible capital assets under lease in the Greater Vancouver Regional District under lease to the BC Transportation Financing Authority (note 23).

Cost	Balance, March 31, 2014	Additions	Disposals	Balance, March 31, 2015
SkyTrain	\$ 1,207,841	\$ 6,069	\$ -	\$ 1,213,910
West Coast Express	128,848	-	-	128,848
Capital projects in progress	25,493	11,577	(6,069)	31,001
<b>Total</b>	<b>\$ 1,362,182</b>	<b>\$ 17,646</b>	<b>\$ (6,069)</b>	<b>\$ 1,373,759</b>

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 10. Tangible capital assets under lease (continued):

Accumulated amortization	Balance, March 31, 2014	Disposals	Amortization expense	Balance, March 31, 2015
SkyTrain	\$ 602,895	\$ -	\$ 10,892	\$ 613,787
West Coast Express	79,093	-	4,295	83,388
Capital projects in progress	-	-	-	-
<b>Total</b>	<b>\$ 681,988</b>	<b>\$ -</b>	<b>\$ 15,187</b>	<b>\$ 697,175</b>

Net book value	Balance, March 31, 2014	Balance, March 31, 2015
SkyTrain	\$ 604,946	\$ 600,123
West Coast Express	49,755	45,460
Capital projects in progress	25,493	31,001
<b>Total</b>	<b>\$ 680,194</b>	<b>\$ 676,584</b>

Cost	Balance, March 31, 2013	Additions	Disposals	Balance, March 31, 2014
SkyTrain	\$ 1,204,048	\$ 3,793	\$ -	\$ 1,207,841
West Coast Express	128,848	-	-	128,848
Capital projects in progress	6,758	22,528	(3,793)	25,493
<b>Total</b>	<b>\$ 1,339,654</b>	<b>\$ 26,321</b>	<b>\$ (3,793)</b>	<b>\$ 1,362,182</b>

Accumulated amortization	Balance, March 31, 2013	Disposals	Amortization expense	Balance, March 31, 2014
SkyTrain	\$ 592,180	\$ -	\$ 10,715	\$ 602,895
West Coast Express	74,798	-	4,295	79,093
Capital projects in progress	-	-	-	-
<b>Total</b>	<b>\$ 666,978</b>	<b>\$ -</b>	<b>\$ 15,010</b>	<b>\$ 681,988</b>

Net book value	Balance, March 31, 2013	Balance, March 31, 2014
SkyTrain	\$ 611,868	\$ 604,946
West Coast Express	54,050	49,755
Capital projects in progress	6,758	25,493
<b>Total</b>	<b>\$ 672,676</b>	<b>\$ 680,194</b>

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 11. 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:

	2015	2014
Cash held in trust, beginning of year	\$ 10,394	\$ 8,461
Revenue:		
Fuel tax	11,871	11,688
Property tax	29,939	28,131
Interest earned	261	148
Government transfers	(40,677)	(38,034)
Cash held in trust, end of year	\$ 11,788	\$ 10,394

## 12. Commitments:

BC Transit has outstanding commitments as summarized below:

	2016	2017	2018	2019	2020
Operating Leases	1,350	1,396	1,374	1,535	1,535
Facilities	9,323	222	222	222	222
Vehicle Purchases	31,314	-	-	-	-
Fixed price fuel commitments	3,598	-	-	-	-
Information Technology	682	250	250	-	-
Other	755	-	-	-	-
	47,022	1,868	1,846	1,757	1,757

## 13. 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, 2015 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.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 14. Government transfers:

The transfers reported on the statement of operations are:

	2015	2014
Revenue:		
Provincial grants:		
Operating	\$ 96,211	\$ 95,415
Impairment on capital assets	1,985	-
	<u>98,196</u>	<u>95,415</u>
Deferred Capital Contributions	20,349	38,364
	<u>118,545</u>	<u>133,779</u>
Federal grants:		
Deferred Capital Contributions	3,100	382
Local government contributions:		
Transfers under cost share agreements	88,315	84,984
	<u>91,415</u>	<u>85,366</u>
<b>Total revenues</b>	<b>\$ 209,960</b>	<b>\$ 219,145</b>

## 15. Classification of expense by object:

	Budget	2015	2014
Contracted salaries, wages and benefits	\$ 78,999	\$ 78,430	\$ 74,695
Salaries, wages and benefits	68,738	66,933	67,625
Amortization of capital assets	56,102	46,372	60,596
Fuel and lubricants	32,473	28,278	30,325
Fleet Maintenance	27,473	26,116	23,512
Interest	13,395	10,478	10,794
Insurance	4,665	4,491	5,384
Leases and taxes	2,560	2,495	2,501
Major projects and initiatives	6,251	1,059	3,397
Local government expenses	2,087	2,062	2,020
Marketing and communications	2,116	2,055	1,874
Taxi programs	1,733	1,769	1,778
Facility maintenance	3,194	3,455	2,712
Information systems	2,319	2,577	2,224
Corporate expenses	1,790	2,041	1,577
Professional fees	965	1,290	1,540
Travel and meetings	1,043	710	763
Other	665	-	-
<b>Total operating expenses</b>	<b>\$ 306,568</b>	<b>\$ 280,611</b>	<b>\$ 293,317</b>



# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

## 16. Additional Information for the Statement of cash flows:

	2015	2014
<b>Non-cash charges to operations:</b>		
Amortization of debt discount	\$ 38	\$ 38
Amortization of tangible capital assets	61,559	75,608
Amortization of prepaid lease	302	1,440
Loss (Gain) on sale of tangible capital assets	-	(16)
Amortization of deferred capital contributions	(38,206)	(53,327)
	<b>\$ 23,693</b>	<b>\$ 23,743</b>
<b>Changes in non-cash operating working capital:</b>		
Accounts receivable	\$ 3,390	\$ (3,828)
Accounts payable and accrued liabilities	7,758	1,008
Provincial funding payable	2,074	(3,747)
Deferred revenue and contributions	3,260	2,407
Employee future benefits	2,572	1,751
Inventories	(366)	(652)
Prepaid expenses	(169)	(117)
	<b>\$ 18,519</b>	<b>\$ (3,178)</b>

## 17. Financial instruments:

### (a) Fair value:

The carrying value of cash and cash equivalents, assets held for resale (note 9), 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. The fair value of long-term debt at March 31, 2015 is \$211,903 (2014 - \$231,140).

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.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 17. Financial instruments (continued):

### (b) Risks associated with financial assets and liabilities (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 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, 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. Management entered into a fixed price physical supply contract during the year for operational purposes fixing certain fuel purchases during fiscal 2015 as described in note 12.

#### *Interest rate risk:*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate from changes in market interest rates. BC Transit is exposed to interest rate risk to the extent of 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 and loans denominated in the U.S dollar. BC Transit periodically makes commitments to acquire certain capital assets, primarily transit vehicles, 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 outstanding as at March 31, 2015.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 17. Financial instruments (continued):

### (b) Risks associated with financial assets and liabilities (continued):

#### *Sensitivity analysis:*

The following table is a sensitivity analysis indicating the impact on net revenue (expenditures) 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.

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1% change		
Interest rate risk	\$	291
Foreign exchange risk		500

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#### *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 12.

#### *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 operating and 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.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## 17. Financial instruments (continued):

### (c) Capital disclosures (continued):

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.

## 18. Related party transactions:

As a Crown Corporation of the Province, BC Transit and the Province are considered related parties. All transactions between BC Transit and the Province 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. Related party transactions and balances have been disclosed elsewhere in the financial statements.

## 19. 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 into revenue in the period the restriction the transfer is subject to is met, and also require BC Transit to recognize government transfers for the acquisition of capital assets into 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 into revenue. The impact of this difference on the consolidated financial statements of BC Transit is as follows:

As at March 31, 2015 – increase in annual surplus by \$18,923 (2014 – (\$34))

March 31, 2015 – increase in accumulated surplus by \$833,459 (2014 – \$814,536), a decrease in deferred capital contributions by \$819,660 (2014 - \$805,787), and a decrease in deferred revenue and contributions by \$13,799 (2014 - \$8,749).

## 20. Restricted Cash Equivalents:

In January 2010, the Board of Directors approved the withdrawal from the Transportation Property and Casualty 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. \$1,804 (2014 - \$2,878) remains in restricted cash equivalents to offset other potential future claims (note 4).

As of March 31, 2015, BC Transit holds \$655 (2014 - \$Nil) in restricted cash for vehicle replacements (\$140 – 2015, \$Nil – 2014) and preventive maintenance and major repairs (\$515 – 2015, \$Nil – 2015). The restricted cash for vehicle replacements is specific to transit systems that are providing BC Transit with prepayments for future vehicle acquisitions.

# BRITISH COLUMBIA TRANSIT

Notes to Consolidated Financial Statements  
(In thousands of dollars)

Year ended March 31, 2015, with comparative figures for 2014

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## **21. Economic Dependency:**

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

## **22. Comparative figures:**

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

## **23. Subsequent events:**

On May 14, 2015, Bill-2, *BC Transportation Financing Authority Transit Assets and Liabilities Act*, was granted Royal Assent, effective May 21, 2015. The Act calls for the transfer of all of BC Transit's tangible capital assets under lease in the Greater Vancouver Regional District to the BC Transportation Financing Authority. The transfer will occur through the Consolidated Statement of Financial Position, with the removal of the tangible capital assets under lease and the related deferred capital contributions, and an offsetting adjustment to accumulated operating surplus.