

# **BC Infrastructure Benefits Inc.**

## **Statement of Financial Information**

Year Ended March 31, 2022

Published in accordance with the  
*Financial Information Act*, Chapter 140,  
Revised Statutes of British Columbia, 1996

# **Statement of Financial Information**

Year Ended March 31, 2022

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FINANCIAL STATEMENTS OF

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BC INFRASTRUCTURE BENEFITS INC

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YEAR ENDED MARCH 31, 2022

May 5<sup>th</sup>, 2022

Statement of Management's Responsibility  
Year ended March 31, 2022

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Corporation's Board of Directors carry out their responsibility for review of the financial statements principally through the Audit, Finance and Risk Committee. The voting members of the Audit, Finance and Risk Committee are composed entirely of persons who are neither management nor employees of the Corporation. The Audit, Finance and Risk Committee meets with management and staff and the external auditors to discuss the results of the audit examination and financial reporting matters. The auditors have full access to the Audit, Finance and Risk Committee with, and without, the presence of management and staff.

Smythe LLP, an independent firm of chartered professional accountants, is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows.

Yours truly,



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Irene Kerr  
Chief Executive Officer



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Mario Piscitelli  
Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF BC INFRASTRUCTURE BENEFITS INC.

#### *Opinion*

We have audited the financial statements of BC Infrastructure Benefits Inc. (the "Corporation"), which comprise:

- ♦ the statement of financial position as at March 31, 2022;
- ♦ the statement of operations for the year then ended;
- ♦ the statement of changes in net assets for the year then ended;
- ♦ the statement of cash flows for the year then ended; and
- ♦ the notes to the financial statements, including a summary of significant accounting policies.

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

#### *Basis for Opinion*

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

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

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

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

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### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
May 5, 2022

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**BC Infrastructure Benefits Inc.**

## Statement of Financial Position

As at March 31, 2022

(in \$000's)

	Notes	31-Mar-22	31-Mar-21
<b>Financial assets</b>			
Cash and cash equivalents		\$ 11,967	\$ 6,403
Accounts receivable	3	10,032	686
Due from government & other government organizations	4	8,189	9,530
		<u>30,188</u>	<u>16,619</u>
<b>Liabilities</b>			
Debt	5	24,010	16,000
Accounts payable & accrued liabilities	6	7,321	2,031
Due to government & other government organizations	7	861	342
Deferred capital contributions	8	36	56
		<u>32,228</u>	<u>18,429</u>
<b>Net debt</b>		<u>(2,040)</u>	<u>(1,810)</u>
<b>Non-financial assets</b>			
Tangible capital assets	9	1,871	1,634
Prepaid expenses	10	169	176
		<u>2,040</u>	<u>1,810</u>
<b>Accumulated surplus (deficit)</b>		<u>\$ -</u>	<u>\$ -</u>

Approved on behalf of the Board of Directors on May 5<sup>th</sup>, 2022

David Miller, Chair



Cynthia Morton, Director

*The accompanying notes form an integral part of these financial statements.*



**BC Infrastructure Benefits Inc.**

## Statement of Operations

For the year ended March 31, 2022

(in \$000's)

	<b>Note</b>	<b>Budget</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Revenues</b>		(Note 12)		
Contracted services		\$ 116,891	\$ 57,094	\$ 7,361
Service fees		14,338	11,452	9,985
Interest revenue		28	46	32
Other revenue		32	31	33
		<u>131,289</u>	<u>68,623</u>	<u>17,411</u>
<b>Expenses</b>	11			
Project workforce		116,891	57,094	7,361
Outreach and engagement		2,481	1,796	929
Operations		2,480	1,958	3,432
Finance and corporate services		9,437	7,775	5,689
		<u>131,289</u>	<u>68,623</u>	<u>17,411</u>
<b>Annual operating surplus (deficit)</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accumulated surplus (deficit) at beginning of year		-	-	-
<b>Accumulated surplus (deficit) at end of year</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*The accompanying notes form an integral part of these financial statements.*

**BC Infrastructure Benefits Inc.**

Statement of Changes in Net Assets (Debt)

For the year ended March 31, 2022

(In \$000's)

	<b>Budget</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	(Note 12)		
Surplus (deficit)	\$ -	\$ -	\$ -
Effect of change in tangible capital assets:			
Acquisition of tangible capital assets	(1,700)	(630)	(1,416)
Amortization of tangible capital assets	720	393	179
	(980)	(237)	(1,237)
Effect of change in prepaid expense			
Acquisition of prepaid expense	(1,100)	(1,147)	(1,019)
Use of prepaid expense	1,000	1,154	1,018
	(100)	7	(1)
<b>Increase in net debt</b>	<b>\$ (1,080)</b>	<b>\$ (230)</b>	<b>\$ (1,238)</b>
<b>Net debt at beginning of year</b>	<b>(1,800)</b>	<b>(1,810)</b>	<b>(572)</b>
<b>Net debt at end of year</b>	<b>\$ (2,880)</b>	<b>\$ (2,040)</b>	<b>\$ (1,810)</b>

*The accompanying notes form an integral part of these financial statements.*

**BC Infrastructure Benefits Inc.**

## Statement of Cash Flows

For the year ended March 31, 2022

(In \$000's)

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Operating transactions</b>		
Surplus (deficit)	\$ -	\$ -
Items not affecting cash:		
Amortization of tangible capital assets	393	179
Loss on disposal of tangible capital assets	-	35
Amortization of discount on debt	16	41
Amortization of foreign exchange gain	-	(9)
Discount on debt	(14)	(17)
Unamortized foreign exchange loss (gain) on debt	(1)	10
Decrease in deferred capital contribution	(20)	(21)
Changes in operating working capital:		
Increase in accounts receivable	(9,346)	(680)
Decrease (increase) in due from government and other government organizations	1,341	(1,558)
Decrease (increase) in prepaid expenses	7	(1)
Increase in accounts payable and accrued liabilities	5,290	1,089
Increase in due to government and other government organizations	519	91
Cash applied to operating transactions	<u>(1,815)</u>	<u>(841)</u>
<b>Capital transaction</b>		
Cash used in acquisition of tangible capital assets	(630)	(1,451)
Cash applied to capital transaction	<u>(630)</u>	<u>(1,451)</u>
<b>Financing transactions</b>		
Debt issues	49,974	49,000
Debt repayment	(41,965)	(44,098)
Cash provided by financing transactions	<u>8,009</u>	<u>4,902</u>
<b>Increase in cash</b>	5,564	2,610
Cash at beginning of year	6,403	3,793
<b>Cash at end of year</b>	<u>\$ 11,967</u>	<u>\$ 6,403</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest Paid	8	73

*The accompanying notes form an integral part of these financial statements.*

## 1. NATURE OF OPERATIONS

BC Infrastructure Benefits Inc., (“BCIB” or “the Corporation”) is a provincial Crown corporation incorporated under B.C.’s *Business Corporations Act* on July 16, 2018, and directly accountable to the Minister of Finance. As a provincial Crown agency, BCIB is subject to legislative regulations in government reporting Acts which include the *Budget Transparency and Accountability Act* and the *Financial Administration Act*.

BCIB was established to implement, measure and report on the objectives of the Community Benefits Agreement (“CBA”), a collective agreement between BCIB and the Allied Infrastructure and Related Construction Council (“AIRCC”) to grow the skilled trades workforce by creating career opportunities for underrepresented workers, locals and apprentices on select public infrastructure projects.

BCIB is exempt from income taxes under the *Income Tax Act* (Canada).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### a) *Basis of Accounting*

These financial statements have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This act requires BCIB to prepare financial statements in accordance with Public Sector Accounting Standards, except with regards to accounting for government transfers as set out below.

In November 2011, Treasury Board provided a directive through *Restricted Contributions Regulation 198/2011*. This provided direction for the reporting of restricted contributions whether they are received or receivable by BCIB before or after this regulation was in effect.

### b) *Revenue Recognition*

BCIB revenues include contracted services revenue, service fees and other miscellaneous revenues. Contracted services revenue represents the aggregate payroll costs billed to the Contractors for the provision of skilled employees working on CBA projects. Service fees revenue represents revenue from the project Owners pursuant to the Employee Supply Agreement (“ESA”). PS 3400 establishes standards for the accounting for revenue arising from exchange transactions. BCIB performs work and incurs costs ahead of the construction start on projects and during the construction phase to achieve the objectives of the CBA and to satisfy its obligation to project Owners. As BCIB performs this work, it recognizes revenue from project Owners to offset its costs.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### c) *Restricted Revenue*

Under Restricted Contributions Regulation 198/2011, government transfers are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follow:

- Contributions for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contribution and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

### d) *Expense Recognition*

Costs incurred by BCIB are expensed as incurred. Expenses are recorded on an accrual basis.

### e) *Tangible Capital Assets*

Tangible capital assets are non-financial assets having a physical substance that:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, or maintenance or repair of other tangible capital assets;
- have useful economic lives extending beyond an accounting period;
- are to be used on a continuing basis; and
- are not for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development, installation, and betterment of the asset.

Smaller value tangible capital assets which are identical, similar or related are grouped together as an asset pool and accounted for as a single asset for amortization purposes. Assets that meet these criteria and that are acquired during a fiscal quarter are pooled together and half the amortization is taken in the quarter of acquisition. Standalone higher value tangible capital assets are not pooled and are amortized starting in the month following acquisition.

Amortization begins when the asset is brought into productive use. The cost of the tangible capital asset is amortized over its estimated useful life. Methods and rates are reviewed annually and adjusted if necessary. If there are changes to the methods and rates, these are accounted for prospectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amortization method and useful lives for each asset class are as follows:

<b>Asset</b>	<b>Amortization Method</b>	<b>Useful Lives (in years)</b>
Furniture and fixtures	Straight Line	3 to 5
Leasehold improvements	Straight Line	Term of the lease
Computer assets	Straight Line	3 to 10
Vehicles	Straight Line	10

Work-in-progress tangible capital assets are not amortized until the assets are completed and put into use.

At the end of each reporting period, BCIB reviews the value of its tangible capital assets that are in active service for impairment based on their service potential. Assets are written down when conditions indicate that they no longer contribute to BCIB's ability to provide services and the reduction in future economic benefits is expected to be permanent.

### *f) Prepaid Expenses*

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

### *g) Pension Benefits*

Pension benefits for employees of the Corporation are provided through the BC Public Service Pension Plan, which is a defined benefit, multi-employer jointly trustee plan. Defined contribution plan accounting is applied as sufficient information is not available to apply defined benefit accounting. Contributions are expensed as they become payable (Note 14).

### *h) Financial Instruments*

Financial Instruments include primary instruments such as cash and cash equivalents, accounts receivable, amounts due from or to government and other government organizations, accounts payable & accrued liabilities and debt.

The Corporation had classified each of its financial instruments in the following categories:

	<b>Category</b>	<b>Measurement</b>
Cash and cash equivalents	Fair value	Fair value
Accounts receivable	Other financial assets	Amortized cost
Accounts payable & accrued liabilities	Other financial liability	Amortized cost
Debt	Other financial liability	Amortized cost
Due to/from government & other government organizations	Other financial liability/assets	Amortized cost

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### i) *Measurement Uncertainty*

The preparation of financial statements requires management to make estimates and assumptions that impact the amount reported for assets and liabilities at the date of the financial statements, as well as the amounts reported for revenues and expenses during the reporting period. Items requiring the use of significant estimates include provisions for certain accrued liabilities.

Estimates are based on the best information available at the time of preparation of the financial statements based on historical experience and other factors and are reviewed annually to reflect new information as it becomes available. Actual results could differ from these estimates.

## 3. ACCOUNTS RECEIVABLE

(\$000's)	March 31, 2022	March 31, 2021
Trade accounts receivable	\$ 10,029	\$ 686
Other receivables	3	-
	<u>\$ 10,032</u>	<u>\$ 686</u>

## 4. DUE FROM GOVERNMENT & OTHER GOVERNMENT ORGANIZATIONS

(\$000's)	March 31, 2022	March 31, 2021
BC Transportation Financing Authority	\$ 7,165	\$ 8,972
Island Health	1,000	525
Canada Revenue Agency	24	32
Transportation Investment Corporation	-	1
	<u>\$ 8,189</u>	<u>\$ 9,530</u>

Receivables from BC Transportation Financing Authority ("BCTFA") represents management service fees charged for the provision of workforce services and additional owner costs as per the amended ESA. Receivables from Island Health represents services provided to Island Health. Receivables from Canada Revenue Agency ("CRA") are from GST paid by BCIB.

## 5. DEBT

The Minister of Finance is the fiscal agent of BCIB. All debt is acquired through the provincial government's fiscal agency loan program and is either held or guaranteed by the Province. BCIB funds part of its operations with short-term debt. Debt typically matures within 3 to 6 months. BCIB is authorized to acquire up to \$100 million of short-term debt. At March 31, 2022, the Corporation had two short-term debts totaling \$24 million (2021 - \$16 million), with a weighted average annual interest rate of 0.13% (2021 - 0.08%). The \$13 million debt matures on April 6, 2022 and the \$11 million debt matures on April 14, 2022.

## 6. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

(\$000's)	March 31, 2022	March 31, 2021
Accrued liabilities	\$ 6,321	\$ 1,688
Accounts payable	1,000	343
	<u>\$ 7,321</u>	<u>\$ 2,031</u>

Accounts payable are in the normal course of operations and measured at the exchange amount. At times, the Corporation may be exposed to certain legal obligations. An estimated claim is accrued when a reasonable estimate can be made, and it is probable that a settlement can be reached. During the fiscal year, there were no legal obligations outstanding.

## 7. DUE TO GOVERNMENT & OTHER GOVERNMENT ORGANIZATIONS

(\$000's)	March 31, 2022	March 31, 2021
Canada Revenue Agency	\$ 531	\$ 234
Province of British Columbia	245	44
BC Public Service Agency	85	64
	<u>\$ 861</u>	<u>\$ 342</u>

The amounts payable to CRA are related to GST received and payroll taxes. The amounts payable to Province of British Columbia relate to employer health tax. The amounts payable to BC Public Service Agency are primarily related to payroll services and employee benefits.

## 8. DEFERRED CAPITAL CONTRIBUTIONS

(\$000's)	March 31, 2022	March 31, 2021
Deferred capital contributions, beginning of year	\$ 56	\$ 77
Amount recognized as revenue in the year	(20)	(21)
Deferred capital contributions, end of year	<u>\$ 36</u>	<u>\$ 56</u>

Deferred capital contributions represent funding from Ministry of Transportation and Infrastructure ("TRAN"), recognized as government transfer revenue over the expected useful life of the related tangible capital assets.



## 9. TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost. The costs and accumulated amortization for BCIB's tangible capital assets at March 31, 2022 are as follows (\$000's):

<b>Cost</b>	<b>Furniture &amp; Fixtures</b>	<b>Leasehold Improvements</b>	<b>Computer Assets</b>	<b>Vehicle</b>	<b>Work- In-Progress</b>	<b>Total</b>
Balance at March 31, 2021	\$ 125	\$ 98	\$ 1,414	\$ 31	\$ 197	\$ 1,865
Additions	42	-	164	45	379	630
Transfers	-	76	363	-	(439)	-
Balance at March 31, 2022	167	174	1,941	76	137	2,495
<b>Accumulated Amortization</b>						
Balance at March 31, 2021	40	34	155	2	-	231
Amortization	25	27	336	5	-	393
Balance at March 31, 2022	65	61	491	7	-	624
<b>Net book value at March 31, 2022</b>	<b>\$ 102</b>	<b>\$ 113</b>	<b>\$ 1,450</b>	<b>\$ 69</b>	<b>\$ 137</b>	<b>\$ 1,871</b>

The costs and accumulated amortization for BCIB's tangible capital assets at March 31, 2021 are as follows (\$000's):

<b>Cost</b>	<b>Furniture &amp; Fixtures</b>	<b>Leasehold Improvements</b>	<b>Computer Assets</b>	<b>Vehicle</b>	<b>Work- In-Progress</b>	<b>Total</b>
Balance at March 31, 2020	\$ 113	\$ 98	\$ 134	\$ -	\$ 106	\$ 451
Additions	12	-	797	31	611	1,451
Disposals	-	-	(37)	-	-	(37)
Transfers	-	-	520	-	(520)	-
Balance at March 31, 2021	125	98	1,414	31	197	1,865
<b>Accumulated Amortization</b>						
Balance at March 31, 2020	15	15	24	-	-	54
Amortization	25	19	133	2	-	179
Disposals	-	-	(2)	-	-	(2)
Balance at March 31, 2021	40	34	155	2	-	231
<b>Net book value at March 31, 2021</b>	<b>\$ 85</b>	<b>\$ 64</b>	<b>\$ 1,259</b>	<b>\$ 29</b>	<b>\$ 197</b>	<b>\$ 1,634</b>

Work-in-progress consists of ongoing leasehold construction costs and development costs related to computer software and equipment.

## 10. PREPAID EXPENSES

(\$000's)	March 31, 2022	March 31, 2021
Computer software license	\$ 87	\$ 95
Office lease	66	66
Insurance	16	15
	<u>\$ 169</u>	<u>\$ 176</u>

## 11. EXPENSE BY OBJECT

(\$000's)	March 31, 2022	March 31, 2021
Amortization	\$ 393	\$ 179
Financing	25	37
Information technology	594	544
Lease	790	687
Office & other	373	358
Payroll system	507	543
Professional services	1,662	1,676
Salaries & benefits	63,840	13,210
Training & offsite costs	308	99
Travel	131	78
	<u>\$ 68,623</u>	<u>\$ 17,411</u>

## 12. BUDGETED FIGURES

The Fiscal 2022 budget is reflected in the Statement of Operations and the Statement of Changes in Net Debt. Budget data presented in these financial statements is based upon the Fiscal 2022 budget approved by the Board on March 11, 2021.

## 13. RELATED PARTY TRANSACTIONS

BCIB is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations and all public sector organizations included in the Provincial Government Reporting Entity ("GRE"). Transactions with related parties are in the normal course of operations and are made on terms equivalent to those that prevail in arm's length transactions.

BCIB, TRAN and BCTFA executed the Employee Supply Agreement ("ESA") on May 23, 2019. BCIB receives management services fees for the provision of workforce services to select major infrastructure projects. For fiscal 2022, BCIB recognized management services fees \$10.45 million (2021 - \$9.49 million).

### 13. RELATED PARTY TRANSACTIONS (CONTINUED)

Pursuant to the Amending Agreement #1 to the ESA dated March 29, 2022, BCIB billed BCTFA \$0.41 million for additional owner costs which include wages and Road Building Addenda cost differentials.

BCIB and Vancouver Island Health Authority (Island Health) entered into an agreement in fiscal 2022 for project-related assistance and services amounting to \$1 million (2021 - \$0.5 million).

### 14. EMPLOYEE BENEFIT PLAN

BCIB and its employees contribute to the Public Service Pension Plan (the “Plan”), a jointly trustee pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, have oversight responsibilities for the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer jointly trustee pension plan that shares risk between various entities.

The Corporation does not account for its participation in the multi-employer plan as a defined benefit pension plan because the Corporation does not have access to information about the plan that would enable the Corporation to record its share of the obligations of the plan, plan assets and costs of the plan. In addition, the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual entities that participate in the plan. Accordingly, the participation in the plan is accounted for using defined contribution accounting requirements. The Corporation accrues expenses for contributions that are contractually due to the plan as at the reporting period date that have not yet been paid. As of March 31, 2022, the Corporation has approximately 64 employees contributing to the plan, which has approximately 133,000 total active and retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest actuarial valuation was conducted in March 2020 and indicated a Basic Account actuarial funding valuation surplus of \$2.7 billion. The next valuation will occur in 2023. The actuary does not attribute portions of any unfunded liability to individual employers. In Fiscal 2022, the employees of BCIB contributed \$419,618 (2021 – \$359,302) to the Plan and the Corporation paid \$494,997 (2021 – \$423,848) in employer contributions to the Plan.

### 15. CONTRACTUAL OBLIGATIONS

<b>(\$000's)</b>	<b>Operating Lease</b>
Fiscal 2023	\$ 839
Fiscal 2024	885
Fiscal 2025	885
	<u>\$ 2,609</u>

Majority of BCIB’s operating leases include rental of office space that commenced in April 2019 for a term of 6 years. The additional rent included in the lease amount is based on a rate determined for 2020 and is subject to change based on actual expenses calculated by the Landlord.

## 16. RISK MANAGEMENT

### Credit Risk

Credit risk results when a BCIB counterparty fails to discharge an obligation of a financial instrument.

The maximum exposure of BCIB to credit risk at March 31, 2022 is as follows:

(\$000's)	March 31, 2022	March 31, 2021
Accounts receivable	\$ 10,032	\$ 686
Due from government & other government organizations	8,189	9,530
	<u>\$ 18,221</u>	<u>\$ 10,216</u>

BCIB's exposure to credit risk is related to amounts owing from other provincial agencies, the federal government and the value of accounts receivable in its normal course of business from Contractors. The risk is mitigated as the Contractors are bound by terms of payment and default clauses in project agreements which increases the likelihood BCIB will be paid.

### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows will fluctuate because of market interest rate changes. BCIB's exposure to interest rate risk is minimal because of the short-term nature of the debt and its ability to borrow through the Ministry of Finance. A one percentage short-term interest rate change could result in approximately a \$0.2 million cost differential.

### Foreign Exchange Risk

Foreign exchange risk occurs when the fair value or future cash flows of a financial instrument are negatively impacted by a fluctuating foreign exchange rate. BCIB mitigates foreign exchange risk by locking in an exchange swap rate that fixes the final foreign currency gains/losses. At March 31, 2022, BCIB did not have any foreign denominated debt.

### Liquidity Risk

Liquidity risk occurs if BCIB is unable to meet its financial obligations as they fall due. BCIB's liquidity risk is mitigated through a short-term financing agreement with the Ministry of Finance that enables the corporation to borrow up to \$100 million on a short-term basis. BCIB regularly monitors its cash flows and if necessary, BCIB can borrow as needed to satisfy its financial obligations.

### COVID-19 Risk

The World Health Organization assessed the COVID-19 outbreak as a pandemic in March 2020. Management has considered the consequences of COVID-19 and its impact on BCIB operations and determined that they do not have any material impact on BCIB's financial results in fiscal 2022, nor has it cast any doubt on the Corporation's ability to continue as a going concern, especially since most COVID-19 restrictions have been lifted.

**BC Infrastructure Benefits Inc.**

**B. Schedule of Debt**

For the year ended March 31, 2022

BCIB is currently authorized to access short-term debt.

**Short-Term Debt**

Commercial Paper	Principal	Maturity Date	Interest rate
Province of British Columbia	13,001,807	April 6, 2022	0.12%
Province of British Columbia	11,000,000	April 14, 2022	0.14%

**BC Infrastructure Benefits Inc.**

C. Schedule of Guarantee and Indemnity Agreements  
For the year ended March 31, 2022

BC Infrastructure Benefits Inc. has given indemnities under the following:

**Indemnatee**

4th Utility Inc.  
Adams Lake Recreation and Conference Centre  
Aquaterra Corporation dba Primo Water North America  
BCIB 'Corporate Staff' officers and employees  
Board of Directors under the Directors Indemnity Protection Program  
Canadian Imperial Bank of Commerce  
CannAmm LP  
CBRE Limited  
City of Vancouver, Vancouver Parks and Recreation, and the False Creek Community Association  
College of the Rockies  
Darktrace Ltd.  
DDB Canada, a division of Omnicom Canada Corp  
Farris LLP  
Golden District Arts Council  
Her Majesty the Queen in right of the Province as represented by the Minister of Finance  
Her Majesty the Queen in right of the Province of BC as represented by the Minister of Citizens' Services  
Her Majesty the Queen in right of the Province of British Columbia as represented by the Ministry of Finance  
KPMG LLP  
Microsoft Canada Inc.  
Ministry of Citizen Services  
Pacific Coast Arena Inc  
The Rocket Science Group LLC dba Mailchimp  
Salmon Arm Storage  
Skwlax Investments Inc.  
StormWind LLC  
Vancouver Community College  
Xerox Canada Ltd

**BC Infrastructure Benefits Inc.**

D. Schedule of Remuneration and Expenses

For the year ended March 31, 2022

**1. Elected Officials, employees appointed by Cabinet and members of the Board of Directors**

<b>Name</b>	<b>Position</b>	<b>Remuneration</b>	<b>Expenses</b>
Miller, David	Chair, Board	\$ 24,000	-
Atwal, Anita	Member, Board	12,750	-
Bonshor, Michael	Member, Board	8,625	-
Kroeker, Gary	Member, Board	10,750	-
Morton, Cynthia	Member, Board	11,875	-
White, Clifford	Member, Board	1,750	-
Board of Directors Total, <b>Part (A)</b>		<u>\$ 69,750</u>	<u>-</u>

Employees exceeding \$75,000

<b>Name</b>	<b>Remuneration<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>
Abraham, N	91,246	2,141
Alcock, BV	171,673	
Arnold, D	83,821	
Arvay, CJ	101,158	
Auger, G	92,885	
Avalos Padilla, F	87,862	
Barker, P	92,541	
Barnes, DM	172,818	
Bauer, AF	87,535	
Beaton, A	78,350	
Benner, DT	99,911	
Birnie, DG	93,893	
Boake, ET	110,084	
Bodnark, AS	76,527	
Bonaparte, MS	150,203	
Bookless, DA	85,962	7,286
Bourque, A	99,104	
Bowley, GM	125,705	4,256
Brady, S	75,961	2,371
Brooks, DK	138,210	
Burley, RJ	108,618	
Burluck, DK	102,909	
Busch, RJ	80,389	
Bustos, JP	79,420	
Calhoon, A	112,083	
Calsi, K	78,010	
Campbell, AG	75,224	
Casselman, KA	113,870	
Casselman, TA	81,702	
Cassie, PH	248,416	
Cassie, SA	81,140	
Castonguay, SD	167,732	
Christoph, B	99,903	
Collerette, JM	93,367	
Colonna, AS	83,506	
Connolly, CS	103,738	
Coulombe, SJ	165,210	
Cusson, JM	76,005	
Cyr-Calhoon, MM	77,215	



<b>Name</b>	<b>Remuneration<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>
David, TE	82,518	
De Medeiros, TM	77,889	
Delleman, RJ	82,086	
Devloo, MM	104,343	
Doan, KJ	88,973	
Dombrosky, JJ	95,264	
Doucette, S	105,171	
Dunn, BD	106,742	
Ealey, CW	108,500	
Eden, EW	78,813	
Emery, D	109,326	
Erickson, J	273,417	
Erricson, DR	81,433	
Fawcett, DJ	90,020	
Foard, T	75,167	
Foucault, SD	188,802	
Freitag, K	78,121	
Fyfe, M	139,404	688
Gaffney, KA	121,580	
Gammie, EA	89,772	
Getty, S	126,433	
Goldsbury, W	76,753	
Gotawala, HH	112,933	
Greville, ER	86,295	
Guerin, JM	91,246	241
Halim, SJ	100,585	
Hamilton, KR	127,954	
Hayes, SP	172,250	
Hayes, VE	95,301	950
Heinen, E	136,339	
Helie, A	125,130	
Henry, AW	77,677	
Hicks, JB	164,165	
Hodder, D	77,589	
Howard, G	78,077	695
Huber, DHW	93,890	
Ignace, R	111,337	
Ireland, BM	86,535	2,941
Irwin, SN	90,573	
Isabelle, CD	104,344	

<b>Name</b>	<b>Remuneration<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>
Jefford, AR	87,256	
Johnson, AW	113,797	
Johnson, GD	131,161	
Johnston, JD	112,757	
Joneson, BR	162,352	
Kaye, KD	104,361	
Kearley, DC	136,317	
Kearley, PG	132,156	
Kelly, SJ	84,231	11,194
Kerr, IP	265,883	1,196
Khan, TS	93,462	
Kozak, MJ	84,936	
Lacasse, RC	102,758	
LaFleur, RL	104,247	
Lam, E	98,705	950
Lambert, LE	104,373	
Lapinski, DJ	94,144	
Legros, RM	131,724	
Levesque, TL	91,152	
Lewis, RA	78,038	
Lusby, KA	99,292	
Lynch, CJ	96,568	
Ma, CB	153,733	
MacDonald, DA	112,377	
Mahon, AM	82,086	
Mandel, K	112,727	
Marshall, PM	100,525	
May, KER	175,884	
Mayhew, WA	122,956	
McAvoy, KJ	122,413	
McGill, MW	152,538	
McLaren, RC	113,850	
McMullin, DM	101,413	
Mephram, J	120,664	
Merx, SJH	120,382	
Michel, TI	77,901	
Miller, MR	84,143	
Mindel, DT	91,201	
Monsen, RG	110,960	
Morales, S	134,888	1,205

<b>Name</b>	<b>Remuneration<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>
Nash, CT	97,589	
Nault, DR	87,629	
Nguyen, H	138,471	950
Oatway, LD	168,309	
Oddy, GD	109,792	
Olonan, MP	79,680	
Olynyk, CK	106,457	
Organ, TG	98,256	
Ortiz, AS	93,012	1,062
Panneton, JC	95,696	
Parranto, DJ	196,578	
Parsons, ST	77,825	
Paul, OS	133,799	
Perfitt, MM	82,394	
Philipowich, CD	89,581	
Piscitelli, M	188,739	1,563
Plavsic, S	178,068	342
Poulin, C	237,262	
Powell, SJ	82,018	
Purvis, DM	166,094	
Pyne, B	89,973	
Quinn, DP	111,013	
Rao, S	76,438	698
Rinehart, NG	96,338	
Rowe, CT	83,261	
Russell, M	79,484	
Safonov, V	87,384	
Saleh, M	114,369	
Salema, R	130,466	
Salloum, ZA	121,709	
Sandquist, JS	134,890	
Sauls, KM	81,374	
Seidemann, BJ	131,445	
Shanahan, DJ	108,200	
Shaw, K	75,309	8,879
Shelestynski, G	77,111	
Shellard, D	89,891	
Silva, RF	86,177	511
Sim, AP	89,151	
Sims, JA	80,888	
Skinner, MR	123,121	
Smewing, SP	122,949	

<b>Name</b>	<b>Remuneration<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>
Snopek, C	138,756	
Spiry, TM	108,216	
St Marie, C	78,444	
Starke, H	123,490	
Steffes, B	91,282	
Stolte, RG	122,209	
Swaine, CR	216,988	
Swan, SM	81,725	
Taylor, EM	98,321	
Terpstra, WJ	155,584	
Thomson, GL	195,217	
Van Duzen, SA	139,292	
Van Lingen, D	215,432	
Vandebeek, B	132,262	
Viegas, SA	224,035	
Wharram, G	139,404	1,220
Whelan, JJ	183,332	
Wiersbitzky, BK	148,071	
Wilkes, AD	77,612	
Williams, SE	85,589	
Winning, HR	115,719	
Worcester, J	147,753	
Yeadon, RL	125,761	
Young, SA	149,318	
<u>Consolidated total of employees not exceeding \$75,000</u>	26,672,430	3,487

Other Employees Total, <b>Part (B)</b>	<u>47,721,390</u>	<u>54,824</u>
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#### Reconciliation

Total Remuneration - Board of Directors, <b>Part (A)</b>	69,750
Total Remuneration - Other Employees, <b>Part (B)</b>	<u>47,721,390</u>
Subtotal	47,791,140
Reconciling Items:	
Less: Board of Directors Remuneration	(69,750)
Less: Capitalized Remuneration	(56,748)
Less: Change in vacation accrual	(28,208)
Add: Owner operators	601,473
Add: Severance	102,650
Add: Payroll accruals	4,513,154
Add: Payments related to non-taxable benefits, employer taxes	<u>10,986,651</u>
<b>Salaries Included in Operations</b>	<u><b>63,840,361</b></u>

Note 1: Remuneration includes base salary and other compensation for 2021/22.

Note 2: Majority of expenses are related to travel to work sites.

**BC Infrastructure Benefits Inc.**

E. Schedule of Severance Agreements

For the year ended March 31, 2022

There were five severance agreements made between BC Infrastructure Benefits Inc. and its non-unionized employees during fiscal year 2022.

These agreements represent from one to nine months of compensation.

## BC Infrastructure Benefits Inc.

### F. Schedule of Payments to Suppliers of Goods and Services

For the year ended March 31, 2022

#### 1. Suppliers' Amounts over \$25,000

4th Utility Inc.	\$	37,018
Aird & Berlis LLP		323,521
Allied Infrastructure and Related Construction Council of BC		32,600
Aquilini Properties		829,223
B.C. Construction Safety Alliance		54,054
BC Pension Corporation		494,997
Benefits Financial Management Office		88,887
Black Dog Mechanical Ltd.		525,712
Brooks Corning		43,711
Brown Bros Lincoln Sales & Service		46,307
Canada Revenue Agency		2,890,475
Cannamm Limited Partnership		27,889
CDW Canada Corp.		245,760
Deloitte Inc.		51,321
FDTPRO Inc.		167,838
Forte Law Corporation		57,511
Fuseforward Solutions Group Ltd.		25,725
Hanscomb Limited		39,690
Hunt Communication		27,318
Insight Canada Inc.		280,314
Kenneth Carlin		163,214
KPMG LLP		52,362
Microsoft Canada Inc.		58,464
Office Of The Auditor General Of British Columbia		36,750
Potentialize Consulting Inc.		29,492
PricewaterhouseCoopers LLP		165,851
Province of British Columbia		465,151
Province of British Columbia (EHT)		669,189
Province Of British Columbia, Financial Planning And Reporting		64,594
Province Of British Columbia Queens Printer		32,650
PSA - Ministry of Finance and Corporate Relations		236,288
PSDDB Advertising Inc.		35,044
Robert Half		81,383
Rogers Communications Inc.		49,413
Roper Greyell LLP		347,362

Salesforce.com Canada Corporation	136,674
Smythe LLP	31,500
Sun Coast Consulting Ltd.	87,294
The Harwood Safety Group	135,287
WD Consulting	29,786
Worksafe BC	91,533
Young Strategies LTD.	94,539
Suppliers' Amounts Over \$25,000 - Total	<u>\$ 9,383,692</u>

## 2. Suppliers' Amounts under \$25,000

Suppliers' Amounts Under \$25,000 - Consolidated Total	<u>\$ 727,409</u>
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## 3. Reconciliation

Vendor Analysis	
Suppliers' amount over \$25,000	\$ 9,383,692
Suppliers' amount under \$25,000	<u>727,409</u>
Total suppliers' amounts	<u>\$ 10,111,102</u>

### Reconciling Items:

Less: Goods and services tax included in suppliers' amounts	(245,629)
Less: Capital payments	(629,934)
Less: Amounts to Canada Revenue Agency for employer portion of CPP and EI	(2,890,475)
Less: Suppliers paid included in salaries and benefits	(2,520,783)
Add: Accounts payable, accruals, and timing differences	565,176
Add: Non-cash items	393,257
Add: Salaries and benefits (Schedule D)	<u>\$ 63,840,361</u>

<b>Expenses Included in Operations:</b>	<u><b>\$ 68,623,075</b></u>
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## BC Infrastructure Benefits Inc.

### G. Statement of Financial Information Approval

The undersigned represents the Board of Directors of BC Infrastructure Benefits Inc. and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



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David Miller  
Chair, Board of Directors

September 15, 2022