

Transportation Investment Corporation

2023/24 Annual Service Plan Report

August 2024



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Published by the Transportation Investment Corporation

Board Chair's Accountability Statement



The Transportation Investment Corporation 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 – 2025/26 Service Plan published in 2023. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

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

Sabine Feulgen
Board Chair, Transportation Investment Corporation
August 13, 2024

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Letter from the Board Chair & CEO

The enclosed Annual Service Plan Report for fiscal year 2023/24 summarizes Transportation Investment Corporation's (TI Corp) performance in relation to the [2021/22 Mandate Letter](#) provided by the Minister of Transportation and Infrastructure (MOTI or the Ministry).

The past fiscal year has seen steady progress on the transportation projects assigned to TI Corp, whether at the construction, procurement, or pre-procurement stages. Despite ongoing challenges in the infrastructure industry – including global supply chain issues, cost escalation, and market capacity constraints – TI Corp continues to work hard to deliver the best possible outcomes on major infrastructure projects that will support B.C.'s economy, provide for the efficient movement of goods, and most importantly, improve the lives of British Columbians through safe and sustainable modes of transportation.

Construction of the [Pattullo Bridge Replacement Project](#) (PBR) and the [Broadway Subway Project](#) (BSP) continued. At the end of the fiscal year, tunnel boring was almost completed on the subway which will connect communities and provide fast, sustainable transit in this busy urban corridor. Significant progress was made to date on the main bridge for the Pattullo Bridge Replacement Project. The tower was nearing completion at the end of 2023/24 and is a key milestone for the project that will provide a safer crossing and connections for people between New Westminster and Surrey.

The substantial completion of the [Kicking Horse Canyon Phase 4 Project](#) (KHCP4) in November 2023 marked a significant milestone. One of the first projects assigned to TI Corp, the project completes the four-laning program of Highway 1 east of Golden through the Kicking Horse Canyon. With all four lanes in operation replacing the two-lane narrow roadway, people now have a safer and smoother trip through the canyon.

During fiscal year 2023/24, three procurements were launched for design and construction of the [Surrey Langley SkyTrain Project](#) (SLS), to deliver the guideway, stations, and systems and trackwork. The project contributes to Government's [CleanBC](#) climate-changing goals and will provide reliable transportation south of the Fraser River, while supporting opportunities for housing including affordable and transit-oriented development.

The [Highway 99 Tunnel Program](#) has made significant advancements this year to replace the aging George Massey Tunnel with a new eight-lane, immersed tube tunnel that will save people time and help move goods faster. The project entered procurement with a Request for Qualifications issued on June 14, 2023 and moved into the Application Development and Review phase of the Environmental Assessment Process. Construction of the new Steveston Interchange Project (SIP) is well underway and on track for completion in 2025. The new interchange will make driving, taking transit, walking, and cycling easier, faster and safer for people.

TI Corp continues to work with partners in Government and at [BC Infrastructure Benefits Inc.](#) (BCIB) to advance the Province's Environmental, Social and Governance priorities. The

organization also continues to prioritize specialized areas including Indigenous relations, stakeholder relations and regulatory affairs to support these important aspects of project implementation.

Building the capacity and capabilities needed to deliver major projects continue to be a focus for TI Corp. Strategic hiring and development of key expertise and disciplines has helped the organization to adapt to changing market conditions and navigate challenges. An executive team restructuring was implemented to support TI Corp's ability to manage the growth in TI Corp's portfolio of complex projects. The restructure creates a foundation for TI Corp's vision for the future and identifies the organization's business units that support the major sectors in transportation and infrastructure in which TI Corp is engaged. Throughout the year, the TI Corp Board of Directors worked closely with management to provide oversight and guidance across corporate and project matters, and we would like to thank the Directors for their hard work and support.

The dedication and expertise of TI Corp's employees have contributed to the strength of the organization and is greatly appreciated.



Sabine Feulgen
Board Chair
August 13, 2024



Amanda Farrell
Chief Executive Officer
August 13, 2024

Purpose of the Annual Service Plan Report

This annual service plan report has been developed 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, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

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 Transportation Investment Corporation [2023/24 - 2025/26 Service Plan](#) and the actual results reported on in this annual report.

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 2021/22 Mandate Letter.¹

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.

¹ TI Corp is accountable to the Minister of Transportation and Infrastructure for the transportation sector projects which include the Pattullo Bridge Replacement Project (PBR), Broadway Subway Project (BSP), Kicking Horse Canyon Project (KHCP4), Fraser River Tunnel Project (FRTP), Steveston Interchange Project (SIP) and Surrey Langley SkyTrain Project (SLS). TI Corp is providing support to a number of other Ministry of Transportation and Infrastructure Projects, including the procurement and delivery of the Jumping Creek Project (part of the Trans Canada Highway Improvement program), and technical support for planning for the extension of the Millennium Line from the terminus of the Broadway Subway Project at Arbutus Street to the University of BC. TI Corp is also engaged by the Ministry of Tourism, Arts, Culture and Sport (TACS) to support the design and construction of the Royal BC Museum's Collections and Research Building Project (CRB) through a project delivery services model.

Operating Environment

In fiscal 2023/24, TI Corp's portfolio of assigned projects included six large-scale transportation projects in the pre-procurement, procurement, and construction stages of delivery, with one project reaching substantial completion. TI Corp also supported the design and construction of the Royal BC Museum's Collections and Research Building Project (CRB), through a project delivery services model with the Ministry of Tourism, Arts, Culture and Sport (TACS). In addition, TI Corp provided support to MOTI on other projects, including the procurement and delivery of the Jumping Creek Project (part of the Trans Canada Highway Improvement program), and technical support and planning for the extension of the Millennium Line from the terminus of the Broadway Subway Project at Arbutus Street to the University of B.C.

Fiscal 2023/24 was another challenging and busy year around the world for infrastructure development. Industry capacity, cost escalation, supply chain concerns, and inflationary pressures affected construction projects across Canada, and B.C. is no exception.

A record number of projects, challenges in achieving competition, and changes in private sector approach to risk allocation drove changes to procurement delivery and models. Tackling these challenges required strong partnerships and collaboration at every level. TI Corp worked alongside MOTI, Infrastructure B.C. (IBC), BCIB, and other public and industry partners to respond to market volatility, competition, and a tight labour market to advance its assigned projects, on behalf of the Province of B.C.

Construction on the [Pattullo Bridge Replacement Project](#) (PBR) and the [Broadway Subway Project](#) (BSP) made good progress, but also experienced challenges. Contracts for both projects were entered into at the onset of the COVID-19 pandemic. Challenges associated with the pandemic, the complexity of the work, and significant global issues impacting infrastructure delivery resulted in the timelines for both projects being revised, as [announced](#) in May 2024 (fiscal 2024/25).

TI Corp has made a number of changes in its procurement and project development approaches to support competition and manage risk to ensure its projects remained competitive and attractive to the market. For example, the [Fraser River Tunnel Project](#) (F RTP) is using a Progressive Design-Build with Target Price procurement model. This approach includes early design development collaboration with a single contractor identified through a competitive process. This early contractor involvement in design development will help to better mitigate and manage project risk. At the end of the fiscal, evaluations were underway of the three teams short-listed to participate in the RFP stage of the procurement process (Preferred proponent was [announced](#) in July 2024).

Another example, is the [Surrey Langley SkyTrain Project](#) (SLS) which started procurement in 2023/24. The project was divided into three distinct contracts for the guideway, stations, and track and systems work. The SLS team undertook various measures to manage project risk, including extensive advance works. The procurement approach was designed to address ongoing market volatility and included risk allocation mechanisms that responded to those

challenges, including commodity price indexation. Despite these efforts, the budget and timeline were impacted by the global competition for contractors, construction materials and labour, which resulted in a significant cost increase. A revised timeline and budget were [announced](#) in August 2024 (fiscal 2024/25).

Internally, capacity building and retention planning were key actions taken to address tight competition for specific skillsets and competencies. This included strategic staffing for engineering, commercial, financial, contract and stakeholder management, environmental and project controls positions to ensure TI Corp has the workforce needed to deliver existing and future projects. Another priority focused on building internal synergy between projects to share knowledge and information. The year included implementing an information management system to support critical functions such as records management, project controls, and expanding the use of a stakeholder engagement management system.

Despite the challenges faced in fiscal 23/24, projects continue to progress and once complete, each one will bring significant improvements to the transportation network to improve the lives of British Columbians.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

Goal 1: Effectively deliver major projects.

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 results

- Continued working in partnership with IBC and the Ministry of Attorney General (MAG) at both the executive and staff levels to ensure a consistent and coordinated approach to procurement activities and adapt procurement to address market changes.
- Interfaced with BCIB to support the implementation of the Community Benefits Agreement (CBA) for each relevant project.
- Specialized IM/IT tools were adopted to assist in applying best practices to risk, cost and schedule control to support a proactive approach to risk management and allows for the early identification and effective management of risks through all phases of project delivery.
- Implemented continual project controls enhancements to effectively track key project parameters, including safety, quality, scope, schedule and budget.

Summary of progress made in 2023/24

Over the past fiscal year, working closely with our public sector partners has been key to progressing the projects and tackling the external challenges encountered by these complex projects. IBC and MAG participated in project due diligence, relationship review, and procurement oversight committees as required, and the three agencies collaborated through each stage of a project's development and implementation. Additionally, IBC and TI Corp shared knowledge, experience, and professional development through a lunch and learn series that employees from both organizations were encouraged to participate in. To advance project controls, enhanced forensic scheduling capabilities to support commercial negotiation were added this fiscal year.

With BCIB, regular executive level meetings were held to identify and work through project related issues as well as monthly BCIB and TI Corp in-person collaborative workshops to discuss projects.

Performance measure(s) and related discussion

| Performance Measure | 2022/23 Actual | 2023/24 Target | 2023/24 Actual |
|--|----------------|----------------|----------------------|
| 1.1a Executed Project Agreements ¹ | 2 | 3 | 0 ² |
| 1.1b Percentage of preferred proponent proposals within affordability requirements | 50% | 100% | 0% ³ |
| 1.1c Percentage of projects within budget | 100% | 100% | 100% |
| 1.1d Projects and substantial completion dates ⁴ | | | |
| PBR - 2024 | On target | On target | At risk ⁵ |
| BSP - 2026 | Amended | On target | At risk ⁶ |
| KHCP4 - 2024 | On target | On target | On target |
| SIP - 2025 | On target | On target | On target |
| F RTP - 2030 | On target | On target | On target |
| SLS - 2028 | On target | On target | At risk ⁷ |

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

¹PM 1.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 1 and 0, respectively. PM 1.1b to 1.1d targets for 2024/25 and 2025/26 stated in the 2023/24 service plan are 100% and On target in all cases.

²Target measure for fiscal year 2023/24 assumes award of three contracts (guideway, stations and systems) for the SLS project rather than a single contract. Contracts were awarded on April 30, May 15 and May 31, 2024.

³As noted in the Operating Environment, the project has been impacted by the global competition for contractors, construction materials and labour, which has resulted in significant price escalation.

⁴Reflects Treasury Board approved project schedules as of March 31, 2024.

⁵Schedule-related risks are being monitored. The Project has been subjected to significant challenges including supply chain issues.

⁶The Project is experiencing schedule-related risks as a result of tunnel boring and station construction progress.

⁷The Project has been impacted by the global competition for contractors.

As discussed in the Operating Environment, there have been and continue to be challenges in the infrastructure development industry worldwide. Industry capacity, cost escalation, supply chain concerns, and inflationary pressures affected construction projects across Canada, and including in B.C.

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.

This objective provides the framework for effective oversight, management and governance of assigned projects that can be measured.

Key results

- TI Corp executive team was restructured to increase focus on specific project types, with a Vice President to oversee transit, and one for road, bridge and tunnel projects. A Chief People and Culture Officer position was also added to support the growth of the organization and need to attract and retain the skillsets and competencies required to deliver major projects in a competitive market.
- Due diligence committees provided effective oversight of major capital projects and met regularly to review progress and recommend solutions to issues that arise.
- TI Corp met frequently with MOTI to report on project progress, provide quarterly reports to Government as part of budget reporting, and released Monthly Status Reports for projects in construction.

Summary of progress made in 2023/24

Working in partnership with MOTI is key to the successful delivery of major projects. Weekly executive level discussions were held between TI Corp and MOTI to discuss project issues and key risk mitigations. Regular meetings with regional staff and provincial engineering representatives including the Chief Engineer were also part of the interface. TI Corp finance management met quarterly with MOTI finance executive and management to report on project cost updates, budget analysis and forecasts.

Collaborating with capital delivery partners is also a priority. For example, TI Corp engaged at an executive level on a regular and ongoing basis with IBC to ensure that we are sharing best practices and knowledge that supports the successful delivery of our projects.

Additionally, due diligence committees are an integral part of this model and are comprised of external experts in the construction and commercial fields. The committees met monthly or as needed to provide advice on project matters and have been instrumental in the past year as the projects navigated significant challenges.

Performance measure(s) and related discussion

| Performance Measure | 2022/23 Actual | 2023/24 Target | 2023/24 Actual |
|---|-----------------------|-----------------------|-----------------------|
| 2.1a Percentage of project management plans and processes fully developed and operational | 100% | 100% | 100% |
| 2.1b Number of Monthly Status Reports (MSR) ¹ | 48 | 67 ² | 48 ³ |

Data source: 2.1a Project management plans; 2.1b Monthly Status Reports.

¹PM 2.1b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 53 and 41 respectively.

²Target for PM 2.1b was previously assumed to be initiated coincident with the issuance of the RFP.

³Reporting for new projects (FRTP and SLS) will begin in conjunction with the execution of a project contract (Design Early Works Agreement (DEWA) contract for FRTP and guideway, systems, and stations contracts for SLS) to mark the start of the design and construction on the projects. This measure was modified in the Service Plan 2024/25 – 2026/27.

As noted in footnote 3, reporting for new projects (FRTP and SLS) will begin in conjunction with the execution of a project contract (Design Early Works Agreement (DEWA) contract for FRTP and guideway, station, and systems and trackwork contracts for SLS) to mark the start of the design and construction on the projects. This measure was modified in the [Service Plan 2024/25 – 2026/27](#).

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.

This objective highlights the need for a cohesive, well-trained and engaged staff to successfully deliver TI Corp’s mandate in a competitive labour market.

Key results

- TI Corp executive team has been reorganized to include a Chief People and Culture Officer to lead the development of a skilled workforce to effectively deliver TI Corp’s mandate.
- TI Corp took a unique approach to hiring to find emerging leaders in-house and externally. This process resulted in placing four new employees and four internal promotions to key project delivery roles.
- Contract resources were used to provide specific expertise both at the corporate and project level.
- TI Corp has implemented a workplace co-op hiring strategy through various universities to help build future capacity with positive initial results.

Summary of progress made in 2023/24

In fiscal year 23/24, TI Corp posted a general call for professionals interested in project management leadership who had the qualifications to lead, direct, oversee, and provide strategic direction to our multi-disciplinary teams across the organization. TI Corp interviewed forty candidates in a multi-mini style interview process. The recruitment process generated positive results with eight new positions supporting the projects.

Performance measure(s) and related discussion

| Performance Measure | 2022/23 Actual | 2023/24 Target | 2023/24 Actual |
|---|----------------|----------------|----------------|
| 3.1a Employee Training (percentage of employees engaged in training) ¹ | 99.0% | 75.0% | 94.0% |
| 3.1b Employee Retention (percentage voluntary turnover) | 12% | Less than 10% | 9.7% |

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

¹PM 3.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 75% and 75%, respectively.

Training and retention of key skillsets and employees is essential to the success of TI Corp and its assigned projects. This is evidenced by the focus on these measures in fiscal 23/24.

Financial Report

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

Discussion of Results

The actual results for 2023/24 reflect management and oversight expenses to deliver TI Corp's assigned major projects, which include PBR, BSP, KHCP4, FRTP, SIP, and SLS; the CRB project is under a services delivery model. The actuals also reflect management expenses to support other services provided to non-assigned projects.

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

Financial Summary¹

| (\$000s/\$m) | 2022/23 Actual | 2023/24 Budget | 2023/24 Actual | 2023/24 Variance |
|----------------------------|-------------------|-------------------|-------------------|---------------------|
| Revenues | | | | |
| Project Delivery | 31,094 | 44,529 | 41,514 | (3,015) |
| Other Income | 315 | 300 | 468 | 168 |
| Total Revenue | 31,409 | 44,829 | 41,982 | (2,847) |
| Expenses | | | | |
| Salaries and Benefits | 24,034 | 35,780 | 31,427 | (4,353) |
| Other Operating Costs | 7,375 | 9,049 | 10,555 | 1,506 |
| Total Expenses | 31,409 | 44,829 | 41,982 | (2,847) |
| Annual Surplus | - | - | - | - |
| Accumulated Surplus | 5,017 | 5,017 | 5,017 | - |

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

Variance and Trend Analysis

For fiscal 2023/24, revenues and expenses are \$2.9 million higher than budget. The major variances included:

- Salaries and benefits were lower than budget by \$4.4 million, due to the timing of hiring staff later than originally anticipated. TI Corp budgeted 230 full-time equivalent (FTE) staff in 2023/24 but averaged only 209 FTEs during the year.
- Other operating costs were higher than budget by \$1.5 million due to higher occupancy and tenant improvement costs related to the lease of new office spaces, but partially offset by a reduction in project-specific consulting contracts.

Risks and Uncertainties

Key risks and uncertainties include:

- A significant portfolio of projects in planning and implementation continues to challenge organizational capacity to execute current and future projects. TI Corp is continuing to develop and implement strategies to secure the quality and quantity of resources required to achieve its objectives. Some of these strategies revolve around retention, diversity, and employee development.
- Volatile market conditions have created a challenging cost environment for projects in both planning and implementation. TI Corp continues to monitor market conditions closely, and relying on expert third-party advice as needed, to understand the impacts of the market conditions and respond to the uncertainties in a thoughtful and timely manner.

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 consist of PBR, BSP, KHCP4, FRTP, SIP and SLS. 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 project is CRB, owned and funded by the RBCM Corporation through grants provided by TACS and is reported through the RBCM and TACS Service Plans.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

| 2021/22 Mandate Letter Priority | Status as of March 31, 2024 |
|---|--|
| <p>Deliver each assigned major project within the approved parameters (scope, schedule and budget). Any material changes to these parameters must be approved by the Ministry of Transportation and Infrastructure (MOTI), Ministry of Tourism, Arts, Culture and Sport (TACS), and/or Treasury Board.</p> | <ul style="list-style-type: none"> • Assigned major projects (PBR, KHCP4, SIP, SLS and FRTP, BSP) are being delivered within approved parameters. • TI Corp continues to support the CRB project under a services agreement. • TI Corp is providing support to a number of other MOTI Projects, including the procurement and delivery of the Jumping Creek Project (part of the Trans Canada Highway Improvement program), and technical support for planning for the extension of the Millennium Line from the terminus of the Broadway Subway Project at Arbutus Street to the University of BC. |
| <p>Continue to develop and maintain a governance and organizational structure that supports informed decision-making and management of the assigned projects.</p> <p>The assigned projects include:</p> <ul style="list-style-type: none"> • Pattullo Bridge Replacement (PBR) Project; • Broadway Subway (BSP) Project; and • Kicking Horse Canyon – Phase 4 (KHCP4). | <ul style="list-style-type: none"> • Governance and organizational structure maintained and developed through: <ul style="list-style-type: none"> ○ Full Board of Directors membership and regular board and committee meetings, ○ Development of Public Interest Disclosure Act and Fraud Risk Policies, and ○ Development of new Service Agreement to support TACS in its delivery of the RBCM CRB Project. • Since the 2021/2022 Mandate Letter, Steveston Interchange Project (SIP) and Transit & Cycling Improvements (TCI); Surrey Langley SkyTrain Project (SLS); and Fraser River Tunnel Project (FRTP) have been assigned to TI Corp. |

| 2021/22 Mandate Letter Priority | Status as of March 31, 2024 |
|--|---|
| <p>Business Case, procurement and delivery for George Massey Crossing Project (GMC) (subject to approval and direction from Treasury Board);</p> <p>Procurement and delivery for the Collections and Research Building Project (CRB) (subject to Treasury Board approval of a Report Back);</p> <p>Concept Plan development for Surrey Langley SkyTrain (subject to approval and direction from Treasury Board); and</p> <p>Develop updated Business Case for the Royal BC Museum Modernization Project (subject to approval and direction from Treasury Board).</p> | <ul style="list-style-type: none"> • Business Case approved for the Highway 99 Tunnel Program (H99TP) (previously named George Massey Crossing Project) in June 2021. Extension of bus-on-shoulder lanes on Highway 99 south of the tunnel was completed in November 2023 as part of the H99TP's corridor improvements. • FRTP issued a Request for Qualifications in June 2023, and a Request for Proposals was issued to shortlisted teams in October 2023. Proposals were under evaluation at end of fiscal 23/24. • SLS is being delivered through three separate contracts: guideway; stations; and systems and trackwork. The project entered into the RFP procurement phase for all three contracts during fiscal 23/24. At the end of fiscal year 23/24, the guideway contract preferred proponent was announced with the other two contracts completing RFP proposal evaluations. Official station names were announced in December 2023. |
| <p>Maintain a strong working relationship with BC Infrastructure Benefits Inc. (BCIB) to support the implementation of the Community Benefit Agreement for the assigned projects.</p> | <ul style="list-style-type: none"> • Regular engagement between corporations to ensure successful management of labour forecasting and supply for projects in construction including PBR, BSP, and KHCP4. |

| 2021/22 Mandate Letter Priority | Status as of March 31, 2024 |
|--|---|
| <p>Ensure project management plans, systems, financial controls, and reporting procedures are in place. This includes implementing project management IT systems (including a document management system and a stakeholder management system) that are compatible with those by the contractors to ensure appropriate systems and processes to effectively manage the assigned projects.</p> | <ul style="list-style-type: none"> • Project management plans for all assigned projects prepared and approved by Board of Directors at contract award. • Budgets and forecasts, contingency draws, schedule and risk information for each assigned project regularly presented to independent Due Diligence Committees and Board of Directors. • Specialized software, compatible with those of contractors, was procured and implemented to support the estimation of costs, risks and schedule analysis, as well as document control and stakeholder management. |
| <p>Continue developing TI Corp’s organization by building public sector capacities and competencies to deliver on its commitments and the effective delivery of assigned projects.</p> | <ul style="list-style-type: none"> • Expanded organizational capacity with more than 72 new recruits, totalling the number of employees to 252 as of March 31, 2024. • Project delivery competencies and qualifications reflected in organizational structures for each project and corporate function and project resourcing forecast system implemented. • Increased capacity in specialized areas acquired including commercial, risk management, regulatory affairs and Indigenous relations. |

Appendix B: Auditor's Report and Audited Financial Statements

Transportation Investment Corporation

Audited Financial Statements
Year Ended March 31, 2024

TRANSPORTATION INVESTMENT CORPORATION

Statement of Management Responsibility Year Ended March 31, 2024

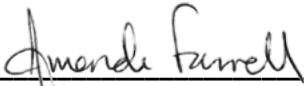
The financial statements of Transportation Investment Corporation have been prepared by management in accordance with Canadian Public Sector Accounting Standards and include certain estimates that reflect management’s best judgments.

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 are 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 their examination and expresses an opinion on the financial statements of the Transportation Investment Corporation.

Yours truly,



Amanda Farrell
Chief Executive Officer



Jacob Helliwell
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, 2024, and the statements of operations, changes in net assets, 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, 2024, and the results of its operations, change in its net assets, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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 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.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the Annual Service Plan Report and the Statement of Financial Information, but does not include the financial statements and my auditor’s report thereon. The Annual Service Plan Report and the Statement of Financial Information are expected to be made available to me after the date of this auditor’s report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Independent Auditor's Report

Transportation Investment Corporation

When I read the Annual Service Plan Report and the Statement of Financial Information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

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, 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 the 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.

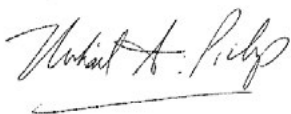
Independent Auditor's Report

Transportation Investment Corporation

- 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.



Michael A. Pickup, FCPA, FCA
Auditor General of British Columbia

Victoria, British Columbia, Canada
June 25, 2024

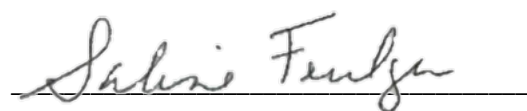
TRANSPORTATION INVESTMENT CORPORATION

Statement of Financial Position
As at March 31, 2024
(In \$000's)

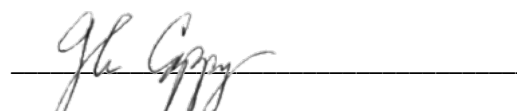
| | <u>Notes</u> | <u>31-Mar-24</u> | <u>31-Mar-23</u> |
|--|--------------|------------------------|------------------------|
| Financial assets | | | |
| Cash and cash equivalents | | \$ 375 | \$ 6,253 |
| Accounts receivable | | 180 | 4 |
| Due from government & other government organizations | 3 | 10,890 | 4,586 |
| | | <u>11,445</u> | <u>10,843</u> |
| Liabilities | | | |
| Accounts payable & accrued liabilities | 4 | 3,811 | 3,009 |
| Due to government & other government organizations | 5 | 3,906 | 3,045 |
| Deferred lease inducement | 6 | 678 | 495 |
| | | <u>8,395</u> | <u>6,549</u> |
| Net financial assets / (debt) | | <u>3,050</u> | <u>4,294</u> |
| Non-financial assets | | | |
| Tangible capital assets | 7 | 1,081 | 495 |
| Prepaid expenses | | 886 | 228 |
| | | <u>1,967</u> | <u>723</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 June 25th, 2024



Sabine Feulgen, Chair



Glen Copping, Director

TRANSPORTATION INVESTMENT CORPORATION

Statement of Operations
Year Ended March 31, 2024
(In \$000's)

| | <u>Note</u> | <u>Budget</u> | <u>31-Mar-24</u> | <u>31-Mar-23</u> |
|---|-------------|------------------|------------------|------------------|
| Revenues | | <i>(Note 13)</i> | | |
| Project delivery | 9 | \$ 44,529 | \$ 41,514 | \$ 31,094 |
| Other | 10 | 300 | 468 | 315 |
| | | <u>44,829</u> | <u>41,982</u> | <u>31,409</u> |
| Expenses | 11 | | | |
| General administration | | 44,829 | 41,982 | 31,409 |
| | | <u>44,829</u> | <u>41,982</u> | <u>31,409</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 Changes in Net Assets
Year Ended March 31, 2024
(In \$000's)

| | 31-Mar-24 | 31-Mar-23 |
|---|-------------------|------------------|
| Annual surplus / (deficit) after other items | \$ - | \$ - |
| Effect of change in tangible capital assets: | | |
| (Acquisition) / disposal of tangible capital assets | (728) | (217) |
| Amortization of tangible capital assets | 142 | 68 |
| | (586) | (149) |
| Effect of change in prepaid expense | | |
| Security deposit | (429) | (49) |
| Acquisition of prepaid expense | (555) | (291) |
| Use of prepaid expense | 326 | 204 |
| | (658) | (136) |
| Increase / (decrease) in net assets / (debt) | \$ (1,244) | \$ (285) |
| Net assets / (debt) at beginning of period | 4,294 | 4,579 |
| Net assets / (debt) at end of period | \$ 3,050 | \$ 4,294 |

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

TRANSPORTATION INVESTMENT CORPORATION

Statement of Cash Flows Year Ended March 31, 2024 (In \$000's)

| | 31-Mar-24 | 31-Mar-23 |
|---|---------------|-----------------|
| Operating transactions | | |
| Surplus / (deficit) | \$ - | \$ - |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 142 | 68 |
| Amortization of lease inducement | (129) | (68) |
| Changes in operating working capital: | | |
| Decrease (increase) in accounts receivables | (176) | (4) |
| Decrease (increase) in due from government and other government organizations | (6,304) | (874) |
| Decrease (increase) in prepaids and deposits | (658) | (136) |
| Increase (decrease) in accounts payable and accrued liabilities | 802 | 768 |
| Increase (decrease) in due to government and other government organizations | 861 | 722 |
| Cash provided by (applied to) operating transactions | (5,462) | 476 |
| Capital transactions | | |
| Cash received for deferred lease inducement | 244 | - |
| Cash used to acquire tangible capital assets | (660) | - |
| Cash provided by (applied to) capital transactions | (416) | - |
| Increase (decrease) in cash | (5,878) | 476 |
| Cash at beginning of period | 6,253 | 5,777 |
| Cash at end of period | \$ 375 | \$ 6,253 |
| Cash consists of: | | |
| Cash in bank | 375 | 6,253 |
| | \$ 375 | \$ 6,253 |
| Interest Received | \$ 353 | \$ 220 |

TRANSPORTATION INVESTMENT CORPORATION

Notes to the Financial Statements

Year Ended March 31, 2024

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.

The Ministry of Transportation and Infrastructure has currently assigned TI Corp to provide procurement, delivery, and commercial oversight for the following major capital projects: Pattullo Bridge Replacement Project, the Broadway Subway Project, the Kicking Horse Canyon Phase 4 Project, the Highway 99 Tunnel Program and the Surrey-Langley SkyTrain Project.

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. 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.

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

Revenues from transactions with performance obligations are recognized at a point in time or over a period of time as TI Corp is satisfied that the control of the benefits associated with the goods or services have transferred and there are no unfulfilled performance obligations.

Project delivery revenue consists of multiple performance obligations to deliver project management services that are satisfied over a period of time. Revenue is measured based on the cost of services rendered and is recognized when the performance obligations are satisfied.

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 total capitalized cost is greater or equal to \$10,000. Individual purchases of equipment under \$2,000, such as furniture and monitors, shall be considered small tools/minor equipment and will be expensed immediately.

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 |
| Furniture and fixtures | 3 to 10 |
| Computer hardware and software | 3 to 10 |

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

2. Summary of Significant Accounting Policies (continued)

d. Tangible Capital Assets (continued)

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 recorded at fair value and 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. Prepaids under \$2,000 are expensed immediately.

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.

j. Changes in Accounting Policy

Effective April 1, 2023, TI Corp adopted PS 3400 – Revenue, which establishes standards on how to account for and report on revenue. PS 3400 differentiates revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This

2. Summary of Significant Accounting Policies (continued)

j. Changes in Accounting Policy (continued)

determination is made based on when a performance obligation is satisfied. Management has assessed the impact of adopting PS 3400 and has found the implementation of this new standard did not have a material impact on TI Corp's financial statements.

3. Due from Government & Other Government Organizations

| (\$000's) | March 31, 2024 | | March 31, 2023 | |
|---------------------------------------|----------------|--------|----------------|-------|
| Province of British Columbia | \$ | 10,671 | \$ | 4,496 |
| Royal BC Museum Corporation | | 136 | | 44 |
| BC Transportation Financing Authority | | 83 | | 40 |
| Other Government Organizations | | - | | 6 |
| | \$ | 10,890 | \$ | 4,586 |

4. Accounts Payable & Accrued Liabilities

| (\$000's) | March 31, 2024 | | March 31, 2023 | |
|---------------------------|----------------|-------|----------------|-------|
| Accounts payable | \$ | 1,643 | \$ | 259 |
| Other accrued liabilities | | 2,168 | | 2,750 |
| | \$ | 3,811 | \$ | 3,009 |

5. Due to Government & Other Government Organizations

| (\$000's) | March 31, 2024 | | March 31, 2023 | |
|------------------------------|----------------|-------|----------------|-------|
| Province of British Columbia | \$ | 3,902 | \$ | 3,038 |
| Infrastructure BC | | 4 | | 7 |
| | \$ | 3,906 | \$ | 3,045 |

6. Deferred Lease Inducement

| (\$000's) | March 31, 2024 | | March 31, 2023 | |
|-------------------|----------------|-------|----------------|------|
| Beginning balance | \$ | 495 | \$ | 346 |
| Additions | | 312 | | 217 |
| Amortization | | (129) | | (68) |
| | \$ | 678 | \$ | 495 |

The deferred lease inducement relates to office spaces in Victoria and Vancouver that are leased to TI Corp. As part of the lease agreement, the lessor provided TI Corp with leasehold assets, reduced rent and leasehold improvements. The fair market value of the leasehold assets has been recognized as a lease inducement and are recorded into revenue over the term of the leases. The lease inducement from reduced rent is recorded as a contra expense over the term of the leases.

7. Tangible Capital Assets

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

| (\$000's) | | | | March 31, 2024 | March 31, 2023 |
|--------------------------|------------------|---------------|--------------|-----------------|------------------|
| Cost | Leasehold Assets | Furniture | Software | Total | Leasehold Assets |
| Beg. balance | \$ 621 | \$ - | \$ - | \$ 621 | \$ 404 |
| Additions | 397 | 320 | 11 | 728 | 217 |
| | 1,018 | 320 | 11 | 1,349 | 621 |
| Acc. Amortization | | | | | |
| Beg. balance | \$ (126) | \$ - | \$ - | \$ (126) | \$ (58) |
| Amortization | (119) | (22) | (1) | (142) | (68) |
| | (245) | (22) | (1) | (268) | (126) |
| Net Book Value | \$ 773 | \$ 298 | \$ 10 | \$ 1,081 | \$ 495 |

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 \$40.2 million (2023 – \$29.8 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. \$0.8 million (2023 – \$1.2 million) of revenue was recognized from the Royal BC Museum Corporation for expenditures related to the Collections and Research Building. \$0.3 million (2023 - \$0.1 million) of revenue was recognized from BC Transportation Financing Authority for minor project work.

9. Project Delivery Revenue

| (\$000's) | March 31, 2024 | March 31, 2023 |
|----------------|------------------|------------------|
| Major projects | \$ 39,792 | \$ 30,646 |
| Other projects | 1,722 | 448 |
| | \$ 41,514 | \$ 31,094 |

TI Corp's revenue represents funding to cover project management services for planning, procurement, delivery, and commercial oversight of major capital projects. In Fiscal 2024, 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, and the Collections and Research Building.

9. Project Delivery Revenue (continued)

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

10. Other Revenue

| (\$000's) | March 31, 2024 | March 31, 2023 |
|-------------------------------|----------------|----------------|
| Bank interest | \$ 353 | \$ 220 |
| Lease inducement amortization | 97 | 68 |
| Other revenue | 18 | 27 |
| | <u>\$ 468</u> | <u>\$ 315</u> |

11. Expenses by Object

The following summarizes expenses by object:

| (\$000's) | March 31, 2024 | March 31, 2023 |
|----------------------------------|------------------|------------------|
| Salaries and benefits | \$ 31,427 | \$ 24,034 |
| Other operating expenses: | | |
| Administrative costs | 1,546 | 1,426 |
| Professional services | 3,359 | 3,511 |
| Facility rental and maintenance | 3,515 | 1,187 |
| Information systems | 2,130 | 1,247 |
| Bank and credit card fees | 5 | 4 |
| | <u>\$ 41,982</u> | <u>\$ 31,409</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 trusteed 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, 2023, the plan has about 150,210 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

12. Employee Benefit Plan (continued)

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, 2024, the Corporation has 233 employees (2023 – 182 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 for fiscal year-end March 31, 2023 and indicated a basic account actuarial funding valuation surplus of \$4,491 million. The next valuation will be performed for fiscal year-end March 31, 2026.

In Fiscal 2024, the employees of TI Corp contributed \$1,898,228 (2023 – \$1,579,656) and the Corporation paid \$2,239,227 (2023 – \$1,863,427) in employer contributions to the Plan.

13. Budgeted Figures

The Fiscal 2024 budget figures are reflected in the Statements of Operations. Budget data presented in these financial statements were included as part of TI Corp's 2023/24 – 2025/26 Service Plan.

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. Risk Management (continued)

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 committed aggregate future rentals under the Surrey, Vancouver & Victoria offices are as follows:

| | | (\$000's) |
|--------------|----|---------------|
| 2025 | \$ | 3,426 |
| 2026 | | 3,385 |
| 2027 | | 3,290 |
| 2028 | | 2,751 |
| 2029 | | 2,164 |
| Thereafter | | 2,891 |
| Total | \$ | 17,907 |