

The Board at its meeting of Wednesday, May 28, 2014 adopted the recommendation in the staff report, as follows:

“It is recommended that the Board:

1. Approve the draft consolidated financial statements of the Toronto Transit Commission, which include the results of TTC’s subsidiaries, for the year ended December 31, 2013; and
2. Forward a copy of the approved consolidated financial statements to City Council after the report is reviewed by the Audit Committee of the City of Toronto on June 27, 2014”.

The Board also adopted the following member motions:

i) Summary:

Preliminary year-end financial statements indicated a 2013 year-end subsidy of \$7.3 million. A number of regular year-end accounting adjustments largely based on actuarial estimates were made in finalizing this number, which is now \$47.7 million. In 2013 the TTC spent less than what had been estimated in several areas, such as; long-term liabilities for workplace safety, insurance benefits, accident claims payouts, retroactive pay, overhead costs to capital projects and administrative fees.

City of Toronto policy requires all surplus to go back to the City which essentially reduces the TTC’s subsidy for that year. This is a City of Toronto policy and applies to all agencies, boards and commissions of the City

The surplus cannot be reallocated to the TTC operating budget for one-time service increases because any service increase would need to be maintained year-over-year.

Recommendation:

“That the Board request Council approval for the TTC to retain the \$47.7 million surplus for next year’s budgeting purposes to avoid a fare increase for 2015”.

- ii) Request City Council to direct the City Manager to work with TTC staff to develop a 5-year funding scope for the TTC to allow for the use of any year-end variances in operating budget allocations to assist in long-term service planning and operations, and report out through the 2015 Budget Process.