2025 Annual Report

Toronto Transit Commission

Contents

Land Acknowledgment

The Toronto Transit Commission acknowledges that the land now called Toronto is the traditional territory of many Nations, including the Mississaugas of the Credit, the Anishinabek and the Haudenosaunee confederacies and the Wendat peoples.

Toronto is also home to many diverse First Nations, Inuit and Metis peoples. We acknowledge that Toronto is covered by Treaty 13, signed with the Mississaugas of the Credit and the Williams treaties signed with multiple Mississaugas and Chippewa bands.

The Toronto Transit Commission recognizes the efforts of all Indigenous Peoples in the building and placemaking of Toronto. The TTC remains committed to genuinely working with Indigenous communities, while acknowledging that our organization is on a continuous learning and awareness journey, consistently aspiring to increase authentic opportunities for Indigenous engagement.

As we seek to play a part in reconciliation, our organization aims to have consistent, authentic, and meaningful approaches to consultation, with greater cultural safety within TTC staff at every level.

Celebrating Indigenous People Month in June. TTC held an Indigenous Youth Vendor Fair at Subway Operations lunchroom at Hillcrest.

Acknowledging and Honouring Black Communities

The TTC acknowledges all Treaty peoples – including those who came here as settlers – as migrants either in this generation or in generations past – and those of us who came here involuntarily, particularly those brought to these lands as a result of the transatlantic trade of enslaved persons. We pay tribute to those ancestors of African origin and descent.

African Ancestral Acknowledgements, such as this one, offer an opportunity to reflect on the past, provide context for current challenges facing Black communities, and support a desire for a hopeful future for people of African descent This Acknowledgement honours the past and recognizes the continued journey of people of African descent towards freedom, justice, and the enjoyment of collective community well-being.

TTC's annual Black History Month celebrations at a special event held at the TTC McNicoll Bus Garage. The 2025 theme; "City of Belonging: Celebrating Toronto's Black Community Builders".

Chair’s Message

To: Mayor Olivia Chow and Councillors of the City of Toronto

As the Chair of the Toronto Transit Commission, it is my privilege to submit the 2025 Annual Report for the TTC – highlighting a year of expansion and continued investment in a reliable and accessible transit system.

On a full year basis, 2025 ridership totalled 413.1 million, representing 98.4 per cent of 2024’s ridership of 419.9 million. Weekly ridership trended below budgeted levels throughout 2025, with 2025 full year ridership at 94 per cent of budget and 26.3 million rides below the 2025 budgeted level of 439.4 million.

The lack of ridership growth in fall 2025 may be because any positive impact from changes to employers’ in-office work policies were then offset by a decrease in international students, decrease in employment, non-compliance to those in-office policies and/or employees not choosing transit for their commute.

Conventional service hours delivered in 2025 exceeded budgeted levels by 2.3 per cent, reflecting an increase in service levels as additional Operator availability for bus and subway was leveraged, supporting enhanced service delivery across the network.

Like many large transit systems across North America, the TTC continues to face a structural financial imbalance driven by rising costs and slower ridership recovery. Long-term sustainability will require predictable funding from all levels of government. The TTC’s capital plan remains focused on maintaining the system in a state of good repair, but significant unfunded needs persist.

Wheel-Trans ridership increased for the fourth consecutive year. In 2025, our paratransit service carried more than four million riders over 31 million kilometres. Wheel-Trans also celebrated its 50th anniversary last year. Wheel-Trans is world-class and comparable to the best paratransit systems globally. It is a lifeline for thousands of seniors and persons with disabilities.

On December 7, 2025, we were very excited to officially open to the public the Line 6 Finch West LRT, the most significant expansion of Toronto's transit network since the Spadina subway extension. Thousands of riders are benefitting from faster connections to communities, jobs and schools. Line 6 will also play a real role in reducing congestion by giving people a faster, more dependable alternative to driving. Line 6 is 10.4 kilometres long and includes 18 stations/stops between Humber College and Finch West.

The opening of the Line 5 Eglinton LRT on February 8, 2026 represents a transformational expansion of the TTC network, providing faster, more reliable service for more than 123,000 riders every day. It includes 25 stations/stops between Mount Dennis (Weston Road) and Kennedy Station, and connects with Lines 1 and 2, multiple TTC bus routes, and two GO Transit lines.

My thanks to TTC staff, our partners at Metrolinx and the Province of Ontario for working together to make this expansion a reality and improving transit for the millions of riders who take the TTC daily.

I want to also thank Mayor Olivia Chow, my colleagues at City Council and my fellow Commissioners for their continued support. Sustaining the TTC's operations and advancing long-term projects requires a safe, reliable, affordable system that meets the needs of Toronto's residents and visitors.

A vibrant, healthy public transit system is central to a great city. It supports jobs, creates job opportunities, and attracts investment in the city. It helps to relieve congestion, promotes a cleaner environment, and knits the city and its residents together. Toronto's continued success as a thriving social and economic hub is contingent on a reliable, frequent, and safe public transit system that creates access to opportunity for everyone.

Together, we will continue building a transit system that Torontonians can rely on today and for generations to come.

Sincerely,

Jamaal Myers

TTC Chair
May 2026

The TTC Board

As of December 2025

Jamaal Myers
Chair

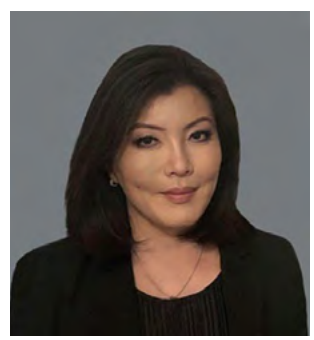
Joe Mihevc
Vice-Chair

Commissioners

Paul Ainslie

Alejandra Bravo

Fenton Jagdeo



Liane Kim

Ausma Malik

Josh Matlow

Julie Osborne

Dianne Saxe

TTC Subway and Streetcar map as of December 2025.

CEO's Message

Transit is the heartbeat of this city. Our responsibility is to keep it strong.

To: TTC Chair and Commissioners, Mayor Olivia Chow and Councillors of the City of Toronto

When transit works, a city works.

Every day, the TTC carries millions of people to jobs, school, health care, and opportunity. It connects neighbourhoods, supports economic growth, and gives people freedom to move through the city. That responsibility sits at the heart of everything we do.

I joined the TTC last summer with a clear belief: strong cities depend on strong transit systems. Transit is not a service on the margins of city life. It is a core part of Toronto's mobility and economic ecosystem. When it is safe, clean, and reliable, the city benefits. When it falls short, people feel it immediately.

Our goal is simple and demanding: the TTC must earn the confidence of the people who rely on it every day.

In 2025, customers took more than 400 million trips across our bus, subway, streetcar, Wheel-Trans, and rapid transit networks. The bus system continues to be the backbone of the TTC, reaching every corner of the city and carrying the majority of our riders. It connects people to opportunity and adapts with the city as travel patterns change.

Safe and reliable service remains our top priority. Since 2019, we have increased scheduled service hours to reduce crowding and improve the customer experience. At the same time, growing road congestion has made it harder to deliver that service as planned. Slower traffic speeds reduce the effectiveness of our network and affect reliability for customers.

We are responding directly. We have adjusted running times to reflect real-world conditions and are working closely with the City of Toronto to advance transit priority measures that improve speed and reliability. Transit cannot succeed if buses and streetcars sit in traffic. Giving transit the space it needs is essential to a city that wants to move.

Fleet renewal is another critical part of reliability. In 2025, we completed delivery of our expanded accessible streetcar fleet, increasing capacity by nearly 30 per cent. This allows us to deliver six-minute or better service on core routes and support future network expansion, including along Queen's Quay. Modern vehicles mean better service for customers and better tools for our operators and maintenance teams.

We also reached a major milestone for Line 2. Earlier this year, the TTC confirmed Alstom as the builder of 55 new subway trains in Thunder Bay, creating hundreds of Canadian jobs and ensuring strong domestic content. These trains will increase capacity, improve accessibility, and modernize one of our busiest lines. Riders and employees will feel the benefits of this investment for decades. I want to thank our funding partners at all levels of government for recognizing how essential this project is to Toronto and the region.

None of these improvements are possible without sustained investment. State-of-good-repair work, new vehicles, and modern facilities are not optional. They are the foundation of safe and reliable transit. Our customers rightly expect better, and meeting that expectation requires long-term commitment.

In 2025, we also began preparations for the FIFA World Cup 2026™. Toronto will welcome the world, and transit will play a central role in how the city functions during the tournament. Every subway trip, bus ride, streetcar, LRT, and Wheel-Trans journey will reflect our readiness.

Our focus is clear: safe, frequent, and reliable service so residents and visitors can move around the city with confidence. With additional service, more staff on the ground, transit priority measures, and real-time system monitoring, we will be ready to deliver. The TTC is more than infrastructure. It is people.

Our strength comes from the professionalism, skill, and pride of our workforce. More than 18,000 employees keep this city moving every day, often under challenging conditions. Their dedication and knowledge are the foundation of everything we achieve, and continuous improvement remains a shared responsibility at every level of the organization.

The TTC holds the trust of millions of people every day. That trust must be earned through performance, accountability, and a relentless focus on customers. This Annual Report reflects the progress we are making and the work still ahead.

Transit is the heartbeat of this city. Our responsibility is to keep it strong.

Sincerely,

Mandeep S. Lali

Chief Executive Officer
May 2026

Executive Team

Mandeep S. Lali
Chief Executive Officer

Fortunato Monaco
Chief Operating Officer (Interim)

Michael Atlas
General Counsel

Josh Colle
Chief Strategy and Customer Experience Officer

Stephanie Davies
Chief Capital Officer

Betty Hasserjian
Chief Safety Officer

John Montagnese
Chief Financial Officer (Interim)

Shakira Naraine
Chief People and Culture Officer

Haroon Nuri
Chief Infrastructure Officer (Interim)

Dhaksayan Shanmuganayagam
Chief Information Officer

Tamu Thomas
Chief Transportation Officer

Rich Wong
Chief Vehicles Officer

Mandeep Lali announced as TTC's new CEO at a news conference at Scarborough Centre Station on June 5th, 2025, joined by Mayor Olivia Chow.

About the TTC

Who We Are

The TTC is the City of Toronto's public transit service agency mandated to establish, operate and maintain the local transportation system in the city. The TTC is the largest public transit system in Canada and the third largest in North America.

With a comprehensive network of bus, Wheel-Trans, streetcar, and subway services, spanning the city's 630 square kilometres, the TTC is critical infrastructure moving 413 million customer trips and an additional 4 million Wheel-Trans trips in 2025.

The TTC is foundational to Toronto's mobility network, with one in four trips in Toronto being taken by public transit. The network reaches all corners of the city, enabling access to employment, education, services and entertainment for residents and visitors.

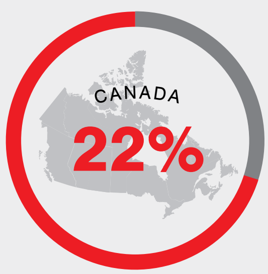
By enabling these connections, the TTC contributes to the health and prosperity of Toronto and the region, the economic engine of Canada. Investment in transit supports local, provincial and national jobs and economic development, collective efforts to mitigate the impacts of climate change, and creating access to opportunity for everyone.

After more than 100 years in service and having carried more than 31 billion customers, the TTC has grown to become one of the most visible and vital public service organizations in the Greater Toronto Area.

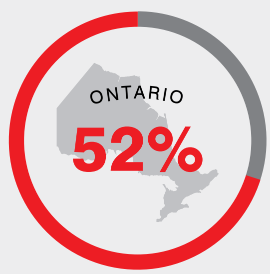
We continue to make Toronto proud by centering our customers in all of our decision-making.

TTC Conventional Ridership at a Glance

413
Million Rides
2025



22% of Canada's transit ridership[1]



52% of Ontario's transit ridership[1]

66% of the transit ridership in the Greater Toronto and Hamilton Area[1]

100+ transit connections with GO Transit, MiWay, Brampton Transit, York Region Transit, Durham Region Transit.

[1] CUTA Data, Canadian Conventional Transit Statistics

505 Dundas Streetcar travelling towards Yonge Street

What Guides Us

Our Vision

Moving Toronto towards a more equitable, sustainable and prosperous future.

Our Mission

To serve the needs of transit riders by providing a safe, reliable, efficient and accessible mass public transit service through a seamless integrated network to create access to opportunity for everyone.

Our Values

Safety, Service and Courtesy

The TTC is an agency of the City of Toronto and is guided by the public service values codified in the Toronto Public Service By-Law, Chapter 192 of Toronto's Municipal Code:

- Serve the public well.
- Serve the TTC Board well.
- Act with integrity.
- Maintain political neutrality.
- Uphold Toronto's motto: *Diversity Our Strength*.
- Use TTC property, services and resources responsibly.
- Apply judgement and discretion.
- Serve the Public Service well.

These values align with the TTC's long-standing motto: *Safety, Service and Courtesy*. This is a reflection of the commitment and contributions of generations of TTC employees in delivering high-quality transit service to the City of Toronto.

TTC Operator standing in front of Line 6 LRT on Opening Day, December 7, 2025.

2025 Accomplishments

Corporate plan and strategic directions

The TTC is the backbone of Toronto's mobility network – keeping people moving and connected. In 2025, Guided by the five strategic directions in the Corporate Plan, the TTC delivered improvements that invest in our workforce, enhance the rider experience, prepare our system for future needs, support innovation and sustainability, while advocating for sustained long-term funding.

These strategic directions set the TTC on a path to be successful in moving Toronto, connecting communities, and achieving the benefits of public transit investments.

Delivering on key initiatives

Line 6 officially opened to customers on Sunday, December 7, 2025. The TTC serves as the operator for Line 6 Finch West, bringing more than a century of expertise as North America's third busiest public transit agency. Under agreements with Metrolinx and the City of Toronto, the TTC is responsible for operating trains, providing security and revenue control, and staffing stations to ensure a high level of customer satisfaction. The line's infrastructure and vehicles are maintained by Mosaic Transit Group (MTG) under contract to Metrolinx. As operator, the TTC works in close partnership with Metrolinx, the City, and project partners to deliver safe, reliable, and efficient service, integrating Line 6 Finch West into Toronto's broader transit.

Securing long-term investment

The TTC continues to address the challenge of balancing affordability with service improvements and growth. Investment in transit remains critical. The TTC and the City have been successful in securing funding for priority projects, including bus, streetcar, and subway fleet renewal, as well as future eBus vehicles and charging systems The TTC remains focused on long-term financial sustainability, with ongoing efforts to maximize partnership funding and secure sustainable funding models.

5 Line 5 Eglinton

- Opened **Feb 2026: 25 stations** linking Mount Dennis to Kennedy with major network connections.
- **Strong early customer feedback** on quality, safety, and design.
- **Service and signal priority enhancements underway,** with **extended hours introduced April 2026** to improve reliability and travel times.

6 Line 6 Finch West

- Opened **Dec 2025: 10 km, 18 stops, 28 connections.**
- **Travel times down 20 minutes** since launch, driven by operational improvements and full signal priority.
- **24-hour reach expanded** with service now running to **2 a.m. nightly.**

Three drivers standing in front of a Wheel-Trans vehicle to celebrate Wheel-Trans 50 Year Milestone Event.


Build a Future-Ready Workforce

From every trip taken, to every vehicle serviced, to every customer interaction, the TTC's workforce is the key to our success. Ensuring our employees are supported and equipped with the necessary training, tools and support to meet Toronto's transit needs is critical as we prepare for the future. The TTC has continued focusing on building a future-ready workforce during 2025 through the following undertakings:

- Conducted an enterprise-wide Employee Engagement Survey to establish a measurable baseline for monitoring employee experience and informing organization-wide improvement efforts.
- Advanced ModernTO and workplace transformation by supporting the transition of 13 TTC departments into modernized workspaces in 2025.
- TTC reaffirmed commitment to employee safety through expanded Joint Health and Safety Committee (JHSC) activities, including a full day conference event for 50+ committees in May 2025, and JHSC co-chair conference in November 2025.
- As of December 2025, 10,600 frontline staff trained on deescalation and unconscious bias; 98.24% complete.
- In collaboration with UpSkill, 118 employees and 90 leaders were trained in inclusive leadership. Additional training on LGBTQ+ inclusivity and accessibility will be implemented by Q4, 2025.
- Completed and implemented all actions in the 10-point Action Plan, setting the groundwork for future EDIA initiatives.

Employee Engagement Results

- **Strong foundations:** Most employees feel proud to work at TTC and would recommend it as a great place to work.
- **Opportunities for growth:** Many employees want to feel more valued, supported, and heard, especially when it comes to leadership, psychological safety, and access to tools and resources.
- **Diverse realities:** The report highlights differences in experience between union and non-union employees, underscoring the need for tailored solutions across the organization.

TTC employees celebrating the 2025 Pride Parade.

Attract New Riders, Retain Customer Loyalty

The TTC strives to improve the customer experience and understand the varied needs of diverse transit riders to retain customers and attract new ones. Growing transit ridership long-term requires focused effort and investment in the immediate term to build a culture where taking public transit is ingrained in how people choose to move and connect across Toronto. The TTC advanced its transit ridership growth and customer loyalty priorities in 2025 through the following:

- Improved subway service on Lines 1 and 2 to every 2.5 minutes during peaks and every 5-minute or better off-peak and weekends.
- The Board approved the Community Safety, Security and Well-Being (Plan) in November 2025. The Plan continues work in six streams: collaboration and partnerships, communications, engagement, procedures and training, vehicle, stations and facility improvements, and data analysis.
- In August, with support of inter-governmental funding partners, the TTC cancelled the Request for Proposal (RFP) for the new subway trains to proceed with a single-source contract with Alstom Transport Canada. Contract for the procurement was awarded in December 2025 along with the Notice to Proceed and the first trains expected for delivery in 2030.
- Implemented service improvements on Line 4, restored offpeak crowding standards for bus, and continue to provide strong coverage across the city, with 95% of residents being within a 5-minute walk of a transit route.
- The six-station pilot project launched in March, to enhance station cleanliness, implement a streamlined station management model, improve the state of good repair, and elevate the overall station aesthetics. To support this pilot 9 additional temporary janitors and 17 trades staff were hired. Over the course of 2025, the project delivered sustained, system verified improvements, with independent third party cleanliness audit scores across the six pilot stations.

TTC continues to modernize to improve reliability and service long-term

- The TTC's Bunching & Gapping Pilot has delivered clear improvements in service reliability through progressively more targeted headway management. By the end of 2025, 8 of 11 pilot routes improved both Terminal Punctuality (TP) and Headway Adherence (HA), resulting in overall gains of 7% and 5% respectively, with December 2025 marking the highest performance of the year (78% TP, 73% HA).
- The now completed Station Transformation Capital Program has made safety, security and customer experience enhancements.

Customers utilizing Finch West Line 6 which opened to customers on Sunday, December 7, 2025.

Place Transit at the Centre of Toronto’s Future Mobility

The TTC needs to be prepared for growth and the changes underway today that will reshape how people choose to move in the future. Whether it is a shift in travel patterns; changes to urban form; strengthening connections between transit and housing; or an expanded transit network now under construction, the TTC is focused on how our mass transit network can be leveraged to share Toronto’s future. To sustain and enhance the contributions of the TTC’s multi-modal network over the long-term the following priorities were achieved in 2025:

Advancing Fare and Service Integration with our Partners

- Awarded the Progressive Design-Build contract for the Bloor-Yonge Capacity Improvement (BYCI) project, with the development planned to be complete in 2027.
- In partnership with the Province, the One Fare program has been extended two more years.

- All 60 new streetcars have been delivered and are in service.
- TTC has received 312 of 340 second-generation eBus;, delivery and commissioning is ongoing. Commissioned 98 of 248 charge points and in service. The next phase of hybrid and e-bus procurement will commence, subject to funding.
- Collaborated with the City to improve winter readiness, supporting the Major Snow Event Response and deploying real-time passenger information displays, improving customer communications during extreme weather events.
- Line 6 Finch West opened on December 7 and Line 5 Eglinton will open early 2026. TTC will continually monitor performance to make improvements and refine service.

Eglinton Crosstown (Line 5) Light Rail Transit (LRT).

Transform and Modernize for a Changing Environment

Rapid technological change, shifting expectations in how TTC customers and employees access information and services, and the need to address increasingly complex problems requires our organization's systems to adapt and keep pace. Building organization resiliency to manage risks, and embracing new technologies to streamline the employee and customer experience is foundational to enable the TTC to provide high-quality services. In 2025, the TTC continued its transformational journey to modernize the organization through the following:

- Completed final Corporate Emergency Response Plan (CERP) in December 2025, resulting in an approved plan for response to and recovery from all types of emergencies.

- As of December 2025, seven departments are now integrated into the corporate business continuity program.

- Advanced the multi-phased SAP program implementation toward 2029 completion. Launched the Time and Attendance System for Operators with Vacation and Board Period Sign-Up in September 2025 at two bus divisions – modernizing period shift sign-up.

- Developed an AI Strategy Roadmap, to embed AI as a core capability at TTC by 2027. TTC is using AI for route planning and cybersecurity.

- Advanced Cybersecurity strategy implementation, including training, processes, and tool improvements.

TTC's SAP Program Transformation

In 2025, the TTC has continued to transform its Enterprise Resource Planning systems:

- With new technologies and major transformations underway (e.g. shift to electrification of bus fleet, implementation of VISION, SAP, etc.) change management will be important to support employees. Successful adoption of new systems and processes are essential to ensuring the full benefits of the investment are realized.

Provincial Offences Officers standing in front of 506 Carlton Streetcar.

Address the Structural Fiscal Imbalance

In 2025, the TTC continued to modernize and transform its business practices as part of its fiscal management priorities and maintain strong funding partnerships, resulting in financial and value-added benefits for transit riders:

- Delivered the 2025-2039 Capital Investment Plan with priority focus on State of Good Repair (SOGR) Needs. The TTC secured new funding sources through the 2025 budget process to reduce the SOGR backlog by nearly 50 per cent, from about ~$8.2 billion to $4.3 billion

- The Board approved the recommended 2026 Operating Budget totalling $3.028 billion in gross expenditures, $1.547 billion in revenues and a net funding requirement of $1.481 billion for the TTC. The Board also approved a 2026 Capital Budget of $1.635 billion and future year planned estimates of $15.022 billion for a total TTC 2026-2035 Capital Budget and Plan of $16.657 billion.

- Received approval in principle for TTC's Capital Plan under the Canada Public Transit Fund Baseline Stream in February. In November 2024, TTC was allocated $1.163 billion over 10 years through the Baseline Stream. Funding will begin in 2026/27 with allocation to Board approved fleet and infrastructure priorities.

- Executed New Deal LRT Agreement, totaling $330 million for 3 years to operate Line 5 & Line 6.

- Recruited over 55 new Provincial Offences Officers. Fare evasion decreased on all modes, resulting in over $13.7M in estimated savings.

Establishing a sustainable financial framework

- The TTC will continue to prudently manage expenditures, maximize existing revenues and leverage available funding sources where possible to achieve improved benefits for our customers and the communities we serve. But the TTC cannot achieve a sustainable financial framework on its own. Strengthened partnerships will be key to address the structural fiscal imbalance.

TTC workers repairing overhead wires.

TTC Asset Management Plan

The 2025 Asset Management Plan (AMP) outlines how the organization will manage, maintain, and invest in its infrastructure and assets to deliver safe, reliable, and sustainable service now and into the future. Building on the 2024 AMP, the 2025 Plan reflects significant progress in asset data quality, lifecycle planning, and alignment with regulatory and strategic requirements, including Ontario Regulation 588/17.

Asset Base and State of Good Repair
The organization manages a diverse asset portfolio with a total replacement value of approximately **$39.0 billion**, representing a significant increase from the prior year due to improved asset inventories, updated valuation methodologies, and strengthened data frameworks. Assets span five major categories: **Fleet, Facilities, Structures, Systems, and Linear Infrastructure.**

Levels of Service and Performance
A new, enhanced **Levels of Service (LOS) framework** was introduced in the 2025 AMP to better connect asset performance with customer and service outcomes. The framework assesses asset contribution to availability, reliability, safety, accessibility, cleanliness and comfort, environmental impact, and cost efficiency.

Risk Management and Key Challenges
The 2025 AMP highlights several key risks, including aging infrastructure, ongoing funding shortfalls, delivery capacity constraints, and varying levels of asset data maturity. These risks are actively managed through capital planning process, improved condition assessment practices, and improved data management practices.

Continuous Improvement and the Path Forward
To strengthen asset management capability, the organization continues to advance its **Enterprise Asset Management (EAM) program**, improve data quality, and align practices with industry best standards. The AMP also supports long term growth and renewal, including major expansion projects and service improvements, while planning for climate resilience and environmental sustainability.

The 2025 Asset Management Plan provides a transparent roadmap for responsible stewardship of public assets. It reinforces a long term commitment to safety, reliability, and sustainability while articulating the investments required to maintain service excellence for years to come.

TTC Nova bus providing service during snowstorm.

The TTC cheers on the Blue Jays during the October 2025 World Series with “Let’s Go Blue Jays” signage on Streetcars.

Consolidated Financial Statements of Toronto Transit Commission

Year ended December 31, 2025

Management’s Statement

The TTC is Canada’s largest public transit system, connecting communities across Toronto for more than 100 years. The network reaches all corners of the city, enabling access to employment, education, services and entertainment for residents and visitors.

As the provider of this vital city service and, as the steward of the resources and critical infrastructure required to deliver transit, TTC management maintains the highest standard of accountability, transparency and integrity in the use of the public funds we are provided. The TTC’s internal governance framework, combined with strong financial management and control practices, ensures the ongoing monitoring and monthly reporting of financial performance and results to senior management and quarterly reporting to the TTC Board and City Council.

The accompanying consolidated financial statements of the 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.

TTC management 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 Board of Directors oversees management's responsibilities for financial reporting through the Audit, Finance and Risk Management Committee. The Audit, Finance 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.

Sincerely,

John Montagnese

Interim Chief Financial Officer
June 2026

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

INDEPENDENT AUDITOR'S 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, 2025
- 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, 2025, 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 ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's 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 Information

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

- the information, other than the financial statements and the auditor's 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 auditor's report thereon, included in the annual report as at the date of this auditor's 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 auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

KPMG

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 3, 2026

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

$000s	2025	2024
Financial assets		
Cash and cash equivalents (note 4)	68,853	102,830
Subsidies receivable (note 5)	1,705,771	1,504,763
Accounts receivable	176,122	151,275
Portfolio investments (note 6)	1,983	2,301
Derivative assets (note 7)	-	232
Indemnity receivable from the City of Toronto (note 8)	28,742	25,984
Total financial assets	**1,981,471**	**1,787,385**
Liabilities		
Accounts payable and accrued liabilities	909,685	708,762
Deferred revenue (note 12)	45,246	42,576
Employee future benefits liabilities (note 9)	1,060,349	979,970
Unsettled accident claims (note 8)	172,357	161,702
Environmental liabilities (note 10)	17,298	17,651
Asset retirement obligation (note 11)	269,189	270,386
Derivative liabilities (note 7)	144	-
Total liabilities	**2,474,268**	**2,181,047**
Net debt	**(492,797)**	**(393,662)**
Non-financial assets		
Tangible capital assets (note 13)	14,373,905	13,592,160
Spare parts and supplies inventory	310,747	236,559
Prepaid expenses	29,132	28,236
Total non-financial assets	**14,713,784**	**13,856,955**
Accumulated surplus	**14,220,987**	**13,463,293**
Accumulated surplus is comprised of:		
Accumulated operating surplus (note 14)	14,220,546	13,462,401
Accumulated remeasurement gains	441	892
Commitments, contingencies and contractual rights (note 20)		
	14,220,987	**13,463,293**

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	2025 Budget (note 18)	2025	2024
Operating revenue			
Passenger services	1,067,277	1,029,597	1,027,936
Advertising	33,034	32,564	31,942
Property rental	16,169	15,065	15,181
Outside city services	11,098	10,760	9,197
Miscellaneous	51,742	82,703	88,821
Total operating revenue	**1,179,320**	**1,170,689**	**1,173,077**
Operating subsidies (note 15)	1,736,374	1,611,222	1,362,720
Capital subsidies (note 16)	1,748,745	1,598,722	1,272,132
Total subsidy revenue	**3,485,119**	**3,209,944**	**2,634,852**
Total revenue	**4,664,439**	**4,380,633**	**3,807,929**
Conventional transit service	3,515,936	3,413,653	3,123,204
Wheel-Trans	199,705	208,744	181,549
Other functions	25	91	-
Total expenses (note 17)	**3,715,666**	**3,622,488**	**3,304,753**
Surplus for the year	**948,773**	**758,145**	**503,176**
Accumulated surplus, beginning of the year		13,462,401	12,959,225
Accumulated surplus, end of the year		**14,220,546**	**13,462,401**

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	**2025**	**2024**
Accumulated remeasurement gains/(losses), beginning of the year	892	(555)
Unrealized gains in the current year attributable to financial derivatives (note 7)	15	1,083
Unrealized (losses)/gains in the current year attributable to foreign exchange revaluation	(75)	300
Realized amounts reclassified to Consolidated Statement of Operations and Accumulated Surplus	(391)	64
Accumulated remeasurement gains, end of the year	**441**	**892**

See accompanying notes to the consolidated financial statements

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

$000s	2025 Budget (note 18)	2025	2024
Surplus for the year	948,773	758,145	503,176
Change in tangible capital assets (note 13)			
Acquisitions	(1,748,745)	(1,652,404)	(1,303,315)
Amortization	829,165	829,048	777,163
Writedowns	-	41,611	8,872
Total change in tangible capital assets	**(919,580)**	**(781,745)**	**(517,280)**
Change in spare parts and supplies	-	(74,188)	(13,772)
Change in prepaid expenses	-	(896)	(2,336)
Change in remeasurement gains for the year	-	(451)	1,447
Change in net debt	**29,193**	**(99,135)**	**(28,765)**
Net debt, beginning of the year		(393,662)	(364,897)
Net debt, end of the year		**(492,797)**	**(393,662)**

See accompanying notes to the consolidated financial statements

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

$000s	**2025**	**2024**
Operating activities		
Surplus of the year	758,145	503,176
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	829,048	777,163
Net loss on disposal of tangible capital assets	31,453	3,478
Recognition of revenue from capital subsidies	(1,598,722)	(1,272,132)
Change in foreign exchange revaluation	(75)	300
Non-cash operating expenses	-	3,043
Tangible capital asset writedowns	41,611	8,872
Changes in non-cash assets and liabilities related to operations:		
Increase in operating subsidy receivable	(36,028)	(72,489)
Increase in operating accounts receivable	(24,529)	(11,807)
Increase in indemnity receivable from the City	(2,758)	(11,601)
Increase in spare parts and supplies inventory	(74,188)	(16,815)
Increase in operating prepaid expense	(1,442)	(2,734)
Increase/(decrease) in operating accounts payable and accrued liabilities	220,918	(15,525)
(Decrease)/increase in operating deferred revenue	(544)	234
Increase in employee future benefits liabilities	80,379	33,704
Increase in unsettled accident claims	10,655	6,026
(Decrease)/increase in environmental liabilities	(353)	510
Cash provided by/(used in) operating activities	**233,570**	**(66,597)**
Capital activities		
Tangible capital asset acquisitions	(1,702,737)	(1,238,003)
Tangible asset disposal proceeds	1,448	467
Cash used in capital activities	**(1,701,289)**	**(1,237,536)**
Financing activities		
Capital subsidies received	1,433,742	1,262,340
Cash provided by financing activities	**1,433,742**	**1,262,340**
Change in cash and cash equivalents during the year	(33,977)	(41,793)
Cash and cash equivalents, beginning of the year	102,830	144,623
Cash and cash equivalents, end of the year	**68,853**	**102,830**

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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 15 and 16). The TTC also operates Wheel-Trans, a paratransit service for people with disabilities (which is also subsidized by the City), and owns 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.

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 20a. 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 as described in note 12. Environmental liabilities are subject to estimation of future costs as described in note 10. Actual results could differ from the amounts estimated.

In addition, the TTC's implementation of PS3280 Asset Retirement Obligations (the "ARO") has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs as described in note 11.

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

Revenues from transactions with performance obligations:
Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. Revenues are recognized at a point in time when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Any payments with unfulfilled performance obligation are recognized as a liability.

Passenger services revenue consist of performance obligations that are satisfied at a point in time and are recognized to revenue at the period when the passenger secures a ride. Revenue from passes is recognized over a period of time in the period in which they are valid. An estimate of tickets, tokens and passes sold which will be used or valid after the year-end are included in deferred revenue.

Other revenues such as advertising, property rental, outside city services and third party design review and construction services are recognized at a point in time in revenue once the performance obligations are met and are measured at net realizable value.

Revenues from transactions without performance obligations:
Transactions without performance obligations are either voluntary or involuntary. Revenue from involuntary transactions arise because the right to the economic resource is attributable to legislation based on constitutional authority or delegated constitutional authority. These revenues are recognized when the TTC's economic resources increase without a direct transfer of goods or services to a payor.

Any significant non-recurring revenues related to sale of capital assets are disclosed in note 13 Tangible Capital Assets.

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 for TTC related claims and the City's historical experience for City related claims. 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.

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 plan 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 11.4 years (December 31, 2024 – 10.4 years) and for long-term disability benefits, the amortization period is 7.2 years (December 31, 2024 – 7.6 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, 2024 – 14.5 years), for the post-retirement medical and post-retirement dental plans the amortization period is 16.0 years (December 31, 2024 – 16.0 years) and for the supplemental funded pension plan, the amortization period is 7.3 years (December 31, 2024 – 7.2 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 or plan initiation are recognized in the period of a plan amendment. Prior service costs or gains are offset by net actuarial gains or losses, if any, as of the end of the calendar year in which the prior service costs or gains arise. Unamortized amounts that remain after offsetting with prior period service costs or gains 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. Contaminated sites and other environmental liabilities

The Ministry of Environment (Ontario) sets out regulatory requirements pertaining to contaminant releases. Under this act, there is a requirement for the persons responsible to address a contaminant release that is causing or has caused an adverse effect. A provision in PS 3260 is provided for 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. Asset retirement obligations

A liability for an ARO is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the TTC to incur retirement costs in relation to a tangible capital asset (or component thereof), the event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on estimated future expense information available as at the financial statement date. Due to uncertainty as to the future retirement date of assets, the TTC has chosen not to discount the future liability. In subsequent years, the liability is adjusted for changes due to revisions to either the timing or the amount of the original estimate of the undiscounted cash flows.

For assets that are not fully amortized and in productive use, the associated retirement liability recognized are capitalized as part of the carrying amount of the asset and amortized over the underlying assets' useful life in accordance with the amortization accounting policy outlined in 2(h).

n. 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) Indemnity receivable from the City of Toronto
- v) Portfolio investments, in bonds
- vi) Accounts payable and certain accrued liabilities
- vii) 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, indemnity 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.

o. Future accounting pronouncements

The TTC continues to assess the impact on its consolidated financial statements of the following upcoming changes to PSAS.

Standards applicable for fiscal years beginning on or after April 1, 2026 (the TTC's December 31, 2027 year-end):

(i) Concepts Underlying Financial Performance, provides the core concepts and objectives underlying Canadian public sector accounting standards. General recognition and measurement criteria, and presentation concepts are introduced.
(ii) PS 1202, Financial statement presentation will replace the current PS 1201 Financial Statement presentation. The section includes items such as restructuring of the statement of financial position, changes to common terminology used in the financial statements and removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities).

p. Change in Accounting Policies

The TTC has adopted the following accounting standard amendments for the year ended December 31, 2025:

PSG-2 Leased Tangible Capital Assets

The TTC adopted Canadian public sector accounting guideline amendments to PSG-2 Leased Tangible Capital Assets. The amendments update references within the standard, rename Appendix A as the glossary, and add paragraphs PSG-2.4A to PSG-2.4C, which establish minimum requirements for lessee accounting for operating leases of tangible capital assets. As at December 31, 2025, the TTC determined that the adoption of these amendments did not have an impact on the amounts presented in the financial statements.

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, 2025, the TTC's credit risk exposure consists mainly of the carrying amounts of cash and cash equivalents, portfolio investments, accounts receivable, subsidies receivable and indemnity 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 TTC's accounts receivable, $60.2 million is past due (i.e. outstanding 30 days or more since the due date) and of this total, approximately 78.9% is due from government entities. TTC deems all of these amounts as collectible.

Approximately 25.8% of TTC's accounts receivable (December 31, 2024 – 24.2%) and 100% of subsidies receivable (December 31, 2024 – 100%), is due from the City of Toronto. Impairment risk on this receivable is low since the TTC is controlled by the City.

The remaining 74.2% (December 31, 2024 - 75.8%) is comprised of:

Federal government: 39.6% (December 31, 2024 - 25.1%)

Provincial government: 16.0% (December 31, 2024 - 35.2%)

Other government entity: 0.6% (December 31, 2024 - 0.7%)

Non government entity: 18.0% (December 31, 2024 - 14.8%)

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 of 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 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 balance sheet date, TTC has $4.4 million in U.S. dollar financial liabilities (December 31, 2024 – $2.6 million), which is offset by TTC's U.S. dollar cash balance of $9.3 million (December 31, 2024 – $8.4 million). Therefore, 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. TTC's accounts payables and accrued liabilities amount to $909.7 million (December 31, 2024 – $708.76 million) and, excluding non-financial liabilities, $580.6 million is due within one year or less (December 31, 2024 – $402.7 million). The TTC has a combination of cash on hand 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 $78.5 million (December 31, 2024 – $68.6 million) are also excluded from the $580.6 million (December 31, 2024 – $402.7 million) due within a year; however, they are fully recoverable from the City of Toronto as referred to in note 5. Therefore 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 $2.7 million as at December 31, 2025 (December 31, 2024 – $2.4 million).

5. SUBSIDIES RECEIVABLE

Subsidies from the City of Toronto consist of operating subsidies as described in note 15 and capital subsidies as described in note 16. Subsidies receivable as at December 31 comprise the following amounts, all of which are due from the City of Toronto:

$000s	2025	2024
Subsidies to be collected within one year:		
Capital subsidy receivable	456,810	300,326
Operating subsidy receivable	173,096	202,933
Total subsidies to be collected within one year	**629,906**	**503,259**
Other recoverable amounts:		
Employee benefits	626,002	568,034
Accident claims expenses	31,781	23,884
Construction related	141,614	131,732
Future environmental costs (note 10)	7,279	7,468
Asset retirement obligation (note 11)	269,189	270,386
Total other recoverable amounts	**1,075,865**	**1,001,504**
Total subsidies receivable	**1,705,771**	**1,504,763**

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 and legal asset retirement 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	2025	2024
Municipality of Metropolitan Toronto Bond (2.45%; February 6, 2025 maturity)	-	2,301
Government of Canada Bond (3.25%; December 31, 2034 maturity)	1,983	-
Total portfolio investments	**1,983**	**2,301**

At December 31, 2025, the fair value of the bond is $1.9 million (December 31, 2024 – $2.3 million).

7. FINANCIAL DERIVATIVES

TTC's financial derivatives consist of heating fuel swaps with financial institutions which help manage 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 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, 2025. Derivative instruments are required to be measured at fair value on initial recognition and changes in the fair value of the derivative instruments are recognized in the statement of remeasurement gains and losses. As of December 31, 2025, the accumulated remeasurement losses from these fuel swaps are $0.1 million (December 31, 2024 - $0.2 million of accumulated remeasurement gains). The derivative contracts are included in the statement of financial position on a present value basis. The fair value of these contracts are primarily derived using the quoted price of heating oil on the New York Mercantile Exchange (NYMEX) as of December 31, 2025. As of December 31, 2025, approximately 20.5% of diesel fuel requirement has been hedged using the fuel swap agreements (December 31, 2024 – 22.0%) with a notional quantity of 4.9 million gallons to be settled by January 2027.

8. INDEMNITY RECEIVABLE AND 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. On June 1, 2021, the Insurance Co.'s licence was amended to allow the Insurance Co. to provide insurance coverage to the City for claims arising on or after January 1, 2022. An indemnity agreement was entered into between the City and Insurance Co., whereby Insurance Co. is to be reimbursed by the City for all current and future costs and expenditures including all claims under the City's policies. An indemnity receivable from the City of $28.7 million (December 31, 2024 – $26.0 million) was recognized as part of the indemnity agreement, the amount of which corresponds with the unsettled accident claims for City's automobiles.

At December 31, 2025, $158.6 million (December 31, 2024– $148.7 million) of the unsettled accident claims liability is related to the Insurance Co.'s payable for all automobile claims incurred, including $28.7 million (December 31, 2024 – $26.0 million) from assuming the City's automobile risks. This portion of the TTC's and the City's accident claims liability is guaranteed by the City. The TTC and the City have 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, $13.8 million (December 31, 2024 – $13.0 million), relates to general liability claims of $16.9 million (December 31, 2024 – $16.0 million), less $3.2 million (December 31, 2024 – $3.0 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 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 added 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 **$000s**	**Undiscounted**	**Time value of money**	**Discounted (before PFAD)**	**PFAD**	**Discounted**
As at December 31, 2025	176,296	(20,282)	156,014	16,343	**172,357**
As at December 31, 2024	161,400	(15,331)	146,069	15,633	**161,702**

As at December 31, 2025, the interest rate used to determine the time value of money was 4.35% and reflected the market yield (December 31, 2024 – 3.07%).

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, 2025. 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, 2026.

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 ten 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, 2024. 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 expected to be performed as at January 1, 2027.

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. 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 56.0% (December 31, 2024 – 53.8%) cash and equity index pooled funds which are carried at market and 44.0% (December 31, 2024 – 46.2%) 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, 2025. The next actuarial valuation for funding purposes is expected to be performed as at January 1, 2026. The effective date of the most recent valuation for accounting purposes was December 31, 2025.

TTC Pension Fund Society

The TTC participates in the TTC Pension Fund Society (TTCPFS), a defined benefit pension plan. In 2021, the TTCPFS rebranded and is now referred to as the TTC Pension Plan (TTCPP). The TTCPP is a separate legal entity and is governed by a Board of Directors consisting 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 TTCPP 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.

In lieu of TTC paying the administrative expenses of the TTCPP directly, the TTC and the TTCPP agreed to have TTC make a fixed fee contribution to the TTCPP each January. The fixed fee contribution will be adjusted annually based on the consumer price index. Along with this change, the former TTC employees of the TTCPP became employees of the TTCPP 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 TTCPP) 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 TTCPP, as an employer). The contribution rates are set by the Board, subject to the funding requirements determined in the actuarial report and subject to the limitations in the Sponsors Agreements 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 TTCPP make 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, 2025, the base year for the TTC pension plan and the funded supplemental pension plans was updated to December 31, 2024 (from December 31, 2023). In addition, the survivor benefit date was updated to January 1, 2025 (from January 1, 2024) and an ad hoc increase of up to 2.69% (December 31, 2024 – 4.77%) 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.

The effective date of the most recent actuarial valuation for funding purposes for the TTC Pension Plan was January 1, 2025. The next required actuarial valuation for funding purposes will be performed as at January 1, 2026. The effective date of the most recent valuation for accounting purposes was December 31, 2025.

The continuity of the change in the employee benefit liabilities/(assets) including expenses recognized in 2025 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	302,207	686,488	(8,725)	**979,970**	-
Current service cost	100,744	24,707	182	**125,633**	**99,636**
Interest cost	17,563	20,803	(173)	**38,193**	**(70,944)**
Amortization of actuarial (gains)/losses[1]	23,950	(12,870)	(170)	**10,910**	**(3,104)**
Plan amendments	-	-	1,112	**1,112**	**80,461**
Change in valuation allowance	-	-	-	-	**65,316**
Total expenses	142,257	32,640	951	**175,848**	**171,365**
Benefits paid	(75,802)	(17,944)	(145)	**(93,891)**	**-**
Employer contributions	-	-	(1,578)	**(1,578)**	**(171,365)**
Accrued benefit liability/(asset) balance, end of the year	368,662	701,184	(9,497)	**1,060,349**	**-**

[1]TTC Pension Fund ($3,104) amortization included recognition of net unamortized gains of $80,461 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 2024 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	282,947	670,252	(6,933)	**946,266**	**-**
Current service cost	65,907	23,334	43	**89,284**	**89,055**
Interest cost	13,037	18,852	(170)	**31,719**	**(60,166)**
Amortization of actuarial losses/(gains):[1]	10,650	(8,715)	(841)	**1,094**	**(117,572)**
Plan amendments	-	-	1,436	**1,436**	**107,492**
Change in valuation allowance	-	-	-	**-**	**137,522**
Total expenses	89,594	33,471	468	**123,533**	**156,331**
Benefits paid	(70,334)	(17,235)	(157)	**(87,726)**	**-**
Employer contributions	-	-	(2,103)	**(2,103)**	**(156,331)**
Accrued benefit liability/(asset) balance, end of the year	302,207	686,488	(8,725)	**979,970**	**-**

[1]TTC Pension Fund ($117,572) amortization included recognition of net unamortized gains of $107,492 which were applied to the cost of the plan amendments.

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

$000s	2025	2024
Cost of TTC Pension Fund contributions	171,365	156,331
TTC Pension expense in excess of contributions	-	-
Net cost of TTC Pension Fund	171,365	156,331
Cost of other future employee benefits	175,848	123,533
Total cost of employee future benefits	347,213	279,864
Less: Costs allocated to capital assets	(43,710)	(38,089)
Total employee future benefit costs included in the Consolidated Statement of Operations and Accumulated Surplus	**303,503**	**241,775**

The following table summarizes how the employee future benefit costs are included in note 17, expenditure by object:

$000s	2025	2024
Employee future benefit costs included in Wages, salaries and benefits (note 17)	303,503	241,775
Total employee future benefit costs included in the Consolidated Statement of Operations and Accumulated Surplus	**303,503**	**241,775**

Reconciliation of funded status to the employee benefit liabilities and assets as at December 31, 2025 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	-	-	34,587	**34,587**	**4,830,398**
Accrued benefit obligations	533,502	493,200	25,090	**1,051,792**	**3,625,704**
Funded status – (deficit)/surplus	(533,502)	(493,200)	9,497	**(1,017,205)**	**1,204,694**
Unamortized (gains)/losses	164,840	(207,984)	-	**(43,144)**	**-**
Accrued benefit (liability)/asset	(368,662)	(701,184)	9,497	**(1,060,349)**	**1,204,694** [1]
Valuation allowance	-	-	-	**-**	**(1,204,694)**
Employee benefit (liability)/asset	**(368,662)**	**(701,184)**	**9,497**	**(1,060,349)**	**-**

Reconciliation of funded status to the employee benefit liabilities and assets as at December 31, 2024 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	-	-	32,364	**32,364**	**4,596,489**
Accrued benefit obligations	497,165	481,670	23,639	**1,002,474**	**3,428,529**
Funded status – (deficit)/surplus	(497,165)	(481,670)	8,725	**(970,110)**	**1,167,960**
Unamortized (gains)/losses	194,958	(204,818)	-	**(9,860)**	**(28,582)**
Accrued benefit (liability)/asset	(302,207)	(686,488)	8,725	**(979,970)**	**1,139,378** [1]
Valuation allowance	-	-	-	**-**	**(1,139,378)**
Employee benefit (liability)/asset	**(302,207)**	**(686,488)**	**8,725**	**(979,970)**	**-**

[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 $1,204.7 million (December 31, 2024- $1,139.4 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 2025 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	497,165	481,670	23,640	**1,002,475**	**3,428,529**
Current service cost:	100,744	24,707	182	**125,633**	**96,919**
Interest cost	17,563	20,803	938	**39,304**	**230,083**
(Gain)/loss on the obligation:	(6,168)	(16,036)	405	**(21,799)**	**29,309**
Employee contributions	-	-	203	**203**	**-**
Benefits paid	(75,802)	(17,944)	(1,389)	**(95,135)**	**(239,597)**
Plan amendments	-	-	1,111	**1,111**	**80,461**
Balance, end of the year	**533,502**	**493,200**	**25,090**	**1,051,792**	**3,625,704**

The continuity of the change in the accrued benefit obligation including costs recognized in 2024 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	369,199	511,810	21,889	**902,898**	**3,157,161**
Current service cost	65,907	23,334	43	**89,284**	**86,409**
Interest cost	13,037	18,852	869	**32,758**	**219,973**
(Gain)/loss on the obligation	119,356	(66,080)	885	**54,161**	**89,828**
Employee contributions	-	-	156	**156**	**-**
Benefits paid	(70,334)	(17,235)	(1,638)	**(89,207)**	**(232,334)**
Plan amendments	-	10,989	1,436	**12,425**	**107,492**
Balance, end of the year	**497,165**	**481,670**	**23,640**	**1,002,475**	**3,428,529**

The continuity of the plan assets for the funded pension plans in 2025 is as follows:

$000s	Supplemental Pension Plan	TTC Pension Fund
Balance, beginning of the year	32,364	4,596,489
Employee contributions	203	-
Employer contributions	1,578	171,365
Expected return on plan assets	1,111	301,027
Excess on return on plan assets	575	3,831
TTC's portion of TTC Pension Fund administrative expenses	-	(2,717)
Benefits paid	(1,244)	(239,597)
Balance, end of the year	**34,587**	**4,830,398**

The continuity of the plan assets for the funded pension plans in 2024 is as follows:

$000s	Supplemental Pension Plan	TTC Pension Fund
Balance, beginning of the year	28,822	4,159,017
Employee contributions	156	-
Employer contributions	2,103	156,331
Expected return on plan assets	1,039	280,139
Excess on return on plan assets	1,725	235,982
TTC's portion of TTC Pension Fund administrative expenses	-	(2,646)
Benefits paid	(1,481)	(232,334)
Balance, end of the year	**32,364**	**4,596,489**

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

	2025	**2024**
Accrued benefit obligations as at December 31:		
Discount rate for post-employment plans	3.70% to 4.00%	3.70% to 3.90%
Discount rate for post-retirement, non-pension plans	4.60%	4.40%
Discount rate for supplemental pension plans	3.60% to 3.70%	3.50% to 3.75%
Discount rate for TTC Pension Fund	6.50%	6.60%
Rate of increase in earnings	2.50% to 4.75%	2.50% to 5.29%
Benefit costs for the years ended December 31:		
Discount rate for post-employment plans	3.70% to 3.90%	3.80% to 3.90%
Discount rate for post-retirement, non-pension plans	4.40%	4.30%
Discount rate for supplemental pension plans	3.50% to 4.20%	3.70% to 4.20%
Discount rate for TTC Pension Fund	6.60%	6.80%
Rate of increase in earnings	2.50% to 4.75%	2.50% to 5.29%
Expected rate of return on assets, supplemental pension plan	3.50%	3.70%
Actual rate of return on assets, supplemental pension plan	5.20%	9.50%
Expected rate of return on assets, TTC Pension Fund	6.60%	6.80%
Actual rate of return on assets, TTC Pension Fund	7.2%	13.0%

The TTC's annual rate of growth for post-retirement drug costs as of December 31, 2025 was estimated between 7.8% and 9.9%, depending on the member's age (down from a range of 7.9% to 10.0% as of December 31, 2024). These rates consist of a drug trend rate of 5.6% (down from 5.7% as of December 31, 2024), 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 (drug coverage ceases at age 65).

The annual rate of growth for post-retirement dental costs was estimated between 1.3% and 5.1%, depending on the member's age (down from a range of 1.5% to 5.1% as of December 31, 2024). These rates consist of a dental trend rate of 4.0% and aging factors that vary between 1.1% at age 50 and -2.7% at age 91 (the oldest retiree with dental coverage is 90.5 years old as of December 31, 2025). This compares to a flat 4.0% rate of growth at all ages as of December 31, 2024.

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

$000s	**2025**	**2024**
Fair value of plan assets	9,660,796	9,192,978
Accrued benefit obligations	7,251,408	6,857,057
Funded status – surplus	**2,409,388**	**2,335,921**

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. 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. ASSET RETIREMENT OBLIGATIONS

The TTC recognized an ARO relating to several buildings and structures owned by the TTC that contain asbestos. The TTC also recognized an additional ARO related to a portion of the decommissioned Scarborough Rail Transit (SRT) structure, surface tracks and electrical poles and fuel storage tanks no longer in productive use for transit purposes and property lease commitments. The liability was measured on the date of the acquisition when the liability was assumed. Costs estimates were based upon the presently known obligations obtained through assessments and were not discounted given uncertainties as to the future asset retirement plans. Given the long-term nature of tangible capital assets as future estimated asset retirement costs may or may not materialize at end of its useful life, there are no changes to the existing funding arrangements from the adoption of the ARO standard. Obligations related to asset retirement will be continued to be budgeted and funded as the work is planned and completed, respectively.

Changes to the ARO are as follows:

Asset Retirement Obligation	**Opening January 1, 2025**	**Liability incurred / (settled)**	**Ending December 31, 2025**
$000s			
Asbestos Obligation	215,350	8,193	223,543
Decommissioned Scarborough Rail Transit (SRT) Guideway	27,376	-	27,376
Fuel (Combustible) Storage Tanks	15,667	(513)	15,154
Electrical Trolley Coach Poles	9,980	(8,400)	1,580
Other Asset Retirement Obligations	2,013	(477)	1,536
Total Asset Retirement Obligations	270,386	(1,197)	269,189

Asset Retirement Obligation	**Opening January 1, 2024**	**Liability incurred / (settled)**	**Ending December 31, 2024**
$000s			
Asbestos Obligation	209,623	5,727	215,350
Decommissioned Scarborough Rail Transit (SRT) Guideway	25,665	1,711	27,376
Fuel (Combustible) Storage Tanks	15,677	(10)	15,667
Electrical Trolley Coach Poles	10,525	(545)	9,980
Other Asset Retirement Obligations	1,933	80	2,013
Total Asset Retirement Obligations	263,423	6,963	270,386

12. DEFERRED REVENUE

Deferred revenue as at December 31 consists of the following:

$000s	**2025**	**2024**
Deferred passenger revenue	36,693	36,512
Other deferred revenue	8,553	6,064
Total	**45,246**	**42,576**

13. TANGIBLE CAPITAL ASSETS

The cost of tangible capital assets is as follows:

$000s	Cost as at December 31, 2025				
	Beginning	Additions, net of transfers	Disposals	Write downs	Ending
Subways	5,205,524	191,249	-	-	5,396,773
Buildings and structures	5,208,099	197,724	-	-	5,405,823
Rolling stock	3,912,088	308,763	(21,449)	-	4,199,402
Buses	2,621,146	387,735	(48,244)	(50,322)	2,910,315
Trackwork	2,710,784	100,650	-	-	2,811,434
Other equipment	1,721,096	124,620	(24,092)	-	1,821,624
Traction power distribution	920,607	45,137	-	-	965,744
Land	11,946	-	-	-	11,946
Construction in progress	1,824,028	296,526	-	(13,991)	2,106,563
Total	**24,135,318**	**1,652,404**	**(93,785)**	**(64,313)**	**25,629,624**

$000s	Cost as at December 31, 2024				
	Beginning	Additions, net of transfers	Disposals	Write downs	Ending
Subways	5,034,847	170,677	-	-	5,205,524
Buildings and structures	5,036,304	171,795	-	-	5,208,099
Rolling stock	3,647,129	285,709	(20,750)	-	3,912,088
Buses	2,507,867	251,866	(138,587)	-	2,621,146
Trackwork	2,570,503	140,281	-	-	2,710,784
Other equipment	1,563,215	162,404	(4,523)	-	1,721,096
Traction power distribution	858,313	62,294	-	-	920,607
Land	11,946	-	-	-	11,946
Construction in progress	1,774,611	58,289	-	(8,872)	1,824,028
Total	**23,004,735**	**1,303,315**	**(163,860)**	**(8,872)**	**24,135,318**

The accumulated amortization for tangible capital assets is:

$000s	Accumulated amortization as at December 31, 2025				
	Beginning	Amortization	Disposals	Write downs	Ending
Subways	2,030,193	118,451	-	-	2,148,644
Buildings and structures	1,619,790	159,275	-	-	1,779,065
Rolling stock	1,870,297	154,522	(21,449)	-	2,003,370
Buses	1,577,210	197,585	(48,244)	(22,702)	1,703,849
Trackwork	1,805,854	64,545	-	-	1,870,399
Other equipment	1,182,672	104,990	(24,092)	-	1,263,570
Traction power distribution	457,142	29,680	-	-	486,822
Total	**10,543,158**	**829,048**	**(93,785)**	**(22,702)**	**11,255,719**

$000s	Accumulated amortization as at December 31, 2024			
	Beginning	Amortization	Disposals	Ending
Subways	1,913,906	116,287	-	2,030,193
Buildings and structures	1,465,246	154,544	-	1,619,790
Rolling stock	1,744,850	146,197	(20,750)	1,870,297
Buses	1,538,278	177,519	(138,587)	1,577,210
Trackwork	1,745,248	60,606	-	1,805,854
Other equipment	1,093,464	93,731	(4,523)	1,182,672
Traction power distribution	428,863	28,279	-	457,142
Total	**9,929,855**	**777,163**	**(163,860)**	**10,543,158**

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

$000s	Net book value 2025	Net book value 2024
Subways	3,248,129	3,175,331
Buildings and structures	3,626,758	3,588,309
Rolling stock	2,196,032	2,041,791
Buses	1,206,466	1,043,936
Trackwork	941,035	904,930
Other equipment	558,054	538,424
Traction power distribution	478,922	463,465
Land	11,946	11,946
Construction in progress	2,106,563	1,824,028
Total	**14,373,905**	**13,592,160**

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

14. ACCUMULATED OPERATING SURPLUS

Accumulated operating surplus as at December 31 consists of:

$000s	2025	2024
Invested in tangible capital assets	14,201,894	13,443,805
Accumulated surplus from TTC subsidiaries	4,511	4,455
Accumulated surplus generated through operating budget	14,141	14,141
Total	**14,220,546**	**13,462,401**

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 13, $172.0 million (2024 – $148.4 million) primarily represents the net book value of capital assets that have been internally funded by the TTC.

15. OPERATING SUBSIDIES

The sources of operating funding for the year ended December 31 are as follows:

$000s			2025	2024
	Conventional	Wheel-Trans	Total	Total
- City of Toronto	1,119,278	175,844	1,295,122	1,152,039
- Provincial Gas Tax (note 16b)	91,600	-	91,600	91,600
- Ontario-Toronto New Deal Funding - Line 5 and Line 6	35,658	-	35,658	7,963
Total operating funding	**1,246,536**	**175,844**	**1,422,380**	**1,251,602**

As part of the City's annual budget process, $91.6 million (December 31, 2024 – $91.6 million) of the TTC's Conventional operating budget is ultimately sourced from the Provincial Gas Tax (see note 16b).

Ontario-Toronto New Deal - Line 5 and Line 6

In November 2023, the City of Toronto and Province of Ontario reached a New Deal agreement to help achieve long-term financial stability and sustainability for the City. As part of the agreement, annual operating funding of $330 million over three years beginning in 2024–2025 has been allocated to TTC for new subway-integrated provincial transit projects — the Eglinton Crosstown LRT and the Finch West LRT. For 2025, the TTC is expecting to recover $35.7 million as part of this New Deal funding agreement (December 31, 2024 - $8.0 million).

Total operating subsidies received and accrued in the financial statements from the City includes certain future non-recoverable amounts and excludes other adjustments related to City reserve draws/contributions as well as City special costs, as outlined in the following table:

Operating subsidies

$000s			2025	2024
	Conventional	Wheel-Trans	Total	Total
Operating funding received through the City (see above)	1,246,536	175,844	1,422,380	1,251,602
City special costs	(3,006)	(44)	(3,050)	1,327
Future recoverable amounts (note 5)				
Increase (Decrease) in accident claims	3,075	4,823	7,898	(5,574)
Increase in post-retirement benefit liabilities	55,356	2,612	57,968	13,931
	1,301,961	183,235	1,485,196	1,261,286
Net draws (contributions) to (note 19)				
TTC Stabilization Reserve Fund	22,900	-	22,900	-
Long Term Liability Reserve Fund	2,029	122	2,151	615
New Deal - Subway/Transit Safety Reserve Fund	100,000	-	100,000	100,000
	124,929	122	125,051	100,615
Draw from City Development Application Review Reserve	819	-	819	819
Draw from City S37 Reserve	156	-	156	-
	975	-	975	819
Total operating subsidies	**1,427,865**	**183,357**	**1,611,222**	**1,362,720**

City special costs represent subsidies reflected in the City's budget that are not included in the TTC's financial statements 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 19, City of Toronto Reserves and Reserve Funds.

The City development application review reserve amount reflects recoveries for salaries, benefits and overhead costs incurred in relation to property development review applications.

16. CAPITAL SUBSIDIES

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

$000s	2025	2024
Source of capital subsidies:		
- City of Toronto	954,929	852,331
- Province of Ontario	213,933	149,591
- Federal Government of Canada	428,759	263,481
- Other	1,101	6,729
Total capital subsidies	**1,598,722**	**1,272,132**

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 2025 capital subsidy of $1.598 billion (2024 – $1.265 billion). Amounts claimed from the City do not include an $18.3 million expenditure (December 31, 2024 – $24.2 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 2025, $5.4 million (December 31, 2024 – $10.1 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	2025	2024
Source of capital subsidies:		
- Provincial Gas Tax (PGT)	87,189	86,623
- Streetcar Program	55,980	58,371
- Investing in Canada Infrastructure Program (ICIP)	24,231	4,597
- Ontario-Toronto New Deal	46,533	-
Total provincial capital subsidies	**213,933**	**149,591**

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 2025, the City directed $91.6 million (December 31, 2024 – $91.6 million) toward the TTC's operating needs (note 15) and $87.2 million (December 31, 2024 - $86.6 million) was used to support the acquisition of TTC Capital assets.

Streetcar Program

On May 12, 2021, the provincial government announced a $180 million contribution towards the total estimated cost of $568 million for the TTC Streetcar Program, which includes the procurement of 60 new streetcars and supporting infrastructure required at Hillcrest Facility. To date, provincial funding for the eligible expenditures incurred amounts to $170.2 million, including $56.0 million in 2025 (December 31, 2024 - $58.4 million).

Investing in Canada Infrastructure Program (ICIP)

In a joint announcement with the Government of Canada and the City of Toronto in December 2022, the Province of Ontario confirmed its commitment to contribute up to $449.2 million towards the Bloor-Yonge Capacity Improvements project. The funding will flow through the Public Transit Infrastructure Stream of the Investing in Canada Infrastructure Program (ICIP). To date, provincial funding for the eligible expenditures incurred amounts to $36.9 million and has been accrued, including $24.2 million in 2025 (December 31, 2024 - $4.6 million).

Ontario-Toronto New Deal

On November 27, 2023, the Government of Ontario and City of Toronto announced the Ontario-Toronto New Deal. As part of this agreement, the province committed $758 million for the procurement of 55 new subway trains for Line 2. Funding was conditional on federal matching funds for the Line 2 trains, which was later secured under the Canada Public Transit Fund. On January 15, 2026, as part of the Federal governments Buy Canadian Policy, the Government of Canada and the Ontario government announced that their investment would increase from $758 million to $950 million each.

The Government of Ontario has also committed to fully funding the procurement of 15 Metrolinx expansion trains required for the Scarborough Subway Extension and Yonge North Extension projects. To date, total eligible expenditures of $46.5 million were accrued in 2025.

c. Federal Government of Canada

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

$000s	2025	2024
Source of capital subsidies:		
- Building Communities Strong Fund (BCSF)	187,850	176,593
- Streetcar Program	55,176	50,060
- Investing in Canada Infrastructure Program (ICIP)	27,063	5,078
- Zero Emission Bus and charging Infrastructure (ZETF)	142,865	31,750
- Canada Public Transit Fund (CPTF)	15,805	-
Total federal capital subsidies	**428,759**	**263,481**

Building Communities Strong Fund (formerly Canada Community-Building Fund)

Established in 2005, the Canada Community Building Fund has been renamed to the Build Communities Strong Fund – Community Stream in Budget 2025. This stream provides $27.8 billion over 10 years to support local infrastructure projects. Since the inception of the fund, municipalities have had the flexibility to make investments across 19 infrastructure categories. City Council has directed its allocation towards the TTC since the inception of the Fund.

On April 1, 2024, the City entered into a new 10-year Administrative Agreement with the Government of Canada, Province of Ontario and Association of Municipalities of Ontario. Ontario's allocation of this funding to municipalities is based on population and the City of Toronto was allocated $187.9 million in 2025 (December 31, 2024, $176.6 million).

Streetcar Program

On May 12, 2021, the federal government announced that it would provide up to 43% of the total eligible costs, to a maximum contribution of $180 million, to the TTC Streetcar Program, which includes the procurement of 60 new streetcars and supporting infrastructure required at Hillcrest Facility. To date, federal funding for the eligible expenditures incurred amounts to $144.8 million, including an amount of $55.2 million in 2025 (December 31, 2024 - $50.1 million).

Investing in Canada Infrastructure Program (ICIP)

Under the ICIP, the federal government is investing more than $180 billion over 12 years in public transit projects, green infrastructure, social infrastructure, trade and transportation routes, and Canada's rural and northern communities. Through the Public Transit Infrastructure Stream of the ICIP, the Government of Canada announced an investment of up to $500 million for the Bloor-Yonge Capacity Improvements project in December 2022. This represents the Government of Canada's formal commitment to the funding first announced in August 2019. To date, federal funding for the eligible expenditures incurred amounts to $40.9 million and $27.1 million has been accrued in 2025 (December 31, 2024 - $5.1 million).

Zero Emission Transit Fund (ZETF)

The ZETF program is a $2.75 billion federal fund to advance the federal government's commitment to support procurement of 5,000 zero emission buses. The TTC's approved project under the ZETF program is for 340 eBuses and 248 charge points with the federal government contributing up to $349 million toward the eligible project costs. To date, federal funding for the eligible expenditures incurred amounts to $265.7 million and $142.9 million has been accrued in 2025 (December 31, 2024 - $31.8 million).

Canada Public Transit Fund (CPTF)

Launched in 2024, the CPTF was established to provide $30 billion over 10 years toward public transit across the country, starting in 2026-27. Funding is to be rolled out through three streams: (1) $5 billion over 10 years Baseline Funding, (2) $20 billion over 10 years Metro-Region Agreements, and (3) $5 billion over 10 years Targeted Funding Stream. The federal Canada Strong 2025 Budget released in November 2025 announced changes to the CPTF including a reallocation of "a portion of uncommitted funding" from the $30 billion CPTF to the new BCSF. However, committed funding under the $5 billion Baseline Program is not impacted.

The TTC's annual allocation under the Baseline Funding Stream is $116.4 million, which is equivalent to a 10-year allocation of $1.16 billion. Formal approval has been received for 105 wheel-transit vehicles, 200 hybrid buses, and 55 new subway trains for Line 2 Bloor-Danforth under this allocation. As a result of the increased Canadian Content for the 55 new subway trains to be funded by the federal and provincial governments, the TTC also received separate funding approval for 50 eBuses and 227 charge points under the Targeted Funding stream. To date, $15.8 million in CPTF funding has been accrued in 2025.

d. Other

Other funding of $1.1 million (December 31, 2024 – $6.7 million) includes specific purpose third-party agreements.

17. EXPENSES BY OBJECT

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

$000s	2025	2024
Wages, salaries and benefits	2,038,473	1,832,107
Materials, services and supplies	455,855	428,686
Vehicle fuel	89,521	100,701
Electric traction power	55,420	44,695
Utilities	32,746	29,960
Accident claims and insurance	39,307	24,086
Amortization	829,048	777,163
Wheel-Trans contract services	82,118	67,355
Total expenses	**3,622,488**	**3,304,753**

18. BUDGET DATA

Budget data presented in these consolidated financial statements is based upon the 2025 operating and capital budgets approved by the TTC Board ("the Board"), the Board of the Toronto Coach Terminal Incorporated and Toronto City Council ("City Council"). The 2025 operating and capital budget was approved by the Board on January 10, 2025. The 2025 operating and capital budget were subsequently approved by City Council on February 11, 2025. Amendments to the operating and capital budget were approved by the Board and City Council respectively throughout the year. The Board of the Toronto Coach Terminal Inc. and the board of TTC Insurance Company Limited approved the 2025 budget on December 10, 2025. 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 operating & subsidy revenues, per approved current year budget	4,384,867	182,600	275	4,567,742
Other recoverable revenues	96,074	623	-	96,697
Total budgeted revenues per consolidated FS	**4,480,941**	**183,223**	**275**	**4,664,439**

$000s	Conventional	Wheel-Trans	Other	**Total**
Total expenses, per approved current year budget	2,636,123	182,600	25	2,818,748
Other recoverable expenses	96,074	623	-	96,697
Amortization of previously subsidized assets	783,739	16,482	-	800,221
Total budgeted expenses per consolidated FS	**3,515,936**	**199,705**	**25**	**3,715,666**

Other recoverable revenues and expenses are certain non-cash employee benefits and accident claim costs that will be funded in future years (see note 5). In accordance with PS 3400, certain revenues and expenses are required to be presented on a gross basis. Other recoverable revenues and expenses includes an adjustment to present items that were previously recognized as a cost recovery to comply with the newly implemented accounting standards.

19. 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 2025, the average interest rate applicable to Reserve Funds was approximately 1.0% (December 31, 2024 – 1.0%).

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	New Deal Subway/Transit	**2025 Total**	**2024 Total**
Balance, beginning of the year	99,908	77	48,192	200,000	348,177	148,339
Funding received through Province	-	-	-	-	-	300,000
Net (draws)/contributions	(22,900)	-	(2,151)	(100,000)	(125,051)	(100,642)
Interest earned	-	1	482	1,640	2,123	480
Balance, end of the year	**77,008**	**78**	**46,523**	**101,640**	**225,249**	**348,177**

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 2025 an amount of $22.9 million was withdrawn for this purpose (December 31, 2024 - $nil).

In 2025 and 2024, no contributions were made.

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 2025, no amounts were withdrawn for this purpose (2024 - $27 thousand).

In 2025 and 2024, no contributions were made.

Long Term Liability Reserve Fund
The Long Term Liability Reserve Fund was created in 2014 to provide support for the TTC’s long-term liability for unsettled accident claims.

Through the approved budget in 2025, City Council authorized a contribution of up to $17.6 million (December 31, 2024 – $17.6 million) and a draw up to $19.4 million (2024 - $20.6 million), to support actual accident claim payments at the time of the settlement. An amount of $17.6 million was contributed and $19.7 million withdrawn, resulting in a net draw of $2.1 million (December 31, 2024 – net draw of $0.6 million).

New Deal Subway/Transit Safety Reserve Fund
The New Deal Subway/Transit Safety Reserve Fund was created in 2024 to provide support for the TTC's subways and transit safety, recovery and sustainability that includes commitments related to increased police or safety officer presence on and near transit, continued expansion of transit rider cellular and data services across the TTC network and enhanced emergency reporting options and response timelines for riders. The Province contributed $300.0 million in one-time funding to be used over three years.

In 2025, $100.0 million (2024 - $100.0 million) was withdrawn from this reserve.

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

$000s	PGT	CSIF	Quickwins	2025 Total	2024 Total
Balance, beginning of the year	567	802	1,948	3,317	3,173
Provincial contributions	178,222	-	-	178,222	185,576
Draws	(178,789)	-	(1,948)	(180,737)	(185,576)
Interest earned	-	7	-	7	144
Balance, end of the year	**-**	**809**	**-**	**809**	**3,317**

PGT

Of the $178.8 million (2024 – $185.6 million) in Provincial Gas Tax available, the City has directed $91.6 million for 2025 (2024 – $91.6 million) toward the TTC's operating needs (note 15). The balance of $87.2 million (2024 – $94.0 million) was used to support the acquisition of TTC Capital assets. There is $nil remaining in the reserve fund.

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, this amount along with interest earned has been applied to various projects. In 2025, $nil was withdrawn from this reserve fund and $nil was withdrawn in 2024. There is $0.8 million remaining in the reserve fund.

MoveOntario 2020 Reserve Fund (Quickwins)

Provincial payments totaling $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 $24.25 million (2024 - $ 24.25 million), $476.8 million has been applied to accumulated funding recognized by the TTC to date for capital expenditures, including $1.95 million withdrawn in 2025 and $nil million was drawn from the reserve fund in 2024. There is $nil remaining in the reserve fund.

20. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL RIGHTS

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 claims.

b. The TTC has contracts for the construction and implementation of various capital projects. As at December 31, 2025, these contractual commitments total approximately $648.5 million (December 31, 2024 – $496.6 million) for significant programs such as, but not limited to, Bloor-Yonge Capacity Improvements, Greenwood Shop End of Life Replacement, SRT Bus Replacement Infrastructure, Subway Station Second Exits, Russell Yard & Carhouse Modifications, Easier Access III, e-Bus Charging System, Station Finish Renewal, Vision-CAD/AVL System, Faregates, Warden Station Redevelopment, Islington Station Redevelopment, and Hillcrest Maintenance and Storage Facility.

c. In April 2009, the Board approved the design and supply of 204 low floor light rail vehicles (LFLRV). In June 2009, the contract was awarded to Bombardier Transportation Canada Inc./Alstom Transport Canada Inc. In March 2021, and May 2021, an additional 60 LRVS were added to the contract bringing the total delivery requirement to 264 vehicles. As of December 31, 2025, the contract value is in total $1,703.8 million with 264 LRV's delivered to the TTC, costs incurred to date total $1,682.9 million, and the outstanding commitment is $20.9 million.

d. In May 2021, Creative Carriage was awarded a contract for the purchase of 110 low floor Wheel-Trans buses. In March 2022, and June 2022, an additional 50 low floor Wheel-Trans buses were added to the contract. In July 2023, a further award of 52 low floor Wheel-Trans buses, in August 2024, 10 low floor Wheel-Trans buses and in October 2025, 57 low floor Wheel-Trans buses were added increasing the total requirement to 279 low floor Wheel-Trans buses. As of December 31, 2025, the contract values total $83 million with 222 buses delivered to the TTC. Costs incurred to date are $58.2 million and the outstanding commitment is $24.8 million.

e. In October 2020, the Board approved approximately 300 Hybrid Electric buses and in February 2022, contracts were awarded to Nova Bus Inc. and New Flyer Industries for a total of 336 buses. As of December 31, 2025, the contract values total $420.2 million with 336 deliveries to the TTC. Costs incurred to date are $418.5 million, and the outstanding commitment is $1.7 million.

f. In January 2023, TTC entered into 2 contracts for the supply of long-range Battery Electric buses, New Flyer Industries was awarded 186 buses and Nova Bus Inc. 124 buses. In July 2023, 30 buses in total were added to the contracts and in December 2025 an additional 50 buses were added increasing the delivery requirement to 390 Battery Electric buses. As of December 31, 2025, the contract values total $744.8 million with 312 deliveries to the TTC. Costs incurred to date are $528.2 million, and the outstanding commitment is $216.6 million.

g. On February 26, 2025 as part of the initiative to transition from gasoline to electric Wheel Trans vehicles, Damera Bus Sales Canada Corp. was awarded a contract for the purchase of 5 battery-electric para-transit buses. As of December 31, 2025, the total value of the contract is $5.0 million costs incurred to date are $1.0 million and remaining commitment is $4.0 million.

h. In August 2025, the Government of Canada, the Province of Ontario and the City of Toronto approved the purchase of 70 train sets for the new Line 2. The base procurement is in total 55 trains to replace aging trains on Line 2 and 15 trains for the Yonge North and Scarborough extensions. The contract was awarded on December 16, 2025 to Alstom Transport Canada Inc. As of December 31, 2025, the contract value is in total $2,659.8 million, costs incurred to date are $199.5 million and the outstanding commitment is $2,460.3 million.

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

j. 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 (2024 - $1.2 million). The amount drawn of this letter of credit as at December 31, 2025 was $nil (2024 - $nil).

k. In consideration for services associated with the PRESTO fare payment system, TTC is obligated to pay a commission fee equivalent to 5.25%, inclusive of HST, of the gross receipts of passenger revenue received through the PRESTO system until 2027.

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

	$000s
2026	14,734
2027	12,764
2028	9,409
2029	6,971
2030	6,964
Thereafter	59,047
Total	**109,889**

m. In 2022, the TTC extended its vehicle and station advertising agreement with Pattison to December 31, 2033. Over the remaining term of the agreement the minimum guaranteed annual fee payable to the TTC is expected to be at least $294.1 million, based on assumed ridership between 80-100% of pre-pandemic levels. The actual annual amounts payable over the term of the agreement may differ based on the TTC's actual ridership levels and other factors.

n. In 2023, TTC entered into the Eglinton Crosstown LRT (Line 5) Train Operating and Funding Agreement (TOFA) with the City and Metrolinx. The agreement specifies the TTC's/ City's obligations for the operations and non-lifecycle maintenance expenses of Line 5. The estimated non-lifecycle maintenance costs payable to Metrolinx over the effective contract duration of 10 years is expected to be $376.9 million. The actual annual payable amounts over the term of the agreement may fluctuate based on inflation, service level in effect for the period, and other factors in accordance with the agreement. The non-lifecycle maintenance costs amount will be payable upon service commencement of Line 5, which went into service February 8, 2026.

o. In 2024, TTC entered into the Finch West LRT (Line 6) Train Operating and Servicing Agreement (TOSA) with the City and Metrolinx. The agreement specifies the TTC's/ City's obligations for the operations and non-lifecycle maintenance expenses of Line 6. The estimated non-lifecycle maintenance costs payable to Metrolinx over the effective contract duration of 10 years is expected to be $160.1 million. The actual annual payable amounts over the term of the agreement may fluctuate based on inflation, service level in effect for the period, and other factors in accordance with the agreement. The non-lifecycle maintenance costs amount will be payable upon service commencement of Line 6, which went into operation December 5, 2025.

Appendix 1: Consolidation Schedule

Year ended December 31, 2025

Appendix 1: Consolidation Schedule as at and for the Year ended December 31, 2025

$000s

	TORONTO TRANSIT COMMISSION (TTC)	WHEEL-TRANS (WT)	TORONTO COACH TERMINAL INC. (Consolidated)
Statement of Financial Position			
Financial assets			
Cash and cash equivalents	63,227	-	5,538
Subsidies receivable	1,705,771	-	-
Accounts receivable	171,922	-	4,200
Investment in subsidiary	5,201	-	-
Portfolio investments	1,983	-	-
Derivative assets	-	-	-
Indemnity receivable from the City			28,742
Indemnity receivable from the TTC	-	-	129,937
Total financial assets	**1,948,104**	**-**	**168,417**
Liabilities			
Accounts payable and accrued liabilities	909,602	-	83
Deferred revenue	45,246	-	-
Employee future benefits	1,060,349	-	-
Unsettled accident claims	143,615	-	158,679
Environmental liabilities	17,298	-	-
ARO Liability	269,189	-	-
Due to parent	-	-	4,201
Intercompany AR/AP	7	-	(7)
Derivative liabilities	144	-	-
Total liabilities	**2,445,450**	**-**	**162,956**
Net debt	(497,346)	-	5,461
Non-financial assets			
Tangible capital assets	14,373,905	-	-
Spare parts and supplies inventory	310,747	-	-
Prepaid expense	29,132	-	-
Total non-financial assets	**14,713,784**	**-**	**-**
Capital Stock	**-**	**-**	1,000
Accumulated surplus	**14,216,438**	**-**	**4,461**
Statement of Operations			
Operating revenue			
Passenger services	1,020,769	8,828	-
Advertising	32,564	-	-
Outside city services	10,760	-	-
Property rental	15,065	-	-
Miscellaneous	82,479	39	185
Total operating revenue	**1,161,637**	**8,867**	**185**
Subsidies			
Operating subsidies	1,427,865	183,357	-
Capital subsidies	1,598,722	-	-
Total subsidy revenue	**3,026,587**	**183,357**	**-**
Expenses			
Wages, salaries and benefits	1,957,916	80,557	-
Materials, services and supplies	435,780	20,074	91
Vehicle fuel	86,348	3,173	-
Electric traction power	55,420	-	-
Utilities	32,030	716	-
Accident claims	33,593	5,624	-
Amortization (operating budget)	28,827	-	-
Amortization (assets funded through capital)	783,739	16,482	-
Wheel-Trans contract services	-	82,118	-
Total expenses	**3,413,653**	**208,744**	**91**
Surplus (deficit) for the year	774,571	(16,520)	94
Wheel-Trans Deficit due to Amortization (assets funded through capital)	(16,482)	16,482	-
Wheel-Trans Deficit due to Funding Shortfall	(38)	38	-
Accumulated operating surplus, beginning of the year	13,457,946	-	4,367
Accumulated operating surplus, end of the year	**14,215,997**	**-**	**4,461**
Accumulated remeasurement (losses)/gains , beginning balance	892	-	-
Unrealized gains/(losses) in the current year	15	-	-
Unrealized gains in the current year attributable to foreign exchange revaluation	(75)		
Amount reclassified to Statement of Operations	(391)	-	-
Accumulated remeasurement gains/ (losses) , ending balance	**441**	**-**	**-**
Accumulated surplus is comprised of:			
Accumulated operating surplus	14,215,997	-	4,461
Accumulated remeasurement gains/ (losses)	441	-	-
Accumulated surplus	**14,216,438**	**-**	**4,461**
Not on TTC financial statements			
Operating subsidy from the City (as above)	1,427,865	183,357	-
Operating subsidy - long term receivable for accident claims	(3,075)	(4,823)	-
Operating subsidy - long term receivable for employee future benefits	(55,356)	(2,612)	-
City special costs	3,006	44	-
Contribution (Draw) to the City's TTC stabilization fund	(22,900)	-	-
Draw from New deal reserve	(100,000)	-	
Draw from City reserves	(975)	-	
Net contribution to the City's TTC long-term liability fund	(2,029)	(122)	-
Total city operating subsidy current	**1,246,536**	**175,844**	**-**

TTC SICK BENEFIT ASSOCIATION (SBA)	TOTAL BEFORE INTERCOMPANY ELIMINATIONS	INTERCOMPANY ELIMINATIONS	CONSOLIDATED FINANCIAL STATEMENTS
88	68,853	-	68,853
-	1,705,771	-	1,705,771
-	176,122	-	176,122
-	5,201	(5,201)	-
-	1,983	-	1,983
-	-	-	-
	28,742		28,742
-	129,937	(129,937)	-
88	**2,116,609**	**(135,138)**	**1,981,471**
-	909,685	-	909,685
-	45,246	-	45,246
-	1,060,349	-	1,060,349
-	302,294	-	302,294
-	17,298	-	17,298
-	269,189	-	269,189
-	4,201	(4,201)	-
-	-	-	-
-	144	-	144
-	**2,608,406**	**(134,138)**	**2,604,205**
88	(491,797)	(1,000)	(622,734)
-	14,373,905	-	14,373,905
-	310,747	-	310,747
-	29,132	-	29,132
-	**14,713,784**	**-**	**14,713,784**
-	**1,000**	**(1,000)**	**-**
88	**14,220,987**	**-**	**14,220,987**
-	1,029,597	-	1,029,597
-	32,564	-	32,564
-	10,760	-	10,760
-	15,065	-	15,065
-	82,703	-	82,703
-	**1,170,689**	**-**	**1,170,689**
-	1,611,222	-	1,611,222
-	1,598,722	-	1,598,722
-	**3,209,944**	**-**	**3,209,944**
-	2,038,473	-	2,038,473
-	455,945	(90)	455,855
-	89,521	-	89,521
-	55,420	-	55,420
-	32,746	-	32,746
-	39,217	90	39,307
-	28,827	-	28,827
-	800,221	-	800,221
-	82,118	-	82,118
-	**3,622,488**	**-**	**3,622,488**
-	758,145	-	758,145
-	-	-	-
-	-		
88	13,462,401	-	13,462,401
88	**14,220,546**	**-**	**14,220,546**
-	892		892
-	15	-	15
	(75)		(75)
-	(391)		(391)
-	**441**	**-**	**441**
88	14,220,546	-	14,220,546
-	441	-	441
88	**14,220,987**	**-**	**14,220,987**
-	1,611,222	-	1,611,222
-	(7,898)	-	(7,898)
-	(57,968)	-	(57,968)
-	3,050	-	3,050
-	(22,900)	-	(22,900)
	(100,000)		(100,000)
	(975)		(975)
-	(2,151)	-	(2,151)
-	**1,422,380**	**-**	**1,422,380**

Line 5 LRT.

Supplementary Schedules (Unaudited)

Year ended December 31, 2025

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

	2025 [11]	2024 [11]	2023 [11]
OPERATING STATISTICS (regular service inside City)			
Revenue Passenger Trips (Millions)	413.1	419.9	396.3
Basic Adult Token/PRESTO Fare (at December 31) ($)	3.30	3.30	3.30
Average Number of Employees (Conventional & Wheel-Trans)	17,025	15,939	15,772
Hourly Base Wage Rate & Benefits per Operator ($)	62.62	62.11	61.67
Kilometres Operated (Millions)			
Bus	143.6	140.4	137.8
Subway Car	84.2	81.4	80.5
Streetcar	11.2	10.4	9.2
Scarborough RT (2016-2023) / Light Rail Transit (2025)	0.1	0	2.0
Total Kilometres Operated	**239.1**	**232.2**	**229.5**
OPERATING REVENUE STATISTICS			
Operating Revenue - including property rental, etc. ($ Millions)	1,161.6	1,164.8	1,019.3
Operating Revenue per Passenger Trip ($)	2.81	2.77	2.57
Operating Revenue per Kilometre ($)	4.86	5.02	4.44
OPERATING EXPENSE STATISTICS[1]			
Operating Expenses ($ Millions)	2,589.5	2,370.0	2,182.2
Operating Expense per Passenger Trip ($)	6.27	5.64	5.51
Operating Expense per Kilometre ($)	10.83	10.21	9.51
OPERATING SUBSIDY STATISTICS			
Operating Subsidy ($ Millions)	1,427.9 [10]	1,205.3 [9]	1,165.3 [8]
Operating Subsidy per Passenger Trip ($)	3.46	2.87	2.94
Operating Subsidy per Kilometre ($)	5.97	5.19	5.07
REVENUE/COST RATIO	44.9%	49.1%	46.7%
PASSENGER VEHICLE FLEET			
(Conventional & Wheel-Trans, owned and in service December 31)			
Buses	2,124	2,038	2,063
Subway Cars	848	848	848
Streetcars (CLRV & ALRV)	0	0	0
Streetcars (LFLRV)	264	233	206
Scarborough RT Cars	0	0	0
Light Rail Vehicles	18	0	0
Wheel-Trans Buses	276	268	278
Total Vehicle Fleet	**3,530**	**3,387**	**3,395**

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

2022 [11]	2021 [11]	2020 [11]	2019	2018	2017	2016
318.8	197.8	225.0	525.5	521.4	533.2	538.1
3.20	3.20	3.20	3.10	3.00	3.00	2.90
14,917	14,877	14,843	15,251	14,812	14,389	14,095
60.31	59.56	57.14	53.50	51.65	51.68	50.81
135.2	136.6	131.5	145.1	143.2	142.0	138.6
82.4	75.9	85.0	93.5	92.6	82.9	83.0
9.2	8.9	9.9	11.9	11.4	11.5	13.1
3.5	3.6	3.3	3.5	3.4	3.4	3.5
230.3	**225.0**	**229.7**	**254.0**	**250.6**	**239.8**	**238.2**
789.2	513.4	583.7	1,253.9	1,226.2	1,234.5	1,196.3
2.48	2.60	2.59	2.39	2.35	2.32	2.22
3.43	2.28	2.54	4.94	4.89	5.15	5.02
2,090.2	1,956.1	1,884.2	1,918.2	1,803.1	1,696.2	1,712.6
6.56	9.89	8.37	3.65	3.46	3.18	3.18
9.08	8.69	8.20	7.55	7.20	7.07	7.19
1,300.1 [7]	1,441.9 [6]	1,296.4 [5]	661.3 [4]	576.9 [3]	461.8 [2]	516.3 [1]
4.08	7.29	5.78	1.26	1.11	0.86	0.96
5.65	6.41	5.66	2.62	2.30	1.92	2.17
37.8%	26.2%	31.0%	65.4%	68.0%	72.8%	69.9%
2,061	2,071	2,114	2,096	2,010	1,920	1,926
848	848	848	848	848	848	840
0	0	0	0	128	184	219
204	204	204	198	117	57	30
28	28	28	28	28	28	28
0	0	0	0	0	0	0
264	250	256	266	263	212	199
3,405	**3,401**	**3,450**	**3,436**	**3,394**	**3,249**	**3,242**

NOTES for CONVENTIONAL SYSTEM - 10 Year Non-Consolidated Financial & Operating Statistics (Unaudited)

1. 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.

2. 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.

3. 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

4. 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. This amount is further reduced by $91.6 million to reflect the provincial subsidy allocated to the operating budget to total of $569.7 million.

   The total conventional system funding provided by the City was $529.6 million, consisting of $569.7 million for the operating

5. 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 $578.8 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.

6. In 2021, the calculated subsidy of $1,442.7 million is reduced to $1,441.9 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 $796.4 million from the Safe Restart Agreement to arrive at total conventional system City funding of $553.9 million.

   City Funding paid of $600.7 million is comprised of $553.9 million for the operating subsidy, plus $0.1 million for the City special costs, plus $7.3 million long-term payable for accident claims, less $38.8 million long-term payable for employee benefits, plus a $75.1 million contribution to the TTC's Stablization reserve and a $3.1 million contribution to the long term liability reserve.

7. In 2022, the calculated subsidy of $1,301.0 million is reduced to $1,300.1 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 $452.2 million from the Safe Restart Agreement to arrive at total conventional system City funding of $665.0 million plus an additional $91.3 million of relief funding for COVID.

   City Funding paid of $642.0 million is comprised of $665.0 million for the operating subsidy, plus $4.5 million for the City special costs, plus $0.3 million long-term payable for accident claims, less $35.1 million long-term payable for employee benefits, plus a $7.3 million contribution to the long term liability reserve.

8. In 2023, the calculated subsidy of $1,162.9 million is increased to $1,165.3 million in the 10 Year Non-consolidated Financial Statistics to include $2.4 million in funding for the Wheel-Trans deficit. Of this amount, $91.6 million was sourced from Provincial Gas Tax to arrive at total conventional system City funding of $718.4 million plus an additional $352.9 million of relief funding for COVID.

   City Funding paid of $704.4 million is comprised of $718.4 million for the operating subsidy, plus $4.4 million for the City special costs, less $2.9 million long-term payable for accident claims, less $18.3 million long-term payable for employee benefits, plus a $3.6 million contribution to the long term liability reserve, less $0.8 million draw from City development application review reserve.

9. In 2024, the calculated subsidy of $1,208.3 million is reduced to $1,205.3 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 $1,105.6 million plus an additional $8.0 million of new deal funding for Line 5 and Line 6.

   City Funding paid of $995.2 million is comprised of $1,105.6 million for the operating subsidy, less $1.3 million for the City special costs, plus $5.6 million long-term payable for accident claims, less $13.3 million long-term payable for employee benefits, less $0.6 million drawn from the long term liability reserve, less $100.0 million drawn from new deal subway / transit safety reserve, less $0.8 million drawn from City development application review reserve.

10. In 2025, the calculated subsidy is $1,427.9 million in the 10 Year Non-consolidated Financial Statistics. Of this amount, $91.6 million was sourced from Provincial Gas Tax to arrive at total conventional system City funding of $1,300.6 million plus an additional $35.7 million of new deal funding for Line 5 and Line 6.

    City Funding paid of $1,119.3 million is comprised of $1,300.6 million for the operating subsidy, plus $3.0 million for the City special costs, less $3.1 million long-term payable for accident claims, less $55.4 million long-term payable for employee benefits, less a $22.9 million contribution to the TTC's Stablization reserve, less $2.0 million drawn from the long term liability reserve, less $100.0 million drawn from new deal subway / transit safety reserve, less $0.8 million drawn from City development application review reserve, less $0.1 million drawn from City S37 reserve.

11. 2025, 2024, 2023, 2022, 2021 and 2020 Statistics have limited comparability to other years due to the impact of the COVID-19 pandemic.

Management Directory May 2026

Executive Team

Mandeep S. Lali
Chief Executive Officer

Fortunato Monaco
Chief Operating Officer (Interim)

***

Michael Atlas
General Counsel

Josh Colle
Chief Strategy and Customer Experience Officer

Stephanie Davies
Chief Capital Officer

Betty Hasserjian
Chief Safety Officer

John Montagnese
Chief Financial Officer (Interim)

Shakira Naraine
Chief People and Culture Officer

Haroon Nuri
Chief Infrastructure Officer (Interim)

Dhaksayan Shanmuganayagam
Chief Information Officer

Tamu Thomas
Chief Transportation Officer

Rich Wong
Chief Vehicles Officer

Senior Management and Department Heads

Dawn Arbeau
Head, Revenue Protection (Acting)

Bryan Callaghan
Head, Track & Structure

Bem Case
Executive Director, Innovation & Sustainability Programs

Viraj Chandrakanthan
Head, Audit, Risk & Compliance

Eric Chu
Head, Transportation Planning & Engineering

Steve Cuschieri
Head, Streetcar Maintenance

Angela Cutulenco
Senior Director, Governance & Continuous Improvement

Mark Del Vecchio
Head, Financial Planning & Analysis

John Dimovski
Head, Chief Project Manager, Construction

Vlado Dimovski
Head, Construction Management

Justin Donovan
Head, Plant Maintenance (Acting)

Gary Downie
Special Advisor, LRT Operations

Nicole Ehlers
Head, Special Constable Service

Steven Gehring
Senior Manager, Operational Safety & Planning

Adrian Grundy
Executive Director, Corporate Communications (Acting)

Laura Gould
Head, Commercial Management

Matt Hagg
Head, Strategy & Foresight (Acting)

Yan He
Chief Project Manager, Expansion & ATC

Matt Hopkins
Executive Director, People

Peter Hrovat
Head, Streetcar Infrastructure

Grant Houston
Head, Transportation Strategy & Support

Mohamed Ismail
Head, Sustainable Innovation

Ernesto Llorens
Head, Project Management Office

Laurence Lui
Special Advisor, World Cup

Deborah Lyon
Executive Director, Transportation (Acting)

Scott MacGillivary
Head, Bus Maintenance & Shops

Kareem Madhavjee
Head, Stations (Acting)

Sal Maltese
Head, Operations Training Centre

Tharshini Markandaier
Head, Procurement & Category Management

Gord McKee
Head, Signals/Electrical/ Communications

Ben Meredith
Head, LRT Operations

David Metcalfe
Head, Business Management & Performance

Mark Mis
Head, PRESTO Transition (Acting)

Eric Mok
Chief Enterprise Architect

Harpreet Nagi
Head, Rail Cars & Shops

David Nagler
Head, Community & Stakeholder Relations

Michael Nieznalsk
Director, Capital Projects Safety & Security

Roy Park
Head, Renewable Energy Programs (Acting)

Asif Patel
Head, Technology Delivery & Sustainment Operations

Cameron Penman
Special Advisor, World Cup

Surya Pratap
Senior Director, Enterprise Solutions Portfolio

Mike Puplett
Head, Transit Control

Vignesh Rajendran
Head, Enterprise Asset Management Program Delivery (Acting)

Wendy Reuter
Head, Research & Analytics

Wayne Reynolds
Head, Bus Transportation (Acting)

Jamal Richardson
Executive Director, Transit Enforcement & Fare Collection (Acting)

Rob Rush
Head, Materials Management

Chris Salvador
Head, Revenue Operations

Chris Sawicki
Chief Project Manager, Major Projects

Anja Schiralli
Head, Employee Services & Systems

Selak Seraj
Head, Engineering

Anthony Shaw
Head, Streetcar Transportation (Acting)

Nabeel Siddiqi
Head, Farecard Team

Barry Stratton
Head, Subway Transportation (Acting)

Michael Stevenson
Head, Property, Planning & Development

Derek Sutton
Chief Information Security Officer

Winslow Taylor
Head, Human Rights & Investigations

Karen Thorburn
Executive Director, Corporate Initiatives

Hayley Waldman
Head, Communications & Marketing (Acting)

Pamela Watson
Head, Wheel-Trans (Acting)