

2024 – 2025

# B.C. Ferry Authority Annual Report







*Passengers arriving at Tsawwassen terminal.*





## Contents

<b>Message from the Chair . . . . .</b>	<b>4</b>
<b>Section 1 . . . . .</b>	<b>6</b>
Annual Report on the B.C. Ferry Authority — Oversight of the Strategic Direction of British Columbia Ferry Services Inc. in Support of the Public Interest	
<b>Section 2 . . . . .</b>	<b>8</b>
Annual Report of B.C. Ferry Authority Activities	
<b>Auditor's Report . . . . .</b>	<b>13</b>
Statement of Financial Position . . . . .	15
Statement of Comprehensive Loss . . . . .	15
Statement of Cash Flows . . . . .	16
Statement of Changes in Equity . . . . .	16
Notes to the Financial Statements . . . . .	17
<b>Corporate Directory . . . . .</b>	<b>23</b>

## B.C. Ferry Authority Fiscal 2024/25 Year End Review Report



### A Message from the Chair

In fiscal 2024/2025, the B.C. Ferry Authority focused on deepening engagement with coastal communities and advancing Charting the Course, our joint visioning initiative with the BC Ferry Services Board. Building on the work over the previous years, the Authority continued to strengthen its public-interest oversight role—shifting from a period of renewal to active implementation. Through dialogue with communities and continued collaboration with the BCFS Board, the Authority has continued its focus on the strategic direction of the Ferry Services Corporation to ensure ferry services reflect the evolving needs and priorities of the riding public.

On behalf of the B.C. Ferry Authority Board, I would like to extend my sincere thanks to Directors Jessica Bowering, Andy Ross, and our outgoing Chair David Levi, for their dedicated service and commitment to advancing the work of the Authority. Their leadership was instrumental in laying the foundation for our current direction and helped shape the strategic priorities we continue to build upon today.

One of the most significant outcomes of this past year has been the planning and strategy work that has gone into the Charting the Course vision. This important collaboration between the Boards, which is the

first of its kind within our governance framework, has established a draft set of public interest goals and objectives that will guide the Authority's strategic oversight and ensure that ferry services evolve in a way that aligns with the long-term needs of the public they serve.

In alignment with the vision's goals and objectives, the Authority made a submission to the Commissioner in support of the application for new major vessels. Our submission requested that the commissioner consider the goals and objectives jointly endorsed by both Boards through Charting the Course, in their consideration of the new major vessel application.

Throughout the year, the Authority continued to engage directly with coastal communities. In June 2024, the Authority convened its regular board meeting in Sechelt and used the opportunity to meet with community members to better understand how ferry service can support the Sunshine Coast's long-term vision. The Authority was also honoured to be invited to meet with leaders and community members in Haida Gwaii—the first formal engagement held since the passage of the Province of B.C.'s Haida title legislation. These conversations provided important insight into the unique nature of the northern routes, including seasonal variability and service interconnectivity. We are committed to reflecting those needs in Charting the Course and future strategic planning efforts.

The Authority remains steadfast in its commitment to Truth and Reconciliation and to advancing Call to Action #92. Our February 2025 Board session on Truth and Reconciliation underscored this priority and reaffirmed our responsibility to build respectful and constructive relationships with Indigenous communities. We are committed to sustained engagement and to ensuring that Indigenous perspectives and priorities are reflected in ferry governance.

As we move into the next phase of our work, the Authority will continue to focus on collaboration, transparency, and meaningful public engagement—core principles that will guide our oversight and shape the future priorities of ferry users in British Columbia.

**Peter Lantin**

Chair of the Board of Directors  
B.C. Ferry Authority





Island K'ulut'a

## Context

This report is divided in two parts to provide information on activities in the fiscal year that ended on March 31, 2025, and to meet the requirements in the *Coastal Ferry Act* (the “Act”):

1. Section 1 - Annual Report pursuant to Section 21.01(3) that describes findings made and actions that the Authority Board has taken in carrying out its oversight role.
2. Section 2 - Annual Report pursuant to Section 18(5) that includes other information such as audited financial statements, appointment of directors, any amendments to bylaws, remuneration of directors as well as information regarding meetings held during this fiscal year.

## Overview

The B.C. Ferry Authority (“BCFA” or the “Authority”) is established and governed by the Act. The Authority is a corporation without share capital that owns the single issued voting share of BC Ferry Services Inc. (“BCFS” or the “Company”), the service provider under contract to the Province of British Columbia (the “Province”) responsible for the delivery of coastal ferry services. The Province is the holder of all of the preferred shares of BCFS and has no voting interest in either the Authority or the Company.

The Authority’s responsibilities are set out in the Act. These responsibilities are to appoint the directors of the BCFS Board, to establish compensation plans for the executives and directors of the Company, and to oversee the strategic direction of the Company in support of the public interest, including the public’s interest in safe, reliable and affordable coastal ferry services.

To carry out its responsibilities, the Authority has developed a more robust infrastructure to reflect its independence from and oversight of the Company. These efforts have included hiring staff and continuing to establish governance measures to support the Board’s statutory accountabilities.

## Section 1

### Annual Report on the B.C. Ferry Authority — oversight of the strategic direction of British Columbia Ferry Services Inc. in support of the public interest

#### Introduction

Coastal ferry services are an integral part of our province's infrastructure —facilitating the movement of people, goods, and essential services while serving as a key economic corridor across British Columbia. The B.C. Ferry Authority's role in safeguarding and promoting the public interest is more important than ever, particularly in guiding the long-term vision and strategic direction of the ferry system.

##### **Public interest:**

Matters of public interest are all those policies, plans and actions of BCFS that materially affect BCFS users, ferry-dependent communities and other British Columbians and more specifically all those matters that affect customer service, the environment, the well-being of First Nations and other coastal communities, the economy, the workforce, and the long-term sustainability of the corporation.

#### Purpose

The purpose of this section of the annual report is to set out the actions taken by the directors of the Authority as per section 21.01(3) of the Act.

#### Timeline

This report covers the period April 1, 2024 to March 31, 2025.

## Reporting of Action Under Section 21.01 (3)

### A. Appointment of BCFS directors

Amendments to the Coastal Ferry Act in 2010 gave the Authority the mandate to appoint directors to the BC Ferry Services Board of Directors. In 2024, the Authority conducted a comprehensive assessment process to evaluate the current and future needs of BC Ferries. The assessment included the consideration of re-appointing several directors of the Services Board whose current terms were expiring. As a result, Board members were re-appointed to staggered terms beginning in June 2024. The staggered terms were designed to support effective succession planning and preserve critical skills and experience, while also providing flexibility to respond to emerging priorities. Additionally, one new director was appointed to the BC Ferry Services Board in 2024, following the conclusion of a sitting director's maximum allowable term.

### B. Visioning and strategic planning

The Charting the Course Vision, a comprehensive strategic plan to help guide the long-term direction for the coastal ferries network entered its final stages, with both boards passing resolutions endorsing key policies and strategies as the policy foundation for developing the long-term vision and implementation priorities. With this endorsement, the final stages of the Vision could be completed, and a full report is expected to be released in the fall of 2025.

### C. BCFS executive compensation plan

Building on the foundation of the revised Executive Compensation Plan developed in 2022, the Authority's focus this year has been on monitoring the Plan to ensure continued alignment with public sector compensation practices. The Authority remains committed to ensuring the plan reflects fairness, transparency, and competitiveness within the broader public service.

### D. BCFS performance term

The Commissioner reviewed the submissions made by BC Ferry Services Inc. under section 55 of the Coastal Ferry Act for approval of the New Major Vessel program, ultimately approving the procurement of four new vessels. The B.C. Ferry Authority wrote to the Commissioner in support of the application. The Authority asked that the Commissioner consider the draft goals and objectives jointly endorsed by both Boards through Charting the Course.

# Section 2

## Annual Report of B.C. Ferry Authority activities

### Introduction

Section 18(5) of the Act requires the Authority to report on the following activities each year:

- the appointment of BCFS directors;
- the approval of compensation plans for BCFS directors and executives;
- the appointment of Authority directors;
- amendments to the Authority’s bylaws;
- Authority Board meetings;
- remuneration of BCFS and BCFA directors; and
- the independent auditor’s report and audited financial statements.

### Purpose

The purpose of this report is to meet the statutory reporting requirements of Section 18(5) of the Act.

### Timelines

The timeline for this report is April 1, 2024 to March 31, 2025.

### Reporting of activities

#### A. Appointment of BCFS Directors

In accordance with the Act, the Authority makes and renews appointments to the BCFS Board of Directors that ensure as a group, candidates are qualified and hold the skills and experience necessary to oversee the operation of ferry services in an efficient and cost-effective manner.

The Authority continues to hold the view that a diverse board makes for good corporate governance and will continue to refine its director recruitment, appointment and assessment processes to ensure that engaged and experienced individuals are chosen to oversee BCFS operations.

The directors of BCFS in fiscal year 2024/2025 (as of March 31, 2025) are listed in Table 1.

**Table 1**  
British Columbia Ferry Services Inc. Board of Directors

Director	Term Ending
Joy MacPhail, O.B.C. (Chair)	2026
Shona Moore (Vice Chair)	2025
Dennis Blatchford	2026
Harold Calla	2027
Charlene Hiller	2027
Catherine McLay	2028
Eric Denhoff	2026
Lecia Stewart	2027
Tamim Raad	2028

Directors Joy MacPhail, Eric Denhoff, Tamim Raad, Cathy McLay, Harold Calla, Dennis Blatchford and Charlene Hiller were re-appointed for staggered terms in fiscal 2024/2025 and Lecia Stewart was appointed in June 2024, following the conclusion of Sarah Morgan-Silvester’s maximum allowable term. The term of Shona Moore remained unchanged.

Joy MacPhail was first elected as the Chair of the BCFS Board of Directors on June 29, 2022 and remained in this position in the 2024/25 fiscal year. Eric Denhoff stepped down as Vice Chair in the 2024/2025 fiscal year and Shona Moore was elected effectively on January 15, 2025. The election of BCFS officers is the exclusive domain of the BCFS Board of Directors, with the Authority having no role in those elections.



## B. Compensation plans

As required by the Act, the Authority has approved compensation plans for BCFS directors and executives. The current plans are available for public view on the Authority's website: [www.bcferryauthority.com](http://www.bcferryauthority.com)

### Directors' Compensation Plan

The compensation plan for BCFS Directors has remained unchanged since 2010. The current rates were established with the assistance of an independent third-party compensation expert and in accordance with the Act, which mandates that directors' remuneration must be consistent with that of Canadian organizations of similar size and scope to BCFS. Additionally, the remuneration must not exceed what provincial public sector organizations in British Columbia provide to their directors.

Under the directors' compensation plan approved by the Authority, BCFS provides the following remuneration to its directors:

<b>Annual Retainers</b>	
Board Chair Retainer	\$100,000
Board Member Retainers:	
Base Retainer (all directors excluding Board Chair)	\$25,000
Vice Chair Retainer	\$8,000
A&F Committee Chair Retainer	\$8,000
Other Committee Chair Retainer	\$5,000
Committee Member Retainer (excluding Committee Chair)	\$3,000
<b>Per Diem Fees</b>	
Board Member Fees (all directors excluding Board Chair)	Up to \$1,200 per day

### Ferry Travel Pass

Ferry Pass for directors and eligible members of their respective immediate families, for complimentary vehicle and personal travel on BC Ferry Services' vessels.

### Executive Compensation Plan

An executive compensation plan applies to the executives of the Company, as that term is defined in the Act who, in fiscal year 2024/2025, were the individuals holding the positions of or acting in a similar capacity or performing similar functions to the CEO, Executive Vice President ("EVP"), or Vice President.

As noted in Section 1 of this Report, an updated BCFS Executive Compensation Plan was approved by the Authority Board in December 2022 and is posted on its website.

## C. Appointment of BCFA directors

The composition of the Authority board is set out in the Act and, in fiscal year 2024/2025, the Board was comprised of four directors appointed by the Province, four directors nominated from coastal regional districts (as prescribed in the Designated Appointment Areas Regulation), and one director nominated by the BC Ferry & Marine Workers' Union, the trade union representing the BCFS employees.

The directors of the Authority in fiscal year 2024/2025 are listed in Table 2. In selecting individuals to serve as directors, two primary objectives guide the Board. The first objective is to ensure that the composition continues to meet the requirements of the Act, and the second is to ensure that, collectively, qualified individuals with the skills and experience necessary to ensure the sound performance of the Authority in meeting its statutory mandate are selected. The skills and experience profile is included as Schedule "A" to the general bylaws of the Authority which are posted on the Authority's website.

The Authority believes that a diverse board strengthens decision-making and enhances overall board governance. In addition to ensuring an optimal mix of skills and experience, the Authority also seeks to maintain and/or enhance the diversity of background among its members.

There were changes to the composition of the Authority Board in fiscal year 2024/2025. Two Coastal Regional District appointments expired during 2024/25 and Gary Coons was re-appointed from the Northern Coastal and North Vancouver Island appointment area while Claire Trevena was appointed from the Central Vancouver Island and Northern Georgia Strait appointment area.

**Table 2**

B.C. Ferry Authority Board of Directors (as of March 31, 2025)

Director		Term Ending March 31
David Levi, Chair	Province of British Columbia	2025
Peter Lantin, Vice Chair	Province of British Columbia	2026
Jessica Bowering	Province of British Columbia	2025
Gary Coons	Northern Coastal and North Vancouver Island Appointment Area	2027
Marlene Kowalski	Southern Vancouver Island Appointment Area	2026
Rebecca Maurer	Province of British Columbia	2025
Andrew Ross	BC Ferry and Marine Workers Union	2025
Claire Trevena	Central Vancouver Island and Northern Georgia Strait Appointment Area	2027
William (Bill) Dingwall	Southern Mainland Appointment Area	2026

**D. Public interest and strategic direction**

In 2024/2025, the B.C. Ferry Authority deepened its commitment to public interest and engagement through community visits to the Sunshine Coast and Haida Gwaii, gaining insights into local ferry service needs. The Authority also advanced Charting the Course, a joint initiative with BC Ferry Services Inc., to establish long-term public interest goals for ferry service delivery. Ongoing engagement with Indigenous communities, including a dedicated Board session on Truth and Reconciliation, reinforced the Authority's commitment to respectful relationships and to advancing Call to Action #92.

**E. BCFA general bylaws**

The general bylaws of the Authority are available for public view on the Authority's website. No changes or updates were made to the bylaws in fiscal year 2024/2025.

**F. BCFA board meetings**

In the fiscal year 2024/2025, the Board met on 9 occasions, including the annual general meeting of the Authority held in accordance with the Act on August 15th 2024. A summary of the outcomes of the meetings of the Board is provided in Table 3.

**Table 3**

Summary of Meeting Outcomes Year ended March 31, 2025

Date	Type	Outcome
May 07, 2024	Board of Directors	<ul style="list-style-type: none"> <li>The BCFS CEO provided a verbal report on BCFS Operations.</li> <li>Updates were provided on the upcoming joint board workshop and phase two engagement of the Charting the Course project.</li> <li>The Chair reviewed the new composition of BCFA committees and appointment of Peter Lantin as Vice-Chair.</li> <li>The Chair provided an update on BCFS re-appointments and the renewal of mandate letters to all BCFS directors.</li> <li>The Chair provided an update to the board on the recent BC Ferries announcement on the return to engagement plans for FACs.</li> </ul>
June 25, 2024	Board of Directors	<ul style="list-style-type: none"> <li>Fiscal 2023/2024 audited BCFS financial statements approved.</li> <li>Corporate Secretary authorized to execute the shareholder's unanimous consent resolutions pertaining to matters respecting the business required to be transacted at the 2024 annual general meeting of BCFS.</li> <li>An update from BCFS Board Chair was received for information.</li> <li>The BCFS CEO provided a verbal report on BCFS Operations.</li> <li>Fiscal 2023/2024 report from the BCFS CFO was received for information.</li> <li>The Chair provided an update on the joint BCFA/BCFS meeting with the Haida Protocol Table.</li> </ul>

<sup>1</sup> <https://www.bcferryauthority.com/wp-content/uploads/2021/04/BCFA-General-By-Laws-January-2020.pdf>



August 14, 2024	Board of Directors	<ul style="list-style-type: none"> <li>Annual disclosure forms were completed by directors and submitted to the corporate secretary.</li> <li>Director Rebecca Maurer was appointed to the Board for a term commencing July 15th, 2024 and ending March 31st, 2025.</li> <li>Reports from the JPC Co-Chair, Governance &amp; Nominating Committee, Audit &amp; Finance committee, PT6 Committee and Executive Compensation Committee were received for information.</li> <li>Resolution approved for the request from BC Ferry Services to increase the BCFS Inc Executive Compensation plan's salary ranges by the PSEC approved 3%.</li> <li>Resolution declining request from BC Ferry Services to enable annual increases as per PSEC guidelines without requiring formal approval from the Authority.</li> <li>Resolution approved to adopt proposed amendments to the BCFA Board calendar.</li> <li>The BCFS CEO provided a verbal report on BCFS Operations.</li> <li>A report from the BCFS CFO was received for information.</li> </ul>
August 15, 2024	Annual General Meeting	<i>Annual General Meeting open to the public held in New Westminster, BC.</i>
September 20, 2024	Board of Directors	<ul style="list-style-type: none"> <li>The BCFS CEO provided a verbal report on BCFS operations.</li> <li>Q1 report from the BCFS CFO was received for information.</li> <li>Report from the PT6 Oversight Committee was received for information.</li> </ul>
November 1, 2024	Board of Directors	<ul style="list-style-type: none"> <li>The Chair updated the board on the provincial election outcome.</li> <li>Updates were provided on the BCFS capital plan and BCFS plan for new public engagement.</li> <li>The board discussed opportunities for truth and reconciliation education.</li> </ul>
December 3, 2024	Board of Directors	<ul style="list-style-type: none"> <li>The BCFS CEO provided a verbal report on BCFS operations.</li> <li>Q2 report from the BCFS CFO was received for information.</li> <li>The fiscal year 2024/25 operating budget for the Authority was approved.</li> <li>Reports from the Governance &amp; Nominating Committee, Audit &amp; Finance committee, PT6 Committee, JPC Co-Chair and Executive Compensation Committee were received for information.</li> <li>Resolution approved to adopt proposed amendments to terms of reference to committees, officers and board guidelines.</li> <li>Resolution approved to endorse the future scenarios, key policies, and strategies as the policy foundation for the Charting the Course vision document.</li> </ul>
February 11, 2025	Board of Directors	<ul style="list-style-type: none"> <li>The BCFA Board participated in the first of two Truth &amp; Reconciliation sessions, facilitated by Chastity Davis Alphonse.</li> </ul>
March 4, 2025	Board of Directors	<ul style="list-style-type: none"> <li>The BCFS CEO provided a verbal report on BCFS operations.</li> <li>Q3 report from the BCFS CFO was received for information.</li> <li>The KPMG BCFA audit engagement letter, audit plan and the BCFS audit planning report were received and approved.</li> <li>Peter Lantin was elected Chair of the BCFA Board.</li> <li>Resolution approved to elect Laird Cronk to the BCFA Board for a term commencing April 1st, 2025 and ending March 31st, 2028.</li> <li>Resolution approved to adopt amendments to BCFA expense policy to continue to align with public sector policy and prioritize cost-effective and efficient travel options.</li> <li>The board discussed goal setting and governance improvements, emphasizing the importance Charting the Course plays as the foundation for defining public interest and refining governance processes.</li> <li>The board thanked outgoing Directors Levi, Ross, and Bowering for their dedicated service.</li> </ul>

Meeting attendance for Board members is an important issue and one that the Authority monitors on a regular basis. In fiscal year 2024/2025, meeting attendance by Board members was 94 percent.

### G. Remuneration of BCFA directors

An outline of the current remuneration framework for directors of the Authority is provided in Table 4. The framework, which was set by the board effective October 1, 2010, is regularly reviewed and has remained unchanged since that date. The amount each director received for remuneration and expenses in the fiscal year 2024/2025 is set out in Table 5.

**Table 4**

B.C. Ferry Authority Director Remuneration Framework as of March 31, 2025

<b>Annual Retainers</b>	
Board Chair Retainer	\$25,000
Vice Chair Retainer	\$8,000
Board Member Retainers:	
Base Retainer (all directors excluding board Chair)	\$6,250
Committee Chair Retainer	\$2,000
Committee Member Retainer	\$750
<b>Per Diem Fees<sup>1</sup></b>	Up to \$1,200 per day
Board Member Fees	
<b>Ferry Travel Pass</b>	
Ferry Pass for directors and eligible members of their respective immediate families, for complimentary vehicle and personal travel on BC Ferry Services' vessels.	

Notes:

1. Directors are also eligible for reimbursement of reasonable expenses incurred on board-related business.

**Table 5**

B.C. Ferry Authority Director Remuneration and Expenses April 1, 2024 - March 31, 2025

Director	Remuneration <sup>1</sup> (\$)	Expenses Reimbursed (\$)
David Levi, Chair	\$48,704	\$2,001
Peter Lantin, Vice-Chair	\$39,513	\$1,650
Jessica Bowering	\$19,871	\$263
Gary Coons	\$29,993	\$4,527
William Dingwall	\$21,744	\$894
Marlene Kowalski	\$22,388	\$1,585
Andrew Ross	\$22,401	\$727
Claire Trevena	\$21,866	\$1,483
Rebecca Maurer	\$13,553	\$150
Lecia Stewart <sup>2</sup>	\$7,379	\$507

Notes:

1. Remuneration includes retainers, per diem/meeting fees and taxable income from the ferry travel pass program.
2. Lecia Stewart resigned from the BCFA Board effective June 25, 2024.

### H. Remuneration of BCFA Board Directors

The amount each BCFS director received for remuneration and expenses in the fiscal year 2024/2025 is set out in Table 6.

**Table 6**

B.C. Ferry Services Board Director Remuneration and Expenses April 1, 2024 - March 31, 2025

Director	Remuneration <sup>1</sup> (\$)	Expenses Reimbursed (\$)
Joy MacPhail, Chair	\$100,000	Nil
Shona Moore, Vice-Chair	\$54,636	Nil
Eric Denhoff	\$53,710	Nil
Harold Calla	\$49,600	Nil
Cathy McLay	\$52,800	\$978
Dennis Blatchford	\$48,600	Nil
Tamim Raad	\$56,568	\$167
Charlene Hiller	\$51,060	Nil
Lecia Stewart <sup>2</sup>	\$38,440	\$155
Sarah Morgan-Silvester	\$12,526	\$199

Notes:

1. Remuneration includes retainers, per diem/meeting fees and taxable income from the ferry travel pass program.
2. Lecia Stewart was appointed as a director to the BCFS Board effective June 26, 2024.



# Independent Auditor's Report

To the Board of Directors of B.C. Ferry Authority

## Opinion

We have audited the financial statements of B.C. Ferry Authority ("the Entity"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of comprehensive loss for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity 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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



Chartered Professional Accountants  
Victoria, Canada  
June 25, 2025



# Financial Statements

## Statement of financial position

(Expressed in thousands of Canadian dollars)

	As at	
	March 31, 2025	March 31, 2024
		(As adjusted - Note 1(b))
<b>Assets</b>		
Investment in British Columbia Ferry Services Inc.	552,323	634,161
<b>Total assets</b>	<b>552,323</b>	<b>634,161</b>
<b>Equity</b>		
Invested in common share of British Columbia Ferry Services Inc.	1	1
Contributed surplus of British Columbia Ferry Services Inc.	25,000	25,000
Accumulated undistributed earnings of British Columbia Ferry Services Inc.	527,322	609,160
<b>Total equity</b>	<b>552,323</b>	<b>634,161</b>

## Statement of comprehensive loss

(Expressed in thousands of Canadian dollars)

		Years ended March 31	
	Note	2025	2024
<b>Loss</b>			
Share in loss of British Columbia Ferry Services Inc.	3	(81,838)	(43,693)
<b>Total loss</b>		<b>(81,838)</b>	<b>(43,693)</b>
<b>Expenses</b>			
Administration	4	1,067	1,056
Recovery from British Columbia Ferry Services Inc.		(1,067)	(1,056)
<b>Total expenses</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(88,838)</b>	<b>(43,693)</b>

The accompanying notes are an integral part of these Financial Statements.

## Statement of cash flows

(Expressed in thousands of Canadian dollars)

	Note	Years ended March 31	
		2025	2024
			(As adjusted - Note 1(b))
<b>Cash flows from operating activities</b>			
Net loss		(81,838)	(43,693)
Items not affecting cash:			
Share in loss of British Columbia Ferry Services Inc.	3	81,838	43,693
<b>Net change in cash</b>		-	-

## Statement of changes in equity

(Expressed in thousands of Canadian dollars)

	Note	Invested in BCFS	Contributed surplus of BCFS	Accumulated undistributed earnings (loss) of BCFS	Total equity
Balance as at March 31, 2023	1(b)	1	25,000	652,853	677,854
Total comprehensive loss		-	-	(43,693)	(43,693)
Balance as at March 31, 2024		1	25,000	609,160	634,161
Total comprehensive loss		-	-	(81,838)	(81,838)
<b>Balance as at March 31, 2025</b>		<b>1</b>	<b>25,000</b>	<b>527,322</b>	<b>552,323</b>

Accumulated undistributed earnings as at March 31, 2023 and Total Comprehensive Loss for the year ended March 31, 2024 have been adjusted (Note 1(b)).

# Notes to the Financial Statements

**Year ended March 31, 2025**

(Tabular amounts expressed in thousands of Canadian dollars)

B.C. Ferry Authority (the “Authority”) was established by the Coastal Ferry Act (British Columbia) (the “Act”) on April 1, 2003, as a corporation without share capital. The Act specifies that the Authority is governed by a board of nine directors. The directors of the Authority appoint replacements for outgoing directors for five of the positions as follows:

- Four directors are appointed from nominees provided by each of the four designated appointment areas, which consist of coastal regional districts prescribed by the Lieutenant Governor in Council. One director is appointed from the nominees of each appointment area, with all nominees being qualified Authority candidates, as defined in the Act.
- One director is appointed from nominees provided by the trade union representing employees of British Columbia Ferry Services Inc. (“BCFS”), with nominees again being qualified Authority candidates.

The remaining four directors are appointed directly by the Lieutenant Governor in Council from qualified Authority candidates.

The Authority’s primary purposes are set out in the Act and includes holding the single-issued common voting share of BCFS, a company incorporated under the *Company Act* (British Columbia) by way of conversion on April 2, 2003 and which now validly exists under the *Business Corporations Act* (British Columbia), to appoint the directors of BCFS, to establish a compensation plan for the directors of BCFS, to approve an executive compensation plan for the executives of

BCFS and to oversee the strategic direction of BCFS in support of the public interest. BCFS’ primary business is the provision of coastal ferry services in British Columbia. The Province of British Columbia (the “Province”) contributed the initial capital to the Authority to fund the purchase of the BCFS common share. The Act provides that upon a sale of the common share of BCFS held by the Authority, the Authority shall repay the Province its initial contribution and be dissolved. The Act also provides that upon dissolution of the Authority, all remaining assets of the Authority, if any, vest with the Province. As part of their annual report to the Lieutenant Governor in Council, the British Columbia Ferries Commissioner is required by the Act to issue an opinion on the performance of the Authority in carrying out its legislated responsibilities.

Historically, BCFS’ business is seasonal in nature, with the highest activity in the summer (second quarter) and the lowest activity in the winter (fourth quarter), due to the high number of leisure travellers and their preference for travel during the summer months.

## 1. Material accounting policies

### A. Basis of preparation:

The Authority is a corporation domiciled in Canada. The address of the Authority’s registered office is Suite 200, 535 Yates Street, Victoria, BC.

These financial statements represent the annual statements of the Authority prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standard Board (“IASB”). The Authority has provided comparative financial information and applied the same accounting policies throughout all periods presented unless otherwise indicated.

These financial statements are prepared in accordance with IAS 27, *Separate Financial Statements* and therefore do not consolidate the results of the Authority’s wholly-owned subsidiary, BCFS. The Authority has elected to account for its investment in BCFS using the equity method. Under the equity method, the original cost of the investment is adjusted for the Authority’s share of post-acquisition earnings or losses, dividends and any other post-acquisition changes in the equity of BCFS.

These financial statements have been prepared using the historical cost method except that changes in the investment in BCFS may include fair value movements in owned land and certain financial assets and liabilities, including derivatives.

These financial statements are presented in Canadian dollars (“CAD”) which is the Authority’s functional currency. All tabular financial data is presented in CAD and rounded to the nearest thousand, unless otherwise stated.

These financial statements were approved by the Board of Directors on June 25, 2025.



## B. Adjustments of balances:

During the year ended March 31, 2025, BCFS identified that at the inception of an office building lease in 2010 an option to purchase was incorrectly included in the value of the right of use property, plant and equipment and the right of use lease liability, instead of included in the value of the loan receivable. BCFS identified that the loan receivable was valued incorrectly at amortized cost instead of fair value through profit or loss. Both BCFS and the Authority have concluded that the impact of this change is immaterial; however, have adjusted for the cumulative effect and adjusted the carrying amounts

of assets, liabilities, retained earnings, net earnings and reserves. The affected notes to these consolidated financial statements have been amended to reflect these changes. The following table summarizes the impacts on the Authority's financial statements, reflecting the adjustment to BCFS' consolidated financial statements. The impact of this adjustment on the March 31, 2023 statement of financial position is consistent with the adjustment to the March 31, 2024 statement of financial position.

	Balance as previously reported	Adjustment	Balance as adjusted
<b>Statement of Financial Position as at March 31, 2024</b>			
Investment in British Columbia Ferry Services Inc.	639,764	(5,603)	634,161
Accumulated undistributed earnings of British Columbia Ferry Services Inc.	614,763	(5,603)	609,160
<b>Statement of Changes in Equity as at March 31, 2023</b>			
Accumulated	659,378	(6,525)	652,853

### Year ended March 31, 2024

	Balance as previously reported	Adjustment	Balance as adjusted
<b>Statement of Comprehensive Loss</b>			
Share in loss of British Columbia Ferry Services Inc.	(44,615)	922	(43,693)
Total comprehensive loss	(44,615)	922	(43,693)

### Year ended March 31, 2024

	Balance as previously reported	Adjustment	Balance as adjusted
<b>Statement of Cash Flows</b>			
Net loss	(44,615)	922	(43,693)
Items not affecting cash:			
Share in loss of British Columbia Ferry Services Inc.	44,615	(922)	43,693

### C. Estimates and judgements:

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting methods and the amounts recognized in the financial statements. These estimates and the underlying assumptions are established and reviewed continuously on the basis of past experience and other factors considered reasonable in the circumstances. They therefore serve as the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates.

### D. Taxes:

The Authority is a "Tax Exempt Corporation" as described in the Income Tax Act (Canada) and as such is exempt from federal and provincial income taxes.

## 2. Adoption of new and amended standards

The Authority adopted amendments to IAS 1, Presentation of Financial Statements regarding the classification of liabilities as current or non-current, an amendment to IFRS 16, Leases regarding sale-and-leaseback transactions and IAS 7, Statement of Cash Flows regarding supplier finance arrangements. These amendments had no impact on the Authority's financial statements.

## 3. Share in loss of BCFS

The distributable earnings of BCFS consist of the current period total comprehensive loss, less amounts reclassified from equity and any dividends paid in the current period and less a reserve for undeclared preferred share dividends, if any.

	Years ended March 31	
	2025	2024
<b>Net loss of BCFS</b>	(71,728)	(30,463)
<b>Other comprehensive income (loss) of BCFS:</b>		
Items that are or may be reclassified subsequently to net loss:		
Hedge gains on fuel swaps	3,546	7,215
Items not be reclassified to net loss:		
Net (losses) gains on revaluation of land	(5,658)	14,076
Actuarial losses on post-employment benefit obligations	(465)	(2,993)
<b>Total other comprehensive (loss) income of BCFS</b>	<b>(2,577)</b>	<b>18,298</b>
<b>Total comprehensive loss of BCFS</b>	<b>(74,305)</b>	<b>(12,165)</b>
<b>Items reclassified from equity and dividends of BCFS:</b>		
Net realized hedging gains recognized on fuel swaps	(1,742)	(25,737)
Hedge losses on interest rate forward contracts reclassified to net loss	247	247
Dividends paid on 8% cumulative preferred shares	(6,038)	(6,038)
<b>Share in loss of BCFS</b>	<b>(81,838)</b>	<b>(43,693)</b>

#### 4. Recovery from BCFS

In accordance with the Act, BCFS is responsible for paying any expenses that are incurred by the Authority.

#### 5. Subsidiary supplemental information

The consolidated financial position and operating results for BCFS and its wholly-owned subsidiary are summarized below:

		As at	
	Note	March 31, 2025	March 31, 2024
Assets:			
Current			
Cash and cash equivalents		204,678	31,906
Other current assets		270,651	536,584
Current assets		475,329	568,490
Non-current assets		2,070,623	2,030,633
<b>Total assets</b>		<b>2,545,952</b>	<b>2,599,123</b>
Liabilities:			
Current liabilities		341,546	314,196
Long-term debt and other non-current liabilities		1,576,606	1,575,289
<b>Total liabilities</b>		<b>1,918,152</b>	<b>1,889,485</b>
Equity:			
Share capital	5(a)	75,478	75,478
Contributed surplus		25,000	25,000
Retained earnings		473,699	551,465
Equity before reserves		574,177	651,943
Reserves	5(b)	53,623	57,695
<b>Total equity including reserves</b>		<b>627,800</b>	<b>709,638</b>
<b>Total liabilities and equity</b>		<b>2,545,952</b>	<b>2,599,123</b>



## 5. Subsidiary supplemental information (continued):

	Years ended March 31	
	2025	2024
<b>Total revenue</b>	<b>1,171,440</b>	<b>1,110,901</b>
<b>Expenses</b>		
Other operating expenses	981,354	901,122
Depreciation and amortization	202,468	187,071
<b>Total operating expenses</b>	<b>1,183,822</b>	<b>1,088,193</b>
<b>Operating (loss) profit</b>	<b>(12,382)</b>	<b>22,708</b>
<b>Net finance and other expenses</b>		
Finance expenses	70,897	67,616
Finance income	(24,082)	(29,537)
Net loss on disposal and impairment of property, plant and equipment, and intangible assets and other charges	12,531	15,092
<b>Net finance and other expenses</b>	<b>59,346</b>	<b>53,171</b>
<b>NET LOSS</b>	<b>(71,728)</b>	<b>(30,463)</b>
Items that are or may be reclassified subsequently to net loss:		
Hedge gains on fuel swaps	3,546	7,215
Items that will not be reclassified to net loss:		
(Losses) gains on revaluation of land	(5,658)	14,076
Actuarial losses on post-employment benefit obligations	(465)	(2,993)
<b>Total other comprehensive (loss) income</b>	<b>(2,577)</b>	<b>18,298</b>
<b>Total comprehensive loss</b>	<b>(73,305)</b>	<b>(12,165)</b>

### A. The share capital of BCFS consists of:

#### (i) – Authorized:

- 1,000,000 Class A voting common shares, without par value
- 1 Class B voting common share, without par value
- 80,000 Class C non-voting, 8% cumulative preferred shares, with a par value of \$1,000 per share, convertible to Class A shares upon the sale of the outstanding Class B share by the initial shareholder. Special rights attached to the Class C shares restrict the BCFS' ability to issue shares and to declare dividends.

(ii) — Issued and outstanding:

As at March 31				
2025		2024		
	Number of shares	Amount \$	Number of shares	Amount \$
Class B, common	1	1	1	1
Class C, preferred	75,477	75,477	75,477	75,477
		75,478		75,478

The outstanding Class B common share is held by the Authority, and the Class C preferred shares are held by the Province.

(iii) — Dividends:

Dividends on the Class C cumulative preferred shares, if declared, are payable annually on March 31 of each year. All dividend entitlements to date have been paid.

B. Continuity of reserves:

	Land revaluation reserves	Employee future benefit revaluation reserves	Fuel swap reserves	Interest rate forward contract reserves	Total
<b>Balance as at April 1, 2023</b>	<b>57,761</b>	<b>(6,811)</b>	<b>19,159</b>	<b>(5,222)</b>	<b>64,887</b>
Land revaluation	14,076	-	-	-	14,076
Actuarial gains on post-employment benefit obligations	-	(2,993)	-	-	(2,993)
Derivatives designated as cash flow hedges:					
Net change in fair value	-	-	7,215	-	7,215
Realized gains	-	-	(25,737)	-	(25,737)
Amortization of hedge losses	-	-	-	247	247
<b>Balance as at March 31, 2024</b>	<b>71,837</b>	<b>(9,804)</b>	<b>637</b>	<b>(4,975)</b>	<b>57,695</b>
Land revaluation	(5,658)	-	-	-	(5,658)
Actuarial losses on post-employment benefit obligations	-	(465)	-	-	(465)
Derivatives designated as cash flow hedges:					
Net change in fair value	-	-	3,546	-	3,546
Realized gains	-	-	(1,742)	-	(1,742)
Amortization of hedge losses	-	-	-	247	247
<b>Balance as at March 31, 2025</b>	<b>66,179</b>	<b>(10,269)</b>	<b>2,441</b>	<b>(4,728)</b>	<b>53,623</b>

## 6. Related party transactions

The compensation of directors and executive officers of the Authority and BCFS during the year is as follows:

	Years ended March 31	
	2025	2024
Short-term benefits	1,597	2,388
Post-employment benefits	81	133
Termination benefits	-	-
<b>Total</b>	<b>1,678</b>	<b>2,521</b>

## B.C. Ferry Authority

### **Board of Directors**

(as of March 31, 2025)

**David Levi, Chair**

**Peter Lantin, Vice-Chair**

**Jessica Bowering**

**Gary Coons**

**Rebecca Maurer**

**Marlene Kowalski**

**Andrew Ross**

**William (Bill) Dingwall**

**Claire Trevena**

### **Officers**

(as of March 31, 2025)

**William Beale**

Executive Director

**Amber Nash**

Corporate Secretary



