



Financial and Major Projects Update for the Period Ended April 26, 2025

Date: June 23, 2025

To: TTC Board

From: Chief Financial Officer

Summary

This report sets out the operating and capital financial results for TTC Conventional and Wheel-Trans services and provides a status update of the TTC's major capital projects for the period ended April 26, 2025. Financial projections to year-end 2025 are also provided. This is the first of four quarterly financial updates provided annually to the TTC Board for the fiscal year and subsequently submitted to the City of Toronto for consolidation with their financial variance reporting to City Council.

For the period ended April 26, 2025, operating results indicated a net year-to-date unfavourable variance of \$5.5 million, which includes an unfavourable revenue variance of \$11.7 million and an under-expenditure of \$6.2 million. The unfavourable revenue variance was primarily driven by lower TTC Conventional passenger revenues due to lower-than-anticipated ridership levels. This is partially offset by favourable ancillary revenue due to the timing of third-party recoveries, which will normalize by year-end. The under-expenditures were primarily due to the delayed timing of planned expenditures for IT software implementation, materials and services.

For the full year, the TTC's 2025 Operating Budget of \$2.819 billion gross and \$1.387 billion net, is projected to be overspent by \$30.0 million net. Expenditures are projected to be \$12.3 million below budget, primarily due to diesel cost savings resulting from the removal of the Federal carbon tax, effective April 1, 2025. This is partially offset by higher Wheel-Trans operating costs due to higher than budgeted Wheel-Trans passenger ridership. Revenues are projected to be \$42.3 million below budget, primarily due to the continued trend of lower passenger revenue than budgeted for the remainder of the year, and Line 5 and Line 6 bus operating costs that are ineligible for Provincial Funding reimbursement under the New Deal. This is partially offset by higher Wheel-Trans passenger revenue than expected, due to higher Wheel-Trans ridership demand. Senior staff are taking action to mitigate the projected budget shortfall of \$30 million.

For the period ended April 26, 2025, the TTC's capital expenditures totalled \$363.8 million, representing a spending rate of 105% when compared to the year-to-date planned (calendarized) budget of \$346.7 million. Of the total capital expenditures incurred to date, \$361.4 million or 105% of the base capital program's planned budget

of \$344.5 million was spent and \$2.4 million or 106% of the \$2.2 million planned budget for transit expansion-related projects was spent.

When comparing year-to-date spending to the total approved 2025 Capital Budget, 22% was spent to the end of Period 4 for the TTC base capital program and 3% for transit-expansion-related projects resulting in an overall spending rate of 21% for the four-month period.

By year-end, the TTC's capital spending is projected to be in the order of \$1.610 billion, representing an overall 93% spending rate, with the TTC's base capital program projected to expend \$1.536 billion or 93% and transit expansion-related capital expenditures projected to reach \$73.6 million or 97%. The year-to-date results and year-end projections reflect the recommended adjustments to the 2025 Capital Budget and future year cash flows in the 10-Year Capital Plan, as outlined in Appendix 4 of this report. This accounts for projects that have had accelerated spending and projects that have experienced some delays and, therefore, lower spending. These adjustments result from the ongoing monitoring of capital delivery and spending by TTC staff to ensure capital funding is maximized during the year.

Recommendations

It is recommended the TTC Board:

1. Approve the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$100.0 million with projects that have experienced delays and lower spending by \$100.0 million, with no debt impact, as outlined in Appendix 4 of this report.
2. Authorize the recommended budget adjustments noted in Recommendation 1 above, and in the TTC's 2025-2034 Capital Budget and Plan, to be included in the TTC's Capital Variance Report submission for the four months ended April 30, 2025, for City Council consideration and approval.

Financial Summary

2025 Operating Results

Based on Period 4 year-to-date results, the TTC incurred expenses of \$849.0 million gross and \$495.0 million net, compared to the planned budget of \$855.2 million gross and \$489.5 million net, resulting in a net unfavourable operating variance of \$5.5 million. The net unfavourable operating variance reflects an unfavourable revenue variance of \$11.7 million and \$6.2 million in under-expenditures.

Operating results for the period ended April 26, 2025, and projected year-end results are summarized in Table 1 below:

Table 1 – 2025 Operating Year-to-Date Results and Forecast Summary

Description (\$Millions)	Year-To-Date Actuals			Year-End Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
Revenue						
TTC Conventional						
Passenger Revenue	335.1	318.8	(16.3)	1,070.4	1,037.8	(32.6)
Ancillary Revenue	28.0	32.6	4.5	98.1	98.1	(0.0)
Provincial Funding	0.0	0.0	0.0	203.1	193.2	(9.9)
Wheel-Trans Passenger Revenue	2.6	2.7	0.1	8.8	9.1	0.3
Subtotal Revenues	365.7	354.0	(11.7)	1,380.6	1,338.3	(42.3)
TTC Stabilization Reserve Draw	0.0	0.0	0.0	32.0	32.0	0.0
Long-Term Liability Reserve Draw	0.0	0.0	0.0	19.4	19.4	0.0
Total Revenue	365.7	354.0	(11.7)	1,432.0	1,389.7	(42.3)
Expenditures						
TTC Conventional	799.7	792.9	(6.8)	2,613.7	2,597.6	(16.1)
Wheel-Trans	55.5	56.1	0.6	182.0	185.8	3.8
Subtotal Expenditures	855.2	849.0	(6.2)	2,795.7	2,783.4	(12.3)
TTC Stabilization Reserve Contribution	0.0	0.0	0.0	5.5	5.5	0.0
Long-Term Liability Reserve Contribution	0.0	0.0	0.0	17.6	17.6	0.0
Total Expenditures	855.2	849.0	(6.2)	2,818.7	2,806.4	(12.3)
Net Expenditure (Funding Required)	489.5	495.0	5.5	1,386.7	1,416.7	30.0

2025 Revenues

At the end of Period 4, total revenue was \$11.7 million below budget, primarily driven by lower-than-planned TTC conventional passenger revenue of \$16.3 million due to lower ridership levels than anticipated. This is partially offset by favourable ancillary revenues associated with higher-than-planned third-party cost recoveries, which will normalize by year-end and increased Wheel-Trans passenger revenue due to higher Wheel-Trans ridership demand.

By year-end, revenue is forecasted to be \$42.3 million net below budget, with the trend of lower TTC Conventional passenger revenues expected to continue until year-end, and lower than expected Provincial Funding due to Line 5 and Line 6 bus operating costs being ineligible for reimbursement under the New Deal. This will be partially offset by increased Wheel-Trans passenger revenue due to higher Wheel-Trans ridership demand. During the 2025 Budget process, TTC staff advised on the risks associated with the level of 2025 passenger revenues, due to changing travel patterns.

2025 Expenditures

Operating expenses incurred to the end of Period 4 were \$6.2 million below planned spending, primarily driven by the delayed implementation of IT software roll-out, and the delayed timing of planned expenditures for materials, services and vehicle maintenance parts. This is partially offset by increased employee benefit expenses due to the timing of healthcare and SBA costs, which are expected to normalize by year-end, higher traction power and utility expenses due to higher energy pricing than planned, and

higher Wheel-Trans expenditures due to increased Wheel-Trans ridership compared to budget.

Projected results to year-end anticipate a favourable gross expenditure variance of \$12.3 million due to the removal of the Federal carbon tax, effective April 1, 2025, which will contribute to lower than budgeted diesel & natural gas costs, and delayed planned expenditures for materials, services, and implementation of IT software projects. This will be partially offset by lower revenue as Line 5 and Line 6 bus operating costs are ineligible for Provincial Funding reimbursement under the New Deal, and increased Wheel-Trans service costs to accommodate higher than budgeted Wheel-Trans ridership demand.

TTC senior management will undertake strategies to help mitigate the \$30.0 million net expenditures overspend, as required.

2025 Capital Results

For the period ended April 26, 2025, \$361.4 million or 105% of TTC's base capital program's year-to-date planned (calendarized) budget of \$344.5 million was spent. A further \$2.4 million or 106% of the year-to-date planned budget for transit expansion-related projects of \$2.2 million was also spent. In total, the TTC's capital expenditures up to the end of Period 4 total \$363.8 million and represents a spending rate of 105% when compared to the calendarized budget of \$346.7 million. When compared to the total approved 2025 Capital Budget of \$1.732 billion, the overall spending rate is 22%.

By year-end, the TTC's total capital spending is projected to be in the order of \$1.610 billion, representing an overall 93% spending rate, reflective of \$1.536 billion or 93% projected spending in the TTC's base capital program and \$73.6 million or 97% spending for transit expansion-related capital works, as summarized in Table 2 below:

Table 2 – 2025 Capital Year-to-Date Results and Forecast Summary

Description (\$ Millions)	Year-To-Date			2025			
	Budget	Actual	%	Budget	YE Proj.	Variance	%
TTC Base Capital	344.5	361.4	104.9%	1,656.3	1,536.1	(120.2)	92.7%
TTC Transit Expansion Related Projects	2.2	2.4	106.5%	75.8	73.6	(2.2)	97.1%
Total	346.7	363.8	104.9%	1,732.1	1,609.7	(122.4)	92.9%

Year-to-date results and projected underspending at year-end in the capital program are impacted by various drivers, including but not limited to, resourcing and supply chain constraints. The TTC's capital program results to date and projections to year end also indicate overspending in some projects due to cost escalation as well as accelerated work plan schedules and procurement activities. As the year progresses, capital results will continue to be monitored, and if projected results for a capital program exceed the approved budget, an in-year adjustment to accelerate funding will be submitted for Board approval.

The year-to-date results and year-end projections reflect the recommended adjustments to the 2025 Capital Budget and future year cash flows in the 10-Year Capital Plan to account for projects that have had accelerated spending and projects that have experienced some delays and, therefore, lower spending. These budget adjustments,

summarized in Table 3 below, and detailed in Appendix 4, are before the Board for approval and will be submitted for City Council approval with the City's Period 4 Capital Variance Report.

Table 3 – Recommended Adjustments to the 2025-2034 Capital Budget & Plan

Capital Plan and Adjustments (\$ Millions)	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034	10-Year Total
Council Approved Capital Plan February 11, 2025	1,688.3	1,569.7	1,724.6	1,796.8	1,776.0	2,020.3	1,704.8	1,698.1	1,214.5	1,202.4	16,395.5
Previously Approved Amendments											
Incremental Carryforward Adjustment	3.8	0.4	-	-	-	-	-	-	-	-	4.2
Easier Access Phase III	0.3	(7.5)	3.0	4.3	-	-	-	-	-	-	-
Bloor-Yonge Capacity Improvement	38.3	73.1	-	-	-	(30.0)	(40.0)	(21.4)	(20.0)	-	-
Total Previously Approved Amendments	42.4	66.0	3.0	4.3	-	(30.0)	(40.0)	(21.4)	(20.0)	-	4.2
Recommended Amendments											
4M Variance Report Adjustments - Acceleration	89.4	8.4	1.9	0.3	-	-	-	-	-	-	100.0
4M Variance Report Adjustments - Deferrals	(88.0)	(10.2)	(1.5)	(0.3)	-	-	-	-	-	-	(100.0)
Total Recommended Amendments	1.5	(1.8)	0.3	-	-	-	-	-	-	-	-
Revised Capital Plan	1,732.1	1,633.9	1,728.0	1,801.0	1,776.0	1,990.3	1,664.8	1,676.8	1,194.5	1,202.4	16,399.7

Economic Impacts of TTC Spending

Using the economic model established in partnership with the University of Toronto, 2025 operating and capital spending is estimated to generate \$5.019 billion in economic activity and over 31,000 jobs across Canada. 90% of benefits will accrue within Ontario. Both year-to-date and projected year-end benefits are summarized in Table 4 below:

Table 4 – Economic Impact of 2025 Projected Year-End Spending by the TTC

(\$Millions)	P4 Year-To-Date Results			Year-End Forecast		
	Capital	Operating	Sub-Total	Capital	Operating	Total
Spending	363.8	316.5	680.3	1,609.7	802.1	2,411.8
Gross Domestic Product (GDP)	367.4	180.4	547.8	1,625.7	457.2	2,083.0
Economic Activity (Gross Output)	927.6	360.8	1,288.4	4,104.6	914.4	5,019.0
Jobs	5,456	2,849	8,305	24,145	7,219	31,364

Equity/Accessibility Matters

The TTC is strongly committed to making Toronto's transit system barrier-free and accessible to all. The TTC believes all customers should enjoy the freedom, independence, and flexibility to travel anywhere on the public transit system.

For the second consecutive year, TTC fares are frozen at 2023 rates as a means to ensure transit is accessible to all riders. In addition, through the City's Social Development, Finance and Administration Division, eligible customers, including Ontario Works, Ontario Disability Support Program, Child Care Fee Subsidy, Rent Geared to Income clients whose income is under a threshold set below 75% of the Low-Income Measure, continue to be eligible for the Fair Pass Program. This program entitles eligible customers to a discount of approximately one-third on single adult fares for single rides or 21% off adult monthly passes.

The recommended 2025 Operating Budget allocates \$182.6 million gross (\$173.2 million net) for Wheel-Trans service, to deliver an estimated 4 million rides in 2025, accounting for a 12% increase in new registrants.

There are no recommended reductions that impact customers. The 2025 Operating Budget maintains service coverage citywide, understanding the importance of even the lowest ridership routes.

The 2025-2034 Capital Budget and Plan provides full funding of \$403.4 million to complete the TTC's Easier Access Program, including an approved budget of \$123.3 million for 2025 to enable the continuation of capital works to make the remaining 11 of 70 subway stations accessible with elevators, wide fare gates and automatic sliding doors.

The 2025 Capital Budget also provides funding for modernization across the transit system, including procuring and accommodating the maintenance and storage of 60 new low-floor streetcars, additional new accessible TTC and Wheel-Trans buses as well as accessibility improvements to approximately 270 bus stops and 3 streetcar stops in 2025.

Decision History

At its meeting on January 10, 2025, the TTC Board approved the 2025-2034 TTC Capital Budget and Plan of \$14.615 billion over the 10-year period, with \$1.618 billion approved in the 2025 Capital Budget and a 2025 Operating Budget of \$2.819 billion gross and \$1.387 billion net, with a 2024 total year-end workforce complement of 18,201 positions for the TTC. The 2025 Operating Budget is comprised of \$2.636 billion gross and \$1.423 billion net for TTC Conventional Service; \$182.6 million gross and \$173.2 million net for Wheel-Trans Service.

[Recommended 2025 Operating Budget: 2025-2034 Capital Budget and Plan, 15-Year Capital Investment Plan and Real Estate Investment Plan Update](#)

At its meeting on January 27, 2025, the TTC Board approved a reallocation of \$8.5 million of permanent savings from the SRT Life Extension project and increases to the total project cost for the Easier Access III program to fund the Contract award for Old Mill Station. In addition, the TTC Board authorized the recommended budget adjustments to the TTC's 2025-2034 Capital Budget and Plan to be included in the TTC's Capital Variance Report submission to the City of Toronto for the four months ended April 30, 2025, for City Council consideration and approval.

[Making Old Mill Station Accessible](#)

At its meeting on February 24, 2025, the TTC Board approved the following cashflow adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Bloor-Yonge Capacity Improvements project by accelerating cashflow funding in 2025 by \$38.3 million and in 2026 by \$73.1 million, offset by reducing cashflow funding in years 2030 to 2033 inclusively by \$111.4 million total, with no debt impact, to align with the estimated project delivery schedule.

[Bloor-Yonge Capacity Improvements Project - Progressive Design-Build Development Phase](#)

At its meeting on May 21, 2025, under the City's Carry Forward Policy, City Council approved an incremental carry-forward addition of \$3.8 million applied to the TTC's existing carry-forward funding of \$66.6 million as submitted through the 2025 budget process.

[Adjustments to Capital Budget, Carry Forward Funding and Future Year Commitments](#)

Comments

2025 Operating Budget: Financial Update

Key Operating Budget Indicators

The TTC's operating results are primarily driven by six key indicators. These indicators impacted year-to-date spending and revenues as well as provided the basis for estimated year-end spending projections.

The key indicators include TTC Conventional and Wheel-Trans ridership, average fare per ride, and market prices for diesel fuel and electric power, which affect a combined fuel and utilities budget of \$181.9 million. The final and most significant driver of expenses is related to service hours delivered, which impacts labour expenses (\$1.394 billion) and non-labour expenses (\$381.8 million), such as parts and maintenance, as well as fuel and hydro consumption.

Details of the TTC's key operating indicators are addressed in Table 5 below:

Table 5 – Summary of Key 2025 Operating Budget Indicators

Item	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
TTC Conventional Ridership	137.3M	129.2M	(8.1M)	439.4M	424.8M	(14.6M)	✗
TTC Average Fare (\$)	2.44	2.47	0.03	2.44	2.44	0.00	✓
TTC Actual Operating Service Hours	3.14M	3.19M	0.04M	9.53M	9.66M	0.13M	✓
Price of Fuel (\$/litre)	1.29	1.29	0.00	1.34	1.14	(0.20)	✓
Price of Electric Power (\$/kWh)	0.15	0.16	0.01	0.15	0.15	0.00	✓
Wheel-Trans Ridership	1.18M	1.22M	0.04M	4.02M	4.14M	0.12M	✓

TTC Conventional Ridership and Revenue

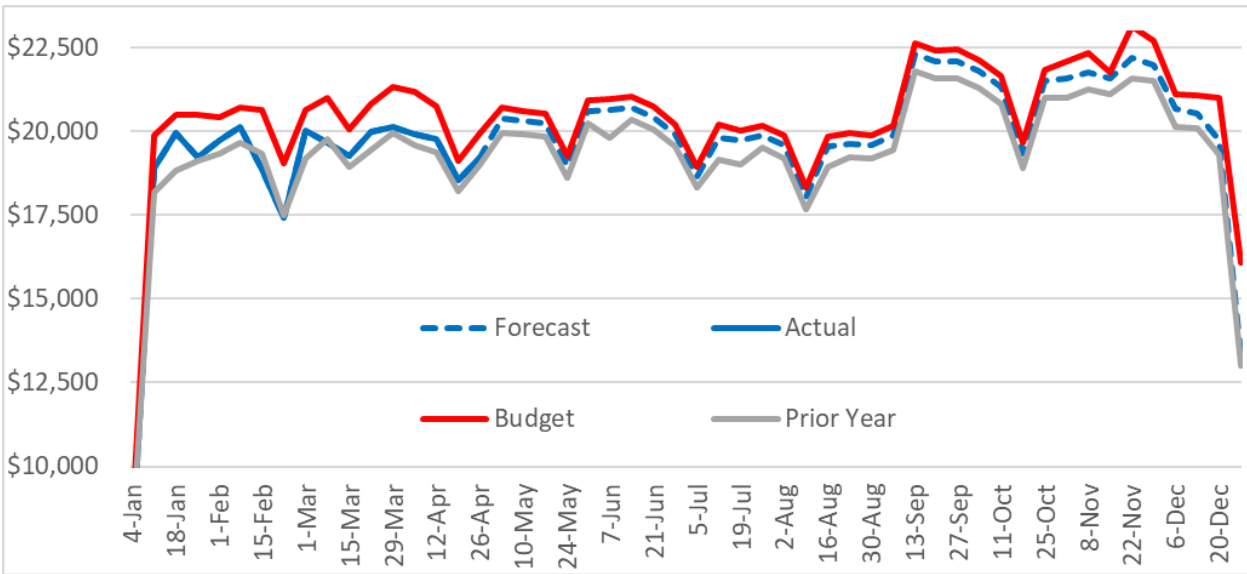
TTC Conventional revenue ridership has trended close to prior year levels and followed expected seasonal fluctuations thus far in 2025 but has trended below budget. Year-to-

date ridership as of Period 4 2025 totalled 129.2 million, at 99.6% of 2024 levels and 94.1% of budgeted levels.

As illustrated below in Chart 1, TTC Conventional passenger revenue has trended slightly above the prior year and in line with expected seasonal fluctuations, with year-to-date passenger revenue as of Period 4 2025 at 101.7% of 2024 levels. However, TTC's Conventional passenger revenue has trended below budgeted levels thus far in 2025. Year-to-date passenger revenue totalled \$318.8 million or 95.1% of budgeted levels, resulting in an unfavourable variance of \$16.3 million (\$15.6 million net of PRESTO commission). This unfavourable passenger revenue variance was driven by lower than anticipated ridership growth, likely partially due to an unexpectedly softer economic environment experienced thus far in 2025 as well as inclement weather experienced during Q1 of 2025. The unfavourable budget variance is partially offset by a slightly higher than anticipated average fare per rider due to an increase in single ride fares (year-to-date average fare budget at \$2.44 versus actual at \$2.47).

For the remainder of the year, TTC Conventional passenger revenue is expected to continue to trend below budget, resulting in a projected full-year unfavourable budget variance of \$32.6 million (\$31.1 million net of PRESTO commission).

Chart 1 – 2025 Weekly TTC Conventional Passenger Revenue (\$'000)



Service Hours

Conventional service hours delivered to the end of Period 4 were 1.3% above budgeted service levels due to a temporary increase in service levels to align service to operator availability. Actual service hours are projected to increase above budgeted levels by the end of the year due to the temporary increase in service levels to align service to operator availability.

Diesel Fuel

Diesel prices began the year above budgeted levels at an average of \$1.35 per litre in the first quarter before falling below budget in April to an average of \$1.07 per litre. In

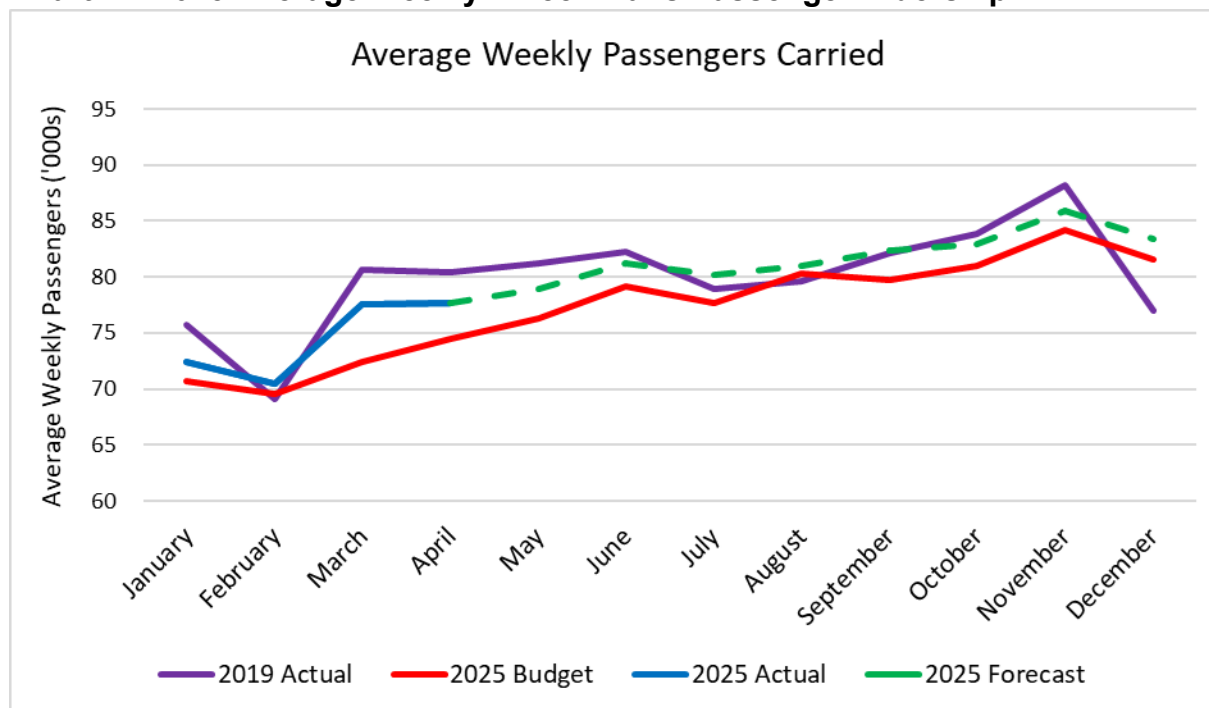
April, oil prices declined unexpectedly due to concerns about weak demand, increasing supply, and trade tensions. In addition, the Federal government eliminated the Carbon Pricing for consumers effective April 1st, 2025, reducing the diesel fuel charge by 25.4 cents per litre. Overall, the price of diesel averaged \$1.29 per litre year-to-date, in line with the budgeted price of \$1.29 per litre.

Based on the latest available market pricing, diesel pricing is anticipated to continue to trend below budget to an average of \$1.06 per litre for the remainder of the year. This is primarily driven by the removal of the Federal carbon tax as well as the Provincial Fuel Tax cut. In May, the Ontario government announced to permanently reduce the provincial fuel tax by 5.3 cents per litre for diesel fuel, which was previously reduced temporarily and set to end on June 30, 2025.

Wheel-Trans Ridership

As shown in Chart 2 below, Wheel-Trans ridership has seen steady growth thus far in 2025. To the end of Period 4, ridership was at 97% of pre-pandemic levels compared to a budgeted level of 93%, as a result of higher than anticipated trip frequency per registrant.

Chart 2 – 2025 Average Weekly Wheel-Trans Passenger Ridership



Overall, total ridership is projected to be 3% above budget for the year due to higher-than-anticipated growth in both new registrants and trip frequency per registrant. Additional Wheel-Trans bus and contracted taxi services are expected to accommodate the increased forecast in ridership demand.

2025 Year-to-Date Operating Results and Year-End Forecast

For the period ending April 26, 2025, the TTC incurred expenditures of \$849.0 million gross and \$495.0 million net against a year-to-date planned (calendarized) budget of \$855.2 million gross and \$489.5 million net, resulting in a net unfavourable operating variance of \$5.5 million. Projected results to year-end reflect a net unfavourable variance of \$30.0 million.

Year-to-Date Operating Results

To the end of Period 4, the TTC's net unfavourable variance of \$5.5 million reflects an under-expenditure variance of \$6.2 million and an unfavourable revenue variance of \$11.7 million.

The \$11.7 million unfavourable revenue variance was primarily due to \$16.3 million of lower-than-planned TTC conventional passenger revenue driven by lower-than-anticipated ridership levels. This is partially offset by:

- \$4.6 million of favourable ancillary revenues associated with the timing of third-party cost recoveries in Q1, expected to normalize by year-end.
- \$0.1 million of increased Wheel-Trans passenger revenue due to higher Wheel-Trans ridership demand.

The \$6.2 million favourable expenditure variance was primarily driven by underspending as a result of:

- \$7.8 million as a result of delayed timing of planned expenditures for materials and services.
- \$2.2 million due to lower than anticipated IT expenses as a result of delayed implementation of IT software roll-out.
- \$1.5 million of lower-than-anticipated garage and equipment expenses, which are expected to normalize on a full-year basis.
- \$1.3 million driven by delayed timing of vehicle maintenance parts availability, expected to normalize on a full-year basis.

The under-expenditures were partially offset by \$4.7 million of increased employee benefit expenses due to timing of healthcare and SBA costs, which are expected to normalize by year-end, \$0.7 million of higher traction power and utilities expenses due to higher energy pricing than planned, \$0.6 million of higher Wheel-Trans expenditures due to increased Wheel-Trans ridership compared to budget, and \$0.4 million higher diesel costs to support higher service hours delivered than budgeted, to be offset on a full-year basis by the removal of the Federal carbon tax, effective April 1, 2025.

Year-End Operating Forecast

Projected results to year-end indicate a net unfavourable variance of \$30.0 million, which is mainly due to passenger revenue forecasted to be lower than budgeted levels by \$32.6 million, lower provincial funding than budgeted due to ineligible Line 5 and Line 6 bus operating costs for reimbursement under the New Deal, and higher Wheel-Trans expenditures due to higher forecasted Wheel-Trans ridership than budgeted. This will

be partially offset by lower diesel costs due to the removal of the Federal carbon tax, effective April 1, 2025, as well as delayed timing of expenditures for materials, services, and IT software implementation costs. TTC senior management will undertake strategies to help mitigate the \$30.0 million net expenditures overspend, as required.

Table 6 below summarizes the key year-to-date and projected year-end expenditure and revenue results against the 2025 Operating Budget:

Table 6 – TTC and Wheel-Trans Year-to-Date Operating Results and Year-End Forecast

Description (\$Millions)	Year-To-Date Actuals			Year-End Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
Revenue						
TTC Conventional						
Passenger Revenue	335.1	318.8	(16.3)	1,070.4	1,037.8	(32.6)
Ancillary Revenue	28.0	32.6	4.5	98.1	98.1	(0.0)
Provincial Funding	0.0	0.0	0.0	203.1	193.2	(9.9)
Wheel-Trans Passenger Revenue	2.6	2.7	0.1	8.8	9.1	0.3
Subtotal Revenues	365.7	354.0	(11.7)	1,380.6	1,338.3	(42.3)
TTC Stabilization Reserve Draw	0.0	0.0	0.0	32.0	32.0	0.0
Long-Term Liability Reserve Draw	0.0	0.0	0.0	19.4	19.4	0.0
Total Revenue	365.7	354.0	(11.7)	1,432.0	1,389.7	(42.3)
Expenditures						
TTC Conventional						
Departmental Labour	432.2	433.1	0.9	1,393.7	1,393.7	0.0
Departmental Non-Labour	108.7	96.0	(12.7)	381.8	377.8	(4.0)
Employee Benefits	159.1	163.8	4.7	497.9	497.9	0.0
Diesel	30.1	30.6	0.4	92.4	80.5	(11.9)
Traction Power & Utilities	28.9	29.6	0.7	89.4	89.2	(0.2)
Other Corporate Costs	40.6	39.9	(0.7)	158.4	158.5	0.0
Wheel-Trans	55.5	56.1	0.6	182.0	185.8	3.8
Subtotal Expenditures	855.2	849.0	(6.2)	2,795.7	2,783.4	(12.3)
TTC Stabilization Reserve Contribution	0.0	0.0	0.0	5.5	5.5	0.0
Long-Term Liability Reserve Contribution	0.0	0.0	0.0	17.6	17.6	0.0
Total Expenditures	855.2	849.0	(6.2)	2,818.7	2,806.4	(12.3)
Net Expenditure (Funding Required)	489.5	495.0	5.5	1,386.7	1,416.7	30.0

An analysis of Operating Results by Service is provided in Appendix 1 and Overtime Management results are provided in Appendix 2 of this report.

2025 Capital Budget: Financial Update

Adjustments to the 2025-2034 Capital Budget and Plan

Since the approval of the TTC's 10-Year Capital Plan, the TTC Board and City Council have approved in-year budget adjustments to account for final 2024 capital spending. As a result, the TTC's carry-forward funding of \$66.6 million approved through the 2024 Budget process has been increased by \$4.2 million.

The TTC Board also approved a funding reallocation within the Easier Access Phase III program, transferring \$8.5 million to the Old Mill Station project from permanent savings on the SRT Life Extension project. This adjustment addresses increased project costs to ensure continued progress on accessibility upgrades. Furthermore, the TTC Board approved an acceleration of cashflows for the Bloor-Yonge Capacity Improvement Project, of \$38.3 million in 2025 and \$73.1 million in 2026, respectively, to be borrowed from future years to align with the project delivery schedule.

Further, in-year adjustments are being recommended in this report, as detailed in Appendix 4, to offset projects that have had accelerated spending with projects that have experienced delays and lower spending with no debt impact. These adjustments allow the TTC to maximize its capital project delivery by "borrowing" funds from those projects impacted by delays during the year and reallocating them to projects moving ahead of schedule. The "borrowed funds" are then reinstated to the delayed project in the following year.

With the approval of the budget adjustments noted above and detailed in Appendix 4, the TTC's 10-Year Capital Budget and Plan's annual cash flow estimates will be adjusted, as summarized in Table 7 below:

Table 7 – Adjusted 10-Year Capital Budget and Plan

Capital Plan and Adjustments (\$ Millions)	2025 Budget	2026	2027	2028	2029	2030	2031	2032	2033	2034	10-Year Total
Council Approved Capital Plan February 11, 2025	1,688.3	1,569.7	1,724.6	1,796.8	1,776.0	2,020.3	1,704.8	1,698.1	1,214.5	1,202.4	16,395.5
Previously Approved Amendments											
Incremental Carryforward Adjustment	3.8	0.4	-	-	-	-	-	-	-	-	4.2
Easier Access Phase III	0.3	(7.5)	3.0	4.3	-	-	-	-	-	-	-
Bloor-Yonge Capacity Improvement	38.3	73.1	-	-	-	(30.0)	(40.0)	(21.4)	(20.0)	-	-
Total Previously Approved Amendments	42.4	66.0	3.0	4.3	-	(30.0)	(40.0)	(21.4)	(20.0)	-	4.2
Recommended Amendments											
4M Variance Report Adjustments - Acceleration	89.4	8.4	1.9	0.3	-	-	-	-	-	-	100.0
4M Variance Report Adjustments - Deferrals	(88.0)	(10.2)	(1.5)	(0.3)	-	-	-	-	-	-	(100.0)
Total Recommended Amendments	1.5	(1.8)	0.3	-	-	-	-	-	-	-	-
Revised Capital Plan	1,732.1	1,633.9	1,728.0	1,801.0	1,776.0	1,990.3	1,664.8	1,676.8	1,194.5	1,202.4	16,399.7

The year-end projections based on the above amendments to the 2025 Capital Budget are accounted for in the Financial Update report presented here, and subject to the Board's approval, will be included in the TTC's submission for the City's Period 4, 2025 Capital Variance report to the Budget Committee and for City Council's approval at its meeting on July 23, 2025.

2025 Capital Results and Projection to Year-End

The Capital Budget and Plan is updated annually to reflect refined estimates based on capital planning progress made through stage gating, changes to planned timing or requirements and their resultant costs as well as significant collaboration with key stakeholders. These inputs are also used to cash flow (calendarize) the 2025 Capital Budget for planned expenditures in each month of the year.

Year-to-date (YTD), the TTC has spent \$363.8 million, which is 105% of the planned (calendarized) YTD budget of \$346.7 million. Within the TTC Base Capital program, Bus Portfolio Projects and Streetcar Portfolio Projects have exceeded their YTD budgets, spending 126% and 115%, respectively. Subway Portfolio Projects are close to target at 95%, while Network Wide Projects are indicating slower than expected progress at 60%.

Looking ahead, 2025 total spending is projected to reach \$1.610 billion, which is 93% of the total approved 2025 budget of \$1.732 billion, indicating a projected underspend of \$122.4 million. Notably, Subway Portfolio Projects are forecasted to exceed their approved budget by \$55.3 million (110%), while Bus Portfolio Projects are projected to underspend by \$187.8 million (71%). Transit Expansion-Related Projects are expected to spend slightly under budget, with a 3% shortfall shown in Table 8 below.

Table 8 – 2025 Capital Budget Results and Forecast by Project Mode

Description (\$ Millions)	Year-To-Date			2025			
	Budget	Actual	%	Budget	YE Proj.	Variance	%
TTC Base Capital							
Subway Projects	130.1	123.5	94.9%	543.1	598.4	55.3	110.2%
Bus Projects	96.9	121.8	125.6%	652.8	465.0	(187.8)	71.2%
Streetcar Projects	74.5	85.4	114.6%	241.2	262.2	21.0	108.7%
Facility Projects	11.1	11.6	104.8%	52.2	57.4	5.2	109.9%
Network Wide Projects	31.9	19.1	59.9%	167.0	153.1	(13.9)	91.7%
Total - Base Capital	344.5	361.4	104.9%	1,656.3	1,536.1	(120.2)	92.7%
TTC Transit Expansion-Related Projects							
Toronto York Spadina Subway Extension	0.6	0.7	105.4%	57.9	58.0	0.1	100.2%
SRT Conversion to Busway	1.6	1.7	106.7%	17.8	15.5	(2.3)	87.2%
Waterfront Transit - Design	0.0	0.0	121.7%	0.1	0.1	(0.0)	98.4%
Total - Transit Expansion Related Projects	2.2	2.4	106.5%	75.8	73.6	(2.2)	97.1%
Total	346.7	363.8	104.9%	1,732.1	1,609.7	(122.4)	92.9%

Key Project Variances

Capital spending, both to date and as projected to year-end, has been impacted by various drivers. Underspending in the TTC's capital program is mainly the result of supply chain issues and resource constraints while overspending to date and projected to year-end is the result of cost escalation as well as accelerated schedule progress and procurement activities.

The TTC's 2025 capital performance is being shaped by several key infrastructure and vehicle-related projects. On the infrastructure side, notable contributors include Subway Track, Surface Track, Equipment, Easier Access Phase III, Bloor-Yonge Capacity Improvements, and Computer Equipment & Software projects. In the vehicle category, the Purchase of Buses project is a primary driver. These projects reflect a range of spending patterns that are influencing both year-to-date and projected year-end results.

Table 9 below summarizes the year-to-date and projected year-end results by key project type.

Table 9 – 2025 Capital Budget Results and Forecast by Key Project Type

Description (\$ Millions)	Year-To-Date			2025			
	Budget	Actual	%	Budget	YE Proj.	Variance	%
TTC Base Capital							
Infrastructure Projects	186.3	172.0	92.3%	856.4	905.7	49.3	105.8%
Vehicle Related Projects	160.4	189.4	118.0%	799.9	630.4	(169.5)	78.8%
Total - Base Capital	346.7	361.4	104.2%	1,656.3	1,536.1	(120.2)	92.7%
TTC Transit Expansion-Related Projects							
Toronto-York-Spadina Subway Extension	0.6	0.7	105.4%	57.9	58.0	0.1	100.2%
SRT Conversion to Busway	1.6	1.7	106.7%	17.8	15.5	(2.3)	87.2%
Waterfront Transit - Design	0.0	0.0	121.7%	0.1	0.1	(0.0)	98.4%
Total - Transit Expansion Related Projects	2.2	2.4	106.5%	75.8	73.6	(2.2)	97.1%
Total	348.9	363.8	104.2%	1,732.1	1,609.7	(122.4)	92.9%

Infrastructure Projects

Surface Track & Subway Track

To date, both the Subway and Surface Track programs have exceeded their planned spending, reflecting accelerated progress in track-related infrastructure work. The Subway Track program has spent \$11.7 million against a YTD budget of \$8.0 million, while Surface Track has recorded \$14.1 million in spending compared to a budget of \$8.3 million. This momentum is expected to continue through to year-end, with the Subway Track projected to reach \$43.4 million, exceeding its annual budget of \$23.5 million by nearly \$20 million. Similarly, Surface Track is forecasted to close at \$47.1 million, surpassing its budget of \$34.7 million by over \$12 million. These variances are primarily due to an expanded scope of work aimed at accelerating track rehabilitation efforts, helping to address the backlog in state-of-good-repair (SOGR) needs and improving overall system reliability.

Equipment

Year-to-date, the Equipment program is tracking below expectations, with \$12.0 million spent compared to a budget of \$16.4 million or 73%. This trend is expected to continue through to year-end, with projected spending of \$85.0 million, falling short of the \$97.1 million budget by approximately \$12 million. The underspending is primarily attributed to delays in the commissioning and milestone schedule for the eBus Charging Systems, which have shifted planned expenditures into future periods.

Easier Access Phase III

As of the end of Period 4, the Easier Access Phase III program has spent \$28.9 million, which is below the planned budget of \$36.7 million, primarily due to invoice timing at Warden and Islington stations. Despite the current shortfall, the program is expected to recover in the latter part of the year, with a projected year-end expenditure of \$134.9 million, exceeding the budget of \$123.3 million. The anticipated overspending is attributed to continued construction progress and recovery at Warden & Islington, and advancement of property payments for the Easier Access program.

Bloor-Yonge Capacity Improvements

Year-to-date, the Bloor-Yonge Capacity Improvements project has significantly exceeded its planned spending, with \$16.3 million spent compared to a year-to-date budget of \$10.2 million. This variance is primarily due to the accelerated work on the chiller plant relocation, which has progressed ahead of schedule and due to a refined work plan following the Development Phase Agreement (DPA) of the Progressive Design-Build (PDB) being awarded. The same trend is expected to continue through to year-end, with projected spending of \$77.8 million, exceeding the annual budget of \$60.4 million by approximately \$17.4 million.

Computer Equipment and Software

As of the end of Period 4, \$13.8 million, or 66% of the planned cash flow funding of \$20.9 million, was spent on Computer Equipment and Software program capital works. The projected year-end spending is anticipated to reach \$77.6 million, which would bring the year-end spending rate to 80% of the 2025 approved capital project budget of \$97.3 million. The results to date and projection to year-end, which is estimating an underspending of \$19.7 million, are being driven by various factors, such as delays in invoice processing from vendors, including delays on Request for Proposal (RFP) for the SAP Program's Procurement, Materials Management, Finance Module.

Vehicle Projects

Purchase of eBuses

Year-to-date, the Purchase of eBuses project has experienced higher-than-anticipated spending, with \$85.3 million spent compared to a budget of \$57.2 million, reflecting early procurement activity. However, based on the risk-adjusted delivery schedule, the project is expected to be significantly underspent at year-end, with a projected expenditure of \$295.0 million against a budget of \$465.6 million, resulting in a shortfall of approximately \$170.6 million. This variance is primarily due to ongoing supply chain challenges, which have delayed the delivery of up to 66 buses to Q1 2026, deferring associated costs and impacting the 2025 capital forecast.

Major Capital Projects Update

For more information on the Major Capital Projects, please see Attachment 1 - Major Projects Update Report (April 26, 2025).

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Deputy Chief Executive Officer

Attachments

Appendix 1 – Operating Results by Service for the Period Ended April 26, 2025
Appendix 2 – Overtime Management
Appendix 3 – 2025 Capital Spending Summary by Program
Appendix 4 – 2025-2034 Capital Budget and Plan Adjustments for Council Approval
Attachment 1 – Major Projects Update Report (April 26, 2025)

Appendix 1 – Operating Results by Service for the Period Ended April 26, 2025

TTC Conventional Service: 2025 Operating Results by Key Account Grouping and Comparison to 2024

To the end of Period 4, the TTC Conventional Service net over-expenditures totalled \$5.0 million (1.1%), which was driven by:

- \$16.3 million due to a lower-than-budgeted passenger revenue growth.
- \$4.7 million of increased employee benefit expenses due to the timing of healthcare and SBA costs, which are expected to normalize by year-end.
- \$0.7 million of higher traction power and utilities costs driven by higher energy pricing than budgeted.
- \$0.4 million of higher diesel costs as a result of higher consumption than budgeted, aligned with increased service hours compared to budget.

The net over-expenditure was partially offset by:

- \$7.8 million due to delayed timing of planned expenditures for materials and services.
- \$4.6 million of favourable ancillary revenues associated with additional third-party cost recoveries, to be normalized by year-end.
- \$2.2 million due to lower than anticipated IT expenses as a result of delayed implementation of IT software roll-out.
- \$1.5 million of lower-than-anticipated garage and equipment expenses, expected to normalize on a full-year basis.
- \$1.3 million driven by the timing of vehicle maintenance parts availability, expected to normalize on a full-year basis.

Projected to year-end is an unfavourable net expenditure variance of \$26.5 million (2.2%) due to:

- \$32.6 million of lower passenger revenue than budgeted due to slower-than-anticipated passenger ridership growth.
- \$9.9 million of lower Provincial funding due to Line 5 and Line 6 bus operating costs deemed ineligible for reimbursement.

The above favourable variances are projected to be partially offset by:

- \$11.9 million of diesel cost savings driven by the removal of the Federal carbon tax, effective April 1, 2025
- \$4.0 million of delayed implementation of IT software projects and delayed timing of expenditures for materials and services.

TTC senior management will undertake strategies to help mitigate the \$26.5 million net expenditures overspend, as required.

The year-to-date and projected year-end variances for the TTC Conventional Service are summarized in Table 10 below:

Table 10 – TTC Conventional Service: 2025 Operating Results by Key Account Grouping

Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Revenues							
Passenger Revenue	335.1	318.8	(16.3)	1,070.4	1,037.8	(32.6)	✗
Ancillary Revenue	28.0	32.6	4.5	98.1	98.1	(0.0)	○
Provincial Funding Deal	0.0	0.0	0.0	203.1	193.2	(9.9)	○
Subtotal Revenues	363.1	351.3	(11.8)	1,371.7	1,329.2	(42.6)	✗
TTC Stabilization Reserve Draw	0.0	0.0	0.0	32.0	32.0	0.0	○
Long-Term Liability Reserve Draw	0.0	0.0	0.0	18.8	18.8	0.0	○
Total Revenues	363.1	351.3	(11.8)	1,422.5	1,380.0	(42.6)	✗
Expenses							
Departmental Labour	432.2	433.1	0.9	1,393.7	1,393.7	0.0	○
Departmental Non-Labour	108.7	96.0	(12.7)	381.8	377.8	(4.0)	✓
Employee Benefits	159.1	163.8	4.7	497.9	497.9	0.0	○
Diesel	30.1	30.6	0.4	92.4	80.5	(11.9)	✓
Traction Power & Utilities	28.9	29.6	0.7	89.4	89.2	(0.2)	✓
Other Corporate Costs	40.6	39.9	(0.7)	158.4	158.5	0.0	○
Subtotal Expenditures	799.7	792.9	(6.8)	2,613.7	2,597.6	(16.1)	✓
TTC Stabilization Reserve Contribution	0.0	0.0	0.0	5.5	5.5	0.0	○
Long-Term Liability Reserve Contribution	0.0	0.0	0.0	17.0	17.0	0.0	○
Total Expenditures	799.7	792.9	(6.8)	2,636.1	2,620.1	(16.1)	✓
Net Expenditure (Funding Required)	436.6	441.6	5.0	1,213.6	1,240.1	26.5	✗

TTC Conventional Service: 2025 versus 2024 Results Comparison

To the end of Period 4 2025, TTC Conventional net expenditures were \$64.6 million above 2024 year-to-date results, and 2025 forecasted year-end spending is projected to be \$153.3 million above 2024 actual net expenditures at year-end.

Expenditures

2025 year-to-date expenses were \$75.6 million (10.5%) higher than 2024 year-to-date spending. This is due to the higher cost of operating service 3.5% above 2024 year-to-date levels to meet service demand, escalating employee benefit-related expenses, and workforce complement added.

Year-over-year expenditures are anticipated to be \$269.5 million (11.5%) higher at the end of 2025 than in 2024. Key drivers of this projected increase include:

- Increased expenditures of \$85.2 million to support the opening of Line 5 Eglinton and Line 6 Finch West in 2025, including mobilization costs in preparation for revenue service as well as operating and maintenance costs after anticipated revenue service commencement.
- Full-year impact of ratified Collective Bargaining Agreements for Unions (Lodge 5089, Local 2, Local 113, Local 470 and Lodge 235) of approximately \$82.0 million.
- Increased salary and benefit costs of approximately \$41.1 million associated with fewer vacancies in 2025 compared to 2024, due to ongoing recruitment efforts to fill vacant roles.

- Approximately \$38.2 million from inflationary and legislative impacts related to employee benefit costs, materials, and service contracts.
- Approximately \$27.8 million due to operating an additional 3.3% in service hours compared to the end of 2024.
- Higher corporate costs of approximately \$17.2 million driven by higher depreciation expense, accident claims & insurance, leases, taxes and license costs.
- An additional \$1.8 million is to be paid in PRESTO commission fees, commensurate with the increase in passenger revenue.

The total projected increase in 2025 expenditures is anticipated to be partially offset by \$2.3 million less operating expenses due to the calendar impacts of having one less calendar day compared to the 2024 leap year, and \$15.1 million of diesel savings, as a result of the removal of the Federal carbon tax, effective April 1, 2025.

Revenues

On a year-to-date basis, revenue was \$11.0 million (3.2%) higher, reflecting the impact of a higher average fare per rider in 2025, despite a 0.4% decrease in ridership over the same time period in 2024.

At year-end, revenue is expected to be \$116.2 million (9.2%) higher than in 2024, as a result of the following key drivers:

- Approximately \$85.2 million in revenue is to be received from the Provincial New Deal Funding Agreement, pertaining to the opening of Line 5 and Line 6.
- Passenger revenue is projected to be \$18.5 million (1.8%) higher in 2025, largely reflecting ridership projected to be 1.2% above 2024 levels as a result of continued ridership recovery and population growth, in addition to an increase in the average fare per rider.
- TTC Stabilization Reserve draws is forecasted to be \$32.0 million higher as a result of foregoing 2024's Stabilization Reserve draws.

The above is partially offset by \$20.7 million of lower ancillary revenue, mainly due to the timing of third-party recoveries.

The 2025 year-to-date and projected year-end operating results versus the 2024 year-end operating results for the TTC Conventional Service is summarized in Table 11 below:

Table 11 – TTC Conventional Service 2025 versus 2024 Results Comparison

Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast		
	2025 Actuals	2024 Actuals	Change	2025 Forecast	2024 Actuals	Change
Revenues						
Passenger Revenue	318.8	319.0	(0.3)	1,037.8	1,019.3	18.5
Ancillary Revenue	32.6	21.4	11.2	98.1	118.8	(20.7)
Provincial Funding Deal	0.0	0.0	0.0	193.2	108.0	85.2
Subtotal Revenues	351.3	340.4	11.0	1,329.2	1,246.1	83.0
TTC Stabilization Reserve Draw	0.0	0.0	0.0	32.0	0.0	32.0
Long-Term Liability Reserve Draw	0.0	0.0	0.0	18.8	17.6	1.2
Total Revenues	351.3	340.4	11.0	1,380.0	1,263.8	116.2
Expenditures						
Departmental Labour	433.1	386.2	46.9	1,393.7	1,273.3	120.4
Departmental Non-Labour	96.0	91.2	4.7	377.8	311.3	66.6
Employee Benefits	163.8	148.6	15.2	497.9	451.3	46.6
Diesel	30.6	30.6	(0.0)	80.5	95.6	(15.0)
Traction Power & Utilities	29.6	25.7	3.9	89.2	74.1	15.2
Other Corporate Costs	39.9	35.0	4.9	158.5	128.1	30.4
Subtotal Expenditures	792.9	717.3	75.6	2,597.6	2,333.6	264.0
TTC Stabilization Reserve Contribution	0.0	0.0	0.0	5.5	0.0	5.5
Long-Term Liability Reserve Contribution	0.0	0.0	0.0	17.0	17.0	0.0
Total Expenditures	792.9	717.3	75.6	2,620.1	2,350.6	269.5
Net Expenditure (Funding Required)	441.6	376.9	64.6	1,240.1	1,086.8	153.3

Wheel-Trans Service: 2025 Operating Results by Key Account Grouping and Comparison to 2024

On a year-to-date basis, Wheel-Trans expenses were \$0.6 million (1.0%) above budget mainly due to higher contracted taxi costs and bus service costs driven by higher ridership demand, partially offset by lower fuel pricing and employee benefit costs. Revenue was \$0.1 million (3.4%) above budget due to higher ridership levels as a result of an unanticipated increase in trip frequency per registrant.

Year-end expenditures are anticipated to be \$3.8 million or 2.1% above the 2025 approved expenditure budget. This is primarily driven by the continuation of higher-than-anticipated ridership levels, thereby requiring additional bus and contracted taxi services to accommodate the projected ridership demand to year-end.

Year-end revenues are anticipated to be above budget by \$0.3 million (2.7%), driven by higher ridership levels resulting from higher-than-anticipated growth in both new registrants and trip frequency per registrant. With ridership at 3.8% above budget in the first four months of the year, this trend is expected to continue for the remainder of the year.

Overall, the projected net over-expenditure on Wheel-Trans Service of \$3.5 million (2.0%) is summarized in Table 12 below:

Table 12 – 2025 Wheel-Trans Service: 2025 Operating Results by Key Account Grouping

Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast			Status
	Budget	Actual	Variance	Budget	Forecast	Variance	
Revenues							
Passenger Revenue	2.6	2.7	0.1	8.8	9.1	0.3	✓
Long-Term Liability Reserve Draw	0.0	0.0	0.0	0.6	0.6	0.0	-
Total Revenues	2.6	2.7	0.1	9.4	9.7	0.3	✓
Expenditures							
Bus Service	18.8	19.0	0.2	57.7	58.9	1.1	✗
Vehicle Fuel	1.3	1.1	(0.2)	4.0	3.0	(0.9)	✓
Contracted Taxi	22.5	23.5	1.0	79.8	83.2	3.4	✗
Employee Benefits	7.2	6.8	(0.3)	22.4	22.4	0.0	-
Administration/Management	5.7	5.7	0.0	18.1	18.3	0.2	✗
Subtotal Expenditures	55.5	56.1	0.6	182.0	185.8	3.8	✗
Long-Term Liability Reserve Contribution	0.0	0.0	0.0	0.6	0.6	0.0	-
Total Expenditures	55.5	56.1	0.6	182.6	186.4	3.8	✗
Net Expenditure (Funding Required)	52.9	53.4	0.5	173.2	176.7	3.5	✗

Wheel-Trans Service: 2025 versus 2024 Results Comparison

As noted in Table 13 below, Wheel-Trans expenses were \$5.8 million (11.5%) higher and revenue was \$0.3 million (11.7%) higher on a year-to-date basis compared to 2024, primarily due to increased ridership demand driven by growth in new registrants and the resultant requirements for Contracted Taxi services and Bus service costs.

Year-end passenger revenue is projected to be \$1.0 million (12.0%) higher in 2025 than in 2024, largely reflecting the impact of ridership trending above anticipated levels over the course of 2025. For the full year, ridership is expected to be 15.6% higher compared to 2024.

Year-over-year expenditures are estimated to be \$20.9 million (12.6%) higher in 2025 than in 2024. Key drivers of this net increase include:

- Gradual return in ridership demand resulting in increased requirements for contracted taxi services and bus service, including Operator and maintenance costs.
- Inflationary impacts on materials and contracted taxi services.
- Employee benefits inflationary cost and utilization increases.

Table 13 – Wheel-Trans Service: 2025 versus 2024 Results Comparison

Item (\$Millions)	Year-To-Date Actuals			Year-End Forecast		
	2025 Actuals	2024 Actuals	Change	2025 Forecast	2024 Actuals	Change
Revenues						
Passenger Revenue	2.7	2.4	0.3	9.1	8.0	1.1
Long-Term Liability Reserve Draw	0.0	0.0	0.0	0.6	0.6	(0.0)
Total Revenues	2.7	2.4	0.3	9.7	8.6	1.0
Expenses						
Bus Service	19.0	18.2	0.8	58.9	57.2	1.7
Vehicle Fuel	1.1	1.2	(0.2)	3.0	3.7	(0.6)
Contracted Taxi	23.5	19.1	4.4	83.2	67.4	15.8
Employee Benefits	6.8	6.2	0.6	22.4	19.5	2.9
Administration/Management	5.7	5.6	0.1	18.3	17.2	1.1
Subtotal Expenditures	56.1	50.3	5.8	185.8	164.9	20.9
Long-Term Liability Reserve Contribution	0.0	0.0	0.0	0.6	0.6	0.0
Total Expenditures	56.1	50.3	5.8	186.4	165.5	20.9
Net Expenditure (Funding Required)	53.4	47.9	5.5	176.7	156.8	19.8

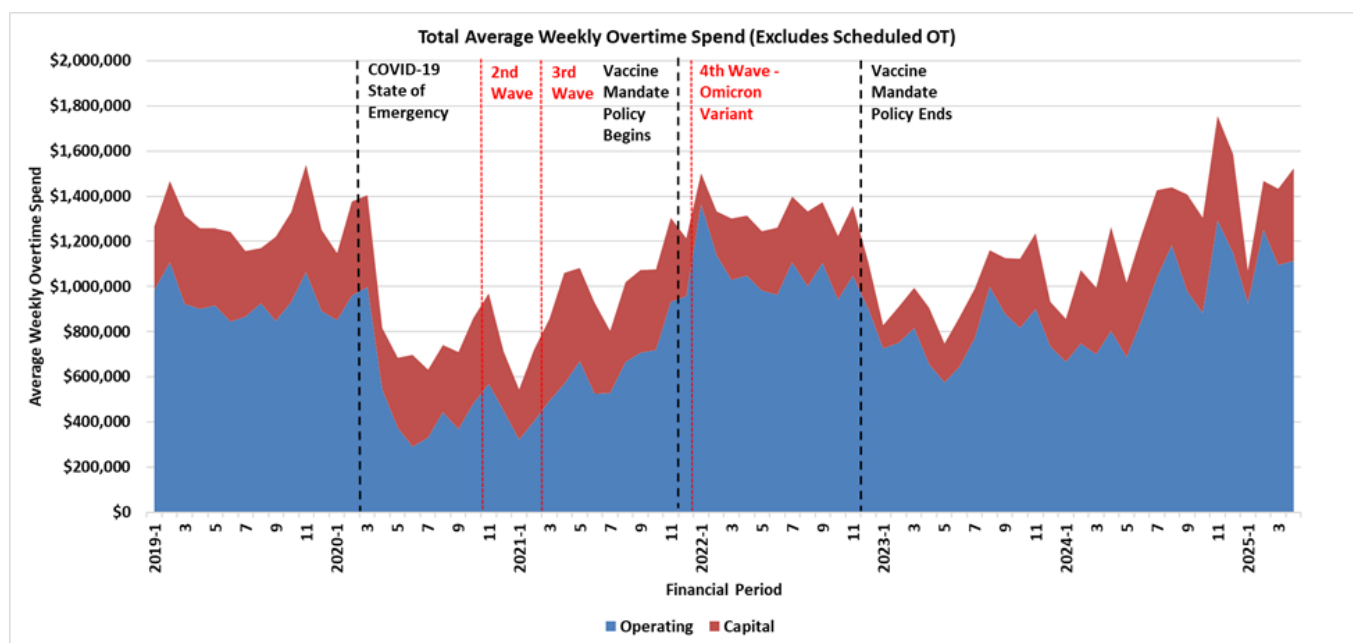
Appendix 2 – Overtime Management

Overtime Management

The management of overtime expenses continues to be a key area of focus for the TTC, and one that contributes to meeting the TTC's objective of improving its financial sustainability. Overtime expenditures are incurred to meet both operating and capital needs. Operating requirements are driven by the need to address incident response and absence coverage, and capital overtime support efforts to maximize productivity, while minimizing disruption during capital project delivery.

Excluding overtime required for scheduled service, Chart 3 below shows that average weekly overtime spending (operating and capital combined) to the end of Period 4 has increased to an average of \$1.4 million per week in 2025 from \$1.0 million per week in 2024 for the same period, representing an increase of approximately 33%. The increase in overtime was mainly due to inclement weather in 2025 resulting in additional requirements from Signals, Stations, and Maintenance Staff, combined with lower workforce availability within the Operations & Infrastructure Group and the Vehicle Maintenance Departments.

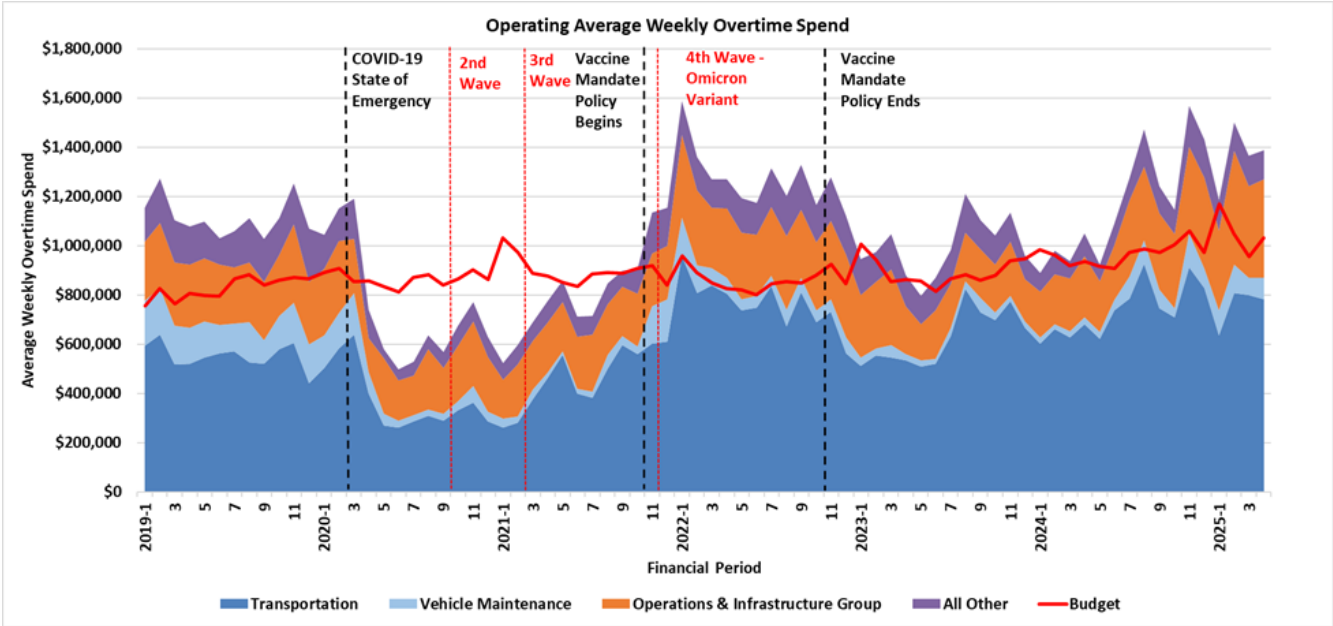
Chart 3 – Total Average Weekly Overtime Spending



Operating Overtime

Consistent with the overall trend noted above, operating overtime in the first four months of 2025 increased approximately 42% compared to 2024, as illustrated in Chart 4 below. This was driven mainly by an increase in the need for overtime within the Operations & Infrastructure Group and the Vehicle Maintenance Departments, as noted in the overtime management commentary above. Despite this increase in overtime, overall labour spending is anticipated to be mitigated throughout the remainder of the year as overtime is mainly being used for filling open work and vacant positions where required. Emphasis continues to be placed on absence management and recruitment activities to increase workforce availability, which in turn will reduce the reliance on overtime to meet and maintain service levels.

Chart 4 – Operating Average Weekly Overtime Spending



Appendix 3 – 2025 Capital Spending Summary by Program

2025 Capital Budget Variance Reporting for the Period Ended April 26, 2025

EXPENDITURES BY PROGRAM	Year-to-Date				2025 Year-end Results			
	Budget	Actuals	Variance	%	Budget	Year-end Proj.	Variance	%
TRACK	16.341	25.810	9.469	158%	58.146	90.480	32.334	156%
1.1 Subway Track	8.011	11.711	3.700	146%	23.452	43.411	19.959	185%
1.2 Surface Track	8.330	14.100	5.770	169%	34.694	47.069	12.375	136%
ELECTRICAL SYSTEMS	23.862	21.374	(2.488)	90%	114.566	122.601	8.034	107%
2.1 Traction Power	5.350	5.514	0.164	103%	29.282	32.710	3.428	112%
2.2 Power Distribution/Electric Systems	1.184	1.352	0.168	114%	9.672	10.019	0.347	104%
2.3 Communications	4.449	3.314	(1.135)	74%	13.795	14.901	1.106	108%
2.4 Signal Systems	7.108	4.690	(2.419)	66%	41.182	42.175	0.993	102%
ATC Resignalling	5.771	6.504	0.733	113%	20.635	22.796	2.161	110%
BUILDINGS & STRUCTURES	118.103	104.565	(13.538)	89%	516.560	545.663	29.103	106%
3.1 Finishes	9.178	5.859	(3.319)	64%	32.323	32.004	(0.319)	99%
3.2 Equipment	16.376	11.985	(4.391)	73%	97.053	85.025	(12.029)	88%
3.3 Yards & Roads								
Streetcar Network Upgrades & BRT	0.148	0.011	(0.137)	8%	0.376	0.445	0.069	118%
On-Grade Paving Rehabilitation Program	1.521	1.832	0.311	120%	5.923	8.529	2.605	144%
Bicycle parking at stations	0.000	0.000	0.000		0.000	0.000	0.000	
Transit Shelters & Loops	0.000	0.001	0.001		0.326	0.376	0.050	115%
3.4 Bridges & Tunnels	12.537	11.162	(1.375)	89%	40.916	44.893	3.976	110%
3.9 Buildings and Structures Projects								
Fire Ventilation Upgrades & Second Exits	2.032	2.652	0.620	131%	20.618	19.278	(1.340)	93%
Easier Access Phase III	36.667	28.908	(7.758)	79%	123.269	134.860	11.591	109%
Leslie Barns	0.035	(0.007)	(0.043)	-20%	0.356	0.390	0.034	110%
Toronto Rocket/T1 Rail Yard Accommodation	1.233	1.903	0.670	154%	4.212	5.900	1.688	140%
McNicol New Bus Garage	0.054	0.354	0.301	657%	0.263	0.555	0.292	211%
Warehouse Consolidation	0.079	0.079	0.000	100%	0.397	0.397	0.000	100%
Yonge-Bloor Capacity Enhancement	10.152	16.314	6.162	161%	60.350	77.778	17.428	129%
Line 1 Capacity Enhancement	6.136	5.749	(0.387)	94%	21.824	22.277	0.453	102%
Line 2 Capacity Enhancement	2.621	3.175	0.554	121%	10.153	10.758	0.605	106%
Other Buildings and Structures	19.333	14.586	(4.747)	75%	98.200	102.198	3.998	104%
VEHICLES	158.201	189.361	31.160	120%	799.875	630.374	(169.501)	79%
REVENUE VEHICLES								
4.11 Purchase of Buses	57.205	85.334	28.129	149%	465.594	294.981	(170.613)	63%
4.11 Purchase of Buses - Wheel Trans Buses	3.826	4.031	0.205	105%	11.802	10.879	(0.923)	92%
4.12 Purchase of Subway Cars	0.580	0.557	(0.023)	96%	1.994	1.994	0.000	100%
4.13 Bus Overhaul	20.994	20.655	(0.339)	98%	68.309	68.888	0.580	101%
4.15 Streetcar Overhaul	7.951	11.344	3.393	143%	35.962	35.962	0.000	100%
4.16 Subway Car Overhaul	13.166	13.018	(0.149)	99%	46.467	46.467	0.001	100%
4.18 Purchase of Streetcars	52.769	52.774	0.005	100%	142.675	142.623	(0.052)	100%
NON-REVENUE VEHICLES								
4.21 Purchase Automotive Non-Revenue Vehicles	1.144	1.159	0.015	101%	22.801	24.305	1.504	107%
4.22 Rail Non-Revenue Vehicle Overhaul	0.480	0.452	(0.028)	94%	3.757	3.758	0.001	100%
4.23 Purchase Rail Non-Revenue Vehicles	0.087	0.038	(0.049)	43%	0.515	0.516	0.001	100%
TOTAL OTHER	27.997	20.278	(7.719)	72%	167.165	146.942	(20.223)	88%
TOOLING, MACHINERY & EQUIPMENT								
5.1 Shop Equipment	1.778	1.746	(0.031)	98%	14.995	15.103	0.107	101%
5.2 Revenue & Fare Handling Equipment	0.138	0.164	0.026	119%	7.833	7.833	0.000	100%
5.3 Other Maintenance Equipment	0.373	0.316	(0.057)	85%	4.353	3.366	(0.988)	77%
5.4 Fare System	0.264	0.110	(0.154)	42%	2.254	2.256	0.001	100%
ENVIRONMENTAL PROGRAMS								
6.1 Environmental Programs	2.724	2.534	(0.190)	93%	8.918	11.256	2.338	126%
6.1 Safety and Reliability	0.265	0.160	(0.105)	60%	1.615	1.615	0.000	100%
COMPUTER EQUIPMENT & SOFTWARE								
7.1 Computer Equipment & Software	20.850	13.780	(7.070)	66%	97.299	77.643	(19.656)	80%
OTHER								
9.1 Furniture & Office Equipment	0.075	(0.001)	(0.076)	-1%	0.626	0.626	0.000	100%
9.2 Service Planning	1.529	1.468	(0.061)	96%	29.272	27.246	(2.026)	93%
Total Base Programs	344.504	361.389	16.884	105%	1,656.313	1,536.060	(120.253)	93%
Toronto York Spadina Subway Extension	0.648	0.683	0.035	105%	57.878	57.994	0.116	100%
SRT Conversion to Busway	1.550	1.654	0.104	107%	17.803	15.515	(2.288)	87%
Waterfront Transit - Design	0.020	0.025	0.004	122%	0.091	0.090	(0.001)	98%
Total Transit Expansion Projects	2.219	2.362	0.143	106%	75.773	73.599	(2.173)	97%
Total Base & Transit Expansion Projects	346.723	363.751	17.028	105%	1,732.085	1,609.659	(122.426)	93%

Appendix 4 – 2025-2034 Capital Budget and Plan Adjustments for Council Approval

CTT	Program	2025 Recommended Capital Budget Adjustments (\$000s)	2026-2034 Recommended Capital Budget Adjustments (\$000s)	Comments
CTT001	Subway Track	(\$12,672)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT002	Surface Track	(\$2,277)	(\$721)	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT003	Traction Power	(\$3,002)	(\$816)	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT005	Power Distribution/Electric Systems	\$540	\$497	Reallocation of funding to Subway Station Lighting Replacement and PA system
CTT006	Communications	(\$1,988)	(\$1,709)	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT008	Signal Systems	\$3,410	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT010	Finishes	\$3,180	\$2,784	Reallocation of funding to Station Rehabilitation Program
CTT012	Equipment	\$5,487	\$161	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT015	Yards & Roads	\$117	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT018	On-Grade Paving Rehabilitation Program	(\$2,520)	(\$111)	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT020	Bridges & Tunnels	(\$1,865)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT024	Fire Ventilation Upgrade	\$1,161	\$500	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT028	Easier Access Phase II & III	(\$8,201)	\$2,550	Acceleration of project and Return of funding borrowed to accommodate 2024 overspending
CTT035	Sheppard Subway - Yonge to Don Mills	\$1,499	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT045	Replacement Wheel-Trans Vehicles	\$0	\$165	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT046	Subway Car Purchases	\$0	\$395	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT051	Subway Car Overhaul Program	(\$1,034)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT052	Automotive Non-Revenue Vehicles	(\$1,505)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT053	Rail Non-Revenue Vehicle Overhaul	(\$366)	\$55	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT055	Tools & Shop Equipment	\$1,508	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT056	Fare Handling Equipment	\$3,484	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT058	Environmental Programs	(\$2,500)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT061	Information Technology Systems-Infrastructure	\$8,400	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT063	Other Service Planning	(\$1,234)	(\$725)	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT064	Transit Shelters & Loops	(\$50)	(\$50)	Reallocation of funding to complete a condition assessment study to assess the condition of shelters at St. Clair West Station Loop
CTT110	Other Buildings & Structures Projects	(\$9,651)	(\$2,931)	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT111	Purchase of Buses	\$1,055	\$2,106	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT122	Purchase of Streetcars	\$13,191	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT130	Kipling Station Improvements	\$100	\$0	Reallocation of funding to cover work under Kipling Stn Improvements East Entrance PPUDO
CTT134	TYSSE	\$14,917	\$116	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT141	Fare System	\$979	\$82	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT142	YUS ATC Resignalling	(\$2,161)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT145	Leslie Barns Maintenance & Storage Facility	(\$34)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT146	TR Yard and Tail Track Accommodation	(\$1,688)	\$0	Reallocation of funding to cover Phase 4 Construction Contract Change Allowance for Easier Access III Greenwood Station
CTT147	Scarborough Subway Extension	\$2,288	(\$4,100)	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT148	McNicoll Bus Garage Facility	\$24	\$303	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT151	Waterfront Transit	(\$30)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT152	Safety Program	\$165	\$0	Return of 2024 underspending used as offset for 2024 overspending (project acceleration / cost escalation)
CTT153	Warehouse Consolidation	(\$4)	\$0	Reallocation of savings as warehouse consolidation of Vehicle Engineering Shop Equipment is complete
CTT154	Corporate Initiatives-CLA	(\$1,367)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT155	Bloor-Yonge Capacity Improvements	(\$2,587)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT156	Line 1 Capacity Enhancement	(\$2,258)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
CTT157	Line 2 Capacity Enhancement	(\$1,062)	\$0	Return of funding borrowed to accommodate 2024 overspending (project acceleration / cost escalation)
Total Adjustments		\$1,450	(\$1,450)	