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TORONTO TRANSIT COMMISSION

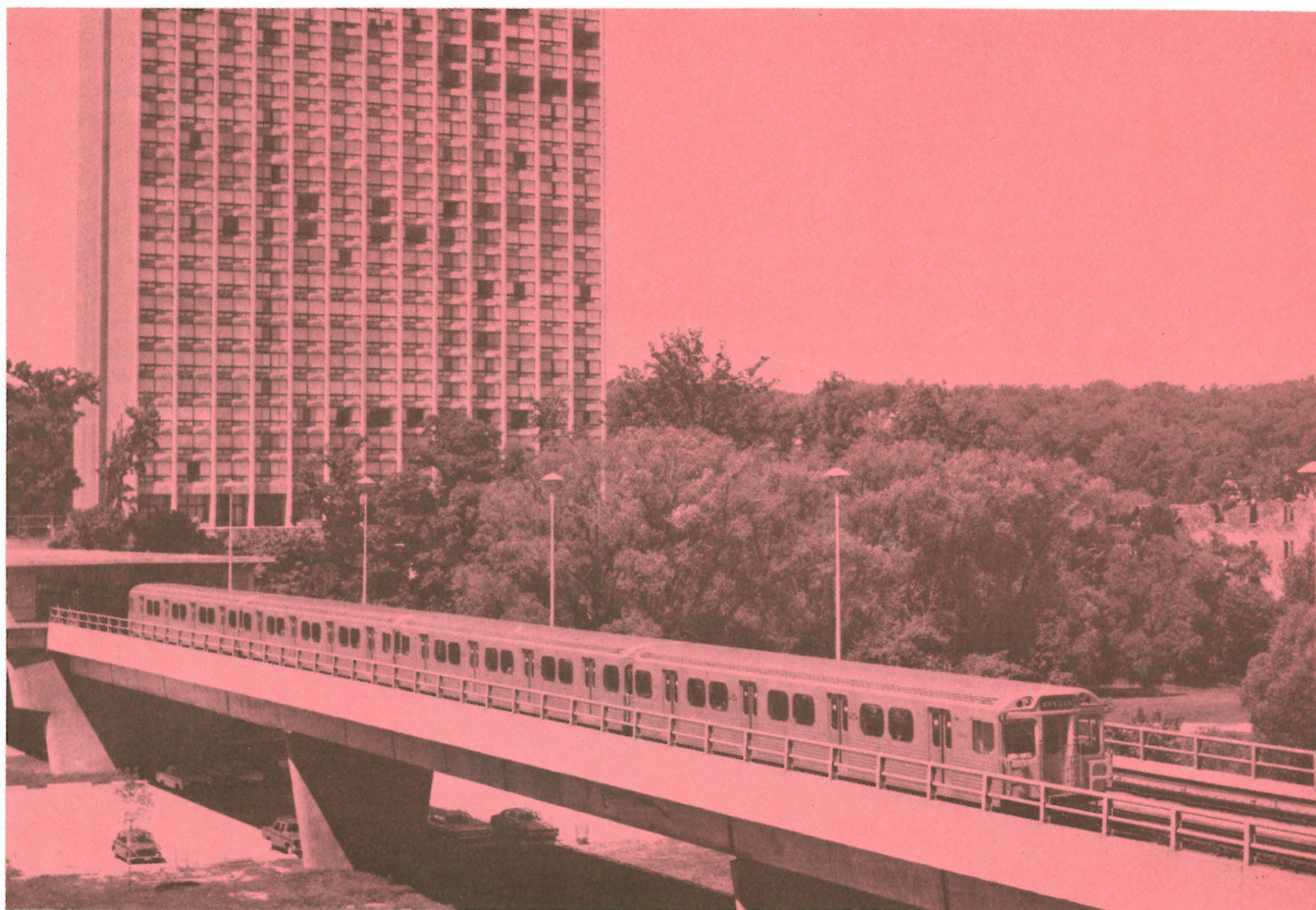
ANNUAL REPORT 1972



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TORONTO TRANSIT COMMISSION

ANNUAL REPORT TO THE MUNICIPALITY OF METROPOLITAN TORONTO 1972



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TORONTO TRANSIT COMMISSION

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G. GORDON HURLBURT, Vice Chairman
E. H. FARROW, Commissioner
PAUL GODFREY, Commissioner
KARL L. MALLETTE, Commissioner
D. CRAWFORD SMYTH, Commissioner

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JAMES H. KEARNS,
General Manager of Operations
W. H. PATERSON,
General Manager—Subway Construction
H. E. PETTETT, General Secretary
R. G. WAITE,
Assistant General Manager of Operations
L. O. MORLEY, Treasurer
D. A. ELLIOTT, Q.C., General Counsel



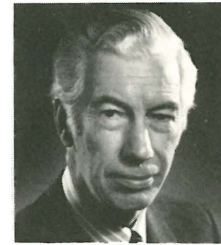
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D. CRAWFORD SMYTH



June 30, 1973

The Chairman
And Members of the Council of
The Municipality of Metropolitan Toronto,
City Hall, Toronto.

Ladies and Gentlemen:

The Commission is pleased to present its Annual Report for the year 1972.

Ridership is one of the major criteria for assessing the effectiveness of your public transit system, and on this basis 1972 can be considered a good year.

The number of revenue passengers carried (fares collected) increased by almost 15.5 million, or 4.69%, over 1971, the second largest single year increase since the TTC was expanded to serve the entire Metropolitan area in 1954. Fares collected during 1972 totalled 345,994,178, another all-time high.

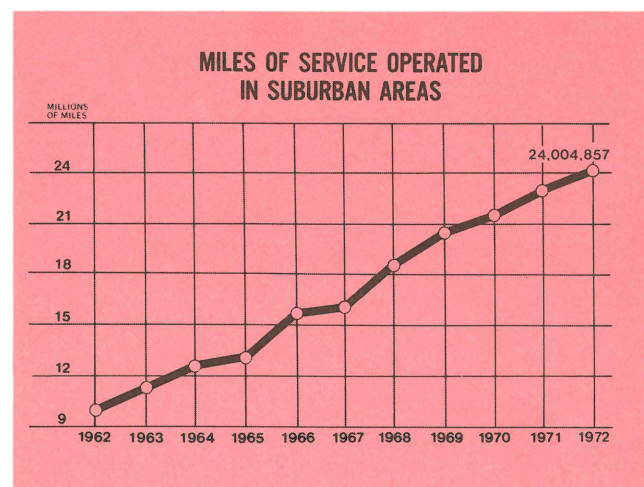
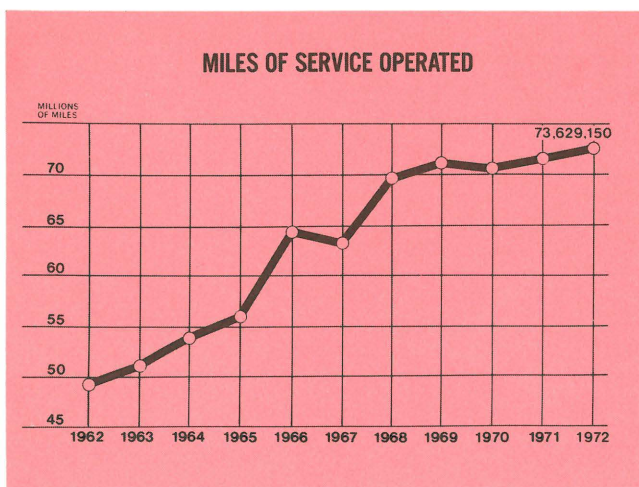
The above fares represent an estimated 292.9 million individual transit trips by Metro citizens, eleven million more than in 1971. Approximately 53 million of these trips crossed the fare zone boundary and fares were collected in both zones.

A large number of new customers came again from the suburban districts, zone 2, where riding hit still another all-time high of 95.7 million passengers, a jump of 7.9 million over the previous year. This continued encouraging riding increase reflects the cumulative effect of the Commission's year-by-year suburban expansion program. In the past ten years, suburban service has been increased from 11 million miles a year to 24 million a year in 1972, an average increase of 1.3 million miles a year.

Transit expansion of this magnitude has helped to place Metropolitan Toronto in an enviable position among most comparable North American cities where public transportation has declined in quality and availability. In United States cities, transit riding today is less than three-fourths of what it was fifteen years ago, and only a third of what it was twenty-five years ago.

The year was not without its headaches. Although forty-three new buses were received during the year and the retirement of older vehicles was suspended, because of the substantial increase in riding the Commission was hard-pressed for men and equipment to continue to extend and improve the system and, at the same time, to maintain the service standards Metro citizens have come to expect. Steps were taken to overcome these shortcomings, and before the end of the year the purchase of 115 new buses and a stepped-up driver hiring program were commenced.

In a major policy decision, the Commission discontinued the gradual phase-out of street cars that had begun in 1954 with the replacement of street car routes made redundant by the subway system. It had been planned to continue the street car abandonment program until final phase-out following completion of the proposed east-west rapid transit line through the downtown core. The program was re-assessed in the light of environmental and other factors, including the effectiveness of street cars on heavy trunk surface routes, and the decision was made to continue street car operation. Following this decision, the street car rebuilding program already under way was accelerated to insure the completion of seventy-five more cars during 1973.



TRANSIT FINANCING

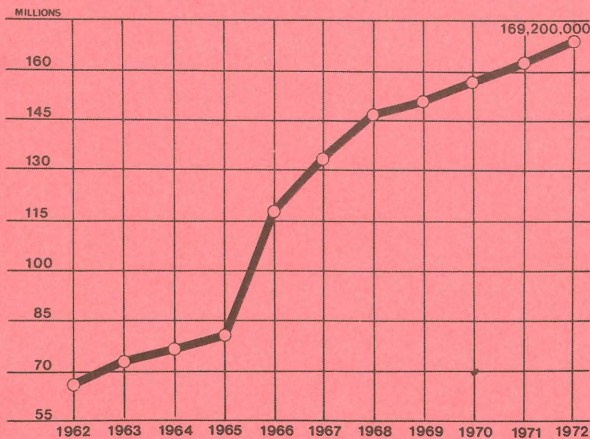
In its report to Council last year, the Commission expressed its appreciation for the prompt and positive response by the Province of Ontario and Metropolitan Toronto to its appeal for a new policy of financial support for public transit. Without question, this support was the major factor in the Commission's ability to continue its transit expansion program and to attract a record number of new customers in 1972.

The Commission is further encouraged by the Province of Ontario's Urban Transportation Policy which was announced by Premier William G. Davis on November 22, 1972. Under this policy, massive Provincial financial assistance is being provided to urban public transit systems. One of the main thrusts of the new policy is the development of intermediate capacity rapid transit, a need the Commission foresaw and recommended some years ago. We are pleased that Provincial planners "found that new intermediate capacity systems lend themselves admirably to a logical development of the original concept of the TTC". The Commission's staff has been working closely with government officials on preliminary studies and assessments of this program, and the Commission is pleased to have a part in what it firmly believes will be a major transit breakthrough.

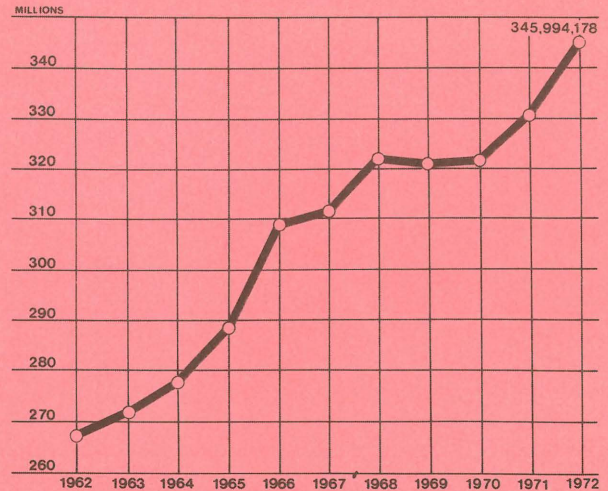
The pages which follow cover in more detail the financial and operating results for 1972.



SUBWAY PASSENGERS CARRIED
(REVENUE AND TRANSFER RIDERS)



TTC REVENUE PASSENGERS CARRIED
(NUMBER OF FARES COLLECTED)



FINANCIAL



The number of revenue passengers carried on the Commission's system increased by 15,498,728 (4.69%) in 1972, the increase being most pronounced in the second half of the year, and reached a record total of 345,994,178. Revenue from passenger services increased by \$3,556,565 (4.44%) to \$83,623,799, also a new high. Total revenue for 1972 was \$86,669,476. Expenses increased by \$6,328,534 (7.32%) to a total of \$92,842,600 in 1972.

Early in 1972 The Municipality of Metropolitan Toronto undertook to reimburse the Commission for its

loss from operations in 1972. The loss for the year was \$6,173,124 and \$5,425,740 of this amount was paid to the Commission in instalments in 1972 and the balance was paid early in 1973. The Municipality recovers from the Province of Ontario 50% of its expenditures for public transit purposes, subject to a maximum amount determined on a population and ridership formula.

The financial and statistical results for 1972 compared with 1971 were as follows:

	1972	1971	Increase	%
Total expenses	\$92,842,600	\$86,514,066	\$ 6,328,534	7.32
Total revenue	86,669,476	83,635,177	3,034,299	3.63
Loss	\$ 6,173,124	\$ 2,878,889	\$ 3,294,235	114.43
Vehicle miles operated	74,718,160	73,396,007	1,322,153	1.80
Revenue passengers (zone fare system)	345,994,178	330,495,450	15,498,728	4.69

REVENUE

An analysis of gross revenue for 1972 in comparison with 1971 revenue is as follows:

	1972	1971	Increase (Decrease)	%
Passenger services	\$83,623,799	\$80,067,234	\$ 3,556,565	4.44
Other revenue as shown in Statement of Revenue and Expenses	3,045,677	3,567,943	(522,266)	(14.64)
Total	\$86,669,476	\$83,635,177	\$ 3,034,299	3.63

Revenue from passenger services consisted of zone-fare revenue and revenue from charter and special services, and represented 96.49% of gross revenue in 1972 compared with 95.73% in 1971.

The regular fare structure adopted on February 8, 1969 was maintained through 1972 and was as follows:

TICKETS AND TOKENS

Adult—

- 1-zone fare,
zone 1 or zone 2. 4 tickets or tokens for \$1.00
- Ticket books20 tickets for \$5.00
- 2-zone fare,
zones 1 and 2..... 5 combination tickets for \$2.00
- Zone 3 and 4,
2 tickets @ 5 for \$.50

Child—

- 1-zone fare 6 tickets for \$.50

Scholar—

- 1 or 2-zone ride
between 6:30 am
and 4:30 pm
(Effective
March 1, 1969)... 14 tickets for \$2.00

CASH FARES

Adult—

- Zone 1 or 2 30¢
- Zone 3 or 4 15¢*

Child—

- Zone 1 or 2 10¢
- Zone 3 or 4 5¢

In addition to the above, tickets were available at 8 for \$1.00 to all Metropolitan residents who had reached age 65. The purchaser had the choice of taking 8 single zone tickets good in either zone 1 or zone 2 or 8 combination tickets good for a continuous ride through zones 1 and 2. The Municipality of Metropolitan Toronto reimbursed the Commission for the difference between the regular rates of fare and the reduced rates for senior citizens. These payments amounted to \$2,892,117 in 1972 and \$2,558,342 in 1971 and are included in revenue from passenger services.

EXPENSES

Total expenses reached a new high of \$92,842,600 in 1972 due in large measure to the increase in labour costs under the terms of the union agreement and an increase of 1.80% in mileage operated. The two year union agreement which came into effect on July 1, 1972 provided for wage increases of 6% on July 1, 1972 and on March 1 and November 1, 1973.

A summary of 1972 expenses in comparison with expenses for 1971 follows:

	1972	1971	Increase	%
Wages, salaries and other employee costs	\$66,204,585	\$61,006,087	\$ 5,198,498	8.52
Electric traction power purchased	3,555,181	3,344,094	211,087	6.31
Automotive fuel, including provincial taxes of \$1,697,857 (1971—\$1,548,409)	2,946,167	2,582,621	363,546	14.08
Vehicle and other licences	229,735	220,412	9,323	4.23
Municipal taxes	1,348,812	1,341,573	7,239	.54
Public liability and property damage	1,155,090	896,388	258,702	28.86
Depreciation	6,876,395	6,609,713	266,682	4.03
Other expenses including cost of repair and maintenance materials	7,626,238	7,470,813	155,425	2.08
Debenture interest and related expenses	2,900,397	3,042,365	(141,968)	(4.67)
	<u>\$92,842,600</u>	<u>\$86,514,066</u>	<u>\$ 6,328,534</u>	<u>7.32</u>



Wages, salaries and other employee costs accounted for 71.31% of total expenses in 1972 compared with 70.52% in 1971 which indicates the importance of labour costs in the continued expansion of the Commission's services.

CAPITAL ASSETS:

On November 22nd, 1972 the Premier of the Province of Ontario announced a further significant step in Provincial assistance for public transit systems in Ontario. He stated that effective December 1, 1972 the Province would contribute 75% of the cost of approved expenditures for purchase of capital assets, including new buses, trolley buses, streetcars and intermediate capacity transit systems, major rebuilding of trolley or streetcar fleets, land and buildings for maintenance or terminal facilities, roadside shelters, signs and benches and the construction of parking lots. This Provincial capital asset subsidy is limited to a maximum annual amount based on the population of the municipality and in the case of Metro Toronto amounts to about \$6,100,000 for 1973.

A later announcement increased the Provincial subsidy on approved subway construction expenditures from 50% to 75%. This subsidy is payable to Metropolitan Toronto on all subway land, construction and equipment costs and the new rate is applicable to contracts awarded and equipment and material purchased with prior approval after November 30, 1972.

Additions to capital assets in 1972 may be summarized as follows:

Additions to capital assets for subways in operation and the surface transit system	\$ 7,162,847
Additions to subway extensions under construction	<u>30,945,246</u>
Total additions,	\$38,108,093
Less retirements at cost	<u>1,126,905</u>
Increase (net)	<u><u>\$36,981,188</u></u>

Additions to and retirements of capital assets were as follows:

Additions, at cost:		
Balance of cost of 76 Hawker Siddeley subway cars:		
Cost of 76 cars	\$12,155,607	
Less payments made in 1971	<u>10,576,440</u>	\$ 1,579,167
30 G.M.C. Motor Buses		1,310,368
13 Flyer Industries Motor Buses		556,176
New King Station Entrance on Yonge subway		1,011,032
42 Trolley Coaches rebuilt	1,466,025	
Less payments made in 1971	<u>656,674</u>	809,351
Streetcars overhauled		802,571
Signal systems		505,565
Track and overhead construction		192,018
Automotive Service vehicles		144,440
Communications equipment		86,413
Electromotive shop equipment		62,742
Furniture and office equipment		58,599
Other		<u>44,405</u>
Total		<u><u>\$ 7,162,847</u></u>



Additions to subway extensions under construction were as follows:

Yonge Street subway northerly extensions:
From Eglinton Avenue to Sheppard Avenue:

Tunnel and station structures	\$10,815,965	
Traction Power and Supervisory control	2,779,485	
Engineering and Administration	2,012,347	
Signal system	1,640,895	
Track Installation	732,112	
Other	43,015	\$18,023,819

From Sheppard Avenue to Finch Avenue:

Tunnel and station structures	\$12,712,879	
Engineering and Administration	1,274,233	
Signal System	302,392	
Other	221,959	\$14,511,463

Other expenditures		117,459
		<u>\$32,652,741</u>

Less decrease in accounts payable and accruals, contract holdbacks, cash and miscellaneous costs		1,707,495
		<u>\$30,945,246</u>

Retirements of capital assets, at cost were:		
42 Trolley coaches	\$ 740,323	
Electromotive shop equipment	125,869	
Automotive service vehicles	77,249	
Streetcars	76,982	
Trackwork	72,539	
Furniture and Office equipment	22,643	
Other assets	11,300	\$ 1,126,905

Metropolitan Toronto's share of 1972 expenditures on subways under construction and in operation was \$31,058,886, towards which the Province of Ontario contributed \$16,566,027. The Province of Ontario's contribution towards expenditures in December 1972 on surface assets has been calculated at \$223,828, which will be received by the Commission through Metropolitan Toronto.

CAPITAL DEBT:

All capital borrowings required by the Commission are effected through the issue of Municipality of Metropolitan Toronto debentures. The Commission is required to provide the Municipality with funds to meet all principal and interest payments on such debentures.

There were no new issues for Commission purposes in 1972.

During 1972 a total of \$2,027,976 was paid to the Municipality to provide funds for principal repayments and sinking fund levies.

Sinking fund earnings in 1972 amounted to \$339,492 of which \$132,141 were required earnings at the actuarial rate of 3% and \$207,351 were excess earnings.

The net capital debt of the Commission at December 31, 1971 after deducting sinking fund balances of \$5,590,140 was \$56,675,726.

The outstanding debt at December 31, 1972 included \$9,320,010 on which principal and interest payments are made in United States Funds. The cost of servicing this portion of the debt is influenced by the rate of exchange on United States dollars at the time of payment.



FINANCIAL STATEMENTS AND AUDIT

Messrs. Price Waterhouse & Co. the independent accountants retained by the Commission, have reviewed the accounting procedures and made such tests of the accounting records and other supporting evidence for 1972 as they considered necessary. Their report is appended to the financial statements which are a part of this report.

The Metropolitan Auditor has submitted his report covering the year 1971 and is currently engaged on his review of the 1972 accounts.

OPERATIONS

SYSTEM EXPANSION

System expansion continued to be given top priority in 1972. Miles of passenger service were increased by 1,254,895, most of it added in Metro's suburban areas.

During the year, an extensive review was made of service in the Borough of Etobicoke and in the north-west section of the Borough of North York. Following this, a major program of route changes and extensions was introduced to meet changing travel patterns and to provide direct subway access for more people. Such reviews are an on-going part of the work of the Commission's Planning and Scheduling staff.

Major extensions and improvements throughout Metro were as follows:

ANGLESEY 2A —Extended westerly to Mill Road.

BAY 6A —A branch extended to Jarvis and Queen's Quay to serve the industrial area and the new Ferry Docks.

BROADVIEW 8B —A new branch route extended to serve Donlands and Jones Avenues between O'Connor Drive and Queen Street.

CHAPLIN 14D —A shuttle service was operated from Bathurst and Lawrence to Ranee Avenue and Varna Drive.

DAWES 23 —Extended via Ferris Road, Rexleigh Drive and O'Connor Drive.

EGLINTONWEST32C—New branch route via Eglinton and Trethewey (replacing the Trethewey route) to provide direct no-transfer service to Eglinton subway station.

EGLINTONWEST32E—Extended to Martin Grove Road.



EVANS 15 —A new route from Islington subway station to Sherway Gardens via Islington and Evans Avenue, replacing parts of the Islington and Kingsway routes.

FINCH 36C —"Weston Road" branch route service extended north on Weston Road to Garyray Drive.

HORNER 38 —A new route from Islington subway station to Long Branch loop via Islington, Judson, Horner and Brown's Line, replacing parts of the Islington and Queensway routes.

JANE 35 —Extended north to Steeles Avenue to provide direct no-transfer service to Jane subway station.



- KENNEDY 43B —A new rush hour branch route via Progress Avenue to Estate Drive (Markham Road).
- KIPLING 45A —Looping of 'Belfield' branch routing changed to via Attwell, McLachlan and Brockport.
- LESLIE 51 —Extended north to Steeles and east to Don Mills Road.
- REXDALE 83 —A new rush hour route on Rexdale Boulevard between Islington Avenue and Precision Road.
- SCARBOROUGH 86 —Extended east to loop via Meadowvale Road and White Avenue.
- SHEPPARD EAST 85 —Extended easterly from Midland Avenue to Neilson Road.
- STEELES 60 —Extended east from Bayview to Don Mills Road.
- WARDEN 68 —Extended north to Finch Avenue.
- WEST MALL 87A —Extended north to the Belfield Road industrial area and extended south to Long Branch loop, replacing parts of the Kingsway and Queensway routes.
- WILSON 96D —New rush hour branch route north of Finch Avenue to serve the Milvan Drive industrial area.

FARE AND ZONE SYSTEM CHANGES

The Dawes bus route was changed from a zone two route to a zone one route, effectively bringing almost all of the Borough of East York into the zone one area.

A new fare collection system was introduced on the Kingston Road bus route to permit passengers to pay either a zone one or a zone two fare and to receive a free transfer to a connecting route in the appropriate zone. The route parallels the zone boundary and prior to the change it was designated a zone two route. The new system allows passengers travelling downtown or elsewhere into zone one to do so for a single zone fare.

Following a review of the average height of children in the Metro area, the height limit for children's fares was raised from 56 to 58 inches.

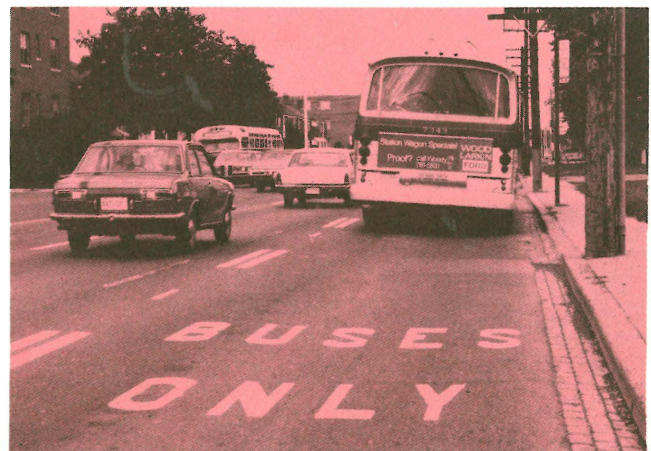
Also during 1972, regulations regarding student tickets were changed to permit students in attendance at other than regular public schools to use reduced rate tickets when the regular schools are closed.

RESERVED BUS LANE TEST

With the co-operation and help of your Council and its officials, a six-month test of reserved bus lanes was commenced in August 1972 on Eglinton Avenue between Bathurst Street and Brentcliffe Road.

The test, which was still in effect at the year end, is being made in an effort to make more efficient use of available road space and to assess the impact of reserved lanes on other traffic.

The curb lanes are reserved for buses between 7.00 and 9.00 a.m. west of Yonge Street, and between 4.00 and 6.00 p.m. east of Yonge. Emergency vehicles and taxis picking up or discharging passengers may also use the special lanes.



CHARTERED "FREE RIDE" PROMOTIONS

The Commission chartered its entire system to two private companies for innovative free-fare promotions on two occasions in 1972.

In what might have been the world's biggest transit vehicle charter order, the T. Eaton Company Limited hired the Metro transit system for a 2-hour period, from 9.00 a.m. to 11.00 a.m. on June 29th. The promotion, which was introduced by a massive advertising program, was the first of its kind on such a scale in Metropolitan Toronto, and the TTC took advantage of the opportunity to gather comparative passenger counts and to conduct rider interviews.

The second free-fare plan was on New Year's Eve when McGuinness Distillers Limited chartered the entire system to provide free rides between 8.00 p.m. December 31st and 4.00 a.m. January 1st.

From the Commission's standpoint, both events were very successful. Riding was up and much goodwill was generated on both occasions.

VEHICLE MONITORING AND CONTROL

A study to determine the feasibility of surface vehicle monitoring and control by radio and electronic means was commenced during the year.

A full scale monitoring and control system would enable TTC controllers to determine the exact location of any vehicle at any time. It would also provide direct radio communications between the drivers and transit control headquarters.

With this information, TTC staff would be able to respond immediately to on-road emergencies and to take faster action to reroute vehicles around accident locations and traffic jams.

For passengers, this would mean more reliable schedules, faster travel times and quicker attention in the case of sickness or accidents. It would also enable the driver to keep his passengers informed about the reason for a delay.

Positive benefits for the transit system, in addition to better relations with its riders, could include improved manpower and vehicle utilization.

The study is being made by a private consulting firm with support staff provided by the TTC. The Province of Ontario, under its urban transportation program, has approved a 75% subsidy of the cost of this study.

RIDE FREE NEW YEAR'S EVE



Wherever you're going in Metro Toronto (zones 1 and 2) on New Year's Eve—to the party, visiting friends, to the late night church service, or skating at City Hall—the ride's free on the TTC from 8 p.m. Sunday till 4 a.m. Monday.

McGuinness Distillers Limited has hired all our street cars, buses and the subway for this one night so that everyone may have

TORONTO TRANSIT COMMISSION

MANPOWER AND LABOUR RELATIONS

The total number of regular employees on strength at December 31, 1972 was 6,894, an increase of 224 compared with the previous year.

The number of active employees leaving the Commission was 365, or 5.3% of employee strength. This is up from the previous year when the turnover was 281 or 4.2% of employee strength. Job applicants increased from 17,079 in 1971 to 17,509 in 1972.

The Commission's labour agreements with three unions expired in 1972. Negotiations commenced in February and the final settlement was reached in late September. The agreements generally followed wage patterns set earlier in the year by Metro Boroughs in settlements with their unions.

PASSENGER VEHICLE FLEET

At the year end, the passenger fleet was as follows:

	1972	1971
Street cars	418*	422
Subway cars.....	410	334
Motor buses	1,006	963
Trolley buses.....	152	152
TOTAL	1,986	1,871

*Includes Witt car 2778.

Forty-three new buses were purchased and placed in service, and four street cars surplus to the Commission's requirements were disposed of during the year.

At the year end, tenders had been invited for the purchase of 115 new buses.



NEW SUBWAY CARS

Seventy-six new Canadian-built subway cars purchased for use on the Yonge subway extension were delivered in 1971 and at the year end were being put through acceptance tests. As the tests were completed, the new cars were placed in regular service during 1972 in preparation for the opening of the new extension.

Although similar in exterior appearance to some of the existing subway cars, the new cars have improved ventilation; new type traction motors; redesigned door track and door edge rubber to improve sealing and to reduce operational noise levels; improvements to permit faster identification of a car on which an emergency device has been operated; and redesigned roof sheeting.

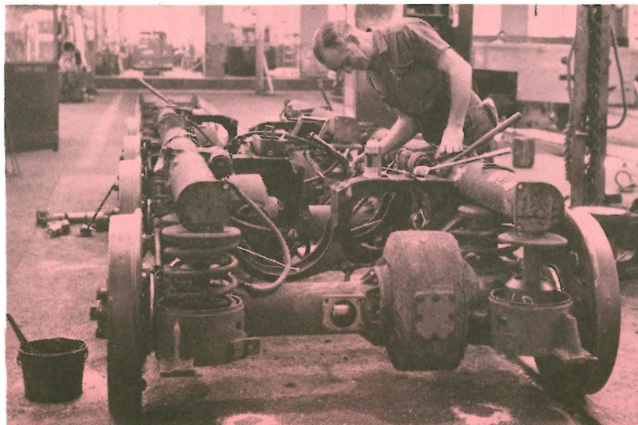
REGENERATIVE "CHOPPER" CONTROLS

A new kind of acceleration and braking control is being tested on six of the new cars. The new system, called chopper control, uses solid state electronic devices in place of rotating cams and switches in conventional controls. Chopper controls recover the braking energy which is lost with conventional controls, and direct it back into the current supply network.

Expected benefits of chopper controls are lower electric power costs, reduced heat build-up, fewer moving parts, and as a consequence lower maintenance costs and improved service reliability.

At the year end, the new controls were installed on four test cars and work was under way on the remaining two.

The Transportation Development Agency of the Government of Canada has agreed to pay \$35,000 towards the total estimated cost of \$415,000 for the project.



P.C.C. STREET CAR REHABILITATION PROGRAM

The complete overhaul and rehabilitation of one P.C.C. street car was undertaken in 1971 to determine the feasibility and cost of a large scale program to extend the life of the present cars which at that time ranged in age from nineteen to twenty-four years.

The prototype car proved the feasibility and cost-effectiveness of a major rehabilitation program and work on fifty cars was commenced early in 1972. The program was set up on a production line basis and a completed car was turned out every fourth working day. At the year end, forty-three cars had been completed and were in service and three were in the final testing stage.

The work included renewal of the metal roof, replacement of structural body beams and supporting members, a new underfloor, new heating ducts, overhaul of the motors and other electrical components, and replacement of about 70% of all electrical wiring. The visible changes included new floor covering, reupholstered seats and a new interior colour scheme.

Passenger reaction to the appearance of the rebuilt cars has been favourable and, as mentioned previously in the report, the street car rehabilitation program will be continued at an accelerated rate.



TROLLEY BUS MODERNIZATION PROGRAM

Rehabilitation and modernization of the Commission's fleet of 152 electric trolley buses was commenced late in 1970 and completed, as scheduled, in August 1972.

The program was carried out jointly by the TTC and Flyer Industries Limited, Winnipeg, which supplied new body shells with new axles and low voltage wiring installed. Equipment Department forces overhauled the 600-volt traction equipment from the old vehicles and completed the final assembly.



SAFETY

The Commission's operators and drivers continued to set passenger and traffic safety records unprecedented among the major cities of North America. For the sixth year in a row, in competition with transit systems serving urban populations of one million or over, they won the American Transit Association's highest safety award.

Keen interest in continuing inter-TTC safety competitions throughout the year again pushed the number of individual safe driving awards to a record high, as shown below:

	Number of Drivers Qualified		
	1972	1971	1970
10-Year Awards	324	286	248
5-Year Awards	603	499	450
1-Year Awards	1,124	1,205	1,242
	2,051	1,990	1,940

In industrial safety, the Commission received the Award of Honor from the National Safety Council for the second successive year. This is considered to be the top award for employee safety achievement and the TTC is the first transit system to be so recognized.



We've done it again!

For the 6th year in a row
we've won Transit's top Safety Award
in North America



Travel Transit for Safety

SUBWAY CONSTRUCTION

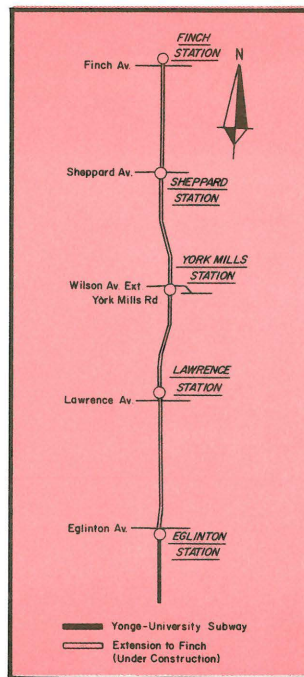


YONGE SUBWAY NORTHERLY EXTENSION PROJECT SUMMARY

In 1967, formal approval was given by Metropolitan Toronto Council and the Ontario Municipal Board to the construction of an extension to the Yonge Subway from the present northerly terminus at Eglinton Station to Sheppard Avenue, a distance of 4.02 miles. Preliminary planning and survey work commenced in March 1967 and by the end of 1968 four major contracts had been awarded.

During 1969, Metropolitan Council and the Ontario Municipal Board approved a further extension of 1.52 miles from Sheppard Avenue to Finch Avenue. The complete Yonge Subway Northerly Extension will therefore be 5.54 miles in length.

The line is being built mostly in tunnel beneath Yonge Street to approximately Hogg's Hollow, then slightly to the east for the Don River crossing and back to the Yonge Street alignment to Finch Avenue. There will be four stations located at Lawrence Avenue, York Mills Road, Sheppard Avenue and Finch Avenue. At Eglinton Avenue, the Don River crossing, the stations, and from Sheppard to Finch Station, cut-and-cover construction is being used.



PROGRESS 1972

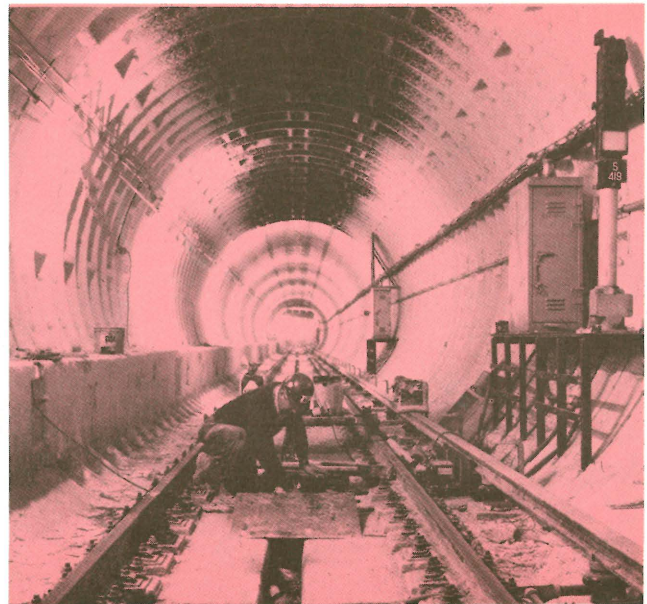
Early in 1972, the decision was made to begin service on the Yonge subway extension between Eglinton Station and York Mills Station in March 1973. It had been intended to open the line to Sheppard Station by this date, but progress was delayed due to labour disputes and remedial work on two tunnelling contracts.

At December 31, 1972, a total of 39 major contracts had been awarded. Seventeen were completed and work was in progress on twenty-two. Tenders for two more contracts were being assessed, two were out for tender, and eleven additional contracts were in preparation.

At the year end, construction progress on the entire project from Eglinton to Finch Stations was as follows:

Eglinton to York Mills—91% completed
York Mills to Finch —58% completed

Unfortunately, progress during the year was again delayed by labour disputes in the construction industry. A total of 380 calendar days work was lost on the project in 1972. Of particular concern was the complete stoppage of escalator installation work during the last four months of the year. At the year end, no settlement was in sight and it was obvious that escalator service could not be provided by the March 31st target date for the opening to York Mills Station.



SPADINA RAPID TRANSIT

The environmental investigation, technical research and cost estimating commenced in 1971 by a task force representing the Province, Metropolitan Toronto and the Commission continued into 1972. Following preparation and study of eighteen possible alignments for the route between Wilson Avenue and Bloor Street, a report was prepared on five alternative alignments. The report included ecological analyses and estimated costs for each route. Of the five alternatives, an alignment known as 1B was approved by Metropolitan Toronto Council and application for approval of the project was made to the Ontario Municipal Board.

The Spadina rapid transit project, as approved by Metropolitan Toronto, will be a conventional dual-track line, similar to the Commission's existing subway system.

KING STATION—NEW ENTRANCE

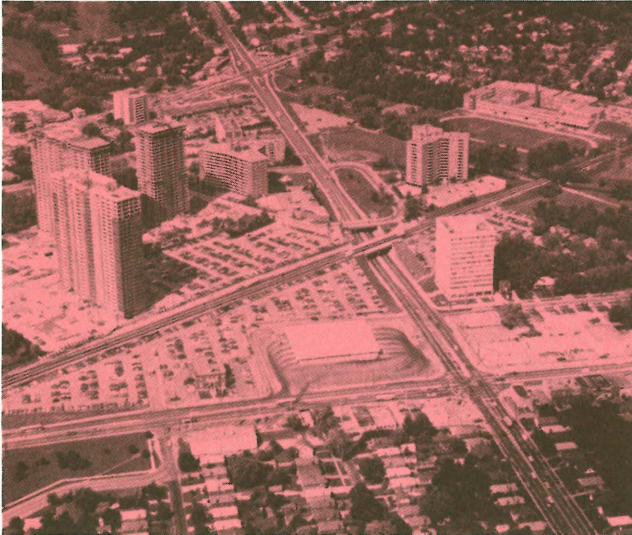
A new entrance to King subway station was opened on December 18, 1972. It provides a connection to the new Commerce Court complex. Although the installation of escalators was not completed, it was still quickly apparent that the expanded entrance-exit facility was helping to relieve the critical rush hour peaking that occurs at King Station, where, on a typical weekday, 40% of all persons entering the station do so in a one-hour period.

PRIVATE BUILDING DEVELOPMENT ALONG THE SUBWAY ROUTES

Activity by developers of new buildings or additions to existing buildings at many locations adjacent to the subway system continued during 1972. Where such developments are contiguous to the subway structures, building plans must be approved by the Commission.

In 1972, twenty-four new submissions in this category were processed by the Subway Construction Branch. Several of these development plans include underground connections between the proposed new buildings and the adjacent subway station.





CONCLUSION

The foregoing are the principal developments in the operation of the transit system during 1972. Your Commissioners feel that the results achieved reflect fully its continuing efforts to extend and improve transit service throughout the entire Metropolitan area. This progress is due in no small measure to the co-operation and support of Metropolitan Council and the elected representatives and officials of all area municipalities. The Commission gratefully acknowledges this support.

Final preparations for the opening of the Yonge subway extension early in 1973 meant much added work and responsibility for all TTC departments. That this work was efficiently carried out during a year when 15.5 million more revenue passengers used the system speaks well of the conscientious effort of the entire staff. The Commission is proud of its employees.

Yours truly,

A handwritten signature in black ink, appearing to read "S. Gordon Hunter".

Vice-Chairman

A handwritten signature in black ink, appearing to read "E. J. ...".

Commissioner

A handwritten signature in black ink, appearing to read "Paul ...".

Commissioner

A handwritten signature in black ink, appearing to read "Karl Mallette".

Commissioner

A handwritten signature in black ink, appearing to read "S. ...".

Commissioner

TORONTO TRANSIT COMMISSION

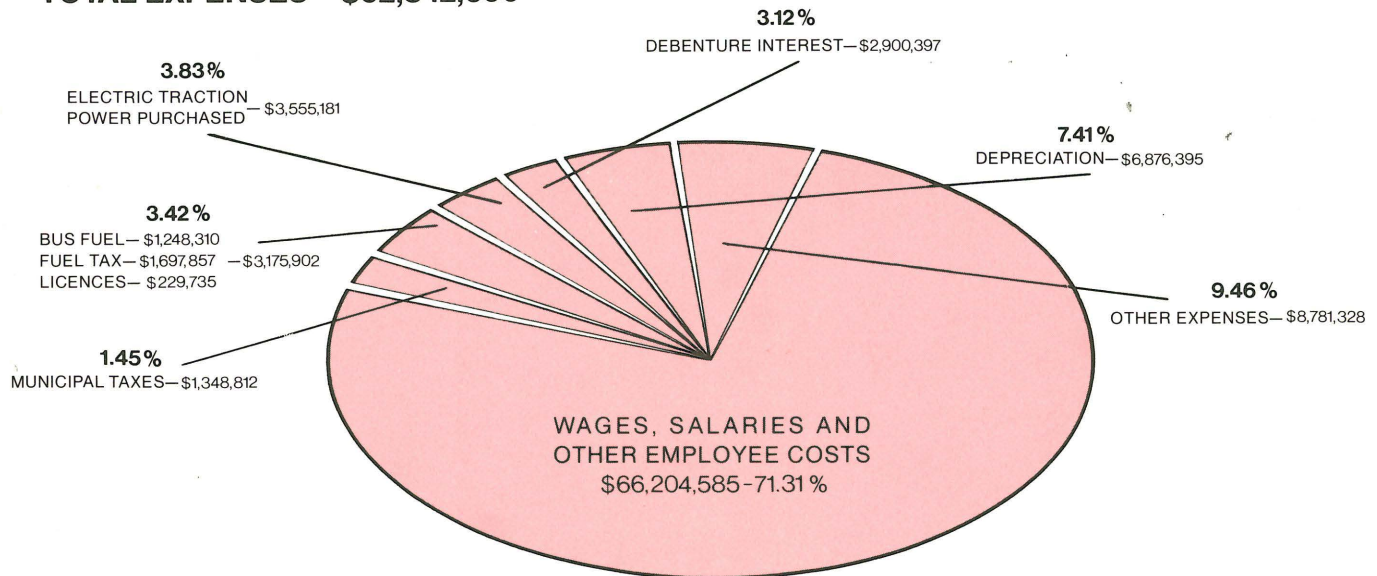
STATEMENT OF REVENUE AND EXPENSES AND EARNINGS RETAINED AND INVESTED IN THE SYSTEM FOR THE YEAR ENDED DECEMBER 31, 1972

	1972	1971
REVENUE:		
Passenger services	\$83,623,799	\$80,067,234
Rental of land, air rights, buildings, subway concessions and equipment	1,433,924	1,222,384
Rental of advertising space	994,265	931,546
Interest earned	308,799	768,286
Dividend from Gray Coach Lines, Limited	100,000	359,000
Miscellaneous	208,689	286,727
	<u>86,669,476</u>	<u>83,635,177</u>
EXPENSES:		
Wages, salaries and other employee costs	66,204,585	61,006,087
Electric traction power purchased	3,555,181	3,344,094
Automotive fuel, including provincial taxes of \$1,697,857 (1971—\$1,548,409)	2,946,167	2,582,621
Vehicle and other licences	229,735	220,412
Municipal taxes	1,348,812	1,341,573
Public liability and property damage	1,155,090	896,388
Depreciation (Note 4)	6,876,395	6,609,713
Debenture interest and related expenses	2,900,397	3,042,365
Other expenses including cost of repair and maintenance materials	7,626,238	7,470,813
	<u>92,842,600</u>	<u>86,514,066</u>
Loss from operations for the year	6,173,124	2,878,889
Operating subsidy (Note 1)	6,173,124	2,878,889
Balance of loss for the year	—	—
Balance of earnings retained and invested in the system at beginning and end of year	<u>\$20,381,117</u>	<u>\$20,381,117</u>



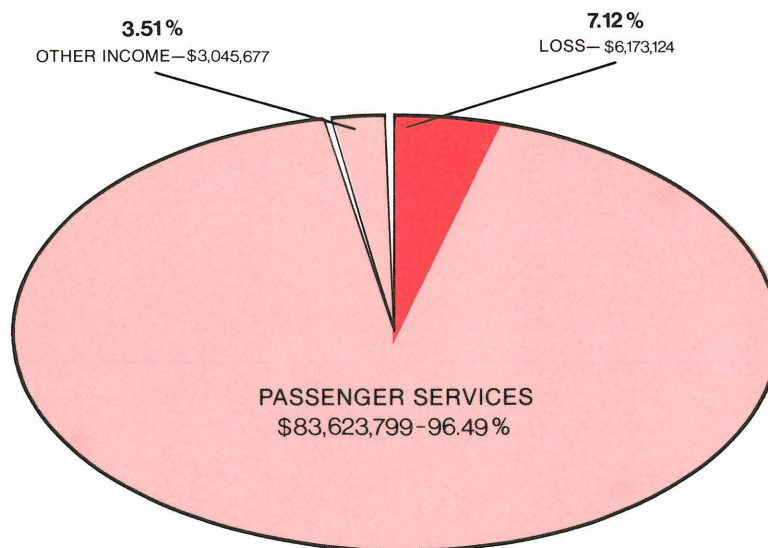
WHERE THE 1972 DOLLARS WENT

TOTAL EXPENSES— \$92,842,600



WHERE THE 1972 DOLLARS CAME FROM

TOTAL REVENUE— \$86,669,476



TORONTO TRANSIT COMMISSION

BALANCE SHEET AT DECEMBER 31, 1972

	ASSETS	1972	1971
CURRENT AND WORKING ASSETS:			
Cash		\$ 1,150,668	\$ 760,577
Short-term investments, at cost which approximates market		2,991,395	5,000,000
Accounts receivable		1,687,489	1,086,430
Operating subsidy receivable (Note 1)		747,384	2,878,889
Gray Coach Lines, Limited—current account		1,306,312	1,214,012
Working funds advanced to employees and agents		586,736	477,393
Materials and supplies, at cost		3,582,921	2,924,856
Prepaid expenses		455,957	624,131
		<u>12,508,862</u>	<u>14,966,288</u>
INVESTMENTS:			
Mortgages on property sold and other long-term receivables		96,550	208,025
Capital stock of Gray Coach Lines, Limited at cost (Note 5)		1,000,000	1,000,000
		<u>1,096,550</u>	<u>1,208,025</u>
UNAMORTIZED DEBENTURE DISCOUNT		<u>915,504</u>	<u>968,944</u>
CAPITAL ASSETS:			
Land, buildings, subways, power distribution system, trackwork, rolling stock, buses and other equipment, at cost		407,912,698	390,901,461
Less: Capital contributions from The Municipality of Metropolitan Toronto		205,866,235	197,128,290
		<u>202,046,463</u>	<u>193,773,171</u>
Less: Accumulated depreciation		105,211,504	99,443,905
		<u>96,834,959</u>	<u>94,329,266</u>
Subway extensions under construction (Note 2)		91,962,148	71,992,197
Less: Capital Contribution from The Municipality of Metropolitan Toronto		86,018,256	63,473,487
		<u>5,943,892</u>	<u>8,518,710</u>
Total capital assets		<u>102,778,851</u>	<u>102,847,976</u>
		<u>\$117,299,767</u>	<u>\$119,991,233</u>



LIABILITIES	1972	1971
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 11,561,499	\$ 12,046,190
Debenture interest accrued	520,692	529,475
	<u>12,082,191</u>	<u>12,575,665</u>
PROVISIONS:		
For tickets and tokens held by the public	1,357,000	1,162,000
For public liability and workmen's compensation	2,000,000	2,000,000
	<u>3,357,000</u>	<u>3,162,000</u>
CAPITAL DEBT:		
The Municipality of Metropolitan Toronto-		
For debentures maturing in annual instalments from 1973 to 1995	39,885,841	41,452,338
For sinking fund debentures maturing between 1980 and 1997 less sinking fund balance of \$5,590,140	16,591,860	17,392,832
	<u>56,477,701</u>	<u>58,845,170</u>
Total (Note 6)	56,477,701	58,845,170
Foreign exchange premiums received less discounts on transfer of proceeds of outstanding debentures issued in United States funds	198,025	223,548
	<u>56,675,726</u>	<u>59,068,718</u>
EQUITY		
EQUITY ACQUIRED FROM TORONTO TRANSPORTATION COMMISSION ON JANUARY 1, 1954:		
Earnings retained and invested in improvement and expansion of the system by Toronto Transportation Commission	24,803,733	24,803,733
EARNINGS RETAINED AND INVESTED IN THE SYSTEM by Toronto Transit Commission		
	<u>20,381,117</u>	<u>20,381,117</u>
	<u>45,184,850</u>	<u>45,184,850</u>
	<u>\$117,299,767</u>	<u>\$119,991,233</u>

TORONTO TRANSIT COMMISSION

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1972

	1972	1971
Source of funds:		
Passenger revenue	\$83,623,799	\$80,067,234
Other income	3,045,677	3,567,943
Operating subsidy	6,173,124	2,878,889
	<hr/>	<hr/>
	92,842,600	86,514,066
Repayment of long-term receivable	—	1,194,432
Proceeds of capital assets disposals and mortgage principal repayments	129,585	357,391
	<hr/>	<hr/>
	92,972,185	88,065,889
	<hr/>	<hr/>
Application of funds:		
Operating expenses	92,842,600	86,514,066
(Deduct) Add items not requiring current funds-		
Depreciation	(6,876,395)	(6,609,713)
Other	116,577	(58,450)
	<hr/>	<hr/>
	86,082,782	79,845,903
Expenditures on construction of subways	34,560,883	34,576,547
Less: Capital contributions received from The Municipality of Metropolitan Toronto	31,058,886	27,805,959
	<hr/>	<hr/>
	3,501,997	6,770,588
Additions to other capital assets, net of subsidy	3,323,382	5,330,852
Debenture debt repayments	2,027,976	1,967,671
	<hr/>	<hr/>
	94,936,137	93,915,014
	<hr/>	<hr/>
Decrease in working capital position	\$ 1,963,952	\$ 5,849,125
	<hr/> <hr/>	<hr/> <hr/>

TORONTO TRANSIT COMMISSION NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1972



Note 1: Operating subsidy

In 1971 the Province of Ontario enacted legislation to provide financial assistance to municipalities in respect of their expenditures for the operation of public transit services. The Municipality of Metropolitan Toronto agreed to assume responsibility for the Commission's 1971 operating deficit to the extent that it was eligible for financial assistance from the Province. Because some uncertainty existed as to the amount of the subsidy receivable for 1971, the Commission did not record the subsidy in its 1971 financial statements. In 1972 the Municipality paid the Commission a subsidy of \$2,878,889, the full amount of the loss from operations for 1971, and the 1971 figures have been restated to show the subsidy.

In 1972 the Municipality agreed to assume responsibility for the Commission's 1972 loss from operations and made payments on account aggregating \$5,425,740, leaving a balance of \$747,384 at December 31, 1972 which was received by the Commission in January, 1973.

Note 2: Subway construction

At December 31, 1972 the Commission was proceeding with construction of a 4.02 mile northerly extension to the Yonge Street subway from Eglinton Avenue to Sheppard Avenue (2.68 miles of which opened for service on March 31, 1973) and a further 1.52 mile northerly extension from Sheppard Avenue to Finch Avenue.

The extension from Eglinton Avenue to Sheppard Avenue was undertaken on a cost-sharing agreement whereby The Municipality of Metropolitan Toronto assumed responsibility for all right-of-way land and subway construction costs and the Toronto Transit Commission was responsible for equipment costs, which include track, power distribution and signal systems, yards, shops and rolling stock. The extension was authorized by the Ontario Municipal Board at a total estimated cost of \$102,450,000 of which right-of-way land and subway construction costs of \$81,500,000 were to be borne by the Municipality and equipment costs of \$20,950,000 were to be borne by the Commission. The increases in Provincial subsidies referred to below have reduced the Commission's share of costs to \$10,543,000.

The northerly extension from Sheppard Avenue to Finch Avenue was authorized by the Ontario Municipal Board at a total estimated cost of \$37,500,000, all of which was to be borne by the Municipality.

The Municipality receives a subsidy towards subway construction costs from the Province of Ontario. Amendments to the Public Transportation & Highway Improvement Act in 1971 increased this subsidy to 50% of all subway land, construction and equipment costs incurred after July 22, 1971. Prior to that date the subsidy was payable on certain subway construction costs only. In November 1972 the Province of Ontario further increased the subsidy to 75% of all subway capital costs incurred after November 30, 1972 except for contracts awarded prior to that date. By arrangement with the Municipality the Commission receives the benefit of the Provincial subsidies on equipment costs for the Eglinton to Sheppard extension.



Land for the right-of-way of the Yonge Street subway extensions is purchased by the Municipality and is not recorded on the Commission's books.

Expenditures on and funds appropriated for subway extensions under construction at December 31, 1972 are summarized as:

Construction and equipment costs-			
Yonge Street northerly extension-			
From Eglinton Avenue to Sheppard Avenue		\$81,044,366	
From Sheppard Avenue to Finch Avenue		16,970,236	
Other		117,459	
		<hr/>	
		98,132,061	
Cash in subway bank account		6,137	
Miscellaneous costs		201,797	
		<hr/>	
			\$98,339,995
Less:			
Accounts payable and accruals		1,870,915	
Contract holdbacks		4,506,932	
		<hr/>	
			6,377,847
			<hr/>
			\$91,962,148
			<hr/> <hr/>

Note 3: Capital subsidy for other assets

In November 1972 the Province of Ontario announced that effective December 1, 1972 it would pay to municipalities 75% towards the purchase of specific capital assets up to a maximum amount based on population. By agreement with The Municipality of Metropolitan Toronto the Commission will receive the benefit of this subsidy which will apply to most of its capital asset additions including buses, streetcars, maintenance and terminal facilities. For December 1972 the Commission has estimated and recorded a subsidy receivable of \$223, 828.





Note 4: Depreciation policy

Capital assets are depreciated on the straight-line method over their estimated useful lives. No depreciation is charged on the portion of the total cost of capital assets for which capital contributions have been made by The Municipality of Metropolitan Toronto and the Province of Ontario.

Note 5: Gray Coach Lines, Limited

Gray Coach Lines, Limited, a wholly-owned subsidiary of Toronto Transit Commission, operates interurban coach services and its financial statements are published separately. The accounts of Gray Coach Lines are not consolidated with those of the Toronto Transit Commission because the Company's fares and routes are regulated by the Province of Ontario and in addition a significant part of the Company's operations is carried out under an agreement with the Province as part of the "GO Transit" commuter system. The retained earnings of the Company are reinvested in capital assets for the benefit of its users.

The Company's operations in 1972 resulted in net earnings of \$1,036,761 (1971—\$557,612) and its net worth as shown by its balance sheet at December 31, 1972 was \$9,321,370.

The earnings of Gray Coach Lines are recorded in the accounts of the Commission only to the extent of dividends received. Gray Coach Lines paid a dividend in 1972 of \$100,000 (1971—\$359,000).

The statement of revenue and expenses reflects charges of \$2,949,475 (\$2,882,913 in 1971) made to Gray Coach Lines, Limited by the Commission for rental of property and equipment, use of joint facilities and administrative services.

Note 6: Capital debt

Capital borrowings by the Commission are effected through the issue of Municipality of Metropolitan Toronto debentures. The Commission is required to provide the Municipality with funds to meet all principal and interest payments on such debentures. At December, 31, 1972 the net capital debt of the Commission was as follows:

	1972	1971
Instalment debentures—		
2¾% due 1980*	\$ 1,352,960	\$ 1,522,080
3¾% due 1981*	2,613,810	2,859,940
3¾%—3½% due 1983*	2,754,240	2,955,070
4% due 1983	1,835,858	1,966,624
3½% due 1984	1,828,994	1,950,345
5¾% due 1992	3,418,979	3,513,279
5½% due 1993	8,446,000	8,658,000
5¼% due 1995	17,635,000	18,027,000
	<u>\$39,885,841</u>	<u>\$41,452,338</u>
Sinking fund debentures—		
3¾% due 1980	523,933	654,999
4½% due 1986*	1,294,485	1,417,484
5% due 1993	1,565,937	1,644,432
6% due 1996	7,317,278	7,590,128
6% due 1997	2,687,602	2,779,285
7% due 1997	3,202,625	3,306,504
	<u>16,591,860</u>	<u>17,392,832</u>
	<u>\$56,477,701</u>	<u>\$58,845,170</u>

* Payable in U.S. dollars

Instalment debenture maturities and scheduled sinking fund payments required in the next five years are as follows:

Year ending—	
December 31, 1973	\$ 2,079,661
December 31, 1974	2,143,859
December 31, 1975	2,211,997
December 31, 1976	2,281,459
December 31, 1977	2,359,136

The sinking fund balance of \$5,590,140 at December 31, 1972 consists of:

- (i) the annual levies paid by the Commission into The Municipality of Metropolitan Toronto sinking fund together with interest credited at the rate of 3% per annum, which is the rate required to provide sufficient funds to retire the debentures at maturity, and
- (ii) the Commission's equity of \$821,384 in the actual earnings of the sinking fund in excess of the 3% rate.

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CONVENIENT REGULAR AND SPECIAL ROUTES/T.T.C. INFORMATION 487-2424



May 4, 1973

AUDITORS' REPORT

To the Chairman and Members
of the Toronto Transit Commission:

We have examined the balance sheet of Toronto Transit Commission as at December 31, 1972 and the statements of revenue and expenses and earnings retained and invested in the system and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Commission as at December 31, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.
Chartered Accountants

TORONTO TRANSIT COMMISSION

Five Year Summary

FINANCIAL SUMMARY:	1972	1971	1970	1969	1968
Gross Revenue	\$86,669,476	\$83,635,177	\$81,722,677	\$79,002,886	\$66,755,432
Wages, salaries and other employee costs	66,204,585	61,006,087	54,745,955	50,577,986	45,467,045
Automotive fuel tax.....	1,697,857	1,548,409	1,498,509	1,460,419	1,385,147
Municipal taxes.....	1,348,812	1,341,573	1,327,425	1,210,744	1,164,735
Total expenses	92,842,600	86,514,066	79,820,139	74,872,786	67,941,167
Net earnings (loss)	(6,173,124)	(2,878,889)	1,902,538	4,130,100	(1,185,735)
Operating subsidy	6,173,124	2,878,889	—	—	—
 OPERATING STATISTICS:					
Revenue passengers, (number of fares collected)— zone fare system	345,994,178	330,495,450	323,616,632	322,193,404	323,481,655
Revenue passengers, average weekday— zone fare system	1,158,000	1,100,000	1,071,000	1,067,000	1,061,000
Miles operated including charter and special services:					
Motor bus	36,928,361	35,574,271	33,770,827	33,539,469	32,394,222
Subway.....	22,992,648	22,839,644	22,735,322	22,693,554	20,536,788
Streetcar	10,832,375	10,987,701	11,426,600	11,843,060	12,741,953
Trolley bus.....	3,964,776	3,994,391	4,053,394	4,162,231	4,071,456
Total	74,718,160	73,396,007	71,986,143	72,238,314	69,744,419
Electric traction power consumption— kilowatt hours.....	239,386,000	235,250,000	236,530,000	236,541,000	227,322,000
Diesel Oil consumption— gallons.....	6,732,430	6,372,848	6,334,838	5,993,606	5,747,131
Average number of regular employees including Gray Coach Lines.....	7,042	6,815	6,535	6,529	6,490
Passenger vehicles owned:					
Buses	1,006	963	963	1,003	942
Streetcars.....	418	422	437	446	543
Subway cars.....	410	334	334	334	334
Trolley buses.....	152	152	152	152	153
Total	1,986	1,871	1,886	1,935	1,972
Metropolitan area population.....	2,113,000	2,059,000	2,004,000	1,935,000	1,906,000

