Transportation Investment Corporation

Audited Financial Statements
Year Ended March 31, 2026

TRANSPORTATION INVESTMENT CORPORATION

Statement of Management Responsibility
Year Ended March 31, 2026

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.

MNP LLP 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	Jacob Helliwell
Chief Executive Officer	Vice President, Operations & CFO

To the Board of Directors of the Transportation Investment Corporation, and
To the Minister of Transportation and Transit, Province of British Columbia:

Opinion

We have audited the financial statements of Transportation Investment Corporation (the "TI Corp"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TI Corp as at March 31, 2026, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the TI Corp in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statement for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those statements on June 2, 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Service Plan Report report, but does not include the financial statements and our auditor's report thereon. The Annual Service Plan Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our 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 our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Service Plan Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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 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 TI Corp's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the TI Corp or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the TI Corp's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 TI Corp's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TI Corp's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the TI Corp 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.

We 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 we identify during our audit.

Nanaimo, British Columbia

MNP LLP

May 28, 2026

Chartered Professional Accountants

TRANSPORTATION INVESTMENT CORPORATION

Statement of Financial Position
As at March 31, 2026
(In $000's)

	Notes	31-Mar-26	31-Mar-25
Financial assets			
Cash		$ 4,364	$ 3,439
Accounts receivable		10	261
Due from government & other government organizations	3	11,454	11,224
		15,828	14,924
Liabilities			
Accounts payable & accrued liabilities	4	3,829	3,892
Due to government & other government organizations	5	8,263	7,204
Deferred lease inducement	6	359	518
		12,451	11,614
Net financial assets		**3,377**	**3,310**
Non-financial assets			
Tangible capital assets	7	516	801
Prepaid expenses		1,124	906
		1,640	1,707
Accumulated surplus		**$ 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 28th, 2026

Sabine Feulgen

Sabine Feulgen, Chair

Glen Copping, Director

TRANSPORTATION INVESTMENT CORPORATION

Statement of Operations
Year Ended March 31, 2026
(In $000's)

	Note	Budget	31-Mar-26	31-Mar-25
Revenues		*(Note 13)*		
Project delivery	9	$ 65,695	$ 56,923	$ 52,845
Other	10	454	294	443
		66,149	57,217	53,288
Expenses	11			
General administration		66,149	57,217	53,288
		66,149	57,217	53,288
Annual operating surplus		-	-	-
Accumulated surplus at beginning of period		5,017	5,017	5,017
Accumulated surplus at end of period		**$ 5,017**	**$ 5,017**	**$ 5,017**
Related Party Transactions	8			

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

TRANSPORTATION INVESTMENT CORPORATION

Statement of Changes in Net Assets
Year Ended March 31, 2026
(In $000's)

	31-Mar-26	31-Mar-25
Annual surplus after other items	$ -	$ -
Effect of change in tangible capital assets:		
(Acquisition) / disposal of tangible capital assets	-	(5)
Amortization of tangible capital assets	285	285
	285	280
Effect of change in prepaid expense		
Security deposit	-	(196)
Acquisition of prepaid expense	(1,599)	(333)
Use of prepaid expense	1,381	509
	(218)	(20)
Increase in net assets	**$ 67**	**$ 260**
Net assets at beginning of period	3,310	3,050
Net assets at end of period	**$ 3,377**	**$ 3,310**

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

TRANSPORTATION INVESTMENT CORPORATION

Statement of Cash Flows
Year Ended March 31, 2026
(In $000's)

	31-Mar-26	31-Mar-25
Operating transactions		
Surplus / (deficit)	$ -	$ -
Items not affecting cash:		
Amortization of tangible capital assets	285	285
Amortization of lease inducement	(159)	(160)
Changes in operating working capital:		
Decrease (increase) in accounts receivables	251	(81)
Decrease (increase) in due from government and other government organizations	(230)	(334)
Decrease (increase) in prepaids and deposits	(218)	(20)
Increase (decrease) in accounts payable and accrued liabilities	(63)	81
Increase (decrease) in due to government and other government organizations	1,059	3,298
Cash provided by (applied to) operating transactions	925	3,069
Capital transactions		
Cash used to acquire tangible capital assets	-	(5)
Cash provided by (applied to) capital transactions	-	(5)
Increase in cash	925	3,064
Cash at beginning of period	3,439	375
Cash at end of period	**$ 4,364**	**$ 3,439**
Cash consists of:		
Cash in bank	4,364	3,439
	$ 4,364	**$ 3,439**
Interest Received	**$ 187**	**$ 273**

Notes to the Financial Statements
Year Ended March 31, 2026

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 1, 2018.

TI Corp's mandate is to provide procurement, delivery, and commercial oversight of assigned major capital transportation projects. The Ministry of Transportation and Transit has currently assigned TI Corp 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, the Surrey-Langley SkyTrain Project and the Belleville Terminal Redevelopment Project.

TI Corp was requested to assist the Ministry of Tourism, Arts, Culture and Sport and the Royal BC Museum Corporation to deliver the Provincial Archives, Research and Collections facility. 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 trusteed 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, 2026		March 31, 2025
Province of British Columbia	$	11,374	$	10,986
Royal BC Museum Corporation		75		129
BC Transportation Financing Authority		-		109
Infrastructure BC		5		-
	$	11,454	$	11,224

4. Accounts Payable & Accrued Liabilities

($000's)		March 31, 2026		March 31, 2025
Accounts payable	$	1,445	$	1,675
Other accrued liabilities		2,384		2,217
	$	3,829	$	3,892

5. Due to Government & Other Government Organizations

($000's)		March 31, 2026		March 31, 2025
Province of British Columbia	$	8,255	$	7,193
Infrastructure BC		8		11
	$	8,263	$	7,204

6. Deferred Lease Inducement

($000's)		March 31, 2026		March 31, 2025
Beginning balance	$	518	$	678
Additions		-		-
Amortization		(159)		(160)
	$	359	$	518

The deferred lease inducement relates to office spaces in Victoria and Vancouver that are leased to TI Corp. As part of these lease agreements, the lessors provided TI Corp with leasehold assets, reduced rent and/or 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, 2026
Cost		**Leasehold Assets**		**Furniture**		**Software**		**Total**
Beg. balance	$	1,018	$	320	$	16	$	1,354
Additions		-		-		-		-
		1,018		320		16		1,354
Acc. Amortization								
Beg. balance	$	(439)	$	(111)	$	(3)	$	(553)
Amortization		(193)		(89)		(3)		(285)
		(632)		(200)		(6)		(838)
Net Book Value	$	386	$	120	$	10	$	516

($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

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 $56.1 million (2025 – $51.2 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. $0.4 million (2025 – $0.7 million) of revenue was recognized from the Royal BC Museum Corporation for expenditures related to the Provincial Archives, Research and Collections facility. $nil (2025 – $0.4 million) revenue was recognized from BC Transportation Financing Authority for minor project work.

9. Project Delivery Revenue

($000's)	March 31, 2026	March 31, 2025
Major projects	$ 55,029	$ 49,754
Other projects	1,894	3,091
	$ 56,923	$ 52,845

TI Corp's revenue represents funding to cover project management services for planning, procurement, delivery, and commercial oversight of major capital projects. In Fiscal 2026, 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, Belleville Terminal Redevelopment Project and; the Provincial Archives, Research and Collections facility.

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 Provincial Archives, Research and Collections facility 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, 2026	March 31, 2025
Bank interest	$ 187	$ 273
Lease inducement amortization	100	100
Other revenue	7	70
	$ 294	$ 443

11. Expenses by Object

The following summarizes expenses by object:

($000's)	March 31, 2026	March 31, 2025
Salaries and benefits	$ 42,239	$ 38,990
Other operating expenses:		
Administrative costs	2,046	2,763
Professional services	3,383	3,063
Facility rental and maintenance	6,078	5,111
Information systems	3,469	3,353
Bank and credit card fees	2	8
	$ 57,217	$ 52,288

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, 2025, the plan has about 163,789 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, 2026, the Corporation has 258 employees (2025 – 250 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 2026, the employees of TI Corp contributed $2.6 million (2025 – $2.3 million) and the Corporation paid $3.0 million (2025 – $2.8 million) in employer contributions to the Plan.

13. Budgeted Figures

The Fiscal 2026 budget figures are reflected in the Statements of Operations. Budget data presented in these financial statements were included as part of TI Corp’s 2025/26 – 2027/28 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:

Fiscal	($000's)
2027	$ 6,244
2028	5,803
2029	5,257
2030	2,653
2031	1,352
Thereafter	-
Total	$ 21,309