



For Action with Confidential Attachment

Financial and Major Projects Update for the Year Ended December 31, 2025

Date: April 16, 2026

To: TTC Board

From: Interim Chief Financial Officer

Reason for Confidential Information

This report contains information about a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the City or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

Recommendations

It is recommended that the TTC Board:

1. Approve the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$61.9 million with projects that have experienced delays and lower spending by \$61.9 million, with no debt impact, as outlined in Appendix 4 of this report.
2. Approve expenditure and funding adjustments to the TTC's 2025 Capital Budget for the Equipment program (CTT012) by increasing the 2025 Budget by \$0.3 million to reflect the incremental third-party funding received from PowerON, with no debt impact, as outlined in Appendix 4 of this report.
3. Approve expenditure and funding adjustments to the TTC's 2025 Capital Budget for the Bridges and Tunnels program (CTT020) by increasing the 2025 Budget by \$0.6 million to reflect the incremental third-party funding received from Crosslinx, with no debt impact, as outlined in Appendix 4 of this report.
4. Authorize the recommended budget adjustments noted in Recommendations 1, 2 and 3 above, and in the TTC's 2025-2034 Capital Budget and Plan, be included in the TTC's Capital Variance Report submission for the 12 months ended December 31, 2025, for City Council consideration and approval.
5. Authorize that the information contained in Confidential Attachment 1 remain confidential as it contains information about a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the City or local board, which, if disclosed, could reasonably be expected to prejudice

significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

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 year ended December 31, 2025.¹

Preliminary year-end results indicate a net favourable operating variance of \$0.1 million, with a \$120.6 million (8.2%) revenue shortfall, fully offset by \$120.7 million (4.2%) in under-expenditures. The unfavourable revenue variance was driven by lower Provincial Funding due to the deferred opening of Lines 5 and 6, lower-than-anticipated ridership driving reduced passenger revenue, and reduced draws from the TTC Stabilization Reserve, partially offset by higher ancillary revenues from third-party recoveries. The favourable expenditure variance was primarily due to the delayed opening of Line 5 and Line 6, lower than anticipated service costs resulted from project delays, diesel savings, labour and benefits savings associated with workforce vacancies, and lower PRESTO fees consistent with reduced passenger revenue.

Based on year-end results, the capital expenditures incurred for the TTC's base capital program totalled \$1.640 billion, representing a year-end spending rate of 92.0% of the 2025 Approved Capital Budget. In addition, the TTC also incurred \$20.7 million or 96.9% of the 2025 Approved Capital Budget to continue the capital work program for transit-expansion related initiatives. Combined, the TTC's preliminary year-end spending reached \$1.661 billion, representing a 92.1% spending rate overall as noted in Table 3.

The preliminary financial results are subject to the year-end audit process, and the audited financial statements will be presented to the Audit and Risk Management Committee on May 26, 2026, and the TTC Board on June 3, 2026.

¹ Financials are reported as of December 31, 2025, while the qualitative information reflects updates as of March 20, 2026, to aligned with MPU (Major Projects) report.

Background and Analysis

2025 Operating Budget: Financial Update

Table 1 – TTC and Wheel-Trans Preliminary Year-End Operating Results

Description (\$Millions)	Preliminary Year-End Results		
	Budget	Actual	Variance
Revenue			
TTC Conventional			
Passenger Revenue	1,070.4	1,020.5	(50.0)
Ancillary Revenue	136.7	142.4	5.7
Wheel-Trans Revenue	9.0	8.9	(0.1)
Subtotal Revenues	1,216.0	1,171.7	(44.3)
Provincial Funding	203.1	135.7	(67.5)
TTC Stabilization Reserve Draw	32.0	22.9	(9.1)
Long-Term Liability Reserve Draw	19.4	19.7	0.3
Total Revenue	1,470.6	1,350.0	(120.6)
Expenditures			
TTC Conventional	2,652.2	2,534.2	(118.0)
Wheel-Trans	182.1	184.9	2.8
Subtotal Expenditures	2,834.3	2,719.1	(115.3)
TTC Stabilization Reserve Contribution	5.5	0.0	(5.5)
Long-Term Liability Reserve Contribution	17.6	17.6	0.0
Total Expenditures	2,857.4	2,736.7	(120.7)
Net Expenditure (Funding Required)	1,386.7	1,386.6	(0.1)

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 Preliminary Operating Results

For the year ending December 31, 2025, the TTC Conventional and Wheel-Trans Services incurred expenditures of \$2.737 billion gross and \$1.386 billion net against a budget of \$2.857 billion gross and \$1.387 billion net, resulting in a net favourable operating variance of \$0.1 million.

2025 Revenues

The \$120.6 million (8.2%) unfavourable revenue variance was primarily due to:

- \$67.5 million of lower Provincial Funding resulting from delayed timing of expenditures for Line 5 and Line 6 that are eligible for reimbursement under the New Deal Agreement.
- \$50.0 million of lower-than-planned TTC conventional passenger revenue driven by ridership achieving 94% of the 2025 budgeted levels. The lower-than-anticipated ridership growth reflects an unexpectedly softer economic environment experienced in the year.

- \$9.1 million of reduced draws from the TTC Stabilization Reserve due to delays in one-time variation costs for Line 5 and Line 6.

Partially offset by:

- \$5.7 million of increased ancillary revenue driven by higher-than-anticipated third-party recoveries.

2025 Expenditures

The \$120.7 million (4.2%) favourable expenditure variance was primarily due to:

- \$56.8 million of departmental non-labour favourability including \$42.7 million for delayed timing of expenditures to support the planned opening of Line 5 and Line 6, \$7.2 million from lower Information Technology (IT) costs resulting from delays in the implementation of software rollouts, \$4.7 million from lower-than-anticipated vehicle maintenance parts, garage and equipment expenses, and \$2.4 million from delayed timing of planned expenditures for materials and services.
- \$41.1 million of favourable corporate costs, primarily due to lower than anticipated overhead charges, increased capitalization of costs, favourable year-end provision adjustments and lower PRESTO commission fees, consistent with the decrease in passenger revenue.
- \$8.9 million of diesel cost savings following the removal of the Federal Carbon Tax, effective April 1, 2025 and the permanent reduction in the Provincial Fuel Tax effective July 1, 2025.
- \$5.5 million by forgoing contributions to the TTC Stabilization Reserve to address financial pressures.
- \$5.4 million of lower employee benefits costs driven by fewer WSIB claims.
- \$3.8 million in lower labour costs due to workforce vacancies, including those related to the delayed opening of Line 5 and Line 6.

Partially offset by \$2.7 million unfavourable Wheel-Trans expenditures driven by higher ridership demand.

Key Operating Budget Indicators

The TTC's operating results are primarily driven by six key indicators. These indicators impacted spending and revenues, as well as provides the basis for the 2025 Preliminary Operating Results.

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 (\$1.407 billion) and non-labour expenses (\$383.1 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 2 below:

Table 2 – Summary of Key 2025 Operating Budget Indicators

Item	Preliminary Year-End Results			Status
	Budget	Actual	Variance	
TTC Conventional Ridership	439.4M	413.1M	(26.3M)	✘
TTC Average Fare (\$)	2.44	2.47	0.03	✔
TTC Actual Operating Service Hours	9.53M	9.75M	0.22M	✔
Price of Fuel (\$/litre)	1.34	1.16	(0.18)	✔
Price of Electric Power (\$/kWh)	0.15	0.16	0.01	✘
Wheel-Trans Ridership	4.02M	4.12M	0.1M	✔

TTC Conventional Revenue Ridership

On a full year basis, 2025 TTC Conventional ridership totalled 413.1 million, representing 98.4% of prior year's 2024 full year ridership of 419.9 million. Weekly ridership trended below budgeted levels throughout 2025, with 2025 full year ridership at 94.0% of budget and 26.3 million rides below the 2025 budgeted level of 439.4 million.

While still subject to year-end audit adjustments, 2025 full year TTC Conventional passenger revenue totalled \$1.021 billion, 100.1% of 2024 full year passenger revenue of \$1.019 billion. As illustrated in Chart 1 below, TTC Conventional passenger revenue trended below budgeted levels throughout 2025 with full year 2025 passenger revenue at 95.3% of budgeted levels and resulting in an unfavourable variance of \$50.0 million (\$47.7 million net of PRESTO commission).

This unfavourable passenger revenue variance was driven by lower-than-anticipated ridership growth, due to an unexpected softer economic environment experienced in 2025; a decrease in post-secondary student ridership due to a decrease in international students; as well as inclement weather experienced during Q1 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 (full year average fare budget at \$2.44 versus actual at \$2.47).

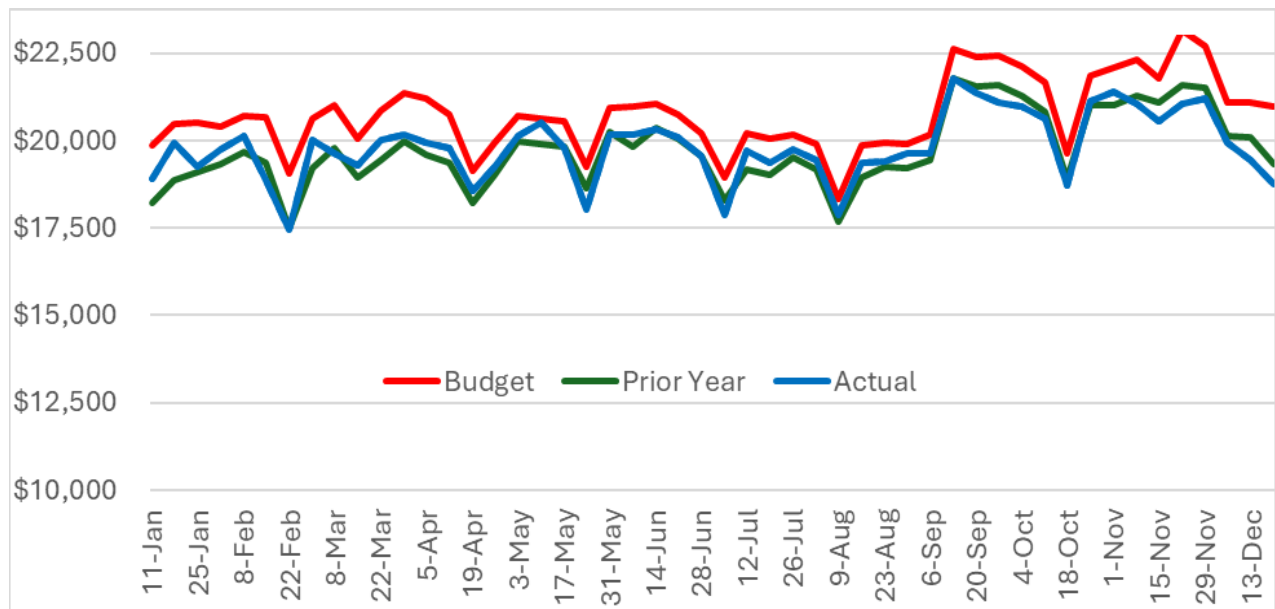
In 2025, several employers announced changes to their in-office work policies, increasing the required number of in-office workdays starting Fall 2025. However, as seen below in Chart 1, TTC Conventional passenger revenue slightly worsened against expectations starting Fall 2025, with the gap between actual passenger revenue and budget increasing:

- Period 9 to Period 12 2025 passenger revenue averaged 94% of budget versus Period 1 to Period 8 2025 average of 96% of budget.

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.

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



Service Hours

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

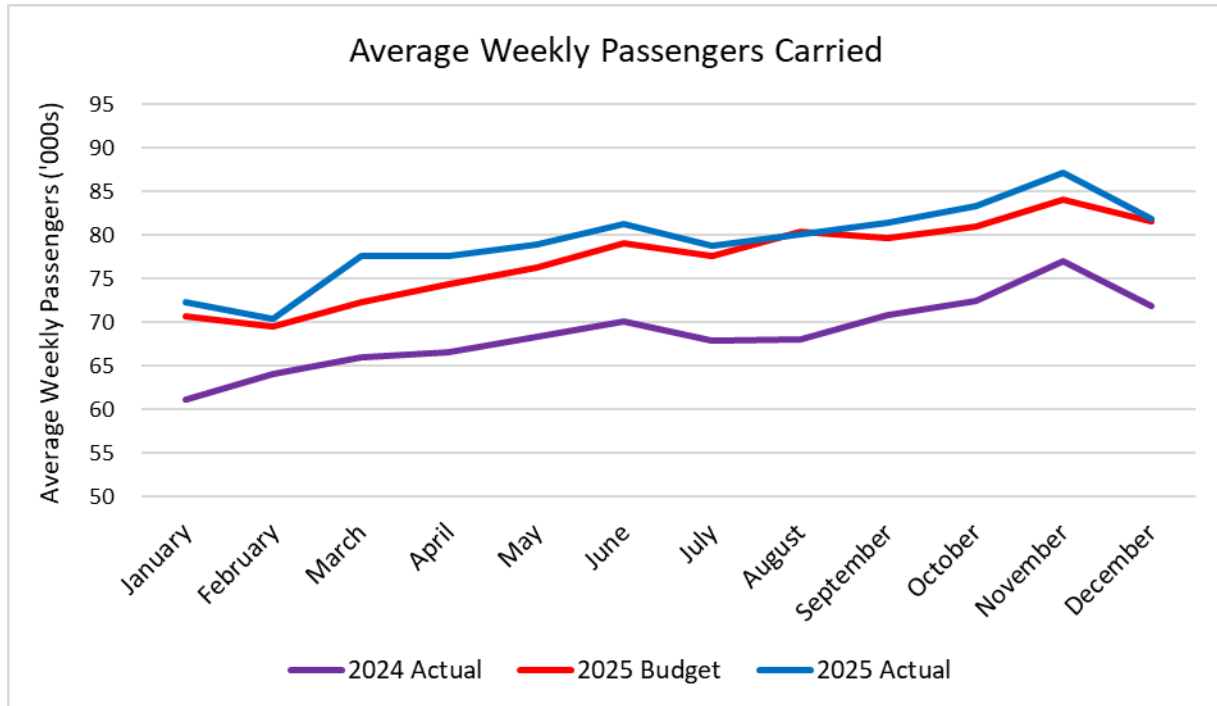
Diesel Fuel

Overall, diesel prices averaged \$1.16 per litre for the year, coming in below the budgeted price of \$1.34 per litre. The TTC benefitted from lower diesel prices through the year due to the removal of the Federal Carbon Tax and the permanent reduction in the Provincial Fuel Tax. In April, the Federal government eliminated Carbon Pricing for consumers, effective April 1st, 2025, reducing the diesel fuel charge by 25.4 cents per litre. In May, the Ontario government announced the permanent removal of the provincial fuel tax, which was temporarily set at 5.3 cents per litre for diesel fuel and was scheduled to end on June 30, 2025.

Wheel-Trans Ridership

As shown in Chart 2 below, Wheel-Trans ridership experienced steady growth in 2025, ending the year 2.4% above budget and 15% higher than 2024. This increase was driven by higher than anticipated new registrants and trip frequency per registrant.

Chart 2 – 2025 Average Weekly Wheel-Trans Passenger Ridership



2025 Capital Budget: Financial Update

2025 Preliminary Year-End Capital Results and Year-End Variance

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.

Based on the preliminary year-end results, expenditures incurred for the TTC’s base capital program totalled \$1.640 billion, representing a year-end spending rate of 92.0% of the 2025 Approved Capital Budget. The TTC incurred a further \$20.7 million or 96.9% of the 2025 Approved Capital Budget to continue the capital work program for transit-expansion-related initiatives. Combined, the TTC’s preliminary year-end spending reached \$1.661 billion, representing a 92.0% spending rate, as noted in Table 3.

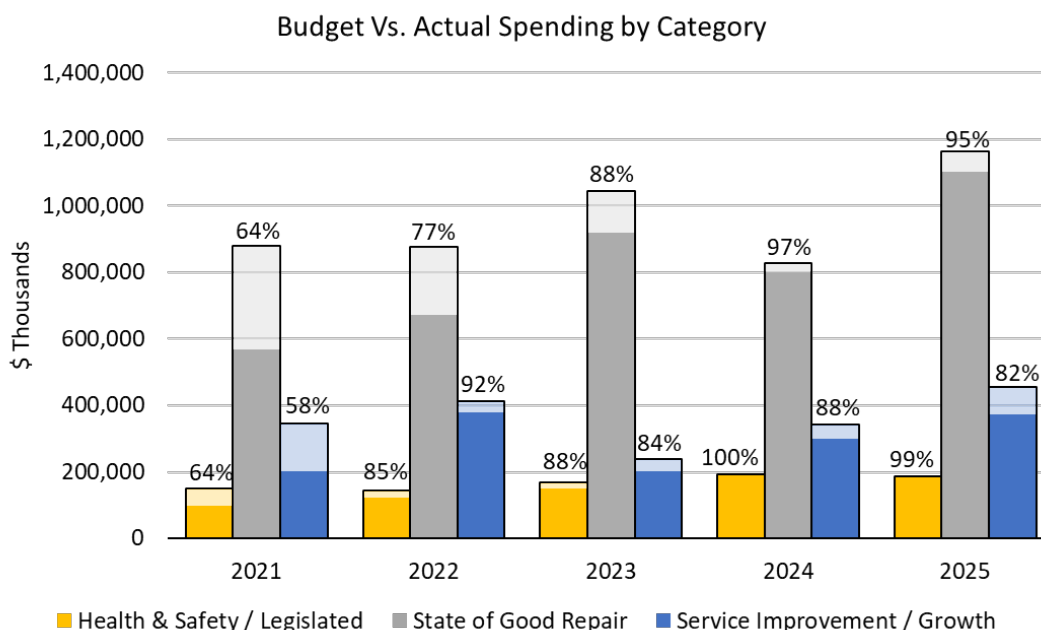
Table 3 – 2025 Preliminary Capital Results

Description (\$ Millions)	2025			
	Budget	Actual	Variance	%
TTC Base Capital				
Infrastructure Projects	930.4	801.2	(129.2)	86.1%
Vehicle Related Projects	853.1	838.9	(14.2)	98.3%
Total - Base Capital	1,783.5	1,640.1	(143.4)	92.0%
TTC Transit Expansion-Related Projects				
Toronto-York-Spadina Subway Extension	5.7	5.4	(0.3)	94.6%
SRT Conversion to Busway	15.4	15.1	(0.3)	97.9%
Waterfront Transit - Design	0.3	0.2	(0.1)	87.0%
Total - Transit Expansion Related Projects	21.4	20.7	(0.7)	96.9%
Total	1,804.9	1,660.8	(144.1)	92.0%

2021-2025 Base Capital Program Spending Rates

Chart 3 below provides the TTC’s 2025 spending rate by project category for its base capital program and compares this to the TTC’s experience over the previous five years.

Chart 3 – 2021-2025 Base Capital Program Spend Rate by Category



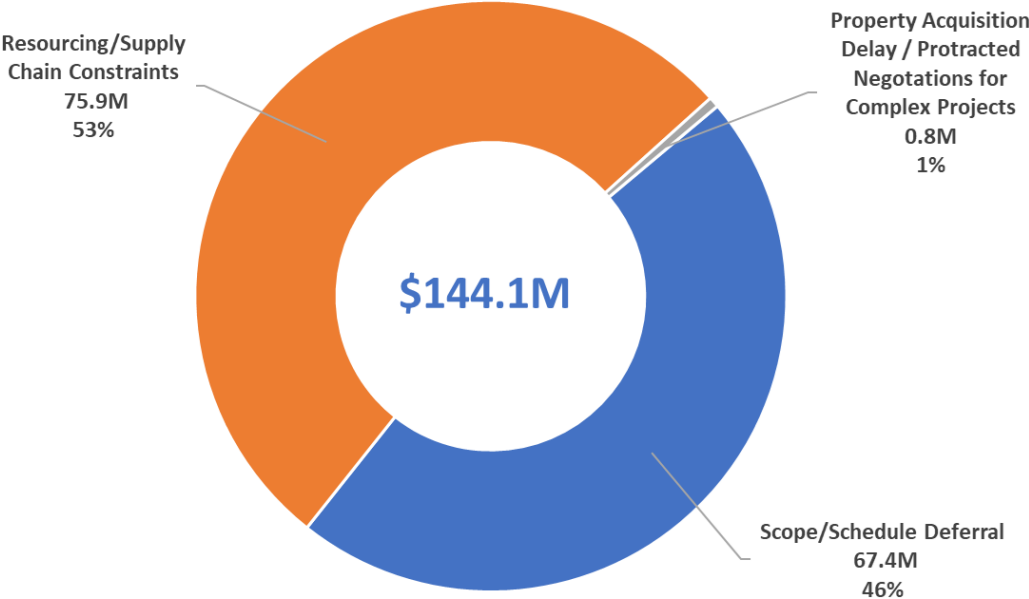
As shown in the graph above, spending is consistent across all project categories compared to prior years. Spending in the Health & Safety and Legislated project categories has decreased slightly from 100% to 99%, mainly due to Easier Access. Service Improvement and Growth project categories have a spending rate of 82%, primarily driven by Purchase of Streetcar Project and Bloor-Yonge Capacity Improvements Project. Total spending in the State of Good Repair category increased by \$335.7 million compared to the previous year, which is mainly driven by Track work, the procurement of vehicles and the vehicle overhaul programs.

The overall spending trends reflect the TTC’s annual recalibration of its Capital Budget and Plan, ensuring better alignment of annual cash flow estimates with actual spending, project readiness, activities, and timelines. This approach helps TTC maximize the use of available capital funding it receives.

2025 Capital Budget Underspending

The TTC’s capital year-end underspending of \$144.1 million in 2025 was impacted by various factors, including, but not limited to: scope/schedule deferrals; resourcing and supply chain constraints; and adjustments to project schedules due to dependencies with third parties and other projects. The underspending, summarized by the key drivers, is outlined in Chart 4 below.

Chart 4 – 2025 Total Variance by Key Driver



Approximately 53% (\$75.9 million) of the underspending was primarily due to labour shortages and procurement delays impacting projects such as Computer Equipment and Software-related projects including SAP – ERP Implementation; EAM Systems; ModernTO Information Management & Digitization and Networking SOGR.

Another 46% (\$67.4 million) of the underspending was primarily due to deferral of project scope and/or schedules with eBus Charging Systems shifting 150 charge points from Q4 2025 into the Q1-Q3 2026, along with the deferral of the Queensway facility feasibility study (completed in January 2026) as primary driver.

Lastly, approximately 1% (\$0.8 million) combined underspending was caused by delays associated with the need to maintain alignment with third parties who were experiencing delays in supporting or co-ordinating capital work, as well as protracted negotiations for complex projects.

Key Project Variances by Project Mode

The TTC's 2025 capital budget spending variance for Infrastructure programs are mainly attributable to the following capital projects: Equipment, Computer Equipment and Software, Service Planning projects Other Building & Structures Projects. In the Vehicle Category, the primary drivers are the Purchase of Streetcars project, Purchase of Wheel-Trans Buses project and Rail Non-Revenue Vehicle Overhaul Project. Table 4 below summarizes the year-end results by key project type.

Table 4 – 2025 Preliminary Capital Budget Results and by Key Project Mode

Description (\$ Millions)	2025			
	Budget	Actual	Variance	%
TTC Base Capital				
Subway Projects	746.6	737.3	(9.3)	98.8%
Bus Projects	540.8	477.8	(63.0)	88.3%
Streetcar Projects	276.7	267.8	(8.9)	96.8%
Facility Projects	62.2	55.4	(6.8)	89.0%
Network Wide Projects	157.2	101.8	(55.4)	64.7%
Total - Base Capital	1,783.5	1,640.1	(143.4)	92.0%
TTC Transit Expansion-Related Projects				
Toronto York Spadina Subway Extension	5.7	5.4	(0.3)	94.6%
SRT Conversion to Busway	15.4	15.1	(0.3)	97.9%
Waterfront Transit - Design	0.3	0.2	(0.1)	87.0%
Total - Transit Expansion Related Projects	21.4	20.7	(0.7)	96.9%
Total	1,804.9	1,660.8	(144.1)	92.0%

Subway Projects

Rail Non-Revenue Vehicle Overhaul

\$2.1 million or 57% of the 2025 Approved Capital Budget of \$3.8 million was spent in 2025. The underspend was primarily driven by the Workcars Overhaul project schedule slippage (Workcar Hydraulics and workcar RT8), as well as a shift in the overall program direction. Based on a high-level assessment, considering the age of the vehicles (workcar RT27 and RT40), it was determined that the estimated costs associated with the overhaul versus procurement were comparable. As a result, the program adjusted to directly procuring new vehicles, which resulted in lower spending for the year.

Bus Projects

eBus Charging Systems

A total of \$17.5 million was spent in 2025, representing 29% of the 2025 Approved Capital Budget of \$59.5 million. The underspend is a result of shifting installation for 150 charge points from Q4 2025 into the Q1-Q3 2026, along with the deferral of the Queensway facility feasibility study (completed in January 2026). Furthermore, the initial

approval and first milestone payment for the next phases of the eBus Charging Systems Program was also deferred to 2026.

Purchase of Wheel Trans Buses

\$10.1 million or 86% of the 2025 Approved Capital Budget of \$11.8 million was spent in 2025. The variance stems from necessary configuration updates and deferral of contingency funds for gasoline units as well as the updated delivery timeline for the new electric (eWheel-Trans) Pilot units into 2026, with deliveries commencing in Q4 2026.

Facility Projects

Other Building and Structures Programs

\$69.6 million or 80% of the 2025 Approved Capital Budget of \$86.8 million was spent in 2025. The underspend is mainly driven by the Pattison Digital (slower-than-anticipated progress and deferred activities due to resource constraints), Decarbonization of TTC Facilities (design revisions resulting in the deferral of one site location), and Energy Efficient Retrofit (resource constraints as well as equipment procurement deferral to 2026) projects.

Network Wide Projects

Computer Equipment & Software

\$61.7 million or 63% of the 2025 Approved Capital Budget of \$97.9 million was spent in 2025. The variance was driven by external vendor onboarding delays and internal resource constraints for Enterprise Asset Management (EAM) System Project, along with the deferral of work plans and delays in the Request for Proposal (RFP) for the SAP Program's Phase 3 – Procurement, Materials Management, and Finance Module (re-baselined in 2025 to accommodate new vendor negotiations), the ModernTO Information Management & Digitization Project, and the Server, Storage and Backup Project.

Revenue & Fare Handling Equipment

\$3.7 million or 75% of the 2025 Approved Capital Budget of \$4.9 million was spent in 2025. The underspend was primarily driven by delays in turnstile replacement related to contractual software and contractor capacity, as well as postponements in the Eglinton room development due to other project interdependencies. Additionally, increased preventive maintenance resulted in fewer breakdowns this year, further contributing to lower spending.

Fare System

\$0.9 million or 42% of the 2025 Approved Capital Budget of \$2.3 million was spent in 2025. The underspend is a result of schedule slippage for the PRESTO project, delaying completion of and payment for key deliverables to 2026.

Service Planning

\$14.0 million or 52% of the 2025 Approved Capital Budget of \$26.7 million was spent in 2025. The underspend is mainly driven by scope changes to the King and Church Street bus platform improvements, along with updated scope/implementation timelines for RapidTO bus lanes along the Dufferin and Bathurst corridors.

Major Capital Projects Update

For more information on the Major Capital Projects, please see Attachment 2 - Major Projects Update Report (For the Period Ended December 31, 2025).

Diversity, Equity and Inclusion 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 a second year in a row, 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 approved 2025 Operating Budget allocates \$182.7 million gross (\$173.2 million net) for Wheel-Trans service, to deliver an estimated 4.0 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. Service levels are higher than pre-pandemic, with enhancements focused on customer need and meeting user needs.

The 2025-2034 Capital Budget and Plan provides full funding of \$1,203.4 million to complete the TTC's Easier Access Program, including an approved budget of \$146.0 million for 2025 to enable the continuation of capital works to make the remaining 6 of 70 subway stations accessible with elevators, wide fare gates and automatic sliding doors.

The 2025 Capital Budget provided funding for modernization across the transit system, including the delivery and commissioning of the 60 new, low-floor streetcars along with provisions for their ongoing maintenance and storage. All streetcars have now been delivered, and the final streetcar went into revenue service in December 2025. The budget also provided for the delivery and commissioning of:

- 340 new, accessible eBuses, of which 334 have been delivered to-date,
- 85, 6-metre Wheel-Trans buses, all of which have been delivered as of December 2025, as well as,

- Implementing accessibility improvements to approximately 210 bus stops and three streetcar stops in 2025, of which 176 bus stops and three streetcar stops were upgraded. The variance is a result of extended winter shutdowns; however, the remaining stops are forecasted to be completed by Spring 2026.

Corporate Plan Alignment

The TTC utilizes the Strategic Directions outlined in the 2024-2028 TTC Corporate Plan to inform resource allocation requirements in both the Operating and Capital budget submissions and to establish investment priorities through the annual budget process. The 2025 Budget has been developed in accordance with this framework, ensuring that resource allocations and any new investments are aligned with and advance the Board's direction as well as the Corporate Plan's five strategic directions and intended outcomes. The latest status update provided on the 2024-2028 TTC Corporate Plan occurred on July 17, 2025, in the report titled [TTC Corporate Plan 2024-2028: Mid-Year 2025 Progress Update](#).

The allocations and adjustments presented within this report are in alignment with Action 5.1 *Improve Value for Money, Focus on Efficiency*, pursuing efficient expenditure management and an effective capacity to spend rate.

The 2025 Operating Budget funds a total of \$15.2 million gross in new and enhanced priority actions to advance 2024-2028 TTC Corporate Plan priorities, with \$6.5 million to increase Conventional service hours mentioned above and \$9.7 million targeted to investments designed to enhance the TTC's workforce readiness, service and operational effectiveness and environmental and financial stewardship, including but not limited to:

- Increasing TTC's capacity to recruit, train and develop its workforce;
- Establishing pilot programs to reduce bunching and gapping on 10 of the most problematic routes with enhanced on-street presence starting in the spring and to address station cleanliness in six key subway stations;
- Bolstering maintenance and asset management capacity for critical assets such as TTC workcars, to support service reliability;
- Beginning the delivery of its resiliency program; and,
- Expanding fare revenue protection through a Fare Compliance Program

Financial Impact

2025 Preliminary Year-End Operating Results

As of year-end, the TTC incurred expenses of \$2.737 billion gross and \$1.386 billion net, compared to the planned budget of \$2.857 billion gross and \$1.387 billion net, resulting in a net favourable operating variance of \$0.1 million. The net unfavourable operating variance reflects by \$120.7 million in under-expenditures (4.2%), fully offset by an unfavourable revenue variance of \$120.6 million (8.2%).

Preliminary Operating results for the period ended December 31, 2025, are summarized in Table 5:

Table 5 – TTC and Wheel Trans 2025 Preliminary Operating Year-End Results

Description (\$Millions)	Preliminary Year-End Results		
	Budget	Actual	Variance
Revenue			
TTC Conventional			
Passenger Revenue	1,070.4	1,020.5	(50.0)
Ancillary Revenue	136.7	142.4	5.7
Wheel-Trans Revenue	9.0	8.9	(0.1)
Subtotal Revenues	1,216.0	1,171.7	(44.3)
Provincial Funding	203.1	135.7	(67.5)
TTC Stabilization Reserve Draw	32.0	22.9	(9.1)
Long-Term Liability Reserve Draw	19.4	19.7	0.3
Total Revenue	1,470.6	1,350.0	(120.6)
Expenditures			
TTC Conventional			
Departmental Labour	1,414.6	1,410.8	(3.8)
Departmental Non-Labour	388.8	332.0	(56.8)
Employee Benefits	500.2	494.8	(5.4)
Diesel	92.4	83.5	(8.9)
Traction Power & Utilities	89.4	87.4	(2.0)
Other Corporate Costs	166.7	125.6	(41.1)
Wheel-Trans	182.1	184.9	2.8
Subtotal Expenditures	2,834.3	2,719.1	(115.3)
TTC Stabilization Reserve Contribution	5.5	0.0	(5.5)
Long-Term Liability Reserve Contribution	17.6	17.6	0.0
Total Expenditures	2,857.4	2,736.7	(120.7)
Net Expenditure (Funding Required)	1,386.7	1,386.6	(0.1)

Note: Figures reflect 2025 Operating Budget in-year budget adjustments of \$38.7 million gross and \$0.0 net in accordance with the implementation of PS 3400 – Revenue Standard in 2025, to reflect costs that are recoverable through the billing of a third party, to be budgeted and recognized at the gross revenue and gross expense level.

2025 Revenues

For the period ended December 31, 2025, total revenue was \$120.6 million (8.2%) below budget, driven by lower Provincial Funding due to delayed timing of expenditures for Line 5 and Line 6 eligible for reimbursement under the New Deal, lower passenger revenue coming in below budget as ridership growth trailed expectations in a softer economic environment, and reduced draws from the TTC Stabilization Reserve due to delays in one-time variation costs for Line 5 and Line 6. These factors were partially offset by higher ancillary revenue associated with increased recoveries from third-parties.

2025 Expenditures

For the period ended December 31, 2025, operating expenses were \$120.7 million (4.2%) below planned spending, primarily driven by the delayed mobilization of Line 5 and Line 6, lower than anticipated service costs resulting from project delays, diesel savings following the removal of the Federal Carbon Tax effective April 1, 2025, lower WSIB-related benefit expenses, lower than anticipated vehicle maintenance, parts and equipment expenses, labour savings from vacancies and the Q4 non-union hiring freeze and reduced PRESTO commission fees. This underspend is partially offset by higher Wheel-Trans expenditures due to increased Wheel-Trans ridership compared to budget.

2025 Capital Results

For the period ended December 31, 2025, \$1.640 billion or 92.0% of TTC’s base capital program’s budget of \$1.783 billion was spent. A further \$20.7 million or 96.9% of the planned budget for transit expansion-related projects of \$21.4 million was also spent. In total, the TTC’s capital expenditures up to the end of 2025 total \$1.661 billion and represents a spending rate of 92.1% when compared to the approved 2025 Capital budget of \$1.804 billion as summarized in Table 6 below:

Table 6 – 2025 Preliminary Capital Year-End Results

Description (\$ Millions)	2025			
	Budget	Actual	Variance	%
TTC Base Capital	1,783.5	1,640.1	(143.4)	92.0%
TTC Transit Expansion Related Projects	21.4	20.7	(0.7)	96.9%
Total	1,804.9	1,660.8	(144.1)	92.0%

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 incremental carryforward, accelerations, deferrals, as well as additional funding allocations. This report recommends additional acceleration/deferral adjustments to align approved budgets with actual year-end spending as well as, small additions of third-party funding. The 2025 preliminary year-end results summarized in Table 6 above, and outlined in Appendix 3, reflect the recommended adjustments to the 2025 Capital Budget to account for projects that have had accelerated spending and projects that have experienced some delays and therefore lower spending, with no debt impact.

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:

Table 7 – Recommended Adjustments to the 2025-2034 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)	-	(0.0)
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)
Procurement of Gasoline Wheel-Trans Buses	-	2.3	1.2	7.8	1.6	1.1	-	-	-	-	14.0
6M Variance Report Adjustments - Acceleration	6.1	(1.3)	3.7	14.0	5.5	1.6	-	-	-	6.5	36.1
6M Variance Report Adjustments - Deferrals	(6.1)	1.3	(3.7)	(14.0)	(5.5)	(1.6)	-	-	-	(6.5)	(36.1)
9M Variance Report Adjustments - Acceleration	141.6	(45.1)	106.5	1.0	-	-	-	-	-	-	204.0
9M Variance Report Adjustments - Deferrals	(141.6)	45.1	(106.5)	(1.0)	-	-	-	-	-	-	(204.0)
Procurement of electric buses and charging systems	16.7	22.8	89.3	7.6	-	-	-	-	-	-	136.4
Arc en Ciel at Yorkdale	0.7	-	-	-	-	-	-	-	-	-	0.7
Procurement of Subway Trains	54.6	-	-	-	-	-	-	-	-	-	54.6
Total Previously Approved Amendments	115.8	89.3	93.8	19.7	1.6	(28.9)	(40.0)	(21.4)	(20.0)	-	209.9
Recommended Amendments:											
12M Variance Report Adjustments - Acceleration	61.9										61.9
12M Variance Report Adjustments - Deferrals	(61.9)										(61.9)
Third-Party Funding	0.9	-	-	-	-	-	-	-	-	-	0.9
Total Recommended Amendments	0.9	-	-	-	-	-	-	-	-	-	0.9
Revised Capital Plan	1,804.9	1,659.0	1,818.5	1,816.4	1,777.6	1,991.4	1,664.8	1,676.8	1,194.5	1,202.4	16,606.2

Economic Impacts of TTC Spending

Using the economic model established in partnership with the University of Toronto, it is estimated that 2025 operating and capital spending generated \$5.092 billion in economic activity and nearly 32,000 jobs across Canada. 90% of benefits will accrue within Ontario. The year end benefits are summarized in Table 8:

Table 8 – Economic Impact of 2025 Preliminary Year-End Spending by the TTC

(\$Millions)	Preliminary Year-End Results		
	Capital	Operating	Total
Spending	1,660.8	751.3	2,412.1
Gross Domestic Product (GDP)	1,677.4	428.2	2,105.7
Economic Activity (Gross Output)	4,235.1	856.5	5,091.6
Jobs	24,913	6,762	31,674

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Attachments

Attachment 1 Decision History
Appendix 1 Operating Results by Service for the Period Ended December 31, 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 2 Major Projects Update Report (December 31, 2025)
Confidential Attachment 1

Attachment 1 – 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 increase to the total project cost for the Easier Access III program to fund the Contract award for Old Mill Station. In addition, 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, in accordance with 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](#)

At its meeting on June 23, 2025, the TTC Board approved 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.

[Financial and Major Projects Update for the Period Ended April 26, 2025](#)

As its meeting on July 17, 2025, the TTC Board approved expenditure adjustments to the TTC's 2025-2034 Capital Budget and Plan for the Purchase of Wheel-Trans Buses Program by amending the 2025 Capital Budget by \$0 and the 2026-2031 cash flow funding estimates by \$34.931 million to reflect the procurement of 105 Wheel-Trans Buses and to align with the estimated project delivery schedule.

[Budget Adjustment for the Purchase of Gasoline Wheel-Trans Vehicles, and Introduction of Smaller Electric Vehicles](#)

At its meeting on September 10, 2025, the TTC Board approved the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$36.1 million with projects that have experienced delays and lower spending by \$36.1 million, with no debt impact, and the 2025 Operating Budget in-year budget adjustments of \$26.5 million gross revenue and \$26.5 gross expense (\$0 net) in accordance with the implementation of PS 3400 – Revenue Standard, to reflect costs that are recoverable through the billing of a third party, to be budgeted and recognized at the gross revenue and gross expense level.

[Financial and Major Projects Update for the Period Ended June 28, 2025](#)

At its meeting on December 10, 2025, the TTC Board approved the 2025 Capital Budget in-year budget adjustments to offset projects that have had accelerated spending by \$204.0 million with projects that have experienced delays and lower spending by \$204.0 million, with no debt impact, and the 2025 Operating Budget in-year budget adjustments of \$12.2 million gross revenue and \$12.2 gross expense (\$0 net) in accordance with the implementation of PS 3400 – Revenue Standard, to reflect costs that are recoverable through the billing of a third party, to be budgeted and recognized at the gross revenue and gross expense level.

[Financial and Major Projects Update for the Period Ended September 27, 2025](#)

At its meeting on December 16, 2025, City Council increased the 2025-2034 Capital Budget and Plan for the Toronto Transit Commission, by \$727,528.00 gross and \$0 debt, fully funded by Section 45 community benefits obtained from the development at 3401 Dufferin Street (Source Account: XR3028-4500165), collected for capital improvements to the Yorkdale Subway Station, for the purpose of providing one-time funding to the Toronto Transit Commission for installation of the Arc-en-Ciel public art piece at Yorkdale Subway Station (WBS: CTT028-1).

[Member Motion MM35.3](#)

[Fiscal Impact Statement from the Chief Financial Officer and Treasurer](#)

On August 15, 2025, the Government of Canada, the Province of Ontario, and the City of Toronto provided approval for the Toronto Transit Commission to pursue a single-source procurement approach for new Line 2 subway trains with Alstom Transport Canada Inc. This approval informed the September 16, 2024 Board report, at which time the Board approved the procurement of 70 subway trains, consisting of 55 replacement trains for Line 2 and 15 expansion trains to support the Yonge North Subway Extension and the Scarborough Subway Extension, noting that funding for the expansion trains had been approved at the Federal and Provincial levels. Subsequently, on January 15, 2026, the Province announced an increase in Canadian content requirements applicable to Line 2 subway cars, resulting in revised technical and commercial considerations for the approved procurement.

[Canada, Ontario and Toronto agree to move to a single-source TTC subway contract that supports Canadian jobs](#)

[Line 2 Modernization – Next Steps on New Subway Train](#)

[Ontario Investing to Increase Canadian Content in Line 2 Subway Cars](#)

Appendix 1 – Preliminary Operating Results by Service for the Year Ended December 31, 2025

The 2025 financial results for the TTC Conventional Service are summarized in Table 9 below:

Table 9 – TTC Conventional Service: 2025 Preliminary Year-End Operating Results by Key Account Grouping

Item (\$Millions)	Year-End Results			Status
	Budget	Actuals	Variance	
Revenues				
Passenger Revenue	1,070.4	1,020.5	(50.0)	✘
Ancillary Revenue	136.7	142.4	5.7	✔
Subtotal Revenues	1,207.1	1,162.8	(44.3)	✘
Provincial Funding Deal	203.1	135.7	(67.5)	✘
TTC Stabilization Reserve Draw	32.0	22.9	(9.1)	✘
Long-Term Liability Reserve Draw	18.8	19.0	0.2	–
Total Revenues	1,461.1	1,340.4	(120.6)	✘
Expenses				
Departmental Labour	1,414.6	1,410.8	(3.8)	✔
Departmental Non-Labour	388.8	332.0	(56.8)	✔
Employee Benefits	500.2	494.8	(5.4)	✔
Diesel	92.4	83.5	(8.9)	✔
Traction Power & Utilities	89.4	87.4	(2.0)	✔
Other Corporate Costs	166.7	125.6	(41.1)	✔
Subtotal Expenditures	2,652.2	2,534.2	(118.0)	✔
TTC Stabilization Reserve Contribution	5.5	0.0	(5.5)	✔
Long-Term Liability Reserve Contribution	17.0	17.0	0.0	✔
Total Expenditures	2,674.7	2,551.2	(123.5)	✔
Net Expenditure (Funding Required)	1,213.6	1,210.8	(2.8)	✔

Table excludes Wheel-Trans Service

As of the end of Period 12, TTC Conventional Service reported net under-expenditures of \$2.8 million (0.2%), driven by a favourable expenditure variance of \$123.5 million, partially offset by an unfavourable revenue variance of \$120.6 million.

The unfavourable revenue variance of \$120.6 (8.3%) million is primarily attributable to:

- \$67.5 million of lower Provincial Funding attributable to delayed timing of expenditures for Line 5 and Line 6 that are eligible for reimbursement under the New Deal Agreement.
- \$50.0 million of lower-than-planned passenger revenue resulting from lower than budgeted ridership levels.

- \$9.1 million of reduced draws from the TTC Stabilization Reserve due to delays in one-time variation costs for Line 5 and Line 6.

Partially offset by:

- \$5.7 million of higher ancillary revenue associated with higher-than-anticipated third-party recoveries.

The favourable expenditure variance of \$123.5 million (4.6%), is attributable to the following factors:

- \$56.8 million of departmental non-labour savings, including \$42.5 million from delayed timing of expenditures to support the planned opening of Line 5 and Line 6, \$7.2 million from lower IT costs resulting from delays in the implementation of software rollouts, \$4.7 million from lower-than-anticipated vehicle maintenance parts, garage and equipment expenses, and \$2.4 million from delayed timing of planned expenditures for materials and services.
- \$41.1 million of corporate cost savings, including \$32.1 million from lower operating overhead, \$6.8 million from a lower vacation pay accrual and \$2.2 million from reduced PRESTO commission fees, consistent with the decrease in passenger revenue.
- \$8.9 million of diesel cost savings following the removal of the Federal Carbon Tax, effective April 1, 2025.
- \$5.4 million of lower employee benefits related to reduced WSIB claims.
- \$3.8 million of lower labour costs due to workforce vacancies, including those related to the delayed opening of Line 5 and Line 6.

TTC Conventional Service: 2025 versus 2024 Results Comparison

In 2025, TTC Conventional net expenditures were \$123.9 million (11.4%) higher than 2024 levels. This is primarily due to the higher cost of operating service at a rate of 2.0% above 2024 levels to meet service demand, escalating employee benefit related expenses, and workforce complement added. The comparison of preliminary year-end operating results to 2024 year-end operating results is illustrated in Table 10 below:

Table 10 – TTC Conventional Service 2025 versus 2024 Results Comparison

Expenditures

Item (\$Millions)	Preliminary Year-End Results		
	2025 Actuals	2024 Actuals	Change
Revenues			
Passenger Revenue	1,020.5	1,019.3	1.1
Ancillary Revenue	142.4	121.7	20.7
Subtotal Revenues	1,162.8	1,141.1	21.8
Provincial Funding Deal	135.7	108.0	27.7
TTC Stabilization Reserve Draw	22.9	0.0	22.9
Long-Term Liability Reserve Draw	19.0	17.6	1.5
Total Revenues	1,340.4	1,266.6	73.8
Expenditures			
Departmental Labour	1,410.8	1,273.3	137.5
Departmental Non-Labour	332.0	311.3	20.7
Employee Benefits	494.8	451.3	43.5
Diesel	83.5	95.6	(12.0)
Traction Power & Utilities	87.4	74.1	13.4
Other Corporate Costs	125.6	130.9	(5.3)
Subtotal Expenditures	2,534.2	2,336.4	197.8
TTC Stabilization Reserve Contribution	0.0	0.0	0.0
Long-Term Liability Reserve Contribution	17.0	17.0	0.0
Total Expenditures	2,551.2	2,353.5	197.7
Net Expenditure (Funding Required)	1,210.8	1,086.9	123.9

Year-over-year expenditures are \$197.7 million (8.4%) higher at the end of 2025 in comparison to 2024. Key drivers of this projected increase include:

- Full year impact of ratified Collective Bargaining Agreements for Unions (Lodge 5089, Local 2, Local 113, Local 470 and Lodge 235) of approximately \$83.2 million.
- Increased expenditures of \$41.6 million to support the planned opening of Line 5 and Line 6 in 2025, including mobilization costs in preparation of revenue service as well as operating and post-opening maintenance costs.
- Increased salary and benefit costs of approximately \$27.8 million associated with fewer vacancies in 2025 compared to 2024, due to recruitment efforts throughout 2025 until the hiring pause implemented in Q4.
- Approximately \$27.8 million due to operating an additional 6.1% in service hours compared to end of 2024.
- Approximately \$14.6 million from inflationary and legislative impacts related to employee benefit costs, materials, and service contracts.

- Higher traction power and utilities expenses of \$13.4 million, consistent with increased service hours delivered this year compared to 2024.
- An additional \$1.0 million to be paid in PRESTO commission fees, aligned with the increase in passenger revenue and growing adoption Virtual PRESTO Card usage.

The total increase in 2025 expenditures is partially offset by \$12.0 million of diesel savings, due to the removal of the Federal Carbon Tax (effective April 1, 2025), and the permanent reduction in the Provincial Fuel Tax (effective July 1, 2025).

Revenues

Year-over-year revenue was \$73.8 million (5.8%) higher compared to the same period in 2024. While passenger revenue was marginally higher year-over-year, the following factors contributed to the additional revenue:

- Approximately \$27.7 million in revenue received from the Provincial New Deal Funding Agreement, related to the opening of Line 5 and Line 6.
- TTC Stabilization Reserve draws are \$22.9 million higher as a result of foregoing 2024's Stabilization Reserve draws.
- Ancillary revenue is \$20.7 million higher mainly due to recoveries from service disruption, third parties and operating additional services in York Region.

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

Overall, the net over-expenditure on Wheel-Trans Service of \$2.8 million (1.6%) is summarized in Table 11:

Table 11 – 2025 Wheel-Trans Service: 2025 Operating Results by Key Account Grouping

Item (\$Millions)	Preliminary Year-End Results			Status
	Budget	Actuals	Variance	
Revenues				
Passenger Revenue	8.8	8.8	(0.0)	✓
Other Income	0.1	0.0	(0.1)	✗
Subtotal Revenues	9.0	8.9	(0.1)	✗
Long-Term Liability Reserve Draw	0.6	0.7	0.1	–
Total Revenues	9.5	9.5	0.0	✓
Expenditures				
Bus Service	57.7	60.2	2.4	✗
Vehicle Fuel	4.0	3.2	(0.8)	✓
Contracted Taxi	79.8	82.1	2.3	✗
Employee Benefits	22.5	20.0	(2.5)	✓
Administration/Management	18.1	19.4	1.3	✗
Subtotal Expenditures	182.1	184.9	2.8	✗
Long-Term Liability Reserve Contribution	0.6	0.6	0.0	✓
Total Expenditures	182.7	185.5	2.8	✗
Net Expenditure (Funding Required)	173.2	176.0	2.8	✗

As of the end of 2025, Wheel-Trans expenses were \$2.8 million (1.5%) above budget driven by higher ridership demand. This was partially offset by lower fuel pricing and employee benefit costs. Revenue was \$0.0 million (0.4%) above budget, reflecting stronger ridership, offset by a lower average fare.

Wheel-Trans Service: 2025 versus 2024 Results Comparison

As noted in Table 12 below, Wheel-Trans expenses were \$20.0 million (12.1%) higher and revenue was \$0.9 million (10.8%) higher compared to 2024, primarily due to increased ridership demand driven by growth in new registrants and trip frequency per registrant, resulting in greater requirements for Contracted Taxi services, Bus service costs and other supporting costs.

Table 12 – Wheel-Trans Service: 2025 versus 2024 Results Comparison

Item (\$Millions)	Preliminary Year-End Results		
	2025 Actuals	2024 Actuals	Change
Revenues			
Passenger Revenue	8.8	8.0	0.8
Other Income	0.0	0.0	0.0
Subtotal Revenues	8.9	8.0	0.9
Long-Term Liability Reserve Draw	0.7	0.6	0.1
Total Revenues	9.5	8.6	0.9
Expenses			
Bus Service	60.2	57.2	3.0
Vehicle Fuel	3.2	3.7	(0.5)
Contracted Taxi	82.1	67.4	14.8
Employee Benefits	20.0	19.5	0.5
Administration/Management	19.4	17.2	2.3
Subtotal Expenditures	184.9	164.9	20.0
Long-Term Liability Reserve Contribution	0.6	0.6	0.0
Total Expenditures	185.5	165.5	20.0
Net Expenditure (Funding Required)	176.0	156.8	19.2

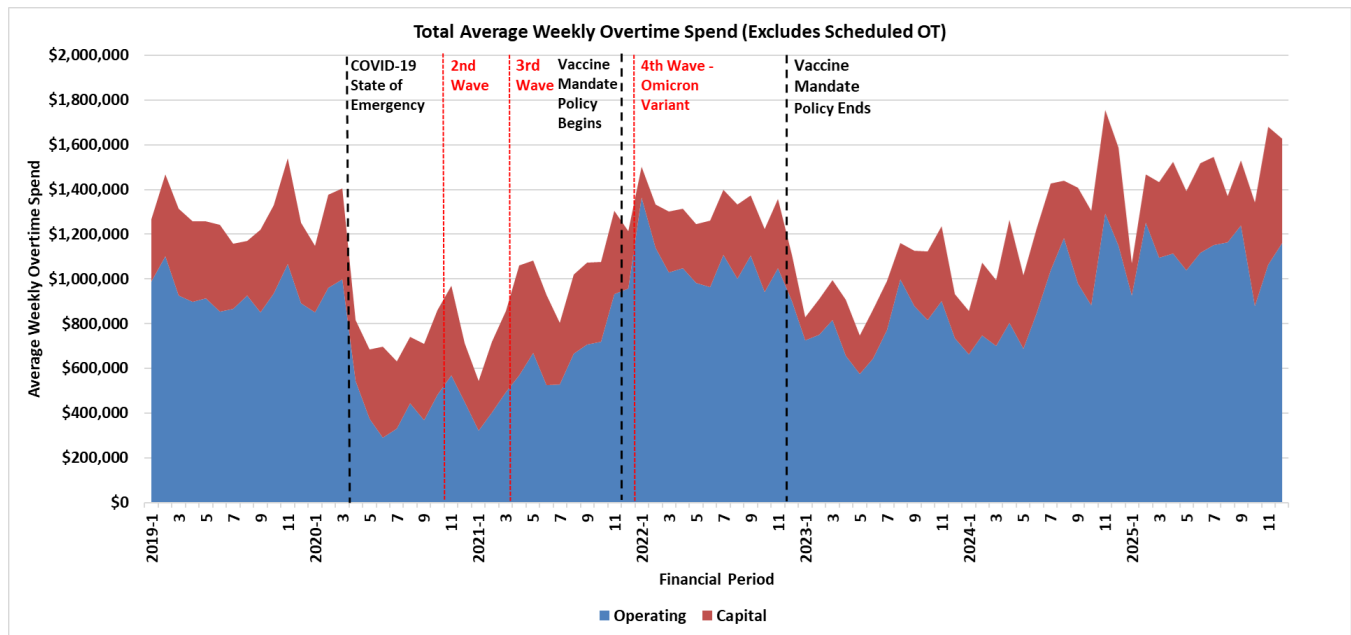
Appendix 2 – Overtime Management

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 5 below shows that average weekly overtime spending (operating and capital combined) has increased to an average of \$1.5 million per week in 2025 from \$1.3 million per week in 2024, representing an increase of approximately 15%. The increase in overtime was mainly due to inclement weather in February 2025 (snow) and extreme heat in June 2025, resulting in additional requirements from Signals, Stations, and Maintenance staff to ensure service continuity, combined with lower workforce availability within the Operations & Infrastructure Group and the Vehicle Maintenance departments.

Chart 5 – Total Average Weekly Overtime Spending

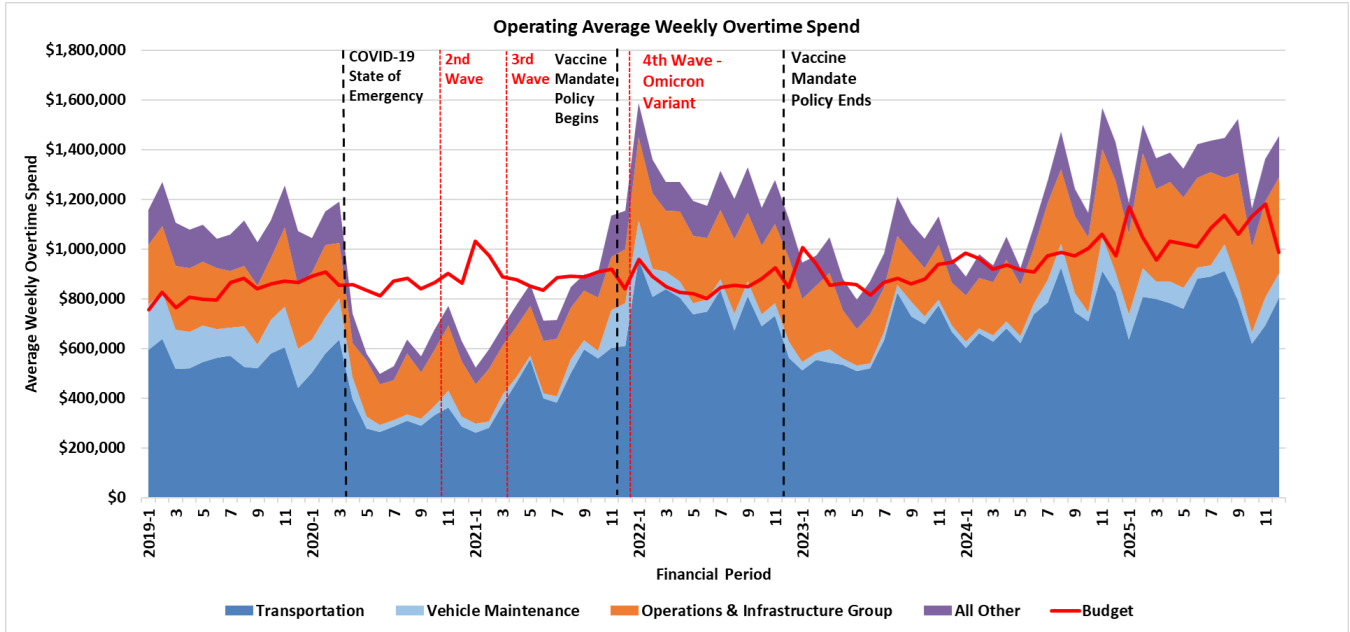


Operating Overtime

Consistent with the overall trend noted above, operating overtime in 2025 increased approximately 19% compared to 2024, as illustrated in Chart 6 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. 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 6 – Operating Average Weekly Overtime Spending



Appendix 3 – 2025 Capital Spending Summary by Program

2025 Capital Budget Variance Reporting for the Period Ended December 31, 2025*

EXPENDITURES BY PROGRAM	2025 Year-end Results			
	Budget	Actuals	Variance	%
TRACK	102.039	101.621	(0.418)	100%
1.1 Subway Track	46.159	46.159	0.000	100%
1.2 Surface Track	55.880	55.462	(0.418)	99%
ELECTRICAL SYSTEMS	94.969	90.845	(4.125)	96%
2.1 Traction Power	29.276	29.193	(0.084)	100%
2.2 Power Distribution/Electric Systems	9.597	8.041	(1.556)	84%
2.3 Communications	16.992	16.499	(0.493)	97%
2.4 Signal Systems	19.720	17.729	(1.991)	90%
ATC Resignalling	19.384	19.384	(0.000)	100%
BUILDINGS & STRUCTURES	568.044	500.980	(67.064)	88%
3.1 Finishes	30.964	30.964	0.000	100%
3.2 Equipment	103.431	54.807	(48.624)	53%
3.3 Yards & Roads				
Streetcar Network Upgrades & BRT	0.229	0.229	0.000	100%
On-Grade Paving Rehabilitation Program	8.424	8.424	0.000	100%
Transit Shelters & Loops	0.240	0.001	(0.238)	1%
3.4 Bridges & Tunnels	49.764	49.194	(0.570)	99%
3.9 Buildings and Structures Projects				
Fire Ventilation Upgrades & Second Exits	15.691	15.691	(0.000)	100%
Easier Access Phase III	145.958	145.958	0.000	100%
Leslie Barns	0.108	0.040	(0.068)	37%
Toronto Rocket/T1 Rail Yard Accommodation	8.930	8.930	0.000	100%
McNicoll New Bus Garage	0.526	0.526	0.000	100%
Warehouse Consolidation	0.397	0.079	(0.318)	20%
Yonge-Bloor Capacity Enhancement	82.265	82.265	0.000	100%
Line 1 Capacity Enhancement	20.956	20.956	(0.000)	100%
Line 2 Capacity Enhancement	13.313	13.313	0.000	100%
Other Buildings and Structures	86.847	69.601	(17.246)	80%

Appendix 3 – 2025 Capital Spending Summary by Program (Cont'd)

EXPENDITURES BY PROGRAM	2025 Year-end Results			
	Budget	Actuals	Variance	%
VEHICLES	853.097	838.942	(14.155)	98%
REVENUE VEHICLES				
4.11 Purchase of Buses	346.326	342.918	(3.408)	99%
4.11 Purchase of Buses - Wheel Trans Buses	11.802	10.100	(1.702)	86%
4.12 Purchase of Subway Cars	181.607	181.607	0.000	100%
4.13 Bus Overhaul	68.068	66.892	(1.177)	98%
4.15 Streetcar Overhaul	37.644	37.644	0.000	100%
4.16 Subway Car Overhaul	44.757	44.003	(0.754)	98%
4.18 Purchase of Streetcars	136.049	132.320	(3.729)	97%
NON-REVENUE VEHICLES				
4.21 Purchase Automotive Non-Revenue Vehicles	22.801	21.207	(1.594)	93%
4.22 Rail Non-Revenue Vehicle Overhaul	3.754	2.136	(1.618)	57%
4.23 Purchase Rail Non-Revenue Vehicles	0.289	0.116	(0.173)	40%
TOTAL OTHER	165.378	107.702	(57.676)	65%
TOOLING, MACHINERY & EQUIPMENT				
5.1 Shop Equipment	14.995	12.287	(2.709)	82%
5.2 Revenue & Fare Handling Equipment	4.945	3.729	(1.216)	75%
5.3 Other Maintenance Equipment	4.353	1.814	(2.539)	42%
5.4 Fare System	2.254	0.936	(1.318)	42%
ENVIRONMENTAL PROGRAMS				
6.1 Environmental Programs	12.237	12.237	0.000	100%
6.1 Safety and Reliability	1.365	0.678	(0.687)	50%
COMPUTER EQUIPMENT & SOFTWARE				
7.1 Computer Equipment & Software	97.914	61.708	(36.205)	63%
OTHER				
9.1 Furniture & Office Equipment	0.651	0.357	(0.294)	55%
9.2 Service Planning	26.664	13.956	(12.708)	52%
Total Base Programs	1,783.527	1,640.089	(143.438)	92%
Toronto York Spadina Subway Extension	5.754	5.442	(0.312)	95%
SRT Conversion to Busway	15.381	15.065	(0.316)	98%
Waterfront Transit - Design	0.283	0.246	(0.037)	87%
Total Transit Expansion Projects	21.417	20.753	(0.665)	97%
Total Base & Transit Expansion Projects	1,804.944	1,660.842	(144.103)	92%

*Note: The 2025 Capital Budget and year-end results reflect the recommended budget adjustments, as outlined in Appendix 4, which in many cases, adjust the budget to match the actuals, evidenced by a 100% spending rate at year-end.

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

CTT	Program	2025 Recommended Capital Budget Adjustments (\$000s)	2026-2034 Recommended Capital Plan Adjustments (\$000s)	Comments
CTT001	Subway Track	\$1,748	(\$1,748)	Acceleration of funds to accommodate project closure and emergency work
CTT002	Surface Track	(\$32)	\$32	Minor reallocation of funding
CTT003	Traction Power	(\$38)	(\$32)	Minor reallocation of funding
CTT005	Power Distribution/Electric Systems	(\$29)	\$29	Minor reallocation of funding
CTT006	Communications	\$879	\$0	Reallocation of funding to support Video Equipment work
CTT008	Signal Systems	(\$1,748)	\$1,748	Deferral of Signal Instrument Cases Replacement work
CTT010	Finishes	(\$1,743)	\$1,664	Deferral of Station Finish Renewal work
CTT012	Equipment	(\$2,533)	\$2,984	Deferral of Energy Management System and Renewable Energy Generation work; Additional funding from PowerON
CTT015	Yards & Roads	(\$216)	\$214	Deferral of Streetcar Network Upgrades Work
CTT018	On-Grade Paving Rehabilitation Program	(\$97)	\$97	Minor reallocation of funding
CTT020	Bridges & Tunnels	\$3,401	(\$2,831)	Acceleration of funds to support bridges / Structures maintenance work; Additional funding from Crosslinx
CTT024	Fire Ventilation Upgrade	(\$1,797)	\$1,797	Deferral of Subway Station Second Exits Work
CTT028	Easier Access Phase II & III	\$1,017	(\$1,017)	Acceleration of funds to support Easier Access work
CTT035	Sheppard Subway - Yonge to Don Mills	\$680	(\$565)	Reallocation of funding to accommodate project close-out cost
CTT046	Subway Car Purchases	\$49	(\$49)	Minor reallocation of funding
CTT050	Streetcar Overhaul Program	\$1,681	(\$1,681)	Acceleration of funds to support Streetcar Wheel Noise Reduction work
CTT051	Subway Car Overhaul Program	(\$1,502)	\$1,681	Deferral of T1 Vehicle SOGR work
CTT054	Rail Non-Revenue Vehicle Purchase	\$1	\$0	Minor reallocation of funding
CTT056	Fare Handling Equipment	\$837	\$0	Reallocation of funding to accommodate faregate cost
CTT058	Environmental Programs	\$984	(\$984)	Acceleration of funds to support storage tank replacement work
CTT061	Information Technology Systems-Infrastructure	(\$35)	\$307	Deferral of CADD Hardware & Software and SAP - ERP Implementation
CTT063	Other Service Planning	(\$110)	\$110	Deferral of Streetcar Platform work
CTT110	Other Buildings & Structures Projects	(\$876)	\$0	Reallocation of funding to support Video Equipment work
CTT111	Purchase of Buses	\$3	\$0	Minor reallocation of funding
CTT122	Purchase of Streetcars	(\$6,574)	\$6,592	Deferral of funding to accommodate Streetcar Purchase milestone payments
CTT134	TYSSE	(\$1,542)	\$1,542	Deferral of funding to accommodate project close-out cost
CTT142	YUS ATC Resignalling	\$1,027	(\$1,027)	Acceleration of funds to accommodate material cost
CTT146	TR Yard and Tail Track Accommodation	\$1,308	(\$1,308)	Reallocation of funding to support Video Equipment work
CTT147	SRT Bus Replacement Infrastructure	(\$1,340)	\$1,340	Deferral of funding to accommodate contractor milestone schedule shift
CTT148	McNicoll Bus Garage Facility	\$59	(\$59)	Minor reallocation of funding
CTT154	Corporate Initiatives-CLA	(\$1,398)	\$0	Reallocation of funding to accommodate acceleration/deferral of other work
CTT155	Bloor-Yonge Capacity Improvements	\$6,592	(\$6,592)	Acceleration of funds to support validation phase work
CTT156	Line 1 Capacity Enhancement	\$1,169	(\$1,316)	Reallocation of funding to accommodate detailed design work
CTT157	Line 2 Capacity Enhancement	\$1,073	(\$926)	Acceleration of funds to incorporate Net Zeron and update 2024 Building Code work
Total Adjustments		\$900	\$0	