2020
Annual Report
Toronto Transit Commission

Contents

Chair's Letter

While 2020 marked the 100th anniversary of the formation of the TTC Board, 2021 marks a century of the TTC's service to the citizens of Toronto

To: Mayor John Tory and Councillors of the City of Toronto

It is my privilege to submit the 2020 Annual Report for the Toronto Transit Commission (TTC). After celebrating the 100th anniversary of the TTC Board in 2020, this year will mark a century of service for the TTC – an incredible milestone in an unprecedented year.

As we've seen over the course of the COVID-19 pandemic, the TTC's greatest asset is its people. I would like to take this opportunity to acknowledge and commend the hard work and commitment of our TTC employees, who have kept the City of Toronto moving safely – day in and day out – through one of the most difficult periods in our history.

Over the last year, the TTC has taken impressive steps to strengthen its commitment to safety, reliability and customer service. We took swift and decisive action in response to the COVID-19 pandemic, implementing a number of new health and safety measures, including extensive disinfection protocols and one of the first mandatory face mask policies in Canada. As ridership dramatically declined through the worst months of the pandemic, the TTC consistently demonstrated resilience and adaptability while providing safe and demand-responsive service to Toronto and the surrounding region.

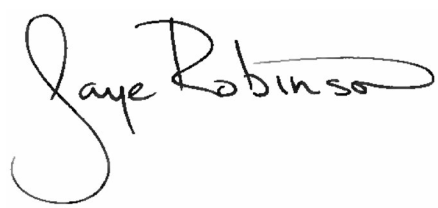
In December 2020, the TTC implemented their first 10-day closure to undertake significant infrastructure upgrades on the subway system. By all accounts, it was a resounding success. More than two years' worth of work was completed in 10 days, reducing the need for disruptive weekend and evening closures in future. Using this model, the TTC has since successfully accelerated many of the key state-of-good-repair and capital projects identified in our 15-year Capital Investment Plan.

The TTC Board also approved the landmark 10-Point Action Plan for Diversity and Inclusion and Five-Year Diversity and Human Rights Plan in December 2020. Together, these ambitious plans include short-term actions and long-term strategies to foster transformational change in all facets of the organization.

I would like to thank my fellow TTC Board Members for their commitment and leadership throughout the past year: Vice-Chair Joanne De Laurentiis, Deputy Mayor Denzil Minnan-Wong (Ward 16 Don Valley East), Councillor Brad Bradford (Ward 19 Beaches-East York), Councillor Jennifer McKelvie (Ward 25 Scarborough-Rouge Park), Councillor Shelley Carroll (Ward 17 Don Valley North), Councillor Cynthia Lai (Ward 23 Scarborough North), and our citizen Commissioners, Ron Lalonde, Julie Osborne and Fenton Jagdeo. On behalf of the TTC Board, I would also like to thank Mayor John Tory and Toronto City Council for their continued support.

As vaccination rates continue to improve across the region, the TTC will play a critical role supporting Toronto's recovery in the weeks, months and years to come.

Sincerely,



Jaye Robinson
TTC Chair, May 2021

The TTC Board

As at December 2020

Jaye Robinson
Chair

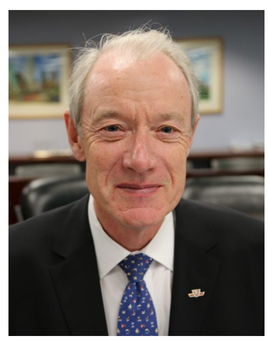
Joanne De Laurentiis
Vice-Chair

Commissioners

Brad Bradford

Shelley Carroll

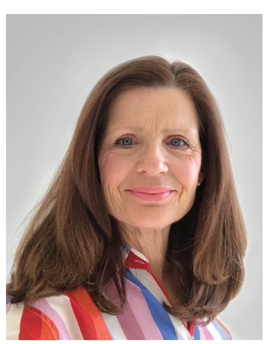
Cynthia Lai



Ron Lalonde

Jennifer McKelvie

Denzil Minnan-Wong



Julie Osborne


Staying safe
on public transit:
If you feel sick,
please stay home
Do not use public transit if you have
a fever and/or new cough or difficulty
breathing.
For more information, visit ttc.ca/covid-19
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CEO's Statement

Despite ridership being reduced since the spring of 2020, we continued to move between 300,000 to 500,000 customers daily

To: TTC Chair and Commissioners, Mayor John Tory and Councillors of the City of Toronto

2020 was unlike any other year in the TTC's 100 years of service. From the start of the global pandemic, we carried on with an ambitious program of change while adapting to unprecedented operating impacts.

Despite ridership being reduced since the spring of 2020, we continued to move between 300,000 to 500,000 customers daily. We saw the TTC play a pivotal role in providing transit services to essential workers and those communities that are solely transit dependent. Relying on our frontline operators and employing a demand-service response, the TTC was proud to carry customers to work, to the grocery store and to medical appointments.

The TTC remained a model of financial responsibility throughout the year. Even before the pandemic struck, we made fiscal sustainability a key feature of our Five-Year Corporate Plan. Fiscal restraint over the last number of years allowed us to advance on our intergovernmental relations and secure funding for critical transit investment. We have made good progress on our business objectives while delivering a safe and reliable service.

Here are some of the projects and programs we accomplished in 2020 in keeping with our Five-Year Corporate Plan:

- We negotiated a new TTC/PRESTO settlement agreement, reviewed governance and oversight, and under the direction of the Board, we moved on our first Five-Year Fare Policy review.
- By mid-year, construction of our beautifully designed McNicoll bus garage and division was complete. The new complex opened for service in March 2021.
- In October 2020, we implemented the Eglinton East Bus Priority Lane as part of the City's RapidTO initiative, the first of several corridors proposed in our Five-Year Service Plan.
- In November 2020, we announced the completion of the fourth phase of Automatic Train Control installation, with ATC signalling covering about 75 per cent of Line 1 – from Vaughan Metropolitan Centre to Rosedale stations.

- As well, in November, we began a new partnership with Telus Communications for Wheel-Trans overflow reservation calls to reduce the maximum customer wait times to two minutes.

- Our 10-Point Action Plan on Diversity and Inclusion and Five-Year Diversity and Human Rights Plan were unanimously endorsed by our Board in December 2020, and represents the actions the TTC can do in the short- and long-term to begin to effect positive change on racism and bias within the organization.

- By year's end we opened six accessible stations, bringing the total number of accessible stations to 52.

- In December 2020, we launched the MyTTC mobile app, a new tool to keep employees informed of what is happening in the company.

- And finally, by the end of the year, we were operating the largest fleet of battery-electric buses in North America – an example of our commitment to innovation and sustainability that makes the TTC a leader in the industry.

The first year of the pandemic taught us that we cannot always predict what lays ahead of us. So we will continue to focus on what is known. The TTC is moving forward while remaining committed to efficiency and fiscal sustainability. And not just as we complete our current corporate plan under the most challenging of circumstances, but as we look further ahead to the next five, 15 and 25 years.

As always, I extend my gratitude to our Commissioners, City Council and our provincial and federal partners for their ongoing support as we work to make changes that will benefit our existing customers and those we will welcome in the decades to come.

It is my privilege to lead the TTC into its 100th year of service in 2021.

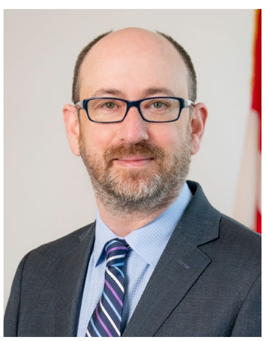
Sincerely,

Richard J. Leary
Chief Executive Officer, May 2021

Executive Team

Richard J. Leary
Chief Executive Officer

Kirsten Watson
Deputy Chief Executive Officer



Michael Atlas
Head of Legal and General Counsel (Acting)

Keisha Campbell
Chief Diversity and Culture Officer

Gary Downie
Chief Capital Officer

Betty Hasserjian
Chief Safety Officer (Acting)

Josie La Vita
Chief Financial Officer (Interim)

Kathleen Llewellyn-Thomas
Chief Strategy and Customer Officer

Megan MacRae
Executive Director, Human Resources

Mary Madigan-Lee
Chief People Officer

Executive Team

Fortunato Monaco
Chief Infrastructure and Engineering Officer

Natalie Poole-Moffatt
Chief Corporate Affairs Officer

James Ross
Chief Operating Officer

Joan Taylor
Chief of Staff

Rich Wong
Chief Vehicles Officer

Consolidated Financial Statements of
Toronto Transit Commission

Year ended December 31, 2020

Management's Statement

The accompanying consolidated financial statements of The Toronto Transit Commission (TTC) have been prepared in accordance with Canadian public sector accounting standards recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and are the responsibility of management.

Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent with the consolidated financial statements. A summary of the significant accounting policies is described in Note 2 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The management of the TTC is also responsible for the integrity, objectivity and accuracy of the financial information. To meet its responsibility, management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors oversees management's responsibilities for financial reporting through the Audit and Risk Management Committee. The Audit and Risk Management Committee reviews and approves the consolidated financial statements and recommends them to the Board of Directors for approval. In addition, the Auditor General is informed of all significant audit issues through participation in closing meetings held between the external auditors and management.

The consolidated financial statements have been audited by TTC's external auditors, KPMG LLP, and their report precedes the consolidated financial statements. The Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's report outlines their responsibilities, the scope of the Auditor's examination and their opinion on the financial statements.

Josie La Vita

Josie La Vita

Chief Financial Officer (Interim), June 16, 2021

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Toronto Transit Commission

Opinion

We have audited the consolidated financial statements of Toronto Transit Commission (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations and accumulated surplus, its consolidated remeasurement gains and losses, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter - Comparative Information

The financial statements for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 17, 2020.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in annual report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 16, 2021

TORONTO TRANSIT COMMISSION
Consolidated Statement of Financial Position
As at December 31

$000s	2020	2019
Financial assets		
Cash and cash equivalents (note 4)	152,216	141,716
Subsidies receivable (note 5)	1,006,515	1,023,386
Accounts receivable	57,386	123,094
Portfolio investments (note 6)	2,282	2,278
Derivative assets (note 7)	-	1,629
Total financial assets	**1,218,399**	**1,292,103**
Liabilities		
Accounts payable and accrued liabilities	491,934	587,019
Deferred revenue (note 11)	48,689	58,173
Employee future benefits liabilities (note 9)	784,137	745,004
Unsettled accident claims (note 8)	146,705	140,973
Environmental liabilities (note 10)	23,594	12,200
Derivative liabilities (note 7)	1,290	-
Total liabilities	**1,496,349**	**1,543,369**
Net debt	**(277,950)**	**(251,266)**
Non-financial assets		
Tangible capital assets (note 12)	12,293,826	12,130,417
Spare parts and supplies inventory	147,469	135,409
Prepaid expenses	28,687	29,550
Accrued pension benefit asset	-	16,551
Total non-financial assets	**12,469,982**	**12,311,927**
Accumulated surplus	**12,192,032**	**12,060,661**
Accumulated surplus is comprised of:		
Accumulated operating surplus (note 13)	12,193,322	12,059,032
Accumulated remeasurement (losses)/gains	(1,290)	1,629
	12,192,032	**12,060,661**

See accompanying notes to the consolidated financial statements

Approved:

Commissioner

Commissioner

TORONTO TRANSIT COMMISSION
Consolidated Statement of Operations and Accumulated Surplus
For the year ended December 31

$000s	2020 Budget	2020	2019
	(note 17)		
Operating revenue			
Passenger services	1,255,462	516,218	1,193,739
Advertising	29,500	22,855	28,405
Property rental	26,269	14,880	23,225
Outside city services	7,715	7,707	6,963
Miscellaneous	23,290	27,217	11,755
Total operating revenue	**1,342,236**	**588,877**	**1,264,087**
Operating subsidies (note 14)	833,031	1,399,364	804,880
Capital subsidies (note 15)	1,092,763	814,548	1,338,422
Total subsidy revenue	**1,925,794**	**2,213,912**	**2,143,302**
Total revenue	**3,268,030**	**2,802,789**	**3,407,389**
Conventional transit service	2,642,006	2,553,236	2,759,701
Wheel-Trans	166,250	114,830	161,491
Other functions	212	433	506
Total expenses (note 16)	**2,808,468**	**2,668,499**	**2,921,698**
Surplus for the year	**459,562**	**134,290**	**485,691**
Accumulated surplus, beginning of the year		12,059,032	11,573,341
Accumulated surplus, end of the year		**12,193,322**	**12,059,032**

See accompanying notes to the consolidated financial statements

TORONTO TRANSIT COMMISSION
Consolidated Statement of Remeasurement Gains and Losses
For the year ended December 31

$000s	**2020**	**2019**
Accumulated remeasurement gains/(losses), beginning of the year	1,629	(4,592)
Unrealized (losses)/gains in the current year attributable to financial derivatives (note 7)	(10,624)	5,206
Realized losses reclassified to Consolidated Statement of Operations and Accumulated Surplus	7,705	1,015
Accumulated remeasurement (losses)/gains, end of the year	**(1,290)**	**1,629**

See accompanying notes to the consolidated financial statements

TORONTO TRANSIT COMMISSION
Consolidated Statement of Net Debt
For the year ended December 31

$000s	**2020 Budget** (note 17)	**2020**	**2019**
Surplus for the year	459,562	134,290	485,691
Change in tangible capital assets (note 12)			
Acquisition	(1,092,763)	(829,186)	(1,369,880)
Amortization	658,555	658,555	647,524
Net book value of disposals	-	107	239,617
Writedowns	-	7,115	-
Total change in tangible capital assets	**(434,208)**	**(163,409)**	**(482,739)**
Change in spare parts and supplies	-	(12,060)	7,476
Change in prepaid expenses	-	863	14,962
Change in remeasurement (losses)/gains for the year	-	(2,919)	6,221
Change in accrued pension benefit asset	-	16,551	(16,551)
Change in net debt	**25,354**	**(26,684)**	**15,060**
Net debt, beginning of the year		(251,266)	(266,326)
Net debt, end of the year		**(277,950)**	**(251,266)**

See accompanying notes to the consolidated financial statements

TORONTO TRANSIT COMMISSION
Consolidated Statement of Cash Flows
For the year ended December 31

$000s	2020	2019
Operating activities		
Surplus of the year	134,290	485,691
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	658,555	647,524
Net (gain)/loss on disposal of tangible capital assets	(13,725)	239,617
Recognition of revenue from capital subsidies	(814,548)	(1,338,422)
Change in accrued pension benefit expense/(income)	16,551	(16,551)
Non-cash operating expenses	4,131	3,074
Changes in non-cash assets and liabilities related to operations:		
(Increase)/decrease in operating subsidy receivable	(155,175)	721
Decrease/(increase) in operating accounts receivable	33,066	(8,649)
Increase in portfolio investments	(4)	(5)
(Increase)/decrease in spare parts and supplies inventory	(12,682)	13,423
Increase in operating prepaid expense	(9,092)	(6,471)
Decrease in operating accounts payable and accrued liabilities	(23,308)	(55,372)
Decrease in operating deferred revenue	(4,587)	(5,452)
Increase in employee future benefits liabilities	39,133	24,914
Increase/(decrease) in unsettled accident claims	5,732	(3,723)
Increase in environmental liabilities	11,394	5,056
Cash used in operating activities	**(130,269)**	**(14,625)**
Capital activities		
Tangible capital asset acquisitions	(899,391)	(1,364,340)
Tangible asset disposal proceeds	20,925	-
Cash used in capital activities	**(878,466)**	**(1,364,340)**
Financing activities		
Capital subsidies received	1,019,235	1,417,903
Cash provided by financing activities	**1,019,235**	**1,417,903**
Change in cash and cash equivalents during the year	10,500	38,938
Cash and cash equivalents, beginning of the year	141,716	102,778
Cash and cash equivalents, end of the year	**152,216**	**141,716**

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

Year ended December 31, 2020

1. NATURE OF OPERATIONS

The Toronto Transit Commission (the “TTC”) was established on January 1, 1954 to consolidate and co-ordinate all forms of local transportation within the City of Toronto (the “City”), except railways and taxis. As outlined in the City of Toronto Act (2006), the TTC has exclusive authority to establish, operate or maintain a local passenger transportation system within the City. From a funding perspective, the TTC functions as one of the boards of the City and is dependent upon the City for both operating and capital subsidies (notes 14 and 15). The TTC also operates Wheel-Trans, a paratransit service for people with disabilities (which is also subsidized by the City), the Toronto Coach Terminal Inc. and its subsidiary, the TTC Insurance Company Limited. The TTC controls the TTC Sick Benefit Association, which was incorporated to adjudicate and pay benefit claims to eligible Members of Association unable to work due to illness or disability. The TTC, which is not subject to income and capital taxes, receives an 11.24% rebate for the Harmonized Sales Tax and receives exemption from certain property taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

The consolidated financial statements are prepared by the TTC in accordance with Canadian public sector accounting standards recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada (CPA Canada).

b. Basis of consolidation

The consolidated financial statements include the operations of Wheel-Trans and the financial results of the TTC’s subsidiaries, the Toronto Coach Terminal Inc. (“TCTI”) and TCTI’s subsidiary, the TTC Insurance Company Limited (the “Insurance Co.”). The results of the TTC Sick Benefit Association (“SBA”), which is controlled by the TTC, have also been consolidated. The consolidation schedule is disclosed in Appendix 1.

c. Measurement uncertainty

The preparation of the consolidated financial statements, in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Specifically, employee future benefits are subject to the assumptions described in note 9 and other contingencies are described in note 19a. Also, management makes their best estimate on the fair value of certain pension investments described in note 9 as the final audited fair values are not available at the time of preparation of the financial statements. Amortization expense is based on the asset lives described in note 2h. Accident claims liabilities are subject to assumptions on discount rates and amounts reserved for incurred, but not reported claims as described in note 8. Deferred revenue is based on estimated value of fare media sold, but not yet used before year end. Actual results could differ from the amounts estimated.

d. Subsidy revenue

Operating subsidies are authorized by the City after the TTC’s operating budgets have been approved. Operating subsidy revenue is recognized by the TTC in the period to the extent that net operating costs are incurred. Capital subsidies are recognized in revenue when the City authorizes the capital subsidy and the cost is incurred. The eligibility criteria and related stipulations must also have been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability, which can be influenced by a number of factors, including stipulations of the transfer.

e. Operating revenue and deferred revenue

Operating revenue from passenger services is recognized when cash, tickets, tokens, PRESTO cards and PRESTO Tickets are used by the passenger to secure a ride. Revenue from passes is recognized in the period in which they are valid. An estimate of tickets and tokens sold which will be used after the year end and an estimate of passes sold but only valid after year end are included in deferred revenue. All other revenue is recognized when the services have been provided.

f. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and funds on deposit with a major financial institution.

g. Spare parts and supplies inventory

Spare parts and supplies inventory are valued at weighted-average cost, net of allowance for obsolete and excess parts.

h. Tangible capital assets and amortization

Tangible capital assets are recorded at cost less accumulated amortization. In addition to direct costs attributable to capital projects, the TTC capitalizes certain internal costs, which are directly related to the acquisition, construction, betterment, or development of those related capital assets. Amortization is calculated using the straight-line method, based on the estimated useful lives of major assets, as follows:

Asset	Years
Subways	20-65
Buildings and structures	20-40
Rolling stock	6-30
Buses	3-13
Trackwork	15-30
Other equipment	5-26
Traction power distribution system	24-25

Capital assets are amortized from the date that they enter service. One-half year of the amortization expense is recorded in the year of acquisition and assets under construction are not depreciated until the asset is substantially complete and available for productive use. A substantial amount of land that the TTC requires for operations is not recorded in these consolidated financial statements and is recorded in the financial statements of the City.

i. Portfolio investments

Portfolio investments consist of bonds that are recorded at amortized cost. Discounts or premiums on investments are amortized on an effective interest rate method until maturity of the investment to which this item is related. Investment income is reported as revenue in the period earned.

j. Unsettled accident claims

The TTC has a self-insurance program for automobile and general liability claims. Estimated costs to settle automobile and general liability claims are actuarially determined, based on available loss information and projections of the present value of estimated future expenditures developed from the TTC’s historical experience. The provision for estimated future expenditures includes expected internal and external adjustment expenses, an estimate of claims incurred but not reported and a provision for adverse deviations.

k. Employee future benefit plans

The TTC's employee benefits plans include post-employment plans (workplace safety and insurance benefit plan and long-term disability benefit plan), post-retirement plans (medical and dental benefits) and pension plans.

The costs of the post-employment benefit plans are recognized when the event that obligates the TTC occurs. Costs include projected future income replacement payments, health care continuation costs, taxes and fees paid to independent administrators, calculated on a present value basis.

The costs and obligations of the post-retirement benefit plans and pension plans are calculated using the projected benefits prorated on service method and management's best estimates of retirement ages of employees, future salary levels, expected health care cost escalations and plan investment performance.

The net asset or liability related to each employee future benefit plan reflects the year-end difference between the value of the accrued benefit obligation and the value of the plan assets (if funded), net of unamortized gains and losses and the valuation allowance. Plan assets are valued using year-end fair market values. Where quoted market prices are not available, estimated market values are determined using independent appraisals or discounted cash flows based on current market yields or appropriate industry valuation models.

Accrued benefit obligations and costs are determined using discount rates that are consistent with the City's long-term borrowing rates for the post-employment and post-retirement plans. For the TTC's funded pension plans, the discount rate is the plan's expected rate of return on assets.

Actuarial gains and losses arise from changes in actuarial assumptions or when actual experience differs from what was assumed. For post-employment benefit plans, the net actuarial gain or loss is deferred and amortized on a straight-line basis over the average expected period during which benefits will be paid unless there is a related plan amendment or curtailment. For workplace safety insurance benefits, the amortization period is 8.5 years (December 31, 2019 – 8.9 years) and for long-term disability benefits, the amortization period is 7.2 years (December 31, 2019 – 7.3 years). The amortization of the gain/loss begins in the year after the actuarial gain/loss arises.

A post-retirement benefit plan actuarial gain or loss is deferred and amortized over the expected average remaining service life of the employees unless there is a plan amendment or curtailment. The amortization period for the pension plan is 14.6 years (December 31, 2019 – 14.2 years), for the post-retirement medical and post-retirement dental plans the amortization period is 15.1 years (December 31, 2019 – 15.1 years) and for the supplemental funded pension plan, the amortization period is 5.9 years (December 31, 2019 – 5.6 years). The amortization of the actuarial gain or loss begins in the year after the gain or loss arises for all post-retirement plans except the TTC pension plan. Amortization begins in the year of the actuarial gain or loss for the TTC pension plan. This policy is expected to reduce the long-term expense volatility that results from the accounting requirement to defer and amortize actuarial losses.

Past service costs arising from a plan amendment are recognized at the end of the calendar year in which the past service costs arise. If the plan amendment results in an increase to the accrued benefit obligations, net unamortized actuarial gains are reduced to a maximum of the increase in the accrued benefit obligation by recognizing immediately the oldest unamortized actuarial losses and gains. If the plan amendment results in a reduction to the accrued benefit obligation, net unamortized actuarial losses are reduced to a maximum of the decrease in the accrued benefit obligation by recognizing immediately the oldest unamortized actuarial losses and gains. Unamortized amounts that remain after offsetting plan amendments continue to be amortized in their original amount. Also, unamortized actuarial gains or losses related to settled or curtailed plans are recognized in the period of the plan settlement or curtailment.

l. Environmental liabilities

An environmental liability is recognized when a site has been identified as being non-compliant with environmental legislation, the TTC accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of costs can be determined. The estimated amounts of future costs are reviewed regularly, based on available information and governing legislation.

m. Financial instruments

The TTC has designated its financial instruments as follows:

i) Cash and cash equivalents
ii) Subsidies receivable from the City of Toronto
iii) Accounts receivable
iv) Portfolio investments, in bonds
v) Accounts payable and certain accrued liabilities
vi) Financial derivatives

Cash and cash equivalents are recorded at cost which approximates fair market value. Financial derivatives are recorded at fair value. All other financial instruments are recorded at amortized cost. The fair values of the accounts receivable, operating and capital portions of the subsidies receivable and accounts payable and accrued liabilities approximate their carrying values due to the relatively short time period to maturity of these instruments. The fair value of the other recoverable amounts within subsidies receivable from the City of Toronto (note 5) cannot be determined since there are no fixed terms of repayment.

PSAS Section 3450, Financial Instruments, requires disclosure of a three-level hierarchy for fair value measurement based on the transparency of inputs to the valuation of a financial asset or financial liability as at the financial statement date. The three levels are defined as follows:

Level 1 – fair value is based on quoted market prices in markets for identical financial assets or financial liabilities. Level 1 financial assets generally include equity investments traded in an active market.

Level 2 – fair value is based on observable inputs, either directly or indirectly, other than quoted prices included within Level 1.

Level 3 – fair value is based on non-observable market data inputs.

The TTC's financial derivatives are the only financial instruments recorded at fair value and they are classified as Level 2.

3. FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations. As at December 31, 2020, the TTC's credit risk exposure consists mainly of the carrying amounts of cash and cash equivalents, portfolio investments, accounts receivable and subsidies receivable.

Cash and cash equivalents and portfolio investments are invested with the City of Toronto or a major financial institution and are therefore assessed as low risk.

Of the TTC's accounts receivable, $16.1 million is past due (i.e. outstanding 30 days or more since the due date) and of this total, approximately 88% is due from government entities. The TTC deems all of these amounts as collectible.

Approximately 27.3% of the TTC's accounts receivable (December 31, 2019 – 41.5%) and 100% of subsidies receivable (December 31, 2019 – 100%), is due from the City of Toronto and its related entities. Impairment risk on this receivable is low since the TTC is controlled by the City.

The remaining 72.7% (December 31, 2019 – 58.5%) is comprised of:

Federal government: 33.8% (December 31, 2019 – 36.0%)

Provincial government: 22.3% (December 31, 2019 – 7.6%)

Other government entities: 8.9% (December 31, 2019 – 8.0%)

Non-government entities: 7.7% (December 31, 2019 – 6.9%)

Impairment risk on receivables from the Federal government is low as it is mainly comprised of HST receivable.

The TTC's best practice is to obtain an advance deposit or letter of credit when entering a significant agreement with a non-government entity further lowering overall credit risk. Also, past due receivables are routinely monitored and subject to collection action.

To assess and manage its exposure to credit risk, the TTC reviews and reports impairment balances annually. The TTC believes that its credit risk is low and there are no notable concentrations of risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in currency or foreign exchange rates. The TTC has limited foreign currency risk with respect to its financial instruments as substantially all of the TTC's financial assets and financial liabilities are denominated in Canadian dollars. The TTC is exposed to some foreign currency risk as some contracts for the future purchase of supplies and capital assets are denominated in U.S. dollars. As of the consolidated statement of financial position date, the TTC has $2.9 million in U.S. dollar financial liabilities (December 31, 2019 – $2.4 million), which is offset by the TTC's U.S. dollar cash balance of $3.2 million (December 31, 2019 – $6.1 million). Therefore, the TTC's currency risk is low and there are no notable concentrations of risk.

Liquidity risk

Liquidity risk is the risk that the TTC will encounter difficulty in meeting obligations associated with its financial liabilities and other contractual obligations. The TTC's accounts payable and accrued liabilities amount to $491.9 million (December 31, 2019 – $587.0 million) and, excluding non-financial liabilities, $263.6 million is due within one year or less (December 31, 2019 – $309.5 million). The TTC has a combination of cash and cash equivalents and receivables from governments and government organizations, including the City of Toronto, as described above within the statement of credit risk, which will be sufficient to satisfy these liabilities. Construction holdbacks of $34.1 million (December 31, 2019 – $61.6 million) are also excluded from the $263.6 million (December 31, 2019 – $309.5 million) due within a year. They are fully recoverable from the City of Toronto, as referred to in note 5. Therefore, the TTC's liquidity risk is low and there are no notable concentrations of risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The TTC's interest rate risk is low as the TTC does not hold debt and all portfolio investments have fixed interest rates (note 6) and are expected to be held to maturity.

Other price risk

The TTC is exposed to fuel price risk arising from fluctuations in fuel costs. To manage its exposure to fuel prices, the TTC enters into fuel swap contracts with financial institutions (note 7).

4. CASH AND CASH EQUIVALENTS

In connection with the City guarantee referred to in note 8, the Insurance Co., is required to maintain cash or securities available for payment of accident claims liabilities equal to one month's claims and operating expenses (all self-insured retention payments are processed through the TTC). The cash and cash equivalents amount restricted for this purpose is approximately $1.6 million as at December 31, 2020 (December 31, 2019 – $2.1 million).

5. SUBSIDIES RECEIVABLE

Subsidies from the City of Toronto consist of operating subsidies as described in note 14 and capital subsidies as described in note 15. Subsidies receivable as at December 31 comprise the following amounts, all of which are due from the City of Toronto:

$000s	2020	2019
Subsidies to be collected within one year:		
Capital subsidy receivable	180,720	319,999
Operating subsidy receivable	226,832	112,130
Total subsidies to be collected within one year	**407,552**	**432,129**
Other recoverable amounts:		
Employee benefits	458,057	423,316
Accident claims expenses	34,870	29,138
Construction related	86,375	129,957
Future environmental costs (note 10)	19,661	8,846
Total other recoverable amounts	**598,963**	**591,257**
Total subsidies receivable	**1,006,515**	**1,023,386**

The amount related to non-cash employee benefits and accident claim expenses represents the delayed payment of operating subsidy for the non-cash portion of these expenses.

Subsidy receivable related to construction will be collected in the year the vendors are paid. Subsidy receivable for future environmental costs will be collected in the year in which the related work is performed.

6. PORTFOLIO INVESTMENTS

Portfolio investments as at December 31 consist of the following:

$000s	2020	2019
Municipality of Metropolitan Toronto Bond (2.45%; February 6, 2025 maturity)	2,282	2,278
Total portfolio investments	**2,282**	**2,278**

At December 31, 2020, the fair value of the bond is $2.5 million (December 31, 2019 – $2.3 million).

7. FINANCIAL DERIVATIVES

The TTC's financial derivatives consist of heating fuel swaps with financial institutions which help manage the TTC's exposure to fluctuating fuel prices by setting a fixed price for a future purchase of a fixed quantity of fuel. Heating fuel swaps are used because they are an openly traded commodity that most closely relates to the diesel fuel consumed by the TTC. The TTC does not purchase or hold any derivative financial instrument for speculative purposes. Several derivative agreements were in place and used throughout the year and continue to exist as of December 31, 2020. Derivative instruments are required to be measured at fair value on the consolidated statement of financial position and changes in the fair value of the derivative instruments are recognized in the consolidated statement of remeasurement gains and losses. As of December 31, 2020, the accumulated remeasurement losses from these fuel swaps are $1.3 million (December 31, 2019 – $1.6 million of accumulated remeasurement gains). The fair value of these contracts is primarily derived using the quoted price of heating oil on the New York Mercantile Exchange (NYMEX) as of December 31, 2020. As of December 31, 2020, approximately 18.6% of diesel fuel requirement has been traded using the fuel swap agreements (December 31, 2019 – 48.2%) with a notional quantity of 4.0 million gallons to be settled by January 2022.

8. UNSETTLED ACCIDENT CLAIMS

The Insurance Co. was established in 1994 in order to provide insurance coverage for compulsory automobile personal injury and accident benefit claims for the TTC. At December 31, 2020, $133.5 million (December 31, 2019 – $128.0 million) of the unsettled accident claims liability is related to the Insurance Co.'s payable for all automobile claims incurred. This portion of the TTC's accident claim liability is guaranteed by the City. The TTC has purchased insurance from third-party insurers to cover tort claims in excess of $5.0 million on any one accident. The remainder of the unsettled accident claims liability, $13.2 million (December 31, 2019 – $12.9 million), relates to general liability claims of $16.5 million (December 31, 2019 – $16.3 million), less $3.3 million (December 31, 2019 – $3.4 million) of expected HST rebates.

The ultimate cost of these liabilities will vary from the best estimate made by management for a variety of reasons including additional information with respect to the facts and circumstances of the claims incurred. The settlement of claims will occur over periods extending beyond one year. The liability includes a reserve established for each file as well as an incurred but not reported ("IBNR") provision to account for the fact that full information on case files may not be available at the valuation date, or losses have been incurred but are not yet reported. Therefore, the TTC relies upon historical information and statistical models to estimate the IBNR liability. The TTC also uses reported claims trends, claims severity, exposure growth and other factors in estimating its IBNR reserve. The time required to learn of and settle claims is an important consideration in establishing the TTC's reserves. The TTC revises these reserves as additional information becomes available.

This provision is discounted to take into account the time value of money and a provision for adverse deviation ("PFAD") is included as recommended by standard actuarial practice. Assumptions regarding the anticipated timing of future payments and an appropriate discount rate are made by management. As uncertainty exists with respect to the determination of these discounted estimates, an explicit PFAD is made for potential claims development. A PFAD is selected based on guidance developed by the Canadian Institute of Actuaries.

The following table summarizes the effects of the time value of money and PFAD on the liability for unpaid claims and claims adjustment costs.

Unpaid claims and claims adjustment costs	Undiscounted	Time value of money	Discounted (before PFAD)	PFAD	Discounted
$000s					
As at December 31, 2020	135,873	(2,348)	133,525	13,180	146,705
As at December 31, 2019	139,842	(11,530)	128,312	12,661	140,973

As at December 31, 2020, the interest rate used to determine the time value of money was 0.49% and reflected the market yield (December 31, 2019 – 1.69%).

9. EMPLOYEE FUTURE BENEFITS

Description of benefit plans
The TTC has a number of benefit plans which provide employees with post-employment, post-retirement and pension benefits.

Post-employment benefit plans
Post-employment benefits are available to active employees in the form of long-term disability ("LTD") and workplace safety insurance ("WSI") plans. The LTD plan is self-insured by the TTC and is administered by an independent insurance carrier. As a Schedule 2 employer under the Ontario Workplace Safety and Insurance Act, the TTC fully finances its WSI costs.

For the post-employment benefit plans, the effective date of the most recent actuarial valuation was September 30, 2020. These valuations were used to project the accrued benefit obligations and costs for the current year end. The next actuarial valuation for the post-employment benefit plans is expected to be performed as at September 30, 2021.

Post-retirement, non-pension benefit plans
Post-retirement benefits, consisting of basic health care and dental coverage, are available to employees retiring from the TTC with at least 10 years of service and with a pension from the TTC Pension plan. Dental benefits are limited to employees retiring on or after January 1, 2003.

For the post-retirement benefit plans, the effective date of the most recent actuarial valuation was January 1, 2018. This valuation was used to project the accrued benefit obligations and costs for the current year end. The next actuarial valuation for the post-retirement benefit plans is in progress for Spring 2021 and will be effective as at January 1, 2021.

Supplemental pension plans
The TTC and plan members participate in supplemental pension plans. These plans provide pension benefits which the TTC pension plan cannot provide because of the limits imposed by the Income Tax Act (Canada). These pension benefits automatically reflect changes that are made to the TTC Pension plan.

The funded supplemental pension plan has been accounted for as a defined benefit plan and the TTC has recognized 100% of the plan's pension expense, assets and obligation. The funded supplemental pension plan's assets consist of 58% (December 31, 2019 – 57%) cash and equity index pooled funds which are carried at market and 42% (December 31, 2019 – 43%) deposit in a Canada Revenue Agency non-interest bearing refundable tax account. The effective date of the most recent actuarial valuation for funding purposes was January 1, 2021. The next actuarial valuation for funding purposes is expected to be performed as at January 1, 2022. The effective date of the most recent valuation for accounting purposes was December 31, 2020.

TTC Pension Fund

The TTC participates in a defined benefit pension plan (the “TTC Pension Fund”). The TTC Pension Fund is administered by the Toronto Transit Commission Pension Fund Society (the “Society”), a separate legal entity. The Board of Directors of the Society consists of 10 voting members, five of whom are appointed from the Toronto Transit Commission and five are appointed from the Amalgamated Transit Union Local 113 ("ATU"). Pursuant to the Sponsors Agreement between the ATU and the TTC, the TTC Pension Fund was registered as a Jointly Sponsored Pension Plan ("JSPP") effective January 1, 2011.

The plan is accounted for as a joint defined benefit plan as the TTC and its employees jointly share the risks in the plan and share control of decisions related to the plan administration and to the level of benefits and contributions on an ongoing basis. The TTC is required to account for its portion of the plan (i.e. 50%) and has therefore, recognized 50% of the pension expense incurred during the year and 50% of the plan’s assets and obligation.

Effective January 1, 2019, in lieu of the TTC paying the administrative expenses of the TTC Pension Fund Society directly, the TTC and the Society agreed to have the TTC make a fixed contribution to the Society each January. The fixed contribution is adjusted annually based on the Toronto consumer price index. Along with the change, the former TTC employees of the Society became employees of the Society itself (as an employer). The contribution to administrative costs and the increase in the service cost have been reflected in the schedules below.

The plan covers substantially all employees of the TTC (and the Society) who have completed six months of continuous service. Under the Plan, contributions are made by the plan members and matched by the TTC (or the Society, as an employer). The contribution rates are set by the Board of Directors of the Society, subject to the funding requirements determined in the actuarial report and subject to the limitations in the Sponsors Agreement between the ATU and the TTC.

The plan provides pensions to members, based on a formula that factors in the length of credited service and best four years of pensionable earnings up to a base year. A formula exists that sets a target for pensioner increases. The Board of Directors of the Society makes decisions with respect to affordable pension formula updates, pension indexing and plan improvements based on the results of the most recent funding valuation and the priorities set out in the plan’s by-laws and funding policy.

Effective January 1, 2020, the base year for the TTC pension plan and the funded supplemental pension plans was updated to December 31, 2019 from December 31, 2018. In addition, the survivor benefit date was updated to January 1, 2020 (from January 1, 2019) and an ad hoc increase of up to 1.96% (December 31, 2019 – 2.16%) was granted to all pensioners. The TTC’s share of the prior service cost of these plan amendments have been reflected in the Consolidated Statement of Operations and Accumulated Surplus.

The effective date of the most recent actuarial valuation for funding purposes for the TTC Pension Fund was January 1, 2020. The next required actuarial valuation for funding purposes will be performed as at January 1, 2023. The effective date of the most recent valuation for accounting purposes was December 31, 2020.

The continuity of the change in the employee benefit liabilities/(assets) including expenses recognized in 2020 is as follows:

$000s	Post-Employment Plans	Post-Retirement Non-Pension Plans	Supplemental Pension Plans	**Total employee benefit liabilities**	**TTC Pension Fund**
Accrued benefit liability (asset) balance, beginning of the year	227,391	519,648	(2,035)	**745,004**	**(16,551)**
Current service cost	41,041	31,819	89	**72,949**	**93,268**
Interest cost	4,700	15,727	275	**20,702**	**(27,768)**
Amortization of actuarial (gains)/losses	(5,162)	3,982	229	**(951)**	**(57,987)** [1]
Plan amendments	-	-	965	**965**	**52,073** [1]
Change in valuation allowance	-	-	-	-	**87,267**
Total expenses	40,579	51,528	1,558	**93,665**	**146,853**
Benefits paid	(40,582)	(11,619)	(184)	**(52,385)**	**-**
Employer contributions	-	-	(2,147)	**(2,147)**	**(130,302)**
Accrued benefit liability (asset) balance, end of the year	227,388	559,557	(2,808)	**784,137**	-

[1] TTC Pension Fund ($57,987) included recognition of net unamortized gains of $52,073 which were applied to the cost of the plan amendments.

The continuity of the change in the employee benefit liabilities/(asset) including expenses recognized in 2019 is as follows:

$000s	Post-Employment Plans	Post-Retirement Non-Pension Plans	Supplemental Pension Plans	**Total employee benefit liabilities**	**TTC Pension Fund**
Accrued benefit liability (asset) balance, beginning of the year	231,737	490,036	(1,683)	**720,090**	**-**
Current service cost	31,312	26,045	45	**57,402**	**82,115**
Interest cost	5,344	16,091	295	**21,730**	**(32,334)**
Amortization of actuarial (gains)/losses:	(7,168)	43	673	**(6,452)**	**(7,236)**
Plan amendments	-	-	1,024	**1,024**	**47,055**
Change in valuation allowance	-	-	-	-	**22,368**
Total expenses	29,488	42,179	2,037	**73,704**	**111,968**
Benefits paid	(33,834)	(12,567)	(188)	**(46,589)**	**-**
Employer contributions	-	-	(2,201)	**(2,201)**	**(128,519)**
Accrued benefit liability (asset) balance, end of the year	227,391	519,648	(2,035)	**745,004**	**(16,551)**

The following table summarizes the employee future benefit costs included in the Consolidated Statement of Operations and Accumulated Surplus:

$000s	2020	2019
Cost of TTC Pension Fund contributions	130,302	128,519
TTC Pension expense/(income) in excess of contributions	16,551	(16,551)
Net cost of TTC Pension Fund	146,853	111,968
Cost of other future employee benefits	93,665	73,704
Total cost of employee future benefits	240,518	185,672
Less: Costs allocated to capital assets	(29,116)	(26,288)
Total employee future benefit costs included in the Consolidated Statement of Operations and Accumulated Surplus	**211,402**	**159,384**

The following table summarizes how the employee future benefit costs are included in note 16, expenditure by object:

$000s	2020	2019
Employee future benefit costs included in *Wages, salaries and benefits* (note 16)	194,851	175,935
Employee future benefit expense/(income) included in *Pension expense/(income) in excess of employer contributions* (note 16)	16,551	(16,551)
Total employee future benefit costs included in the Consolidated Statement of Operations and Accumulated Surplus	**211,402**	**159,384**

Reconciliation of funded status to the employee benefit liabilities and assets as at December 31, 2020 is as follows:

$000s	Post-Employment Plans	Post-Retirement Non-Pension Plans	Supplemental Pension Plans	**Total employee benefit liabilities**	**TTC Pension Fund**
Fair value of plan assets	-	-	21,782	**21,782**	**3,987,330**
Accrued benefit obligations	289,135	677,458	20,753	**987,346**	**3,304,351**
Funded status – (deficit)/ surplus	(289,135)	(677,458)	1,029	**(965,564)**	**682,979**
Unamortized losses/(gains)	61,747	117,901	1,779	**181,427**	**(11,802)**
Accrued benefit (liability)/ asset	(227,388)	(559,557)	2,808	**(784,137)**	**671,177** [1]
Valuation allowance	-	-	-	**-**	**(671,177)**
Employee benefit (liability)/asset	**(227,388)**	**(559,557)**	**2,808**	**(784,137)**	**-**

Reconciliation of funded status to the employee benefit liabilities and assets as at December 31, 2019 is as follows:

$000s	Post-Employment Plans	Post-Retirement Non-Pension Plans	Supplemental Pension Plans	**Total employee benefit liabilities**	**TTC Pension Fund**
Fair value of plan assets	-	-	19,363	**19,363**	**3,657,861**
Accrued benefit obligations	213,243	568,908	18,524	**800,675**	**3,073,951**
Funded status – (deficit)/ surplus	(213,243)	(568,908)	839	**(781,312)**	**583,910**
Unamortized (gains)/losses	(14,148)	49,260	1,196	**36,308**	**16,551**
Accrued benefit (liability)/ asset	(227,391)	(519,648)	2,035	**(745,004)**	**600,461** [1]
Valuation allowance	-	-	-	**-**	**(583,910)**
Employee benefit (liability)/asset	**(227,391)**	**(519,648)**	**2,035**	**(745,004)**	**16,551**

[1]The TTC's portion of the assets in the TTC Pension Fund is carried at market value. As the TTC cannot withdraw the surplus to reduce its contributions, the expected benefit of a surplus is nil and, therefore, a valuation allowance of $671.2 million (December 31, 2019 – $583.9 million) is required to reduce the accrued benefit asset to either the value of the net unamortized actuarial losses (if any) or to the value of the fund surplus less net unamortized gains.

The continuity of the change in the accrued benefit obligation including costs recognized in 2020 is as follows:

$000s	Post-Employment Plans	Post-Retirement Non-Pension Plans	Supplemental Pension Plans	**Total employee benefit liabilities**	**TTC Pension Fund**
Balance, beginning of the year	213,243	568,908	18,524	**800,675**	**3,073,951**
Current service cost	41,041	31,819	89	**72,949**	**90,968**
Interest cost	4,700	15,727	939	**21,366**	**171,828**
Loss on the obligation	70,733	72,623	1,096	**144,452**	**101,213**
Employee contributions	-	-	123	**123**	**-**
Benefits paid	(40,582)	(11,619)	(983)	**(53,184)**	**(185,682)**
Plan amendments	-	-	965	**965**	**52,073**
Balance, end of the year	**289,135**	**677,458**	**20,753**	**987,346**	**3,304,351**

The continuity of the change in the accrued benefit obligation including costs recognized in 2019 is as follows:

$000s	Post-Employment Plans	Post-Retirement Non-Pension Plans	Supplemental Pension Plans	**Total employee benefit liabilities**	**TTC Pension Fund**
Balance, beginning of the year	193,034	479,858	17,642	**690,534**	**2,687,053**
Current service cost	31,312	26,045	45	**57,402**	**79,919**
Interest cost	5,344	16,091	847	**22,282**	**170,415**
Loss/(gain) on the obligation	17,387	59,481	(294)	**76,574**	**264,272**
Employee contributions	-	-	145	**145**	**-**
Benefits paid	(33,834)	(12,567)	(885)	**(47,286)**	**(174,763)**
Plan amendments	-	-	1,024	**1,024**	**47,055**
Balance, end of the year	**213,243**	**568,908**	**18,524**	**800,675**	**3,073,951**

The continuity of the plan assets for the funded pension plans in 2020 is as follows:

$000s	Supplemental Pension Plan	TTC Pension Fund
Balance, beginning of the year	19,363	3,657,861
Employee contributions	123	-
Employer contributions	2,147	130,302
Expected return on plan assets	664	199,596
Excess on return on plan assets	284	187,553
TTC's portion of TTC Pension Fund administrative expenses	-	(2,300)
Benefits paid	(799)	(185,682)
Balance, end of the year	**21,782**	**3,987,330**

The continuity of the plan assets for the funded pension plans in 2019 is as follows:

$000s	Supplemental Pension Plan	TTC Pension Fund
Balance, beginning of the year	16,109	3,268,203
Employee contributions	145	-
Employer contributions	2,201	128,519
Expected return on plan assets	551	202,749
Excess on return on plan assets	1,054	235,349
TTC's portion of TTC Pension Fund administrative expenses	-	(2,196)
Benefits paid	(697)	(174,763)
Balance, end of the year	**19,363**	**3,657,861**

Significant assumptions used in accounting for employee future benefits are as follows:

	2020	2019
Accrued benefit obligations as at December 31:		
Discount rate for post-employment plans	1.20% to 1.50%	2.40% to 2.50%
Discount rate for post-retirement, non-pension plans	2.20%	2.80%
Discount rate for supplemental pension plans	1.45% to 3.25%	2.45% to 3.50%
Discount rate for TTC Pension Fund	5.25%	5.50%
Rate of increase in earnings	1.25% to 3.25%	2.50% to 3.25%
Benefit costs for the years ended December 31:		
Discount rate for post-employment plans	2.40% to 2.50%	2.90% to 3.10%
Discount rate for post-retirement, non-pension plans	2.80%	3.40%
Discount rate for supplemental pension plans	2.45% to 3.5%	3.10% to 3.50%
Discount rate for TTC Pension Fund	5.50%	6.25%
Rate of increase in earnings	2.50% to 3.25%	1.75% to 3.25%
Expected rate of return on assets, supplemental pension plan	3.50%	3.50%
Actual rate of return on assets, supplemental pension plan	4.70%	9.50%
Expected rate of return on assets, TTC Pension Fund	5.50%	6.25%
Actual rate of return on assets, TTC Pension Fund	11.00%	13.90%

The TTC's annual rate of growth for post-retirement drug costs as of December 31, 2020 was estimated between 8.3% and 10.4%, depending on the member's age (down from a range of 8.4% to 10.5% as of December 31, 2019). These rates consist of a drug trend rate of 6.1% (down from 6.2% as of December 31, 2019), grading down linearly to 4.0% per annum in 2040 and aging factors that vary between 4.3% at age 50 to 2.2% at age 64. The annual rate of growth for post-retirement dental costs was estimated at 4.0% per annum (unchanged from December 31, 2019).

Total financial status of the TTC Pension Fund as at December 31 is as follows:

$000s	2020	2019
Fair value of plan assets	7,974,660	7,315,721
Accrued benefit obligations	6,608,702	6,147,902
Funded status – surplus	**1,365,958**	**1,167,819**

10. ENVIRONMENTAL LIABILITIES

As an operator of diesel buses that are refueled on property and an enterprise that repairs and rebuilds buses and other rolling stock, the TTC and its subsidiaries are subject to various federal, provincial and municipal laws and regulations related to the environment. The TTC is also subject to health and safety legislation, including maintenance of facilities where asbestos has been applied. Environmental advisors and specialists are retained to support the TTC's investigative and remedial efforts.

The amount accrued represents the estimated costs of remediating, monitoring and containing known contamination, including airborne contamination on sites for which the TTC is responsible as well as noise abatement activities. The estimate of environmental liabilities is based on a number of factors, such as the site conditions, type of contaminants and the anticipated results of monitoring and therefore the actual costs may vary. The estimate varies based on the scope of work to be completed.

The estimated amounts of future costs are reviewed regularly, based on available information and governing legislation.

11. DEFERRED REVENUE

Deferred revenue as at December 31 consists of the following:

$000s	2020	2019
Deferred passenger revenue	39,519	48,225
Deferred credits	9,170	9,948
Total	**48,689**	**58,173**

12. TANGIBLE CAPITAL ASSETS

The cost of tangible capital assets is as follows:

$000s	Cost as at December 31, 2020				
	Beginning	**Additions, net of transfers**	**Disposals**	**Write downs**	**Ending**
Subways	4,068,663	478,538	-	-	4,547,201
Buildings and structures	4,052,937	418,509	-	-	4,471,446
Rolling stock	3,309,188	82,001	(10,141)	-	3,381,048
Buses	2,138,117	108,944	(56,949)	-	2,190,112
Trackwork	2,148,979	93,100	-	-	2,242,079
Other equipment	1,259,888	73,054	(55,221)	-	1,277,721
Traction power distribution	707,223	58,358	-	-	765,581
Land	12,854	-	(22)	-	12,832
Construction in progress	1,743,752	(483,318)	-	(7,115)	1,253,319
Total	**19,441,601**	**829,186**	**(122,333)**	**(7,115)**	**20,141,339**

$000s	Cost as at December 31, 2019				
	Beginning	**Additions, net of transfers**	**Disposals**	**Write downs**	**Ending**
Subways	3,789,191	279,472	-	-	4,068,663
Buildings and structures	3,886,917	166,020	-	-	4,052,937
Rolling stock	3,074,680	512,554	(278,046)	-	3,309,188
Buses	2,010,811	282,803	(155,497)	-	2,138,117
Trackwork	2,091,660	57,319	-	-	2,148,979
Other equipment	1,198,247	66,839	(5,198)	-	1,259,888
Traction power distribution	672,971	34,252	-	-	707,223
Land	12,854	-	-	-	12,854
Construction in progress	2,012,692	(29,379)	(239,561) [1]	-	1,743,752
Total	**18,750,023**	**1,369,880**	**(678,302)**	**-**	**19,441,601**

[1]2019 Disposal Loss on Provincial Expansion Projects

On June 4, 2019, the Province of Ontario's (the "Province") government passed Bill 107, Getting Ontario Moving Act (Transportation Statute Law Amendment), 2019. Schedule 3 of that Act amends the Metrolinx Act, 2006, such that the Lieutenant Governor in Council may prescribe a rapid transit design, development or construction project as the sole responsibility of Metrolinx.

On July 23, 2019, the Province filed Ontario Regulation O248/19, which designated the Relief Line/Ontario Line, Scarborough Subway Extension/Line 2 East Extension and Yonge Subway Extension as being the sole responsibility of the Province.

As a result, in 2019, the TTC reassigned consultant contracts related to the three transit expansion projects to Metrolinx and derecognized $239 million from construction in progress.

The accumulated amortization for tangible capital assets is:

$000s	Accumulated amortization as at December 31, 2020			
	Beginning	Amortization	Disposals	Ending
Subways	1,498,127	86,130	-	1,584,257
Buildings and structures	917,155	123,790	-	1,040,945
Rolling stock	1,148,236	135,432	(10,141)	1,273,527
Buses	1,076,450	161,114	(56,917)	1,180,647
Trackwork	1,483,208	57,041	-	1,540,249
Other equipment	843,929	73,895	(55,168)	862,656
Traction power distribution	344,079	21,153	-	365,232
Total	**7,311,184**	**658,555**	**(122,226)**	**7,847,513**

$000s	Accumulated amortization as at December 31, 2019			
	Beginning	Amortization	Disposals	Ending
Subways	1,427,693	70,434	-	1,498,127
Buildings and structures	803,137	114,018	-	917,155
Rolling stock	1,265,014	161,268	(278,046)	1,148,236
Buses	1,073,977	157,914	(155,441)	1,076,450
Trackwork	1,429,729	53,479	-	1,483,208
Other equipment	777,978	71,149	(5,198)	843,929
Traction power distribution	324,817	19,262	-	344,079
Total	**7,102,345**	**647,524**	**(438,685)**	**7,311,184**

Based on the above, net book value as at December 31 is:

$000s	Net book value 2020	Net book value 2019
Subways	2,962,944	2,570,536
Buildings and structures	3,430,501	3,135,782
Rolling stock	2,107,521	2,160,952
Buses	1,009,465	1,061,667
Trackwork	701,830	665,771
Other equipment	415,065	415,959
Traction power distribution	400,349	363,144
Land	12,832	12,854
Construction in progress	1,253,319	1,743,752
Total	**12,293,826**	**12,130,417**

These costs include the capitalization of certain internal costs as described in note 2h.

13. ACCUMULATED OPERATING SURPLUS

Accumulated operating surplus as at December 31 consists of:

$000s	2020	2019
Invested in tangible capital asset	12,178,936	12,029,101
Accumulated surplus (deficit) from TTC Subsidiaries	245	(761)
Accumulated surplus generated through operating budget	14,141	14,141
Accumulated surplus generated through accrued pension benefit asset	-	16,551
Total	**12,193,322**	**12,059,032**

The amount reported in the table regarding tangible capital assets represents the net book value of capital assets that have been funded through past capital subsidy and contributions to capital from operating sources. The variance between this amount and the amount reported in note 12, i.e. $114.9 million (2019 – $101.3 million) primarily represents the net book value of capital assets that have been internally funded by the TTC.

14. OPERATING SUBSIDIES

The City of Toronto is responsible for providing TTC operating funding and operating subsidy revenue is recognized to the extent that net operating costs are incurred. The sources of operating subsidies for the year ended December 31 are as follows:

$000s			**2020**	**2019**
	Conventional	Wheel-Trans	Total	Total
- City of Toronto	614,590	102,984	717,574	713,280
- Safe Restart Agreement - Transit Stream	590,190	-	590,190	-
- Provincial Gas Tax (note 15b)	91,600	-	91,600	91,600
Total operating subsidies	**1,296,380**	**102,984**	**1,399,364**	**804,880**

As a result of COVID-19 and net of cost containment achieved, additional funding of $590.2 million was needed in 2020 above the original budget for operating subsidy. The $590.2 million in additional funding was sourced by the City from the Safe Restart Agreement – Transit Stream (“SRA”), which is jointly funded by the Provincial and Federal governments and was announced in August 2020. Including Provincial top-up funding announced in March 2021, the SRA will provide up to $2.15 billion in emergency assistance to support Ontario municipal transit systems. Of this total, $1.3 billion is available for the TTC to address financial pressures resulting from reduced revenue and new expenses due to COVID-19 for fiscal years 2020 and 2021.

The net operating subsidy amount is established as part of the City’s annual budget process. $91.6 million (2019 – $91.6 million) of the TTC’s Conventional operating budget is ultimately sourced from the Provincial Gas Tax (see note 15b).

Total operating funding received from the City excludes certain future non-recoverable amounts and includes other adjustments related to City reserve contributions as well as City special costs, as outlined in the following table.

Operating subsidies

$000s			**2020**	**2019**
	Conventional	Wheel-Trans	Total	Total
Operating subsidies (see above)	1,296,380	102,984	1,399,364	804,880
City special costs	3,149	-	3,149	3,497
Future recoverable amounts (note 5)				
(Increase)/Reduction in accident claims	(5,732)	-	(5,732)	3,723
Increase in post-retirement benefit liabilities	(33,244)	(1,497)	(34,741)	(25,709)
	1,260,553	101,487	1,362,040	786,391
Net contributions to/(draws from) (note 18)				
Land Acquisition Reserve Fund	17,978	-	17,978	-
TTC Stabilization Reserve Fund	-	-	-	(15,691)
Long Term Liability Reserve Fund	-	-	-	(7,000)
Total operating funding received through the City	**1,278,531**	**101,487**	**1,380,018**	**763,700**

City special costs represent subsidies reflected in the City’s budget that are not included in the TTC’s operating subsidy but relate to the TTC. They include costs associated with certain subsidized passengers, rents and taxes on commuter parking lots and revenues and expenses associated with a property held by the City for the jurisdictional use of the TTC.

The future recoverable amounts reflect the delayed payment of operating subsidy for the non-cash portion of certain employee future benefits and accident claims (note 5).

For details related to the contributions to and draws from the reserve funds, see note 18, City of Toronto Reserves and Reserve Funds.

15. CAPITAL SUBSIDIES

Capital subsidies for the year ended December 31 are as follows:

$000s	2020	2019
Source of capital subsidies:		
- City of Toronto	502,524	806,555
- Province of Ontario	81,017	186,148
- Federal Government of Canada	230,029	343,573
- Other	978	2,146
Total capital subsidies	**814,548**	**1,338,422**

a. City of Toronto

The City is responsible for ensuring full funding of the TTC's capital program. In accordance with the Municipal Act, any funding for the TTC's capital program from other governments flows through the City. As such, the TTC has claimed from the City a total 2020 capital subsidy of $813.6 million (2019 – $1,336.3 million). Amounts claimed from the City do not include a $1.7 million expenditure (December 31, 2019 – $5.9 million) for property purchased in the year and owned by the City, but for the jurisdictional use of the TTC.

The following disclosures regarding subsidy claims from the Provincial and Federal governments are based on the City's and the TTC's understanding of the various agreements and commitments.

Toronto-York Spadina Extension Project

The City acts as the bank for the Toronto-York Spadina Subway Extension ("TYSSE") project, under a joint funding relationship with the Province through the Move Ontario Trust ("MOT"), the Federal Government under the Building Canada Funding program and the municipalities of the City of Toronto and the Region of York. In 2020, $40.0 million (December 31, 2019 – $77.3 million) was recognized as subsidy with respect to this project and the amount is presented in the above table as a City of Toronto subsidy. It is expected that the City will recover these funds from the project's funding partners.

The Province approved funding of $870 million (March 2006 and January 2008) for the TYSSE into York Region with a project cost of $2.6 billion and this funding was deposited in the MOT. On March 6, 2007, the Federal Government announced that it would contribute funding for the TYSSE into York Region with the amount capped at $697 million for the project.

The TTC incurs project expenditures and then submits a capital billing for the full project cost to the City. Each month the Executive Task Force, which is the joint Toronto/York governing body, submits a funding request to each of the MOT and the municipalities (City of Toronto and Region of York) to claim for each party's appropriate share of project funding.

b. Province of Ontario

Capital subsidies claimed under the various provincial programs for the year ended December 31 are as follows:

$000s	2020	2019
Source of capital subsidies:		
- Provincial Gas Tax (PGT)	-	109,948
- Canada Strategic Infrastructure (CSIF) Reserve (note 18)	15,636	-
- MoveOntario 2020 Reserve Fund (Quickwins) (note 18)	57,661	-
- LRV Car Project	7,720	76,200
Total provincial capital subsidies	**81,017**	**186,148**

Provincial Gas Tax (PGT)

In October 2004, the Province introduced gas tax funding to municipalities for public transit. Commencing at 1¢/litre, the funding is based on a province-wide 70% ridership and 30% population allocation base, updated annually. The funding rate increased to 1.5¢/litre, effective October 2005, and then to 2¢/litre, effective October 2006. For 2020, the City directed $91.6 million (December 31, 2019 – $91.6 million) toward the TTC's operating needs (note 14). The balance, including use of unallocated reserve funds from prior years of $114.3 million, (December 31, 2019 - $90.8 million) was used for capital requirements. In 2020, this capital funding was used by the City to fund transit related debt servicing costs and is therefore not reflected in TTC Capital Subsidy revenue. In 2019, these funds were used to support the acquisition of TTC capital assets.

LRV Car Project
On June 19, 2009, the Province confirmed that it would provide one-third funding for the 204 LRV Car Project (up to $417 million) and this funding flows on the basis of contract milestone payments. A Transfer Payment Agreement between the Province, City of Toronto and the TTC was signed in January 2013. Funding of $348.4 million (December 31, 2019 – $340.7 million) has been recognized against the project to date including $7.7 million for 2020 (December 31, 2019 – $76.2 million).

c. Federal Government of Canada

Capital subsidies claimed under the various federal programs for the year ended December 31 are as follows:

$000s	2020	2019
Source of capital subsidies:		
- Federal Gas Tax	166,564	169,379
- Public Transit Infrastructure Fund (PTIF)	63,465	174,194
Total federal capital subsidies	**230,029**	**343,573**

Federal Gas Tax
In June 2005, a joint announcement by the Federal, Provincial, and City of Toronto governments and the Association of Municipalities of Ontario was made in connection with the signing of two federal gas tax funding agreements under the "New Deal for Cities and Communities". The gas tax funding is allocated on a per capita basis for environmentally sustainable municipal infrastructure, growing from 2.5¢/litre in 2008 to 5¢/litre in 2009. In 2008, the Federal government announced that gas tax funding had been made a permanent measure. In 2014, a new and permanent agreement for the 10-year period 2014-2023 was signed and 2014–2019 allocations are based on the updated 2011 Census population, with allocations from 2020–2024 based on 2016 Census data. Ontario's allocation of this funding to municipalities is based on population and the City received $166.6 million in 2020 (December 31, 2019 – $169.4 million) under this program. This amount was allocated to the TTC.

Public Transit Infrastructure Fund (PTIF)
In March 2016, the federal government announced an investment of $11.9 billion in transit infrastructure across Canada over five years to upgrade and improve public transit systems. Phase I of the PTIF, spanning 3 years, commits approximately $3.4 billion across Canada to be distributed based on a nation-wide 70% ridership and 30% population allocation base. The total Phase I Federal PTIF allocation announced for the City of Toronto was $1.712 billion of which funding will be split equally (50%/50%) between the Federal government and the City of Toronto. The TTC was allocated $1.363 billion ($681 million federal PTIF share). Through revisions to the TTC/City's PTIF project lists in 2018, the TTC's PTIF funding allocation was increased to $1.619 billion ($784 million PTIF Federal share). To date, federal funding for the eligible expenditures incurred amounts to $762.3 million (December 31, 2019 – $698.8 million), of which $63.5 million has been accrued in 2020 (December 31, 2019 – $174.2 million).

d. Other

Other funding of $1.0 million (December 31, 2019 – $2.1 million) includes specific purpose third-party agreements with organizations such as Waterfront Toronto.

16. EXPENSES BY OBJECT

Expenses by object for the year ended December 31 comprise the following:

$000s	2020	2019
Wages, salaries and benefits	1,468,463	1,459,106
Materials, services and supplies	325,008	329,664
Vehicle fuel	65,297	84,063
Electric traction power	53,340	58,761
Utilities	28,296	26,599
Accident claims and insurance	25,583	23,133
Amortization (operating budget)	24,309	25,541
Amortization (assets funded through capital)	634,246	621,983
Loss on Provincial Expansion Project Upload	-	239,263
Wheel-Trans contract services	27,406	70,136
Pension expense/(income) in excess of employer contributions	16,551	(16,551)
Total expenses	**2,668,499**	**2,921,698**

17. BUDGET DATA

Budget data presented in these consolidated financial statements is based upon the 2020 operating and capital budgets approved by the TTC Board ("the Board") and the Board of the Toronto Coach Terminal Incorporated. The 2020 operating and capital budget was approved by the Board on December 16, 2019. Ammendments to the 2020 capital budget was subsequently approved by the Board on January 27, 2020 and May 13, 2020. The Board of the Toronto Coach Terminal Inc. approved the 2020 budget on June 17, 2020. Adjustments are required to provide comparative budget values for the year-end actual results based on an accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

$000s	Conventional	Wheel-Trans	Other	**Total**
Total expenses, per approved current year budget	1,978,487	156,483	212	2,135,182
Other recoverable expenses	37,223	1,817	-	39,040
Amortization of previously subsidized assets	626,296	7,950	-	634,246
Total budgeted expenses per consolidated financial statements	**2,642,006**	**166,250**	**212**	**2,808,468**

Other recoverable expenses are certain non-cash employee benefits and accident claim expenses that will be funded in the future (see note 5).

18. CITY OF TORONTO RESERVES AND RESERVE FUNDS

In its accounts, the City maintains interest bearing Reserve Funds, and non-interest bearing Reserves comprised of funds set aside by City Council for specific purposes. Included in these Reserves and Reserve Funds are amounts which the City has received from the Province, which are earmarked for TTC projects. Contributions to and draws from these Reserves and Reserve Funds are made by the TTC, or the City, upon approval by City Council. In order for the TTC to draw on these Reserves and Reserve Funds, they are required to incur the related expenditures. In 2020, the average interest rate applicable to Reserve Funds was approximately 0.9% (December 31, 2019 – 1.6%).

The balances and transactions related to the Reserves and Reserve Funds are presented in the following two tables.

Reserves and Reserve Funds originating from TTC operating surpluses or operating subsidies

$000s	Stabilization Reserve	Land Acquisition	Long Term Liability	**2020 Total**	**2019 Total**
Balance, beginning of the year	6,600	683	31,971	39,254	61,326
Net contributions/(draws)	-	17,978	-	17,978	(22,691)
Interest earned	-	11	515	526	619
Balance, end of the year	**6,600**	**18,672**	**32,486**	**57,758**	**39,254**

Stabilization Reserve

The Stabilization Reserve was created to stabilize the funding of TTC's operating expenditures over time. Any operating deficits, to the limit of the reserve balance and after approval from City Council, may be covered by a draw from this reserve. In 2020, the amount withdrawn for this purpose was $nil (December 31, 2019 - $15.7 million).

Land Acquisition Reserve Fund

The Land Acquisition Reserve Fund was created to fund future land acquisitions by the City for the TTC's use. In December 2020, the TTC sold its 70 Parliament Street Property which resulted in net proceeds of $18.0M. Pending City Council approval, these net proceeds will be contributed to the Land Acquisition Reserve. No draws or contributions were made in 2019.

Long Term Liability Reserve Fund

The Long Term Liability Reserve Fund was created in 2014 to ensure funding for the TTC's long-term liability for unsettled accident claims.

Through the approved budget in 2020, City Council authorized a contribution of up to $18.8 million (December 31, 2019 – $25.6 million) and a draw up to the amount contributed (December 31, 2019 - $7.0 million) from the Long Term Liability Reserve Fund, to support actual accident claim payments at the time of the settlement. The amount of $13.5 million was contributed and withdrawn, resulting in a net contribution of $nil (December 31, 2019 – net $7.0 million withdrawn).

Reserve Funds for transit capital funding originating through the Province of Ontario

$000s	PGT	CSIF	Quickwins	**2020 Total**	**2019 Total**
Balance, beginning of the year	21,454	16,152	58,608	96,214	113,362
Provincial contributions	184,291	-	-	184,291	182,421
Draws	(205,918)	(15,636)	(57,661)	(279,215)	(201,548)
Interest earned	173	253	918	1,344	1,979
Balance, end of the year	**-**	**769**	**1,865**	**2,634**	**96,214**

PGT

For 2020, the City directed $91.6 million (2019 – $91.6 million) toward the TTC's operating needs (note 14). The balance, including use of unallocated reserve funds from prior years of $114.3 million, (2019 - $90.8 million) was used for capital requirements. In 2020, this capital funding was used by the City to fund transit related debt servicing costs and is therefore not reflected in TTC Capital Subsidy revenue. In 2019, these funds were used to support the acquisition of TTC capital assets.

Canada Strategic Infrastructure Reserve Fund (CSIF)

$303.3 million was received from the CSIF program to fund the TTC's strategic capital projects. Over the life of the program, $304.4 million has been applied to various projects. In 2020, $15.6 million was withdrawn from this reserve fund (note 15) and no funds were withdrawn in 2019. There is an amount of $0.8 million remaining in the reserve fund.

MoveOntario 2020 Reserve Fund (Quickwins)

Provincial payments totalling $452.5 million were received in March 2008 in support of the Metrolinx approved Quick Wins projects. Of the total payment received, plus accumulated interest of $24.1 million, $474.8 million has been applied to accumulated funding recognized by the TTC to date for capital expenditures, including $57.7 drawn from the reserve fund in 2020 (note 15) and nil in 2019. There is an amount of $1.9 million remaining in the reserve fund.

19. COMMITMENTS AND CONTINGENCIES

a. In the normal course of its operations, labour relations and completion of capital projects, the TTC and its subsidiaries are subject to various arbitrations, litigations and claims. Where the potential liability is determinable, management believes that the ultimate disposition of the matters will not materially exceed the amounts recorded in the accounts. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the period during which the liability is determinable. Amounts recorded in the accounts have not been disclosed in the consolidated financial statements as disclosure may adversely impact the outcome. Management's estimate is based on an analysis of specific claims and historical experience with similar construction-related claims.

b. The TTC has contracts for the construction and implementation of various capital projects. As at December 31, 2020, these contractual commitments total approximately $445.1 million (December 31, 2019 – $457.4 million). Of this amount, $60.8 million (December 31, 2019 – $115.2 million) was established as multi component shared projects for the TYSSE project; $7.2 million (December 31, 2019 – $11.9 million) relates to the TYSSE project; and $377.1 million (December 31, 2019 – $330.3 million) relates to various TTC construction projects.

c. In April 2009, the Board approved the design and supply of 204 light rail vehicles (LRV). In June 2009, the contract was awarded to Bombardier Transportation Canada Inc. As of December 31, 2020, the contract value is in total $1,151.0 million with 204 LRV's delivered to the TTC, costs incurred to date $1,124.8 million, and the outstanding commitment is $26.2 million.

d. As of January 2012, the Board has authorized various low floor clean diesel bus procurements to meet the TTC ridership requirements. Contracts were awarded to Nova, a Division of Volvo Group Canada. 1,073 buses were delivered to the TTC and the costs incurred to date totalled $751.1 million out of contract values amounting to $754.5 million. The outstanding commitment is $3.4 million and is expected to be extinguished in 2021.

e. In March 2017, September 2017, and June 2020, Creative Carriage Ltd. was awarded contracts for the purchase of 149 low floor Wheel Trans mini buses. As of December 31, 2020, the contract value for Creative Carriage Ltd. totals $27.6 million with 140 buses delivered to the TTC. Costs incurred to date total $23.7 million and the outstanding commitment is $3.9 million.

f. On November 13, 2017, the Board approved the TTC's recommendation to exercise green technology contract options for the procurement of 30 battery electric buses. In 2018, contracts were awarded to New Flyer Industries and BYD Canada for 30 buses in total. In March 2019, Proterra Inc. was awarded the contract for the purchase of 20 buses, and in 2019, an additional 10 buses were added to the New Flyer and Proterra contracts, increasing total bus requirement to 60 buses. As of December 31, 2020, the contract values totalled $88.1 million with a delivery of 60 buses. The costs incurred to date total $85.6 million and the outstanding commitment is $2.5 million.

g. In August 2006, the Board approved purchasing 234 subway cars or 39 trainsets from Bombardier Transportation Canada Inc. and the contract was awarded on December 21, 2006. Additional trainset purchases were approved by the Board in May 2010 and March 2014, and in June 2015, the Board authorized modification of four 6 car trainsets into six 4 car trainsets to support the conversion to ATC, bringing the total delivery requirement to 82 trainsets. As of December 31, 2020, the contract value is in total $1,523.1 million with 82 trainsets delivered to the TTC. Costs incurred to date are $1,476.5 million and the outstanding commitment is $46.6 million.

h. The TTC could be exposed to significant or material contractual cancellation penalties if any of its commenced capital projects do not continue as planned.

i. In September 2020, the TTC entered into a revolving credit facility agreement with a Canadian chartered bank. Under this agreement, the TTC has issued a standby letter of credit to be used to support its bus electrification project in the amount of $1.2 million (2019 - $nil). The amount drawn of this letter of credit at year end was $nil (2019 - $nil).

j. The TTC leases certain premises under operating lease agreements. The approximate future minimum annual lease payments are as follows:

	$000s
2021	24,931
2022	24,453
2023	21,832
2024	20,600
2025	18,932
Thereafter	133,716
Total	**244,464**

20. CONTINGENT ASSET

On September 24, 2020 the Board approved the principles of a non-binding Term Sheet allowing the TTC to negotiate and, subject to the parties agreeing on terms and conditions, enter into a final settlement agreement to resolve outstanding PRESTO related issues and incremental service disruption costs relating to the construction of new LRT projects. As of December 31, 2020, the parties had not finalized the settlement and continue to negotiate in 2021.

21. PANDEMIC RESPONSE

On March 11, 2020, the Word Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in governments worldwide enacting emergency measures to control the spread of the virus. Due to the COVID-19 pandemic, the TTC experienced a significant decline in ridership which had a material impact on passenger revenues since March 2020. To date management partially mitigated the financial impact through cost containment measures which included pausing all salary increases for non-unionized employees, deferring recruitment of non-essential positions, service adjustments to align capacity with demand and deferrals of non-essential capital projects. The financial impact of COVID-19, net of cost containment measures for the year then ended December 31, 2020 was $590.2 million. To cover this financial impact, emergency funding was provided through the SRA as disclosed in note 14.

The duration and impact of COVID-19 remains unknown at this time and it is therefore not possible to reliably estimate the future period impact on the consolidated financial statements.

22. SUBSEQUENT EVENT

On March 11, 2021, the Insurance Co. obtained approval from the Minister of Finance ("MOF") through an Order-In-Council ("OIC") to amend its insurance license to include the automobile risks of the City. The amendment was required to effect the Memorandum of Understanding agreement ("MOU") with the City and TTC dated on June 15, 2019.

The TTC has determined that this event is a non-adjusting subsequent event. Accordingly, the consolidated financial position and consolidated results of operations as of and for the year ended December 31, 2020 have not been adjusted. The impact of the insurance license amendment will be recorded in 2021 as the City's automobile risks are assumed.

23. COMPARATIVE INFORMATION

The comparative consolidated financial statements have been regrouped from statements previously presented to conform with the presentation adopted in 2020.

Appendix 1: Consolidation Schedule as at and for the Year ended December 31, 2020

$000s

	TORONTO TRANSIT COMMISSION (TTC)	WHEEL-TRANS (WT)	TORONTO COACH TERMINAL INC. (Consolidated)
Statement of Financial Position			
Financial assets			
Cash and cash equivalents	147,918	-	4,231
Subsidies receivable	1,006,515	-	-
Accounts receivable	56,707	-	679
Investment in subsidiary	5,445	-	-
Portfolio investments	2,282	-	-
Indemnity receivable from the TTC	-	-	133,532
Total financial assets	**1,218,867**	**-**	**138,442**
Liabilities			
Accounts payable and accrued liabilities	488,705	-	216
Deferred revenue	48,575	-	114
Employee future benefits	784,137	-	-
Unsettled accident claims	146,705	-	133,532
Environmental liabilities	23,594	-	-
Due to parent	-	-	4,445
Intercompany AR/AP	3,035	-	(1)
Derivative liabilities	1,290	-	-
Total liabilities	**1,496,041**	**-**	**138,306**
Net debt	(277,174)	-	136
Non-financial assets			
Tangible capital assets	12,292,805	-	1,021
Spare parts and supplies inventory	147,469	-	-
Prepaid expense	28,687	-	-
Total non-financial assets	**12,468,961**	**-**	**1,021**
Capital stock	-	-	1,000
Accumulated surplus	**12,191,787**	**-**	**157**
Statement of Operations and Accumulated Surplus			
Operating revenue			
Passenger services	512,322	3,896	-
Advertising	22,855	-	-
Outside city services	7,707	-	-
Property rental	13,487	-	1,393
Miscellaneous	27,295	-	42
Total operating revenue	**583,666**	**3,896**	**1,435**
Subsidies			
Operating subsidies	1,296,380	102,984	-
Capital subsidies	814,548	-	-
Total subsidy revenue	**2,110,928**	**102,984**	**-**
Expenses			
Wages, salaries and benefits	1,405,651	62,964	5
Materials, services and supplies	311,826	13,025	153
Vehicle fuel	63,093	2,204	-
Electric traction power	53,340	-	-
Utilities	27,710	586	-
Accident claims	24,855	695	-
Amortization (operating budget)	24,038	-	271
Amortization (assets funded through capital)	626,296	7,950	-
Wheel-Trans contract services	-	27,406	-
Pension expense	16,551	-	-
Total expenses	**2,553,360**	**114,830**	**429**
Surplus (deficit) for the year	141,234	(7,950)	1,006
Wheel-Trans Deficit due to Amortization (assets funded through capital)	(7,950)	7,950	-
Accumulated operating surplus (deficit), beginning of the year	12,059,793	-	(849)
Accumulated operating surplus (deficit), end of the year	**12,193,077**	**-**	**157**
Accumulated remeasurement gains, beginning of the year	1,629	-	-
Unrealized losses in the current year	(10,624)	-	-
Amount reclassified to Statement of Operations and Accumulated Surplus	7,705	-	-
Accumulated remeasurement losses, ending of the year	**(1,290)**	**-**	**-**
Accumulated surplus is comprised of:			
Accumulated operating surplus	12,193,077	-	157
Accumulated remeasurement losses	(1,290)	-	-
Accumulated surplus	**12,191,787**	**-**	**157**
Not on TTC financial statements:			
Operating subsidy from the City (as above)	1,296,380	102,984	-
Operating subsidy – long-term receivable for accident claims	(5,732)	-	-
Operating subsidy – long-term receivable for employee	(33,244)	(1,497)	-
City special costs	3,149	-	-
Draw from the City's TTC Land Acquisition Reserve	17,978	-	-
Total city operating subsidy current	**1,278,531**	**101,487**	**-**

TTC SICK BENEFIT ASSOCIATION (SBA)	TOTAL BEFORE INTERCOMPANY ELIMINATIONS	INTERCOMPANY ELIMINATIONS	CONSOLIDATED FINANCIAL STATEMENTS
67	152,216	-	152,216
-	1,006,515	-	1,006,515
-	57,386	-	57,386
-	5,445	(5,445)	-
-	2,282	-	2,282
-	133,532	(133,532)	-
67	**1,357,376**	**(138,977)**	**1,218,399**
3,013	491,934	-	491,934
-	48,689	-	48,689
-	784,137	-	784,137
-	280,237	(133,532)	146,705
-	23,594	-	23,594
-	4,445	(4,445)	-
(3,034)	-	-	-
-	1,290	-	1,290
(21)	**1,634,326**	**(137,977)**	**1,496,349**
88	(276,950)	(1,000)	(277,950)
-	12,293,826	-	12,293,826
-	147,469	-	147,469
-	28,687	-	28,687
-	**12,469,982**	**-**	**12,469,982**
-	**1,000**	**(1,000)**	**-**
88	**12,192,032**	**-**	**12,192,032**
-	516,218	-	516,218
-	22,855	-	22,855
-	7,707	-	7,707
-	14,880	-	14,880
157	27,494	(277)	27,217
157	**589,154**	**(277)**	**588,877**
-	1,399,364	-	1,399,364
-	814,548	-	814,548
-	**2,213,912**	**-**	**2,213,912**
-	1,468,620	(157)	1,468,463
157	325,161	(153)	325,008
-	65,297	-	65,297
-	53,340	-	53,340
-	28,296	-	28,296
-	25,550	33	25,583
-	24,309	-	24,309
-	634,246	-	634,246
-	27,406	-	27,406
-	16,551	-	16,551
157	**2,668,776**	**(277)**	**2,668,499**
-	134,290	-	134,290
-	-	-	-
88	12,059,032	-	12,059,032
88	**12,193,322**	**-**	**12,193,322**
-	1,629	-	1,629
-	(10,624)	-	(10,624)
-	7,705	-	7,705
-	**(1,290)**	**-**	**(1,290)**
88	12,193,322	-	12,193,322
-	(1,290)	-	(1,290)
88	**12,192,032**	**-**	**12,192,032**
-	1,399,364	-	-
-	(5,732)	-	-
-	(34,741)	-	-
-	3,149	-	-
-	17,978	-	-
-	**1,380,018**	**-**	**-**

Masks being sewn at
the Harvey Shop

Supplementary Schedules (Unaudited)

Year ended December 31, 2020

CONVENTIONAL SYSTEM - 10 YEAR NON-CONSOLIDATED FINANCIAL & OPERATING STATISTICS (UNAUDITED)

	2020 [13]	2019	2018
OPERATING STATISTICS (regular service inside City)			
Revenue Passenger Trips (Millions)	225.0	525.5	521.4
Basic Adult Token/PRESTO Fare (at December 31) ($)	3.20	3.10	3.00
Average Number of Employees (including TCTI)	14,843	15,251	14,812
Hourly Base Wage Rate & Benefits per Operator ($)	57.14	53.50	51.65
Kilometres Operated (Millions)			
Bus	131.5	145.1	143.2
Subway Car	85.0	93.5	92.6
Streetcar	9.9	11.9	11.4
Scarborough RT	3.3	3.5	3.4
Total Kilometres Operated	**229.7**	**254.0**	**250.6**
OPERATING REVENUE STATISTICS			
Operating Revenue - including property rental, etc. ($ Millions)	583.7	1,253.9	1,226.2
Operating Revenue per Passenger Trip ($)	2.59	2.39	2.35
Operating Revenue per Kilometre ($)	2.54	4.94	4.89
OPERATING EXPENSE STATISTICS[1]			
Operating Expenses ($ Millions)	1,884.2	1,918.2	1,803.1
Operating Expense per Passenger Trip ($)	8.37	3.65	3.46
Operating Expense per Kilometre ($)	8.20	7.55	7.20
OPERATING SUBSIDY STATISTICS			
Operating Subsidy ($ Millions)	1,296.4 [12]	661.3 [10]	576.9 [9]
Operating Subsidy per Passenger Trip ($)	5.76	1.26	1.11
Operating Subsidy per Kilometre ($)	5.64	2.60	2.30
REVENUE/COST RATIO	31.0%	65.4%	68.0%
PASSENGER VEHICLE FLEET			
(Conventional & Wheel-Trans, owned and in service December 31)			
Buses	2,114	2,096	2,010
Subway Cars	848	848	848
Streetcars (CLRV & ALRV)	0	0	128
Streetcars (LFLRV)	204	198	117
Scarborough RT Cars	28	28	28
Wheel-Trans Buses	256	266	263
Total Vehicle Fleet	**3,450**	**3,436**	**3,394**

See accompanying notes for conventional system - 10 Year Non-Consolidated Financial & Operating Statistics (Unaudited)

2017	2016	2015	2014	2013	2012	2011
533.2	538.1	537.6	534.8	525.2	514.0	500.2
3.00	2.90	2.80	2.70	2.65	2.60	2.50
14,389	14,095	13,651	13,209	12,920	12,739	12,674
51.68	50.81	50.33	49.01	47.94	47.35	46.07 [11]
142.0	138.6	131.6	131.3	129.6	125.0	123.6
82.9	83.0	82.2	80.8	79.3	78.6	76.1
11.5	13.1	13.9	12.8	12.5	12.6	13.1
3.4	3.5	3.4	3.5	3.5	3.1	3.3
239.8	**238.2**	**231.1**	**228.4**	**224.9**	**219.3**	**216.1**
1,234.5	1,196.3	1,179.1	1,157.5	1,120.2	1,087.3	1,026.4
2.32	2.22	2.19	2.16	2.13	2.11	2.05
5.15	5.02	5.10	5.07	4.98	4.96	4.75
1,696.2	1,712.6	1,695.7	1,589.5	1,491.7	1,472.4	1,460.0
3.18	3.18	3.15	2.97	2.84	2.86	2.92
7.07	7.19	7.34	6.96	6.63	6.71	6.76
461.8 [8]	516.3 [7]	516.6 [6]	432.0 [5]	371.5 [4]	385.1 [3]	433.6 [2]
0.86	0.96	0.96	0.81	0.71	0.75	0.87
1.92	2.17	2.24	1.89	1.65	1.76	2.01
72.8%	69.9%	69.5%	72.8%	75.1%	73.8%	70.3%
1,920	1,926	1,861	1,869	1,851	1,857	1,819
848	840	796	724	704	708	712
184	219	235	247	247	247	247
57	30	13	3	0	0	0
28	28	28	28	28	28	28
212	199	205	221	221	246	217
3,249	**3,242**	**3,138**	**3,092**	**3,051**	**3,086**	**3,023**

NOTES FOR CONVENTIONAL SYSTEM - 10 YEAR NON-CONSOLIDATED FINANCIAL & OPERATING STATISTICS (UNAUDITED)

1. In 2011, the TTC adopted Public Sector Accounting Standards (PSAS) for its financial reporting. Prior to the adoption of PSAS, depreciation expense on subsidized assets was completely offset by the related capital subsidy and the accounting expense for the TTC Pension Fund was equal to the TTC's cash contributions. To maintain consistency with both the pre-2011 presentation in this schedule and the TTC's operating budget, beginning in 2011 the operating expenses exclude depreciation on subsidized assets, the TTC Pension Fund expense or income that is in excess of the TTC's cash contributions, and capital project write downs and environmental expenses that are funded through capital subsidy.

2. In 2011, the total subsidy paid by the City was $317.7 million, consisting of $342.0 million for the operating subsidy, $3.4 million for the City special costs, less a $14.6 million long-term payable for accident claims and a $13.1 million long-term payable for employee benefits. The City allocated $91.6 million of Provincial subsidy to the operating budget.

3. In 2012, the total subsidy paid by the City was $278.4 million, consisting of $293.5 million for the operating subsidy, $3.5 million for the City special costs, less $18.6 million long-term payable (employee benefits of $23.3 million less accident claims of $4.7 million). The City allocated $91.6 million of Provincial subsidy to the operating budget.

4. In 2013, the total subsidy paid by the City was $273.4 million, consisting of $279.9 million for the operating subsidy, $3.6 million for the City special costs, $13.1 million for accident claims and less a $23.2 million long-term payable for employee benefits. The City allocated $91.6 million of Provincial subsidy to the operating budget.

5. In 2014, the total subsidy paid by the City was $301.4 million, consisting of $340.4 million for the operating subsidy, $3.6 million for the City special costs, less $42.6 million long-term payable (employee benefits of $29.8 million less accident claims of $12.8 million). The City allocated $91.6 million of Provincial subsidy to the operating budget.

6. In 2015, the total subsidy paid by the City was $373.8 million, consisting of $427.0 million for the operating subsidy, $19.2 million for capital from current, $3.6 million for the City special costs, less $26.6 million long-term payable for accident claims and $40.1 million long-term payable for employee benefits, less $9.0 million draw from the TTC Stabilization Reserve Fund and $0.3 million draw from the City Tax Rate Stabilization Reserve. The $427.0 million for operating subsidy includes $2.0 million in funding for the Wheel-Trans deficit. The City allocated $91.6 million of Provincial subsidy to the operating budget.

7. In 2016, the total subsidy paid by the City was $396.0 million, consisting of $426.4 million for the operating subsidy, $3.7 million for the City special costs, $6.3 million long-term payable for accident claims and less a $40.4 million long-term payable for employee benefits. The $426.4 million for operating subsidy includes $1.7 million in funding for the Wheel-Trans deficit. The City allocated $91.6 million of Provincial subsidy to the operating budget.

8. In 2017, the total subsidy paid by the City was $383.5 million, consisting of $370.2 million for the operating subsidy, $14.2 million for contributions to Long-Term Liability Reserve, $4.7 million for the City special costs, $34.8 million long-term payable for accident claims and less a $40.4 million long-term payable for employee benefits. The City allocated $91.6 million of Provincial subsidy to the operating budget.

9. In 2018, the total subsidy paid by the City was $491.6 million, consisting of $485.3 million for the operating subsidy, $6.9 million contribution to the TTC Stabilization Reserve, $12.4 million for contributions to Long-Term Liability Reserve, $5.1 million for the City special costs, and an $11.8 million reduction in the long-term payable for accident claims and less a $29.9 million increase in the long-term payable for employee benefits. The City allocated $91.6 million of Provincial subsidy to the operating budget.

10. In 2019, the calculated subsidy of $664.3 million is reduced to $661.3 million in the 10 Year Non-consolidated Financial Statistics to reflect expenses funded by liquidated damages. Of this amount, $91.6 million was sourced from Provincial Gas Tax to arrive at total conventional system City funding of $569.7 million.

    City Funding paid of $529.6 million is comprised of $569.7 million for the operating subsidy, $3.5 million for the City special costs, $3.7 million long-term payable for accident claims, less a $7.0 million draw from the TTC Stabilization Reserve, less a $15.7 million draw from Long-Term Liability Reserve and less $24.6 million increase in long-term payable for employee benefits.

    The WT deficit of $1.5 million is added to the $661.3 million to total $662.8 million as the reported subsidy in the consolidated financial statements.

11. The 2011 average hourly wage & benefit per operator amount previously reported of $45.05 has been updated to reflect negotiated improvements that were applied retroactively.

12. In 2020, the calculated subsidy of $1,300.5 million is reduced to $1,296.4 million in the 10 Year Non-consolidated Financial Statistics to reflect expenses funded by liquidated damages. Of this amount, $91.6 million was sourced from Provincial Gas Tax and $590.2 million from the Safe Restart Agreement to arrive at total conventional system City funding of $614.6 million.

    City Funding paid of $596.8 million is comprised of $614.6 million for the operating subsidy, plus $3.1 million for the City special costs, less $5.7 million long-term payable for accident claims and $33.2 million long-term payable for employee benefits, plus a $18.0 million contribution to the City's land acquisition reserve.

13. 2020 Statistics have limited comparability to other years due to the impact of the COVID-19 pandemic.

Management Directory April 2021

Executive Team

Richard J. Leary
Chief Executive Officer

Kirsten Watson
Deputy Chief Executive Officer

Michael Atlas
Head of Legal and General Counsel (Acting)

Keisha Campbell
Chief Diversity and Culture Officer

Gary Downie
Chief Capital Officer

Betty Hasserjian
Chief Safety Officer (Acting)

Josie La Vita
Chief Financial Officer (Interim)

Kathleen Llewelyn-Thomas
Chief Strategy and Customer Officer

Megan MacRae
Executive Director, Human Resources

Mary Madigan-Lee
Chief People Officer

Fortunato Monaco
Chief Infrastructure and Engineering Officer

Natalie Poole-Moffatt
Chief Corporate Affairs Officer

James Ross
Chief Operating Officer

Joan Taylor
Chief of Staff

Rich Wong
Chief Vehicles Officer

Senior Management and Department Heads

Sedat Akkaya
Head, Project Management Office

Valerie Albanese
Head, Human Rights and Investigations

Deborah Brown
Head, Marketing and Customer Experience

Glen Buchberger
Head, Plant Maintenance

Claudio Caschera
Head, Subway Transportation

Bem Case
Head, Vehicle Programs

Sam Castiglione
Head, Operations Financial Control

Andrew Dixon
Head, Special Constable Service (Acting)

Shabnum Durrani
Head, Corporate Communications

Sean Fuller
Head, Light Rail Transit Operations

Dwayne Geddes
Head, Wheel-Trans

Angela Gibson
Head, Strategy and Foresight

Scott Haskill
Head, Project Development and Planning

Bruce Hoang
Director, Corporate Services Transformation (Temporary)

Grant Houston
Head, Service Delivery Control (Acting)

Peter Hrovat
Head, Streetcar Infrastructure

Michelle Jones
Head, Revenue Protection

Orest Kobylansky
Executive Director, Operations

Pam Kraft
Head, Property, Planning and Development

Pierre Lagace
Head, Procurement and Category Management

Christine Leach
Head, Audit, Risk and Compliance (Acting)

Susanna Lee
Head, Farecard Team (Acting)

Deborah Lyon
Head, Streetcar Transportation

Sal Maltese
Head, Operations Training Centre (Acting)

Lynn Middleton
Head, Transit Control (Acting)

Mark Mis
Head, Service Planning and Scheduling

Sue Motahedin
Head, Customer Service Centre

Jane Murray
Chief Project Manager, Construction

Harpreet Nagi
Head, Rail Cars and Shops

David Nagler
Head, Community and Council Relations

Lou Narduzzo
Head, Subway Infrastructure

Predrag Petrovic
Head, Engineering

Allan Pritchard
Head, Bus Maintenance and Shops

Anne Prybyla
Director, Talent Management

Wendy Reuter
Head, Research and Analytics

Meghan Rogers
Director, Employee Relations (Acting)

Rob Rush
Head, Materials Management

Chris Salvador
Head, Revenue Operations

Dhaksayan Shanmuganayagam
Head, Information Technology Services

Robert Smith
Head, Bus Transportation

Amanda Sonier
Head, Operations Support

Ellen Stassen
Head, Stations

Karen Thorburn
Head, Corporate Initiatives

Chad Townsend
Litigation Counsel, Legal

Eduard Toader
Head, Employee Services and Systems (Acting)

Frank Trianni
Head, Streetcar Maintenance

An employee wearing a TTC branded mask; which was also available at the TTC Shop.