2011 YEAR-END FINANCIAL AND PERFORMANCE REPORT

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1. EXECUTIVE SUMMARY

TransLink uses a Balanced Scorecard approach to manage and measure the delivery of its plans within the context of a single and aligned Vision, Mission and Values. TransLink identified five perspectives (Customer, Financial, Stakeholder, Internal Effectiveness and People) to guide the achievement of its strategic goals.. In order to achieve its strategic goals, four short-term (1-3 years) priorities were identified. The priorities for 2011 included Compass cards and faregates (formerly, electronic fare cards and faregates), sustainable funding business transition and public awareness.

The organization incurred a funded deficit of $34.3 million, which is $25 million better than budget. This achievement was not without its challenges. While fare revenue and parking rights tax revenues exceeded the target, fuel tax revenues were down significantly and the Golden Ears bridge toll revenues continue to perform below budget and at the low end of the original forecast. The cumulative funded surplus at the end of the year was $288 million, $25 million better than budget.

Total operating expenditures were $56.2 million lower than budget and budgeted gains on disposal of Real Estate did not materialize as the closing dates were deferred to 2012 due to delayed environmental assessments.

The average customer satisfaction score (customer service) was 7.6 (out of 10) for 2011. This score is identical to the result achieved in 2010, which was the highest level ever achieved. The operating cost per revenue passenger kilometer without energy (service effectiveness) is lower in 2011 at $0.28 compared to 2010 at $0.31.

Key initiatives and highlights of the year include:

- Launch of the U-Pass BC program
- Launch of the TravelSmart program
- Significant faregate construction activity at and around Skytrain stations
- “On Track” communication plan to customers for construction activity at the stations
- Adjustments to service to accommodate the extra crowds and transit users during the Stanley Cup Playoffs
- Launch of Real Time Transit Information
- Support of the Provincial Government and the Mayors’ Council process to agree on sustainable funding
- “Moving Forward” supplemental plan was approved by the Mayors’ Council in October
- Launch of a $200 million 30-year bond issue for 4.7 per cent all-in-cost
- Succession planning framework and leadership development programs established
- Reallocated 170,000 service hours through the service optimization initiative
- 61 per cent of bus stops are accessible
- Completed phase 2 of the Bus Security Camera project
- Coordinated effort assisting other authorities during the downtown riots.

2. STRATEGIC CONTEXT

Utilizing Transport 2040 to guide its 3 year-plan and 7 year-outlook, a balanced scorecard approach for medium and near term is used, TransLink set four strategic priorities for 2011, discussed in more detail below.

Compass Card & Faregates (formerly, Electronic Fare Cards & Faregates)
The system brand was officially announced in 2011, after a public naming contest which concluded with a public vote between three finalists.

Work on the civil construction to prepare for the installation of faregates and related equipment, proceeded according to schedule in 2011. Station designs were completed and construction contracts were set for seven packages of work. By the end of 2011, work had commenced on more than 50 per cent of the rail transit stations, and TransLink is on track to meet its commitment in 2012 to make eight stations available to the system contractor in order to begin its installation of equipment. In addition, the bus prewired commenced in 2011, with scheduled completion in March 2012.

On the system side, preliminary design review was completed in the spring of 2011, with final design achievement by late 2011. Internal TransLink staff from across the enterprise has been engaged in the system design and in the finalization of the system business rules and configuration parameters.

In 2012, faregates and related equipment will be installed across the system and a pilot test will commence in the fall. The full system will be deployed in 2013.

Sustainable Funding
TransLink has been helping to support and advance discussions between the Mayors' Council and the Province on sustainable funding since late 2010. This has included commissioning third party studies, undertaking original research, and supporting workshops and briefings with elected officials. This work culminated with the approval of the "2012 Moving Forward" Supplemental Plan in October 2011, which expanded funding in the near-term and committed the partners to work through 2012 to develop a longer term funding strategy. This Plan also provides the necessary funding for TransLink's contribution to the Evergreen Line. TransLink continues to collaborate with the Province to support the work of the Joint Technical Committee that was created by the Mayors' Council and the Province to bring forward technical options for longer term funding strategy.

Business Transition
As TransLink entered into its second year of transformational change within the organization, several key initiatives were achieved to ensure closer alignment and effective delivery of its services throughout the TransLink Enterprise. TransLink was able to centralize enterprise services such as Business Technology and Human Resources. To ensure alignment and continuous improvement, transition to an Enterprise Exempt Compensation Program and HR Information System was completed. Furthermore, with the focus on leadership as an enterprise resource, enterprise employee and management development sessions were held and the framework was developed for an enterprise-wide succession plan. Responsible, Accountable, Consulted and Informed (RACI) models were completed showing clear lines of accountability across the enterprise and eliminating duplication of efforts. As we move forward to 2012, we will continue to work on various initiatives to ensure closer alignment and efficiencies of the organization and to demonstrate continuous improvement and investment in our people.

Public Awareness

As the first North American transportation authority responsible for roads, transit and a range of commuting options, TransLink works to improve public awareness of its full suite of intermodal services. In 2011, TransLink continued those efforts by working with the Lower Mainland Chambers of Commerce Transportation Panel to raise awareness of 16th Avenue (Surrey/Langley) as a component of the Major Roads Network (MRN), educating the public at a variety of open houses with public information promoting the MRN, and launching TravelSmart, a public education program that shows Metro Vancouver residents that they have options when it comes to the way they travel, including carpooling, car-sharing, cycling and walking. In addition, TransLink released and promoted the Regional Cycling Strategy, which reaffirmed TransLink's commitment to create a fully integrated, multi-modal transportation network over the next 30 years, and highlighted the MRN and Bike Capital Program as part of the consultation for the 2012 "Moving Forward" Supplemental Plan.

Highlights of specific initiatives related to the five strategic goals along with results of the strategic initiatives are included below.

Customer

- The enterprise customer commitment initiative was approved by the Board in December 2011. This program will be implemented in 2012, along with the Compass Card and Faregate project.
- TransLink continues to use all channels to strategically communicate information to its online communities. There are 14,018 followers on Twitter, 2,294 "Likes" on Facebook and 31,495 friends on Foursquare.
- The Real-Time Transit Information (RTTI) project began in April 2011 with a phased implementation strategy. RealTime Next Bus, the first customer product, was successfully launched on September 6, 2011, with current level of traffic nearing 100,000 visits per month. Next steps are enhancements of functionality. Phase II will start March 2012 and will dispense predictive real-time data as well as product enhancements.
- A Wayfinding Map Production System was completed in 2011. A new regional transit map will be released April 2012 and updated "Buses from Here" maps will be installed.
- The TravelSmart website went live in February 2011. Since the program launched, 8,900 TravelSmart members have joined; the TravelSmart Schools Program has reached out to 10,000 students; the TravelSmart Seniors Program was launched and over 80 senior advocates were trained; significant working relationships have developed with over 20 organizations in Surrey and Richmond; and TransLink continues to build relationships with companies and organizations throughout the region.

Financial

- A debt management policy and strategy has been developed and implemented.
- A cumulative reserve policy and strategy has been developed and implemented.
- A Real Estate Strategic Framework was developed by the Board.
- Full implementation of the Enterprise Risk Registry that identifies key risks within the organization, the risk mitigation strategies which form the strategic initiatives and a monitoring system that keeps focused on the enterprises top risks.

Internal Effectiveness

- Network upgrade activity proceeded throughout 2011, to coincide with capacity and transaction volume growth requirements.

- A number of technology system projects were initiated including a new budget and planning software system, time entry and scheduling system, expansion of PeopleSoft HR across the enterprise, capital workflow system and process improvements as well as an enterprise business intelligence strategy.
- The HandyDART Eligibility Review focused on working with BC Transit and community advocates to replace the current HandyDART application form with an improved transportation assistance form. The new application is designed to identify appropriate accessible transportation options for people with disabilities and improve the utilization of the fleet.
- Further enhancements were made in the security of the IT systems.

Stakeholder

- The “2012 Moving Forward” Supplemental Plan, approved by the Mayors’ Council in October, provided TransLink with the ability to commit to the Evergreen Line, increased bus service hours, renovations for some key SkyTrain stations and reinstatement of the bike and MRN minor capital programs to previous levels. However, as some of the revenue sources are temporary in nature, the service will be implemented only as funding is secured.
- TransLink is soliciting consultation on the Pattullo Bridge Replacement Project.

People

- An enterprise wide framework was developed and succession plans are well underway.
- TransLink’s first Safety Perception survey has been conducted. Results are expected to be available in March 2012.
- Enterprise leadership programs were established.

3. REVENUES AND EXPENDITURES – TRANSLINK ENTERPRISE

The table below summarizes the 5 year financial results and copares the 2011 results to budget. All figures are on a funded basis. This presentation allows the Board, stakeholders, and the public to obtain a better understanding of the revenues that are available to fund annual Transit, Roads and Bridges and TransLink operating expenditures.

2011 Revenue and Expenditures Summary
(On a Funding Basis)

millions of dollars	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	%	Compound Annual Growth Rate 2007-2011 *
Revenues									
Transit	327.8	359.9	366.7	437.9	444.7	432.5	12.2	2.8%	7.9%
Golden Ears Bridge Tolls	-	-	11.3	29.6	33.7	37.8	(4.1)	(10.8%)	72.7%
Taxation	568.6	560.1	575.8	689.8	682.4	689.4	(7.0)	(1.0%)	4.7%
Interest Income	8.0	6.5	1.7	2.1	3.9	2.6	1.3	50.0%	(16.4%)
Senior Government contributions	-	-	7.5	19.3	21.7	19.3	2.4	12.4%	70.1%
Total Revenues	904.4	926.5	963.0	1,178.7	1,186.4	1,181.6	4.8	0.4%	7.0%
Operating Expenditures									
Roads & Bridges	35.8	37.4	43.6	44.6	46.5	47.4	0.9	1.9%	6.8%
Transit	594.5	662.0	732.9	809.3	816.0	849.4	33.4	3.9%	8.2%
TransLink Corporate	34.4	53.2	48.3	57.1	70.4	77.4	7.0	9.0%	19.6%
Provision for Contingencies and Reinvestments	-	-	-	-	-	9.7	9.7	100.0%	-
Transit Police	17.9	22.1	26.8	27.2	27.1	28.7	1.6	5.6%	10.9%
Interest	57.6	63.4	78.1	95.9	105.5	106.2	0.7	0.7%	16.3%
Depreciation	11.8	8.5	12.6	10.3	11.2	12.6	1.4	11.1%	(1.3%)
Debt Repayment	66.8	70.5	79.4	82.6	95.3	97.8	2.5	2.6%	9.3%
GEB Capital Payments	-	-	4.4	30.4	47.5	46.5	(1.0)	(2.2%)	228.8%
Total Operating Expenditures	818.8	917.1	1,026.1	1,157.4	1,219.5	1,275.7	56.2	4.4%	10.5%
Re-organization Costs	-	-	(3.1)	(2.0)	-	-	-	-	-
(Loss) / Gain on Disposal of capital assets	(0.9)	(1.2)	(1.1)	(4.7)	(2.7)	-	(2.7)	-	31.6%
Gain on Disposal of surplus assets (Real Estate)	-	-	-	-	1.5	35.0	(33.5)	(95.7%)	-
Annual Funded Surplus/(Deficit)	84.7	8.2	(67.3)	14.6	(34.3)	(59.1)	24.8	42.0%	-
Cumulative Funded Surplus	371.5	379.6	312.3	322.0 **	287.7	262.9	24.8	9.4%	(6.2%)

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

** Includes a prior year adjustment of an additional $5,906 Employee Future benefits expenditure due to the adoption of Public Sector Accounting Board (PSAB) reporting in 2011 broken down as follows:

January 1, 2010 opening adjustment	$ 4,916
December 31, 2010 year	990
	$ 5,906

TransLink's legislation requires that the operating expenditures set out in the annual budget must not be greater than the total amount of revenues for the budget year and all accumulated surpluses from the pervious years. TransLink therefore manages the cumulative funded surplus so that it remains positive. Funded Statements capture the revenues and expenditures that determine the cumulative funded surplus. The specifics of the funding adjustment reconciliation to published financial statements is provided in Appendix 1.

4. REVENUES

TRANSIT REVENUES

Financial Performance

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Transit - Fare									
Farebox	$ 88,528	$ 90,015	$ 88,640	$ 108,271	$ 109,908	$ 112,938	$ (3,030)	(2.7%)	5.6%
Prepaid Fares	181,274	205,233	208,619	235,928	246,664	215,390	31,274	14.5%	8.0%
Prepaid Contract	47,906	53,335	59,258	68,689	76,768	92,687	(15,919)	(17.2%)	12.5%
Total Transit Revenue	317,708	348,583	356,517	412,888	433,340	421,015	12,325	2.9%	8.1%
Transit - Other	10,051	11,329	10,219	25,009	11,392	11,510	(118)	(1.0%)	3.2%
Total Transit	$ 327,759	$ 359,912	$ 366,736	$ 437,897	$ 444,732	$ 432,525	$ 12,207	2.8%	7.9%

Ridership

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Boarded Passengers	295,423	303,897	314,633	348,660	356,220	350,787	5,433	1.5%	4.8%
Revenue Passengers *	173,377	180,161	189,130	218,836	233,269	214,804	18,465	8.6%	6.6% **

* The methodology for estimating revenue passengers was changed in 2011 resulting in a restatement of 2010 results. Historical values for 2007-2009 were unchanged.

** The compound annual growth rate is based on the years 2010 to 2011 only

2011 Highlights and Trend

Transit revenues totaled $444.7 million in 2011 compared to $437.9 million in 2010, with transit fares generating $433.3 million in 2011 compared to $412.9 million in 2010. This revenue increase from 2010 to 2011 reflected, in part, the full year impact in 2011 of the fare increase that took place in April 2010. The revenue increase from 2007 to 2008 was attributed to the fare increase in 2008. Other transit revenues (advertising, property rentals, retail revenues, parking and miscellaneous revenues) totaled $11.4 million in 2011 compared to $25.0 million in 2010, which included a one-time impact of Olympic related advertising.

Transit Fares

Farebox includes cash fares on all transit services and the Mission subsidy. Revenue for 2011 is $3.0 million (2.7 per cent) below budget and $1.6 million (1.5 per cent) higher than 2010. The budget variance is largely due to migration from cash to prepaid fares. The 2010 results include Vancouver 2010 Olympics and ParaOlympics related revenues. Lower Conventional Bus, SeaBus and Canada Line revenues are offset by higher SkyTrain and West Coast Express revenues. The Stanley Cup Finals positively impacted cash revenue between April and June which slightly reduced the unfavourable variance for Farebox in 2011.

Prepaid Fares include FareSavers, FareCards (Monthly Passes), Day Passes, Employer Passes, Community Passes, and Prepaid Fares Other (refunds). Prepaid fare revenues were $31.3 million (14.5 per cent) above budget and revenues were $10.7 million (4.6 per cent) higher than 2010. The majority of the positive variance is attributed to higher ridership, and higher than expected FareCard sales, which is partly attributed to the delay of post secondary schools transitioning to U-Pass BC. The favourable variance also reflects commitment to transit usage through migration from cash to prepaid fares. There was also higher participation in the Employer Pass Program.

Prepaid Contract primarily includes Government Bus Passes and U-Passes BC. Cumulatively, these revenues were $15.9 million (17.2 per cent) below budget.

- The delayed commencements coupled with slightly lower than expected students eligible for U-Pass BC contributed to the variance from budget. The Program, when fully implemented, replaced both the Vancity U-Pass and FastTrax Programs. It was expected that all publicly funded post-secondary institutions would join the Program in April, with the exception of early starts for Emily Carr University of Art and Design (Emily Carr) and Vancouver Community College (VCC). However, Emily Carr was the only institution to start on the expected timeline, with VCC delaying their start by one month, the Justice Institute not participating, and the remaining eight institutions launching the Program in September.
- Government Bus Pass revenues were $6.8 million (14.8 per cent) below budget. The contract in place between TransLink and the Province enabling the Program expired on March 31, 2011. Negotiations to renew the contract are ongoing and therefore revenues from the Program received are based on the expired contract terms.

Transit Other

Other revenue includes advertising, property rentals, park and ride fees, and various miscellaneous revenues. The revenues for 2011 were $0.1 million (1.0 per cent) below budget. Advertising revenues declined from 2010 due to the one-time impact of Olympic related advertising. Park and Ride revenues have been impacted by the ongoing construction at the Scott Road Station lot.

GOLDEN EARS BRIDGE TOLLS

Financial Performance

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011 *
Golden Ears Bridge Tolls	$ -	$ -	$ 11,293	$ 29,580	$ 33,748	$ 37,792	$ (4,044)	(10.7%)	72.9%

(000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011 *
Crossings	-	-	3,461	8,699	9,791	10,567	(776)	(7.3%)	68.2%
Average Toll per Crossing			$ 3.26	$ 3.40	$ 3.45	$ 3.58	$ (0.13)	(3.6%)	2.8%

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

2011 Highlights and Trend

Revenues from tolls charged on the Golden Ears Bridge (GEB) were $4.0 million below budget. Although GEB experienced growth in traffic volumes over 2010, it was not to the level assumed in the budget. Another contributing factor to the lower revenues was the toll discounts provided in April and May for off-peak and weekend travel.

Total crossings on GEB increased by 12.6 per cent over 2010, continuing the trend of increasing traffic volumes.. Similar to 2010, there was a consistent seasonal pattern of month-to-month increases in crossings from January to August, followed by month-to-month decreases from September to December due to less motorcycle and recreational traffic in the fall and winter months.

The TransLink Golden Ears Bridge Task Force identified key priorities and is launching action items with the joint objectives of increasing revenue and enhancing customer convenience. The action items that are proceeding include:

- Launch a public awareness and education program in January 2012
- Enable real-time web monitoring of traffic conditions on the bridge
- Initiate market research into customer decision-making and preferences that influence route choice
- Refresh GEB/Quickpass website to make it more user friendly

Coordination efforts continue with the Transportation Investment Corporation (TI Corp) on interoperability between the Golden Ears Bridge and Port Mann Bridge so a common tag can be read on both bridges.

TAXATION

Financial Performance

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Fuel Tax	$ 267,637	$ 262,298	$ 259,820	$ 323,212	$ 311,804	$ 324,300	$ (12,496)	(3.9%)	3.9%
Property and Replacement Tax	268,680	264,499	282,087	289,597	298,082	297,192	890	0.3%	2.6%
Hydro Levy	17,566	17,913	18,245	18,618	18,761	18,737	24	0.1%	1.7%
Parking Rights Tax	14,750	15,400	15,600	58,419	53,703	49,200	4,503	9.2%	38.1%
Total Taxation	$ 568,633	$ 560,110	$ 575,752	$ 689,846	$ 682,350	$ 689,429	$ (7,079)	(1.0%)	4.7%

2011 Highlights and Trend

Fuel Tax

Fifteen cents per litre fuel tax is applied to gasoline and diesel fuel sales in the transportation service region, with gasoline sales being 83 per cent of total revenue. Revenues are $12.5 million (3.9 per cent) unfavourable to budget. Total sales volumes in TransLink's region have declined from the previous year by 5.3 per cent.

Over the last year the monthly revenue received from the Province has shown significant volatility. As a result of the carbon tax legislation changes made in 2009, the taxation process for fuel tax revenue has changed, which makes it difficult to forecast and compare trends. Another significant challenge of the revised process is the timing and magnitude of credits/refunds, which could go back four years. Discussions are underway with Consumer Taxation to examine the revenue capture and reporting systems. Further analysis will continue in 2012.

TransLink region experienced a decrease of 5.9 percent in 2011 fuel sales volume. High prices of fuel and a strong Canadian dollar would have contributed to the decline in fuel sales volume, which likely migrated to Fraser Valley Regional District and Whatcom County.

Other factors likely to have contributed to the 2011 decline in fuel sales volume include a switch in vehicle efficiency, increased transit/cycling, and less commuting. However, the impacts of these potential factors are difficult to measure. If the trend continues, the impact of this reduction could be in the magnitude of a $450 to $550 million revenue loss in a 10-year period.

Property and Replacement Tax

Revenues from the assessment of property and replacement taxes were $0.9 million (0.3 per cent) above budget due to higher payments-in-lieu of taxes received. Property tax increased by $8.5 million compared to 2010 which is consistent with the 3 per cent annual increase per the legislated maximum. Replacement tax rates were set in 2011 to collect the permitted $18.0 million from all allowable property classes.

Hydro Levy

The Hydro Levy is a flat rate charged on the hydro bills for customers in TransLink's Service Region. Revenue from the Levy was as budgeted.

Parking Rights Tax

Revenues from the collection and remittance of Parking Rights Tax were $4.5 million (9.2 per cent) greater than budget. The number of registered parking vendors grew from 458 at the end of 2010 to 526 at the end of 2011. Increases in the amount of taxes remitted by parking vendors and the net increase in registered parking vendors contributed to the favourable budget variance. Parking Rights Tax for 2010 included a prior years adjustment as a final settlement from the transition to TransLink from Consumer Taxation Branch.

INTEREST INCOME

Financial Performance

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Interest Income	$ 7,978	$ 6,480	$ 1,722	$ 2,102	$ 3,890	$ 2,619	$ 1,271	48.5%	(16.4%)

2011 Highlights and Trend

Surplus cash and other liquid funds available for short term investment remain higher than budgeted as capital spending was less than anticipated. Short-term interest rates are slightly lower than budgeted – around 1.20 per cent vs. 1.45 per cent budgeted.

A key challenge continues to be getting accurate project spending cash flow forecasts. The introduction of a Treasury Management System (TMS) at the end of 2011 will help to improve the cash forecasting process in 2012.

Significant variances from year to year include higher overall cash balances and higher short-term rates in 2008 prior to the financial crisis.

In the future, the TMS will help to better manage surplus cash.

SENIOR GOVERNMENT CONTRIBUTIONS

Financial Performance

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011 *
Federal Capital	$ 250,593	$ 96,605	$ 156,947	$ 57,284	$ 60,593	$ 176,666	$ (116,073)	(65.7%)	(29.9%)
Provincial Capital	58,400	111,400	13,050	4,270	-	-	-	-	-
Other Capital	14,928	9,065	1,025	-	-	-	-	-	-
Total Capital Contribution	$ 323,921	$ 217,070	$ 171,022	$ 61,554	$ 60,593	$ 176,666	$ (116,073)	(65.7%)	(34.2%)
Operating Contribution	-	-	7,496	21,893	21,669	19,269	2,400	12.5%	70.0%
GAAP Contributions	**$ 323,921**	**$ 217,070**	**$ 178,518**	**$ 83,447**	**$ 82,262**	**$ 195,935**	**$ (113,673)**	(58.0%)	(29.0%)
Funding Adjustments	$ (323,921)	$ (217,070)	$ (171,022)	$ (61,554)	$ (60,593)	$ (176,666)	$ 116,073	(65.7%)	(34.2%)
Funded Contributions	**$ -**	**$ -**	**$ 7,496**	**$ 21,893** ***	**$ 21,669**	**$ 19,269**	**$ 2,400**	12.5%	70.0%

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

** Years 2010 & 2011 reported under PSAB guidelines, years 2007-2009 have not been restated

*** Of the $21,893 funded contributions, $19,269 is presented as revenue and $2,624 is presented within the expenses.

Funding adjustments represent senior government contributions to the capital spending program which reduce borrowing requirements and the concessionaire credit for Canada Line.

2011 Highlights and Trend

Federal Capital contributions in 2011 were less than budget due to delays in the signing of the British Columbia – TransLink Contribution Agreement for the Build Canada Fund. Contributions for 2007 – 2009 totaled $504 million, of which $348 million was for Canada Line construction while the remaining Federal Capital Funding is mainly Gas Tax Funding.

Other Provincial contributions include $52 million in 2008 and $4.2 million in 2010 for Provincial Transit Plan Projects.

Continued support at senior government levels has enabled TransLink to grow the transit network significantly over the 2007-2010 period and continued support is needed to achieve our longer range Transport 2040 goals.

In 2011, the Provincial contribution to operating includes $19.3 million for the Canada Line, $1.7 million to fund rapid transit studies, and $0.7 million for environmental remediation.

5. OPERATING EXPENDITURES

ROADS AND BRIDGES

Financial Performance

($000's)		2007 Actual		2008 Actual		2009 Actual		2010 Actual		2011 Actual		2011 Budget		Budget Variance Fav./ (Unfav.)	%	Compound Annual Growth Rate 2007-2011 *
Major Road Network Operations Maintenance and Rehabilitation	$	30,024	$	31,154	$	31,317	$	33,042	$	34,100	$	35,040	$	940	2.7%	3.2%
Golden Ears Bridge Operations		-		-		6,146		11,202		12,001		12,233		232	1.9%	39.7%
Albion Ferry		5,750		6,318		6,152		385		404		100		(304)	(304.0%)	(48.5%)
Total Roads and Bridges	$	35,774	$	37,472	$	43,615	$	44,629	$	46,505	$	47,373	$	868	1.8%	6.8%

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

2011 Highlights and Trend

The operation, maintenance and rehabilitation funding rate for the Major Road Network (MRN) in 2011 was $14,075 per lane kilometre, a 2 per cent "inflation" increase over the 2010 rate. The positive variance of $0.9 million in 2011 MRN operations was attributed to delays in the addition of new or expanded road segments to the existing network totalling $0.5 million. A comprehensive, multi-year review of the MRN is currently underway, which may result in network changes in the future. Further reductions to the operating expenses came from consultant fees and insurance costs.

The positive variance in Golden Ears Bridge operations is primarily due to allowances for traffic safety and other infrastructure improvements that were not fully subscribed, and a savings in insurance costs of $0.3 million was achieved relative to the previous year. Actual toll operating costs came in lower than budget, which was based on a financial model prepared prior to the opening of the bridge. Payments to the maintenance contractor were less than budgeted due to charges for travel lane closures associated with warranty work.

The Albion Ferry ceased operating on July 31, 2009. The Albion ferry vessels were sold in 2011. The deal was finalized in December 2011 and the ownership was transferred in January 2012.

2011 Initiatives Upgrade

Consultation is proceeding on the replacement of the Pattullo Bridge. The project is currently in the Project Definition Phase which will determine the bridge location, connections and number of lanes. This work will continue into 2012.

The MRN review is nearing completion. The review is investigating a number of items such as the composition of the MRN, road improvement priorities and future funding policies.

The MRN pavement conditions survey was performed in 2011.

The Seismic Upgrading of the Knight Street Bridge was completed in 2011.

TRANSIT

Transit Service operations is evaluated using established key performance indicators that are linked to the goals, objectives and strategies of the organization. Conventional System includes Bus service, SeaBus, SkyTrain, Canada Line, and West Coast Express. Access Transit includes HandyDART and the TaxiSaver Program.

OPERATING ACTIVITY AND PERFORMANCE

CONSOLIDATED TRANSIT SERVICE (INCLUDING OLYMPICS)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	%	Compound Annual Growth Rate 2007-2011 *
CUSTOMER									
Overall Performance Rating (out of 10) (Conventional System)	7.1	7.0	7.3	7.6	7.6	-	-	-	1.7%
Complaints per 1 million Boarded Passengers (Conventional System)	86.9	85.7	82.3	85.9	87.5	77.7	(9.8)	(12.6%)	0.2%
Overall Performance Rating (out of 10) (Access Transit)	-	-	-	7.8	8.0	-	-	-	-
Complaints per 1 million Boarded Passengers (Access Transit)	146.1	155.0	1221.8	883.5	913.4	786.9	(126.5)	(16.1%)	58.1%
CONVENTIONAL SYSTEM									
Operating Cost per Passenger Kilometre	$0.24	$0.26	$0.34	$0.32	$0.31	$0.35	$0.04	12.2%	6.9%
Operating Cost per Passenger Kilometre (Excluding Energy)	-	$0.24	$0.32	$0.31	$0.28	$0.32	$0.04	12.3%	4.1%
Operating Cost per Total Vehicle Kilometre	$4.94	$5.39	$5.50	$5.61	$5.60	$5.96	$0.36	6.1%	3.2%
Average Fare per Revenue Passenger	$1.84	$1.94	$1.89	$1.89	$1.86	$1.96	($0.10)	(5.3%)	0.3%
Operating Cost Recovery	53.9%	52.0%	48.3%	51.4%	52.6%	48.6%	4.0%	8.3%	(0.6%)
Passenger Injuries per 1 Million Boarded Passengers	2.56	3.05	3.91	3.63	3.56	-	-	-	8.6%
ACCESS TRANSIT									
Operating Cost per Revenue Passenger	$23.11	$26.50	$33.17	$34.03	$33.35	$34.84	$1.49	4.3%	9.6%
Operating Cost per Service Hour	$55.10	$61.09	$78.38	$76.39	$77.22	$80.51	$3.30	4.1%	8.8%
Passenger Injuries per 1 Million Boarded Passengers	10.59	6.71	10.42	45.71	20.97	18.41	(2.56)	(13.9%)	18.6%
SERVICE									
Service Hours (Conventional System)	5,390,058	5,644,385	6,011,275	6,382,059	6,310,390	6,284,446	25,944	0.4%	4.0%
Service Hours (Access Transit)	548,858	592,433	515,435	593,840	602,823	598,000	4,823	0.8%	2.4%
Service Kilometres (Conventional System)	122,293,689	127,667,055	137,825,690	151,425,272	150,655,362	149,096,510	1,558,852	1.0%	5.4%
PASSENGERS									
Revenue Passengers (Conventional System) **	172,069,507	178,796,367	187,912,227	217,502,739	231,873,462	213,421,852	18,451,610	8.6%	6.6%
Revenue Passengers (Access Transit)	1,308,321	1,365,447	1,218,017	1,332,917	1,395,907	1,381,981	13,926	1.0%	1.6%
Boarded Passengers (Conventional System)	294,007,449	302,407,473	313,290,937	347,194,229	354,693,744	349,265,784	5,427,960	1.6%	4.8%
Boarded Passengers, including Taxi Passengers (Access Transit)	1,416,686	1,490,407	1,343,052	1,465,747	1,526,222	1,521,220	5,002	0.3%	1.9%

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

** The methodology for estimating revenue passengers was changed in 2011 resulting in a restatement of the 2010 actual results. Results for 2007-2009 have not been restated. The compound annual growth rate is based on the years 2010 to 2011 only

Customer

Overall service rating (conventional system) – The average score was 7.6 out of 10 at the end of 2011. This score is unchanged from the same period one year ago. The percentage of customers who rate the service between eight and 10 has remained steady at 61 per cent for the past two years.

Remedial action is recommended on attributes that fall below an average rating of seven out of 10, or a good-to-excellent rating by less than 50 per cent of respondents.

The key transit system attributes that fell below the mark in 2011 are listed below, along with the enterprise-wide or operationally-specific strategies and areas responsible for addressing them:

- Adequacy of transit information on transit vehicles – bus (6.9/10): Complete and implement revisions to the corporate wayfinding strategy. An initiative is planned for 2012.
- Having enough bus shelters at bus stops throughout the region (6.6/10): Ongoing work with the municipalities on new/improved bus shelter facilities.

Complaints per one million boarded passengers (conventional system) - There were 31,027 transit service complaints against 355 million boarded passengers; a 4 per cent increase in complaints over 2010. The corresponding increase in total passenger volumes was 2.3 per cent. With complaints increasing faster than ridership, *complaints per one million boarded passengers* increased slightly to 87.1 in 2011. The target for 2011 was low because it did not include complaints for Canada Line.

During the period 2007 – 2009, complaints remained stable around 26,000. In 2010, the year of the Olympics, complaints rose to almost 30,000. There is a significant increase in the number of available channels for customers to provide feedback through new social media outlets such as Foursquare, Facebook and Twitter. With an increase of 21 per cent in boarded passengers from 2007 to 2011 (294 million to 355 million), overall complaints per one million boarded passengers has experienced a 0.2 per cent compound annual growth rate.

Overall service rating (Access Transit) was again very well-rated in 2011 with two thirds (68 per cent) of customers who have used the service in the past month rating it 8 or higher out of 10 for overall service (an average score of 8.0 out of 10).

HandyDART receives very high marks (90 per cent giving an 8 or higher out of 10) for Courteous, Competent and Helpful Driver (92 per cent) and Feeling Safe from Injury When Riding HandyDART (91 per cent).

Complaints per one million boarded passengers (Access Transit) were significantly higher than target in 2011 (913.4 vs. 786.9), a 16.1 per cent variance. Several new policies have been introduced ("No-show, "Cancels-at-the-door", and Fare Management) which has prompted an increase in customer complaints. HandyDART increased trip productivity which has a corresponding decrease in on-time performance and also contributes to additional customer complaints.

Conventional System

Operating cost per passenger kilometer is $0.04 (12 per cent) favorable compared to the previous year. The favorable variance reflects an increase in ridership, along with the continued positive impact of cost containment initiatives that continue to be implemented by TransLink and its subsidiaries. Operating cost per passenger kilometer (excluding energy) also shows a favorable variance of $0.04 (12 per cent). Over the last 5 years, the Compound Annual Growth Rate is 6.9 per cent.

Operating cost per total vehicle kilometer is $0.36 (6 per cent) below target. This is the result of an increase in kilometers provided, along with lower fuel costs, lower overtime costs and continued cost containment initiatives. Over the past 5 years the Compound Annual Growth Rate is 3.2 per cent. Since 2009, the measure has remained relatively flat which demonstrates strong gains in efficiency and effectiveness within the operating companies.

Average fare per revenue passenger is lower than target by $0.10 (5 per cent). The measure has shown a decline since 2008 and continues to be a concern. Several initiatives to increase fare checking visibility and enforcement, promote education and awareness, and continued monitoring and change tracking have been implemented. Fare checking has increased by BCRTC, CMBC, SeaBus and Transit Police staff. A change in methodology in the estimation of revenue passengers was implemented in 2011, and retroactively applied to the estimated revenue passengers increase of 6.2 million in 2010. This effectively reduced the average fare per revenue passenger in 2010 from $1.94 as previously reported to $1.89. This new methodology also resulted in a higher estimation of revenue passengers over target in 2011, thereby reducing the average fare per revenue passenger in 2011 to $1.86.

Operating cost recovery is 52.6 per cent of transit operating costs in 2011 (transit revenue includes fares, advertising, and miscellaneous revenue). This was 4 per cent higher than the target for 2011 and 1.2 per cent higher than 2010. The Compound Annual Growth Rate over the last five years, is relatively flat, however the trend is showing improvement since 2009.

Passenger injuries per million boarded passengers for 2011 is 3.56, which is showing a slight decline from the previous year. The trend over the last five years is showing a Compound Annual Growth Rate of 8.6 per cent.

Access Transit

Operating cost per revenue passenger is $1.49 favorable to target. This is mainly due to a negotiated reduction in fixed costs and a slight increase in revenue passengers. This measure increased dramatically in 2009 when TransLink instituted a number of customer related improvements to the program. Costs increased due to labour rate standardization, increased costs to implement mobile technologies, longer dispatch hours to enhance the safety of passengers and establishment of a centralized call centre. Since 2009 the measure has remained stable.

Operating cost per service hour is $3.30 favorable to target. This is mainly due to a negotiated reduction in contractor fixed costs and a marginal increase in demand requiring a modest increase in service hours. It should be noted that MVT Bus provided an additional 4,823 service hours over the funded amount (at their cost), providing good stewardship of the program.

Passenger injuries per million boarded passengers in 2011 are 2.56 (13.9 per cent) higher than target. Compared to 2010, the measure has decreased by 24.74 (46 per cent). The dramatic decrease is partially due to changes in reporting. In 2010, HandyDART provider reported all “potential for injury” incidents as an injury. This resulted in an increase in passenger injury numbers. This reporting has been rectified and, beginning 2011, only actual injuries are being reported. An increased emphasis on customer safety also contributed to lower numbers in 2011.

Service

Delivered service hours for conventional transit for 2011 are 25,944 above target. This is partially due to the Service Optimization initiative to reallocate resources to more productive routes. These service optimization initiatives are continuous and impacted each new service schedule throughout 2011 differently, as the increases and decreases are not equal and offsetting in each schedule. The December 2010, April 2011, June 2011 and September 2011, changes decreased conventional bus and community shuttle services by 19,000 hours. An increase of 45,000 hours has been provided by additional SkyTrain service during the peak hours, the Stanley Cup playoff period, and additional contractual obligations by the Canada Line service provider. The CAGR over the last 5 years is 4 per cent.

Conventional service kilometers showed an increase in 2011 for the same reason as explained for the service hour increase above.

Access Transit service hours exceed the target by 4,823. This was due to a marginal increase in demand and represents a good stewardship of the program as MVT Bus provided the additional hours at no cost to TransLink.

Passengers

Actual revenue passengers were 18.5 million over the target and boarded passengers were 5.4 million over the target in 2011. The increase in revenue passengers for 2011 reflects adjustments made to the ridership model most notably to transfer rates, as well as increased ridership due to high fuel prices. Higher boarded passengers numbers were also realized from the additional U-Pass BC participants in September.

Revenue passengers were 14,000 (1 per cent) and boarded passengers 5,000 (0.3 per cent) above target for Access Transit in 2011. The Compound Annual Growth Rate for both measures shows a slight increase over the last 5 years of 1.6 per cent for revenue passengers and 1.9 per cent for boarded passengers. The increase in passenger figures is explained by the higher than planned hours delivered.

Bus Division

Context/Overview

2011 saw a continuation of a number of key initiatives aimed at reducing costs and/or increasing revenue including the vehicle anti-idling program called "Idle Free CMBC" which won the Canadian Urban Transit Association (CUTA) 2011 National Transit Corporate Recognition Award for achieving idling reductions and reduced GHG emissions. Others include PowerSmart program improvements in the facilities, service optimization on bus service changes, fare enforcement measures, and following up on ancillary revenue opportunities. While 2011 had no service expansion, over 100,000 service hour changes resulted from the Service Optimization initiative to improve route productivity, efficiencies and increase ridership. Other major projects included the bus security camera installations, planning for the second SeaBus replacement and Hamilton Transit Centre. CMBC was also involved in supporting the enterprise initiatives for Compass card, Faregate and SkyTrain construction and communications. Throughout the year, Service Delivery, Maintenance, Customer Information, Communications, Training, Access Transit and Fare Collection staff were engaged in the Compass card project including the planning and design for the system, business rules, physical equipment, and implementation.

The year's financial results reflect the trend of lower vehicle maintenance costs from a newer fleet and improved preventative and other maintenance programs and the successful negotiation of a one year zero increase agreement with CAW. In June, the required replacement of the community shuttle contractor in New Westminster was completed with no service disruptions.

In February, an organizational change was made that transferred all of Business Technology and certain other shared services staff and resources to TransLink.

In June, CMBC hosted the International Bus Benchmarking Group's (IBBG) annual conference and accepted the presidency role of the IBBG for the 2011/2012 term.

Transit Supervisors, Transit Communications, Security and Road Services, and Customer Information staff were involved in the launch of the Real Time Transit Information customer service initiative to provide up-to-date bus location, bus stop and schedule information via a web site.

2011 was the third year of the five year original HandyDART contract. The contractor fixed costs were renegotiated based on existing service levels for 2011, the final two years, and a two year extension of the agreement. Access Transit management and the contractor continued to work on service improvements and achieved a significant reduction in client trip cancellation incidents with improved productivity and on-time performance.

Financial Performance

Operating Expenditures ($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav / (Unfav)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Coast Mountain Bus Operations									
Operating Costs	242,955	259,295	279,662	291,028	293,726	297,362	3,636	1.2%	3.9%
Maintenance Costs	116,392	130,040	146,931	142,944	142,302	154,579	12,277	7.9%	4.1%
Indirect/Administration Costs	34,304	41,963	44,366	41,185	23,894	24,531	638	2.6%	(7.0%)
Subtotal	393,651	431,298	470,960	475,157	459,921	476,472	16,550	3.5%	3.2%
Fuel Costs	38,922	52,002	39,852	45,420	49,512	51,515	2,003	3.9%	4.9%
Total	432,573	483,300	510,811	520,577	509,434	527,987	18,553	3.5%	3.3%
Contracted Community Shuttle									
Operating Costs	1,696	1,690	2,489	2,663	2,958	2,822	(136)	(4.8%)	11.8%
Maintenance Costs	493	320	454	538	578	436	(141)	(32.4%)	3.2%
Indirect/Administration Costs	419	836	681	683	646	699	53	7.6%	9.0%
Subtotal	2,608	2,846	3,624	3,884	4,181	3,957	(224)	(5.7%)	9.9%
Fuel Costs	416	641	557	682	859	719	(140)	(19.5%)	15.6%
Total	3,024	3,488	4,181	4,567	5,040	4,676	(364)	(7.8%)	10.8%
West Vancouver									
Operating Costs	5,275	5,961	6,961	6,781	7,172	7,254	82	1.1%	6.3%
Maintenance Costs	2,782	2,374	2,622	3,006	2,952	2,985	33	1.1%	1.2%
Indirect/Administration Costs	1,395	1,292	1,270	1,491	1,439	1,536	97	6.3%	0.6%
Subtotal	9,452	9,627	10,854	11,278	11,563	11,774	211	1.8%	4.1%
Fuel Costs	1,233	1,733	1,427	1,711	1,995	1,843	(152)	(8.2%)	10.1%
Total	10,685	11,360	12,281	12,989	13,558	13,618	60	0.4%	4.9%
Conventional Transit	446,282	498,147	527,273	538,133	528,032	546,281	18,249	3.3%	3.4%
Access Transit									
Operating Costs	17,407	19,329	19,866	23,721	24,337	24,579	242	1.0%	6.9%
Maintenance Costs	1,548	2,001	2,482	2,157	2,292	2,492	200	8.0%	8.2%
Indirect/Administration Costs	9,213	12,079	16,478	17,276	17,125	18,451	1,326	7.2%	13.2%
Subtotal	28,168	33,409	38,826	43,154	43,754	45,522	1,768	3.9%	9.2%
Fuel Costs	2,072	2,780	1,576	2,208	2,794	2,626	(167)	(6.4%)	6.2%
Total	30,240	36,189	40,402	45,362	46,547	48,148	1,601	3.3%	9.0%
Total Bus Division									
Operating Costs	267,333	286,275	308,978	324,193	328,193	332,016	3,823	1.2%	4.2%
Maintenance Costs	121,215	134,734	152,489	148,646	148,124	160,492	12,368	7.7%	4.1%
Indirect/Administration Costs	45,331	56,171	62,796	60,635	43,103	45,216	2,114	4.7%	(1.0%)
Subtotal	433,879	477,180	524,263	533,473	519,419	537,725	18,305	3.4%	3.7%
Fuel Costs	42,643	57,157	43,412	50,022	55,160	56,704	1,544	2.7%	5.3%
Amortization	1,736	2,265	3,237	3,736	-	-	-	0.0%	(100.0%)
Total	478,258	536,602	570,911	587,231	574,579	594,429	19,849	3.3%	3.7%

2010 Olympic costs not included in the above as they have been transferred to TransLink:

	Actual
CMBC	$ 5,605
Contracted Community Shuttle	1
West Vancouver	371
Conventional Transit	$ 5,978

2011 Highlights and Trend

The 2011 actual expenditures for the total Bus Division are $574.6 million, $19.9 million under budget. CMBC Operations was $18.6 million favourable, Contract Community Shuttle was $364 thousand unfavourable, West Vancouver was $60 thousand favourable, and Access Transit was $1.6 million favourable.

CMBC Operations

Total expenditures have increased 18 per cent (Compound Annual Growth Rate of 3.3 per cent) from 2007 to 2011 largely due to service expansion (approx. 10 per cent), economic and contractual labour and benefit increases, increased employer paid benefits costs, rising fuel costs, and general economic goods and services increases. Operating cost per service hour fell in 2011 with the reduction in administration costs from the shared services transferred to TransLink, restructuring, and ongoing cost efficiency measures.

In 2011, CMBC Operations was $18.6 million favourable compared to budget. Contributors to the results were lower than planned maintenance costs of $8.2 million and lower wage costs of $7.6 million due to lower maintenance overtime and vacancies, optimizing operator staffing, timing of new hires, and lower vacation payout costs.

Operating costs had a favourable variance of $3.6 million including lower operator wage costs, lower insurance costs due to a decrease in rates and lower salary costs of $1.5 million due to vacant service support positions.

Maintenance costs were under budget by $12.3 million (7.9 per cent). Maintenance materials were $8.2 million favourable from lower activity for inventory repairs and overhauls, fewer brake relines and transmissions than planned, and generally lower materials usage. Wages were $4.9 million favourable, mainly due to less overtime and lower vacancies. Utilities costs were favourable due to warm winter weather conditions and lower natural gas prices.

Indirect/Administration costs were under budget by $0.6 million. There was an increase of $4.0 million for Future Employee Benefits based on the change to Public Sector Accounting standards. This variance was offset by $1.7 million favourable variance on the Canada Pension Plan, Superannuation and WorkSafe BC costs due to lower than planned rates, $2.2 million for lower wage banked time accruals, and lower favourable spending in most other expense categories including salary vacancies.

The significant factor in the reduction in administration and indirect costs in 2011 over 2010 is the reorganization that occurred in February. The reorganization transferred a number of shared services from CMBC to TransLink including Business Technology and other administrative functions. The Compound Annual Growth Rate for administration and indirect costs from 2007 to 2011 would be less than 2 per cent prior to the transfer of the shared services to TransLink.

Total fuel expenditures have risen from 2007 to 2011 by $10.6 million or 27 per cent. Over this same time period diesel fuel consumption has increased by 2.8 million litres or 7 per cent from service expansion and increased by 12 million vehicle kilometres or 19 per cent. Savings from new fuel efficient hybrid vehicles and the new SeaBus, the vehicle anti-idling program and operator training on driving techniques offset the impact of increased kilometres (litres/km consumption of 0.62 in 2007 to 0.56 in 2011). Diesel fuel market prices have fluctuated from 2007 to 2011 but overall prices have risen from $0.90 in 2007 to $1.10 in 2011, including the BC Carbon Fuel tax increases. In 2011, the average price paid per litre for diesel was $0.20 higher than in 2007. Electricity prices and trolley power costs have increased from $0.152 per kilometre in 2007 to $0.207 in 2011 or 37 per cent; the cost per kilowatt hour has risen from $0.0596 in 2007 to $0.0722 in 2011 or 21 per cent.

In 2011, a favourable variance of $2.0 million for fuel was realized with $0.3 million due to $0.01/litre lower diesel fuel market prices and $1.1 million favourable diesel usage variance (953,000 fewer litres consumed). The Vehicle Idling Reduction policy and anti-idling program in 2011 continued to deliver significant reductions in bus idling time and reduced fuel usage and emissions. There was also a favourable variance of $0.5 million on CNG due to lower supply contract agreements, market prices, and fewer kilometres.

Amortization costs increased from 2007 to 2010 with the growth of the CMBC subsidiary capital spending program from $1.7 million in 2007 to over $10.0 million in 2010. In 2010, capital spending was centralized at TransLink into a single enterprise program and all in-service assets were transferred to TransLink at December 31, 2010.

There was no service expansion in 2010 and 2011 following the over 5 per cent compound service hour increases from 2007 to 2009. While there was no service expansion in 2011, over 100,000 hours of service underwent changes for conventional bus and community shuttle as a result of Service Optimization and regular ongoing service adjustments. Service hours delivered in 2011 were slightly under budget due to the impact and timing of Service Optimization initiatives, special events and construction reroutes, cancellations and other service changes throughout the year.

The favourable variance in Mean Distance between Failures versus target for 2011 is a result of fewer major technical failures due to the overall newer fleet and preventative maintenance programs and this measure continues to improve year over year.

Contracted Transit Services & Access Transit

In 2011, Contract Community Shuttle was $364 thousand over budget due primarily to higher fuel prices and the additional costs resulting from the replacement of the New Westminster contractor in June. Other cost increases included higher operator wages of $145 thousand, and increased maintenance materials and fuel consumption.

Contract Community Shuttle expenditure increases over the period of 2007 to 2011 were $2.0 million, the majority of which were due to service expansion of 40 per cent and also included contractual wage increases, the additional cost of non-recoverable portion of the HST introduced in 2009, and increased diesel fuel costs.

West Vancouver expenditure increases over the period of 2007 to 2011 were $2.9 million due to service hour expansion of 17 per cent, collective agreement wage increases, additional facility related maintenance, the introduction of HST in 2009, and increased diesel fuel costs.

Contract administration was transferred from TransLink to CMBC in 2008. In late 2008, seven, mainly not-for-profit, providers were amalgamated into a region-wide transportation service run by a single provider, MVT Canadian Bus, Inc. (MVT). During this transition there was a labour disruption from October 2009 to January 2010. Implementation of mobile technologies and programs on the HandyDART service, the establishment of a centralized Call Centre and ongoing work to continue improving service scheduling, utilization of resources and fleet rationalization.

Access Transit's costs increased $16.3 million for the period 2007 to 2011 due to service hour increases over this period of 10 per cent and as a result of contractual labour and benefit cost increases from the change to MVT in

2008, the standardization of labour rates and a contract settlement in 2010. 2009's lower costs reflect the labour strike that occurred in the last quarter of the year where only essential services were provided until the contract was settled. In 2010, HandyDART embarked on a plan to reduce the number of customers cancelling scheduled trips without notice. Cancellations at the door (CAD) and client no-shows (NS) significantly reduce productivity and increase costs. The plan included a "Door Hanger" program, reminder letters, and a demerit point based management plan. Since late 2010, customers were provided with an automated trip confirmation telephone call the evening before a scheduled trip and they receive advance notice of the vehicle arrival. HandyDART's CAD and NS policy and processes resulted in a 30 per cent reduction in CAD and NS incidents with improved productivity and on-time performance. In 2011, the contractor fixed cost was renegotiated based on the actual service levels in place.

Access Transit's costs were $1.6 million under budget due primarily to lower contractor fixed costs $1.1 million. Other factors include favourable insurance costs of $0.2 million and maintenance costs of $0.2 million due to better asset utilization and a reduction of the vehicles on the road offset by higher fuel costs and usage of $0.17 million.

2011 Initiatives Update

Customer

- Successful implementation and support of Real Time Transit Information (RTTI) including developing required standard operating procedures and delivering TMAC system training for Transit Supervisors, Transit Communications, Security and Road Services staff.
- 61 per cent of bus stops were accessible by year end exceeding the 2011 goal of 59 per cent.
- Customer Information introduced social media as part of the customer communication strategy resulting in over 14,000 Twitter followers.
- The relocation of transit security resources to Vancouver Transit Centre has placed a larger number of security personnel in the field and has improved response time to incidents.

Financial

- Fare Audits confirm that fare evasion has come down in 2011 over 2010. This has been achieved through targeted campaigns, aggressive fare checking and coordinated security activity throughout 2011.
- A Partnership with WorkSafe to achieve reduction in lost time claims, average claim duration, and a reduction in claims management cycle time was launched in October.
- Bargained a 1-year 0 per cent extension on CAW collective agreement to March 31, 2011.
- Anti-Idling program has achieved idling reductions of over 20 per cent versus the 2009 base resulting in reduced fuel consumption/costs, engine wear and tear as well as a 1 per cent reduction in GHG emissions. In the spring of 2011, the "Idle Free CMBC" initiative won the Canadian Urban Transit Association (CUTA) 2011 National Transit Corporate Recognition Award.

Internal Effectiveness

- BC Hydro PowerSmart Program's total projected savings of active, completed & proposed energy related projects were approximately $0.3 million.
- HandyDART's Cancel at Door (CAD) and No Show (NS) policy and process was implemented and has resulted in a 30 per cent reduction in CAD and NS incidents which improves productivity and on-time performance.

- Expanded and enhanced the quality assurance program and the continued emphasis and improvements in this area helped reduced the number of buses waiting for repair which in turn resulted in zero maintenance cancellations and was a contributor to an improvement in mean distance between failure and a significant reduction of overtime.

People

- Developed Annual Operator Performance Review criteria/forms and delivered Supervisor training to support the implementation of annual reviews in 2012.
- Bus Security Camera System Phase 2 deployment on 563 Diesel/Diesel Hybrids and 34 trolleys was completed in November with final acceptance expected in early 2012. Assault reduction on camera-equipped VTC buses in the first six months of operation was 62 per cent year over year.
- A variety of new training initiatives, which the Training department developed with Incident Analysts and Operations have helped reduced Preventable Collisions per million kilometres by 9 per cent over 2010.

Rail Division

Context/Overview

2011 marked a major milestone in British Columbia's Rail and Transit Company's (BCRTC) history with the celebration of 25 years of providing exemplary service to its valued customers.

With a fleet of 114 vehicles in 1986, carrying just over 27 million passengers, the fleet now includes 298 vehicles, carrying almost 117 million passengers per year on three lines including the Expo, Millennium and Canada Lines. BCRTC also manages the West Coast Express commuter rail service with 44 cars, carrying 2.6 million passengers per year. In 2011, ridership increased 11.6 per cent over 2010 and customer satisfaction was at the highest level in five years. During the year, BCRTC successfully responded to the demands during the Stanley Cup playoffs and realigned the organization. 2011 successes included execution of the CUPE 7000 collective bargaining terms ratified on April 4th, 2011.

The faregate construction project began in May 2011, and with many of the stations simultaneously under construction, BCRTC hired temporary staff to guide its passengers safely around these areas. As well, BCRTC assumed the prime contractor role for faregates and other capital projects to properly maintain and upgrade the system for the next 25 years.

For the year ended December 31, 2011, the Rail Division's operating costs of $209.9 million were below budget by $5.0 million, or 2.3 per cent. A majority of the favourable variance was attributed to MKII vehicle warranty claim recoveries, capitalized project support, variance in the Canada Line performance payments, the elimination of weekend and adjusted weekday TrainBus service and lower than expected hydro and diesel fuel costs, offset by unbudgeted retroactive wage increases as a result of the negotiated collective agreement.

Financial Performance

Operating Expenditures ($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav / (Unfav)	Budget Variance %	Compound Annual Growth Rate 2007-2011 *
SkyTrain - Expo and Millennium Lines									
Operations	$ 23,145	$ 24,249	$ 24,626	$ 24,627	$ 26,356	$ 25,814	$ (542)	-2.1%	3.3%
Maintenance	39,001	42,567	43,725	45,335	47,080	48,796	1,716	3.5%	4.8%
Indirect/Administration	5,460	6,902	7,737	7,522	7,482	7,744	262	3.4%	8.2%
	67,606	73,719	76,087	77,484	80,918	82,354	1,436	1.7%	4.6%
Fuel/Hydro Propulsion	7,550	8,000	8,577	10,303	11,120	12,165	1,045	8.6%	10.2%
Amortization	1,265	1,182	1,732	1,446	1,409	1,031	(378)	-36.7%	2.7%
Total	$ 76,421	$ 82,901	$ 86,396	$ 89,233	$ 93,447	$ 95,550	$ 2,103	2.2%	5.2%
**SkyTrain - Canada Line ** **									
Operations	-	-	31,003	82,480	97,434	99,102	1,668	1.7%	11.7%
Maintenance	-	-	197	502	437	542	105	19.4%	-6.1%
Indirect/Admin Costs	-	-	498	603	645	911	266	29.2%	-28.3%
Total	-	-	31,698	83,585	98,516	100,555	2,039	2.0%	11.1%
Automated Light Rapid Transit	**$ 76,421**	**$ 82,901**	**$ 118,094**	**$ 172,818**	**$ 191,963**	**$ 196,105**	**$ 4,142**	**2.1%**	**25.9%**
West Coast Express									
Operations	$ 8,871	$ 9,472	$ 9,960	$ 10,015	$ 10,336	$ 10,718	$ 382	3.6%	3.9%
Maintenance	3,584	3,733	4,015	4,519	4,290	4,342	52	1.2%	4.6%
Indirect/Administration	2,072	2,236	2,248	2,002	1,981	2,194	213	9.7%	-1.1%
	14,527	15,441	16,223	16,536	16,607	17,254	647	3.7%	3.4%
Fuel/Hydro Propulsion	919	1,190	808	984	1,325	1,472	147	10.0%	9.6%
Amortization	37	36	34	34	17	49	32	65.3%	-17.7%
Total	**$ 15,483**	**$ 16,667**	**$ 17,065**	**$ 17,554**	**$ 17,949**	**$ 18,775**	**$ 826**	**4.4%**	**3.8%**
Total Rail Division									
Operations	$ 32,016	$ 33,721	$ 65,589	$ 117,122	$ 134,126	$ 135,634	$ 1,508	1.1%	43.1%
Maintenance	42,585	46,300	47,937	50,356	51,807	53,680	1,873	3.5%	5.0%
Indirect/Administration	7,532	9,138	10,483	10,127	10,108	10,849	741	6.8%	7.6%
	82,133	89,160	124,008	177,605	196,041	200,163	4,122	2.1%	24.3%
Fuel/Hydro Propulsion	8,469	9,190	9,385	11,287	12,445	13,637	1,192	8.7%	10.1%
Amortization	1,302	1,218	1,766	1,480	1,426	1,080	(346)	-32.0%	2.3%
Total	**$ 91,904**	**$ 99,568**	**$ 135,159**	**$ 190,372**	**$ 209,912**	**$ 214,880**	**$ 4,968**	**2.3%**	**22.9%**

Note: Olympic costs are not included in the above totals.
* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.
** Canada Line began revenue service in August 2009.

2011 Highlights and Trend

The Expo and Millennium lines performed $2.1 million favourable to budget, the Canada Line was $2.0 million favourable and the West Coast Express was $0.8 million favourable to budget. The following sections discuss the Rail Division's financial results and key performance indicators (see Appendix).

Expo/Millennium Line

For the year ended December 31, 2011, total operating costs for SkyTrain's Expo and Millennium Lines were $93.4 million, compared to budget of $95.6 million, or $2.1 million below budget. A majority of the favourable variance was attributed to underruns in maintenance and hydro costs. Maintenance costs of $47.1 million were below budget by $1.7 million, or 3.5 per cent, due to lower than expected costs to maintain the new MKII vehicles, warranty and capital project recoveries offset by retroactive wage increases. Hydro costs of $11.1 million were $1.0 million below budget due to initial base cost assumptions. Operations and indirect/administration costs for the year of $33.8 million were in line with budget due to a favourable utility variance, the WorkSafe BC certificate of recognition rebate and cost recoveries, offset by wage increases from the negotiated collective agreement. Amortization costs of $1.4 million were $0.4 million over budget as a result of the disposal of capital spares offset by the transfer of assets to TransLink effective July 1, 2011. The increase in operating costs from fiscal year 2010 to 2011 of 4.7 per cent, or $4.2 million, was below the five year Compound Annual Growth Rate of 5.2 per cent.

Operating cost per total vehicle kilometre for 2011 was $2.07, 5.9 per cent below the target of $2.20 and below the 2007 result of $2.17. The 2010 cost per vehicle kilometre of $1.98 was a result of the additional Olympic kilometres and vehicles on warranty.

Operating cost per passenger kilometre for the period ended December 31, 2011, including and excluding propulsion, were below targets of $0.124 and $0.113 respectively, by $0.006 and $0.005 and were both in line with 2009 results prior to the introduction of the 48 MKII vehicles in 2010. As ridership continues to grow and is absorbed by these new vehicles, particularly in non-peak service, these measures are expected to strengthen.

Overall mystery shopper score, a measure of customer satisfaction, exceeded target in 2011 by 4.3 per cent and was the highest level in five years. The customer satisfaction survey, which tracks performance on service attributes most strongly related to positive overall transit service ratings, reported an increase in satisfaction with overall service from fiscal year 2010 to 2011 of 1.2 per cent. The attribute, feeling safe from crime on board the SkyTrain and inside stations, increased from 2007 at a Compound Annual Growth Rate of 1.6 per cent.

Major passenger injuries per one million boarded passengers for the period ended December 31, 2011 exceeded target of 1.10 by 28.0 per cent and grew at a Compound Annual Growth Rate of 5.3 per cent since 2007. Slips and falls on stairs and escalators continue to be a major source of injury to passengers. Focused initiatives are being implemented to help minimize injuries.

One derailment occurred in 2011. The derailment happened in the yard where the trains are run manually and damage was minor. One recommendation from the investigation included a pilot project to examine the effect of changing signal lights on yard switches to be completed in the first quarter of 2012.

During 2011, there were 18 lost time accidents that resulted in a lost time frequency of 3.5; the target was 2.1. The lost time frequency five-year Compound Annual Growth Rate was 8.3 per cent. BCRTC is dedicated to educating, managing and engaging employees in safety awareness and compliance. Demonstrating this commitment is the achievement of a Certificate of Recognition from WorkSafe BC in the fourth quarter of 2011 for both BCRTC's safety management system and stay at work/return to work programs. In 2012, an audit process will be further developed with each department to monitor and report on safety compliance. This will improve accountability and provide the information necessary to better assess the risks and make recommendations to prevent accidents and injuries.

Canada Line

Total operating costs for SkyTrain's Canada Line were $98.5 million, compared to budget of $100.6 million, or $2.0 million below budget. A majority of the variance was attributed to lower than budgeted operations payments made to the Concessionaire and the postponement of the ridership rebasing study to 2012, offset by a retroactive labour billing adjustment. Canada Line's operations costs had an annualized Compound Annual Growth Rate of 11.7 per cent from its inception through to the end of 2011. This was due to the cap on the contractual payment that was increased from 80 per cent of the base at inception, to 92 per cent in October 2010, and to 100 per cent in September 2011. The elimination of the cap at the end of the third quarter marked the start of possible availability and quality deductions being made to the concession payments within the terms of the agreement.

Operating cost per revenue vehicle kilometre for the year ended December 31, 2011 of $15.47 was below target of $16.76 by $1.29 and had a 2.2 per cent Compound Annual Growth Rate since the commencement of Canada Line revenue service in August 2009. This increase was mainly a result of the cap increase as described above. Payments to the concessionaire cover both operating costs and repayment of the concessionaire's contribution to the project.

The contract adherence monitoring program, which measures elements of adherence to the concession agreement as well as customer attitude and perception related to the service provided, was below target of 98.5 per cent by 2.5 per cent for the year but exceeded results achieved since inception of the program.

West Coast Express

Total operating costs for West Coast Express during the year ended December 31, 2011 were $18.0 million compared to budget of $18.8 million, or $0.8 million below budget. A majority of the favourable variance was attributed to lower than expected diesel fuel costs, administration and maintenance. Also contributing to the lower costs was the elimination of weekend and adjusted weekday TrainBus service, effective June 20, 2011.

Operating cost per total vehicle kilometre of $12.39 for the year ended December 31, 2011 was below target of $12.52 by 1.0 per cent. In addition, operating costs per passenger kilometre for fiscal 2011, both including and excluding propulsion, were below target. Total vehicle kilometres have grown at a Compound Annual Growth Rate of 4.3 per cent since 2007, while operating cost had a Compound Annual Growth Rate of 3.8 per cent over the same period; the fact the Compound Annual Growth Rate of the operating costs increased less than that of the service kilometres over the last five years demonstrates the operating efficiency of the commuter rail service.

Overall mystery shopper score for 2011 of 90.4 per cent was 3.9 per cent above target of 86.5 per cent and was at the highest level in five years due to continued customer focus. The new bi-level train cars were in service for a full year in 2011, increasing capacity by 13.8 per cent from 2010, and helping alleviate overcrowding to improve customer satisfaction.

Complaints per one million boarded of 188.42 in 2011, exceeded target by more than double. The increase was primarily due to a new customer service database that resulted in a higher number of classified complaints. A total of 529 complaints were recorded in 2011, the majority of which were related to train service delays, TrainBus service changes and requests for more service.

2011 Initiatives Update

Customer

- Staff completed Canadian Urban Transit Association (CUTA) customer service training.
- A staffing strategy, resulting in 20 construction guides was developed to ensure customer safety needs are addressed during faregate construction.

- Developed an Automated Customer Service Announcement strategy; a full pilot will be implemented in the first quarter of 2012.
- Developed and implemented 'On Track' communications strategy/portal (www.translink.ca/ontrack) to provide customers with regular updates on significant system construction and service changes.
- To address customer concerns around safety, BCRTC partnered with BC Safety Authority (BCSA) to implement passenger safety messaging on station platforms. Online customer safety training materials were drafted and a computer-based training program continues to be developed.

Financial

- The energy consumption review and audit sponsored by BC Hydro Power Smart program was completed for the Operations and Maintenance Centre.
- Received Certificate of Recognition (WorkSafe BC) for both safety management system and stay at work/return to work.

Internal Effectiveness

- BCRTC provided significant technical and engineering support to faregate and other capital projects to ensure successful integration and minimize customer impacts. An agreement was reached between TransLink and Concessionaire for faregate construction, which began at the first set of Canada Line stations in the fourth quarter of 2011.
- The installation of the CCTV video recording equipment on the new MKII trains is partially complete and continues to be tested. The equipment is expected to be in revenue service in the first half of 2012.
- BCRTC dedicated resources to oversee and manage external developers building adjacent to SkyTrain routes to ensure successful integration and the continued safety of passengers.
- BCRTC continues to support the enterprise information technology initiatives which include the transition of the Human Resource Information Systems (HRIS) to PeopleSoft; phase two of which will be in-service in May 2012. An integrated data management system for safety and security will be operational in early 2012.
- BCRTC developed a risk management framework and SharePoint site to better document and manage its risks.

People

- The dedicated employees of SkyTrain were recognized as it celebrated 25 years of service throughout 2011.
- The ratified terms of the mediated collective agreement were implemented.

PROPERTY TAX, RENTALS, FARE MEDIA AND INSURANCE

Financial Performance

($000's)		2007 Actual		2008 Actual		2009 Actual		2010 Actual		2011 Actual		2011 Budget		Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Insurance	$	4,390	$	4,411	$	5,617	$	6,972	$	6,595	$	7,040	$	445	6.3%	10.7%
Fare Media		2,216		2,303		2,469		2,437		2,163		2,888		725	25.1%	(0.6%)
Property Taxes		7,264		7,306		6,119		10,951		6,514		12,247		5,733	46.8%	(2.7%)
Property Rentals		13,287		14,601		16,393		16,166		17,578		19,071		1,493	7.8%	7.2%
Total Allocated	$	27,157	$	28,621	$	30,598	$	36,526	$	32,850	$	41,246	$	8,396	20.4%	4.9%

These are transit related costs administered by TransLink. Due to the integrated transportation system, these costs are best managed on a consolidated basis and then allocated to the appropriate subsidiary.

2011 Highlights and Trend

Insurance rates for 2011 were finalized in June, resulting in a favorable variance of $0.4 million (6.3 per cent). A lower rate (market driven) was negotiated due to an excellent loss record especially on property (there have been no claims reported to the underwriters). Over the past 5 years the rates for Liability coverage have remained flat even though the Canada line was added onto the program. The reason the cost has increased for property is that the Canada Line and other assets were added to the property insurable risks. While the rate per $1,000 has decreased the values have increased.

Fare media costs are $0.7 million (25.1 per cent) under budget. The variance includes lower demand for DayPasses, lower FareSaver ticket costs, FastTrax stickers not required as all post secondary institutions are part of the U-Pass BC program, lower grad pass costs, lower U-Pass costs due to the delay in some schools entering the program, and lower printer maintenance costs with the new U-Pass BC pass not requiring specialized equipment. Fare Media costs have remained below inflation over the past 5 years.

Property taxes are $5.7 million (46.8 per cent) under budget. Actual property tax assessments were lower than the anticipated 5 per cent increase over 2010 due to appeals by TransLink and changes in estimates.

Property rentals are $1.5 million (7.8 per cent) below budget. Properties to accommodate the Trolley Overhead department and the Community Shuttle vehicles were budgeted for in 2011 but were not required as other arrangements have been made. Also, a leasehold improvement credit was received from the landlord for work done at the Coast Mountain Bus office facility.

TRANSLINK CORPORATE

Financial Performance

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Board, Mayors' Council, Commissioner	508	1,655	1,621	1,450	1,251	1,607	357	22.2%	25.3%
Divisions									
Chief Executive Officer	849	855	1,057	955	835	939	104	11.0%	(0.4%)
Chief Operating Officer	6,237	7,494	7,697	5,497	24,521	27,492	2,971	10.8%	40.8%
Customer & Public Engagement	6,148	8,886	8,506	6,570	7,732	8,462	730	8.6%	5.9%
Finance & Corporate Services	6,849	7,518	7,950	8,110	9,341	9,872	530	5.4%	8.1%
Planning and Policy	3,601	5,295	5,472	5,976	8,503	9,671	1,168	12.1%	24.0%
Human Resources	1,208	1,927	1,218	1,234	2,375	2,755	381	13.8%	18.4%
Total Divisions	24,892	31,974	31,899	28,341	53,308	59,191	5,883	9.9%	21.0%
General (Corporate Costs)	4,610	4,554	8,639	8,838	7,333	6,199	(1,134)	(18.3%)	12.3%
Total Divisions & General	29,502	36,528	40,539	37,179	60,641	65,390	4,749	7.3%	19.7%
Other (Studies & Other One-Time Projects)	4,423	15,025	6,135	17,873	8,485	10,430	1,946	18.7%	17.7%
Total TransLink Corporate	34,433	53,208	48,295	56,501	70,377	77,428	7,051	9.1%	19.6%
Provision for Contingencies	$ -	$ -	$ -	$ -	$ -	$ 9,672	$ 9,672	100.0%	-

2011 Highlights and Trend

The 2011 actual expenditures for TransLink Corporate were $70.4 million, $7.1 million (9.1 per cent) under budget and $13.9 million over 2010. The increase over 2010 was a net result of the corporate re-alignment that took place in the first quarter and a reduction in One Time Projects, 2010 Olympics and discretionary costs in TransLink Divisions.

Total TransLink costs have increased by $35.9 million since 2007 with a compounded annual growth rate of 19.6 per cent. Updated legislation required additional resources for governance along with more consulting, marketing and communications resources to support Transport 2040 and develop fully funded plans annually. These resources included a Mayors' Council and a Transit Commissioner. The other major impact was the transfer of the Information Technology and the Human Resources functions (consisting of over 100 exempt and unionized staff) to TransLink from Coast Mountain Bus Company in 2011. Human Resources took responsibility for enterprise-wide people strategies as well as managing a number of exempt programs across the organization including compensation, job evaluation, recruitment, succession planning and leadership development.

Board, Mayors' Council and Commissioner expenditures were $0.4 million favourable (22.2 per cent), due primarily to lower cost for Commissioner and Mayors' Council.

Corporate Divisions & General was $4.7 million (7.3 per cent) under budget. Major savings were realized from delays in filling staff vacancies, project delays, lower reliance on consultants, reduced marketing and public engagement costs and reductions in administrative and discretionary spending. Offsetting these savings was an increase in employee future benefits accrual liability under the Public Sector Accounting Board standard adopted in 2011.

The Chief Operating Officer Division was $3.0 million under budget. Challenges with organization capacity due to delays in hiring and other priorities resulted in the Business Technology Services to delay to 2012 the upgrades to the enterprise asset management system, transit communications server replacements and the network upgrades. The increase in 2011 from 2010 is due to centralization of Business Technology Services to TransLink from Coast Mountain Bus Company.

The Customer & Public Engagement division was $0.7 million under budget. Follow up research on the Brand focus group did not take place in 2011 and media monitoring costs were lower, along with reduced Annual Reporting printing costs with online versions of the reports being available. Other savings related to reduced public relations materials, Youth marketing and marketing research.

The Finance & Corporate Services division results were $0.5 million below budget. Delays in filling vacancies contributed to the favourable variance plus utilization of internal resources rather than external.

The Planning & Policy division was $1.2 million under budget due to delays in projects such as the North Shore Area Transit and Roberts Bank Rail Corridor Program, UBC Surrey Rapid Transit studies, and the launch of the Tracker on the TravelSmart website.

Other (Studies and One-time projects) was $1.9 million (18.7 per cent) under budget due to lower than anticipated spending in feasibility studies, Transport 2045 plan development and SmartCard non-capitalized initiatives. In 2008, TransLink wrote off the $7.9 million for Evergreen Line feasibility studies. In 2010, $13 million of Olympic costs were recorded under this category.

2011 Initiatives Update

Highlights of the specific initiatives related to the five strategic goals along with results of strategic initiatives are included below.

Customer

- TransLink introduced advertising on select monthly fare media products. This program will end in 2013 with the introduction of the electronic Farecard. Customer views on the use of advertising on Farecards have been the subject of much online debate.
- The naming of the electronic Farecard was an enterprise-wide staff driven initiative announced in March 2011 across the transit system. The winning name was “Compass”.
- SmartCard system design process including Privacy Impact Assessment document which has been submitted to Office of Information and Privacy Commissioner (OIPC).
- The TravelSmart Schools program has been delivered to eleven elementary schools, five secondary schools and to 80 senior advocates for the TravelSmart seniors program.
- TransLink continues to grow its presence in social media. Twitter followers now total over 14,000, “Likes” on Facebook has risen to 2,300 and TransLink’s foursquare account has increased to 31,500 friends. Continued focus is on growing the Facebook presence to provide opportunities to engage with customer moving forward.
- Real-Time Transit Information (RTTI) pilot (Phase I) was successfully launched in September 2011. Phase II will start March 2012 with predictive real time data as well as product enhancements.
- The new U-Pass BC Program was fully implemented at 10 of 11 eligible post secondary institutions in Fall 2011. Over 143,000 U-Passes were delivered for September compared to 83,000 for the same period last year.

- The Compass Card Program remains on schedule and within budget. The Final Design Review has concluded after extensive review. Further work continues with the development of future business rules. Station construction is proceeding with expected progress and minimal customer impacts.

Financial

- TransLink signed an amending agreement to extend its $500 million credit facilities to March 2014 to take advantage of favourable market conditions.
- Fare evasion strategies were implemented which included: enhancement of the contract language (UPass BC, Employer Pass Program), strategic fare checks at high risk areas, increased security management from across the enterprise, coordinated fare checks, removal of sale of fare media on popular websites, and increased education and awareness on the correct fare. This resulted in a reduction of fare evasion in excess of $4 million annually.
- Conducted intercept survey of GEB to assess effect of price variation on demand for the bridge, and to be used for future econometric modeling.
- A business case was completed in 2011 to review the Burnaby Mountain Gondola project.
- The District of Mission and TransLink finalized a five-year cost sharing agreement for West Coast Express service.
- TransLink initiated a Property Tax Review Program in 2011. Annual savings from this initiative will yield approximately $250,000.
- A Leased Office Space Optimization Program was initiated in 2011. The program reviews opportunities to consolidate office space and to bring business functions together to achieve efficiencies, synergies, and reduce costs. Preliminary savings from this initiative will realize over $700,000 in the elimination of lease obligations.
- TransLink completed the sale of Albion Ferries for $400,000 to a local marine transportation company.

Internal Effectiveness

- Full implementation of the Enterprise Risk Registry that identifies key risks within the organization, the risk mitigation strategies which form the strategic initiatives and a monitoring system with stop light dashboard indicators.
- A cross function group meets regularly to discuss the current, emerging and strategic opportunities for facility sites. A new location has been identified for the replacement of the Oakridge Transit Centre and has an offer pending.
- The Strategic Sourcing function is evolving at TransLink. Best practices are being introduced that includes but not limited to: Category Management, Supplier Performance Management, Standardization & Improvement upon Commercial Documents and Processes, and Collaboration across the TransLink enterprise.
- Several surveys were conducted to establish a base line for the Compass Card including the Trip Diary, Screen line surveys, and platform counts on Skytrain.

Stakeholder

- Developed processes that will make Board records more accessible to management and the public, which includes meeting minutes posted on TransLink's public website, Board Committee summaries of regularly scheduled Board Committee meetings prepared and circulated to Mayors' Council. A West Coast Express Strategy was initiated in 2011, and will be completed in mid-2012.
- The Regional Cycling Strategy was completed in June 2011.

- Murray Clark Overpass business case review included a detailed needs assessment case with participation by the City of Port Moody staff. Discussions on potential alternative measures are underway.

People

- Several "in-house" training programs were provided to staff. The enterprise-wide exempt market review has been completed and is in the implementation phase.
- Exempt divisional pulse checks were conducted across the enterprise one year after the 2010 Exempt Engagement Survey. Preliminary results show no significant change from the 2010 results.
- The first phase of the HR PeopleSoft system was successfully implemented in December at BCRTC.

TRANSIT POLICE

Financial Performance

($000's)		2007 Actual		2008 Actual		2009 Actual		2010 Actual		2011 Actual		2011 Budget		Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Admin	$	1,866	$	2,484	$	2,942	$	3,506	$	3,031	$	3,493	$	462	13.2%	12.9%
Operations		1,282		1,910		3,213		1,752		1,364		1,287		(77)	(6.0%)	1.6%
Salaries		14,857		17,789		20,997		23,825		22,957		24,025		1,068	4.4%	11.5%
Recoveries		(104)		(132)		(385)		(1,879)		(240)		(127)		113	(89.0%)	23.3%
Total Police	$	17,901	$	22,051	$	26,767	$	27,204	$	27,112	$	28,678	$	1,566	5.5%	10.9%
FTE's		151		188		222		228		224		233		9	3.9%	10.4%

2011 Highlights and Trend

Transit Police was $1.6 million or 5.5 per cent under budget for 2011. The favorable variance was largely due to savings in salaries due to unfilled vacancies during the year and sworn members being on long term disability.

Administration costs were lower than budget by $0.5 million as a result of savings in training, travel and computer systems costs. Recoveries were higher than budget due to additional recoveries from the Lower Mainland Tactical Troop and an extension of a constable secondment to the Integrated Gang Task Force.

Operation costs were higher than budget due to vacancies associated with the Chief Officer and the Deputy Chief Officer that were seconded from Vancouver Police Department.

Total expenditures decreased slightly from the prior year as costs, net of recoveries, were higher in 2010 due to additional expenditures required for the Winter Olympics. Salary costs decreased in 2011 as 2010 included additional overtime costs of $1.1 million incurred during the Winter Olympics. This was offset by recoveries from the Government of Canada Integrated Security Unit. Expenditures in the past three years have begun to stabilize as Transit Police is no longer required to make significant expenditures to build its organizational capacity.

Legal costs increased from $0.2 million in 2010 to $0.3 million in 2011, and are expected to continue to rise in the future as a result of indemnifying sworn members being investigated under the new *Police Act*. Controlling future legal costs will rely on proper training and supervision of sworn members to help reduce the number of complaints made.

2011 Initiatives Update

Customer

- The sworn members as part of their cycle training took a course on service delivery.

Internal Effectiveness

- Implementation of a number of cost control measures from the findings of the organizational operational capacity and administrative structure review.

6. DEBT SERVICE COST

INTEREST EXPENSE

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Interest Expense	$ 38,145	$ 63,414	$ 78,141	$ 95,867	$ 105,541	$ 106,209	$ 668	0.6%	29.0%

2011 Highlights and Trend

The positive interest expense variance was a combination of number of factors. A $1.4 million budgeted short-term interest cost savings was a combination of interest rates (actual 1.10 per cent vs. 1.60 per cent budgeted) and lower average borrowings than budgeted. A $1.2 million budgeted long-term interest cost savings was mainly due to the refinancing of $235 million of Municipal Finance Authority of British Columbia (MFA) debt at a lower actual rate than budgeted (actual 3.05 per cent vs. 4.50 per cent budgeted) which was then partly offset by the second TransLink 30-year bond issue at 4.70 per cent vs. a budgeted rate of 4.5 per cent. The budgeted rate assumed 20-year financing. Interest during construction (IDC) ran well below budget due to lower than budgeted capital spending which has resulted in a $2 million lower recovery factor which offset the savings in short-term and long-term interest costs.

Costs are driven by the amount of funds borrowed and interest rates. Based on the current economic indicators increased interest rate risk appears low at this time.

The trend reflects the growth in debt to finance expansion, but also the policy to capitalize interest during construction results in interest expense not necessarily growing at the same rate as the growth in debt.

The 2012 Supplemental Plan and Outlook shows that this expense on an annual basis continues to grow to $185.8 million by 2016 and then drops down to $169.1 million by 2021. Financial independence from MFA will allow us to better match debt terms to life of assets and be able to fix interest rates out for longer periods through longer term fixed interest debt issues. Also, through prudent debt management and hedging strategies this expense item can be managed.

DEPRECIATION EXPENSE

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Depreciation Expense	$ 11,753	$ 8,455	$ 12,646	$ 10,251	$ 11,221	$ 12,625	$ 1,404	11.1%	(1.2%)

2011 Highlights and Trend

The funded depreciation represents depreciation on short-lived assets only (generally assets with economic lives less than 10 years). Depreciation on longer lived assets is funded with long-term debt and senior government contributions and is part of the debt costs in fund accounting. There were fewer additions of community shuttle vehicles additions than was anticipated in the budget as the 2011 replacement project was put on hold and consolidated with the 2012 replacement project. These assets, which are primarily community shuttles and HandyDart vehicles, have been averaging longer service lives than the 5-years they are being depreciated. This means that depreciation falls off before they are replaced in years without any expansion.

The dip in 2008 reflects a one-time funding adjustment recognizing that a portion of short-lived assets that were funded with senior government contributions going back to 2006.

Part of the increase in 2011 was due to additional amortization for the current and prior year being recorded in 2011 due to delay in the capitalization of some custom vehicles actually put into service in 2010.

Continued allocation of federal funding (Federal Gas Tax) to these types of short-lived assets will help ensure this expense stays low.

DEBT REPAYMENT

($000's)		2007 Actual		2008 Actual		2009 Actual		2010 Actual		2011 Actual		2011 Budget		Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Debt Repayments	$	66,794	$	70,491	$	79,410	$	82,627	$	95,271	$	97,835	$	2,564	2.6%	9.3%

2011 Highlights and Trend

The 2011 budget assumed $208 million in new long-term debt being raised. $200 million was borrowed on June 20, 2011. The budget also assumed that the majority of this debt would be amortized over 20-years, but the actual $200 million raised will be amortized over 30-years. The different in the amortization periods accounted for most of this favourable variance.

Increases in long term debt to fund expansion have driven up this cost.

Until recently the organization has had limited access to longer term fixed rate financing, however with now having direct access to capital markets that option is now available to better match debt term to the life of assets.

2011 Initiatives Update

Financial

- Instituted a series of policies governing debt management, hedging, contingencies and reserves.
- Implemented a Treasury Management System to improve cash management.
- Maintained TransLink’s strong credit rating and confidence with investors.

GOLDEN EARS CAPITAL PAYMENTS

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011 *
GEB Capital Payments	$ -	$ -	$ 4,392	$ 30,439	$ 47,543	$ 46,452	$ (1,091)	(2.3%)	229.0%

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

2011 Highlights and Trend

GEB Capital payments are indexed to Canadian CPI assumed to be 2 per cent of the budget. Actual annual CPI was higher than 2 per cent during 2011.

2009 only included 6 months of payments. Payments are sculpted upwards over the first five years of the operation of the bridge to better match revenues with payments.

7. OTHER

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Re-organization costs	-	-	(3,111)	(2,016)	-	-	-	-	-
(Loss)/Gain on disposal of capital assets	(888)	(1,232)	(1,120)	(4,654)	(2,626)	-	(2,626)	-	31.1%
(Loss)/Gain on disposal of surplus assets (Real Estate)	-	-	33	-	1,455	35,000	33,545	95.8%	-
Gain/(Loss) Foreign Exchange	-	-	-	8	11	-	11	-	-

2011 Highlights and Trend

TransLink recorded a loss of $2.6 million on the disposal of buses.

A net gain of $1.5 million was realized from the sale of surplus properties in 2011, while closing on other properties has been delayed until 2012.

8. AIRCARE

This is a restricted fund used to capture the revenues and expenses of the AirCare vehicle emissions testing program. Under legislation, the program must recover all of its costs over a five-year period, including annualized equipment costs over the life of the program. 2012 is forecasted to generate a cumulative surplus.

Financial Performance

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011
Revenue	$ 15,975	$ 19,037	$ 17,497	$ 19,549	$ 18,371	$ 18,406	$ (35)	(0.2%)	3.6%
Expenditures									
Semi-Variable/Fixed	17,360	17,738	18,211	18,837	19,100	19,735	635	3.2%	2.4%
Total	$ 17,360	$ 17,738	$ 18,211	$ 18,837	$ 19,100	$ 19,735	$ 635	3.2%	2.4%
Annual Surplus / (Deficit)	$ (1,385)	$ 1,299	$ (714)	$ 712	$ (729)	$ (1,329)	$ 600	(45.1%)	(14.8%)
Cumulative Deficit	$ (1,721)	$ (422)	$ (1,136)	$ (424)	$ (1,153)				

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011 *
Complaints per 10,000 vehicles tested	-	7.9	5.8	5.4	5.9	-	(5.9)	-	(9.3%)

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

2011 Highlights and Trend

Air Care reclassified its Variable costs to Semi-Variable/Fixed as costs associated with service contractors were generally a fixed monthly cost and did not vary with the inspections.

For 2011, Air Care had a deficit of $0.7 million compared to the budgeted $1.3 million deficit. Under the SCBCTA Act, the AirCare Program must recover all of its costs over the five year contract period. Surpluses and deficits may occur in any one year.

Revenue is more or less break even to the projected budget, with slightly fewer $45 inspections in the mix.

Total revenues since 2007 are $4.2 million lower than the budget amount of $94.6 million as a result of fewer vehicles being presented for inspection. Unforeseen circumstances such as the 2008 economic downturn may have affected long-term trends for vehicle fleet turnover and household decisions about the number of vehicles they own and operate, resulting in a shortfall from expected test volumes.

Total expenditures were $0.6 million below budget. The majority of this favourable variance is the result of administration cost saving and spending less on budgeted capital thereby reducing depreciation costs.

Expenses from 2007 to date have decreased by $3.9 million compared to the budgeted expenses of $91.2 million for 5 years. Administration costs have decreased since 2007 as a result of a headcount reduction of 5 FTE's at Pacific Vehicles Testing Technologies Inc., helping to offset the shortfall in revenues. Also, depreciation costs have decreased as a result of fewer expenditures.

2011 Initiatives Update

Stakeholder

- The future status of the AirCare Program is pending a decision from the Provincial government which is expected in the first half of 2012. Planning work is underway to develop design options for a continued program as well as a plan for an orderly phase-out.

Financial

- Negotiation of a one year contract extension with Envirotest Canada with a significant fee reduction for 2012.

Internal Effectiveness

- Controls on expenditures helped to mitigate a predicted shortfall in revenue versus expenses, resulting in a smaller than predicted net loss for the year.

Customers

- Completed and posted the 2009/2010 operational report on the AirCare website.

People

- Completed staffing of the Manager of Operations.

9. CAPITAL

Capital Program Summary ($000's)

Description	Number of Projects	Current Budget	Forecast Final Cost	Funding	Net Cost	Spent prior to 2011	Projects Closed or Removed	Spent in 2011	Spent to Dec 31, 2011
All Active Projects	130	1,393,430	1,366,454	657,016	709,438	837,175	(725,344)	88,524	925,699
Less Substantially Completed	(45)	(554,741)	(547,184)	(187,689)	(359,495)	(523,293)		(15,859)	(539,152)
Active Projects (excl Substantially Complete)	85	838,690	819,270	469,327	349,943	313,882	(725,344)	72,665	386,546
2011 AiP Projects	13	62,575	62,575	42,332	20,243				-
Total Capital Program (excluding Substantially Completed)	**98**	**901,265**	**881,845**	**511,659**	**370,186**	**313,882**	**(725,344)**	**72,665**	**386,546**

CLOSED PROJECTS

A total of 35 projects with a total cost of $725 million were completed and closed in 2011. Projects that closed include Trolley Bus Replacement, Canada Line Contributions, 2009 HandyDART/Community Shuttles, 2009 Conventional Vehicles, Canada Line Pedestrian/Bike Bridge, Customer Subscription & Trip Planner, and PeopleSoft Human Capital Management.

SUBSTANTIALLY COMPLETED PROJECTS

A total of 45 projects with a total cost of $539.2 million were deemed substantially complete and in the final stages of project activity. The total cost was under budget by $7.6 million mainly due to lower than budgeted costs for the Golden Ears Bridge construction, replacement costs for buses and the Commercial Bus Radio Network. Projects substantially completed include 2008 & 2009 Conventional Vehicles, Golden Ears Bridge, Commercial Bus Radio Network, Surrey Transit Centre Expansion, Third SeaBus, Canada Line Ticket Vending Machines, West Coast Express Ticket Vending Machines, and Sky Train Running Rail.

ACTIVE PROJECTS

Active Capital Projects excluding Substantially Complete Projects ($000's)

	Number of Projects	Current Budget	Opening Bal. Jan 1/11	2011 YTD Actual Costs	Actual Costs to Date	Final Project Forecast Total[2]	Variance to Total Project	External Funding
Equipment	9	18,190	3,471	4,780	8,251	17,755	435	
Facilities	17	97,171	44,765	4,983	49,748	93,618	3,553	89,006
Infrastructure	21	385,837	67,486	49,433	116,918	375,616	10,222	159,500
Major Construction	3	9,345	(0)	1,115	1,115	9,345	0	
Minor Capital Account	2	-			-	-	-	0
Technology Applications	23	35,109	4,245	4,385	8,630	34,262	848	3,843
Vehicle - Non Revenue	-	1,277		613	613	936	341	
Vehicle - Other Revenue	5	19,755	8	1,906	1,914	19,736	19	16,561
Vehicle Convention Revenue	5	272,005	193,907	5,450	199,357	268,003	4,002	200,416
Total Active Projects	85	838,690	313,882	72,665	386,546	819,270	19,419	469,327

[1] *Inclusive of subsidiary capital*

As at December 31, 2011, the active project variance of $19.4 million was primarily made up of the following:

Facilities: Variance of $3.6 million

The variance is 3.6 per cent of the total facilities budget and is primarily due to the following:

- Burnaby Transit Centre North Renovations are expected to be under budget by $2.3 million as the project scope has been scaled back.
- Hamilton Transit Centre Preliminary and Detailed Design is expected to be under budget by $0.9 million due to revised contingency estimates.

Infrastructure: Variance of $10.2 million

The variance is 2.6 per cent of the total infrastructure budget and is primarily due to the following:

- The Canada Line Bus Loops is expected to be under budget by $4.6 million primarily due to Brighouse bus loop which was removed and due to revised contingency estimates. Subsequent to year-end, the Brighouse bus loop is pending negotiations.
- The first phase of the Broadway SkyTrain Station Upgrade is expected to be under budget by $4.1 primarily due to savings in contract award due to downturn of the construction industry, cost savings resulting from lower supervision expenditures, and revised contingency estimates.
- The Halon Fire Suppression System Replacement is expected to be under budget by $0.9 million primarily due to favourable tender pricing in the design consultant and the supply and install contracts.

Technological Applications: Variance of $0.8 million

The major components of the 2.4 per cent variance is primarily due to the SkyTrain Fibre Optic System Upgrade expected to be under budget due to cost savings from competitive tender pricing and contract award for Stage 1 of the fibre optic upgrades.

Vehicles – Conventional Revenue: Variance of $4.0 million

The variance is 1.5 per cent of the budget and is primarily due to the following:

- $0.8 million related to the Bus Technology demonstration due to recoveries from vendor, which were not reflected in the project's budget.
- $1.8 million related to the expansion of 34 additional Mark II SkyTrain Vehicles is expected to be under budget primarily due to cost savings in vehicle procurement, consulting contracts, and vehicle testing
- $0.9 million related to the Mark II SkyTrain Vehicle Expansion is expected to be under budget primarily due to savings in vehicle procurement and revised contingency estimates.
- $1.4 million related to the West Coast Express Fleet and Facility Expansion is expected to be under budget primarily due to savings in vehicle procurement and revised contingency estimates.

APPROVAL IN PRINCIPLE PROJECTS

At the end of 2011 there were 13 projects that had not yet started, totalling $62.6 million. The largest project is the Refurbishment and modernization of 114 Mark 1 SkyTrain cars for $55.4 million. This is currently being re-evaluated whether to upgrade the existing vehicles, purchase new ones or a combination.

Most of the remaining projects are IT related.

10. APPENDIX 1 – FINANCIAL RESULTS

TransLink (Excluding AirCare)
2011 Revenue and Expenditures
(On a Funding Basis)
$000's

($ thousands)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Compound Annual Growth Rate 2007-2011 *
Revenues									
Transit	327,761	359,911	366,735	437,896	444,732	432,525	12,207	2.8%	7.9%
Golden Ears Bridge Tolls	-	-	11,293	29,580	33,748	37,792	(4,044)	(10.7%)	72.9%
Taxation									
Fuel	267,637	262,298	259,820	323,212	311,804	324,300	(12,496)	(3.9%)	3.9%
Property	246,891	255,741	264,092	271,760	280,225	279,192	1,033	0.4%	3.2%
Hydro Levy	17,566	17,913	18,245	18,618	18,761	18,737	24	0.1%	1.7%
Parking Rights	14,750	15,400	15,600	58,419	53,703	49,200	4,503	9.2%	38.1%
Replacement Tax	21,789	8,758	17,995	17,837	17,857	18,000	(143)	(0.8%)	(4.9%)
Total Taxation	568,633	560,110	575,752	689,846	682,350	689,429	(7,079)	(1.0%)	4.7%
Interest Income	7,978	6,479	1,722	2,102	3,890	2,619	1,271	48.5%	(16.4%)
Senior Government Contributions (Operating)	-	-	7,496	19,269	21,669	19,269	2,400	12.5%	70.0%
Total Revenues	904,372	926,500	962,998	1,178,693	1,186,389	1,181,634	4,755	0.4%	7.0%
Expenditures									
Roads & Bridges									
Major Road Network Operations	30,024	31,154	31,318	33,042	34,100	35,040	940	2.7%	3.2%
Golden Ears Bridge Operations	-	-	6,145	11,202	12,001	12,233	232	1.9%	39.7%
Albion Ferry	5,750	6,318	6,152	385	404	100	(304)	(304.0%)	(48.5%)
Total Roads & Bridges	35,774	37,472	43,615	44,629	46,505	47,373	868	1.8%	6.8%
Transit									
Bus Division									
Coast Mountain Bus Company	434,247	483,300	510,811	520,989	509,434	527,987	18,553	3.5%	4.1%
Access Transit	27,618	36,189	40,402	45,362	46,547	48,148	1,601	3.3%	13.9%
Other Contractors	13,709	14,847	16,461	17,555	18,598	18,294	(304)	(1.7%)	7.9%
Total Bus Division	475,574	534,336	567,674	583,906	574,579	594,429	19,850	3.3%	4.8%
Rail Division									
Expo & Millenium Lines	76,325	82,428	85,884	87,797	92,039	94,518	2,479	2.6%	4.8%
West Coast Express Commuter Rail	15,446	16,631	17,031	17,520	17,931	18,726	795	4.2%	3.8%
Canada Line **	-	-	31,688	83,584	98,516	100,555	2,039	2.0%	76.3%
Total Rail Division	91,771	99,059	134,603	188,901	208,486	213,799	5,313	2.5%	22.8%
Property tax, rentals, fare media & insurance	27,157	28,622	30,598	36,525	32,850	41,246	8,396	20.4%	4.9%
Total Transit	594,502	662,017	732,875	809,332	815,915	849,474	33,559	4.0%	8.2%
TransLink Corporate	34,433	53,208	48,295	57,069	70,377	77,428	7,051	9.1%	19.6%
Provision for Contingency and Reinvestments	-	-	-	-	-	9,672	9,672	100.0%	-
Transit Police	17,901	22,051	26,767	27,204	27,112	28,678	1,566	5.5%	10.9%
Interest Expense	57,605	63,414	78,140	95,867	105,541	106,209	668	0.6%	16.3%
Depreciation Expense	11,753	8,454	12,647	10,251	11,221	12,625	1,404	11.1%	(1.2%)
Debt Repayment	66,794	70,491	79,410	82,627	95,271	97,835	2,564	2.6%	9.3%
GEB Capital Payments	-	-	4,393	30,439	47,543	46,452	(1,091)	(2.3%)	229.0%
Total Operating Expenditures	818,762	917,107	1,026,142	1,157,418	1,219,485	1,275,746	56,261	4.4%	10.5%
Annual Surplus/(Deficit) before other items	85,610	9,393	(63,144)	21,275	(33,096)	(94,112)	(51,506)	54.7%	-
Other items									
Re-Organization Costs	-	-	(3,111)	(2,016)	-	-	-	-	-
(Loss)/Gain on disposal of capital assets	(888)	(1,232)	(1,120)	(4,654)	(2,622)	-	(2,622)	-	31.1%
Gain on Disposal of surplus assets (Real Estate)	-	-	33	-	1,451	35,000	(33,549)	(95.9%)	-
Gain/(Loss) on Foreign Exchange	-	-	-	8	11	0	11	-	-
Annual Surplus/(Deficit)	84,722	8,161	(67,342)	14,613	(34,256)	(59,112)	24,856	(42.0%)	-
Cumulative Funded Surplus	371,459	379,620	312,279	321,976 ***	287,720	262,864	24,856	9.5%	(6.2%)

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

** Payment to the concessionaire covers its operating expenditures and capital repayments

*** Includes a prior year adjustment of an additional $5,906 Employee Future benefits expenditure due to the adoption of Public Sector Accounting Board (PSAB) reporting in 2011 broken down as follows:

January 1, 2010 opening adjustment	$	4,916
December 31, 2010 year		990
	$	5,906

APPENDIX 1 - FINANCIAL RESULTS (continued)

(These statements should be read in conjunction with the 2011 Audited Consolidated Financial Statements)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position
(in thousands of dollars)

As at December 31, 2011, with December 31, 2010 comparative figures

	December 31 2011	December 31 2010	January 1 2010
Financial Assets			
Cash	$ 94,290	$ 106,770	$ 26,910
Accounts receivable	79,059	74,987	66,615
Restricted cash and investments	295,926	58,159	130,117
Investments	128,311	80,115	20,510
Debt reserve deposits	42,250	40,857	40,631
Debt sinking funds	558,889	447,855	373,806
	1,198,725	808,743	658,589
Liabilities			
Accounts payable and accrued liabilities	180,563	203,658	249,149
Debt	2,459,778	2,261,968	2,047,052
Deferred government transfer	1,179,353	990,827	1,047,571
Employee future benefits	67,144	57,397	50,025
Deferred concessionaire credits	665,552	684,641	707,719
Golden Ears Bridge contractor liability	1,020,150	1,000,845	966,141
Deferred lease Inducements - net	446	-	-
	5,572,986	5,199,336	5,067,657
Net Debt	(4,374,261)	(4,390,593)	(4,409,068)
Non-Financial Assets			
Tangible capital assets	$ 4,426,404	$ 4,497,087	$ 4,577,512
Supplies inventory	39,434	36,335	33,196
Prepaid expenses	7,452	8,672	8,431
	4,473,290	4,542,094	4,619,139
Accumulated surplus	$ 99,029	$ 151,501	$ 210,071

APPENDIX 1 - FINANCIAL RESULTS (continued)

(These statements should be read in conjunction with the 2011 Audited Consolidated Financial Statements)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations and Changes in Fund Balances
(in thousands of dollars)

Twelve months ended December 31, 2011, with comparative figures for 2010

	2011 Budget	2011 Actual	2010 Actual
Revenue:			
Taxation	$ 689,429	$ 682,350	$ 689,846
Transit	432,525	444,743	437,905
Golden Ears Bridge tollings	37,792	33,748	29,580
Real estate	35,000	-	-
Emissions testing	18,405	18,371	19,549
Government transfers	195,935	82,263	83,447
Amortization of deferred concessionaire credit	23,078	23,345	23,078
Interest income	26,217	26,058	19,865
	1,458,381	1,310,878	1,303,270
Expenses:			
Aircare	19,735	19,100	18,837
Bus division	760,999	733,357	722,017
Corporate	94,013	81,712	88,104
Rail division	320,737	308,000	289,827
Roads & Bridges	214,757	194,045	214,832
Transit Police	28,705	27,136	28,223
	1,438,946	1,363,350	1,361,840
(Deficit) surplus for the year	19,435	(52,472)	(58,570)
Accumulated surplus, beginning of year	151,501	151,501	210,071
Accumulated surplus, end of year	$ 170,936	$ 99,029	$ 151,501

APPENDIX 1 - FINANCIAL RESULTS (continued)

(These statements should be read in conjunction with the 2011 Audited Consolidated Financial Statements)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt
(in thousands of dollars)

Twelve months ended December 31, 2011, with comparative figures for 2010

	2011 Budget	2011 Actual	2010 Actual
Deficit for the year	$ 19,435	$ (52,472)	$ (58,570)
Acquisition of tangible capital assets	(199,144)	(106,096)	(89,573)
Amortization of tangible capital assets	165,897	161,178	153,031
(Gain) loss on disposal of tangible capital assets	(35,000)	(171)	4,654
Net proceeds on disposal of tangible capital assets	35,000	12,553	1,001
Write down of tangible capital assets	-	3,219	11,312
	(33,247)	70,683	80,425
Change in supplies inventory	(955)	(3,099)	(3,139)
Change in prepaid expenses	(256)	1,220	(241)
	(1,211)	(1,879)	(3,380)
(Increase) decrease in net debt	(15,023)	16,332	18,475
Net debt, beginning of year	(4,472,090)	(4,390,593)	(4,409,068)
Net debt, end of year	$ (4,487,113)	$ (4,374,261)	$ (4,390,593)

APPENDIX 1 - FINANCIAL RESULTS (continued)

(These statements should be read in conjunction with the 2011 Audited Consolidated Financial Statements)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statements of Cash Flows
(in thousands of dollars)

Years ended December 31, 2011 and 2010

	2011	2010
Cash provided by (used for):		
Operating Transactions:		
Deficit for the year	$ (52,472)	$ (58,570)
Non-cash charges to operations	102,418	121,476
Changes in non-cash operating working capital	(19,299)	(49,871)
Net change in cash from operating transactions	30,647	13,035
Capital Transactions:		
Purchase of capital assets funded by government transfers	(11,354)	(76,790)
Purchase of capital assets	(90,486)	(12,783)
Net proceeds from disposal of capital assets	12,553	1,001
Net change in cash from capital transactions	(89,287)	(88,572)
Investing Transactions:		
Decrease (increase) in restricted cash and investments	(237,767)	71,958
Increase in investments	(48,196)	(59,605)
Increase in debt reserve deposits	(1,393)	(226)
Net change in cash from investing transactions	(287,356)	12,127
Financing Transactions:		
Debt proceeds	200,000	257,420
Issue costs on financing	(2,947)	(4,656)
Repayments of debt	(2,068)	(21,362)
Contributions to debt sinking funds	(111,034)	(92,965)
Lease inducements received	446	-
Government transfers received for capital additions	249,119	4,833
Net change in cash from financing transactions	333,516	143,270
Increase (decrease) in cash	(12,480)	79,860
Cash, beginning of year	106,770	26,910
Cash, end of year	$ 94,290	$ 106,770
Supplementary information:		
Interest paid	$ 152,733	$ 124,254
Repayment of long-term debt through debt sinking funds	-	18,916
Canada Line concessionaire non-cash contribution	4,256	-

(These statements should be read in conjunction with the 2011 Audited Consolidated Financial Statements)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows
(in thousands of dollars)

Twelve months ended December 31, 2011, with comparative figures for 2010

	2011	2010
Non-cash charges to operations:		
Amortization of capital assets	$ 161,178	$ 153,031
Amortization of bond discount	1,820	1,771
Amortization of debt issue cost	1,004	659
Amortization of deferred concessionaire credits	(23,345)	(23,078)
Amortizaton of deferred government transfers	(60,593)	(61,577)
Interest accretion on contractor liability	19,305	34,704
Writedown of tangible capital asset	3,219	11,312
(Gain) loss on disposal of tangible capital assets	(171)	4,654
	$ 102,417	$ 121,476
Changes in non-cash operating working capital:		
Increase in accounts receivable	$ (4,072)	$ (8,372)
Increase in supplies inventory	(3,099)	(3,139)
Decrease (increase) in prepaid expenses	1,220	(241)
Decrease in accounts payable and accrued liabilities	(23,095)	(45,491)
Employee future benefit payable	9,747	7,372
	$ (19,299)	$ (49,871)

APPENDIX 1 - FINANCIAL RESULTS (continued)

Reconciliation: Audited Financial Statements with Revenues and Expenditures Report
Year Ending December 31, 2011
(thousands of dollars)

Reconciliation: Audited Financial Statements with SCBCTA Act, Section 7(7)

The purpose of this schedule is to provide reconciliation between excess revenue over expenses as reported in accordance with GAAP and cumulative surpluses in accordance with the SCBCTA Act.

	2011	2010	Notes
(Deficit) surplus for the year (GAAP)	(52,472)	(58,570)	A
Adjustment:			
Debt services costs	(98,909)	(66,783)	B
Amortization of capital assets which are funded by long-term debt (> 5 years useful life) or government contributions	152,117	153,702	
Government funded capital contributions	(60,593)	(61,554)	
Capital infrastructure contributions	48,767	74,624	
Amortization of deferred concessionaire credit	(23,345)	(23,078)	
Remove effect of Aircare	729	(712)	C
Remove effect of TPCC	(550)	(3,016)	C
(Deficit) surplus for the year (SCBCTA Act)	(34,256)	14,613	

Notes:

A. As per the audited financial statements
B. These adjustments are necessary to arrive at the surplus in accordance with the SCBCTA Act. Increase mainly due to: $15 million Golden Ears Bridge payments and $13 million on the self- administered sinking funds.
C. Aircare and TPCC net income / loss are not determinants of accumulated surplus.

Reconciliation of Cumulative Funded Surplus:

	2011	2010
Opening cumulative funded surplus, as previously presented as at Dec	321,976	312,279
Adjustment due to Change to Public Sector Accounting Standards:		
- employee future benefits		(4,916)
(Deficit) surplus for the year (FUNDED)	(34,256)	14,613
Ending cumulative funded surplus, as at December 31	287,720	321,976

11. APPENDIX 2 – GOLDEN EARS BRIDGE

Golden Ears Bridge
Net Impact on Funding

($000's)	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %
Revenues								
Toll Revenue	$ -	$ -	$ 11,293	$ 29,580	$ 33,748	$ 37,792	$ (4,044)	(10.7%)
Interest	-	-	58	69	75	64	14)	21.9%
Total Revenues	0	0	11,351	29,649	33,823	37,856	(4,030)	(9.2%)
Expenditures								
Tolling Concessionaire	-	-	2,466	5,843	6,012	6,048	37	0.0%
O&M payments to DBFO contractor	-	-	2,446	3,747	4,229	4,200	(29)	(0.0%)
O&M Insurance	-	-	1,133	1,423	1,155	1,300	145	0.0%
Safety Payments to DBFO contractor	-	-	0	0	162	280	118	0.0%
Others	-	-	101	190	446	405	(41)	(0.0%)
	$ -	$ -	$ 6,145	$ 11,203	$ 12,002	$ 12,233	231	0.0%
Interest on borrowings	0	0	2,873	6,127	7,152	7,532	380	0.0%
Sinking fund payment	3,006	3,445	3,897	4,276	4,992	5,168	176	0.0%
Debt Service Costs	3,006	3,445	6,770	10,403	12,144	12,700	556	0.0%
Capital payments to DBFO contractor	0	0	4,392	30,439	47,543	46,452	732	(0.0%)
Total Expenditures	$ 3,006	$ 3,445	$ 17,308	$ 52,045	$ 71,689	$ 71,385	$ 1,519	(0.0%)
Funded (Deficit)/Surplus	$ (3,006)	$ (3,445)	$ (5,957)	$ (22,395)	$ (37,866)	$ (33,529)	$ (5,549)	14.6%
Cummulative (Deficit)/Surplus	$ (3,006)	$ (6,451)	$ (12,408)	$ (34,803)	$ (72,669)	$ (65,463)	$ (7,206)	(8.1%)
Notional Albion Ferry Savings				$ 5,900	$ 6,000			
Actual Albion Ferry	$ 5,750	$ 6,318	$ 6,152	$ 385	$ 404			

* Golden Ears Bridge commenced operations in 2009.

12. APPENDIX 3 – KEY PERFORMANCE INDICATORS

Schedule 1

BUS DIVISION KPI'S	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Target Variance Fav./ (Unfav.)	Target Variance %	Compound Annual Growth Rate 2007-2011 *
CONVENTIONAL TRANSIT									
Customer									
Delivered service hours/scheduled	99.13%	99.53%	99.85%	99.80%	99.71%	99.50%	0.21%	0.21%	0.1%
Overall performance rating out of 10	7.4	7.4	7.6	7.6	7.7	n/a	-	-	1.0%
Complaints per 1 m boarded passengers	108.9	109.8	104.6	117.1	118.4	115.3	(3.1)	(2.7%)	2.1%
Internal Effectiveness									
Operating cost per service hour	$ 101.09	$ 107.08	$ 107.47	$ 110.07	$ 107.33	$ 110.61	$ 3.28	3.0%	1.5%
Operating cost per passenger km.	$ 0.255	$ 0.279	$ 0.424	$ 0.419	$ 0.372	$ 0.430	$ 0.06	13.5%	9.9%
Operating cost (excluding energy) per passenger km.	$ 0.255	$ 0.250	$ 0.391	$ 0.383	$ 0.335	$ 0.387	$ 0.05	13.4%	7.1%
						-			
CMBC									
Customer									
Delivered service hours/scheduled	99.10%	99.52%	99.85%	99.80%	99.70%	99.50%	0.20%	0.20%	0.2%
Overall performance rating out of 10	7.4	7.4	7.5	7.6	7.6	7.6	-	-	0.7%
Preventable collisions per million kms.	8.5	11.4	10.1	9.3	8.5	9.0	0.5	5.6%	0.0%
Internal Effectiveness									
Operating cost per service hour	$ 102.04	$ 108.34	$ 108.93	$ 111.49	$ 108.39	$ 111.89	$ 3.50	3.1%	1.5%
Operating cost per passenger km.	$ 0.258	$ 0.283	$ 0.428	$ 0.424	$ 0.375	$ 0.435	$ 0.060	13.8%	9.8%
Operating cost (excluding energy) per passenger km.	$ 0.258	$ 0.252	$ 0.395	$ 0.388	$ 0.338	$ 0.393	$ 0.055	14.0%	7.0%
Mean distance between vehicle failures [1]	3,484	16,519	21,422	28,935	30,625	25,000	5,625	22.5%	72.2%
Total spills per million kms.	14.3	13.3	16.4	14.7	15.6	14.0	(1.6)	(11.4%)	2.2%
People									
Assaults per million service hours	53.1	31.9	30.5	24.8	30.9	23.5	(7.4)	(31.5%)	(12.7%)
Engagement Pulse Checks	-	57%	62%	56%	63%	60%	3%	5%	3.4%
Lost time Frequency (per 200,000 hours worked)	-	8.93	6.73	7.31	5.97	-	-	-	(12.6%)
Contract Community Shuttle									
Customer									
Delivered service hours/scheduled	99.77%	99.94%	99.95%	99.98%	99.95%	99.95%	-	-	0.0%
Internal Effectiveness									
Operating cost per service hour	$ 49.89	$ 48.28	$ 49.47	$ 53.86	$ 59.29	$ 54.88	$ (4.41)	-8.0%	4.4%
Operating cost per passenger km.	$ 0.349	$ 0.370	$ 0.548	$ 0.551	$ 0.573	$ 0.547	$ (0.03)	-4.8%	13.2%
Operating cost (excluding energy) per passenger km.	$ 0.349	$ 0.370	$ 0.475	$ 0.468	$ 0.475	$ 0.463	$ (0.01)	-2.6%	8.0%
West Vancouver									
Customer									
Delivered service hours/scheduled	99.72%	99.56%	99.83%	99.68%	99.92%	99.95%	(0.03%)	(0.03%)	0.1%
Internal Effectiveness									
Operating cost per service hour	$ 92.71	$ 95.26	$ 92.75	$ 95.96	$ 100.44	$ 101.21	$ 0.77	0.8%	2.0%
Operating cost per passenger km.	$ 0.160	$ 0.165	$ 0.288	$ 0.271	$ 0.259	$ 0.279	$ 0.02	7.2%	12.8%
Operating cost (excluding energy) per passenger km.	$ 0.160	$ 0.165	$ 0.254	$ 0.236	$ 0.221	$ 0.242	$ 0.02	8.7%	8.4%
ACCESS TRANSIT									
Customer									
Complaints per 1 m boarded passengers	146.1	154.7	1,221.8	883.5	913.4	786.9	(126.5)	(16.1%)	58.1%
Internal Effectiveness									
Operating cost per service hour	$ 55.10	$ 61.09	$ 78.38	$ 76.39	$ 77.22	$ 80.51	$ 3.29	4.1%	8.8%
Operating cost per boarded passenger	$ 21.35	$ 24.28	$ 30.08	$ 30.95	$ 30.50	$ 31.65	$ 1.15	3.6%	9.3%
Operating cost per passenger km.	-	-	-	$ 6.42	$ 6.24	$ 6.37	$ 0.13	2.0%	(2.8%)
Operating cost (excluding energy) per passenger km.	-	-	-	$ 6.11	$ 5.87	$ 6.02	$ 0.15	2.5%	(4.0%)
Service Hours (Delivered 000's)									
Conventional Bus	3,840.0	4,028.9	4,241.9	4,269.5	4,221.8	4,238.3	16.5	0.4%	2.4%
Community Shuttle	405.5	442.1	466.3	471.8	467.3	469.9	2.6	0.6%	3.6%
SeaBus	10.7	10.7	10.6	11.2	10.7	10.7	-	0.0%	0.0%
CMBC Total	4,256.1	4,481.7	4,718.8	4,752.5	4,699.9	4,718.9	19.0	0.4%	2.5%
Contracted Community Shuttle	60.6	72.2	84.5	84.8	85.0	85.2	0.2	0.2%	8.8%
West Vancouver	115.2	119.2	132.8	139.9	135.0	134.5	(0.5)	(0.4%)	4.0%
Conventional Transit Total	4,432.0	4,673.2	4,936.2	4,977.2	4,919.9	4,938.6	18.7	0.4%	2.6%
Access Transit	540.2	585.5	515.4	593.8	602.8	598.0	(4.8)	(0.8%)	2.8%

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

[1] Calculation of KPI changed in 2008 - Prior to 2008: Road Calls included all Road Calls. Effective 2008, only Major Technical Failures are used.

All costs and service hours related to the 2010 Olympics are included in the above statistics.

All operating cost measures include costs allocated from TransLink.

Schedule 2

RAIL DIVISION KPI's	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Target Variance Fav./ (Unfav.)	Target Variance %	Compound Annual Growth Rate 2007-2011 *
Rail Division									
Customer									
Complaints per 1 m boarded passengers	4.61	7.43	7.71	13.17	12.34	n/a	n/a	n/a	27.9%
Internal Effectiveness									
Operating cost per passenger km.	$ 0.119	$ 0.123	$ 0.147	$ 0.155	$ 0.161	$ 0.176	$ 0.015	8.5%	7.8%
Operating cost (excluding energy) per passenger km.	$ 0.110	$ 0.114	$ 0.139	$ 0.148	$ 0.154	$ 0.168	$ 0.014	8.3%	8.8%
SkyTrain - Expo and Millenium Lines									
Customer									
Service reliability (% service hours delivered)	99.3%	99.3%	99.5%	99.6%	99.5%	99.8%	(0.3%)	(0.3%)	0.1%
On-time performance % (within 2 minutes)	94.0%	94.7%	95.3%	95.3%	95.1%	94.5%	0.6%	0.6%	0.3%
Overall mystery shopper score	86.5%	86.1%	90.9%	91.9%	94.3%	90.0%	4.3%	4.8%	2.2%
Complaints per 1 m boarded passengers	4.77	4.16	5.09	5.10	4.82	5.00	0.18	3.6%	0.3%
Major passenger injuries per 1 m boarded passengers	1.15	1.09	1.29	1.20	1.41	1.10	(0.31)	(28.2%)	5.2%
Internal Effectiveness									
Operating cost per total vehicle km.	$ 2.17	$ 2.31	$ 2.31	$ 1.98	$ 2.07	$ 2.20	$ 0.13	5.9%	(1.2%)
Operating cost per passenger km.	$ 0.110	$ 0.115	$ 0.121	$ 0.116	$ 0.118	$ 0.124	$ 0.006	4.8%	1.8%
Operating cost (excluding energy) per passenger km.	$ 0.103	$ 0.107	$ 0.112	$ 0.106	$ 0.108	$ 0.113	$ 0.005	4.4%	1.2%
Mean distance between failures	222,438	219,632	224,969	369,022	412,365	250,000	162,365	64.9%	16.7%
Collisions and derailments per million km.	0.05	-	0.05	0.04	0.02	-	(0.02)	-	(20.5%)
People									
Lost time frequency (per 200,000 hours worked)	2.6	4.0	3.2	2.4	3.6	2.1	(1.5)	(70.5%)	8.3%
Canada Line ***									
Customer									
Service reliability (% service hours delivered)	-	-	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Availability vehicle, station, system	-	-	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Perception of security - onboard and at stations	-	-	8.4	8.6	8.6	8.5	(0.1)	(1.2%)	1.2%
Complaints per 1 m boarded passengers	-	-	n/a	19.17	15.02	15.02	15.02	n/a	(21.6%)
Quality - vehicle, station, system	-	-	n/a	99.8%	99.6%	100.0%	(0.4%)	(0.4%)	(0.2%)
Internal Effectiveness									
Operating cost per revenue vehicle km.	-	-	$14.82	$14.50	$15.47	$16.76	$ 1.29	7.7%	2.2%
Collisions and derailments per million km.	-	-	n/a	-	-	-	-	-	-
Contract adherence monitoring	-	-	95.3%	95.7%	96.0%	98.5%	(2.5%)	(2.5%)	0.4%
West Coast Express									
Customer									
Service reliability (% service hours delivered)	99.9%	99.7%	99.9%	99.9%	99.8%	99.9%	(0.1%)	(0.1%)	(0.0%)
On-time performance (within 5 minutes)	96.4%	97.7%	97.9%	97.2%	97.5%	97.4%	0.1%	0.1%	0.3%
Overall customer satisfaction - mystery shopper	86.4%	84.8%	85.9%	89.2%	90.4%	86.5%	3.9%	4.5%	1.1%
Complaints per 1 m boarded passengers [1]	-	97.00	113.96	159.93	188.42	90.80	(97.62)	(107.5%)	24.8%
Major passenger injuries per 1 m. boarded passengers	0.79	0.37	-	1.08	-	1.13	1.13	100.0%	(100.0%)
Internal Effectiveness									
Operating cost per total vehicle km.	$ 12.60	$ 12.70	$ 12.88	$ 12.52	$ 12.39	$ 12.52	$ 0.130	1.0%	(0.4%)
Operating cost per passenger km.	$ 0.200	$ 0.203	$ 0.191	$ 0.190	$ 0.189	$ 0.210	$ 0.021	10.0%	(1.4%)
Operating cost (excluding energy) per passenger km.	$ 0.188	$ 0.188	$ 0.183	$ 0.179	$ 0.176	$ 0.194	$ 0.018	9.3%	(1.6%)
Mean distance between failures [2]	-	-	237,087	220,909	230,518	152,000	78,518	51.7%	(1.4%)
Collisions and derailments per million km.	-	-	-	-	-	-	-	-	-
People									
Lost time frequency (per 200,000 hours worked)	-	-	-	-	-	-	-	-	-
Service Stats (including Olympics)									
Service Kilometres (000's)									
SkyTrain - Expo and Millennium Line	37,222	37,616	39,217	47,786	46,983	45,451	1,532	3.4%	6.0%
SkyTrain - Canada Line ***	-	-	2,205	6,200	6,377	6,297	80	1.3%	70.1%
West Coast Express	1,266	1,342	1,365	1,476	1,499	1,554	(55)	-3.5%	4.3%

* Compound annual growth rate (CAGR). For items with no data in 2007, CAGR is based on annualized data from the first year of available information.

Notes: Olympics costs, hours and kilometres are all included in the above 2010 statistics.

Canada Line operations began in August 2009.

All operating cost measures include costs allocated from TransLink.

[1] Customer complaint data only collected since 2008, as well as a new customer service database being introduced in 2010.

[2] Mean distance between failures data only collected since the beginning of 2009.

Caution Regarding Forward-Looking Statements

From time to time, TransLink makes written and/or oral forward looking statements, including in this document, and in other communications. In addition, representatives of TransLink may make forward-looking statements orally to analysts, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.