1988 ANNUAL REPORT

Keeping the System on Track

Toronto Transit Commission

PROFILE

The TTC is an award-winning public transit authority, created by the Municipality of Metropolitan Toronto in 1954. It is responsible for public transit in Metropolitan Toronto, which is made up of six municipalities covering 244 sq. mi. The TTC is directed by five Commissioners who are appointed by Metropolitan Toronto Council.

It carries 1.5 million passenger trips on an average business day — the equivalent of every resident taking 218 rides annually. With a fleet of 3,055 buses, trolley coaches, streetcars, subway vehicles and light rapid transit vehicles, the TTC operates more modes of transportation than any other transit system in North America.

The TTC was the first Canadian transit authority to receive an Outstanding Achievement Award from the American Public Transit Association. It has won APTA's Silver Award for passenger and traffic safety more often than any other system in the association's history.

The TTC employs approximately 9,800 people and has two subsidiaries: Gray Coach Lines, Limited, which operates interurban passenger and parcel bus service throughout Ontario and into the United States, and Toronto Transit Consultants Limited, which provides engineering consulting and transit expertise to clients world-wide. It also provides, on behalf of the Municipality of Metropolitan Toronto, a transit service for persons with physical disabilities.

The TTC's operating budget is based 68 per cent on revenues acquired mostly from fares and 32 per cent on equal subsidies from Metropolitan Toronto and the Province of Ontario. The Commission's rate of cost recovery from the farebox is one of the highest in North America and is the envy of the transit industry.

1988 ANNUAL REPORT

Toronto Transit Commission

Letter from the Chairman and the Chief General Manager

To: Mr. Alan Tonks, Chairman, and Councillors of the Municipality of Metropolitan Toronto

In 1988 Metro Toronto continued to be one of the world's most dynamic — and fast-changing — cities. As always, the Toronto Transit Commission stood ready to respond to change and to meet the needs of the community according to high standards of service, safety and courtesy. And so it is with great pride that we present the 1988 Annual Report of the Toronto Transit Commission.

The year 1988 marked a decade of growth in ridership. While this underlined the public's confidence in the TTC, it also presented a challenge in meeting the needs of our riders.

We responded by taking a hard look at these needs and setting up a new task force on service quality to find quick, inexpensive improvements. As its first project, the task force laid the groundwork for the introduction in early 1989 of a standby train to relieve Bloor-Yonge station from crowding caused by delays during rush hour. Since then this improvement has become an integral part of our response to rush-hour delays on the Yonge subway.

During the summer alternate bus service was provided and was well received by riders as construction at Kennedy station closed the Scarborough Rapid Transit (SRT) line. After reopening in September the line quickly regained ridership. The SRT platform at Kennedy station was redesigned to streamline loading. Rush-hour capacity on the line was also boosted by increasing each train to four cars from two.

Anticipated growth in northwest Metro Toronto led to the November opening of the Arrow Road garage. The garage will better serve that region by providing maintenance and storage facilities for up to 250 vehicles.

As the TTC expands to meet the growing urban needs of Metro Toronto, it strives to reflect the community it serves.

The concerns of women about safety on the system led to a six-month audit of our subway and rapid transit stations by the TTC, the police and a Toronto women's group. The audit produced a series of innovative security measures and maintained the TTC's pre-eminence among transit systems across North America as an advocate of better safety. Measures such as monitoring designated subway waiting areas with closed-circuit TV cameras will be tested in 1989.

A new programme to improve passenger relations was the focal point of employee training initiatives in 1988. All new operators in 1988 took this intensive programme, and it will be extended to all employees by 1990. It is hoped that the programme, called Transit Ambassador, will help promote the importance of courtesy and reduce passenger complaints.

To ensure that the TTC continues to be an equal opportunity employer, an Equal Opportunity Department was established. The Commission's commitment to equal opportunity recognizes the increasing diversity of Metro Toronto and is based on the realities of our changing society. And while much has been accomplished in the last decade, much remains to be done.

In 1988, 10 per cent of all positions at the TTC were held by women — an improvement of 138 per cent since 1979. Almost half of these women have non-traditional management and blue-collar positions. In addition, visible minorities increased 14 per cent over 1987 and now make up 11 per cent of the total work-force.

A new report, called *Back to Basics: A TTC Strategy for the 1990s,* was developed for discussion by employees and the community. It recommends that senior management devote more time to the basic areas of the transit business, that emphasis be given to the little things that make service special and that the corporate values of service, safety and courtesy receive renewed attention.

As in the past, our efforts to improve service could not have taken place without the ongoing financial support of Metro Toronto and the Province of Ontario. We continued to meet our revenue target of 68 per cent of operating costs and to have one of the transit industry's highest rates of cost recovery from the farebox.

As a result of the first direct elections for Metropolitan Toronto Council, a new five-member Commission was appointed. Lois Griffin became Chairman after being elected Metro Councillor (Rexdale-Thistletown). In addition, the new Commission consists of Mike Colle (York-Eglinton) as Vice-Chairman, and Beverley Salmon (North York-Centre South), Brian Harrison (Scarborough City Centre) and Metro Toronto Chairman Alan Tonks.

On behalf of the TTC, we would like to take this opportunity to thank former Commission members Jeffery Lyons, Gordon Chong, Dennis Flynn, Carole Kerbel and Tom Jakobek for their years of service and contribution.

We would also like to extend our appreciation to our employees. Thanks to them, the TTC can look back on 1988 with pride and look forward to the year to come with confidence. Their dedication and effort will continue to be the cornerstone of the TTC's tradition as a system that keeps track of tomorrow's transit needs.

Lois Griffin

A F Leach

Lois Griffin
Chairman

Allan F. Leach
Chief General Manager

New Challenges – and a continuing spirit of service

Throughout its history the Toronto Transit Commission has moved with the times. It started rolling in 1954 with the first post-war subway in North America and expanded to the suburbs in the 1960s; it rode the economic roller-coaster of the 1970s and streamlined business in the 1980s.

The year 1988 presented a series of challenges.

- Ridership climbed for the 10th year in a row, increasing public demand for services.
- Metro Toronto's aging population required the TTC to look at ways to make its services more convenient for senior citizens.
- The security of women riding on the system was questioned, and solutions were recommended.
- Service and safety came under scrutiny as the public became more vigilant about big-city problems such as crime and congestion.
- At the same time, the TTC had to reassess its long-term transit plans when provincial government funding was not granted for an east-west Sheppard subway line in north Metro Toronto.

In seeking solutions the TTC performed a balancing act between public demands, financial constraints and political pressures. It also reached a turning point: as it looked into the future to answer new demands with new answers, it looked back to the older values of its corporate philosophy.

Since its early years, "Service, Safety and Courtesy" has summed up the Commission's philosophy. In 1988 the spirit of the motto received renewed attention and fresh meaning through the year's achievements.

For 50 years the TTC's equipment maintenance staff have worked hard to ensure that the Presidents' Conference Committee (PCC) streetcars provide reliable service. In 1988 the TTC hosted a golden anniversary at the Canadian National Exhibition to commemorate the arrival of the first PCC in Toronto.

TTC guides sell fares and monthly passes to riders at busy subway stations. A TTC–GO Transit Twin Pass was introduced to provide greater convenience to riders travelling within the greater Toronto area. The pass offers a $20 discount on the combined price of TTC and GO Transit monthly passes.

Service – new investment to match record ridership

Ridership reached a record high in 1988 for the 10th year in a row: 6.6 million more riders took the TTC, pushing total revenue passengers to 463.5 million – the equivalent of 218 rides for every resident of Metro Toronto. In response to increased public demand, the TTC concentrated on making the quality of its service better than ever.

Efficiency and convenience became the watchwords of 1988. A major step towards this end was the launch of a TTC task force to study quick, inexpensive ways to improve service. As its first project, the task force introduced early in 1989 a spare train that was inserted between regularly scheduled trains as required, to relieve congestion at the Bloor-Yonge station during rush hours.

At Bloor-Yonge other solutions were used to cope with heavy subway traffic. In 1988 work began on a new west entrance to the station, and walls were removed at the north end of the Yonge platform to improve passenger flow. Plans were made to carry out structural work to retain the option of a third centre platform.

Sixty new H-6 subway cars entered service in 1988, bringing the total in service to 90 by year-end. The TTC posted an all-time record for vehicle reliability early in the year, but it dropped slightly after a crack was discovered in a suspension mounting bracket in the new H-6s. The defect was repaired, and the cars returned to service in the fall.

At Kennedy station, a new single-track turnback cut down on track and vehicle wear and tear and eliminated a noisy loop on the Scarborough Rapid Transit (SRT) line, resulting in quieter operation. A double platform speeded up service by allowing passengers to board on one side and exit on the other. Service was increased, with trains expanding from two to four cars during weekday rush hours.

While transit improved in suburban Scarborough, convenient surface transit to Toronto's downtown waterfront area began to take shape in 1988. Despite delays caused by a six-week construction

Over 2 million inquiries were fielded by telephone operators. A new computer system called the TimeLine Information Operator System was installed for testing to speed up responses.

strike and difficult soil conditions, the 2.13-km (1.28-mi.), $58.3-million Harbourfront Light Rail Transit (LRT) line passed the halfway point. This streetcar line, the first to be built in Toronto in more than 60 years, was begun in 1987.

By the end of the year structural work for the northern underground section on Bay Street, including the Union station loop, was complete and the roadway base restored. To excavate, workers had to move utility lines and remove ship docks buried in the early 1920s when part of Toronto's original harbour was filled in.

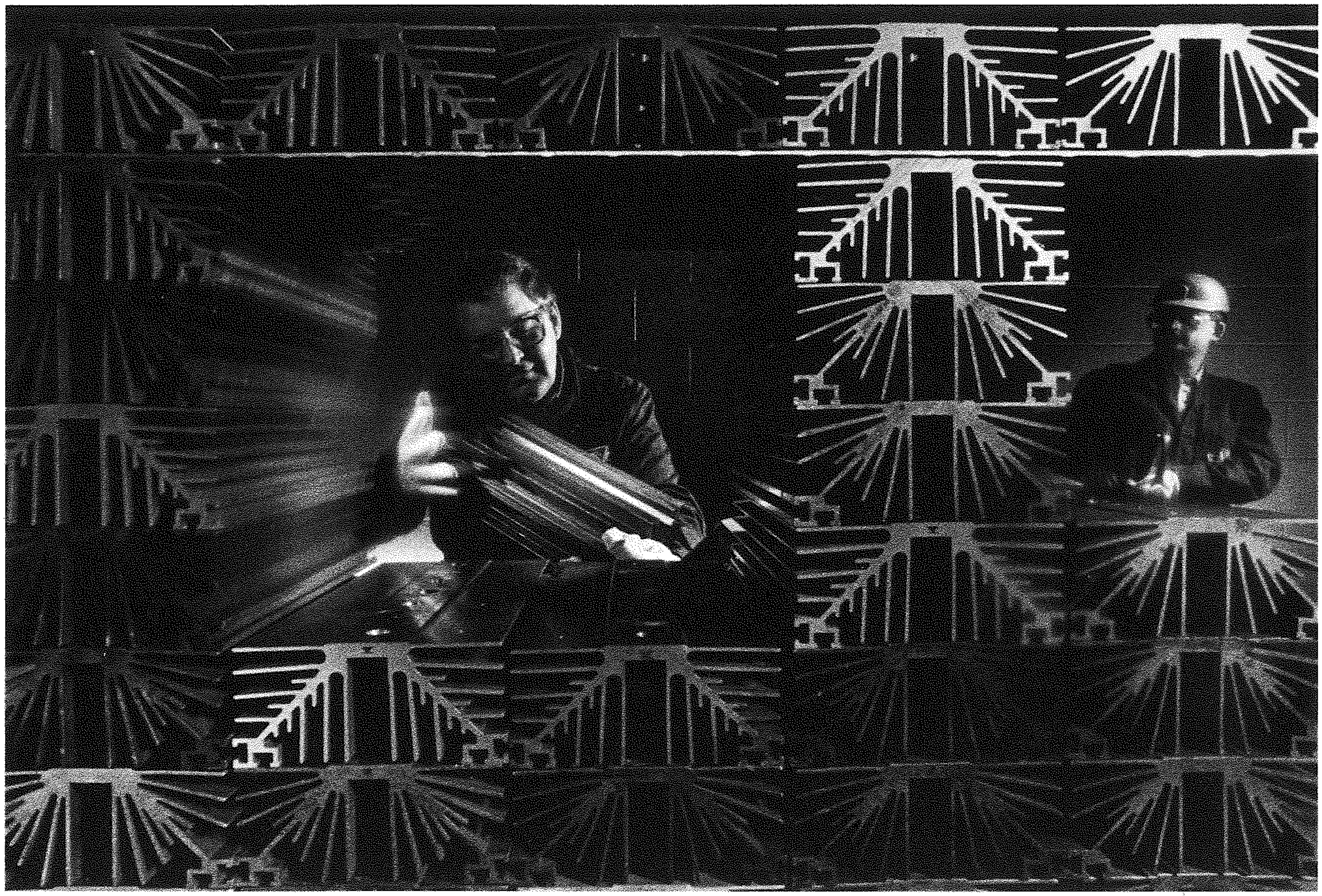
When completed in January 1990, the Harbourfront line will operate Presidents' Conference Committee streetcars and Canadian Light Rail Vehicles (CLRVs).

An environmental assessment of a possible LRT line on Spadina Avenue was also begun. The demand for transit in this area is expected to increase with the development of the nearby railway lands.

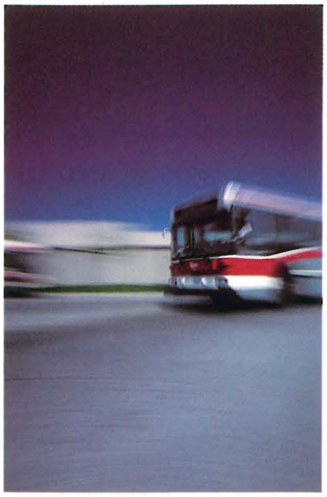
To make surface transit more efficient, 100 articulated streetcars and buses with accordion-shaped middles were introduced in 1988. The extra space in the 23-m (76-ft.) light rail vehicles and 18-m (60-ft.) buses accommodated large numbers of passengers on three busy routes. Fifty-two articulated streetcars will be used on two routes in 1989, and 90 articulated buses will operate on six routes.

To improve service in northwest Metropolitan Toronto, some of the new articulated buses will be housed at the TTC's new bus garage at Arrow Road and Finch Avenue, which opened in November. The $25.6-million garage provides maintenance and storage for up to 250 buses and a centre of operations for 465 employees.

To prepare bus service for the future, the Commission approved the purchase of 25 natural-gas-powered buses. It could buy 100 additional vehicles under a $30.1-million, five-year testing and research programme subsidized by the Ontario Ministry of Transportation. In addition, two demonstration vehicles were leased for two years; they are expected to arrive in spring 1989. All 27 vehicles are being manufactured by Ontario Bus Industries of Mississauga, Ontario. The



To keep pace with the changing technology of modern subway equipment, training was revised for repair staff. This helped the TTC to set an all-time record for subway vehicle reliability.



TTC operators continued to set new records for passenger safety. An all-time low accident rate of 2.96 accidents per 160,000 km (100,000 mi.) was achieved.

vehicle's technology has yet to be fully developed, but it is considered quieter, cleaner-burning and less expensive to operate than a diesel bus.

Toronto Transit Consultants Ltd. – TTC around the world

Since 1985, Toronto Transit Consultants Ltd. (TTCL) has called upon current and retired employees to provide know-how to government authorities, agencies and private enterprises around the world. When the Kowloon Canton Railway Corp. (KCRC) needed advice on operations during the final testing and implementation of its new light rail system, TTCL provided it. It reviewed KCRC's operations training programme and helped prepare operators for launch of the system.

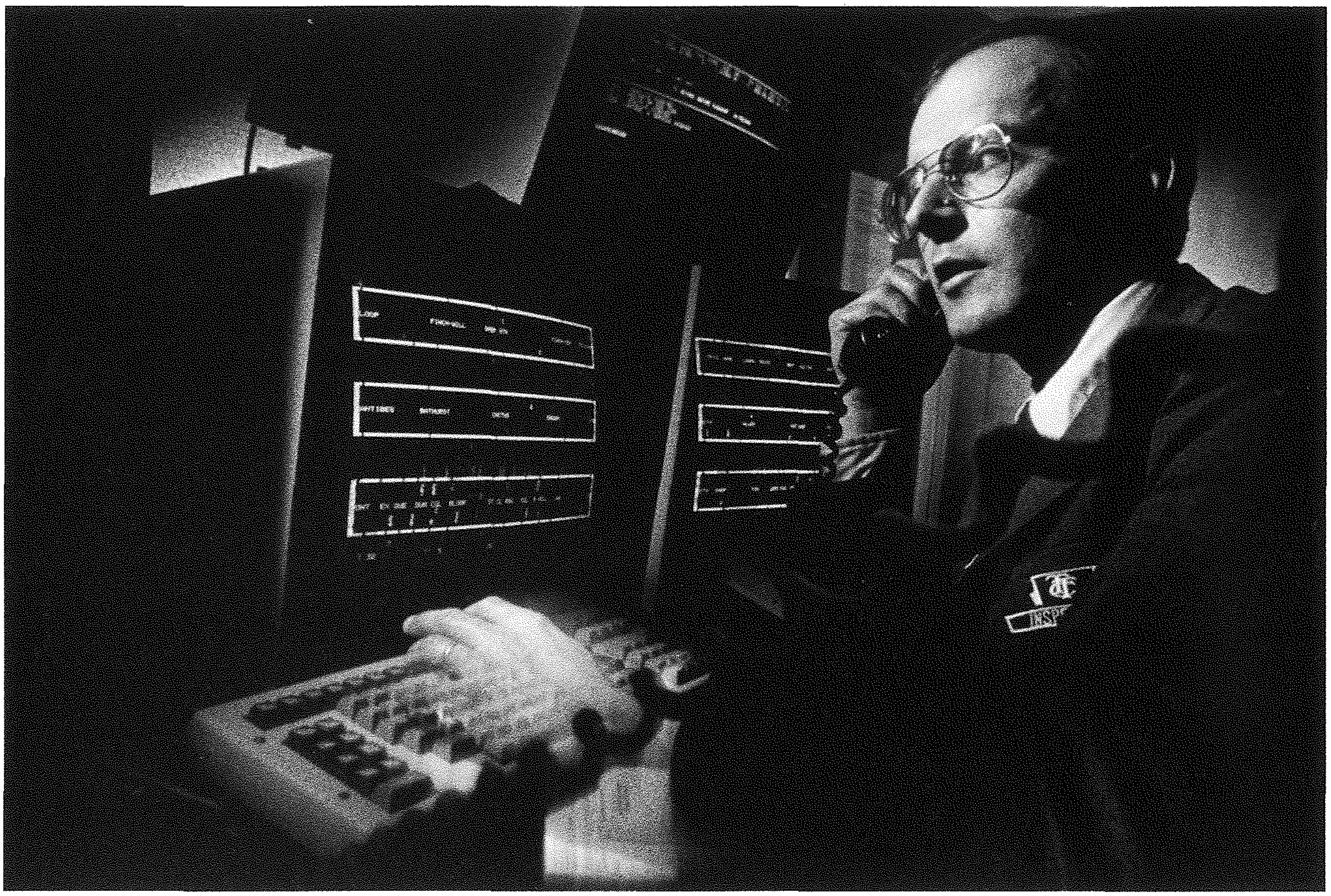
Including its contract with KCRC, TTCL handled 20 assignments for international and domestic clients in Australia, Barbados, Mexico and several U.S. cities.

In 1988 TTCL expanded its Transit Institute training programme, which provides transit management and operations training through tours and lectures conducted by TTC staff.

TTCL is a wholly-owned subsidiary of the TTC and its accounts are consolidated in the audited financial statements in this report. In 1988 TTCL incurred a loss of $84,000, on revenues of $402,000 and expenses of $486,000. A profit is budgeted for 1989.

Safety – new solutions for new challenges

While the TTC continued to receive accolades from the industry for the safety of its system, it grappled in 1988 with public perceptions that travel by transit was not as safe as before. The Commission, long regarded as the operator of one of the safest systems in North America, responded to the public's concern by joining with police and a women's interest group to launch a landmark study on women's safety on the system. The six-month study made 55 draft recommendations, including increased use of closed-circuit TV cameras and intercoms, better lighting in commuter parking lots and training to educate



Helping supervisory staff to maintain direct contact with operators is the TTC's Communications and Information System (CIS). Groundwork for system-wide expansion of CIS was undertaken in 1988. The $37.5-million system keeps track of vehicle location and is expected to improve security for passengers and operators.

employees about issues related to women's safety and to help employees deal with victims of sexual assault and harassment. A TTC task force will study the recommendations before presenting a plan to the Commission.

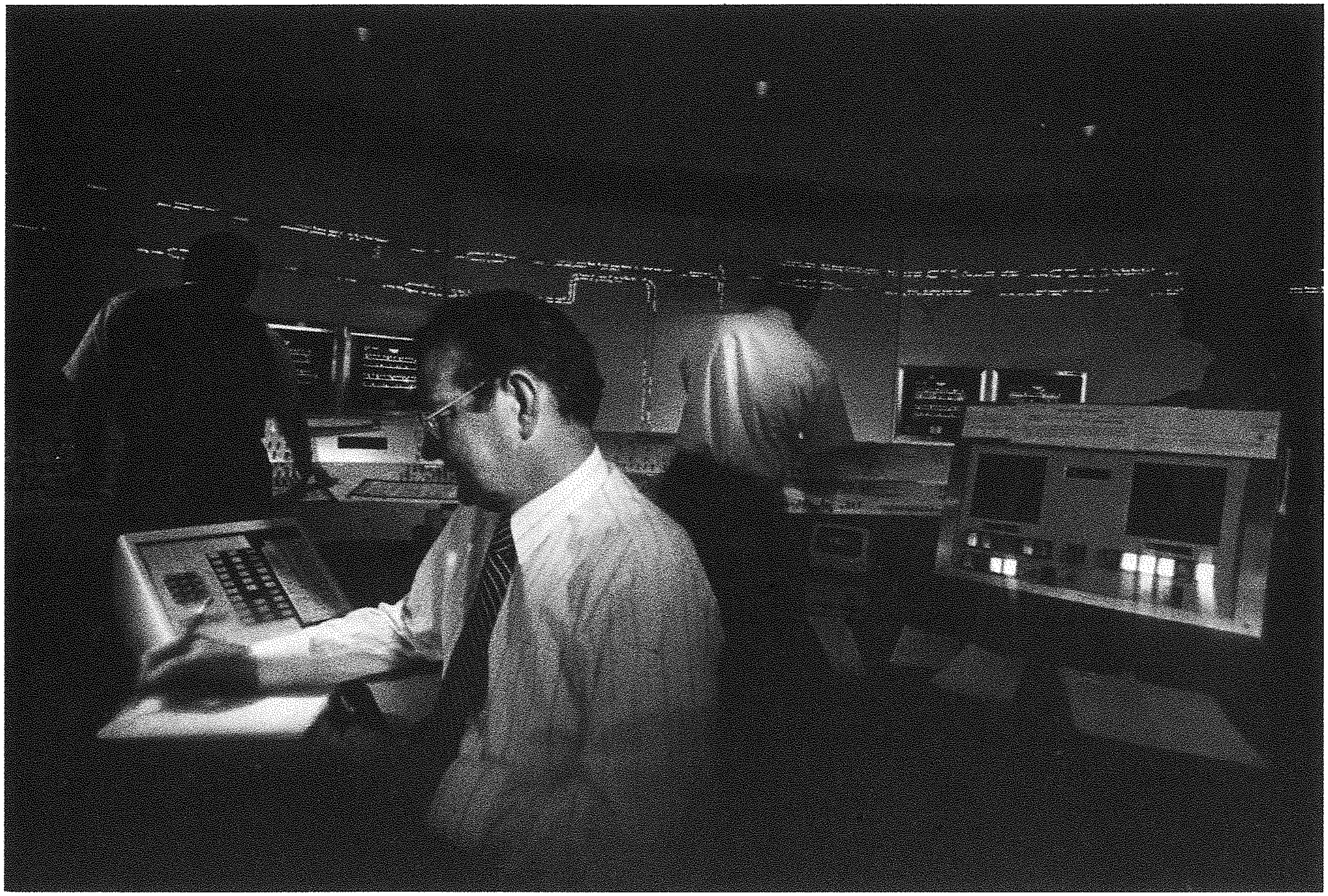
To help make the public more aware of the TTC's existing safety features, the TTC developed Your Safety Partner, an information programme with a distinctive blue, green and white helping-hand decal. Decals were placed in various locations around the system to highlight often-overlooked safety features such as mirrors, press-strip alarms in subway cars and closed-circuit TV cameras.

Safety information was provided to 150 community groups by TTC staff, who made presentations on crime prevention. A programme to alert riders to pickpocketing on the system was also initiated.

In the early hours of an autumn morning, the Commission's fifth mock disaster sent Metro Toronto's emergency units to the rescue of "passengers" stranded in the subway, demonstrating that both the system and local units could respond successfully to an emergency. No detail was spared in creating an emergency as real as possible. City firefighters extinguished a fire simulated by smoke generators, ambulance crews rushed to the scene and Metro's police directed traffic, while TTC people coordinated subway rescue operations from Transit Control. The staged event demonstrated that the TTC's recently renovated ventilation system could successfully control smoke.

The Canadian Urban Transit Association recognized the TTC with two awards. It won the CUTA award for the best traffic safety record of a Canadian system operating more than 12 million kilometres (7.4 million miles), with a rate of 10.95 accidents per million kilometres. It also received the CUTA award for the best industrial safety record, with 25.52 injuries for every million employee-hours.

The Commission was also honoured, for the second time in three years, with an award from the Ontario Ministry of the Solicitor General for outstanding commitment to crime prevention.



Responding to an emergency is the responsibility of the TTC's Transit Control Centre. To assist the centre, an emergency planning book that outlines emergency procedures for employees was completed in 1988.

To promote courteous passenger relations, a new training programme for employees was adopted by the TTC. Called Transit Ambassador, it teaches TTC operators and supervisory staff new skills for communicating with riders and handling complaints.

Courtesy – ambassadors for tomorrow

Courtesy is the last, but all-embracing, element of the TTC motto. Being an operator requires more than the ability to run a vehicle; it involves being an information clerk, tour guide and diplomat. A good operator maintains courteous relations with passengers under many situations.

Transit Ambassador, the most extensive programme to promote good passenger relations in the Canadian transit industry, was adopted by the TTC in 1988. Developed by the Canadian Urban Transit Association with the help of the TTC and other transit systems, the programme provided 300 new operators and supervisory staff with up-to-date skills for handling passenger relations.

The programme, which will cost $3 million to implement, is expected to help reduce the number of passenger complaints. It will be used to train operators at two divisions in 1989, and will be extended to other employees beginning in 1990.

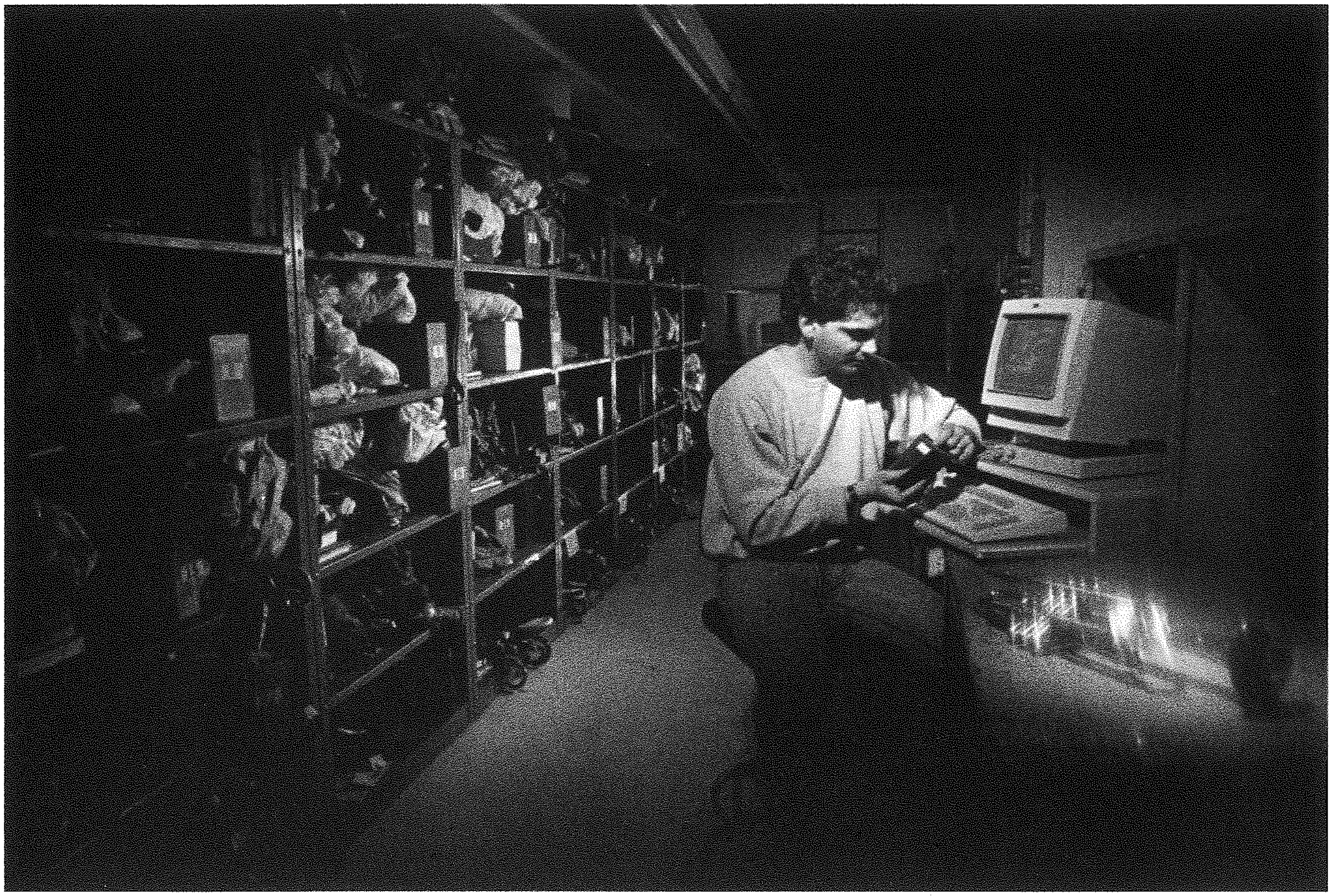
Wheel-Trans – steps to improve special transit

The TTC prepared to assume direct control in January 1989 of Wheel-Trans, a transit service for persons with physical disabilities.

Wheel-Trans has been operated by a private contractor since 1975. With direct operation, the TTC will add vehicle maintenance, hiring and driver training for Wheel-Trans to its previous responsibilities. This is expected to improve service and customer satisfaction.

To prepare for the change, Gray Coach Lines renovated and expanded its Lakeshore garage to house the 123 specially equipped Orion II buses used by Wheel-Trans.

In 1988 the service provided 658,264 rides, an increase of 9 per cent over 1987, to 11,922 registered users at a net cost of $18.3 million. Since it is funded equally by Metro Toronto and the Province of Ontario at no cost to the TTC, costs and revenues are not included in the TTC's financial statements.



Computers were installed to help TTC staff keep track of the 68,000 umbrellas, pieces of clothing and other articles lost each year by forgetful riders on the TTC. The new system keeps a daily inventory of lost items and is expected to increase the number of articles returned to their owners.

Financial Overview

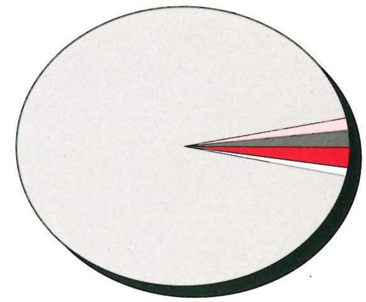
The year 1988 saw many of the TTC's records broken once again with more revenue collected, riders carried, miles travelled and capital invested than ever before. This Financial Overview provides a brief snapshot of the Commission's most significant activities and financial results for the year; a more detailed picture can be found on the following pages.

TTC Fares at December 31, 1988

	Fares	Revenue Passengers millions	%
TOKENS			
Adult	8 for $7.00	122.2	26.4
TICKETS			
Adult	8 for $7.00	39.5	8.5
	2 for $2.00	18.8	4.1
Scholar	8 for $3.50	40.0	8.6
Senior Citizen	8 for $3.50	25.6	5.5
	2 for $1.00	0.1	—
Child	4 for $1.05	13.2	2.9
CASH			
Adult	$1.05	66.9	14.4
Scholar	$0.65	6.4	1.4
Child	$0.50	3.2	0.7
PASSES			
Metropass	$46.00	119.3	25.7
Seniors' Pass	$29.75	4.5	1.0
Family/Visitor	$3.75	0.6	0.1
OTHER			
Postal Contract		1.9	0.4
Blind and War Amputees		1.3	0.3
		463.5	100.0

Note:
The split of passengers and revenue by category is estimated on the basis of collection of tickets and tokens and a sample analysis of cash fares.

1988 REVENUE
Total Revenue:
$381,504,000



Regular Service, Including Fare Grants
$357,879,000 (93.8%)

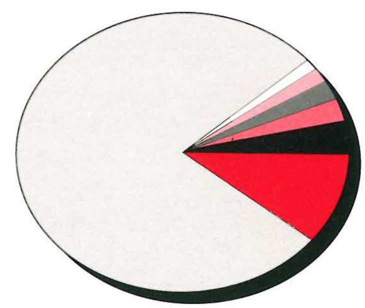
Charters and Special Services
$2,689,000 (0.7%)

Rental Income
$9,389,000 (2.5%)

Advertising Space Rental
$7,544,000 (2.0%)

Other Income
$4,003,000 (1.0%)

1988 EXPENSES
Total Expenses:
$531,878,000



Wages, Salaries and Other Employee Costs
$401,454,000 (75.5%)

Materials, Services and Supplies
$63,381,000 (11.9%)

Automotive Fuel, Vehicle and Other Licences
$22,501,000 (4.2%)

Electric Traction Power
$19,569,000 (3.7%)

Accident Claims Costs
$10,540,000 (2.0%)

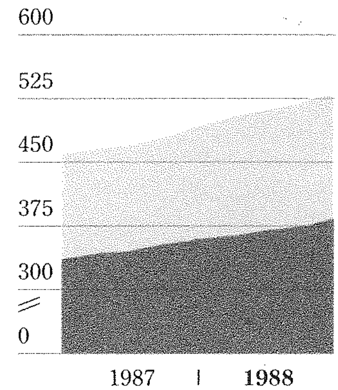
Depreciation and Debenture Interest
$9,230,000 (1.7%)

Municipal Taxes
$5,203,000 (1.0%)

Operating results

	1988	1987	Increase	%
Revenue ($ millions)	**381.5**	357.7	23.8	6.7
Operating subsidy ($ millions)	**150.4**	136.8	13.6	9.9
Expenses ($ millions)	**531.9**	494.5	37.4	7.6

Revenue increased to $381.5 million, primarily as a result of the 4.5% fare increase on January 4 and a 1.4% increase in ridership. Expenses rose to $531.9 million because of wage increases aggregating 4.6%, a 0.5% increase in service operated and general inflation. Operating subsidy increased by 9.9%.

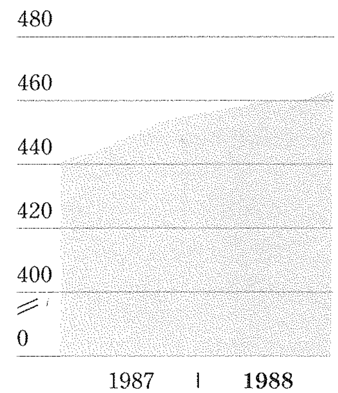


Moving average

Passengers

	1988	1987	Increase	%
Passengers (millions)	**463.5**	456.9	6.6	1.4
Revenue per passenger	**82.3¢**	78.3¢	4.0¢	5.1
Operating subsidy per passenger	**32.5¢**	29.9¢	2.6¢	8.7
Expenses per passenger	**114.8¢**	108.2¢	6.6¢	6.1

Ridership increased to a record 463.5 million, mainly because of the economic growth in the greater Toronto area, increased cross-boundary travel by non-Metro residents and service improvements. The subsidy per passenger carried increased by 8.7%.

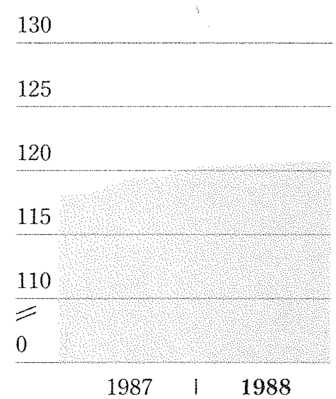


Moving average

Miles

	1988	1987	Increase	%
Miles (millions)	**120.9**	120.3	0.6	0.5
Revenue per mile	**315.6¢**	297.3¢	18.3¢	6.2
Operating subsidy per mile	**124.4¢**	113.7¢	10.7¢	9.4
Expenses per mile	**440.0¢**	411.0¢	29.0¢	7.1

Vehicle mileage increased slightly in 1988. Surface mileage (buses, streetcars and trolley coaches) increased by 1.2 million miles, while rapid transit mileage decreased by 0.6 million, mainly as a result of the retirement of the eight-car Gloucester subway trains and their replacement with new six-car H-6 subway trains.

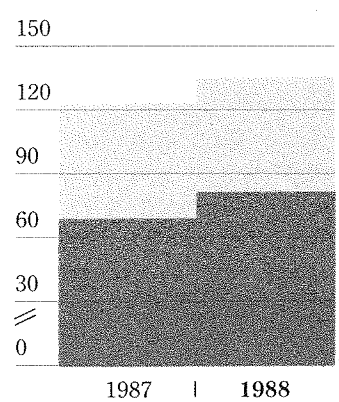


Moving average

Capital expenditures

	1988	1987	Increase (Decrease)	%
Revenue vehicle acquisition ($ millions)	**53.7**	54.7	(1.0)	(1.8)
Other capital projects ($ millions)	**82.0**	68.0	14.0	20.6
Total ($ millions)	**135.7**	122.7	13.0	10.6

Among the major expenditures in 1988 were the Harbourfront Light Rail Transit line ($24.7 million), purchase of diesel buses ($22.5 million), progress payments on the subway car and Articulated Light Rail Vehicle contracts ($22.4 million), and the Arrow Road bus garage ($11.6 million).



Revenue

(thousands of dollars)	1988	1987	Increase	%
Regular service	**344,158**	325,626	18,532	5.7
Fare grants	**13,721**	12,861	860	6.7
Regular service, including fare grants	**357,879**	338,487	19,392	5.7
Charters and special services	**2,689**	2,158	531	24.6
	360,568	340,645	19,923	5.8
Rental income	**9,389**	7,747	1,642	21.2
Advertising space rental	**7,544**	6,276	1,268	20.2
Other income	**4,003**	3,081	922	29.9
Total revenue	**381,504**	357,749	23,755	6.6

Regular Service, Including Fare Grants

Regular service, or "passenger" revenue, including fare grants from Metro Toronto, amounted to $344,158,000 in 1988. Fare increases implemented on January 4, 1988, resulted in an increase in the average fare of 4.5%, which was less than the 5.1% increase in the Toronto Consumer Price Index. The adult ticket and token fare was increased to 8 for $7.00 (87.5¢) from 6 for $5.00 (83.3¢). Similar proportionate increases were made to all other fares, except for the scholars' and children's cash fares, which remained the same. A new fare medium, the Seniors 2 Fare, was introduced in 1988, priced at 2 for $1.00 (50.0¢). The fare increase generated $14.5 million in additional revenue.

Ridership grew to an all-time high of 463.5 million, which generated an additional $4.9 million in revenue. Additional ridership was due to economic growth in the greater Toronto area, increased cross-boundary transit travel by non-Metro residents and service improvements. A significant factor contributing to the increase in ridership is the continued growth in the use of Metropass.

As in previous years, Metro Toronto continued to provide grants that allow senior citizens to travel at half fare, the blind and war amputees to travel free and eligible war veterans to use seniors' fares. The amounts of Metro grants in 1988 were: senior citizens – $12,897,000; blind and war amputees – $729,000; eligible war veterans – $95,000.

Charters and Special Services

Charter revenue totalled $1,885,000, as compared with $1,430,000 in 1987. This was the result of an increase in the number of international conventions and special events, such as the Economic Summit, held in the Metro Toronto area in 1988. Special service revenue increased by $76,000 to $804,000, primarily because of the reintroduction of service to Ontario Place.

Rental Income

Rent from station concessions and leases of property totalled $3,548,000, a small increase of $135,000 from 1987. Parking lot net revenue totalled $2,837,000, a 23.0% increase over 1987, primarily as a result of parking rate increases at most lots on January 1, 1988. Other rental income totalled $3,004,000, an increase of $977,000, mainly the result of additional services provided beyond the Metro Toronto boundary.

Advertising Space Rental

Advertising revenue is obtained from advertisements on TTC vehicles and property. Advertising revenue increased by 20.2% as a result of additional sales volume achieved by the TTC's advertising contractor.

Other Income

Other income includes the recovery of administrative and other costs for construction projects and for work done for others – $1,317,000, a 44.7% increase over 1987; the dividend from Gray Coach Lines, Limited – $900,000, an increase of $200,000 over 1987; as well as a one-time profit of $280,000 from the sale of Ferry Loop land.

Expenses

(thousands of dollars)	1988	1987	Increase (Decrease)	%
Wages, salaries and other employee costs	**401,454**	372,984	28,470	7.6
Materials, services and supplies	**63,381**	56,836	6,545	11.5
Automotive fuel, vehicle and other licences	**22,501**	21,169	1,332	6.3
Electric traction power	**19,569**	18,556	1,013	5.5
Accident claims costs	**10,540**	11,292	(752)	(6.7)
Depreciation and debenture interest	**9,230**	8,735	495	5.7
Municipal taxes	**5,203**	4,960	243	4.9
Total expenses	**531,878**	494,532	37,346	7.6

Wages, Salaries and Other Employee Costs

Wage and salary costs increased to $336,874,000, while the Commission's share of pension contributions and other employee benefit costs totalled a further $64,580,000. General wage increases granted in 1987 and 1988 resulted in a composite year-over-year increase of 4.6%. Specifically, a 4.85% wage increase became effective July 1, 1987, and a further 4.3% became effective July 1, 1988. In addition, the TTC average work-force increased by 2.8%, and employee benefit costs increased by 12.6%.

An analysis of wage and salary costs by function is shown on page 20.

Materials, Services and Supplies

This represents the cost of materials, services and supplies of items not shown separately in the table above. These costs are also analysed on page 20.

Automotive Fuel, Vehicle and Other Licences

The increase in this cost is due to a 3.4% increase in bus miles operated (63.7 million miles in 1988) and a 0.8% increase in the average price of diesel fuel (37.1¢ per litre in 1988).

Electric Traction Power

The increase in the electric traction power cost is primarily due to an average rate increase of 5.3% on January 1, 1988. In 1988, 58.2 million miles were operated.

Accident Claims Costs

Accident claims costs consist of premiums for catastrophe insurance, payments for self-insured claims and an increase in the provision for unsettled accident claims. Fewer claims were paid in 1988 than in 1987; however, the average value of claims paid increased significantly. In addition, the provision for unsettled accident claims at December 31, 1988, was increased by $3 million ($4 million increase in 1987) to allow for the greater number and value of claims outstanding at the year-end.

Depreciation and Debenture Interest

This expense relates to the annual amortization of the Commission's investment (net of municipal and provincial subsidies) in its capital assets and to the interest relating to the Commission's share of capital debt issued to finance the construction of subway lines prior to 1968.

Municipal Taxes

Realty and business taxes are payable on all Commission properties, except those used for rapid transit purposes. The increase in taxes is attributable to an average mill rate increase of 3.7% and to a full year's property taxes on land previously exempt but leased for parking facilities beginning in 1987.

Expenses by Function

(thousands of dollars)	1988	1987	Increase	%
WAGES, SALARIES AND OTHER EMPLOYEE COSTS				
Vehicle operation	**224,998**	209,794	15,204	7.2
Vehicle maintenance	**87,015**	80,663	6,352	7.9
Non-vehicle maintenance	**47,375**	44,328	3,047	6.9
General and administration	**42,066**	38,199	3,867	10.1
	401,454	372,984	28,470	7.6
MATERIALS, SERVICES AND SUPPLIES				
Vehicle operation	**2,031**	1,918	113	5.9
Vehicle maintenance	**26,141**	23,664	2,477	10.5
Non-vehicle maintenance	**20,305**	18,107	2,198	12.1
General and administration	**14,904**	13,147	1,757	13.4
	63,381	56,836	6,545	11.5

VEHICLE OPERATION

Approximately 50% of the operating work-force is involved in vehicle operations: operators, station collectors, inspectors, training staff and Transportation Department management. Labour costs increased in 1988, mainly because of the general wage adjustment and the increased work-force required in connection with the increase in miles operated and the opening of the Arrow Road garage in November.

VEHICLE MAINTENANCE

Servicing, maintaining and repairing the revenue fleet employs approximately 25% of the Commission's work-force. Costs increased mainly as a result of the general wage adjustment and inflation in the cost of maintenance material, along with additional maintenance work associated with increased miles operated, the opening of the Arrow Road garage, the bus and trolley coach body corrosion repairs programme and expiration of the warranty on the ICTS vehicles.

NON-VEHICLE MAINTENANCE

Approximately 15% of the work-force is engaged in maintaining the Commission's garages, carhouses, repair shops and administration facilities, as well as the track and wiring along the subway and surface routes. The increase in costs in this area is the result of the general wage increase adjustment and inflation in the cost of maintenance material, along with additional maintenance of the subway system and extensive building renovations.

GENERAL AND ADMINISTRATION

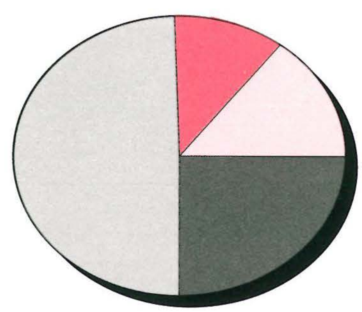
The general and administration functions include the executive, finance, marketing and customer services, public affairs, human resources, materials and procurement, planning, safety, security, legal, and management service operations. These activities account for approximately 10% of the work-force.

The increase in labour costs was again mainly due to the general salary adjustment as well as to staff increases in the management services and human resources departments. Non-labour increases were primarily due to general inflation in the cost of supplies and services and to increased expenses resulting from Engineering and Maintenance Branch administrative costs, mainly rent, which had previously been charged to capital projects.

EXPENSES BY FUNCTION

Total Expenses
$464,835

- Vehicle Operation $227,029 (48.8%)
- Vehicle Maintenance $113,156 (24.3%)
- Non-vehicle Maintenance $67,680 (14.6%)
- General and Administration $56,970 (12.3%)



Capital Expenditures

(thousands of dollars)	1988	1987	Increase (Decrease)
Revenue vehicle acquisition	**53,709**	54,713	(1,004)
Other capital projects	**82,000**	67,993	14,007
	135,709	122,706	13,003

REVENUE VEHICLE ACQUISITION		OTHER CAPITAL PROJECTS	
124 diesel buses	**22,503**	Harbourfront Light Rail Transit line	**24,710**
126 subway cars (progress payments)	**15,720**	Arrow Road bus garage	**11,610**
58 Wheel-Trans vehicles	**7,716**	Maintenance facilities	**10,222**
52 Articulated Light Rail Vehicles (progress payments)	**6,719**	Surface and subway track	**7,356**
3 rebuilt PCC streetcars	**1,051**	Subway station modernization programme	**6,116**
		Other capital projects	**21,986**
	53,709		**82,000**

These figures do not include Metro Toronto's direct expenditure for land purchased for subway and other projects, or Metro municipalities' costs for constructing transit shelters and loops.

REVENUE VEHICLE ACQUISITION

124 diesel buses:
Payments were made for 124 buses in 1988, including 65 new articulated buses, which are being introduced on the most heavily travelled bus routes.

126 subway cars:
Further progress payments were made towards the purchase of 126 new H-6 subway cars. By the end of 1988, 90 of these cars were in operation.

58 Wheel-Trans vehicles:
The Orion II fleet increased to 123 vehicles at December 31, 1988. These specialized vehicles will deliver the majority of Wheel-Trans service to the physically disabled in Metro Toronto.

52 ALRVs:
Further progress payments were made towards the purchase of 52 ALRVs. By the end of 1988, 32 of these new vehicles had been accepted for service, replacing the old PCC streetcars.

3 rebuilt streetcars:
Work was almost completed on the rebuilding of three old streetcars to extend their useful lives by 10 years.

OTHER CAPITAL PROJECTS

Harbourfront LRT:
Construction of the 1.4-mile LRT line continued in 1988. It is expected to be completed in January 1990 at a cost of approximately $58.3 million.

Arrow Road bus garage:
A new garage for 250 vehicles was opened in November 1988. Final cost is estimated to be $25.6 million.

Maintenance facilities:
Work done in 1988 included improvements to the heating, ventilating and air conditioning systems in existing structures, and progress on an addition to the Plant Operations building.

Surface and subway track:
Surface track projects are undertaken in conjunction with Metro Toronto and the City's programme for repairing streets. Subway track projects in 1988 consisted of the replacement of cross-overs at various locations and the reinsulation of negative rail on the Bloor-Danforth line.

Subway station modernization programme:
In 1988, work was completed at the St. Clair and Summerhill stations. In addition, work continued on renovations to the Bloor-Yonge station, including a new street entrance on the northeast corner of Bloor and Yonge streets.

Other capital projects:
These include the Communications and Information System (CIS) project, subway ventilation and asbestos removal projects, acquisition of computer hardware, garage improvements, purchase of shop and garage equipment, studies related to proposed new transit lines, and other capital acquisitions.

Financing

(thousands of dollars)	1988	1987	Increase (Decrease)
Operating Expenses			
By the Commission	**531,878**	494,532	37,346
By Metro and Metro municipalities	**34,482**	27,586	6,896
	566,360	522,118	44,242
Financed from: Commission revenue	**381,504**	357,749	23,755
Metro and Metro municipalities	**100,456**	86,269	14,187
Provincial subsidy	**84,400***	78,100*	6,300
	566,360	522,118	44,242
Capital Expenditures			
By the Commission	**135,709**	122,706	13,003
By Metro and Metro municipalities	**2,389**	8,030	(5,641)
	138,098	130,736	7,362
Financed from: Provincial subsidy	**101,500***	97,100*	4,400
Metro and Metro municipalities	**27,281**	24,914	2,367
Commission	**9,317**	8,722	595
*Subject to provincial audit and approval.	**138,098**	130,736	7,362

Operating Expenses

Financing is based on a users' fair-share agreement under which the Commission aims to provide approximately 68% of expenses (as defined for provincial subsidy purposes) from its revenues. The Municipality of Metropolitan Toronto and the Province of Ontario assume the remaining expenses on an approximately equal basis. In practice, the 68% revenue/cost target is arrived at through the Commission's budget-setting procedures, which forecast numbers of passengers, service to be operated and required fare increases. Actual financial results may result in these percentages fluctuating slightly above or below the targets from year to year.

The current provincial subsidy formula is based on a sliding scale, which provides for a basic subsidy of 13.75% of eligible expenses plus 25% of the shortfall between the actual revenue/cost ratio and the target of 72.5% for Toronto, up to 15.47%.

The Province also pays special operating subsidies for new major transit facilities and for the extra operating costs of the Scarborough RT line that result from the use of the ICTS system instead of the originally planned streetcar (LRT) system.

In 1988, the operating subsidy requirement assumed by Metro Toronto amounted to $150,374,000. Metro and Metro municipalities incurred further costs totalling $34,482,000. These were primarily for debenture debt payments, senior citizens' fare subsidy and maintenance of transit shelters. The provincial contribution amounted to $84,400,000 (subject to provincial audit), and Metro's residual cost was $100,456,000.

Adjustments of the figures in the table in accordance with provincial subsidy regulations result in a 1988 cost-sharing as follows: TTC revenues — 69.5%; provincial subsidy — 15.8%; and Metro and Metro municipalities — 14.7%.

Capital Expenditures

Capital expenditures totalled $135,709,000, consisting of $103,646,000 for rapid transit extensions, major vehicle purchases and other projects included in the Metro Capital Works Programme and $32,063,000 for the purchase of buses and for the replacement and renovation of surface and general facilities included in the Commission's capital budgets.

Metro assumes the full cost of the projects included in the Capital Works Programme, including land purchased directly by Metro and not recorded on the Commission's books ($1,987,000 in 1988). Metro receives provincial subsidy for all of these costs, the majority at a rate of 75%.

Capital budget expenditures are assumed by the Commission, with the exception of costs for transit shelters and loops, which are paid for by the Metro municipalities. The Province pays a 75% provincial subsidy on most projects but does not subsidize automotive service vehicles, revenue collection equipment, office furniture and equipment, and certain minor items.

Provincial subsidies on capital expenditures in 1988 amounted to $101,500,000 (subject to provincial audit). The Commission's contribution was $9,317,000, and the remaining $27,281,000 was financed by Metro and the Metro municipalities.

FINANCIAL STATEMENTS

December 31, 1988

Auditors' Report

MARCH 28, 1989

TO THE CHAIRMAN AND MEMBERS
OF THE TORONTO TRANSIT COMMISSION

THE MUNICIPALITY OF METROPOLITAN TORONTO · 1953 ·

Thorne Ernst & Whinney
Chartered Accountants

We have examined the balance sheet of the Toronto Transit Commission as at December 31, 1988, and the statements of revenue and expenses and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures 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, 1988, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

Chartered Accountants
Toronto, Ontario

Metropolitan Auditor
Toronto, Ontario

Statement of Revenue and Expenses

(in thousands)	Year ended December 31, 1988	Year ended December 31, 1987
REVENUE		
Passenger services	**$360,568**	$340,645
Rental of land, air rights, buildings, subway concessions and equipment	**9,389**	7,747
Rental of advertising space	**7,544**	6,276
Dividend from Gray Coach Lines, Limited	**900**	700
Miscellaneous	**3,103**	2,381
Total revenue	**381,504**	357,749
Operating subsidy (Note 2)	**150,374**	136,783
Total revenue and operating subsidy	**$531,878**	$494,532
EXPENSES		
Wages, salaries and other employee costs	**$401,454**	$372,984
Materials, services, and supplies other than the items shown below	**63,381**	56,836
Automotive fuel, including federal and provincial taxes	**21,877**	20,549
Electric traction power	**19,569**	18,556
Accident claims costs	**10,540**	11,292
Depreciation	**9,107**	8,535
Municipal taxes	**5,203**	4,960
Vehicle and other licences	**624**	620
Debenture interest	**123**	200
Total expenses	**$531,878**	$494,532

Balance Sheet

(in thousands)	December 31, 1988	December 31, 1987
Assets		
Current assets		
Cash	**$ 1,573**	$ 6,026
Accounts receivable		
The Municipality of Metropolitan Toronto	**65,828**	64,963
Gray Coach Lines, Limited — current account	**3,879**	3,902
Other	**7,499**	6,346
Inventories	**19,588**	19,647
Working funds and prepaid expenses	**3,325**	3,007
	101,692	103,891
Investment in capital stock of Gray Coach Lines, Limited (Note 3)	**1,000**	1,000
Capital assets		
Land, buildings, subway, power distribution system, trackwork, rolling stock, buses and other equipment	**1,826,631**	1,611,002
Less capital contributions	**(1,585,474)**	(1,374,091)
	241,157	236,911
Less accumulated depreciation	**(161,810)**	(157,774)
	79,347	79,137
Under construction and not yet in service	**159,692**	245,417
Less capital contributions	**(159,692)**	(245,417)
	—	—
Net capital assets	**79,347**	79,137
	$ 182,039	$ 184,028
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 94,447**	$ 100,205
Current portion of debenture debt (Note 4)	**1,690**	1,606
	96,137	101,811
Provision for		
Fare media held by the public	**15,800**	13,425
Unsettled accident claims	**15,000**	12,000
	30,800	25,425
Long-term portion of debenture debt due to the Municipality of Metropolitan Toronto (Note 4)	**9,917**	11,607
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	**24,804**	24,804
Earnings retained and invested in the system by Toronto Transit Commission (Unchanged from 1972)	**20,381**	20,381
	45,185	45,185
	$ 182,039	$ 184,028

Statement of Changes in Financial Position

(in thousands)	Year ended December 31, 1988	Year ended December 31, 1987
CASH USED IN OPERATIONS		
Net operating costs	**$150,374**	$136,783
Depreciation	**(9,107)**	(8,535)
Increase in provisions	**(5,375)**	(5,675)
	135,892	122,573
Decrease (increase) resulting from changes in		
Accounts receivable	**1,995**	(15,084)
Inventories	**(59)**	(1,553)
Working funds and prepaid expenses	**318**	344
Accounts payable and accrued liabilities	**5,758**	15,018
	143,904	121,298
NET CASH USED IN THE ACQUISITION OF CAPITAL ASSETS	**135,709**	122,706
CASH RECEIVED FROM (USED IN) FINANCING ACTIVITIES		
Operating subsidy	**150,374**	136,783
Capital contributions	**126,392**	113,984
Debenture debt repayment	**(1,606)**	(2,173)
	275,160	248,594
Decrease in cash	**(4,453)**	4,590
Cash, beginning of year	**6,026**	1,436
Cash, end of year	**$ 1,573**	$ 6,026

Notes to Financial Statements December 31, 1988

The Toronto Transit Commission (the Commission) was established on January 1, 1954 to serve the transportation needs of the municipalities comprising the Municipality of Metropolitan Toronto (the Municipality). The new entity assumed all the assets and liabilities of the former Toronto Transportation Commission.

1. Significant Accounting Policies

The accounting policies followed in the preparation of the financial statements for the Commission are in accordance with generally accepted accounting principles and have been consistently applied. The significant accounting policies are as follows:

a. Revenue Recognition

Passenger revenue is recognized when tickets and tokens are used. Revenue from monthly passes is recognized in the period in which the passes are valid.

b. Inventories

Inventories are valued at average cost and are expensed or capitalized when issued.

c. Investment in Wholly-owned Subsidiary – Gray Coach Lines, Limited

The investment in Gray Coach Lines, Limited (Gray Coach) is carried at cost. Dividends from Gray Coach are recorded as revenue when received and effectively decrease the operating subsidy provided from the Municipality. As increases in the equity of Gray Coach are not likely to accrue to the Commission the financial statements of Gray Coach are not consolidated.

d. Capital Assets and Capital Contributions

Capital assets are recorded at cost less capital contributions. The current bases for capital contributions are as follows:

(i) For additions and improvements to the subway and light rail systems and equipment and for certain other projects, the Municipality makes a capital contribution equal to the total cost and recovers 75% of this amount from the Province of Ontario (the Province).

(ii) For most of its other capital asset additions, including buses, the Commission receives from the Province a 75% capital contribution that is paid through the Municipality.

Holdbacks on construction contracts are not recorded until paid since the Municipality has complete financial responsibility.

Land purchased directly by the Municipality mainly for rapid transit purposes is recorded in the Municipality's records.

e. Depreciation

The provision for depreciation on capital assets is computed on the straight-line method at rates based on the estimated average life of each asset group. Depreciation is charged only on that portion of the total cost of capital assets borne by the Commission.

2. Operating Subsidy

By agreement with the Municipality, the Commission establishes its fares each year at the level required to produce total budgeted revenue from operations equal to 68% of total operating expenses (as defined for provincial subsidy purposes). The Municipality undertakes in its budget to provide an operating subsidy equal to the remaining expenses.

The Municipality in turn obtains subsidies from the Province related to eligible transit operating expenses, revenue/cost relationships and special subsidies for major new transit facilities on exclusive rights of way.

Under these arrangements, if actual revenue and expenses for the year are equal to the budgeted figures, the operating subsidy is shared approximately equally by the Municipality and the Province.

The actual funding of transit operating expenses (as defined for provincial subsidy purposes) is expected to be as follows:

	1988	1987
By the Commission	**69.5%**	70.0%
By the Municipality	**14.7%**	14.0%
By the Province of Ontario	**15.8%**	16.0%

3. Gray Coach

Gray Coach, directly and through its subsidiaries, including Trentway-Wagar (Properties) Inc., operates interurban coach services, charters, tours and school buses. In 1988 Gray Coach acquired a one-third interest in Vacationair Inc., an air charter operator.

Gray Coach fares and routes are regulated by the Province and a significant part of Gray Coach operations have been carried out under an agreement with the Toronto Area Transit Operating Authority as part of the "GO Transit" commuter system. During 1984, it was agreed that a phase-out of Gray Coach operation of "GO Transit" routes would occur over the five year period ending in 1989.

Gray Coach consolidated financial statements, which are published separately, are summarized as follows:

Consolidated Statement of Earnings

	Year ended December 31	
(in thousands)	**1988**	1987
Revenue	**$66,186**	$55,983
Expenses, including Ontario income taxes	**63,526**	52,857
Earnings before extraordinary item	**2,660**	3,126
Extraordinary item	**14,833**	—
Net earnings for the year	**$17,493**	$ 3,126

Consolidated Balance Sheet

	December 31	
(in thousands)	**1988**	1987
ASSETS		
Current assets	**$17,179**	$ 6,474
Investments	**3,950**	500
Capital assets, at cost less accumulated depreciation	**32,673**	27,964
Goodwill	**1,591**	1,385
	$55,393	$36,323
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities	**$11,510**	$ 8,262
Long-term liabilities and provisions	**3,273**	3,744
Capital stock, reserve and retained earnings	**40,610**	24,317
	$55,393	$36,323

The Statement of Earnings reflects charges of $6,367,000 (1987 – $6,360,000) made to Gray Coach by the Commission for rental of property and equipment, use of joint facilities and administrative services.

4. Debenture Debt

Capital borrowings by the Commission are financed 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, 1988, the net debenture debt was as follows:

(in thousands)	**1988**	1987
Serial debentures –		
5⅜% final instalment due 1992	**$ 995**	$ 1,213
5½% final instalment due 1993	**2,937**	3,436
5¼% final instalment due 1995	**7,675**	8,564
	11,607	13,213
Less: Current portion	**1,690**	1,606
	$ 9,917	$11,607

Serial debenture payments required in each of the next five years are approximately $1,825,000.

Sinking fund debentures due in 1993 to 1997 amounting to $17,533,000 have been fully funded by sinking fund investments.

5. Pensions

The Commission has a defined benefit pension plan which provides pensions based on length of service and average earnings to substantially all employees including those assigned to Gray Coach. The Commission and employees contribute equally to the plan. The rate of contributions for 1988 for each member and the Commission was 6.25% of wages and salaries up to the year's maximum pensionable earnings as defined by the Canada Pension Plan, and 7.85% of wages and salaries in excess of that amount.

The contribution by the Commission covers both its share of current service costs and amounts required to liquidate the unfunded liability of the plan over the periods prescribed by law. These payments amounted to $24,495,000 in 1988 (1987 – $22,803,000).

Based on Commission estimates actuarial projections prepared during the year indicate that the present value of the accrued pension benefits and the net assets available to provide for these benefits, at market value, as of December 31 are as follows:

(in thousands)	**1988**	1987
Accrued pension benefits	**$840,757**	$767,145
Pension fund assets	**$776,280**	$704,059

6. Taxes

The Commission is not subject to income taxes and receives exemption from certain property taxes.

10-Year Financial and Operating Statistics

	1979	1980	1981	1982
PASSENGERS/OPERATING REVENUE				
Passengers (Millions)	346.2	366.4	392.0	401.2
Basic Adult Ticket Fare (at December 31)	50.0¢	50.0¢	57.1¢	62.5¢
Total Operating Revenue ($ Millions)	165.9	183.6	215.0	240.9
Operating Revenue per Mile	167.6¢	181.1¢	199.3¢	212.4¢
Operating Revenue per Passenger	47.9¢	50.1¢	54.9¢	60.0¢
OPERATIONS/EXPENSES				
Miles Operated, Including Charters and Special Services (Millions)				
Bus	48.1	49.3	52.1	56.8
Subway Car	37.7	38.6	42.6	43.2
Streetcar	9.1	9.4	9.3	9.4
Trolley Coach	4.1	4.1	3.9	4.0
Scarborough RT	—	—	—	—
	99.0	101.4	107.9	113.4
Average Number of Employees (Including Gray Coach Lines, Ltd.)	8,703	8,689	8,906	9,200
Average Hourly Wages and Benefits per Driver	$10.81	$11.67	$14.13	$15.49
Total Expenses ($ Millions)	211.6	236.8	284.4	333.8
Expense per Mile	213.7¢	233.5¢	263.6¢	294.3¢
Expense per Passenger	61.1¢	64.6¢	72.6¢	83.2¢
OPERATING SUBSIDY				
Operating Subsidy ($ Millions)	45.7	53.2	69.4	92.9
Operating Subsidy per Mile	46.2¢	52.4¢	64.3¢	81.9¢
Operating Subsidy per Passenger	13.2¢	14.5¢	17.7¢	23.2¢
REVENUE/COST RATIO	72.9%	71.3%	71.1%	68.6%
CAPITAL ASSETS				
Investment in Capital Assets (Before Depreciation and Contributions) at December 31 ($ Millions)				
Rapid Transit	827.3	836.3	841.6	885.4
Surface	134.5	174.0	225.5	262.0
	961.8	1,010.3	1,067.1	1,147.4
Metro and Provincial Contributions	748.2	796.4	849.3	927.2
TTC Investment (Before Depreciation)	213.6	213.9	217.8	220.2
Vehicle Fleet (Owned and Leased)				
Articulated Buses	—	—	—	—
Buses	1,231	1,262	1,403	1,556
Subway Cars	618	632	632	632
Trolley Coaches	151	151	151	151
Streetcars				
PCCs	342	311	258	178
CLRVs	17	89	188	196
ALRVs	—	—	—	—
ICTS Vehicles	—	—	—	—
Wheel-Trans Buses	—	—	—	—
	2,359	2,445	2,632	2,713

1983	1984	1985	1986	1987	1988	% Increase (Decrease) 1979 – 1988
405.7	427.7	432.2	441.0	456.9	**463.5**	33.9
66.7¢	70.0¢	73.8¢	80.0¢	83.3¢	**87.5¢**	75.0
259.4	283.2	301.6	334.8	357.7	**381.5**	130.0
228.5¢	247.3¢	260.2¢	283.2¢	297.3¢	**315.6¢**	88.3
63.9¢	66.2¢	69.8¢	75.9¢	78.3¢	**82.3¢**	71.8
57.2	58.2	59.0	60.0	61.0	**62.7**	30.4
43.1	43.3	43.3	44.1	45.3	**44.8**	18.8
9.3	9.2	9.1	9.0	8.8	**8.6**	(5.5)
3.9	3.8	3.6	3.5	3.6	**3.3**	(19.5)
—	—	0.9	1.6	1.6	**1.5**	n/a
113.5	114.5	115.9	118.2	120.3	**120.9**	22.1
9,414	9,614	9,628	9,636	9,734	**9,963**	14.5
$16.50	$17.43	$18.40	$19.49	$20.58	**$21.63**	100.1
362.8	393.0	427.0	461.0	494.5	**531.9**	151.4
319.6¢	343.2¢	368.4¢	390.0¢	411.0¢	**440.0¢**	105.9
89.4¢	91.9¢	98.8¢	104.5¢	108.1¢	**114.8¢**	87.9
103.4	109.8	125.4	126.2	136.8	**150.4**	229.1
91.1¢	95.9¢	108.2¢	106.8¢	113.7¢	**124.4¢**	169.3
25.5¢	25.7¢	29.0¢	28.6¢	29.9¢	**32.5¢**	146.2
68.5%	69.3%	68.1%	69.5%	70.0%	**69.5%**	n/a
971.9	1,060.0	1,149.2	1,234.9	1,283.0	**1,350.1**	63.2
307.9	330.8	425.6	502.1	573.4	**636.2**	373.0
1,279.8	1,390.8	1,574.8	1,737.0	1,856.4	**1,986.3**	106.5
1,057.6	1,170.9	1,348.2	1,505.5	1,619.5	**1,745.2**	133.3
222.2	219.9	226.6	231.5	236.9	**241.1**	12.9
—	—	—	—	9	**68**	n/a
1,561	1,465	1,512	1,561	1,641	**1,621**	31.7
632	632	631	631	662	**721**	16.7
151	150	150	150	150	**150**	(0.7)
175	169	124	124	123	**116**	(66.1)
196	196	196	196	196	**196**	n/a
—	—	—	—	—	**32**	n/a
—	—	24	28	28	**28**	n/a
—	—	19	30	69	**123**	n/a
2,715	2,612	2,656	2,720	2,878	**3,055**	29.5

Management Directory

OFFICERS AND SENIOR OFFICIALS

Allan F. Leach
Chief General Manager

Norman E. Balfour, QC
General Counsel and Solicitor

Gordon M. Break
General Manager
Operations

Arnold S. Dubé
General Secretary

J. Herb Jobb
General Manager
Finance

Donald J. Morton
General Manager
Engineering and Maintenance

David C. Phillips
General Manager
Human Resources

Dr. Juri Pill
General Manager
Administration and Planning

DEPARTMENT MANAGERS

Doug P. Anton
Manager
Property Management

Gerry Brolley
Manager
Service Planning

Dennis R. Callan
Manager
Engineering

John D. Cannell
Manager
Pension Fund Society

Allen J. Chocorlan
Manager
Management Services

Dave A. Cowan
Manager
Equipment

William G. Frost
Manager
Communications and Information System (CIS)

Al Gallo
Manager
Marketing and Customer Services

Ron L. Gooding
Manager
Internal Audit

David W.R. Hammond
Assistant General Counsel and Solicitor

Alan K. Hewson
Manager
Wheel-Trans

Graham Jones
Manager
Financial Control

R. Ian Kingston
Manager
Transportation

Kenneth G. Knight
Manager
Construction

Nancy J. Littlewood
Manager
Personnel

Douglas W. Mair
Manager
Plant

Nelson R. Melnyck
Manager
Corporate Planning

Dr. Joel Miller
Manager
Project Administration

Dr. David Stephen
Medical Director

Robert J. Thacker
Manager
Employee Relations

Robert M. Topp
Manager
Operational Planning

Marjorie Wallens
Manager
Public Affairs

Gary M. Webster
Manager
Materials and Procurement

Paul A. Wenning
Manager
Safety and Fire Prevention

Wm. D. Wood
Manager
Special Projects and Treasury

SUBSIDIARY COMPANIES

Gray Coach Lines, Limited
William L. Verrier
President and Chief Executive Officer

Toronto Transit Consultants Limited
Warren H. Bartram
Acting President

Year ending December 31, 1988

For further information, please contact:

TTC Public Affairs Department
1900 Yonge Street
Toronto, Ontario
Canada, M4S 1Z2
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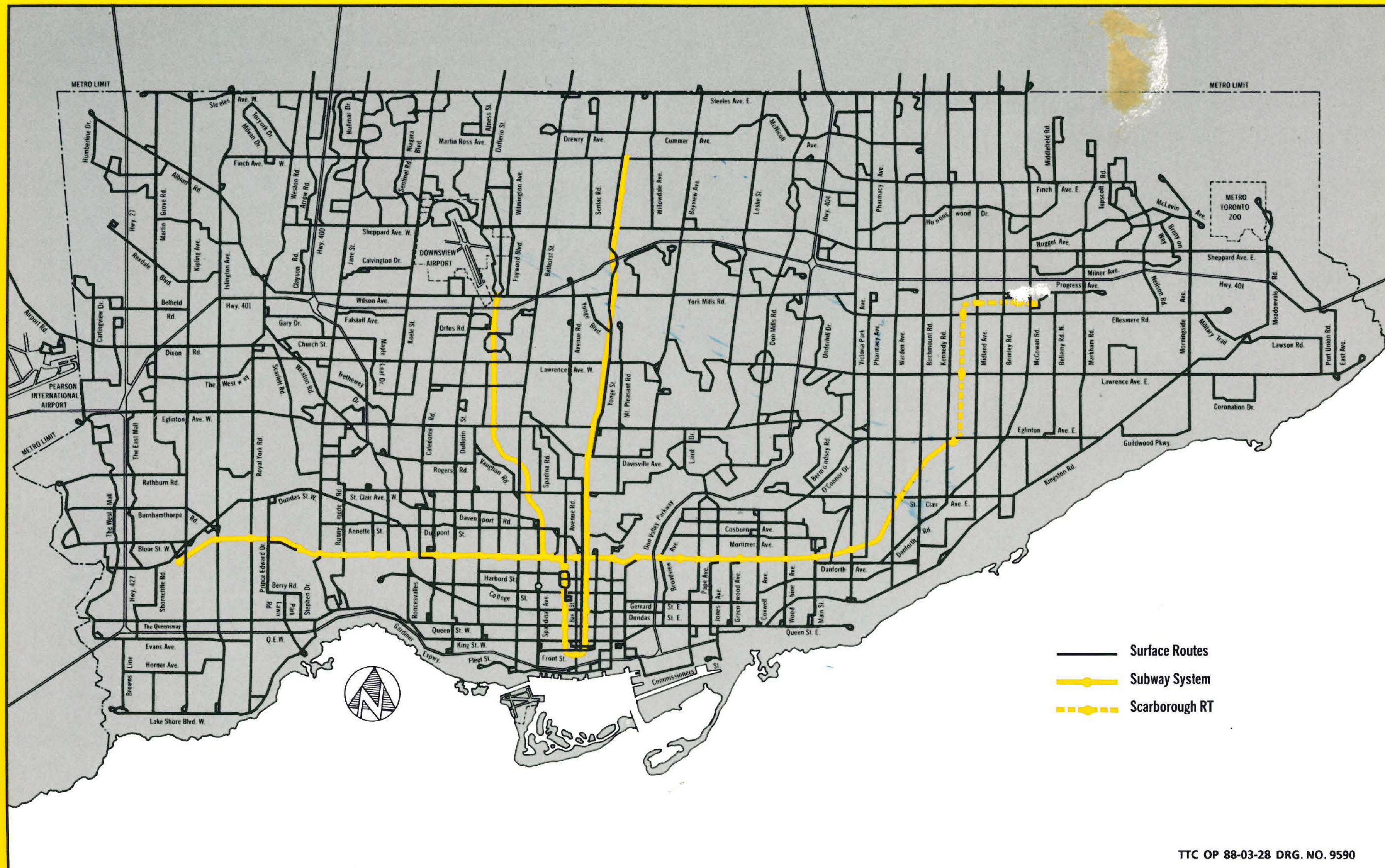
Deborah MacNeill


METRO LIMIT
METRO LIMIT
Steeles Ave. W.
Steeles Ave. E.
Finch Ave. W.
Finch Ave. E.
Martin Ross Ave.
Drewry Ave.
Cummer Ave.
Sheppard Ave. W.
Sheppard Ave. E.
Calvington Dr.
DOWNSVIEW AIRPORT
Wilson Ave.
Falstaff Ave.
Orfus Rd.
York Mills Rd.
Lawrence Ave. W.
Lawrence Ave. E.
Eglinton Ave. W.
Eglinton Ave. E.
Rogers Rd.
Davisville Ave.
St. Clair Ave. W.
St. Clair Ave. E.
Annette St.
Dupont St.
Davenport Rd.
Bloor St. W.
Danforth Ave.
Harbord St.
College St.
Gerrard St. E.
Dundas St. E.
Queen St. W.
Queen St. E.
King St. W.
Fleet St.
Front St.
Commissioners St.
Lake Shore Blvd. W.
The Queensway
Evans Ave.
Horner Ave.
Rathburn Rd.
Burnhamthorpe Rd.
Dundas St. W.
Dixon Rd.
Belfield Rd.
Hwy. 401
Hwy. 427
Hwy. 400
Hwy. 404
Hwy. 27
PEARSON INTERNATIONAL AIRPORT
METRO TORONTO ZOO
Progress Ave.
Milner Ave.
Nugget Ave.
Ellesmere Rd.
Lawson Rd.
Coronation Dr.
Guildwood Pkwy.
Kingston Rd.
Don Valley Parkway
Yonge St.
Bathurst St.
Dufferin St.
Keele St.
Jane St.
Spadina Ave.
Avenue Rd.
Bayview Ave.
Leslie St.
Victoria Park Ave.
Pharmacy Ave.
Warden Ave.
Birchmount Rd.
Kennedy Rd.
Midland Ave.
Brimley Rd.
McCowan Rd.
Bellamy Rd. N.
Markham Rd.
Morningside Ave.
Meadowvale Rd.
Port Union Rd.
Islington Ave.
Kipling Ave.
Royal York Rd.
Q.E.W.
Gardiner Expwy.
Surface Routes
Subway System
Scarborough RT
TTC OP 88-03-28 DRG. NO. 9590