

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: NOVEMBER 23, 2011

SUBJECT: CHIEF GENERAL MANAGER'S REPORT
PERIOD 9
AUGUST 28 to OCTOBER 1, 2011

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission forward a copy of this report to (1) each City of Toronto Councillor and (2) the City Deputy Manager and Chief Financial Officer, for information, noting that the detailed CGM's Report is available upon request from the Office of the General Secretary of the Commission.

DISCUSSION

The purpose of the Chief General Manager's (CGM's) Report is to provide the Commission with information about the activities of the Toronto Transit Commission over the course of the year. Over the course of this year, this report will also include a summary of unbudgeted expenses as they are approved by the Commission.

RIDERSHIP RESULTS

Ridership to the end of Period 9 (October 1) was 8,675,000 (2.4%) above budget and 17,971,000 (+5.1%) above the comparable period in 2010. This improvement over the 2010 ridership results is likely due to a number of factors including the continued uncertainty about the economy, rising gasoline prices and the ongoing intensification of condominium construction in the downtown area.

Passenger revenue was \$12.0 million above budget for the year to date and the average fare is tracking marginally below budget (approx. -1.3¢ or -0.7%). Staff continue to closely monitor the average fare because a variance as small as one cent could impact overall revenues by almost \$5 million over the course of a year.

FINANCIAL RESULTS

2011 TTC OPERATING BUDGET

Appendix A represents the TTC's Income Statement and provides information on Revenues, Expenses and Subsidies.

The following table provides a summary of year-end projections for ridership, expenses, revenues and subsidy requirements.

(Millions)	2011		
	PROJECTION	BUDGET	CHANGE
RIDERSHIP	497	487	10
EXPENSES	\$1,445.8	\$1,435.9	\$ 9.9
REVENUES	(\$1,020.2)	(\$1,006.8)	\$13.4
SUBSIDY REQUIRED	\$425.6	\$429.1	(\$3.5)
SUBSIDY AVAILABLE	\$429.1	\$429.1	-
SURPLUS	\$3.5	-	\$3.5

The \$3.5 million projected surplus reflects the following significant budget variances.

- **Passenger Revenues: \$14.7 million increase.** This favourable variance reflects 10 million additional rides in the projected ridership level of 497 million (compared to the budget of 487 million) partially offset by the aforementioned lower average fare.
- **Corporate Restructuring: \$10 million increase.** Pursuant to the corporate restructuring and staff reductions incorporated into the 2012 TTC Operating Budget presented to the Commission on September 16, 2011, preliminary estimates for severance costs associated with both the voluntary and involuntary separations is in the order of \$10 million. This estimate will be refined as this process continues.
- **Transfer of TTC Property at Yonge/York Mills: \$7.2 million increase.** In the absence of any compensating additional subsidy, the planned transfer of this property to Build Toronto at no cost will necessitate the recording of an expense (i.e. loss) equivalent to the accounting value of this property.
- **Depreciation: \$6.9 million decrease.** Lower capital expenditures than originally planned for this year as well as a reassessment of IT project expenditures previously

capitalized have led to a reduction in depreciation charges.

- **Accident Claims: \$5 million increase.** Based on a recent actuarial valuation utilizing case reserve and payment data to September, 2011, projected 2011 cash payments for accident claims are expected to exceed budget.
- **Workforce Gapping Savings: \$5.6 million decrease.** As part of the Commission's cost containment measures, the intentional non-filling of workforce positions which were or became vacant during the year is expected to generate savings in the order of \$4.6 million by year-end.
- **Advertising Revenues: \$2.8 million decrease.** The current projection is that lower than anticipated advertising sales activity will yield a reduced revenue stream.
- **Other Income: \$1.3 million increase.** Liquidated damages assessed on a recent bus order, the recovery of previously paid Provincial retail sales tax on internal use of telecommunication equipment and higher interest earnings on banked funds account for this favourable variance.

CUSTOMER SATISFACTION

Customer complaints continued to be worse than the same period in previous years both in terms of customers / complaint. Conversely customers / compliment were better. Some of this is due to changes made in the TTC Customer Service Centre (reallocating resources to complaints / compliments from information) so the CSC took more calls and had considerably fewer abandoned calls.

Surface and Subway Delays were two of the bigger issues in Period 9. Surface Delay complaints increased by 21% year over year (1,098 vs. 907). The key problem area was in the north-west corridor due to construction of the Spadina Subway extension. The most seriously impacted routes were the 196 York University Rocket with 35 complaints and the 36 Finch West with 37. Typically, the highest complaint route for a month draws about 20 complaints a period so people were (and continue to be) upset by the delay.

While the absolute number of complaints for Subway Delays were not as high as those related to Surface Delays (145 vs. 88 year over year), it was the category with the sharpest increase percentage wise (65%). Of the 76 Bloor-Danforth line complaints, about half were to do with slow service between Warden and Kennedy due to expired ballast. This issue should be remedied by the end of November. On the Y-U-S line, there were 69 complaints which were spread fairly evenly throughout the period with the exception of September 22 and 28, which saw 10 complaints registered on each date. On September

22, the complaints were about a 60-minute delay due to a bomb threat at King Station and on September 28, the delay due to a smoking car at St. Andrew Station drew adverse reaction.

Progress continued to be made on a Customer Scorecard (and thus customer charter) and the associated work to define appropriate Key Performance Indicators will be reported in early 2012. A protocol for the expansion of the TTC Request Stop Program has been agreed with METRAC and should also be in place early in 2012. Customers continue to apply to be part of the TTC's "Customer Liaison Panel" with more than 100 applications received to the beginning of November and more than three weeks still to apply.

2011 TTC CAPITAL PROGRAM BUDGET

Appendix B contains a table that shows actual 2011 expenditures based on results available to Period 9 and year-end projections for the TTC's capital projects. City Council approved an overall budget of \$870.4 million for the base capital program on February 23, 2011. Current projected 2011 expenditures for the base program are \$751.3 million, representing an under expenditure of \$119.1 million. A carry forward adjustment of \$43.9 million was approved by the City Council in July 2011 to address those contract delay impacts from 2010 that resulted in the deferral of approved expenditures to 2011. The result is a projected net 2011 under expenditures of \$163.0 million for the base capital program as shown in the following table.

(Millions)	2011		
	ACTUAL	BUDGET	VARIANCE
APPROVED BASE PROGRAM	\$751.3	\$870.4	(\$119.1)
CITY CARRY FORWARD APPROVED		43.9	(43.9)
TOTAL	\$751.3	\$914.3	(\$163.0)

The under expenditure on the base program of \$163.0 million includes the following major program variances: Surface Track 2011 Tangent / Special Projects deferral, ATC Resignalling contracts slippage, and slippage of LRT Replacement Maintenance & Storage Facility and delivery of Wheel Trans buses due to manufacturing changes. In addition, the City carry forward has a further favorable variance impact of \$43.9 million.

An under expenditure of \$190.4 million is projected on the Toronto York Spadina Subway Extension project primarily related to delays in tunnel and early construction work.

Costs incurred for Transit Expansion/Metrolinx Eglinton-Scarborough Crosstown project are

recoverable through Metrolinx and are not tracked against budget.

2011 WHEEL-TRANS OPERATING BUDGET

Appendix C shows the Wheel-Trans Income Statement and reflects the \$91 million subsidy level approved by City Council. The current year-end projection indicates that with a slightly lower trip demand (down by 3.7%) compared to budget, expenses will be about \$1.7 million below budget due to: a shift of more trips on lower cost accessible taxis, diesel savings due to fewer bus kilometres operated, new lower cost contracts for eligibility assessments, reduced marketing initiatives spending, lower IT servicing costs for the Automatic Vehicle Locating and WTIS systems and intentional gapping of vacant workforce positions. Partially offsetting these savings are reduced Passenger Revenues in the order of \$400K due to the slight decline in trips. Overall, the 2011 subsidy requirement is projected to fall about \$1.3 million (or 1.4%) below budget.

TORONTO TRANSIT INFRASTRUCTURE LTD.

Appendix D provides financial information regarding Toronto Transit Infrastructure Ltd. (TTIL), a subsidiary corporation created by the Toronto Transit Commission, to undertake an assessment of the business case for the two extensions of the Sheppard Avenue subway.

November 3, 2011

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Attachments: Appendices A, B, C and D
Chief General Manager's Report
Period 9
August 28 to October 1, 2011

**TORONTO TRANSIT COMMISSION
OPERATING BUDGET - INCOME STATEMENT**

PERIOD 9	Period 9 FIVE Weeks August 28 TO October 1, 2011			Nine Periods to October 1, 2011			Full Year 2011		
(\$000s)	Over/(Under)			Over/(Under)			Projected	Budget	Projected
	Actual	Budget	Budget	Actual	Budget	Budget	Actual		Variance
REVENUES:									
Passenger Revenues	96,460	93,610	2,850	722,018	709,984	12,034	962,700	948,050	14,650
Outside City & Charters	1,726	1,700	26	13,866	13,338	528	18,048	17,748	300
Advertising	1,688	1,688	-	15,188	15,188	-	17,450	20,250	(2,800)
Rent Revenue	728	743	(15)	6,502	6,621	(119)	8,829	8,829	-
Commuter Parking	708	794	(86)	6,686	7,120	(434)	9,470	9,470	-
Other Income	217	176	41	2,286	1,457	829	3,734	2,434	1,300
TOTAL REVENUES	101,527	98,711	2,816	766,546	753,708	12,838	1,020,231	1,006,781	13,450
EXPENSES (LABOUR & NON-LABOUR)									
CGM 's Office	1,187	1,360	(173)	9,285	10,740	(1,455)	13,229	14,349	(1,120)
Engineering & Construction	310	368	(58)	2,440	2,871	(431)	3,828	3,828	-
Executive	7,206	8,106	(900)	57,129	63,793	(6,664)	82,031	84,708	(2,677)
Operations - Rail	36,522	37,379	(857)	283,878	289,612	(5,734)	388,711	390,865	(2,154)
Operations - Bus	39,694	40,023	(329)	309,703	308,686	1,017	418,748	417,155	1,593
Operations - Other	2,877	3,389	(512)	22,683	25,747	(3,064)	31,953	34,500	(2,547)
Other Employee Costs*	25,958	26,272	(314)	201,799	201,407	392	261,925	257,925	4,000
Vehicle Fuel	8,187	8,324	(137)	64,929	64,692	237	87,796	86,296	1,500
Traction Power	2,355	3,089	(734)	26,233	28,136	(1,903)	37,124	37,624	(500)
Utilities	1,104	1,087	17	13,026	13,955	(929)	19,431	20,431	(1,000)
Taxes and Licences	223	338	(115)	2,135	2,933	(798)	2,706	3,906	(1,200)
Depreciation	1,837	2,557	(720)	14,882	19,912	(5,030)	19,500	26,400	(6,900)
Accident Claims & Insurance**	2,711	3,158	(447)	27,706	28,079	(373)	37,937	32,937	5,000
Corporate Restructuring	-	-	-	-	-	-	10,000	-	10,000
Non-Departmental Costs	1,632	1,599	33	12,175	14,285	(2,110)	30,868	24,968	5,900
TOTAL EXPENSES	131,803	137,049	(5,246)	1,048,003	1,074,848	(26,845)	1,445,787	1,435,892	9,895
OPERATING SUBSIDY REQUIRED in 2011							425,556	429,111	(3,555)
CITY OPERATING SUBSIDY AVAILABLE ***							429,111	429,111	-
SHORTFALL/(Surplus)							(3,555)	-	(3,555)

* City Council's approval of the 2006 TTC and Wheel-Trans operating budgets included the establishment of a long-term receivable from the City for budgeted non-cash expenses related to post-retirement benefits. Consequently, in 2011, the \$13.375 M budget for these expenses has been deducted to match the City's budgeted subsidy for the current year.

** The City Council approved budget included the establishment of a long-term receivable from the City for budgeted non-cash expenses related to accident claims. Consequently, in 2011, the \$14 million budget for these expenses has been deducted to match the City's budgeted subsidy for the current year.

*** City Council approved the operating subsidy at its meeting of February 24, 2011.

TORONTO TRANSIT COMMISSION 2011 - 2015 CAPITAL PROGRAM
CURRENT YEAR PROJECT STATUS SUMMARY PERIOD 9 ENDED OCT 01, 2011
(\$ Millions)

EXPENDITURES	City Proj. Ref.	PSR Page Ref.	YEAR TO DATE			FULL YEAR		
			Costs			Projected	Budget	Variance
			Incurred	Budget	Variance			
WAY								
1.1 Subway Track	CTT001	E1.1-1	10.6	10.3	0.3	17.4	13.1	4.3
1.2 Surface Track	CTT002	E1.2-1	9.8	28.8	(19.0)	19.7	38.5	(18.8)
ELECTRICAL SYSTEMS								
2.1 Traction Power	CTT003	E2.1-1	8.1	15.9	(7.8)	20.8	23.0	(2.2)
2.2 Power Distribution/Electric Systems	CTT005	E2.2-1,2	3.7	4.2	(0.5)	7.2	6.7	0.5
2.3 Communications	CTT006	E2.3-1-6	5.8	12.2	(6.4)	13.8	16.4	(2.6)
2.4 Signal Systems	CTT008	E2.4-1,2	5.2	5.8	(0.6)	8.3	13.5	(5.2)
ATC Resignalling	CTT142	E2.4-1,2	12.8	43.4	(30.6)	38.9	62.8	(23.9)
2.5 Energy Management	CTT139	E2.5	1.6	1.7	(0.1)	2.8	2.2	0.6
BUILDINGS & STRUCTURES								
3.1 Finishes	CTT010	E3.1-2	10.6	17.9	(7.3)	18.4	26.4	(8.0)
3.2 Equipment	CTT012	E3.2-1-4	8.0	12.3	(4.3)	17.0	17.1	(0.1)
3.3 Yards & Roads	CTT015	E3.3-1	0.9	2.8	(1.9)	4.0	3.9	0.1
On-Grade Paving Rehabilitation Program	CTT018	E3.3-2	2.7	4.0	(1.3)	4.5	5.2	(0.7)
Greenwood Yard Expansion	CTT019	E3.3-3						
Transit Shelters & Loops	CTT064	E3.3-5	0.3	0.6	(0.3)	1.2	1.1	0.1
Commuter Parking Expansion	CTT124	E3.3-4,6	0.3	0.1	0.2	0.5	0.1	0.4
3.4 Bridges & Tunnels	CTT020	E3.4-1-5	23.3	38.8	(15.5)	43.1	49.1	(6.0)
3.9 Buildings and Structures Projects			0.2	(0.1)	0.3	0.1	0.0	0.1
Fire Ventilation Upgrade	CTT024	E3.9-9	15.3	14.3	1.0	19.1	19.1	
Transit Control Centre	CTT026	E3.9-8						
Easler Access Phase II & III	CTT028	E3.9-2,1,2,3	9.4	9.1	0.3	14.5	13.7	0.8
Sheppard Subway - Yonge to Don Mills	CTT035	E3.9-15				2.2	2.0	0.2
Birchmount Garage Renovations	CTT038	E3.9-6						
Mount Dennis Bus Garage	CTT109	E3.9-10	0.3	1.5	(1.2)	1.9	2.0	(0.1)
Other Building & Structures Projects	CTT110	E3.9-16,18	12.4	26.5	(14.1)	28.6	38.1	(9.5)
Victoria Park Terminal Replacement	CTT110	E3.9-16,29	5.0	2.9	2.1	4.9	2.9	2.0
Wilson Complex - Modifications for the Toronto rocket	CTT144	E3.9-23	13.7	8.6	5.1	15.0	11.3	3.7
LRT Replacement Maintenance & Storage Facility	CTT145	E3.9-24	44.1	75.9	(31.8)	55.0	94.3	(39.3)
Birchmount Bus Garage Repair Bay Modifications	CTT115	E3.9-1	2.1	4.7	(2.6)	4.6	4.7	(0.1)
Queensway Bus Garage Renovations	CTT116	E3.9-3	5.5	6.4	(0.9)	6.4	8.3	(1.9)
Broadview Station Modifications	CTT119	E3.9-7						
Eglinton Bus Terminal Replacement	CTT123	E3.9-17		0.2	(0.2)	0.4	0.2	0.2
Wilson Yard - Fleet Accommodation	CTT126	E3.9-22	0.8	2.5	(1.7)	2.7	2.5	0.2
Kipling Station Improvements	CTT130	E3.9-19	0.9	0.5	0.4	3.4	0.5	2.9
Islington Station Improvements	CTT131	E3.9-20				0.4		0.4
Warden Station Improvements	CTT132	E3.9-21				0.2		0.2
Toronto Rocket/T1 Rail Yard accomodation	CTT146	E3.9-25	1.8	4.2	(2.4)	4.7	6.1	(1.4)

TORONTO TRANSIT COMMISSION 2011 - 2015 CAPITAL PROGRAM
CURRENT YEAR PROJECT STATUS SUMMARY PERIOD 9 ENDED OCT 01, 2011
(\$ Millions)

	CTT	E	YEAR TO DATE			FULL YEAR		
			Incurred	Budget	Variance	Projected	Budget	Variance
VEHICLES								
REVENUE VEHICLES								
4.11 Purchase of Buses - Conventional	CTT111	E4.11-1	16.5	18.9	(2.4)	19.6	18.9	0.7
- Wheel Trans Buses	CTT045	E4.11-2	1.4	13.2	(11.8)	9.5	21.6	(12.1)
4.12 Purchase of Subway Cars	CTT046	E4.12-1	32.2	68.3	(36.1)	70.2	75.4	(5.2)
4.13 Bus Overhaul - Midlife Rebuild	CTT112	E4.13-1,4	1.0	2.4	(1.4)	4.0	4.1	(0.1)
4.14 SRT Car Overhaul	CTT049	E4.14-1				0.1		0.1
4.15 Streetcar Overhaul	CTT050	E4.15-1	6.6	6.8	(0.2)	9.6	9.3	0.3
4.16 Subway Car Overhaul	CTT051	E4.16-1	7.9	9.4	(1.5)	10.7	13.2	(2.5)
4.17 Purchase of SRT Cars	CTT121	E4.17-1						
4.18 Purchase of Streetcars	CTT122	E4.18-1	71.0	100.5	(29.5)	169.0	160.4	8.6
NON-REVENUE VEHICLES								
4.21 Purchase Automotive Non-Revenue Vehicles	CTT052	E4.21-1	2.8	5.1	(2.3)	6.3	8.0	(1.7)
4.22 Rail Non-Revenue Vehicle Overhaul	CTT053	E4.22-1,2	0.1	0.9	(0.8)	0.7	1.2	(0.5)
4.23 Purchase Rail Non-Revenue Vehicles	CTT054	E4.23-1	2.4	1.3	1.1	4.9	1.8	3.1
TOOLING, MACHINERY & EQUIPMENT								
5.1 Shop Equipment	CTT055	E5.1-1-6	0.8	2.8	(2.0)	4.7	5.1	(0.4)
5.2 Revenue & Fare Handling Equipment	CTT056	E5.2-1-4	1.4	1.8	(0.4)	2.0	3.2	(1.2)
5.3 Maintenance Equipment	CTT113	E5.3-1,-4	0.3	0.9	(0.6)	1.6	1.4	0.2
5.4 Fare System	CTT141	E5.2-1-4	1.1	3.6	(2.5)	1.4	6.0	(4.6)
ENVIRONMENTAL PROGRAMS								
6.1 Environmental Programs	CTT058	E6.1-1,2	6.2	8.8	(2.6)	12.0	12.2	(0.2)
COMPUTER EQUIPMENT & SOFTWARE								
7.1 Computer Equipment & Software	CTT061	E7.1-1...	7.8	11.6	(3.8)	18.2	18.4	(0.2)
7.2 Intelligent Transportation & Technical Systems	CTT125	E7.2-1...	10.0	13.5	(3.5)	18.6	20.0	(1.4)
7.2 Enterprise Geospatial Information System (GIS)	CTT125	E7.2-10	1.7	1.6	0.1	2.5	2.5	
OTHER								
9.1 Furniture & Office Equipment	CTT062	E9.1-1,4	0.1	0.4	(0.3)	0.4	0.4	
9.2 Other Service Planning	CTT063	E9.2-1,3,4	(0.9)	1.7	(2.6)	2.4	1.8	0.6
Transit Expansion / Metrolinx Transit City Plan (EA costs only)	CTT135	TCP-1	0.8	0.6	0.2	1.2	0.7	0.5
Unspecified Budget Reduction	CTT133							
TOTAL EXPENDITURES - BASE CAPITAL PROGRAM			386.4	630.1	(243.7)	751.3	870.4	(119.1)
TTC Requested Carry Forward						43.9		(43.9)
TOTAL EXPENDITURES INCLUDING CARRY FORWARD			386.4	630.1	(243.7)	751.3	914.3	(163.0)
FUNDING								
ADDITIONAL COUNCIL APPROVED ITEMS								
Toronto York Spadina Subway Extension (TYSSE)	CTT134	TYSSE-1	183.0	395.1	(212.1)	334.5	524.9	(190.4)
Transit Expansion / Metrolinx Transit City Plan Projects	CTT135	TCP-1	51.5		51.5	(0.5)		(0.5)
Transit Expansion / Metrolinx SRT Projects	CTT140	TCP-1	7.5		7.5			
TOTAL EXPENDITURES INCL. ADDITIONAL COUNCIL APPROVED ITEMS			628.4	1,025.2	(396.8)	1,085.3	1,439.2	(353.9)

Note 1: Budget approval received from Council February 23, 2011.

Note 2: Expansion initiatives which have been reflected below the base Capital Program for separate presentation are TYSSE, Transit Expansion / Metrolinx Transit City Plan Projects, and SRT Projects.

Note 3: On a full year basis, Waterfront Initiative expenditures are \$28.0M versus the budgeted \$51.5M which are not included in above.

Note 4: Current projections may not agree to PSRS due to recent budget amendment approved by Commission September 16, 2011.

**WHEEL-TRANS
OPERATING BUDGET - INCOME STATEMENT**

PERIOD 9 (\$000s)	Period 9: Five Weeks August 28 to October 1, 2011			Nine Periods to October 1, 2011			Full Year 2011		
	Actual	Budget	Over/(Under) Budget	Actual	Budget	Over/(Under) Budget	Projected Actual	Budget	Projected Variance
REVENUES:									
Passenger Fares	469	519	(50)	3,850	4,193	(343)	5,215	5,611	(396)
EXPENSES:									
CONTRACT SERVICES:									
Sedan Taxis	801	1,058	(257)	7,181	8,801	(1,620)	9,999	12,069	(2,070)
Accessible Taxis	1,979	1,963	16	15,614	15,387	227	21,466	20,474	992
BUS OPERATION:									
Operators	2,179	2,065	114	16,750	15,958	792	22,758	21,460	1,298
Divisional Staff	56	50	6	439	390	49	565	522	43
Mobile Supervision	91	97	(6)	711	751	(40)	965	1,005	(40)
Equipment Maintenance	1,212	1,202	10	8,727	9,489	(762)	11,977	12,731	(754)
Vehicle Fuel	334	390	(56)	2,745	3,012	(267)	3,715	4,019	(304)
Lakeshore Garage Costs	65	84	(19)	895	837	58	1,198	1,131	67
ADMINISTRATION:									
General Superintendent's Office	40	84	(44)	412	602	(190)	590	825	(235)
Dispatch & Reservations	399	458	(59)	3,203	3,442	(239)	4,279	4,598	(319)
Accessible Services	39	58	(19)	322	450	(128)	420	601	(181)
Customer Service	113	191	(78)	1,013	1,266	(253)	1,435	1,783	(348)
Other Employee Costs *	1,255	1,255	-	9,757	9,660	97	12,365	12,210	155
Non-Departmental Costs **	300	325	(25)	2,378	2,432	(54)	3,180	3,194	(14)
TOTAL EXPENSES	8,863	9,280	(417)	70,147	72,477	(2,330)	94,912	96,622	(1,710)
CITY OPERATING SUBSIDY AVAILABLE IN 2011 ***							89,697	91,011	(1,314)

PASSENGER TRIPS (000s)	260	280	(20) U	2,086	2,205	(119) U	2,840	2,951	(111) U
UNACCOMMODATED RATE (%)	2.2	2.0	0.2 U	3.7	2.0	1.7 U	3.0	2.0	1.0 U
SUBSIDY PER TRIP (\$)	32.34	31.28	1.06 U	31.78	30.97	0.81 U	31.85	31.12	0.73 U

U: Unfavourable Change

F: Favourable Change

* City Council's approval of the 2006 TTC and Wheel-Trans operating budgets included the establishment of a long-term receivable from the City for budgeted non-cash expenses related to post-retirement benefits. Consequently, in 2011, the \$690K budget for these expenses has been deducted to match the City's budgeted subsidy for the current year.

** The City Council approved budget included the establishment of a long-term receivable from the City for budgeted non-cash expenses related to accident claims. Consequently, in 2011, the \$135K budget for these expenses has been deducted to match the City's budgeted subsidy for the current year.

*** City Council approved operating subsidy of \$91.0 million at its meeting of February 24, 2011.

TORONTO TRANSIT INFRASTRUCTURE LTD

Income Statement (Unaudited)

End of Period 9

	YTD		
	Period 9	Period 9	Period 9
	2011	2010	2010
	(\$)	(\$)	(\$)
REVENUE			
Interest income	3	1,008	555
Total revenue	3	1,008	555
EXPENSES			
Wages and Payroll Expenses		44,686	
Consultant Fees		68,481	
Legal Fees		45,207	
Miscellaneous	80	1,359	40
Total expenses	80	159,733	40
Net (loss)/income	(77)	(158,725)	515
Opening Equity	2,786	161,434	160,412
Ending Equity	2,709	2,709	160,927

TORONTO TRANSIT INFRASTRUCTURE LTD

Balance Sheet (Unaudited)
End of Period 9

	2011	2010
	(\$)	(\$)
ASSETS		
Current assets		
Cash	4,377	160,812
Interest receivable	3	156
Total Assets	4,380	160,967
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	1,671	40
Shareholder's equity		
Capital stock		
Authorized: unlimited number of common shares		
Issued: 1,000 common shares	100,000	100,000
Deficit	(97,291)	60,927
	2,709	160,927
Total Liabilities & Equity	4,380	160,967