

Transportation Investment Corporation

2021/22 Annual Service Plan Report

August 2022



For more information on the Transportation Investment Corporation contact:

Transportation Investment Corporation
Suite 1750 – 401 West Georgia Street
Or visit our website at

ticorp.ca

Published by the Transportation Investment Corporation

Board Chair's Accountability Statement



The *Transportation Investment Corporation 2021/22 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2021/22 – 2023/24 Service Plan* created in April 2021. The Board is accountable for those results as reported.

A handwritten signature in black ink that reads "Sabine Feulgen". The signature is written in a cursive, flowing style.

Sabine Feulgen
Board Chair
August 2022

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Letter from the Board Chair & CEO

The enclosed Annual Service Plan Report for fiscal year 2021/22 summarizes Transportation Investment Corporation's (TI Corp) performance in relation to the Mandate Letter provided to us in May 2021 by the Minister responsible for TI Corp, the Minister of Transportation and Infrastructure.¹

TI Corp's policies and programs were informed by the five foundational principles also described in the 2021 Mandate Letter: putting people first; lasting and meaningful reconciliation; equity and anti-racism; a better future through fighting climate change; and a strong, sustainable economy that works for everyone.

There has been good progress on the delivery of the three major infrastructure projects originally assigned to TI Corp, as well as for additional major infrastructure projects assigned during fiscal year 2021/22. A significant factor to this progress is the ongoing engagement, collaboration and partnership with Indigenous groups that has occurred and been integral to the projects. These collaborative partnerships were also key supports to project progress through the ongoing residual challenges of the COVID-19 pandemic as well as concerns about global supply chains and the significant weather events temporarily affecting provincial transportation corridors.

The Pattullo Bridge Replacement Project (PBR) is well into construction, with significant progress being made on the first in-water pier and other on-land piers. PBR has maintained ongoing close collaboration with Indigenous groups and partners throughout the year. Construction is also advancing on the Broadway Subway Project (BSP), with activity at all six station locations and the installation of temporary traffic decks complete and in place at the first couple of station locations on Broadway to ensure efficient movement along the corridor. There continues to be regular engagement with the public and corridor businesses to mitigate disruptions as the project moves forward. Successful factory acceptance of the first Tunnel Boring Machine also occurred during the fiscal year. Construction has also continued on the Kicking Horse Canyon Phase 4 Project (KHCP4) with substantial progress on piling, foundation and deck work completed for various structures along the project alignment.

TI Corp had a busy year working on the Highway 99 Tunnel Program. The first project, the Steveston Interchange Project (SIP) progressed through procurement and a preferred proponent was selected in March 2022. The Business Case for the Fraser River Tunnel Project (FRTP) was approved in June 2021 allowing planning steps in support of the environmental assessment process to proceed. The Initial Project Description and Engagement Plan was submitted to the Environmental Assessment Office towards the end of the year. Planning and procurement work on the Royal BC Museum's (RCBM) Collections and Research Building Project proceeded over the 2021/22 fiscal year, with the Request For Qualifications (RFQ) process complete and the Request For Proposals (RFP) process well underway.

¹ TI Corp is accountable to Minister of Transportation and Infrastructure for the transportation sector projects which include the PBR, BSP, KHCP4, FRTP, SIP and SLS and to the Minister of Tourism, Arts, Culture and Sport for the CRB and Museum Projects.

Other projects in the planning phase have progressed. The RBCM's proposal for the Museum Project entailed redevelopment of the downtown Victoria site². The Business Case was completed during fiscal 2021/22 and submitted to Government for review. TI Corp is also developing the Surrey Langley SkyTrain (SLS) Business Case for Government's consideration.

TI Corp continued to develop and strengthen its corporate practices to support the priorities of the mandate letter and project delivery. This included expanding our risk management capacity and procurement of information technology to support records and project management requirements with systems compatible to those of our project partners. To meet increased project needs, TI Corp recruited additional staff with the complement of employees reaching 141 by the end of March 2022.

Finally, the TI Corp Board of Directors, Sub-Committees and due diligence committees convened regularly, providing oversight of the delivery of assigned major projects.

Our thanks go to all TI Corp staff who have worked hard to deliver on the goals and mandate of the organization throughout 2021/22

Sabine Feulgen



Board Chair
Transportation Investment Corporation
August 2022

Amanda Farrell



Chief Executive Officer
Transportation Investment Corporation
August 2022

² On June 22, 2022 the Province announced that it was halting plans announced May 13, 2022 to rebuild the RBCM to allow the RBCM leadership to lead a broad public engagement to consider all options for the future of the Museum.

Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

TI Corp has been established pursuant to the *Transportation Investment Act* and is a wholly-owned subsidiary of the BC Transportation Financing Authority (BCTFA).

TI Corp's strategic direction and mandate have been set by the Minister Responsible, the Minister of Transportation and Infrastructure, as per the 2021 Mandate Letter³.

The current corporate goals reflect TI Corp's focus on the priorities set for the organization and the mandate as outlined below:

- Provide cost effective and flexible delivery, including procurement and commercial oversight, of selected major projects assigned to it by the Province.
- Apply effective and consistent risk management, project and financial processes and controls to all assigned projects.
- Build capacity within TI Corp, and by extension the public service, for delivery of major capital projects.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the [Board Chair's 2021-22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures, and financial plan outlined in the [2021/22 Transportation Investment Corporation Service Plan](#) as well as actual results reported on in this annual report.

Operating Environment

Infrastructure development continues to be a key priority for the Province and helps to support a sustainable economy while contributing to B.C.'s COVID recovery plan. As part of the team moving development forward, TI Corp and its portfolio of responsibilities continue to grow. The organization is responsible for the delivery of major infrastructure projects for the Ministry of Transportation and Infrastructure (MOTI) and the Ministry of Tourism, Arts, Culture and Sport (TACS).

³ TI Corp is accountable to the Minister of Transportation and Infrastructure for the transportation sector projects which include the PBR, BSP, KHCP4, FRTP, SIP and SLS and to the Minister of Tourism, Arts, Culture and Sport for the CRB and Museum Projects.

Fiscal year 2021/22 was another busy year for TI Corp advancing assigned infrastructure projects and included both corporate and project-specific goals. Despite direct and indirect challenges of the pandemic and weather events, all three of the infrastructure projects originally assigned to TI Corp by MOTI, and under construction, progressed to achieve key milestones. The Pattullo Bridge Replacement Project (PBR) is well into construction and will provide important improvements for everyone using the new bridge, including people who are driving, cycling or walking, as well as the communities of Surrey and New Westminster. The Broadway Subway Project (BSP) also into construction, is a 5.7-kilometre extension of the Millennium Line SkyTrain in Vancouver, saving transit time for commuters and relieving congestion along Broadway. Construction on the fourth and final phase of the Highway 1 Kicking Horse Canyon Project (KHCP4) similarly is well advanced to bring safety improvements by realigning and widening of 4.8 kilometers to four lanes.

During fiscal year 2021/22 additional projects assigned to TI Corp also made key progress in planning and procurement phases. TI Corp is delivering two of these projects as part of the Highway 99 Tunnel Program. The first is the Steveston Interchange Project (SIP), where a preferred proponent was selected in March 2022, which will replace the existing two-lane overpass structure at Steveston Highway and Highway 99 with a new structure that accommodates two eastbound lanes and three westbound lanes, including a left-turn lane. The new interchange will also improve access to transit stops and pedestrian and cycling connections on Highway 99. The second project is the Fraser River Tunnel Project (FRTP) for which the Business Case was approved in June 2021 and work has progressed in support of the environmental assessment process. It will deliver a new eight-lane immersed tube tunnel that will include three general-purpose lanes and a dedicated transit lane in each direction. It will also provide a multi-use path to connect pedestrians and cyclists with active transportation routes on either side of the Fraser River. TI Corp also has been working closely with the Royal BC Museum (RBCM) and TACS on the Collections and Research Building (CRB) Project to be located in Colwood. The CRB, which will house the RBCM's collections, research functions and BC Archives, completed the RFQ phase of the procurement and the RFP process has been well advanced.

The project budgets under procurement and delivery by TI Corp total \$9.3 billion.

TI Corp also completed the Business Case for the Museum project, which was considered by Government in fiscal 2021/22⁴. TI Corp is also developing the Surrey Langley SkyTrain (SLS) Business Case for Government's consideration.

Collaboration, engagement and partnership with Indigenous groups has been essential to project progress through planning and delivery. Another key partnership for TI Corp has been its work with BC Infrastructure Benefits Inc. (BCIB) to implement the Community Benefits Agreement (CBA) for each of TI Corp's three initial projects (BSP, PBR, KHCP4). The CBA is designed to support the development of a sustainable skilled construction workforce in British Columbia.

⁴ On June 22, 2022 the Province announced that it was halting plans announced May 13, 2022 to rebuild the RBCM to allow the RBCM leadership to lead a broad public engagement to consider all options for the future of the Museum.

In addition, TI Corp worked with the Construction Labour Relations Association and the Tri-Pac unions to successfully negotiate a special project needs agreement for SIP consistent with the objectives of the Community Benefits Framework.

At the corporate level, TI Corp continued to build internal capacity during fiscal year 2021/22. This included the establishment of a dedicated risk management function including recruitment of personnel and development of consistent policies and practices to guide the organization, support the projects and provide timely and comprehensive reporting. As part of this, particular emphasis has been placed on knowledge sharing across projects and corporately to build additional capacity and expertise within the organization. Similarly, fiscal year 2021/22 has seen the hiring of individuals highly experienced in commercial and technical aspects of infrastructure construction. They have been purposefully positioned to transfer knowledge and develop the skills and experience of their colleagues. The corporation conducted its first Workplace Engagement Survey. It indicated relatively high level of engagement and provided detailed results which will be used to shape a number of initiatives in the coming year. These actions and activities are part of TI Corp's approach to retaining and growing experienced staff, succession planning at the executive level, and fostering mentorship programs -- all part of building a successful and sustainable organization.

TI Corp continued to develop processes and policies to ensure a framework for the consistent and effective delivery of infrastructure projects. Project controls, scheduling, cost estimation and stakeholder engagement have all been advanced through the acquisition of enhanced IT systems to bring uniformity across projects and better manage our oversight of project contractors. The procurement of a new comprehensive records management and document control system was also initiated during fiscal year 2021/22.

Report on Performance: Goals, Objectives, Measures and Targets

Goal 1: Effectively deliver major transportation projects¹

¹ TI Corp was responsible for the delivery of the CRB and Museum Projects throughout fiscal year 2021/22, as such this goal should have been revised and broadened to state “Effectively deliver major projects”. This will be corrected in future Service Plans and Annual Service Plan Reports.

Objective 1.1: Deliver each assigned major project within the approved parameters.

The approved parameters (scope, schedule and budget) for each assigned major projects are defined by the Province.

Key Highlights

- Preferred proponent was selected in March 2022 for the Steveston Interchange Project (SIP).
- Negotiated a project labour agreement to achieve Community Benefit objectives for SIP.
- The RFQ phase of procurement for the CRB was completed and the RFP is underway.
- All projects in implementation are on budget.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 ¹ Target	2023/24 ¹ Target
1.1a Executed Project Agreement	2	0	0	1	0
1.1b Percentage of preferred proponent proposals within affordability requirement	100%	100%	100%	100%	100%
1.1c Percentage of projects within budget	100%	100%	100%	100%	100%
1.1d Percentage of projects within schedule ²	67%	80%	80%	80%	80%

Data Sources: 1.1a Executed project agreements; 1.1b RFP financial submissions; 1.1c Project financial forecasts; 1.1d Project schedule forecasts

¹ Targets for 2022/23 and 2023/24 have been revised in TI Corp’s 2022/23 Service Plan.

² The actual achievement of Performance Measure 1.1d for fiscal year 2020/21 was calculated on the basis of approved schedules for three projects (PBR, BSP and KHCP4) and prior to the subsequent approval of a PBR schedule change. The actual achievement of, and target measure for, Performance Measure 1.1d in and between fiscal years 2021/22 to 2023/24 were calculated based on the approved schedules for five projects (PBR, BSP, KHCP4, CRB as well as FRTP and SIP at that time known collectively as the George Massey Crossing) and prior to the subsequent approval of a PBR schedule change.

Discussion of Results

During the fiscal year 2021/22, the construction timeline for PBR was adjusted to provide for a 2024 bridge opening in response to the complexities and challenges presented by the COVID-19 pandemic that delayed on- site investigative work and permitting approvals from provincial and federal authorities.

Performance measure 1.1 d has been amended in TI Corp’s 2022/23 Service Plan to report the substantial completion dates for each project, as it provided a more useful measure.

Goal 2: Effective management and financial control across all assigned major projects.

Objective 2.1: Ensure project management plans, systems, and reporting procedures are in place.

Key Highlights

- Acquisition of enhanced IT systems to bring uniformity across projects and enhance oversight of projects.
- Procurement of a comprehensive records management and document control system initiated.
- Established a dedicated risk management unit to support effectively manage project risks.
- Website publication of public Monthly Status Reports for assigned projects.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target ²	2023/24 Target ²
2.1a Percentage of project management plans and processes fully developed and operational	100%	100%	100%	100%	100%
2.1b Number of Monthly Status Reports ^{1,3}	36 ³	60 ³	43 ³	60 ³	60 ³

Data Sources: 2.1a Project Management Plans; 2.1b Monthly Status Reports

¹ Performance measure 2.1b has been amended to reflect the correct name of the report.

² Targets for 2022/23 and 2023/24 have been revised in TI Corp’s 2022/23 Service Plan.

³ The actual achievement of Performance Measure 2.1b for fiscal year 2020/21 was calculated on the basis of anticipated reporting for three projects (PBR, BSP and KHCP4) in that fiscal year. The target measures for Performance Measure 2.1b in and between fiscal years 2021/22 to 2023/24 were calculated based on the anticipated reporting for five projects (PBR, BSP, KHCP4, CRB as well as FRTP and SIP at that time known collectively as the George Massey Crossing). The actual achievement of Performance Measure 2.1b for fiscal year 2021/22 reflects two factors that resulted in the issuance of fewer Monthly Status Reports than anticipated. Firstly, Government approval of SIP occurred later than anticipated and resulted in the first SIP report being issued in September 2021. Secondly, and subsequent to the calculation of the target for fiscal year 2021/22, it was determined that reporting for CRB would be initiated at the conclusion of the project’s RFP stage.

Discussion of Results

Targets for performance measure 2.1b were calculated assuming an estimated 12 monthly status reports (MSR) per year, per assigned project from month of the project RFP release. Actual MSRs in fiscal year 2021/22 reflect the issuance of SIP MSRs being initiated in September 2021 at the time of SIP RFP issuance, and that MSR reporting for CRB will be initiated following contract award.

Goal 3: Build capacity within the public service for delivery of major capital projects.

Objective 3.1: Continue developing TI Corp’s organization, its capabilities and competencies for the effective delivery of major capital projects.

Key Highlights

- Recruitment of additional staff to meet increased project needs reaching a complement of 141 employees.
- High level of retention of existing employees in a competitive labour market.
- Continued knowledge sharing across projects and corporately to build capacity and expertise within the organization.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.1a Employee Training (% of employees engaged in training)	N/A ¹	75%	86%	75%	75%
3.1b Employee Retention (% voluntary turnover)	N/A ¹	Less than 10%	6.7%	Less than 10%	Less than 10%

Data Sources: 3.1a Public Service Agency Learning Management System and TI Corp Human Resources corporation training participation records; 3.1b Public Service Agency – Strategic Human Resources Self Service Reports

¹ Employee training and retention performance measures were developed for 2021/22 included in the April 2021 Service Plan and reporting on these measures began in fiscal year 2021/22.

Discussion of Results

All performance measures were met or exceeded in fiscal year 2021/22. In an extremely competitive labour market, TI Corp was able to successfully retain the vast majority of its staff.

Financial Report

For the auditor's report and audited financial statements, [see Appendix B](#). These can also be found on the [Transportation Investment Corporation's website](#).

Discussion of Results

The actual results for 2021/22 reflect management and oversight expenses to deliver TI Corp's assigned major projects, which include the PBR, BSP, KHCP4, FRTP, SIP and the CRB Project. The actuals also reflect management expenses to develop an updated Business Case for the Museum Project, and development of the SLS Concept Plan and Business Case.

Revenue and expenditures increased compared to prior year due to additional resources needed for major projects that are currently in the procurement and implementation phases of construction.

Financial Summary

(\$000)]	2020/21 Actual	2021/22 Budget	2021/22 Actual	2021/22 Variance
Revenue				
Project Delivery	12,498	21,852	22,318	466
Other Income	40	41	96	55
Total Revenue	12,538	21,893	22,414	521
Expenses				
Salaries and Benefits	10,092	17,746	16,991	(755)
Other Operating Costs	2,446	4,147	5,423	1,276
Total Expenses	12,538	21,893	22,414	521
Net Income	-	-	-	-
Accumulated Surplus	5,017	5,017	5,017	-

Note 1: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Variance and Trend Analysis

For Fiscal 2021/22, revenues and expenses are \$0.5 million higher than budget. The major variances included:

- Salaries and benefits were lower than budget by \$0.8 million, due to the hiring staff later than originally anticipated. TI Corp budgeted 124 full-time equivalent (FTE) staff in 2021/22 but averaged only 111 FTEs during the year.
- Other operating costs were higher than budget by \$1.3 million, mainly due to higher project specific specialized contractors required for delivering major projects, that are in the procurement and implementation phases of construction.

Capital Expenditures

TI Corp is a subsidiary of the BCTFA, with a mandate to provide procurement, delivery, and commercial oversight of major capital projects.

TI Corp's major transportation projects consisted of the PBR, BSP, KHCP4, FRTP and SIP. TI Corp is also developing the Business Case of the SLS project for Government's consideration. These capital projects are owned and funded by the BCTFA and are reported on through the MOTI's Service Plan.

TI Corp's other major capital projects include the CRB, as well as the Business Case for the Museum Project, which was submitted for Government's consideration in December 2021. These capital projects are owned and funded by the RBCM Corporation through grants provided by TACS and are reported through the RBCM and TACS Service Plans.

Appendix A: Additional Information

Organizational Overview

[Plans and Reports](#)

Corporate Governance

[TI Corp Board of Directors](#)

[Mandate Letter](#)

Ministry of Transportation and Infrastructure

[Annual Service Plan Report](#)

Ministry of Tourism, Arts, Culture and Sport

[Annual Service Plan Report](#)

Royal BC Museum

[Annual Service Plan Report](#)

Contact Information

For more information on the Transportation Investment Corporation contact:

Transportation Investment Corporation
Suite 1750 – 401 West Georgia Street
Vancouver, BC V6B 5A1

Or visit our website at: ticorp.ca

Appendix B: Auditor's Report and Audited Financial Statements

Transportation Investment Corporation

**Audited Financial Statements
Year Ended March 31, 2022**

TRANSPORTATION INVESTMENT CORPORATION

Statement of Management Responsibility Year Ended March 31, 2022

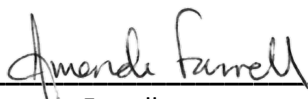
The financial statements of Transportation Investment Corporation have been prepared by management in accordance with Canadian Public Sector Accounting Standards and include certain estimates that reflect management's best judgments.

Management is responsible for the preparation of the financial statements and has established a system of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records provide reliable information for the preparation of financial statements.

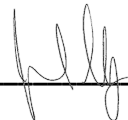
The Corporation's Board of Directors is responsible for the review and approval of the financial statements. The Audit and Risk Management ("ARM") Committee meets with management and the external auditor to discuss the results of the audit examination and financial reporting matters. The external auditor has full access to the ARM Committee with and without the presence of management.

The Auditor General of British Columbia has performed an independent audit of the financial statements. The Auditor's report outlines the scope of his examination and expresses an opinion on the financial statements of the Transportation Investment Corporation.

Yours truly,



Amanda Farrell
Chief Executive Officer



Jennifer Ng
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of the Transportation Investment Corporation (“the entity”), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, change in net assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2022, and the results of its operations, change in its net assets (debt) and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Opinion

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 the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 the entity 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 the entity'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 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 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 the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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
Assistant Auditor General

Victoria, British Columbia, Canada
May 24, 2022



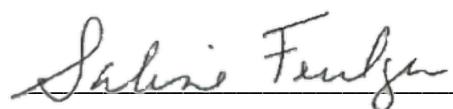
TRANSPORTATION INVESTMENT CORPORATION

Statement of Financial Position
As at March 31, 2022
(In \$000's)


	<u>Notes</u>	<u>31-Mar-22</u>	<u>31-Mar-21</u>
Financial assets			
Cash and cash equivalents		\$ 5,777	\$ 5,935
Due from government & other government organizations	3	3,712	2,292
		<u>9,489</u>	<u>8,227</u>
Liabilities			
Accounts payable & accrued liabilities	4	2,241	1,212
Due to government & other government organizations	5	2,323	2,047
Deferred lease inducement	6	346	351
		<u>4,910</u>	<u>3,610</u>
Net financial assets / (debt)		<u>4,579</u>	<u>4,617</u>
Non-financial assets			
Tangible capital assets	7	346	351
Prepaid expenses		92	49
		<u>438</u>	<u>400</u>
Accumulated surplus / (deficit)		<u>\$ 5,017</u>	<u>\$ 5,017</u>
Commitments	16		

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

Approved on behalf of the Board of Directors on May 24th, 2022



Sabine Feulgen, Chair



Glen Copping, Director

TRANSPORTATION INVESTMENT CORPORATION

Statement of Operations
Year Ended March 31, 2022
(In \$000's)

	<u>Note</u>	<u>Budget</u>	<u>31-Mar-22</u>	<u>31-Mar-21</u>
Revenues		<i>(Note 13)</i>		<i>(Note 17)</i>
Project delivery	9	\$ 21,852	\$ 22,318	\$ 12,498
Other	10	41	96	40
		<u>21,893</u>	<u>22,414</u>	<u>12,538</u>
Expenses	11			
General administration		21,893	22,414	12,538
		<u>21,893</u>	<u>22,414</u>	<u>12,538</u>
Annual operating surplus / (deficit)		-	-	-
Accumulated surplus / (deficit) at beginning of period		5,017	5,017	5,017
Accumulated surplus / (deficit) at end of period		<u>\$ 5,017</u>	<u>\$ 5,017</u>	<u>\$ 5,017</u>

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

TRANSPORTATION INVESTMENT CORPORATION

Statement of Change in Net Assets / (Debt)
Year Ended March 31, 2022
(In \$000's)

	31-Mar-22	31-Mar-21
Annual surplus / (deficit) after other items	\$ -	\$ -
Effect of change in tangible capital assets:		
(Acquisition) / disposal of tangible capital assets	(53)	(351)
Amortization of tangible capital assets	58	-
	5	(351)
Effect of change in prepaid expense		
Acquisition of prepaid expense	(118)	(58)
Use of prepaid expense	75	32
	(43)	(26)
Increase / (decrease) in net assets / (debt)	\$ (38)	\$ (377)
Net assets / (debt) at beginning of period	4,617	4,994
Net assets / (debt) at end of period	\$ 4,579	\$ 4,617

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

TRANSPORTATION INVESTMENT CORPORATION

Statement of Cash Flows Year Ended March 31, 2022 (In \$000's)

	31-Mar-22	31-Mar-21
Operating transactions		
Surplus / (deficit)	\$ -	\$ -
Items not affecting cash:		
Amortization of tangible capital assets	58	-
Amortization of lease inducement	(58)	-
Changes in operating working capital:		
Decrease (increase) in due from government and government organizations	(1,420)	(666)
Decrease (increase) in prepaids and deposits	(43)	(26)
Increase (decrease) in accounts payable and accrued liabilities	1,029	514
Increase (decrease) in due to government and government organizations	276	1,405
Cash provided by (applied to) operating transactions	(158)	1,227
Increase (Decrease) in cash	(158)	1,227
Cash at beginning of period	5,935	4,708
Cash at end of period	\$ 5,777	\$ 5,935
Cash consists of:		
Cash in bank	5,777	5,935
	\$ 5,777	\$ 5,935

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

TRANSPORTATION INVESTMENT CORPORATION

Notes to the Financial Statements

Year Ended March 31, 2022

1. Nature of Operations

The Transportation Investment Corporation (“TI Corp” or “the Corporation”) is a Crown Corporation owned by the Province of British Columbia and is governed by a Board of Directors. TI Corp was established on June 25, 2008, under the *Transportation Investment Act (SBC 2002)* to invest in transportation infrastructure. TI Corp became a wholly owned subsidiary of BC Transportation Financing Authority (“BCTFA”) on April 01, 2018.

TI Corp’s strategic direction and mandate are to:

- Provide cost effective and flexible delivery, including procurement and commercial oversight, of selected major projects assigned to it by the Province.
- Apply effective and consistent risk management, project and financial processes and controls to all assigned projects.
- Build capacity within TI Corp, and by extension the public service, for delivery of major capital projects.

In Fiscal 2021, TI Corp was requested to assist the Ministry of Tourism, Arts, Culture and Sport and the Royal BC Museum Corporation, to deliver the Collections and Research Building and the Royal British Columbia Museum Modernization Project. As a non-transportation project, an Order in Council was approved in September 2020, authorizing TI Corp to engage in and conduct business relating to the delivery of the project.

The Organization’s clients are the Ministry of Transportation and Infrastructure, Ministry of Tourism, Arts, Culture and Sport and the Royal BC Museum Corporation.

TI Corp is exempt from income taxes under the Income Tax Act.

2. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are as follows:

a. Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

b. Revenue Recognition

Project delivery revenue without eligibility criteria or stipulations are recognized as revenue immediately when the transfer is authorized. Other revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, on an accrual basis.

c. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year are expensed.

d. Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization, provided that the overall capitalized project cost is greater or equal to \$10,000.

For assets that are made available for use, amortization charges begin when the asset can operate in the manner intended by management. Charges are calculated using methods and rates that amortize the cost of the tangible capital asset over its estimated useful life on a straight-line basis. Methods and rates are reviewed annually and adjusted if necessary. If there are changes to the methods and rates, these are accounted for on a prospective basis.

The amortization method and useful lives for our asset class is as follows:

Asset Class	Useful Lives (in years)
Leasehold assets	Lease Term

A tangible capital asset is written-down when it can no longer contribute to the Corporation's ability to provide goods and services, or when the value of the service potential associated with the asset is less than its net book value. Any gains or losses arising from the write-down is calculated as the difference between the net disposal proceeds and the carrying value of the item. These gains or losses are included in the Statement of Operations in the year it is incurred.

e. Lease Inducement

Lease inducements are payments assumed by a lessor of costs of a lessee. Inducements are amortized on a straight-line basis over the lease term.

f. Prepaid Expenses

Prepaid expenses are recorded at cost. Prepaids are expensed as the economic benefits are being used, which is on a straight-line basis over the life of the agreement.

2. Summary of Significant Accounting Policies (continued)

g. Pension Benefits

Pension benefits for employees of the Corporation are provided through the BC Public Service Pension Plan, which is a multi-employer jointly trustee plan. This is a defined benefit plan. As the assets and liabilities of the plan are not readily available to the employer, the plan uses defined contribution accounting requirements and expenses contributions to the plan as they are incurred.

h. Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, amounts due from or to government and other government organizations, accounts payable and accrued liabilities all of which are reported at cost. Cash and cash equivalents include balances held in Canadian bank accounts.

i. Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that impact the amounts reported for assets and liabilities and the disclosure of contingent assets and liabilities, at the date of the financial statements. Management is also required to make estimates and assumptions that impact the revenues and expenses reported during the reporting period. Items requiring the use of significant estimates include the following: tangible capital asset useful life; method and rates for amortization; tangible capital asset impairment; and provisions for certain accrued liabilities.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, exhibit some variances to actual results.

3. Due from Government & Other Government Organizations

(\$000's)	March 31, 2022	March 31, 2021
Province of British Columbia	\$ 3,455	\$ 1,945
Royal BC Museum Corporation	230	347
BC Hydro	20	-
BC Transportation Financing Authority	7	-
	<u>\$ 3,712</u>	<u>\$ 2,292</u>

4. Accounts Payable & Accrued Liabilities

(\$000's)	March 31, 2022	March 31, 2021
Accounts payable	\$ 256	\$ 111
Other accrued liabilities	1,985	1,101
	<u>\$ 2,241</u>	<u>\$ 1,212</u>

5. Due to Government & Other Government Organizations

(\$000's)	March 31, 2022		March 31, 2021	
Province of British Columbia	\$	2,312	\$	1,969
Infrastructure BC		10		77
BC Transportation Financing Authority		1		-
BC Infrastructure Benefits Inc		-		1
	\$	2,323	\$	2,047

6. Deferred Lease Inducement

(\$000's)	March 31, 2022		March 31, 2021	
Beginning balance	\$	351	\$	-
Additions		53		351
Amortization		(58)		-
	\$	346	\$	351

The deferred lease inducement relates to an office space in Victoria that was leased to TI Corp with an effective date of March 31, 2021. As part of the lease agreement, the lessor provided TI Corp with leasehold assets (Note 7) which included furniture, fixtures, and leasehold improvements. The fair market value of these leasehold assets has been recognized as a lease inducement and are recorded into revenue over the lease term of 7 years.

7. Tangible Capital Assets

Tangible capital assets are recorded at cost and consist of leasehold assets related to TI Corp's Victoria office (Note 6). The costs and accumulated amortization amount are as follows (\$000's):

Cost (\$000's)	March 31, 2022 Leasehold Assets		March 31, 2021 Leasehold Assets	
Beginning balance	\$	351	\$	-
Additions		53		351
		404		351
Accumulated Amortization				
Beginning balance	\$	-	\$	-
Amortization		(58)		-
		(58)		-
Net Book Value	\$	346	\$	351

8. Related Party Transactions

TI Corp is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations and all public sector organizations that are included in the provincial government reporting entity. Transactions with related parties are in the normal course of operations and are made on terms equivalent to those that prevail in arm's length transactions.

TI Corp recognized revenue of \$21.1 million (2021 – \$12.2 million) from the Province of BC for expenditures related to the management and delivery of major transportation capital projects for the Ministry of Transportation and Infrastructure. Another \$1.2 million (2021 – \$0.3 million) of revenue was recognized from the Royal BC Museum Corporation for expenditures related to the Royal British Columbia Museum Modernization Project and the Collections and Research Building.

9. Project Delivery Revenue

Project Delivery Revenue (\$000's)	March 31, 2022	March 31, 2021
Major projects	\$ 22,129	\$ 12,419
Other projects	189	79
	<u>\$ 22,318</u>	<u>\$ 12,498</u>

TI Corp's revenue represents funding to cover project management services for planning, procurement, delivery, and commercial oversight of major capital projects. In Fiscal 2022, TI Corp's major projects consisted of the Pattullo Bridge Replacement Project, Broadway Subway Project, Kicking Horse Canyon Phase 4 Project, Highway 99 Tunnel Program, Surrey-Langley SkyTrain Project, Collections and Research Building (CRB) and the Royal British Columbia Museum Modernization Project (RBCM).

All transportation infrastructure capital projects are owned and funded by the BCTFA and are reported on through the Ministry of Transportation and Infrastructure's Service Plan. The CRB and RBCM projects are owned and funded by the Royal BC Museum Corporation and is in collaboration with the Ministry of Tourism, Arts, Culture and Sport.

10. Other Revenue

Other Revenue (\$000's)	March 31, 2022	March 31, 2021
Bank interest	\$ 38	\$ 40
Lease inducement amortization	58	-
	<u>\$ 96</u>	<u>\$ 40</u>

11. Expenses by Object

The following summarizes expenses by object:

	March 31, 2022	March 31, 2021
Salaries and benefits (\$000's)	\$ 16,991	\$ 10,092
Other operating expenses:		
Administrative costs	814	517
Professional services	2,914	1,044
Facility rental and maintenance	736	388
Information systems	950	494
Bank and credit card fees	9	3
	<u>\$ 22,414</u>	<u>\$ 12,538</u>

12. Employee Benefit Plan

In Fiscal 2010, both TI Corp and its employees commenced contributions to the Public Service Pension Plan (the "Plan"), a jointly trustee pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, have oversight responsibilities for the management of the Plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2021, the plan has about 140,745 active, inactive and retired members.

The Corporation does not account for its participation in the multi-employer plan as a defined benefit plan because the Corporation does not have access to information about the plan that would enable the Corporation to record its share of the obligations of the plan, plan assets and costs of the plan. In addition, the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual entities that participate in the plan. Accordingly, the participation in the plan is accounted for using defined contribution accounting requirements. The Corporation accrues expenses for contributions that are contractually due to the plan as at the reporting period date that have not yet been paid. As of March 31, 2022, the Corporation has 132 employees (2021 – 79 employees) contributing to the plan.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest actuarial valuation was completed in March 2020 and indicated a basic account actuarial funding valuation surplus of \$2,667 million. The next valuation will be performed as of March 31, 2023.

In Fiscal 2022, the employees of TI Corp contributed \$970,383 (2021 – \$611,563) and the Corporation paid \$1,144,703 (2021 – \$721,425) in employer contributions to the Plan.

13. Budgeted Figures

The Fiscal 2022 budget figures are reflected in the Statements of Operations. Budget data presented in these financial statements is based upon the Fiscal 2022 budget provided to government.

14. Risk Management

TI Corp is exposed to certain risks through its financial instruments.

14.1 Credit Risk

Credit risk is the risk to TI Corp that a counterparty to a financial instrument will cause a financial loss by failing to discharge an obligation. TI Corp's credit risk exposure mainly consist of cash and cash equivalents, and due from government & other government organizations.

Cash and cash equivalents are held with a major banking institution with strong credit worthiness and due from government & other government organizations are amount owing from the Province, and are therefore each assessed at low risk.

14.2 Liquidity Risk

Liquidity risk is the risk that TI Corp will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. TI Corp manages liquidity risk by having cash flows regularly reviewed and updated.

14.3 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 includes currency risk, interest rate risk and other price risk.

a) *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. TI Corp is not exposed to this risk as it does not maintain any bank accounts in foreign denominations, and it does not maintain any foreign currency debt.

b) *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows will fluctuate because of changes in market interest rates. TI Corp's exposure is limited to interest income only as TI Corp does not hold any debt.

c) *Other Price Risk*

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from currency or interest rate risk. Due to the nature of TI Corp's financial instruments, TI Corp is not exposed to other price risks.

15. Contingent Liabilities

The nature of TI Corp's activities is such that there is a minimal risk of becoming a defendant or party to pending or threatened legal action due to the nature of providing project management services to the Provincial Government. As of the financial statements date, there is no provision recorded for contingent liability in the ordinary course of business.

16. Commitments

Operating lease:

The aggregate future rentals under the Victoria office operating lease are as follows:

		(\$000's)
2023	\$	302
2024		307
2025		307
2026		307
2027		311
Thereafter		311
Total	\$	1,844

17. Comparative Information

Comparative figures have been reclassified to conform to the current year's presentation. For our comparative in the statement of operations, we have reclassified \$79 thousand originally recorded as Highway and Bridge Operation into General Administration.