

Transportation Investment Corporation

Audited Financial Statements
Year Ended March 31, 2025

TRANSPORTATION INVESTMENT CORPORATION

Statement of Management Responsibility Year Ended March 31, 2025

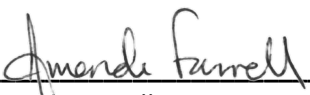
The financial statements of Transportation Investment Corporation have been prepared by management in accordance with Canadian Public Sector Accounting Standards and include certain estimates that reflect management's best judgments.

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.

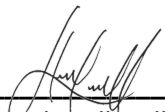
The Corporation's Board of Directors are responsible for the review and approval of the financial statements. The Audit and Risk Management ("ARM") Committee meets with management and the external auditor to discuss the results of the audit examination and financial reporting matters. The external auditor 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
Vice President, Operations & CFO



Independent Auditor's Report

*To the Board of Directors of the Transportation Investment Corporation, and
To the Minister of Transportation and Transit, 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, 2025, 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, 2025, 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 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.

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.



Sheila Dodds, CPA, CA, CIA
Acting Auditor General of British Columbia

Victoria, British Columbia, Canada
June 2, 2025

TRANSPORTATION INVESTMENT CORPORATION

Statement of Financial Position

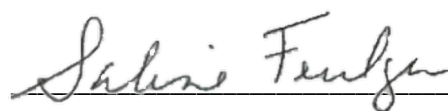
As at March 31, 2025

(In \$000's)


	Notes	31-Mar-25	31-Mar-24
Financial assets			
Cash and cash equivalents		\$ 3,439	\$ 375
Accounts receivable		261	180
Due from government & other government organizations	3	11,224	10,890
		<u>14,924</u>	<u>11,445</u>
Liabilities			
Accounts payable & accrued liabilities	4	3,892	3,811
Due to government & other government organizations	5	7,204	3,906
Deferred lease inducement	6	518	678
		<u>11,614</u>	<u>8,395</u>
Net financial assets / (debt)		3,310	3,050
Non-financial assets			
Tangible capital assets	7	801	1,081
Prepaid expenses		906	886
		<u>1,707</u>	<u>1,967</u>
Accumulated surplus / (deficit)		\$ 5,017	\$ 5,017
Commitments	16		

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

Approved on behalf of the Board of Directors on May 29th, 2025



Sabine Feulgen, Chair



Glen Copping, Director

TRANSPORTATION INVESTMENT CORPORATION

Statement of Operations Year Ended March 31, 2025 (In \$000's)

	Note	Budget	31-Mar-25	31-Mar-24
Revenues		(Note 13)		
Project delivery	9	\$ 59,827	\$ 52,845	\$ 41,514
Other	10	457	443	468
		60,374	53,288	41,982
Expenses	11			
General administration		60,374	53,288	41,982
		60,374	53,288	41,982
Annual operating surplus / (deficit)		-	-	-
Accumulated surplus / (deficit) at beginning of period		5,017	5,017	5,017
Accumulated surplus / (deficit) at end of period		\$ 5,017	\$ 5,017	\$ 5,017

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

TRANSPORTATION INVESTMENT CORPORATION

Statement of Changes in Net Assets
Year Ended March 31, 2025
(In \$000's)

	31-Mar-25	31-Mar-24
Annual surplus / (deficit) after other items	\$ -	\$ -
Effect of change in tangible capital assets:		
(Acquisition) / disposal of tangible capital assets	(5)	(728)
Amortization of tangible capital assets	285	142
	280	(586)
Effect of change in prepaid expense		
Security deposit	(196)	(429)
Acquisition of prepaid expense	(333)	(555)
Use of prepaid expense	509	326
	(20)	(658)
Increase / (decrease) in net assets / (debt)	\$ 260	\$ (1,244)
Net assets / (debt) at beginning of period	3,050	4,294
Net assets / (debt) at end of period	\$ 3,310	\$ 3,050

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

TRANSPORTATION INVESTMENT CORPORATION

Statement of Cash Flows Year Ended March 31, 2025 (In \$000's)

	31-Mar-25	31-Mar-24
Operating transactions		
Surplus / (deficit)	\$ -	\$ -
Items not affecting cash:		
Amortization of tangible capital assets	285	142
Amortization of lease inducement	(160)	(129)
Changes in operating working capital:		
Decrease (increase) in accounts receivables	(81)	(176)
Decrease (increase) in due from government and other government organizations	(334)	(6,304)
Decrease (increase) in prepaids and deposits	(20)	(658)
Increase (decrease) in accounts payable and accrued liabilities	81	802
Increase (decrease) in due to government and other government organizations	3,298	861
Cash provided by (applied to) operating transactions	3,069	(5,462)
Capital transactions		
Cash received for deferred lease inducement	-	244
Cash used to acquire tangible capital assets	(5)	(660)
Cash provided by (applied to) capital transactions	(5)	(416)
Increase (decrease) in cash	3,064	(5,878)
Cash at beginning of period	375	6,253
Cash at end of period	\$ 3,439	\$ 375
Cash consists of:		
Cash in bank	3,439	375
	\$ 3,439	\$ 375
Interest Received	\$ 273	\$ 353

TRANSPORTATION INVESTMENT CORPORATION

Notes to the Financial Statements

Year Ended March 31, 2025

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 Transit 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 classes are 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 trusteesd 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, 2025	March 31, 2024
Province of British Columbia	\$ 10,986	\$ 10,671
Royal BC Museum Corporation	129	136
BC Transportation Financing Authority	109	83
	<u>\$ 11,224</u>	<u>\$ 10,890</u>

4. Accounts Payable & Accrued Liabilities

(\$000's)	March 31, 2025	March 31, 2024
Accounts payable	\$ 1,675	\$ 1,643
Other accrued liabilities	2,217	2,168
	<u>\$ 3,892</u>	<u>\$ 3,811</u>

5. Due to Government & Other Government Organizations

(\$000's)	March 31, 2025	March 31, 2024
Province of British Columbia	\$ 7,193	\$ 3,902
Infrastructure BC	11	4
	<u>\$ 7,204</u>	<u>\$ 3,906</u>

6. Deferred Lease Inducement

(\$000's)	March 31, 2025	March 31, 2024
Beginning balance	\$ 678	\$ 495
Additions	-	312
Amortization	(160)	(129)
	<u>\$ 518</u>	<u>\$ 678</u>

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, 2025
Cost	Leasehold Assets	Furniture	Software	Total
Beg. balance	\$ 1,018	\$ 320	\$ 11	\$ 1,349
Additions	-	-	5	5
	1,018	320	16	1,354
Acc. Amortization				
Beg. balance	\$ (245)	\$ (22)	\$ (1)	\$ (268)
Amortization	(194)	(89)	(2)	(285)
	(439)	(111)	(3)	(553)
Net Book Value	\$ 579	\$ 209	\$ 13	\$ 801

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

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 \$51.2 million (2024 – \$40.2 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 Transit. \$0.7 million (2024 – \$0.8 million) of revenue was recognized from the Royal BC Museum Corporation for expenditures related to the Collections and Research Building. \$0.4 million (2024 – \$0.3 million) of revenue was recognized from BC Transportation Financing Authority for minor project work.

9. Project Delivery Revenue

(\$000's)	March 31, 2025	March 31, 2024
Major projects	\$ 49,754	\$ 39,792
Other projects	3,091	1,722
	\$ 52,845	\$ 41,514

TI Corp's revenue represents funding to cover project management services for planning, procurement, delivery, and commercial oversight of major capital projects. In Fiscal 2025, 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.

All transportation infrastructure capital projects are owned and funded by the BCTFA and are reported through the Ministry of Transportation and Transit'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, 2025	March 31, 2024
Bank interest	\$ 273	\$ 353
Lease inducement amortization	100	97
Other revenue	70	18
	\$ 443	\$ 468

11. Expenses by Object

The following summarizes expenses by object:

(\$000's)	March 31, 2025	March 31, 2024
Salaries and benefits	\$ 38,990	\$ 31,427
Other operating expenses:		
Administrative costs	2,763	1,546
Professional services	3,063	3,359
Facility rental and maintenance	5,111	3,515
Information systems	3,353	2,130
Bank and credit card fees	8	5
	\$ 53,288	\$ 41,982

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, 2024, the plan has about 157,686 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, 2025, the Corporation has 250 employees (2024 – 233 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 2025, the employees of TI Corp contributed \$2.3 million (2024 – \$1.9 million) and the Corporation paid \$2.8 million (2024 – \$2.2 million) in employer contributions to the Plan.

13. Budgeted Figures

The Fiscal 2025 budget figures are reflected in the Statements of Operations. Budget data presented in these financial statements were included as part of TI Corp’s 2024/25 – 2026/27 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.

14.3 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)	
2026	\$	6,141
2027		5,951
2028		5,412
2029		4,793
2030		2,248
Thereafter		1,080
Total	\$	25,625