

To: Board of Directors

From: Robert Siddall, *Chief Financial Officer*
Judy Pfeifer, *Chief Communications and Public Affairs Officer*

Date: June 28, 2017

Re: Metrolinx 2016-17 Annual Report

Recommendations**RESOLVED:**

THAT, subject to any comments received from the Metrolinx Board of Directors and the Audit, Finance and Risk Management Committee, the Metrolinx Annual Report 2016-17 be approved; and

THAT the CEO submit the Annual Report to the Minister of Transportation in accordance with the *Metrolinx Act, 2006*.

Background

The Annual Report for 2016-17 will be printed in black and white and available at Metrolinx's head office.

In addition a colour version will be posted to Metrolinx's website at http://www.metrolinx.com/en/aboutus/publications/annual_reports.aspx

The Annual Report is consistent with the guideline provided by the Province for Annual Reports and is in accordance with the requirements of the *Metrolinx Act, 2006*.

The Annual Report includes a look back at significant milestones from 2016-17, including the progress made on the 10-year Regional Express Rail initiative and the Eglinton Crosstown Light Rail Transit (LRT), as well as the first full year of UP Express service, the implementation of PRESTO on the TTC, and the introduction of new destinations and additional service to our growing number of customers.

The Audit, Finance and Risk Management Committee has also reviewed the Annual Report consistent with that committee's mandate.

The Annual Report will be finalized upon approval of the Board of Directors, signed by the Board Chair, and submitted to the Minister of Transportation in accordance with section 33 of the *Metrolinx Act, 2006*.

Attachments

Metrolinx Annual Report 2016-17

Respectfully submitted,

Robert Siddall and Judy Pfeifer

V1.0 DRAFT
JUNE 27, 2017

Annual Report 2016-17



Entry from Imagine Eglinton Children's Art Contest
- Envisioning Eglinton Avenue once the Eglinton Crosstown LRT is complete

“Metrolinx is about creating real connections for real people.”



J. ROBERT S. PRICHARD

MESSAGE FROM THE CHAIR

In 2016-2017, Metrolinx marked 10 years creating connections and transforming the way people move within and between communities in the Greater Toronto and Hamilton Area (GTHA).

In reflection, it's always easy to think in terms of projects completed and milestones achieved. But Metrolinx is about creating real connections for real people. Our goal is to change the way residents of the GTHA interact with their region.

To that end, I'm proud to highlight events in the last year, such as the completion of the Eglinton Crosstown Light Rail Transit (LRT) tunnel, the official grand opening of the Davis Drive bus rapidway and the extension of the Richmond Hill train corridor north to the new Gormley GO Station—each will make a real difference in the way people commute, and the way they connect to the things that are important to them. As will the recent expansion of GO Transit service to Barrie, Kitchener, Brantford and Cambridge.

In that same time, PRESTO became available at all Toronto

Transit Commission (TTC) stations and on all surface vehicles—a year ahead of schedule. One card that lets you travel throughout the region. That's real convenience.

This wouldn't have been possible without the efforts of our exceptionally talented executive team and the dedicated front-line staff who made it all happen—people who live and work in the region, and understand the value those connections bring.

As the fiscal year closed, all our planning, building and operating expertise was recognized by the federal government, which announced more than \$1.8 billion in funding for GO expansion. We look forward to continuing to work with our partners at the federal, provincial and municipal levels, as well as stakeholders and residents, to envision and realize a transportation network that meets the GTHA's present and future needs.

Finally, I'd like express the deep respect and lasting gratitude of the Board of Directors to Bruce McCuaig for his outstanding leadership as Metrolinx President & Chief Executive Officer over more than six years. In March, Bruce announced he would be transitioning to a federal role in the Privy Council Office as Executive Advisor to support the launch of the Canada Infrastructure Bank. Chief Capital Officer John Jensen has been appointed as President and CEO until we find a permanent successor for Bruce. Meanwhile, our work towards our ambitious mission will continue uninterrupted.

Sincerely,
J. Robert S. Prichard
Chair, Metrolinx

**JOHN JENSEN**

MESSAGE FROM THE PRESIDENT & CEO

Metrolinx made significant progress towards its mandate over the past year.

Our dedicated team continues to implement the Regional Transportation Plan through milestones such as the introduction of more GO Transit services and the extension of PRESTO's reach. We made progress on the Eglinton Crosstown LRT, with the completion of tunneling of the underground section and the start of construction on all underground stations. We continue to work with municipalities, organizations and

residents across the region to pave the way for the expansion of GO train service, new rapid transit and other critical infrastructure initiatives.

Bruce McCuaig served as President & CEO of Metrolinx for the period during which the achievements outlined in this Annual Report took place, until his resignation in April 2017. On behalf of the organization, I would like to express my sincere appreciation and thanks

to Bruce for the leadership he provided since he joined Metrolinx in 2010. It has been my honour to serve as interim President & CEO since Bruce's departure. I am looking forward to the connections Metrolinx will continue to create for the people of the GTHA.

Sincerely,
John Jensen
Interim President & CEO

**Eglinton Crosstown LRT
project construction**



BUILDING FOR TOMORROW

According to the UN, more than half the world's population currently lives in urban areas. By 2050, that number is predicted to grow to two-thirds. In North America, 82 percent of people already call urban centres home.

When it comes to growth in Canada, the GTHA leads the way—in fact, by 2031, it's estimated that the region will be home to nine million residents. With congestion already an issue in many parts of Southern Ontario, it's critical that we look for solutions now so we can avoid even greater issues in the future.

Finding those solutions is the Metrolinx mission—one that's being undertaken with the help of our partners across the region, and at all levels of government.

In fact, the Ontario government is making historic investments in transportation through the Moving Ontario Forward plan and other initiatives that are creating jobs and enhancing quality of life for Ontarians. As reflected in the 2016 Mandate Letter from the Ontario Minister of Transportation, Metrolinx has been entrusted to lead the design and delivery of key transit projects that will help to transform the transportation system for commuters in the GTHA, including the expansion of the GO rail network and other priority rapid transit initiatives. The focus on implementing these projects and others further reinforces Metrolinx's critical role in building and expanding the regional transit network, and providing high quality service to meet the needs and expectations of its customers, today and tomorrow.

Liveable, thriving cities need a solid base upon which to grow, so we have to ensure that infrastructure contributes to the prosperity of the province and doesn't instead stand in its way.

Our mission is a complicated one, because meaningful progress never comes easily or inexpensively, and we're often asked to sacrifice current comforts for long-term gains. Every worthwhile change comes with growing pains.

Look to the revitalization of Union Station, for example. Every day, a quarter of a million people transit through that historic site—and we're rebuilding it from the ground up as they do. There's an expression about performing open heart surgery on a patient running a marathon that feels especially apt when you think about Union Station.

In the end, it's your city, your town, your region. You have high expectations and it's our job to meet them. So, for us, it has to be about service, safety and sustainability, not to mention excellence in design and planning.

Because, ultimately, our greater mission is to create a region we're all proud to pass on to future generations, empowering them to take advantage of opportunities we can't yet even begin to imagine.



Being Responsive & Accountable

As the government makes unprecedented investments in transit, Metrolinx is focused on planning, building, operating and supporting an integrated transit network. This includes delivering on priority projects such as the Eglinton Crosstown and key Moving Ontario Forward commitments—including capital construction investments for an expanded GO rail network and the Hurontario and Hamilton LRT projects.

To ensure the optimization of resources, value-for-money and strong collaboration and communication between Metrolinx and the Ministry of Transportation (MTO), the Minister of Transportation provided a Letter of Direction to the Chair of Metrolinx's Board of Directors. The letter requested that Metrolinx and MTO's Chief Administrative Officer continue to work collaboratively to identify opportunities for enhanced agency oversight and accountability.

To that end, Metrolinx is:

- Improving both internal and external communications protocols in order to operate with increased clarity.
- Creating an updated Promotional and Strategic Partnership Policy to provide greater awareness about promotional sponsorships.
- Increasing transparency in its financial, labour, realty, freedom of information, support fleet, information technology and capital projects details, so that Corporate and Administrative Costs are easier to understand.
- Increasingly relying on evidence-based cost drivers to strengthen the data used to allocate costs to capital and operating programs.
- Developing a Value-for-Money Assessment Framework agreed to by Metrolinx and MTO.
- Developing a suite of 52 Key Performance Indicators (KPI) that will measure Metrolinx's performance from a corporate oversight perspective.

Reorganizing to Improve Service

Metrolinx has ambitious plans for the region. So, this past year, we examined how to best organize so that we are better prepared to deliver mobility solutions within the GTHA—both now and in the future. With such unprecedented growth planned, it was important to consolidate our transit operations, marketing and business development, and communications and public affairs business functions.

The integration and consolidation of operations under one management structure will deliver core Metrolinx services to customers and allow us to leverage internal learning and skills so we can adapt quickly and respond to our dynamic and fast-changing region.

While we will maintain the identities of each service brand externally, we will be looking for opportunities to help our customers and the public understand the connections between each service and product. Beginning next fiscal year, we will report on our consolidated transit operations division, which will combine data and statistics for GO Transit and UP Express.



GOVERNANCE

Metrolinx is an agency of the Government of Ontario. The Metrolinx Board of Directors includes up to 15 members appointed through Order in Council under the *Metrolinx Act, 2006*. Reflecting the corporation's commitment to diversity, the Board includes six women (43%), as well as members from across the GTHA and beyond, from many different cultural backgrounds and with expertise in a variety of industries. This diversity fosters an environment of innovation and creativity by facilitating diverse perspectives and insights.

The Metrolinx Board is responsible for setting Metrolinx's strategic direction, identifying, managing and monitoring key risks, as well as providing oversight to operations. The Chair of the Board is accountable to the Minister of Transportation.

WHO SITS ON THE BOARD OF DIRECTORS



J. Robert S. Prichard, Chair, is Chairman of Torys, a leading international business law firm, and Chairman of Bank of Montreal. He previously served as President and CEO of Metrolinx, President and CEO of Torstar Corporation and President of the University of Toronto. He is an Officer of the Order of Canada, Member of the Order of Ontario, Fellow of the Royal Society of Canada and Fellow of the Institute of Corporate Directors.

Appointed May 14, 2009; term expiring September 3, 2019.



Upkar Arora is CEO of Illumina Partners, an independent boutique advisory firm, and has almost 30 years of experience working domestically and internationally, with public and private companies, on operations, capital market transactions, acquisitions, dispositions, turnarounds and financings. He holds the CA, CPA and Independent Corporate Director designations.

Appointed September 8, 2015; term expiring September 7, 2018.



Rahul Bhardwaj is President and CEO of the Institute of Corporate Directors, and previously served as President and CEO of the Toronto Foundation, where he focused on engaging philanthropy to improve quality of life in Toronto. He received the Queen Elizabeth II Diamond Jubilee Medal in recognition of his commitment to city building.

Appointed May 14, 2009; term expiring January 12, 2019.



Bryan Davies previously served as Chair of the Canada Deposit Insurance Corporation, Vice-Chair of the Canadian Securities Transition Office, CEO and Superintendent of the Financial Services Commission of Ontario, and held senior positions at the Government of Ontario and University of Toronto. He has a Vanier Medal from the Institute of Public Administration of Canada.

Appointed September 8, 2015; term expiring September 7, 2018.



Iain Dobson co-founded Real Estate Search Corporation, which is focused on providing comprehensive, accurate, independently-collected commercial real estate data, after a successful 25-year career in commercial real estate development. He is also co-founder of Strategic Regional Research Association and The Value Planning Group, and is also the recipient of numerous industry awards.

Appointed April 16, 2014; term expired April 15, 2017.



Janet Ecker is President and CEO of the Toronto Financial Services Alliance, dedicated to building Toronto as a global financial services centre, as well as a member of the Ontario Finance Minister's Economic Advisory Panel. A former Ontario Finance Minister, Minister of Education, Minister of Community and Social Services and Government House Leader, she is a Member of the Order of Canada.

Appointed October 31, 2012; term expiring October 30, 2019.



William Fisch was Chairman and CEO of the Regional Municipality of York for 17 years, and also served as Chair and CEO of the York Region Rapid Transit Corporation. He has received several awards recognizing his longstanding commitment to serving the community, including the Queen's Jubilee Medal.

Appointed September 30, 2015; term expiring September 29, 2018.



Anne Golden is a Distinguished Visiting Scholar and Special Advisor at Ryerson University. She previously served as President and CEO of The Conference Board of Canada and President of the United Way of Greater Toronto. A Member of both the Order of Canada and the Order of Ontario, she was recently honoured with the Canadian Urban Institute's Jane Jacobs Lifetime Achievement Award.

Appointed April 16, 2014; term expiring April 14, 2020.



Marianne McKenna is a founding partner of KPMB Architects and is internationally recognized for her award-winning projects, which include the Royal Conservatory of Music TELUS Performance and Learning Centre, the Jackson-Triggs Niagara Estate Winery and the Rotman School of Management Expansion at the University of Toronto. She is an Officer of the Order of Canada.

Appointed July 18, 2012; term expiring July 17, 2018.



Rose Patten's 35-year career in financial services includes senior leadership roles in business strategy, human resources management, executive development and succession, corporate communications, public affairs, transformational change and organization development. She is the recipient of a YWCA Woman of Distinction Award for Corporate Leadership.

Appointed May 14, 2009; term expiring January 12, 2019.



Bonnie Patterson is a Professor of Business at Trent University and a Distinguished Visiting Professor, Academic Leadership at Ryerson University. She is Past President and CEO of the Council of Ontario Universities and previously served as President and Vice Chancellor of Trent University, as well as Dean of Business at Ryerson University. She is a Member of the Order of Canada and Member of the Order of Ontario.

Appointed July 18, 2012; term expiring July 17, 2018.



Howard Shearer is Chairman of the Board of Hitachi Power Systems Canada Ltd. and serves on the board of GE Hitachi Nuclear Energy Canada Inc. Prior to joining Hitachi, he worked in the high-tech industry for Texas Instruments and Murata Erie. He is a member of the Energy Council of Canada, Canadian Nuclear Association and Canadian Nuclear Society.

Appointed July 18, 2012; term expiring July 17, 2018.



Carl Zehr was Mayor of the City of Kitchener for 17 years, a Councillor for nine before that, and served as a Region of Waterloo Councillor for seven terms. He is a Past Governor and President of CGA Ontario and Past Director of CGA Canada, and holds the FCPA and FCGA professional designations. He was recognized for his public service with a Queen Elizabeth II Diamond Jubilee Medal.

Appointed September 8, 2015; term expiring September 7, 2018.



Bruce McCuaig was President & CEO of Metrolinx from 2010 until April 2017. He began his career in public service in 1984 and has worked in areas involving land use planning and policy, municipal policy, as well as transportation planning, policy and operations. He spent 10 years with the Ontario Ministry of Municipal Affairs and Housing, in addition to 15 years with the Ministry of Transportation, where his final role was Deputy Minister.

Appointed September 4, 2010; resigned April 14, 2017.

Total remuneration paid to members of the Board of Directors during the 2016-17 fiscal year was \$62,800.00, and the Chair's salary for 2016 was \$146,699.80, as disclosed on the "Public Sector Salary Disclosure" listing on the Government of Ontario website.

BOARD SUBCOMMITTEES

To provide an opportunity for a deeper dive on specific areas and enhance overall Board effectiveness and efficiency, the Board has established five subcommittees, four of which are focused on specific topics:

- The **Audit, Finance and Risk Management Committee** is chaired by Bryan Davies. This committee assists with Board oversight of finance and financial reporting, internal controls, enterprise risk management and ethical and legal compliance. Committee members must be financially literate and keep abreast of trends and best practices in these areas. Its members include: Iain Dobson, William Fisch, Howard Shearer and Carl Zehr.
- The **Customer Experience Committee** is chaired by Marianne McKenna. This committee oversees customer strategies, initiatives and standards, including design excellence, service performance monitoring and other matters impacting the customer experience. The Metrolinx Customer Service Advisory Committee, which includes customers from all Metrolinx service areas, reports in to this committee. Its members include: Upkar Arora, Anne Golden, Robert Prichard, Howard Shearer and Carl Zehr.
- The **Human Resources and Compensation Committee** is chaired by Rose Patten. It reviews human resources strategies and principles, including compensation, employee business conduct and ethical behaviour. Its membership includes: Upkar Arora, Rahul Bhardwaj, Iain Dobson, Bonnie Patterson and Robert Prichard.
- The Metrolinx **Governance Committee** is chaired by Rahul Bhardwaj. This Committee works to ensure that the right processes, structures and information necessary for effective Board oversight and direction are in place. This includes reviewing the mandate and composition of the Board standing committees and assessing their performance. Members of this Committee include: Bryan Davies, Janet Ecker, Anne Golden and Robert Prichard.

Finally, the Metrolinx **Executive Committee** exercises the full authority of the Board for approving routine business matters and approvals that are above a certain financial threshold, such as routine construction tenders and consulting agreements over \$10 million. This Committee's work allows the Board to focus on bigger-picture objectives by taking care of day-to-day business. It is chaired by the Board Chair, Robert Prichard, and its membership includes Bryan Davies, Janet Ecker, Rose Patten and Bonnie Patterson.

We'd like to thank each Board member for their contributions in 2016-17.

In addition, we'd like to recognize Iain Dobson and Bruce McCuaig for their service as members of the Metrolinx Board. Mr. Dobson served as a Board member from 2014 to 2017. Mr. McCuaig was a member of the Board in his capacity as President & CEO of Metrolinx from 2010 to 2017.

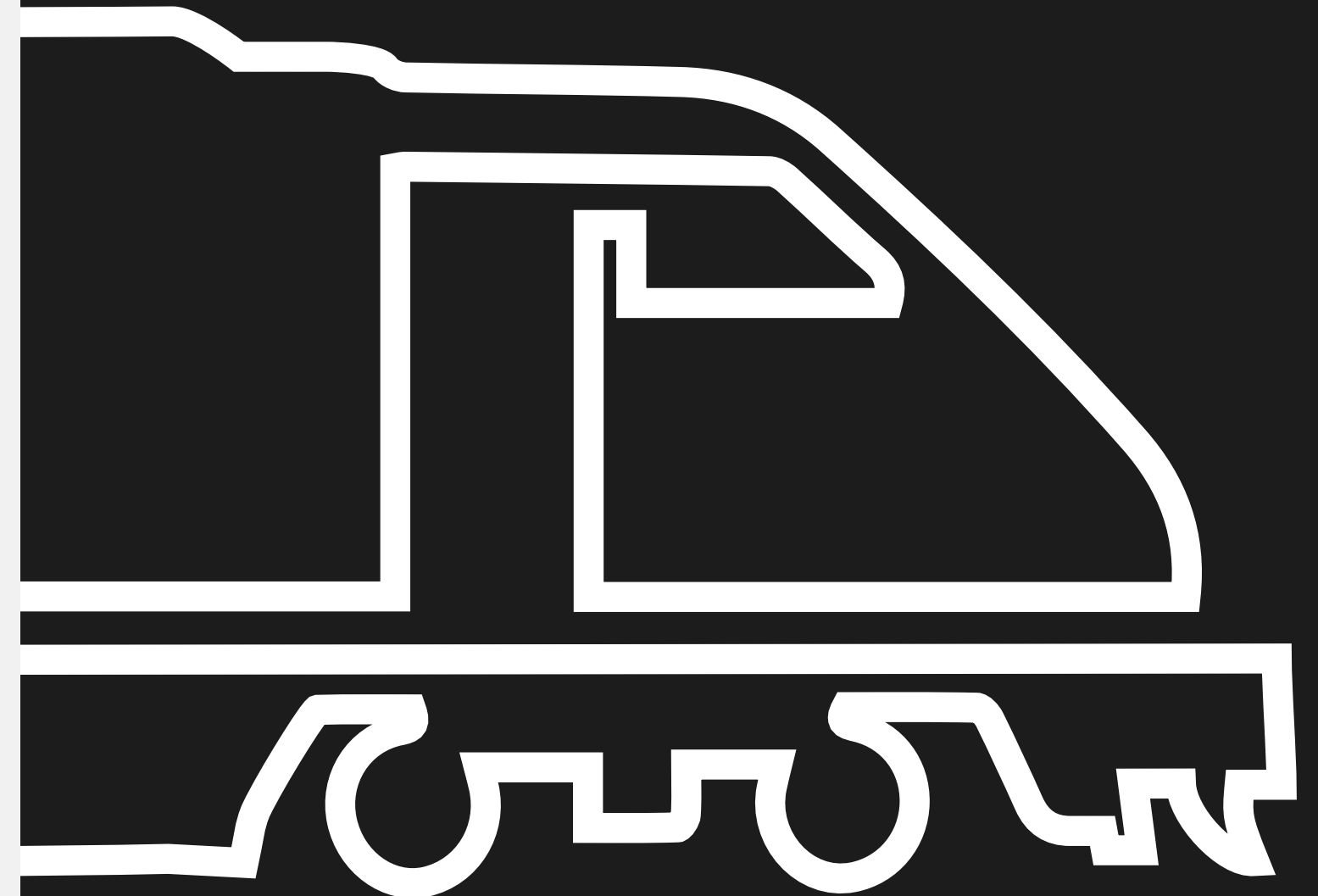


Tunnel boring machine part being extracted from the underground section of the Eglinton Crosstown LRT

"In the end, it's your city, your town, your region. You have high expectations and it's our job to meet them."

TABLE OF CONTENTS

Message from the Chair	III
Message from the President & CEO	V
Building for Tomorrow	VI
Governance	IX
Who is Metrolinx - Our Mission, Vision, Mandate and Values	2
Creating Connections & Opportunities	3
The Year in Numbers	5
Marking Community Milestones	12
PLAN: Staying on Course - Building for the Future	13
BUILD: Moving from Blueprints to Bricks and Mortar	19
OPERATE: Moving People Quickly, Easily and Safely	24
CONNECT: Forging Partnerships to Advance Ambitious Goals	32
Management Discussion & Analysis	39
Audited Financial Statements	56
Appendix: Acronym Legend	81



Leading the transformation
of regional mobility



WHO IS METROLINX?

Our vision

To link communities across the region, and create connections that support sustainable growth and prosperity.

Our mission

To champion and deliver mobility solutions which connect people, places and communities throughout our region.

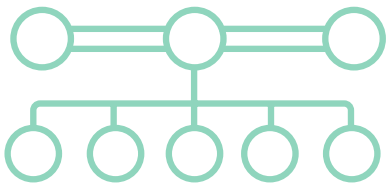
Our mandate

Metrolinx, an agency of the Government of Ontario under the Metrolinx Act, 2006, was created to improve the coordination and integration of all modes of transportation in the Greater Toronto and Hamilton Area.



Our values

- Serve with Passion:**
We put our hearts and minds into service excellence for our customers and each other.
- Think Forward:**
We embrace change and create new ideas.
- Play as a team:**
We work together in a spirit of trust and respect.



CREATING CONNECTIONS & OPPORTUNITIES

Metrolinx is creating connections across the GTHA, so that the region is ready to take full advantage of the opportunities the future presents.

With a multitude of projects currently underway, from GO service expansion to light rail, from bus rapid transit to cycling and pedestrian infrastructure, we’re building a fast, reliable, integrated transportation network that’s already transforming the way people move throughout the region—a better, faster, more reliable system to serve customers and improve their daily experience. Every metre of tunnel, every kilometre of track, every new station and every service added is one more step towards realizing the vision set out in the Regional Transportation Plan.

And, while we continue our work to achieve the ambitious milestones we’ve established for the organization, we are also looking forward, integrating feedback from the communities we serve to ensure that our progress meets the needs of the region in the future. Look for the next Regional Transportation Plan with a 25-year outlook to be published in 2017—because a thriving, growing region needs a strategy that keeps pace with new trends and technologies.

All the work we’re doing is grounded in a deep commitment to engagement and communication with the communities in which we are planning, building and operating. In the past year, we’ve met with residents, neighbours, customers and stakeholders at hundreds of formal and informal sessions across the region. We also hear from our employees through various internal communication channels, as we integrate and align feedback with delivery. We want to ensure that the voices of those who will be planning, building, operating and using our services are heard and respected, and that important local knowledge is incorporated into our decision-making.

Working from a strong Business Plan

Metrolinx’s annual Business Plan for 2016-17 presents our strategic direction, business context, financial profile, priority initiatives and planned deliverables from all corners of our organization. Our vision, “to link communities across the region, creating connections that support sustainable growth and prosperity,” is realized by how Metrolinx chooses to plan, build, operate and connect the region. The annual Business Plan describes how Metrolinx will do this in 2016-17, guided by the strategic frameworks of the 2015-2020 Five-Year Strategy and the 25-year Regional Transportation Plan (RTP).

Working together to create better efficiencies

This year, the Ministry of Transportation, Metrolinx and St. Catharines Transit marked the delivery of the 1,000th bus purchased through Metrolinx’s Transit Procurement Initiative (TPI). St. Catharines Transit and 25 other participating municipal transit partners have made this achievement possible by aggregating their bus purchases under the TPI joint procurement process.

TPI is a Metrolinx program that helps small- and medium-sized Ontario municipalities save money by reducing unit costs through higher volume purchases and performance-based specifications, avoiding duplicate procurement costs while improving product quality. This partnership helps municipalities maximize their budgets to deliver more transit services to riders.

TPI has become one of North America’s most innovative transit procurement programs, and has saved Ontario taxpayers an estimated \$16 million since the program began.

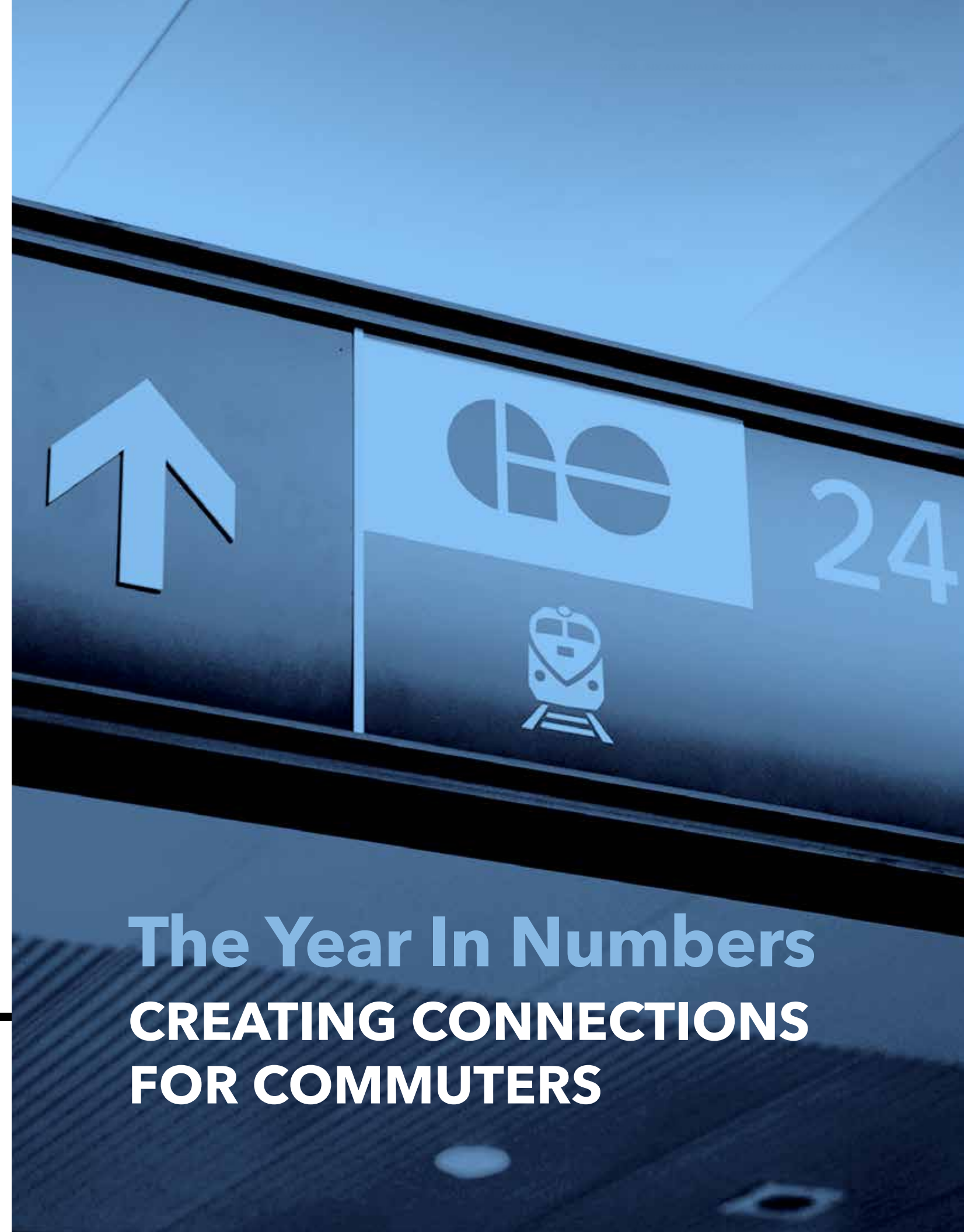
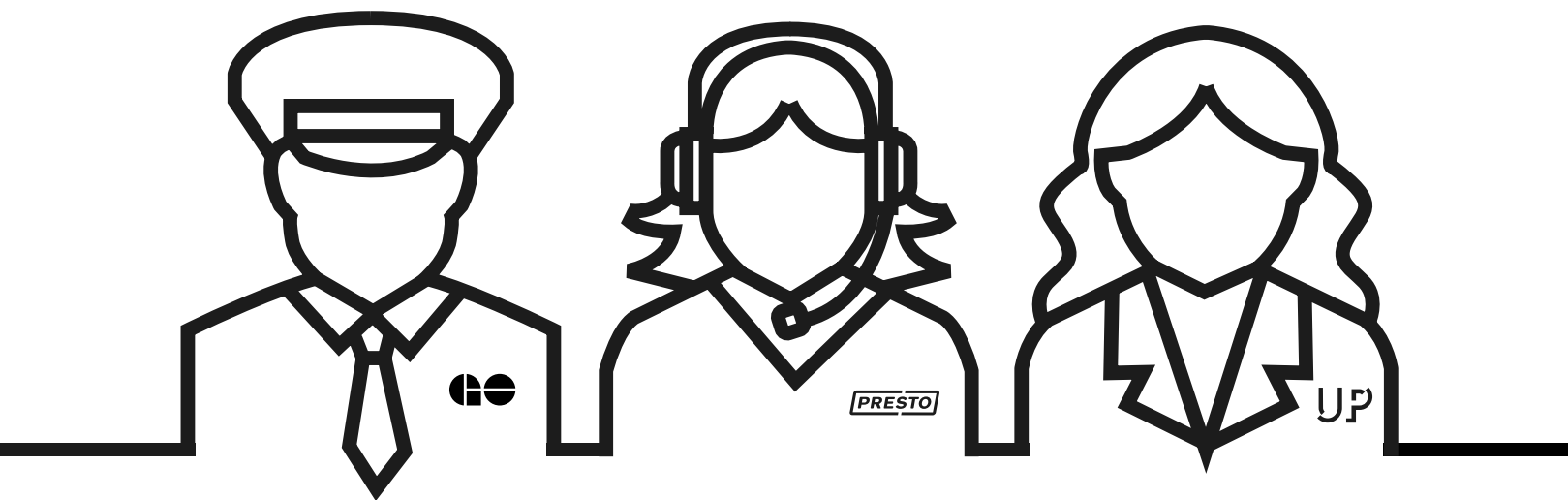
What is the role of Metrolinx?

As we set goals, make decisions and conduct business, the four strategic priorities set out in the 2017-2022 Metrolinx Five-Year Strategy continue to serve as our guideposts:

- Lead the transformation of regional mobility
- Provide and facilitate a safe, high-quality and connected customer experience
- Enhance financial stewardship and accountability
- Earn and maintain public trust

Our work to enhance agency oversight, accountability and resource optimization serves as a strong foundation for implementing the priorities set by the Ministry of Transportation in its March 2016 Letter of Direction to Metrolinx.

Four Strategic Priorities



The Year In Numbers
CREATING CONNECTIONS
FOR COMMUTERS

THE YEAR IN NUMBERS: CREATING CONNECTIONS FOR COMMUTERS & TRAVELLERS

GO Expansion: More GO. More often.

- Two GO train service extensions announced: Future new GO train service for travellers journeying between Oshawa and Bowmanville, as well as year-round service between Hamilton and Niagara Falls
- New Gormley station opened, serving 840 riders each day
- Improvements underway at 20 existing stations, so that we have the amenities travellers expect
- More access to the GO rail network, with the announcement of 12 new stations to be built
- Improved convenience for GO train passengers, with 843 new GO station parking spaces added

Rapid Transit: Creating fast, reliable connectivity

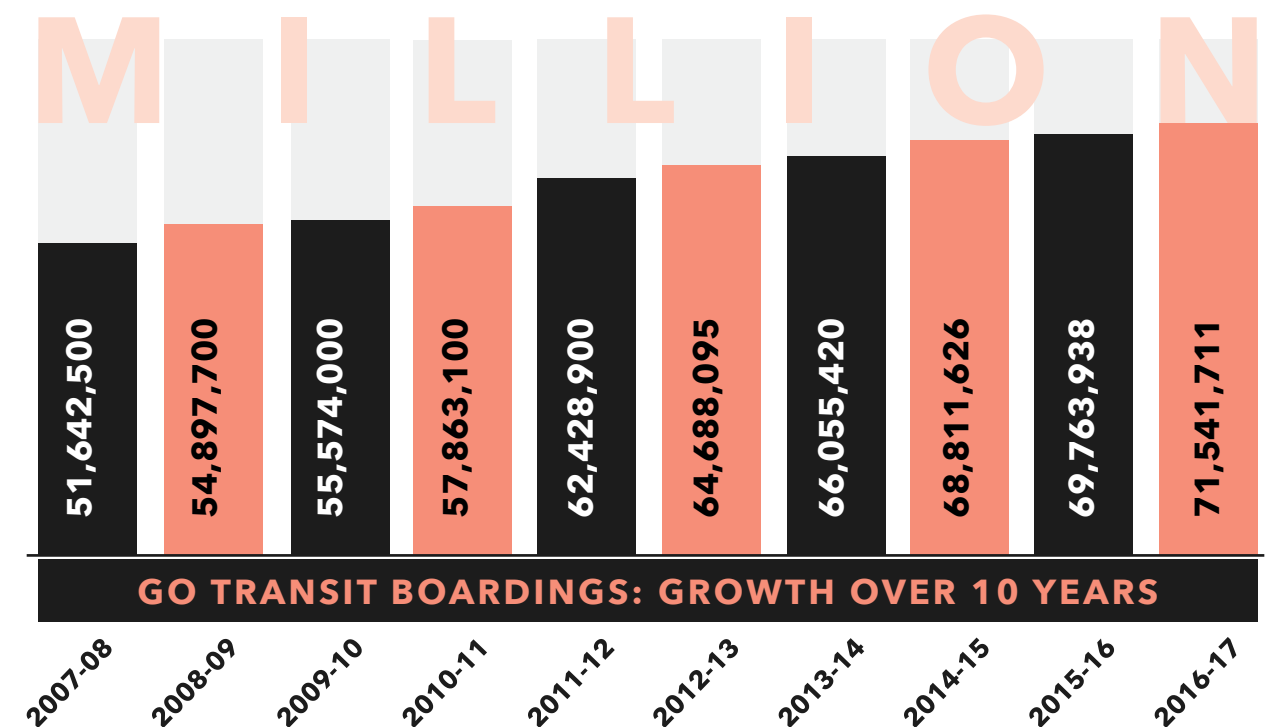
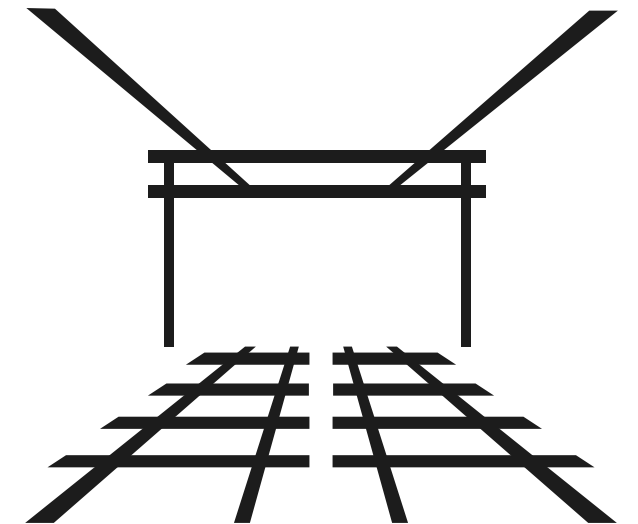
- 10 km of Eglinton Crosstown Light Rail Transit (LRT) tunnel completed—a major step towards the creation of a vital new mid-town link that will carry more than 5,000 passengers every hour by 2031
- 15 Eglinton Crosstown LRT underground stations under construction, each integrating the service into the heart of a community
- Three new rapid transit projects underway to provide new service for people in Hamilton, Mississauga/Brampton and Toronto along Finch Avenue West
- Two BRT projects celebrated the start of service for passengers: the grand opening of the Davis Drive rapidway in York Region and start of service of Winston Churchill station on the Mississauga Transitway

GO Transit Service: Reliably serving more people, more often

- Annual boardings on GO trains and buses are now over 70 million per year and growing
- More than 303,000 people travelled on GO Transit vehicles on an average day; about 268,000 on trains and 35,500 on buses
- Added new rush hour trips for riders on five GO train lines
- Doubled GO train service to and from Kitchener
- Expansion of GO bus service to two new locations—Cambridge and Brantford—to serve those communities



10 km
CROSSTOWN LRT
TUNNEL COMPLETE

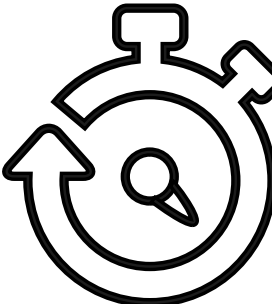




UP Express: Transforming travel from the airport to downtown

- 24.82 minute average UP Express trip time, Pearson to Union Station
- More than 8,300 people rode UP Express on an average weekday
- Nearly 12,000 people rode UP Express on its highest ridership day (September 23, 2016)

24.82
min
AVERAGE
TRIP TIME



+ 8,300
PEOPLE RIDE
UP EXPRESS/
WEEKDAY

2016-17

2,755,755

2015-16*

721,352

UP

RIDERSHIP
GROWTH

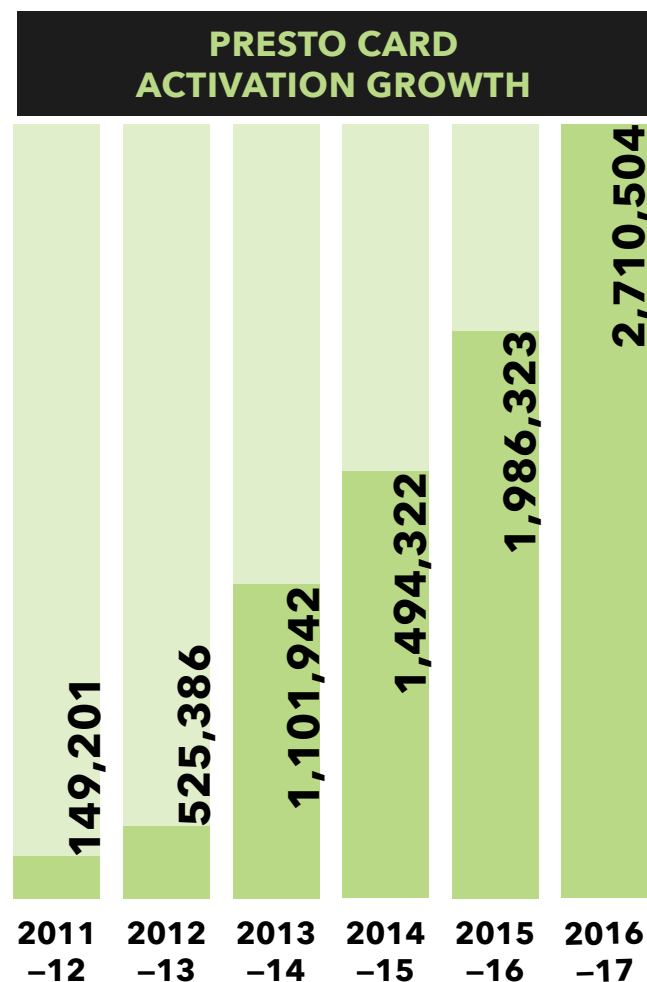
*UP Express service launched in June 2015. New fare structure took effect in March 2016.



PRESTO: One Card to Connect Us All

- 2.7 million PRESTO cards activated—representing millions of newly connected commuters
- More than 20 million PRESTO taps per month
- 11 transit agencies use PRESTO in the GTHA and Ottawa
- 870,000 PRESTO cross-agency transfers per month on average in 2016-2017
- 1,200 no-fee PRESTO cards provided to government-sponsored Syrian refugees

870,000
cross-agency
transfers/month



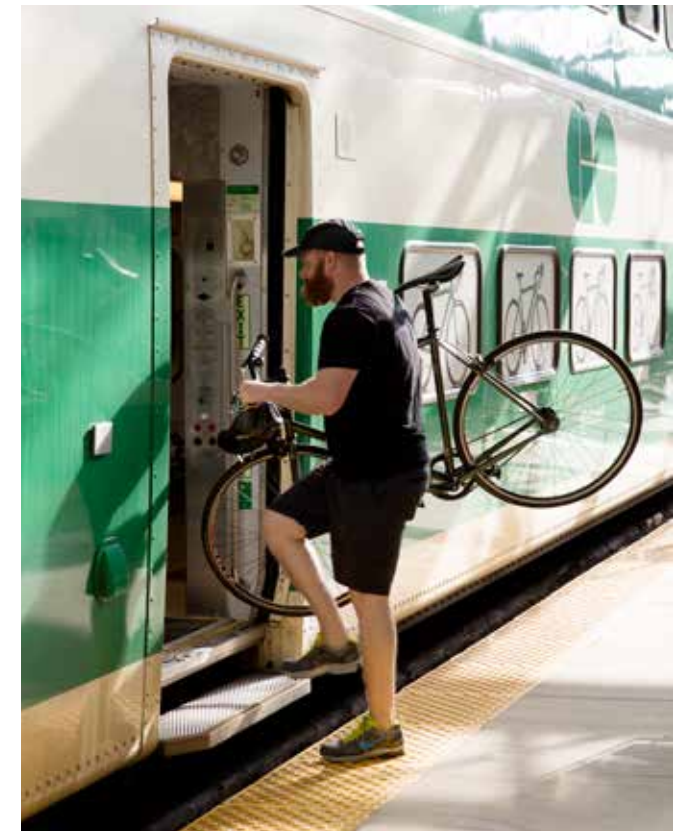
Customer service: Keeping your experience at the forefront of our planning

- GO Transit train trips achieved an average 95% on-time performance for the year
- GO Transit bus trips achieved an average 95% on-time performance for the year
- UP Express achieved an average 98% on-time performance for the year
- GO Transit kept riders in the know and surpassed its Passenger Charter target of having fewer than 30 complaints per million boardings regarding service status communication
- PRESTO answered more than 80% of customer service calls within 30 seconds
- Both GO Transit and PRESTO achieved their targets for resolving customer inquiries during the first call
- Customer satisfaction with PRESTO remained at or above 60%, meeting the customer charter target

1,000 
added to bikeshare

Active Transportation: Finding new ways to get around

- 1,000 more bicycles and 120 more docking stations added to Bike Share Toronto's fleet through the Metrolinx partnership with Toronto Parking Authority—with additional funding allocated for future Bike Share expansion outside of Toronto



ENGAGEMENT: LISTENING & LEARNING

- Outreach with communities in support of our capital projects across the region: more than 120 public open houses, about 150 neighbour/stakeholder meetings and 60 community events, plus we engaged with thousands of residents at their front doors
- 13 open houses conducted across the GTHA focused on the next Regional Transportation Plan
- Adoption of an Apprenticeship Declaration for the Eglinton Crosstown project aiming to fill 10% of



- all trade and crafting hours required to construct the project by hiring people from historically disadvantaged communities and equity seeking groups along the corridor
- Engaged with over 125,000 residents in the 26 communities they call home during the 2016 Regional Event Tour

MARKING COMMUNITY MILESTONES

Metrolinx's mission is to transform the way the GTHA moves—building connections for those who live and work in the region, and helping create an environment that's favourable to future growth.

So, what steps did we take towards that goal last year?

April 2016: Metrolinx celebrated its 10th birthday, marking a decade of championing and delivering mobility solutions which connect people, places and communities throughout our region

May: Two million PRESTO card activations reached, making fare payment more convenient for passengers across the region and in Ottawa

June: GO train service expansion to Bowmanville, Niagara and Kitchener announced; new freight bypass corridor to enable GO expansion on Kitchener corridor announced; UP Express celebrated one year of operation

July: New fully-accessible, low-height GO double-decker buses rolled into service, easing crowding on some of our busier trips

August: Eglinton Crosstown LRT tunnel completed on schedule, getting us one step closer to opening the new service for passengers in 2021

September: First Metrolinx Sustainability Strategy published, providing a gameplan for working together to reduce our impact on the environment and to enhance opportunities for communities in how we plan, build and operate

October: Davis Drive rapidway celebrated its grand opening, offering connections for travellers to GO Transit and York Region Transit

November: Transit Procurement Initiative facilitated its 1,000th bus purchase, with delivery of a 12-metre, 38-seat bus to St. Catharines Transit

December: PRESTO available at all TTC stations and in all surface vehicles; opened new Gormley GO station

January 2017: Year-round weekend GO train trips on the Barrie line introduced; Request for Qualifications (RFQ) issued for interested parties to design, build, finance, operate and maintain the Hurontario LRT in Mississauga and southern Brampton

February: Record one million PRESTO fare payments processed in a single day; RFQ issued for interested parties to design, build, finance, operate and maintain the Hamilton LRT

March: Start of construction on new GO Station at Bloomington Road announced ; this new station will offer commuters living in Aurora and Whitchurch-Stouffville convenient, local access to GO Transit service when it opens in 2019

COLLABORATION IS A KEY PART OF OUR STRATEGY

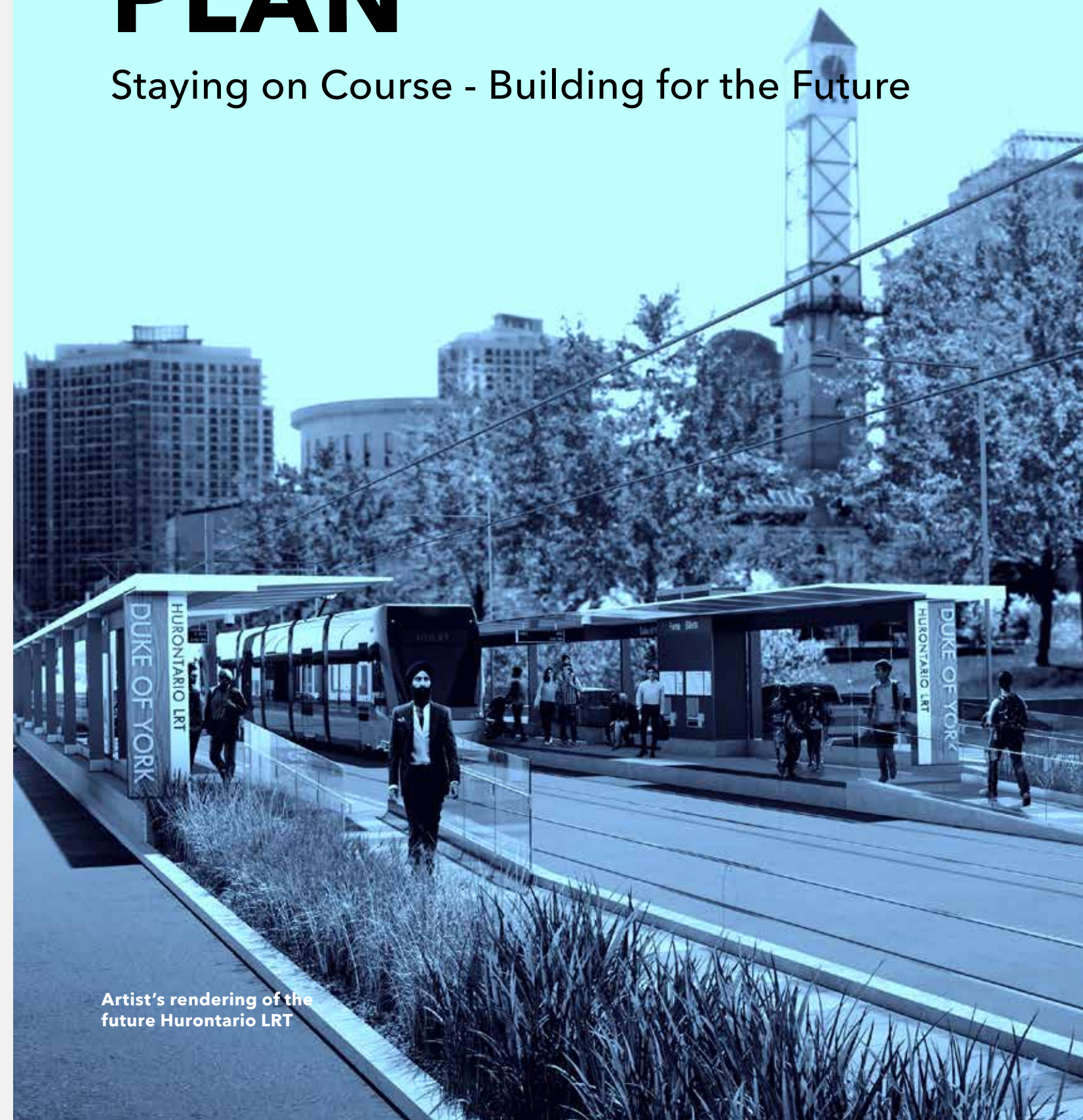
We would like to recognize and thank the municipal and regional transit systems we work with across the GTHA to plan, build and operate an integrated transportation network for residents:

- Barrie Transit
- Brampton Transit
- Burlington Transit
- Durham Region Transit
- Grand River Transit
- Guelph Transit
- Hamilton Street Railway
- Milton Transit
- Miway (Mississauga)
- Niagara Falls Transit
- Oakville Transit
- Orangeville Transit
- Peterborough Transit
- St. Catharines Transit
- Toronto Transit Commission
- York Region Transit

Together, we provided service to the more than seven million residents of the GTHA over the past year.

PLAN

Staying on Course - Building for the Future



Artist's rendering of the future Hurontario LRT



What is the Regional Transportation Plan?

The Regional Transportation Plan (RTP) guides the transformation of the transportation network in the GTHA. It provides the vision for our transportation system—developed with our diverse partners and stakeholders from across the region—and articulates how it contributes to a high quality of life, thriving environment and prosperous economy for everyone in the GTHA.

The Ontario provincial government and the federal government are investing in the projects outlined as priorities in the RTP. The review of the GTHA's first RTP—The Big Move, published in 2008—was completed over the past year, and we have now begun developing an updated RTP that will reflect the transportation priorities of the region over the next 25 years, looking out to 2041. Building on our progress on The Big Move, the next RTP will focus on connecting people. To that end, this past year, in addition to completing several technical studies, we heard from residents across the region when we sought feedback on the Discussion Paper for the Next Regional Transportation Plan. We also launched a residents' reference panel that will provide advice on what is important to include in the Next RTP. And we continued to work closely with the Ministry of Transportation and Ministry of Municipal Affairs to align the next RTP with the Greater Golden Horseshoe Multimodal Transportation Plan, which is currently in development, and the updated Growth Plan for the Greater Golden Horseshoe.

Metrolinx is planning for the GTHA of the future—with all the demographic changes, economic growth, technological innovations and numerous other factors that will change the face of our region. The plans we are developing now, and the investments we're making in the future, are the right course of action to successfully support this expected growth. After all, we're laying the tracks, building the connections and creating the services that will link people, places and communities for years to come.



KEY TENETS OF THE GO RAIL STATION ACCESS PLAN

- Addresses the "first mile" and "last mile" of access to and from GO stations, particularly with respect to alternatives such as walking, cycling, or taking public transit.
- Considers potential investments that could best support projected ridership growth associated with service improvements. Key recommendations include managing parking, enhancing local transit and improving facilities such as walkways, cycling paths and secure bike parking.
- Includes both system-wide and station-specific recommendations, such as station siting, orientation and overall site organization, station design, wayfinding and phasing strategies for future land development at station sites.
- Promotes working with municipalities toward planning for compatible surrounding land uses that encourage walking, cycling or taking local transit to access GO stations.



NETWORK COLLABORATION SERVES UP 12 NEW GO STATIONS

To ensure that Metrolinx can fully leverage the investments in our network, we undertook a network approach to our rail system to determine, in collaboration with municipal partners and supported by public engagement, how to best add new stations to make it easier for people to access and take transit.

A review of over 120 possible new locations was undertaken using strategic, economic, financial and operational criteria. We developed a clear process and methodology for assessing all locations, as new stations have potential positive and negative impacts that need to be considered.

For example, while well-located stations can help to integrate regional and local transit and improve access to transit for surrounding communities, adding too many new stations in any corridor could increase travel times and delays that, in turn, discourage ridership. Our process and methodology for evaluating new stations recognizes the need to balance service frequency, expansion and cost with local benefits.

As a result of this review, and in collaboration with our municipal partners, we are now building 12 new stations that will service communities in Waterloo, Simcoe, York Region and Toronto—potentially welcoming 50,000 passengers per day by 2031.

In addition, we published the GO Rail Station Access Plan in December 2016, which addresses how we will accommodate a projected 225,000 to 250,000 weekday riders to new and existing stations (excluding Union Station) in 2031—up from about 100,000 in 2016.



New Station Evaluation Process and Methodology

- Stage 1 • Identified an initial list of 120+ sites using key site and network considerations.
- Stage 2 • Focusing analysis: Analyzed site factors, service considerations and historical requests, to scope list to 50+ sites.
- Stage 3 • Evaluation: Analyzed strategic, economic, technical/operational and cost/revenue considerations of 50+ sites.
- Stage 4 • Municipal and Public Engagement: Consultation, feedback and review of 50+ sites.
- Stage 5 • Refining the list: Following public engagement, scoped sites for further analysis.
- Stage 6 • Further Analysis: A more detailed business case analysis on shortlisted sites to inform recommendations.

Other planning projects we undertook in collaboration with our stakeholders this year:

- We worked with the City of Toronto, TTC, City of Mississauga and the Greater Toronto Airports Authority (GTAA) on planning for the proposed Eglinton West LRT extension from the terminus of the current construction at Mount Dennis to Renforth Gateway Station and into Pearson Airport. Further refinement and definition of the project is continuing with our partners.
- The Durham-Scarborough Bus Rapid Transit (BRT) Working Group was established. It convenes the Region of Durham, Durham Region Transit, the City of Toronto and TTC in order to advance the planning study and the creation of an initial business case for the project.

- Planning for a future Relief Line took place with the TTC and City of Toronto, and work towards the Yonge North Subway Extension brought together Metrolinx, the TTC, the Regional Municipality of York and the York Region Rapid Transit Corporation.
- Metrolinx also continues to work on integrating design excellence principles into our GO expansion and rapid transit planning. Design excellence at Metrolinx is a Board-mandated commitment to high-quality design that improves the customer experience across all our capital projects. It is driven and informed by functionality, durability, sustainability, accessibility, beauty and value.
- Work advanced with the City of Toronto to integrate Smart Track into the GO rail expansion program, benefitting the entire region.

Q&A WITH NADINE NAVARRO

Manager, Regional Express Rail Project Planning Policy & Planning, Metrolinx

What accomplishment are you most proud of from the past year?

Two huge initiatives: Our team has progressed the New Stations analysis such that 12 new stations will be included in the expanded GO network. And, in December 2016, the Metrolinx Board adopted the 2016 GO Rail Station Access Plan, which provides recommendations for multimodal infrastructure improvements and programming to enable customers to access GO stations in the context of RER.

What about looking forward? What’s the key to a healthy and prosperous region in 2050?

Balance and integration are important—balancing diverse (and sometimes conflicting) needs across the region, and integrating thinking and action across different fields. For example, land use and transportation planning.

What’s Metrolinx’s role in that future?

Metrolinx plays a valuable role and has a unique perspective. We are developing a big-picture, long-term vision as part of the Regional Transportation Plan, as well as actually implementing and operating



transit services. Across the organization, diverse individuals bring their skills, experience and great enthusiasm to connect the dots and consider issues in new ways.

How would you describe the future of the GTHA in 2 words?

Different and the same—much will change in ways that we can’t anticipate, but it will still be a welcoming, fun place that feels like home.



COMMITTING TO A MORE SUSTAINABLE FUTURE

Our first Sustainability Strategy, published in September 2016, aims to help us integrate sustainability into all aspects of how we plan, build and operate. At Metrolinx, our vision of sustainability includes consideration for our economic, environmental and social responsibilities and is rooted in the tenets of sustainable development.

The Strategy is supported by five goals that will allow us to meet the high expectations we have set for ourselves and our stakeholders:

- Become climate resilient
- Reduce energy use and emissions
- Integrate sustainability into our supply chain
- Minimize impact on ecosystems
- Enhance community responsibility

The Sustainability Strategy comes at a time of increasing global action on sustainability—from the United Nations Sustainable Development Goals, to the Paris Agreement on climate change and the release of Ontario’s own 2016-2020 Climate Change Action Plan.

WHY A SUSTAINABILITY STRATEGY NOW?

We’re embarking on the biggest transit expansion in Canadian history. The Strategy helps us think differently about how we build infrastructure, manage our operations and serve the growing communities of the GTHA, thus fulfilling our growing environmental and social responsibilities. It also gives us a common understanding of how we will measure and improve our sustainability efforts.



Committed to reducing our environmental footprint

In June 2016, Metrolinx received the Canada Green Building Council’s Government Leadership Award in recognition of our leadership in developing policies and programs that would advance green building in Canada—aiming to attain LEED Gold certification for all new facilities including new GO stations and buildings. To date, Pickering GO station and the Brampton, Oshawa, Halton Hills and East Gwillimbury GO bus facilities are all LEED Gold certified.

In September, we awarded the construction contract for the Kitchener bus maintenance and storage facility—also aiming for LEED Gold.

In March 2017, Metrolinx became a founding member of the Canadian chapter of the Prince of Wales’ Accounting for Sustainability (A4S) CFO Leadership Network. In addition to demonstrating our leadership and commitment to sustainability, joining other prominent organizations in this initiative will help support the integration of our Sustainability Strategy and financial processes.

A WORKFORCE THAT DELIVERS

With a workforce that's constantly on the move and operating from more than 89 work locations across Ontario—from Peterborough to Barrie to Kitchener to Niagara Falls—Metrolinx recognizes that our employees are the cornerstone of our success.

Aligning the efforts of a highly-engaged, enabled and productive workforce to the objectives of our organization delivers results. This is the basis of our five-year People Strategy (published in 2015), developed not only to enhance the employee experience at Metrolinx, but also to move our organization forward in alignment with the priorities of the 2017-2022 Metrolinx Five-Year Strategy. The Sustainability Strategy is also designed to enhance the employee experience. The growth, diversity and scale of activities are unprecedented; our projects have become larger and more diverse as we continue to execute against the RTP.

Implementing the future of mobility will require an agile, forward-thinking approach to work. We want to be an employer of choice for a diverse workforce reflective of the communities we work with, and create interesting work and growth opportunities for our people. We also want to make sure our diverse workplace is inclusive, so this year we introduced a Diversity & Inclusion Program through which we will promote awareness, acceptance and understanding of one another to help us all reach our fullest potential.

Metrolinx is committed to delivering the workplace, workforce and people infrastructure that enables our organization to move forward, and we are pleased to have been recognized as one of Greater Toronto's Top Employers (2017), one of Canada's Top Employers for Young People (2017), and one of Canada's Greenest Employers (2017).



BUILD

Moving from Blueprints to Bricks & Mortar



Photo credit: Rick Radell



Kitchener Mayor Berry Vrbanovic, who has been touting an innovation corridor with Toronto Mayor John Tory, offered up “a freight train full of thanks” for this step in making two-way, all-day GO service a reality.
-CBC News, June 14, 2016

“GO’s arrival in the region will mean “better labour force flexibility, mobility and also will potentially offer better youth retention and attraction,” said Mishka Balsom, president and CEO of Greater Niagara Chamber of Commerce. It will likely mean continued growth in the real estate market, not to mention a “huge marketing opportunity.”
-St. Catharines Standard, June 30, 2016

**GO Expansion:
Connecting the region with
15-minute, all-day service**

The GO network is a primary point of connection for more than 70 million riders in Southern Ontario each year. It’s a vital link—for work, for play, and for all the things that make life in the GTHA so remarkable.

As Metrolinx moves forward, the expansion of the GO network is a crucial piece of the long-term plan. We’re installing new track, building bridges and tunnels, introducing electric trains and constructing stations in order to bring 15-minute two-way, all-day service to core parts of the GO network—not to mention more evening and weekend service to communities throughout the region.

Recently, we began work towards a number of milestones that will have a real impact on the lives of GTHA residents.

- In 2016-2017, we initiated feasibility and planning work to support major extensions to Bowmanville, Niagara Falls and Kitchener/ Waterloo.
- During the past fiscal year, we also awarded two major contracts for technical advisory services to support the delivery of the GO Regional Express Rail expansion program.
- We began work with Infrastructure Ontario to define 14 large enabling works contracts with a total value of \$3.4 billion. These works are required to prepare the network for future infrastructure contractors, and include station upgrades, grading, track work and grade separations on various rail corridors.

On the pages that follow, we outline just a few more ways we’re looking to connect the GTHA through improvements to our GO train network.

CONSTRUCTION PROGRESS ALONG GO TRAIN CORRIDORS IN 2016-2017	
BARRIE	<ul style="list-style-type: none">• Completed environmental assessment (EA) for Davenport Diamond• Progressed on EA for double-tracking the corridor• Completed new pedestrian tunnel at Aurora GO Station• Completed main bridge span on Dufferin Street Bridge• Started construction on Downsview Park GO Station• Created a Davenport Community Advisory Committee
KITCHENER	<ul style="list-style-type: none">• Prepared for responses to Request for Proposals (RFP) to widen the tunnel under Highway 401 to support additional track• Completed bridge work in Georgetown• Completed Shirley Avenue Layover Facility• Completed John Street pedestrian bridge north of Weston GO Station• Completed 223 new parking spaces, Kiss & Ride, bike shelter and heated customer shelter at Mount Pleasant GO Station• Worked with Westbend community to build and plant a railside garden
LAKESHORE EAST	<ul style="list-style-type: none">• Issued build-finance RFQ for East Corridor Expansion contract• Completed EA to add third track between Guildwood and Durham Junction, including grade separations at Morningside, Galloway and Scarborough Golf Club• Progressed on EA to add fourth track between Don River and Scarborough Junction• Completed two new pedestrian tunnels at Guildwood GO station• Started design work to add fourth track between Don River and Durham Junction• Started design work on Danforth GO Station• Held public consultations as part of formal EAs
LAKESHORE WEST	<ul style="list-style-type: none">• Completed second phase of West Harbour GO Station, including a second platform, 290 new parking spaces and two accessible elevators• Completed south platform rehabilitation at Bronte GO Station• Completed Lewis Road Layover Facility
MILTON	<ul style="list-style-type: none">• Started construction on more than 250 parking spaces at Streetsville GO Station• Issued RFP for Cooksville GO Station and parking structure
RICHMOND HILL	<ul style="list-style-type: none">• Completed Gormley GO Station and worked with the Town of Richmond Hill to unveil a piece of public art that commemorates the local and agricultural history of the site and the significance of the Pennsylvania-German Mennonites to this community• Started construction on Bloomington Road GO Station
STOUFFVILLE	<ul style="list-style-type: none">• Progressed on construction work to support additional track, including grading and noise wall installation• Issued an RFP and started consultations and design work for Unionville, Milliken and Agincourt GO stations• Completed one of three new train storage locations at Lincolnville Layover Facility• Awarded construction contract for double track between Scarborough Junction and Agincourt GO Station• Announced the creation of an Agincourt Community Advisory Committee
UNION STATION	<ul style="list-style-type: none">• Started new phase of Union Station Trainshed Rehabilitation• Awarded design contracts for east and west track enhancement projects



Artists' renderings of future LRT projects

CREATING A RAPID TRANSIT NETWORK THAT TRANSFORMS THE WAY CUSTOMERS MOVE

We know people are looking for a safe, reliable, convenient way to get to their destinations each day, so the expansion and building of new rapid transit routes is a key deliverable for Metrolinx. Rapid transit refers to train or bus services that operate in their own dedicated lanes or lines, separating passengers from the fluctuating flow of traffic.

Whether rapid transit runs above or below ground, on trains or on buses, our goal in building it is to connect the GTHA with comfortable, convenient and reliable service—service that will keep our economy strong and ease congestion, while it provides an easy connection to subways, buses and GO Transit.

“The [Metrolinx construction] work currently taking place [at Guildwood GO Station] is night work and [the caller] states that she is very close to the activities. She commends the contractors not only for their ability to keep the noise to a minimum, but for putting residents at the forefront of their priorities when they are doing work that might inconvenience them. She says that both she and her young son sleep very well, despite the amount of work happening in her neighbourhood.” - Metrolinx Construction Activity Tracker call log



LIGHT RAIL TRANSIT

In August 2016, we completed the tunnel for the 10-kilometre underground portion of the **Eglinton Crosstown LRT**—a service that will carry more than **5,000 passengers every hour by 2031**.

We also began excavation preparation for the 15 underground stations that will serve the communities the line touches, and began laying foundations for the Eglinton Maintenance and Storage Facility during the year. In March 2017, we announced that the facility will feature an innovative battery energy storage system that will provide backup power to the LRT.

In October, we issued a design-build-finance-operate-maintain RFQ for the **Hurontario LRT** and, in December, we started relocating utilities in advance of construction work on the **Finch West LRT**.

We progressed towards approval of an addendum to the EA for the **Hamilton LRT** project, and issued a design-build-finance-operate-maintain RFQ in February 2017.

BUS RAPID TRANSIT

Many commuters rely on bus transit to get where they are going every day. Buses play a critical role in connecting communities, offering service in off-peak hours and to areas not linked by rail. They connect suburb to suburb, university to university, and all the places we live and work. So, Metrolinx is greatly expanding its bus capability in the near and long term.

The Davis Drive rapidway celebrated its grand opening in October 2016, while the Mississauga Transitway Winston Churchill station opened in December.

Metrolinx started construction on 130 new parking spaces at Square One Bus Terminal this past year, and issued an RFQ for the Kipling GO Station Bus Terminal in November 2016.

ADVANCING OUR GROWING CAPITAL PROGRAM YEAR OVER YEAR

Metrolinx is advancing a large and growing program, involving signature projects like the expansion of GO train service via the Regional Express Rail (RER) program, the Eglinton Crosstown, Finch West, Hurontario and Hamilton LRTs and Bus Rapid Transit.

In 2016-17, Metrolinx's Capital expenditure was \$2.793 billion, which is \$1.392 billion lower than the available funding of \$4.185 billion. There are a number of reasons for the under spend, related to specific project needs and design as well as pursuing alternate methods for achieving project delivery. For example, in late June 2016, our Board approved a revised procurement strategy for the RER program which incorporated much more extensive reliance on alternative financing and procurement (AFP) methods. While this approach is expected to result in similar overall delivery time frames, additional time is required to prepare for and conduct the procurement process, shifting some anticipated design and construction expenditures into subsequent fiscal years.

Further details on our capital project spend are provided in the Management Discussion and Analysis section, starting on page 39.



Q&A WITH MURUGS MURUGANANDAN

**Senior Project Manager,
Tunnels and Early Works Rapid Transit,
Capital Projects Group, Metrolinx**

What accomplishment are you most proud of from the past year?

We were able to complete the Eglinton Crosstown tunneling operations on schedule and on budget. This was accomplished due to the teamwork between Metrolinx staff, the Construction Management Team and the joint-venture contractor. When the Crosstown Project is completed in 2021, it will be an enormous benefit to the public commuting to downtown from the east and west ends of the city.

What's the key to a healthy and prosperous region in 2050?

The key is finding the right balance between work and home life, in a pollution-free environment. That can be achieved by having an efficient transportation system that reduces commuting time and is environmentally conscious, right from infrastructure development.

How would you describe the future of the GTHA in two words?

Self-sufficient.

OPERATE

Moving People Quickly, Easily & Safely



THE GO DIFFERENCE

Over the last five decades, GO Transit has connected more than a billion people to their destinations in comfort and safety. We think that's an important number to celebrate along with our 50th anniversary in May 2017.

But it's no excuse to get complacent. In the year leading up to this anniversary, our goal has been to expand both train and bus service, and improve the ways we communicate with riders.

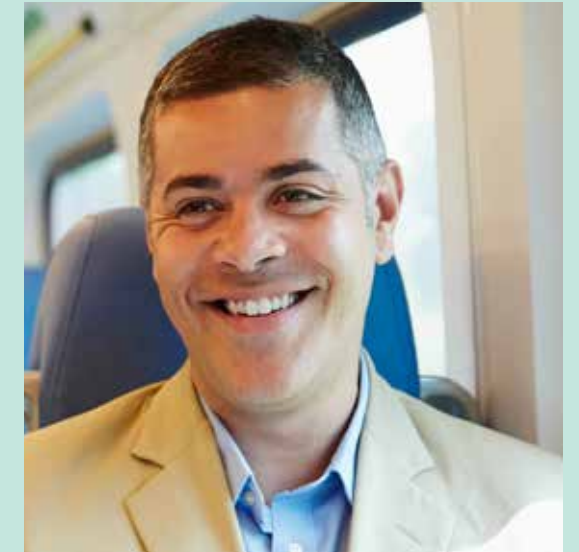
How has Metrolinx connected more passengers to more places?

GO BY TRAIN

- Doubled train service to and from Kitchener in September 2016
- Extended train service north to the new Gormley GO Station in December
- Introduced year-round weekend train service to and from Barrie in January 2017
- Added rush hour train trips on the Lakeshore East, Lakeshore West, Milton, Richmond Hill and Stouffville lines during the year

GO BY BUS

- Introduced evening and weekend bus service from the Finch GO Bus Terminal to both the Square One Bus Terminal and the Meadowvale GO Station in Mississauga in April 2016
- Rolled out the first custom-built, low-floor, fully-accessible GO buses in July; 253 of these buses will be in service within four years
- Introduced bus service between Aldershot GO Station and downtown Brantford, and between Milton GO Station and downtown Cambridge in September
- Expanded bus service between Kitchener and Brampton's Bramalea GO Station in September
- Connected Beamsville (Town of Lincoln) to the GO network with a new bus stop in September
- Began serving the new Winston Churchill Mississauga Transitway Station in December



GO buses: Important connectors across our region

The vast majority of GO Transit's overall service is provided to train riders—but the bus services we offer are critically important to mobility in the region, particularly for people who need to travel between municipalities. GO has the second largest bus fleet of all the transit systems in the GTHA, with a total of 505 buses; 366 single-level and 139 double decker as of April 2017.

GO WELL INFORMED

It's not just about the number of trips each day. It's also about the experience, and making sure our passengers are comfortable and well-informed.

To that end, Metrolinx:

- Piloted a digital sign displaying upcoming train departure times just west of the eastbound QEW's Appleby exit in October 2016

- Implemented a new public address system with better sound quality at all GO stations in November
- Introduced corridor-specific Twitter handles in November, dedicating @GOTransit to network-wide information
- Implemented automated next-stop announcements on all GO trains starting in January 2017

GO TRANSIT PASSENGER CHARTER RESULTS - FISCAL YEAR 2016/17				
MEASURE	ANNUAL TARGET		2016/17	2015/16
On Time				
We will run more than 94% of rush hour trains within five minutes of the scheduled time.	94%	✓	95%	94%
We will run more than 94% of buses within 15 minutes of the scheduled time.	94%	✓	95%	95%
Safety				
We will have 30 or fewer complaints per million boardings regarding safety.	30	Not Yet Met	32	27
Keeping you in the know				
77% of our customers will be satisfied with GO Transit's communication as measured by our customer satisfaction survey.	77%	Not Yet Met	65%	70%
We will have 30 or fewer complaints per million boardings regarding service status communication.	30	✓	25	24
Comfortable experience				
We will have 30 or fewer complaints per million boardings regarding comfort in stations, trains and buses.	30	Not Yet Met	41	22
Helpfulness				
We will ensure 85% or more of customer inquiries/concerns are resolved the first time they contact us.	85%	✓	100%	97%

GO STORIES

"While I was in Oshawa, I missed a train home and was having a very bad panic attack thinking I would not be able to go home that night... I went to a GO agent, who turned my trip around. She reassured me that there were plenty of ways to get home, and calmly spoke to me about my options. This made me feel safe. She printed out all the details, and made sure I completely understood and was happy with the trip I was about to embark on. I will forever choose GO for all my travel needs."

- GO Transit rider

"My car has an electrical fault and the window rolled open on its own after I had parked it [at Long Branch GO station] and left. Your Station Attendant noticed that the window was wide open. It was threatening rain and windy, so she taped plastic over the window to prevent rain from entering, and to perhaps deter theft. She also checked on my car from time to time to make sure that it was OK. When I returned... she came outside to explain what she had done. She went above and beyond the call of duty."

- GO Transit rider

"One of your Customer Service Ambassadors made my young son's day when he announced over the PA system: 'Coming into Aldershot. This is Aldershot, Matthew, this is your stop.'"

- GO Transit rider



GIVING STUDENTS A HELPING HAND

Over the course of the year, 6,500 full-time post-secondary students at OCAD University, the University of Toronto, Mohawk College and The Michener Institute applied for electronic GO Transit student IDs through our new online process. We plan to expand the program to all post-secondary institutions by September 2017.

Overcoming an operational challenge

The latest stage of Union Station trainshed construction, which took place in the summer of 2016, required two heavily-used GO tracks to be closed, effectively resulting in 25% less Union Station train capacity. This required us to plan and operationalize the largest schedule changes in our history. During the first weekday of the new schedules, there were multiple IT issues, defective crossings/switches, engine failures and other equipment issues that created delays, cancellations and overcrowding. As the summer progressed, we continued to encounter a number of service issues over which we had no control, including medical emergencies, a trespasser fatality, grass fires, freight congestion and heat-related failures/delays.

We launched a comprehensive cross-functional review that clearly identified the trips, equipment and stations that were experiencing the most chronic problems. We took action based on the review and instituted several remedial measures that steadily moved our on-time performance back to our target of 94%, a level customers have come to expect from us. We finished the year with overall on-time performance of 95%.



UP EXPRESS

MetroLinx offers a variety of ways for people to get to Toronto Pearson International Airport by train or bus.

In 2015, we implemented an express rail service to Pearson called UP Express - a reliable connection travellers can count on, which has become a critical piece of city infrastructure.

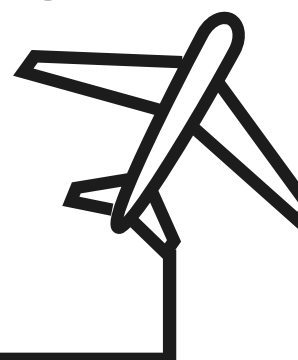
While about 75% of riders use the service to get to and from the airport, 25% are daily commuters, boarding at UP Express stations at Weston or Bloor. There are also plenty of occasional users who choose UP Express to travel to seasonal festivals, concerts, sporting events and other activities downtown.

In 2016-2017, UP Express achieved:

- 98% on-time performance
- An average trip time of 24.82 minutes
- 75% rider satisfaction (up from 74% last year)
- 77% likelihood to recommend (up from 72% last year)
- 80% likelihood to choose UP Express again (up from 75% last year)

In May 2016, we implemented pre-validation of electronic tickets to improve the customer experience and remove another barrier to speedy travel.

75%
RIDERSHIP
TO/FROM






Our commitment to improving reliability

As with the rollout of similar fare payment systems in other cities, the PRESTO rollout on the TTC has not been without challenges. Toward the end of 2016, Metrolinx received a high volume of criticism about unreliable and out-of-service card readers on buses and streetcars, as well as Self-Serve Reload Machines.

However, recent software upgrades and maintenance activities have improved the reliability of these devices. As we continue to introduce improvements, we are equally focussed on addressing any issues our customers encounter during the rollout. That’s why we have made the very deliberate decision to gradually phase in PRESTO—to give us the flexibility we need to troubleshoot and solve these issues while ensuring customers have other ways to pay. This has always been our plan. Our shared goal with the TTC is to ensure that no less than 99 per cent of our devices are in working order at any given time.

Doing our part

During the year, Metrolinx provided 1,200 no-fee PRESTO cards to government-sponsored Syrian refugees settling in GTHA through the Toronto Pearson International Airport’s Propeller Project.

PRESTO: A MILLION TAPS IN ONE DAY

Every month, more than 20 million PRESTO taps get riders on board trains, subways, buses and streetcars operated by 11 transit agencies in the GTHA and Ottawa. PRESTO is the fare card that makes travel convenient—it takes the guesswork out of fares, and frees guests from a reliance on change and tokens.

Each month we have more than 20 million customers tapping happy. And, in February 2017, we processed one million PRESTO transactions in a single day for the first time, reflecting the accelerated growth we anticipated as PRESTO went TTC-wide a year ahead of schedule in December 2016.

PRESTO ON THE TTC

- Available at all TTC stations and in all surface vehicles as of December 2016
- During the year, use grew on subways, streetcars, buses and Wheel-Trans
- There were more than five million PRESTO boardings a month by end of 2016-2017
- 60 Gateway Newsstands now sell pre-loaded PRESTO cards

MAKING TRANSIT MORE CONSUMER-FRIENDLY WITH ENHANCED SELF-SERVICE

- 75 self-serve reload machines at TTC and Metrolinx bus and rail stations handle more than 40,000 transactions per week, and software updates in February 2017 significantly increased performance and reliability
- In October 2016, a more user-friendly and mobile-enabled website launched, and the PRESTO system completed its migration to a new data centre that will support continued growth in capacity and functionality

TOP THREE PRESTO ADOPTERS

TRANSIT AGENCY	PRESTOBOARDINGS
GO Transit	87.9%
Brampton Transit	85.8%
Oakville Transit	83.3%

“I’m emailing to thank you for, and praise, the person assigned to help me get my PRESTO account and card in order. My account was rather challenging since I’m a very infrequent user. It was a mini nightmare and, at one point, I thought about tossing my card and sticking with cash. The agent helped me navigate all the obstacles infrequent users face. She was always pleasant, diligent, thoughtful, cheery, friendly and upbeat.”

PRESTO CUSTOMER CHARTER RESULTS -2016	
CHARTER COMMITMENT	COMMITMENT SATISFIED
Keep the average call rate* to under 6%	✓
Keep customer satisfaction with the usage of PRESTO to over 75%	Customer satisfaction was lower than expected as 2016 was a year of tremendous growth. Metrolinx will continue to work to improve customer satisfaction scores as customers continue to use PRESTO.
Keep the PRESTO website available at least 98.5% of the time, 24 hours a day, 7 days a week	✓
Keep our phone system available 99.5% of the time, 24 hours a day, 7 days a week	✓
Keep customer satisfaction with PRESTO Customer Service at 60%	✓
Resolve over 80% of requests during the first call	✓
Answer at least 80% of the calls within 30 seconds	✓
Keep customer satisfaction with PRESTO communications at 2015 levels (49%)	✓

* Call rate denotes the total number of calls received at the PRESTO Contact Centre divided by the total number of PRESTO customers in a particular period of time.

“I emailed a few weeks ago about a dispute on the TTC bus with my PRESTO card. I truly appreciate your quick and professional response and outstanding customer service. Although the amount was not a lot of money, it is evident that you care about your customers. I will recommend all my

friends and family to PRESTO because of this experience. I hold the PRESTO company in high regard.”

“Used 4 different transit methods for 3 different transit agencies in one day using just one fare card <3 #prestocard”

CONNECT

Forging Partnerships to Advance Ambitious Goals



Viva rapidway in York Region

IMPROVING TRANSPORTATION INTEGRATION

Metrolinx is bringing its unique regional perspective on GTHA transportation opportunities and challenges to a range of joint initiatives, including:

- Relief Line with the TTC and City of Toronto
- Yonge North Subway Extension with the TTC, Regional Municipality of York and York Region Rapid Transit Corporation
- BRT connecting Oshawa and Scarborough with Durham Region
- Integration of the City of Toronto's Smart Track initiative into the GO rail expansion program

In April 2016, the Metrolinx and TTC boards held their first joint meeting to discuss regional issues such as fare integration, the PRESTO rollout and LRT projects.

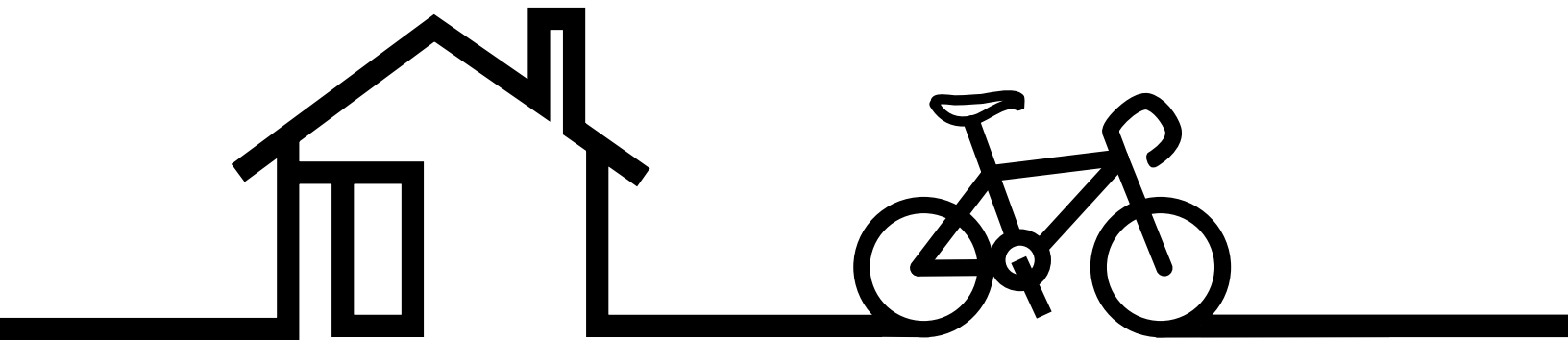


SIMPLIFYING CROSS-BOUNDARY ACCESSIBLE TRAVEL

During the year, Metrolinx worked with regional specialized transit partners to improve the cross-boundary travel experience for customers with disabilities. We continue to look for both short-and long-term solutions to create a more integrated travel experience, and we're in the process of looking at business cases, performing technical analysis and engaging in stakeholder discussions to that end.

"For the vast majority of people living in York Region, improving our transit and transportation network is the top priority. By expanding GO Transit and investing in the Viva Rapid Transit System, York Region Transit and the Spadina and Yonge subway extensions, we can keep pace with the rapid growth we are experiencing and enhance our excellent quality of life."

-Wayne Emmerson, York Region Chairman and CEO, News Release, New Stations in York Region, June 24, 2016



KEEPING KIDS ACTIVE

In April 2016, we released a School Travel Trends Report showing that the number of children and youth driven or driving to school more than doubled in the past 25 years—highlighting the need for programs such as Metrolinx's Smart Commute to champion active ways of travelling to school—such as walking and cycling—across the GTHA.



Bike & save

In 2016, Metrolinx announced a partnership with Toronto Parking Authority to expand Bike Share Toronto by 1,000 bikes and 120 stations, with additional funding allocated for future Bike Share expansion outside of Toronto. Starting in September 2016, PRESTO cardholders received a 50% discount on their first year of Bike Share Toronto membership.



"Our cycling group of 29 [was] returning to Toronto from Niagara Falls. We were extremely concerned about a lack of storage space for our bikes, as there were many other cyclists with tickets for the same trip. Your Customer Service Ambassador was most understanding. He helped our group stay together in one of the train cars, made sure our bikes were safely stowed, and was attentive throughout the ride to ensure that our members were prepared to disembark at the correct stops. [We all] appreciated this and will continue to use your services in the future." - GO Transit rider



REACHING OUT TO OUR NEIGHBOURS

We have outreach teams wherever our projects are located, whether it's track and station infrastructure work to accommodate the massive expansion of GO service that's coming, or the new rapid transit projects we're planning and building across the region to serve more people.

Community relations staff notify neighbours of upcoming work, inform communities and listen to their input about future plans, and field inquiries at the local level.

GO expansion: In the past year, we have reached out to communities located along our train corridors in a variety of ways in order to keep people informed and hear feedback about our planned improvements:

- We planned a municipal and community tour, establishing an annual schedule for appearing before every municipal council in the region and providing residents with clear information about what GO expansion will mean for their community
- We hosted more than 35 public meetings as well as digital engagement opportunities to support EAs for GO service expansion including network-wide electrification. Metrolinx is working hard to electrify core areas of the GO Transit network as soon as possible—but it's critical to address community concerns first, such as the location of traction power facilities in some areas, before we begin to build
- We held 64 meetings in local communities to talk with residents about individual projects
- More than one million information notices went to residents via direct mail, and staff knocked on doors across the region
- Three community advisory committees were established to create a process for gathering feedback and important local knowledge
- We invited neighbours to 30 drop-in sessions at community centres and libraries
- Pop-up displays in public areas invited residents to speak with us to learn about what we're doing

ENGAGING COMMUNITIES

As we transform the way our region moves, communities across the GTHA will benefit from long-term transportation and transit solutions—solutions that enhance prosperity, sustainability and quality of life.

But we realize that the work required to create these new transit solutions is lengthy and can be disruptive, with significant local impacts for residents, businesses and stakeholders in the communities in which we're building.

Informed public feedback is key to our success. With such a large, rapidly-growing and diverse region, we know we need a variety of engagement tools and opportunities to connect with our neighbours in the most meaningful ways to get the valuable feedback we need.

Building on our experience with the PRESTO Customer and GO Passenger Charters, we've been working on a Metrolinx Community Charter. This Charter will apply to every area of our mandate and commit Metrolinx to planning and building the regional transportation system we all want, in a way that leaves a positive legacy to the communities we work in every day.

With the public's help, it will clearly outline our promises and commitments to listen and learn from each other. In January 2017, we launched the first phase of public engagement on the Community Charter, using our digital engagement platform, MetrolinxEngage.com, to ask for comments and feedback on the six themes we've identified to shape the Charter:

- Public safety
- Timely information
- Courtesy and respect
- Public input
- Connecting communities
- Fiscal responsibility



RAPID TRANSIT

In areas where we're planning or building new rapid transit lines, we do our best to make sure our community outreach is tailored to local audiences and provides them with the resources they need:

- Along the construction corridor for the Eglinton Crosstown, over the past year our well-established and robust community and stakeholder relations program conducted telephone town hall meetings open to the public, 19 open houses to share the latest about plans for the stations on the route, more than 150 meetings and briefings with elected officials and other stakeholders, three tours of the tunnel construction and participation at about 25 community events with information displays and staff
- For the Hamilton LRT project, which is in the planning stages, the past year saw 10 formal open houses hosted to share project information with and seek feedback from nearly 1,300 attendees, with additional participants engaging via our online MetrolinxEngage.com portal; as well as the launch of the Community Connectors program in which a team of people provide ongoing face-to-face outreach to the nearly 1,000 properties located directly along the corridor, collecting over 1,200 surveys
- We also began to establish a local presence in the community along the Hurontario LRT route, with community and stakeholders sessions including five public open houses and a town hall meeting hosted in conjunction with a local MPP
- In 2016-17, the Finch West LRT project was introduced to the communities along the corridor via public open houses, a Metrolinx Regional Tour stop at Humber College, and participation in City of Toronto and Business Improvement Area (BIA) events



NEW TRANSIT CREATES NEW BENEFITS FOR THE COMMUNITY

Even before construction projects are completed, Metrolinx is committed to maximizing employment, apprenticeship and local supplier opportunities through our Community Benefits Program for the priority rapid transit projects.

The Eglinton Crosstown LRT is the first project to include the requirement for Community Benefits and Apprenticeship Plans as part of the project agreement with the constructor. To date, Crosslinx Transit Solutions has:

- Hired 63 young people facing barriers to employment and people from historically disadvantaged groups
- Purchased more than \$34,000 in services from social enterprises
- Purchased nearly \$2 million in goods and services from local businesses

Perhaps most importantly, in December 2016, Metrolinx finalized an Apprenticeship Declaration with Crosslinx Transit Solutions, Infrastructure Ontario, the Ministry of Advanced Education and Skills Development, the Toronto Community Benefits Network and the United Way Toronto & York Region to help people from historically disadvantaged communities and equity seeking groups along the Eglinton Crosstown LRT corridor get construction jobs on the project—aiming to have them work 10% of all trade and crafting hours required to construct the project.

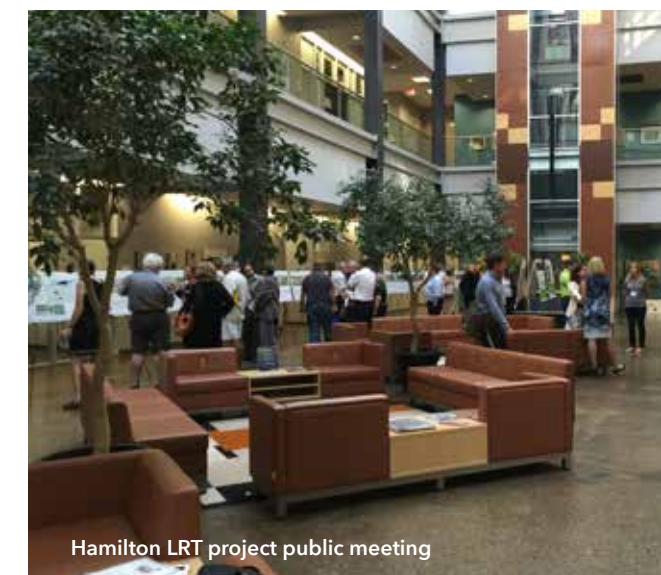
TALKING ABOUT THE FUTURE OF TRANSPORTATION IN YOUR COMMUNITY

Through our digital engagement platform, MetrolinxEngage.com, we encouraged GTHA residents to "Participate now!" throughout the year—including inviting feedback on our capital expansion projects, the next Regional Transportation Plan and the Metrolinx Community Charter. Since its launch in late 2015, MetrolinxEngage.com has been visited by over 21,000 unique users who have provided feedback that is helping us shape our future transportation system.

In addition to seeking comments online for the RTP, we held 13 open houses across the region and convened a 36-member residents' reference panel which met for several consecutive Saturdays, beginning in March 2017, to provide comprehensive feedback towards the next RTP.

In July 2016, we launched The Link blog to share news, photos and our progress.

Our second annual Regional Event Tour visited 26 community events and festivals and spurred 125,000 conversations about current and future projects.



Hamilton LRT project public meeting

INSPIRING CHANGES IN BEHAVIOUR

Our marketing team won the Canadian Urban Transit Association's Corporate Leadership Award for Communication and Marketing in May 2016 for a social media-based campaign that increased summer GO train ridership between Union and Barrie by 9%. They also won two Canadian Marketing Awards and a first place American Public Transportation Association (APTA) award for the highly successful #etiquettefail campaign (see "Making impressions on social media" next page).

PRESTO's 'Win What You Load' contest, with draws in September, October, November and December 2016, resulted in an average increase of 8,500 self-serve transactions a month. And GO Transit's year-long safety campaign creatively raised awareness of customers' most common unsafe practices during their journeys, with the goal of improving rider behaviour.

A campaign themed 'Let's Get Moving' launched in November 2016 to build awareness around our capital project delivery and how we're transforming the region. The campaign complemented our focus on engagement by driving audiences to MetrolinxEngage.com, a new interactive online project map, and social media channels. Supporting the campaign, we published an advertorial in Metro and L'Express which also connected our ongoing capital projects to the RTP while promoting the map.



Artist's rendering of future LRT project



Artist's rendering of future Eglinton Crosstown LRT Chaplin station



Imagine Eglinton

In June 2016, we held an award ceremony to recognize 16 children aged six to 12 for their art envisioning Eglinton Avenue after the Eglinton Crosstown LRT is complete.

MAKING IMPRESSIONS ON SOCIAL MEDIA

- Our 'Let's Get Moving' campaign generated more than nine million impressions and 2.1 million engagements across Facebook, Twitter and Instagram; the video reached more than 1.7 million viewers, and metrolinx.com traffic was up nearly 80,000 visitors over the two-month campaign period compared to the previous two months
- #etiquettefail got 1,700 mentions and GO Transit's video showing the impact of poor etiquette on other passengers got 20,000 views and 800 shares
- #taphappy got 400,000 impressions and 2,000 contest entries; during the contest, PRESTO's Twitter followers increased 6% to more than 10,000, and PRESTO's Facebook fans increased 27% to more than 7,300
- #MyExperienceEglinton ran for 12 weeks to encourage shopping local during construction of the Eglinton Crosstown LRT, attracting more than 200 contest entries



MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis

Corporate Performance

Metrolinx revenue comprises of fare revenues from transit operations, including bus and rail services, as well as non-fare revenues, including partnership, advertising and commercial space rent. Net loss represents the excess of operating expenses, including amortization, over revenues earned in the year. The net loss for the fiscal year ended March 31, 2017 of \$16.5 million was lower than the 2015-16 actual loss of \$21.5 million and lower than 2016-17 budgeted loss of \$19.0 million.

The following table summarizes the consolidated revenues, operating costs and boardings for Metrolinx for fiscal year ending 2016-17, the three prior fiscal years and the 2016-17 Budget. Ridership represents the number of boardings on trains and buses minus the number of transfers.

Summary of Corporate Performance (rounded to \$000')	2013-14	2014-15	2015-16	2016-17	2016-17
	Actual	Actual	Actual	Actual	Budget
Operating Costs	611,829,000	691,685,000	776,094,000	849,735,000	878,809,000
Fare Revenue	393,574,000	437,939,000	479,473,000	519,899,000	515,023,000
Non-fare Revenue	44,951,000	36,797,000	45,326,000	52,143,000	66,308,000
Boardings	66,055,000	68,695,000	70,485,000	74,297,000	72,987,000

Financial Report

The following discussion and analysis of the financial condition and results for Metrolinx should be read in conjunction with the audited financial statements and related notes for the fiscal years ended March 31, 2014 (fiscal 2013-14) March 31, 2015 (fiscal 2014-15), March 31, 2016 (fiscal 2015-16) and March 31, 2017 (fiscal 2016-17).

Financial Report	2013-14	2014-15	2015-16	2016-17	2016-17	2016-17
(rounded to '000)	Actual	Actual	Actual	Actual	Budget	Variance
Revenue						
Fare Revenue	393,574,000	437,939,000	479,473,000	519,899,000	515,023,000	4,876,000
Non-fare Revenue	44,951,000	36,797,000	45,326,000	52,143,000	66,308,000	(14,166,000)
Provincial Contributions	161,480,000	190,440,000	233,829,000	262,834,000	280,318,000	(17,484,000)
Amortization of Deferred Capital Contributions	291,147,000	350,331,000	453,057,000	520,871,000	514,312,000	6,559,000
Gain/(loss) on disposal of capital assets	246,000	10,817,000	(72,000)	(376,000)	-	(376,000)
Total Revenues	891,398,000	1,026,324,000	1,211,613,000	1,355,370,000	1,375,961,000	(20,591,000)
Expenditures						
Supplies & services	44,608,000	50,972,000	81,469,000	88,746,000	85,786,000	2,960,000
Equipment maintenance	73,800,000	77,849,000	90,847,000	99,944,000	98,669,000	1,275,000
Facilities & track	87,872,000	95,648,000	107,519,000	129,897,000	139,940,000	(10,043,000)
Labour & benefits*	220,866,000	248,427,000	273,342,000	282,963,000	289,040,000	(6,077,000)
Operations	184,685,000	218,789,000	222,918,000	248,185,000	265,374,000	(17,189,000)
Amortization of capital assets	296,198,000	352,125,000	456,685,000	521,815,000	515,861,000	5,954,000
Amortization of long-term leases	327,000	327,000	327,000	327,000	327,000	-
Total Expenditures	908,356,000	1,044,137,000	1,233,107,000	1,371,877,000	1,394,997,000	(23,120,000)
Net loss	(16,958,000)	(17,813,000)	(21,494,000)	(16,507,000)	(19,036,000)	2,529,000

Note:

Numbers may not add due to rounding

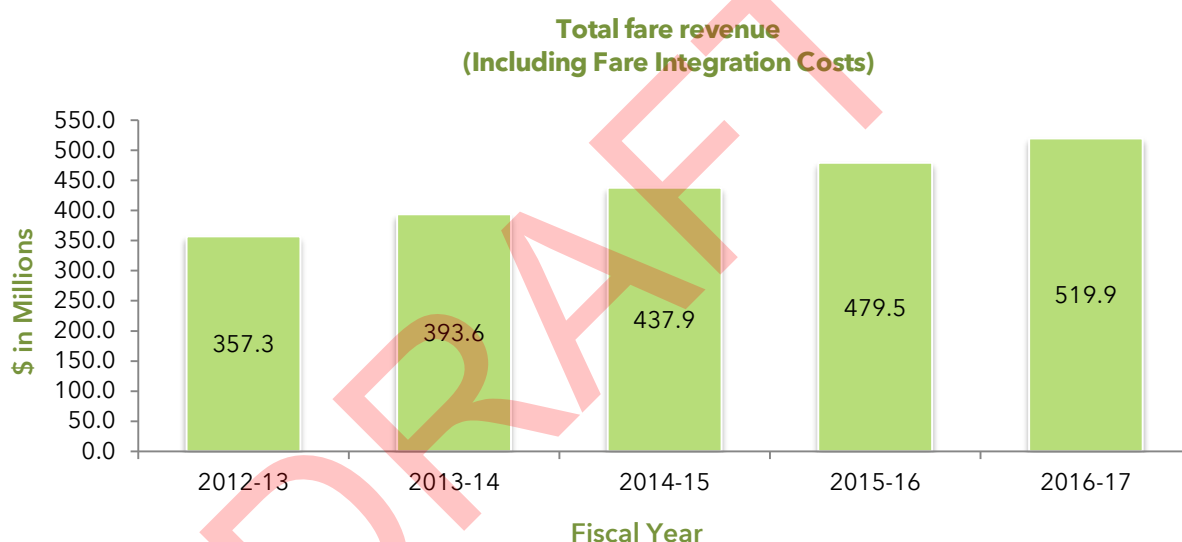
* Actual includes long-term accruals for post-employment benefits which are not funded

Revenues

Fare revenue

Metrolinx fare revenue from transit operations, including bus and rail services, increased in 2016-17 to \$519.9 million compared to prior year's \$479.5 million. The 8.4% increase in fare revenue was a result of several factors: a fare increase in February 2016; capturing new riders; opening of the new Gormley GO Station; increased train and bus service levels on some of the larger corridors; and increased train service during the evening hours to capture riders attending entertainment and sporting events taking place in the Toronto downtown core.

While the year over year fare revenue grew, the actual revenue for the year was also higher than budgeted by about \$4.9 million or 0.9%.



In the five year period from fiscal 2012-13 to 2016-17, fare revenue has increased at a compounded annual growth rate of 7.8%.

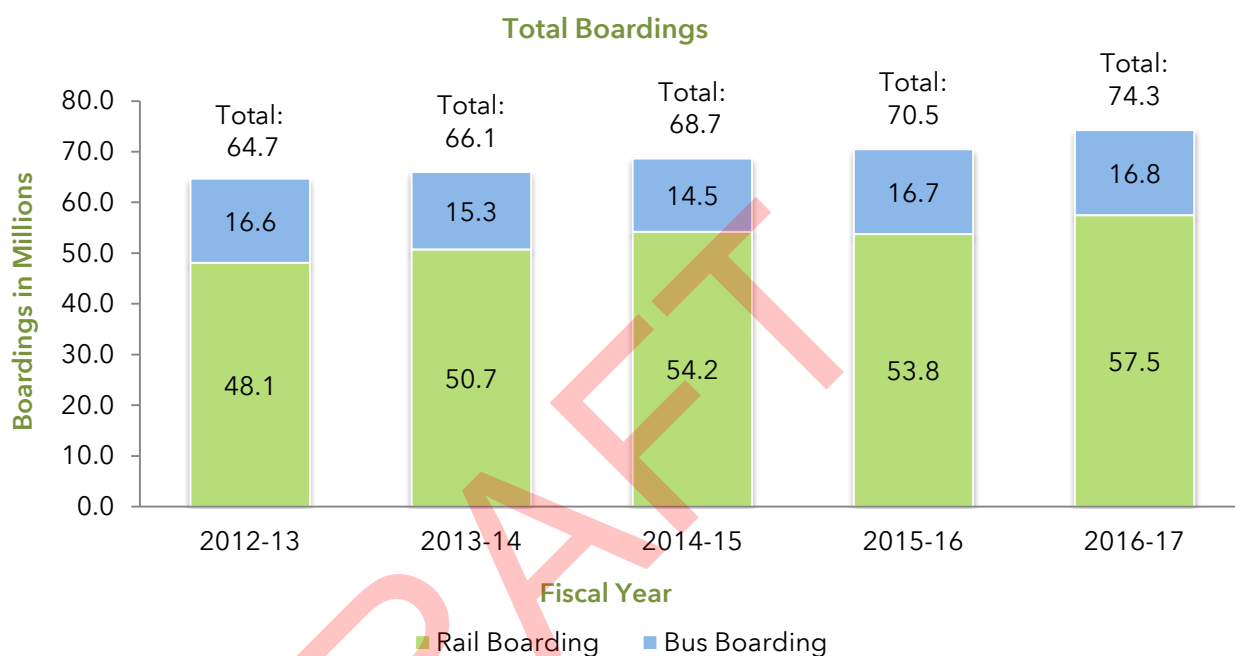
Boardings

Metrolinx boardings reflect the use of GO and UP trains and GO buses across the region. Year over year boardings showed a marked increase from 70.5 million in 2015-16 to 74.3 million in 2016-17, an increase of 3.8 million or 5.4%. This encouraging and positive increase is also reflected in the increase in fare revenue. The Metrolinx Business Plan measures the use of transit assets in terms of net ridership.

The opening of the new Gormley station, shown above, has resulted in increased boardings (840 riders on average each day), and more than 8,300 people rode the UP Express on an average weekday. We anticipate future boardings to increase over the next decade with the opening of 12 new stations and improvements to 20 existing stations.

Metrolinx continues to work with a number of professional organizations and industry partners to keep abreast of changing economic conditions and demographic shifts to understand how anticipated changes may affect regional rail and bus network demand and performance over time.

In the five year period from fiscal 2012-13 to 2016-17, boardings increased at a compounded annual growth rate of 2.8%.



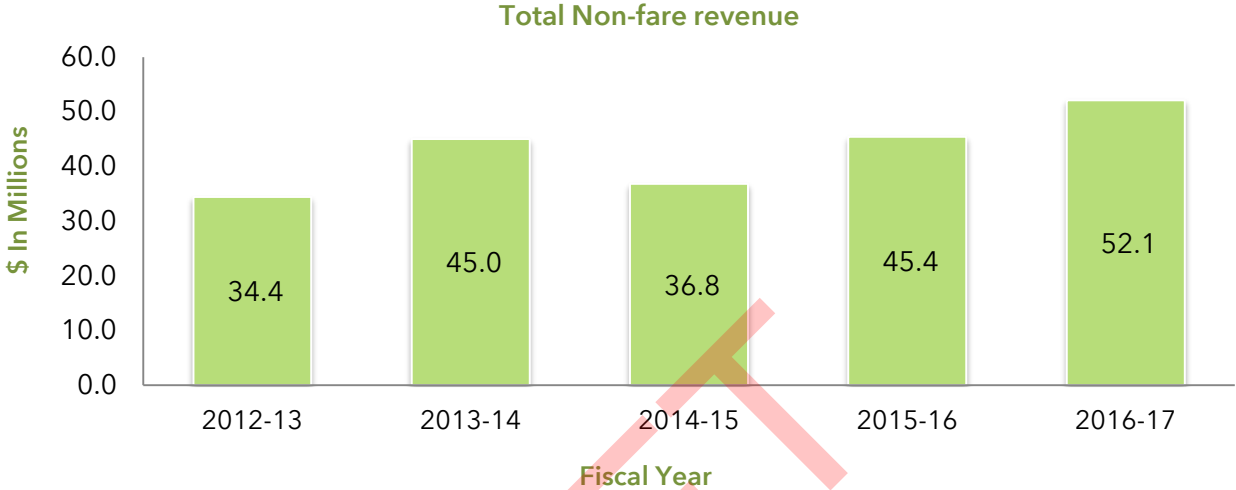
Non-fare revenue

Non-fare revenue consists of partnership and advertising revenue, fees collected from TTC and other transit providers for the use of the PRESTO system, corridor access fees and commercial space revenue. In 2016-17, over 700,000 PRESTO cards were activated bringing the total to 2.7 million to date.

Non-fare partnership revenue is derived from partnerships with a number of companies in the private sector representing the financial services, information and technology, consumer electronics and retail food services sectors. We anticipate non-fare revenue from these sources to grow over time as we expand service levels and infrastructure capacity, such as the opening of new stations.

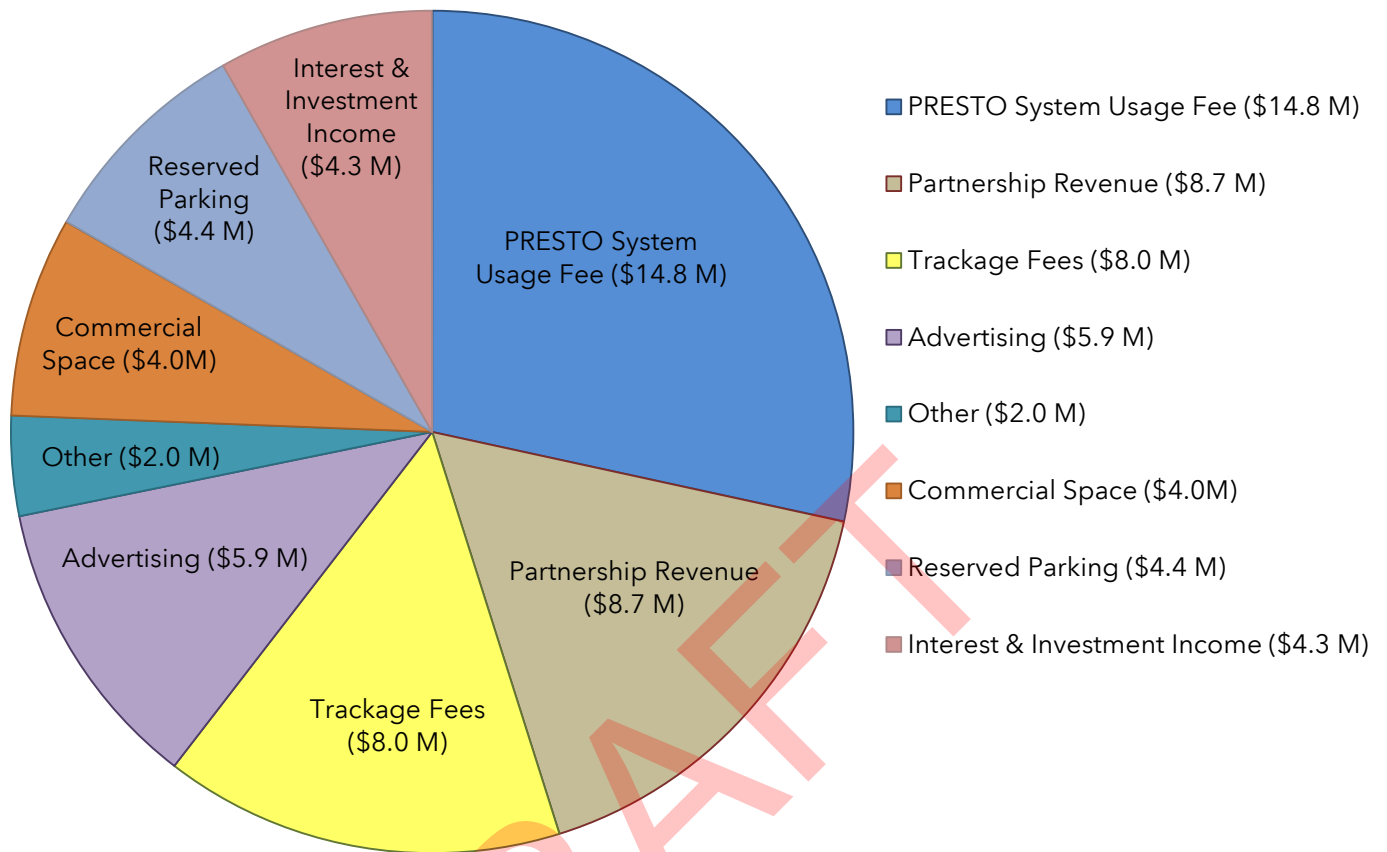
Metrolinx owns most of its transit railway corridors and also shares its corridors with its partners including Canadian National Railway (CN) and Canadian Pacific Railway (CP). Railway partners pay access corridor fees on Metrolinx-owned corridors that cover signalling, dispatch and communications costs.

The following chart shows non-fare revenue performance from 2012-13 to 2016-17. Non-fare revenues were \$52.1 million (excluding gain/loss on sale of capital assets) in 2016-17 in comparison to \$45.4 million in 2015-16.



The following chart shows the components of non-fare revenues for the fiscal year ended March 31, 2017 of \$52.1 million.

2016-17 Non-fare Revenue



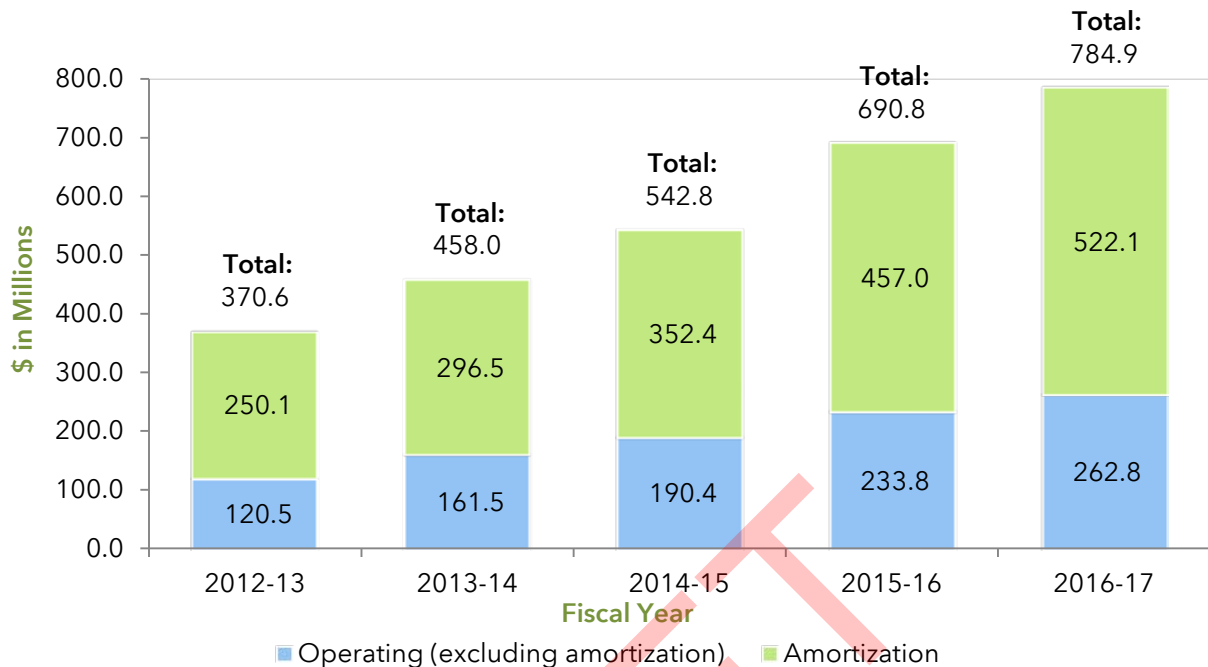
Government Funding

Operating Subsidy

Metrolinx received approximately \$262.8 million in operating subsidy from the Province of Ontario (the Province), an increase of about \$29.0 million or 12.4% from 2015-16. The operating subsidy is used for implementing many of the commitments made under the RTP. The increase in mid-day and weekend GO Transit service also drives the increase in operating subsidies. Operating subsidy from the Province has increased at a compounded annual growth rate of 16.9% each year since 2012-13. No municipal or federal operating subsidy or grant has been received over the last five years.

Amortization has been fully funded by the Province. Amortization expense for the year was \$522.1 million or \$5.9 million over the budget of \$516.2 million.

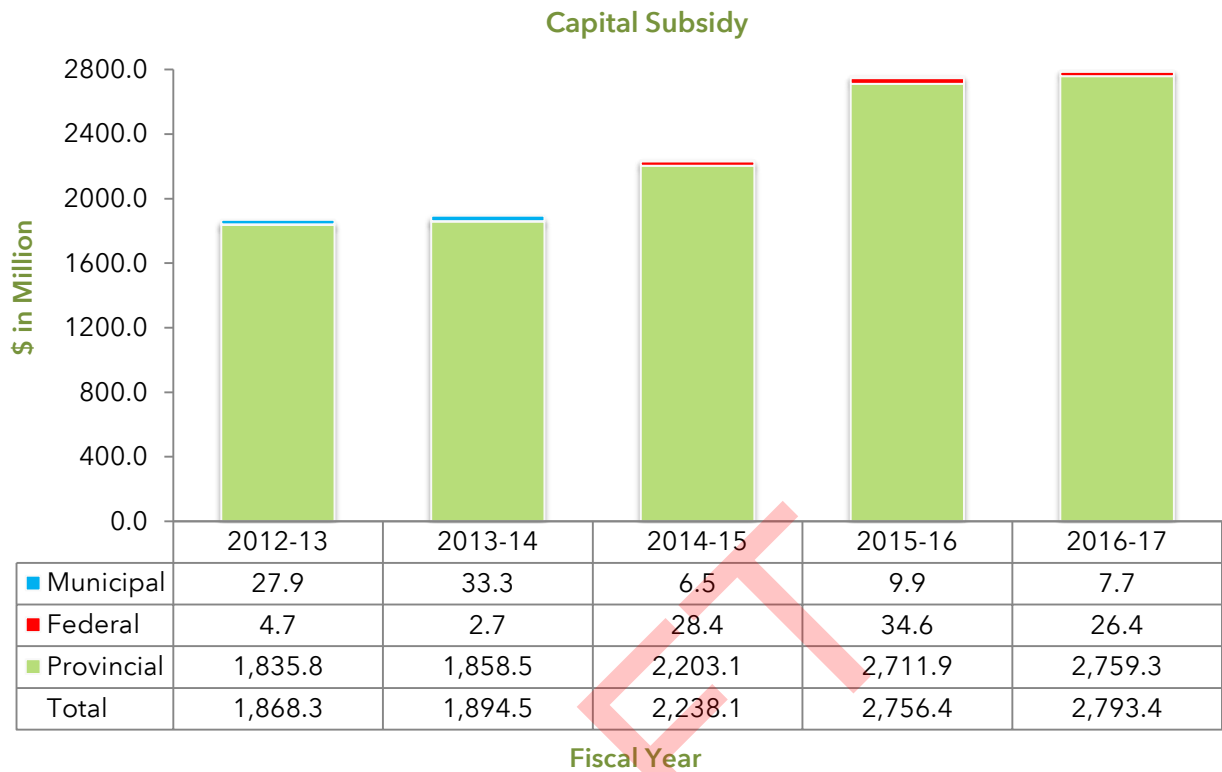
Operating Subsidy & Amortization



Capital Subsidy

Capital subsidy grew by \$37.0 million to \$2,793.4 million in 2016-17 from \$2,756.4 million in 2015-16. Funding from the Province of Ontario totaled \$2,759.3 million for 2016-17. Metrolinx also received capital funding from the federal government of \$26.4 million and \$7.7 million from municipal governments.

Federal funding was received from three Canada Strategic Infrastructure Fund (CSIF) programs. The original CSIF program is still funding portions of the Union Station Rail Corridor Train Control system, the Bus Rapid Transit (BRT) program is contributing funding towards the Mississauga Transitway and a PRESTO program is contributing funding towards the implementation of PRESTO on the TTC.



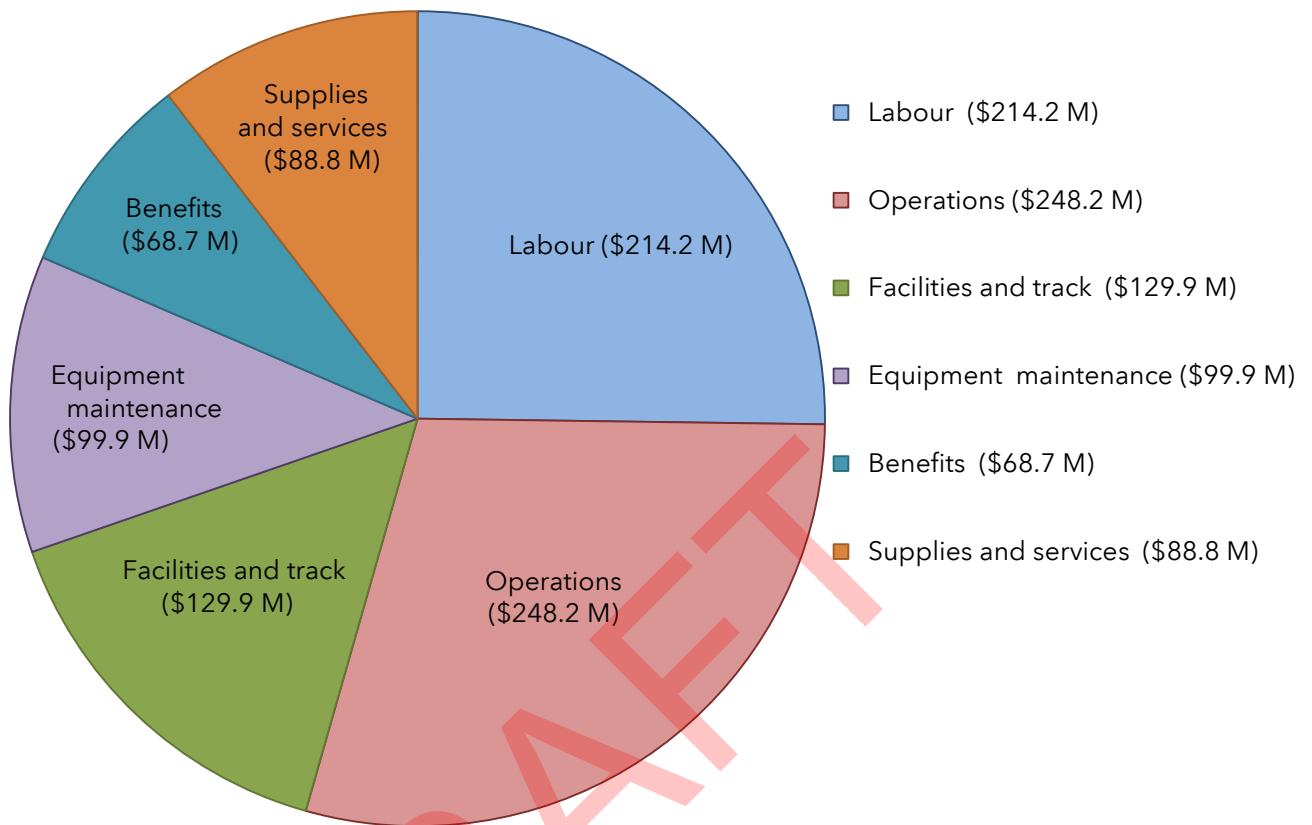
Operating and Capital Expenditures

Operating Costs

Operating costs, before amortization, for the year were \$849.7 million or \$29.1 million (3.3%) under the budget of \$878.8 million. The savings were a result of lower spending on salaries and benefits, fuel, operating, facilities and track costs offset by higher supplies and services.

Operating expenditures by category are shown below.

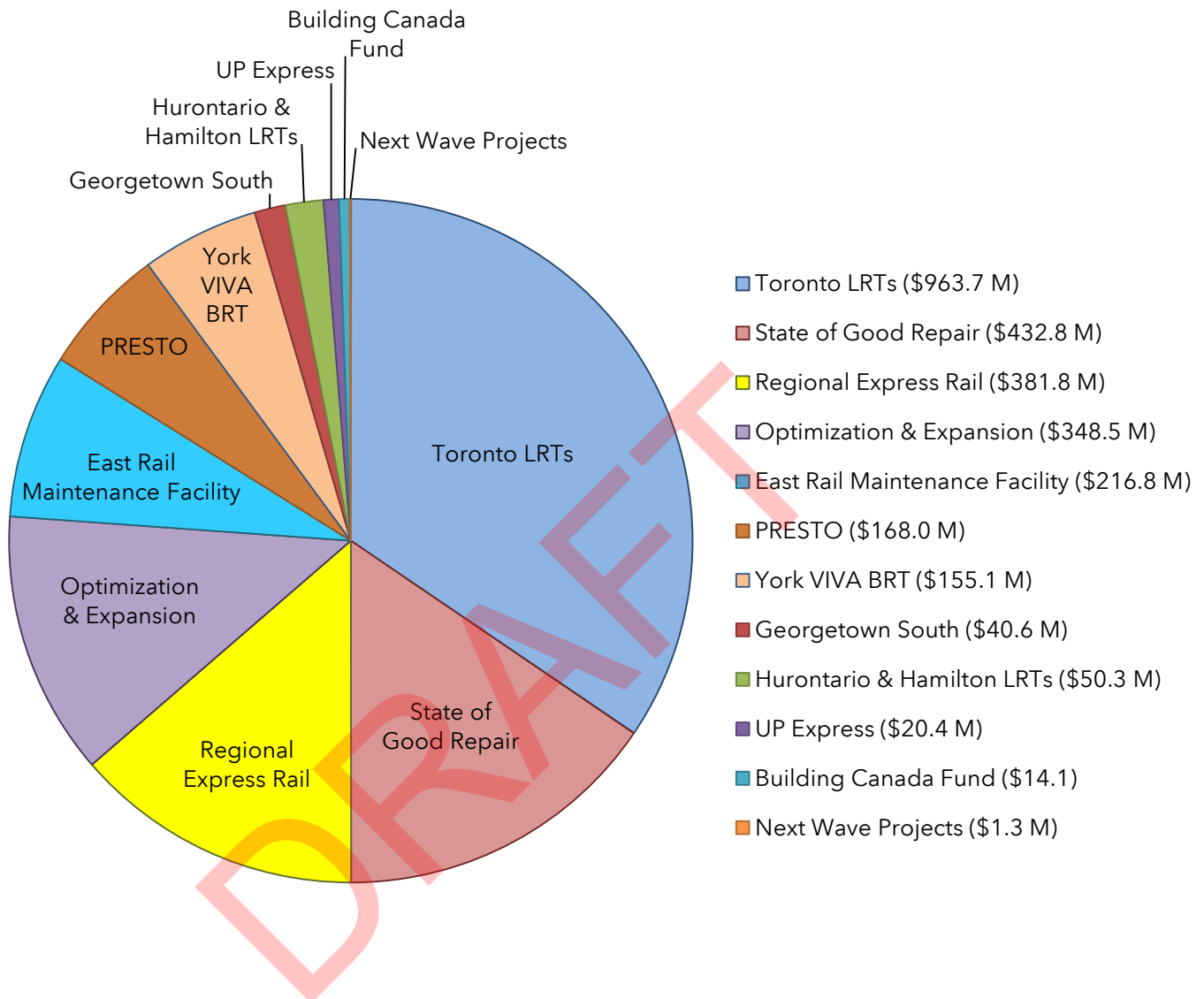
Operating Expenditures by Category



Capital Investments

In 2016-17, Metrolinx continued working towards the Province's mandate to significantly increase investment in public transit infrastructure. Major capital projects such as implementation of GO Regional Express Rail, Union Station Revitalization, implementation of PRESTO fare system on TTC, construction of VIVA BRT and Eglinton Crosstown projects commenced, achieved key milestones, or were completed during the fiscal year. Significant investments were also made towards the state of good repair of existing infrastructure in order to maintain and improve safety and reliability. Capital expenditures in 2016-17 were \$2,793.4 million.

2016-17 Capital Expenditures by Category



Capital Investments - Budgeted and Actual

Metrolinx is advancing a large and growing program, involving signature projects like the RER program, the Eglinton Crosstown LRT, Finch West LRT, Hurontario LRT, Hamilton LRT and BRT. In 2016-17, Metrolinx's Capital expenditure was \$2,793 million, which is \$1,392 million lower than the available funding of \$4,185 million.

Expansion and Optimization projects including the Downtown Bus Terminal at Union Station (being developed in partnership with a private sector developer) and the Kipling Mobility Hub contributed to the under spend as progress has been slower than expected. In addition, locomotives are behind schedule and the Signal Fibre Infrastructure project is delayed while additional options are explored.

State of Good Repair includes assets that are regularly scheduled for repairs and maintenance and rehabilitation. The Union Station Trainshed restoration, GO parking lots and system wide technology upgrades are examples. Actual spending of \$432.8 million was under budget by about \$121.0 million.

Capital Expenditures by Category	2016-17	2016-17	2016-17
(\$ in millions)	Actual	Budget	Variance
GO : Expansion & Optimization	348.5	665.6	(317.1)
GO : Georgetown South	40.6	20.0	20.6
GO : State of Good Repair	432.8	553.8	(121.0)
GO: Building Canada Fund	14.1	10.3	3.8
GO: East Rail Maintenance Facility	216.8	243.0	(26.2)
GO : Regional Express Rail	381.8	611.3	(229.5)
Union Pearson Express	20.4	7.6	12.8
RT - York VIVA BRT	155.1	218.1	(63.0)
RT - Toronto LRTs	963.7	1,534.9	(571.2)
RT - Hamilton	22.4	10.6	11.8
RT - Hurontario	27.9	23.4	4.5
Next Wave Projects	1.3	23.7	(22.4)
PRESTO	168.0	262.7	(94.7)
TOTAL	2,793.4	4,185.0	(1,391.6)

Regional Express Rail stems directly from the Province's commitment to transform the GO Transit rail network. A total of \$13.5 billion has been allocated to this initiative. In late June 2016, a revised procurement strategy for the RER program was approved by the Metrolinx Board of Directors, which incorporated much more extensive reliance on alternative

financing and procurement (AFP) methods. While this approach is expected to result in similar overall delivery time frames, additional time is required to prepare for and conduct the procurement phase, shifting some anticipated design and construction expenditures into subsequent fiscal years.

In partnership with Infrastructure Ontario, a Master Agreement guides the contract negotiation and development progress of all LRT projects including the Eglinton Crosstown LRT, Finch West LRT and Hurontario LRT. The Design-Build-Finance-Maintain contract for the Eglinton Crosstown was awarded in July 2015 and construction underway is expected to be completed by 2021. The Eglinton Crosstown project is behind plan. With the implementation of a recovery plan management expects this project to be back in line with the baseline schedule over the next 18 months. Commercial and financial close for the Finch LRT AFP has been pushed into next fiscal year. The RFP was suspended during the year due to uncertainty around vehicle supply for the project.

PRESTO has re-allocated some capital spending into 2017-18 with the next major release being deployed in three phases. Also, in March 2016, Metrolinx began negotiations with PRESTO municipal partners in the 905 (Hamilton, Burlington, Brampton, Oakville, York, Mississauga and Durham) and Ottawa on its 10-year operating agreement that is due to expire shortly.

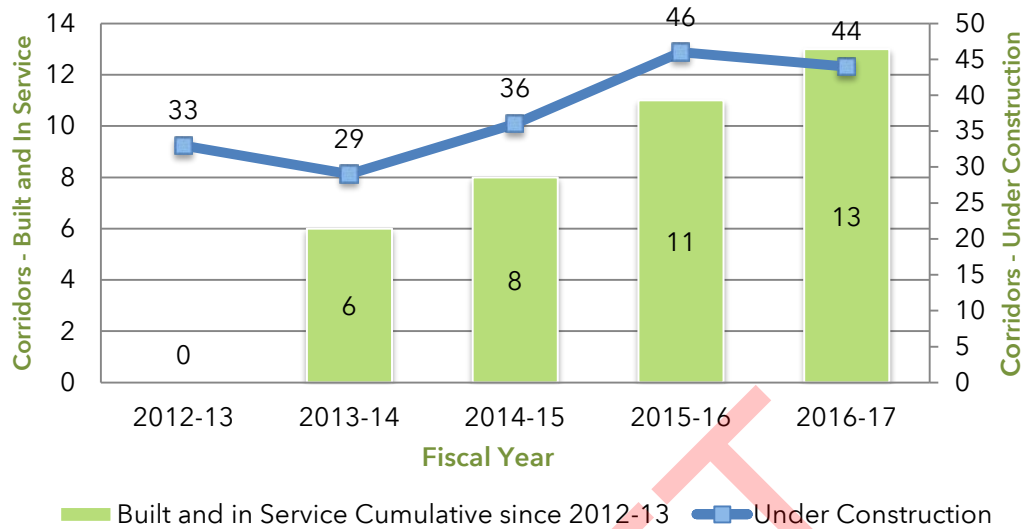
Key Performance Indicators

Metrolinx has developed six KPIs to measure its annual achievements. We are also working on developing additional KPIs focusing on regional Metrolinx outcomes that measure the overall progress in the development of transit across the region. These outcomes are impacted by many stakeholders in the region which Metrolinx intends to influence as the regional mobility leader. The regional outcomes come from external surveys which are published every five years. The results of the latest survey for 2015-16 will not be available until later in 2017-18 and therefore these metrics have not been included in this year's Annual Report.

New Rapid Transit Corridors

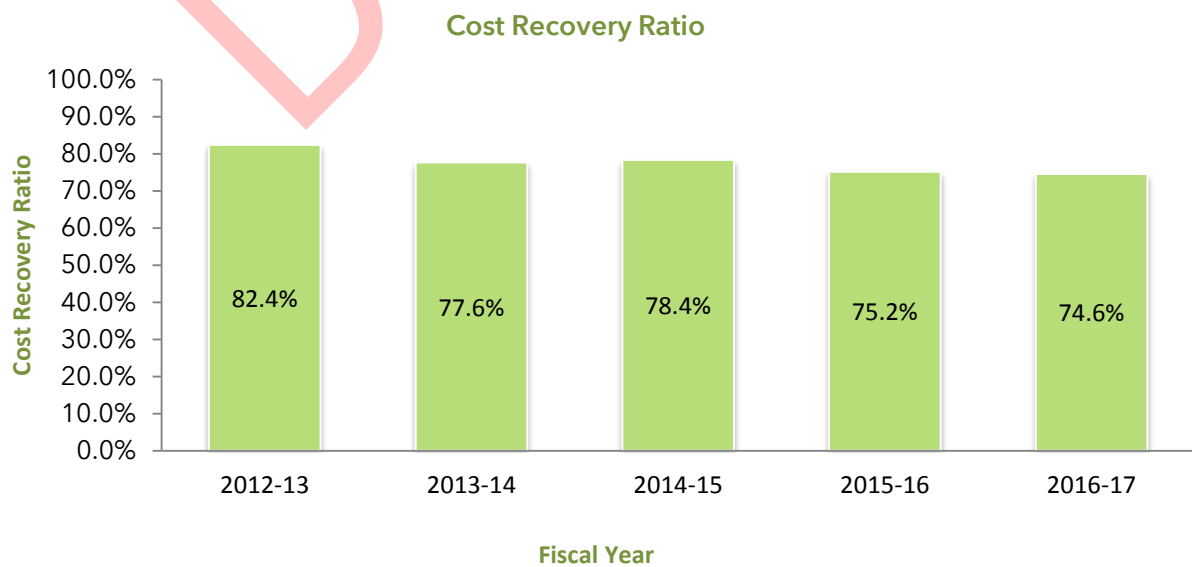
There are two KPIs which measure our progress in building new rapid transit for the region: New Rapid Transit Corridors - Built and In Service (kms) and New Rapid Transit Corridors - Under Construction (kms). Metrolinx has built 13 kms of rapid transit since 2012-13. In 2016-17, 2 kms of rapid transit were built for the Mississauga Transitway from Winston Churchill Boulevard to Erin Mills Parkway. By the end of 2016-17, 44 km of rapid transit were under construction.

New Rapid Transit Corridors (kms)



Cost Recovery Ratio

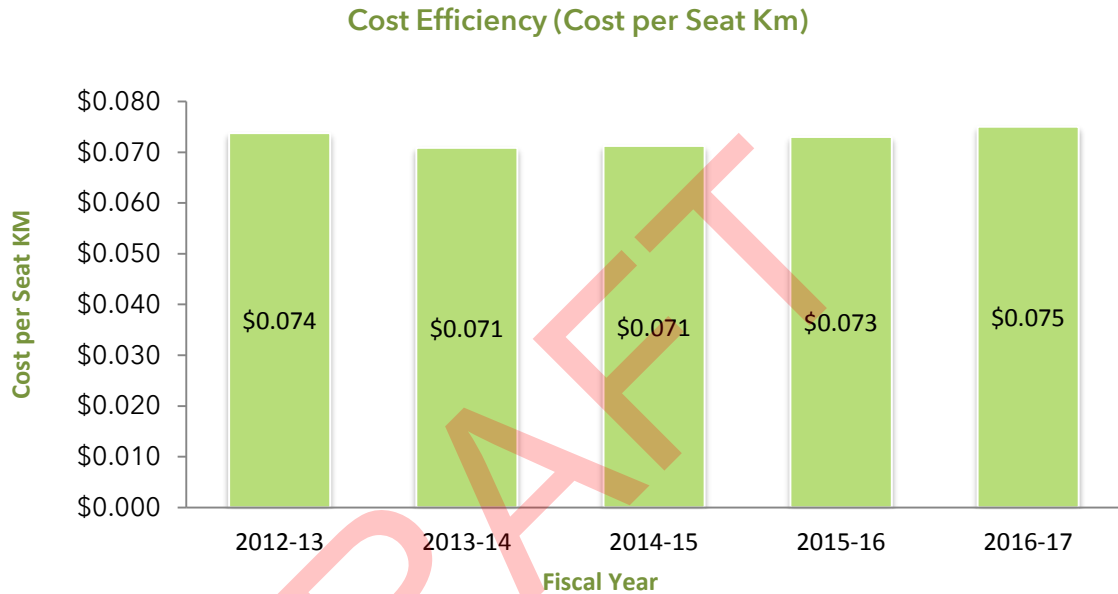
The cost recovery ratio, measured as the ratio of total revenues (excluding operating subsidy, grants, sale of assets, and extraordinary revenues) to total operating costs represents the extent to which the organization's operations are self-funded. Metrolinx compares its cost recovery ratios to its historic results as well as to industry benchmarks. Historically, Metrolinx considers itself to have one of the best cost recovery ratios among its North American peers. The cost recovery ratio (excluding PRESTO operations) in 2016-17 of 74.6%, is slightly below (0.6%pts) 2015-16 levels.



*Note: UP Express results are now included in the Cost Recovery Ratio and historical results have been restated for comparative purposes.

Cost Efficiency

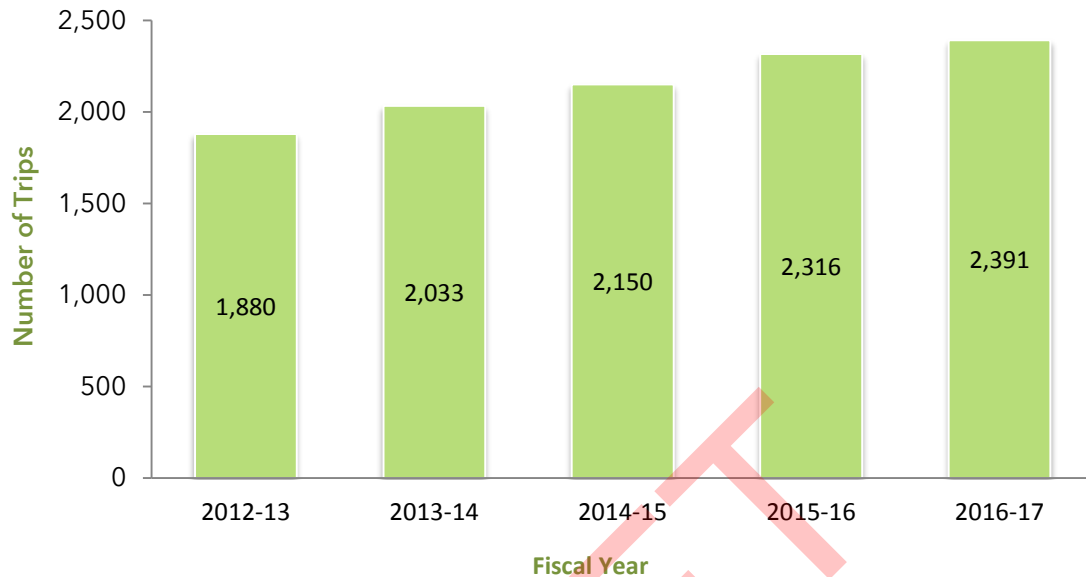
The Cost Efficiency (excluding PRESTO) KPI measures the total operating expenses incurred per seat-kilometre (km) of service provided for the period. This KPI is a measure of how efficiently the organization delivers its services to the public. For fiscal 2016-17, cost efficiency of \$0.075 is slightly higher than the 2015-16 measure of \$0.073 percent.



Scheduled Trips per Day

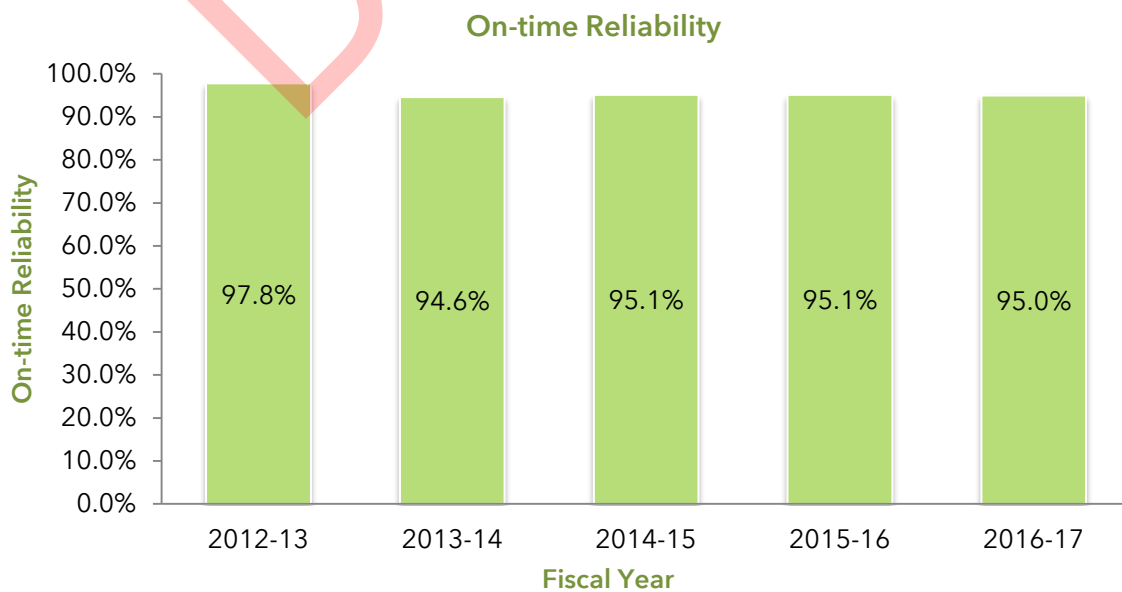
Scheduled trips per day represents the average number of scheduled train and bus trips per day offered to the public for the period being measured. Scheduled trips per day increased by 3.2 % from 2015-16 to 2,391 in 2016-17.

Scheduled Trips Per Day



On-time Reliability

The on-time reliability KPI measures the number of scheduled trips arriving at their destination on-time for the period being measured. On-time reliability is defined as within 5 minutes of scheduled arrival time for train trips and within 15 minutes of scheduled arrival time for bus trips. On-time performance was consistent year over year at 95% exceeding the organization's target of 94%.



GO Transit Competitiveness

Travelling with GO Transit remains an economically preferred choice for commuters in the GTHA. Travelling with GO Transit costs approximately 66% of the total cost of driving (fuel and parking costs). The average cost to drive is \$0.32/km, whereas the cost for transit is \$0.20/km. This reflects fuel costs and parking in downtown Toronto only and does not consider the additional vehicle maintenance and vehicle ownership costs that would result from the increase in vehicle mileage. The cost of fuel was based on the average gas price in Ontario as of March 2017. GO Transit continues to offer a comfortable and easy experience and a cost competitive mode of travel for passengers.

DRAFT

Metrolinx

Financial Statements
March 31, 2017

DRAFT



@@@, 2017

Independent Auditor's Report

To the Board of Directors of Metrolinx

We have audited the accompanying financial statements of Metrolinx, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net assets, and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Metrolinx as at March 31, 2017 and the results of its operations, its remeasurement gains and losses and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Metrolinx

Statement of Financial Position

As at March 31, 2017

(in thousands of dollars)

	2017 \$	2016 \$
Assets		
Current assets		
Cash and cash equivalents (note 5)	469,851	459,347
Restricted cash (note 6)	-	14,004
Accounts receivable (note 8)	72,354	78,168
Contributions due from Province of Ontario	368,985	-
Contributions due from Government of Canada	35,297	57,386
Spare parts and supplies	11,851	11,916
Prepaid expenses	14,305	16,319
	972,643	637,140
Accounts receivable - long-term (note 8)	74,787	74,787
Contributions due from Province of Ontario - long-term (note 11)	1,164,757	944,550
Capital assets (note 7)	16,108,846	13,910,393
Deposits on land (note 9)	145,079	111,153
Advances on capital projects (note 9)	221,216	183,073
Long-term lease (note 10)	27,226	27,553
	18,714,554	15,888,649
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	964,641	595,519
Presto Farecard E-Purse (note 5)	44,965	34,645
Advance from Province of Ontario (note 6)	-	14,004
Due to Province of Ontario	-	29,932
	1,009,606	674,100
Long-term payable (note 11)	1,164,757	944,550
Deferred capital contributions (note 12)	13,885,963	11,854,540
Pension plan top-up benefits payable (note 14)	63,530	61,433
Other employee future benefits payable (note 15)	129,519	117,457
	16,253,375	13,652,080
Net Assets		
Invested in capital assets (note 16)	2,589,178	2,350,079
Invested in long-term lease	27,226	27,553
Internally restricted (note 17)	26,332	26,332
Deficiency of net assets	(181,557)	(167,395)
	2,461,179	2,236,569
	18,714,554	15,888,649
Economic dependence (note 2)		
Commitments (note 18)		
Contingencies (note 19)		

Approved by the Board of Directors

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT

Director

NOT TO BE FURTHER COMMUNICATED

The accompanying notes are an integral part of these financial statements.

Metrolinx**Statement of Operations****For the year ended March 31, 2017**

(in thousands of dollars)

	2017 \$	2016 \$
Revenue		
Operating revenue	567,592	521,311
Contribution from the Province of Ontario	262,834	233,829
Investment income	4,449	3,487
Amortization of deferred capital contributions (note 12)	520,871	453,057
	<u>1,355,746</u>	<u>1,211,684</u>
Expenses		
Supplies and services	88,746	81,468
Equipment maintenance	99,944	90,847
Facilities and track	129,897	107,519
Labour and benefits	282,963	273,342
Rail and bus operations	248,185	222,918
Amortization of capital assets	521,815	456,685
Amortization of long term lease	327	327
Loss on disposal of capital assets	376	72
	<u>1,372,253</u>	<u>1,233,178</u>
Excess of expenses over revenue	<u>(16,507)</u>	<u>(21,494)</u>

The accompanying notes are an integral part of these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Metrolinx
Statement of Changes in Net Assets
For the year ended March 31, 2017

(in thousands of dollars)

	2017				2016	
	Invested in capital assets \$ (note 16)	Invested in long- term lease \$	Internally restricted net assets \$ (note 17)	Deficiency \$	Total \$	Total \$
Balance - Beginning of year	2,350,079	27,553	26,332	(167,395)	2,236,569	2,074,610
Excess of expenses over revenues	-	-	-	(16,507)	(16,507)	(21,494)
Amortization - net of amortization to revenue	(1,800)	(327)	-	2,127	-	-
Assets contributed by the Province of Ontario (note 20(b))	10	-	-	-	10	13,575
Land acquisitions - net of deposits	107,911	-	-	-	107,911	70,607
Disposal of land	(218)	-	-	218	-	-
Deposits on land	133,196	-	-	-	133,196	99,271
Balance - End of year	2,589,178	27,226	26,332	(181,557)	2,461,179	2,236,569

The accompanying notes are an integral part of these financial statements.

FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED

Metrolinx**Statement of Cash Flows****For the year ended March 31, 2017**

(in thousands of dollars)

	2017 \$	2016 \$
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenues	(16,507)	(21,494)
Amortization of capital assets and long-term lease	522,142	457,012
Loss (gain) on disposal of capital assets	376	72
Amortization of deferred capital contributions	(520,871)	(453,057)
Employee future benefits - net of payments	14,159	16,737
	(701)	(730)
Change in non-cash working capital		
Accounts receivable	5,814	1,201
Spare parts and supplies	65	(3,581)
Prepaid expenses	2,014	2,273
Accounts payables and accrued liabilities	(226,360)	(887,981)
PRESTO Farecard E-Purse	10,320	5,621
	(208,848)	(883,197)
Capital activities		
Purchase of capital assets	(1,637,308)	(729,729)
Proceeds from sale of capital assets	700	730
Deposits on land (note 16)	(133,196)	(99,271)
Advances on capital projects (note 16)	(221,216)	(183,073)
	(1,991,020)	(1,011,343)
Financing activities		
Grants received for purchase of land	241,107	169,878
Capital contributions	1,955,261	1,846,902
	2,196,368	2,016,780
Net change in cash, cash equivalents and restricted cash	(3,500)	122,240
Cash, cash equivalents and restricted cash - Beginning of year	473,351	351,111
Cash, cash equivalents and restricted cash - End of year	469,851	473,351
Supplemental cash flow information		
Non-cash capital activities		
Change in accounts payable and accrued liabilities relating to capital assets	595,482	867,196
Change in advance from Province of Ontario (note 6)	(14,004)	(32,663)
Change in long-term capital payable/contribution due from Province	220,207	896,182
Assets contributed by the Province of Ontario (note 20(b))	10	13,575
Non-cash financing activities		
Capital contributions receivable/payable	(376,827)	140,242

The accompanying notes are an integral part of these financial statements.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

1 Nature of operations

Metrolinx is a Crown agency, reporting to the Minister of Transportation of Ontario (MTO). It is a non-share capital corporation and is exempt from income taxes under Section 149(1) (d) of the Income Tax Act (Canada).

Metrolinx was created by sections of the Greater Toronto Transportation Authority Act, 2006 which were proclaimed on August 24, 2006. On May 14, 2009, Bill 163 was proclaimed amending the Greater Toronto Transportation Authority Act, 2006 and changing the title of the Act to the Metrolinx Act, 2006. Metrolinx's mandate is to lead the coordination, planning, financing and development of an integrated multi-modal transportation network for the Greater Toronto and Hamilton Area (GTHA). Taking a regional approach, Metrolinx brings together the Province of Ontario (the Province), municipalities and local transportation authorities to produce long-term economically and environmentally sustainable transportation solutions.

GO Transit is a business unit of Metrolinx that operates an inter-regional public transit system consisting of integrated rail and bus corridors. The network of rail and bus services primarily serves communities across the Greater Toronto and Hamilton Area including the cities of Toronto and Hamilton. GO Transit also serves the regions of Halton, Peel, York, Durham, Simcoe County, Dufferin County, Wellington County and the cities of Barrie, Guelph, Kitchener and Niagara Falls and the Town of Bradford-West Gwillimbury. The Union Pearson (UP) Express provides high-quality dedicated express rail service connecting Canada's busiest transportation hubs, Union Station in downtown Toronto and Toronto Pearson International Airport. The UP Express began operations on June 6, 2015.

PRESTO is a business unit that operates the PRESTO fare system, an electronic fare card that allows riders to transfer seamlessly across multiple transit systems. PRESTO farecard is now available across the TTC network, including on subway stations, streetcars and buses.

2 Economic dependence

Metrolinx currently generates revenues primarily from the provision of transportation services provided by GO Transit, UP Express and PRESTO card services.

In addition, Metrolinx receives government grants:

- from all three levels of government to support its investment in capital infrastructure to be used in the delivery of current and future transportation services; and
- yearly operating subsidy from the Province of Ontario to further support the delivery of transportation services.

The ability of Metrolinx to continue to offer and grow its services and meet its obligations are dependent upon the ongoing grants it receives as outlined above.

Metrolinx

Notes to Financial Statements

March 31, 2017

(in thousands of dollars)

3 Summary of significant accounting policies**Financial statement presentation**

These financial statements have been prepared by management in accordance with Public Sector Accounting Standards (PSAS) for government, including not for profit organizations, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

Financial instruments

Financial instruments are financial assets or liabilities of Metrolinx which, in general, provide Metrolinx the right to receive cash or another financial asset from another party or require Metrolinx to pay another party cash or other financial assets.

All financial instruments reported on the statement of financial position of Metrolinx are measured at:

Cash and cash equivalents	amortized cost
Restricted cash	amortized cost
Accounts receivable	amortized cost
Contributions due from Province of Ontario	amortized cost
Contributions due from Government of Canada	amortized cost
Contributions due from Province of Ontario - long-term	amortized cost
Accounts payable and accrued liabilities	amortized cost
PRESTO Fare Card E-Purse	amortized cost
Advance from Province of Ontario	amortized cost
Due to Province of Ontario	amortized cost
Long-term payable	amortized cost

Transaction costs on assets measured at fair value are expensed as incurred.

The fair value of Metrolinx's cash and cash equivalents, accounts receivable, contributions due from Province of Ontario, contributions due from Government of Canada, accounts payable and accrued liabilities, due to Province of Ontario and PRESTO Fare Card E-Purse approximate their carrying values due to the short-term nature of these financial instruments. The fair value of other financial instruments approximate their carrying values unless otherwise noted, based on market rates available to Metrolinx for financial instruments with similar risks, terms and maturities.

Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Metrolinx's fair values are management's estimates and are generally determined using market conditions at a specific point in time. The determinations are subjective in nature, involving uncertainties and the exercise of significant judgment.

Metrolinx enters into contracts for diesel fuel to manage exposure to diesel fuel price risks. These derivative instruments are recorded on the statement of financial position as an asset or liability and

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

are measured at fair value. The unrealized gains or losses in the derivative instruments' fair value are recognized in the statement of remeasurement gains and losses.

Metrolinx does not hold or issue derivative financial instruments for trading or speculative purposes, and controls are in place to detect and prevent these activities. Metrolinx does not hold any derivative contracts as at March 31, 2017.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and highly liquid short-term investments with maturities of three months or less at the time of purchase.

Spare parts and supplies

Spare parts and supplies are carried at the lower of cost and net realizable value. Cost is determined using the weighted-average method.

Capital assets

Capital assets are recorded at cost. The cost of a capital asset includes all costs directly related to the acquisition, construction, development or betterment of the capital asset. Salaries, wages and associated employee benefits for staff directly involved in the acquisition, development or construction of a capital asset are included in the cost of the capital asset.

Metrolinx has adopted a whole property approach in capitalizing and amortizing its buildings, rail equipment and bus equipment. Under this approach, all components attached to the building structure (lighting, elevators, air conditioning, etc.) are amortized over a composite service life of the property as a whole.

If the development or construction of a capital asset is terminated or deferred indefinitely before completion, the costs capitalized to date are expensed, unless there is an alternative use for the capital asset or unless recovery of those costs from a third party can be reasonably estimated and collection is likely based on related agreements.

Capital assets derived through an Alternate Financing Procurement (AFP) contract for design, build, finance and maintenance will contain a portion of the capital design and construction costs that will be paid upon substantial completion of the construction of the capital asset and the remainder over the useful life. A matching contribution receivable from the Province of Ontario is recorded. Annual service payments and lifecycle payments will be paid annually over the term of the contract.

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

Amortization

Metrolinx provides for the amortization of the various classes of assets over their estimated useful lives on a straight-line basis as follows:

Buildings (including shelters and ticket booths)	5 - 20 years
Leasehold improvements	lease life
Locomotives and other railway rolling stock	20 - 25 years
Improvements to railway right-of-way plant	20 years
Track work and installation	20 years
Buses (including double decker buses)	10 years
Parking lots	20 years
Computer equipment and software	5 - 10 years
Grade separations	50 years
Other (including furniture and equipment)	3 - 12 years

Work-in-progress is comprised of direct construction and development costs. No amortization is recorded until the assets are in service.

Long-term lease

Long-term lease represents the pre-payment of the lease regarding Union Station. The amount is being amortized straight-line over 100 years, being the term of the lease plus one renewal period.

Employee future benefits

Metrolinx provides pension plan benefits through the multi-employer Ontario Municipal Employees Retirement System (OMERS) Pension Fund. The expense for the period equals the required contribution for the period.

Metrolinx provides a top-up pension plan benefit calculated by using the accrued benefit method which reflects the projected benefits for services rendered to date. Adjustments arising from employee benefit plan amendments, experience gains and losses and changes in assumptions are amortized to earnings over the average remaining service period of the active employees. Any past service costs are expensed when incurred.

Metrolinx also provides other employee future benefits calculated by using the accrued benefit method which reflects the projected benefits for services rendered to date. Adjustments arising from employee benefit plan amendments, experience gains and losses and changes in assumptions are amortized to earnings over the average remaining service period of active employees. Any past service costs are expensed when incurred.

Commuter services revenue

Revenue is recognized when the transportation service is provided.

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

Contributions

Metrolinx follows the deferral method of accounting for contributions. Unrestricted contributions, including operating grants, are recognized as revenue in the period to which they relate.

Deferred capital contributions relate to funds received for the acquisition of capital assets. These deferred capital contributions are recognized as revenue over the same period as the amortization of the related capital asset.

Internally restricted net assets

Internally restricted net assets are internally restricted to provide a funding source for planned future obligations and to provide flexibility against uncertainties which may arise. All reserves are approved by the Board of Directors and are disclosed on the statement of financial position as net assets.

Liability for contaminated sites

Metrolinx assesses all land holdings to determine if contaminations, as defined under the standard and regulatory requirements, are present on lands not being used in providing transit and other related services. While contaminations may be present, the resultant liability also depends on the existing and future disturbances to the land. A complete inventory of all land holdings was developed and assessed for under the standard. There were no liabilities to report in the fiscal year.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The items subject to the most significant estimates are amortization of capital assets, certain accrued liabilities, pension plan top-up benefits payable and other employee future benefits payable.

Future accounting pronouncements

PSAB has released the following new handbook sections which will be applicable to Metrolinx to the extent that there are no specific standards in Section PS 4200 to PS 4270, Government Not-for-Profit Organizations.

PS 2200, Related Party Disclosures, PS 3420, Inter-entity Transactions, PS 3210, Assets, PS 3320, Contingent Assets, and PS 3380, Contractual Rights, are all effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. PS 3430, Restructuring, is effective for fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted.

Management is currently assessing the impact of these new standards.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

4 Financial instruments and risk management

Metrolinx's financial assets and liabilities have exposure to the following risks:

Credit risk

Metrolinx is subject to credit risk through its receivables. It is management's opinion that the risk is minimal as most of the receivables are from federal, provincial and municipal governments and organizations controlled by them.

Interest rate risk

Metrolinx does not have significant exposure to interest rate risk related to its long-term liabilities as they are primarily with related parties and are non-interest bearing.

Other price risk

Metrolinx is exposed to changes in crude oil prices as a result of diesel fuel consumption. The potential fluctuations in crude oil prices could have a significant impact on the cost of providing transportation services. This risk is reduced, from time to time, through the use of diesel fuel forward purchase contracts to lock in firmly committed future operating costs for own use consumption.

5 PRESTO Farecard E-Purse balances

The balance of funds held on PRESTO Farecard E-Purse in the amount of \$44,964 (2016 - \$34,645) has been included in cash and cash equivalents. The E-Purse balance is held on behalf of the Farecard owner and therefore a liability is recorded on the statement of financial position.

6 Funds being held for Province of Ontario

During the fiscal year ended March 31, 2017, the former Greater Toronto Transit Authority (GO Transit) received \$46,667 from the Province for their contribution towards the TTC participation in the GTA Farecard project. During the year ended March 31, 2016, TTC began to meet the requirements to receive this funding. As at March 31, 2017, the remaining balance of contribution, \$14,004 (2016 - \$32,662) has been utilized.

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

7 Capital assets

	2017			2016
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	2,189,960	-	2,189,960	2,105,810
Buildings	1,373,067	439,393	933,674	832,464
Leasehold improvements	98,243	35,287	62,956	59,603
Locomotives and other railway rolling stock	2,179,094	717,042	1,462,052	1,285,293
Improvements to railway right-of-way plant	1,332,326	659,954	672,372	610,020
Grade separations, track work and installations	3,195,587	552,136	2,643,451	2,528,100
Work-in-progress	6,121,592	-	6,121,592	4,954,488
Buses	398,801	200,962	197,839	172,030
Parking lots	758,585	248,549	510,036	475,185
Computer equipment and software	1,199,807	434,263	765,544	589,647
Other	691,294	141,924	549,370	297,753
	19,538,356	3,429,510	16,108,846	13,910,393

Work-in-progress includes the following:

	2017 \$	2016 \$
Rail corridor expansion	436,892	472,780
Union Station	341,615	334,347
Rail fleet	518,406	445,821
PRESTO system	63,737	126,091
Light Rapid Transit and Bus Rapid Transit	3,466,400	2,608,742
Various	1,294,542	966,707
	6,121,592	4,954,488

Work-in-progress relates to projects which are expected to come into service in one to six years.

Metrolinx

Notes to Financial Statements

March 31, 2017

(in thousands of dollars)

8 Accounts receivable

Accounts receivable are composed of the following:

	2017 \$	2016 \$
Recoverable HST	49,728	43,634
Recoverable PRESTO costs	-	4,147
Other receivables	22,626	30,387
	<hr/>	<hr/>
	72,354	78,168
Sunk project costs recoverable from City of Toronto - long-term	74,787	74,787
	<hr/>	<hr/>
	147,141	152,955

Included in accounts receivable is \$74,787 (2016 - \$74,787) related to the design of the Light Rapid Transit (LRT) Scarborough corridor in the City of Toronto incurred by Metrolinx as at March 31, 2016 and does not include costs related to any contract amendments or cancellations with 3rd party vendors. On October 8, 2013, City of Toronto Council voted to replace the planned LRT currently under construction under the Master Agreement with a Scarborough Subway. The City of Toronto has agreed to reimburse Metrolinx for expenditures incurred for the Scarborough LRT, including any potential costs associated with the LRT vehicle supply contract. Accordingly, the costs incurred to date have been reclassified from work-in-progress to non-interest bearing accounts receivable.

9 Advances on capital projects

Metrolinx has entered into Memorandum of Agreements (MOAs) with York Region Rapid Transit Corporation (YRRTC), The Regional Municipality of York (York Region), City of Toronto and the TTC. The MOAs outline the projects, expected costs, and responsibilities of the parties involved. The MOAs also outline the definition of eligible costs and ownership rights of the projects specified in the agreements. A Master Agreement with YRRTC and York Region was signed April 14, 2011 and covers both past and future eligible costs of constructing the bus rapidway. The MOA with the City of Toronto and the TTC was extended until the earlier of September 30, 2012 and the date on which Metrolinx, TTC and the City finalize definitive legal agreements. A Master Agreement with TTC and the City of Toronto was signed November 28, 2012 and covers the cost of constructing the Eglinton LRT, Scarborough RT, Finch West LRT and Sheppard East LRT. The Master Agreement also covers project governance and costs related to the East Rail Maintenance Facility Alternate Financing procurement.

Pursuant to these agreements, advances were paid to York Region and to the TTC to provide working capital for deposits on land totalling \$144,029 (2016 - \$109,646) and other project costs totalling \$221,216 (2016 - \$183,073) to fund projects being developed by York Region and TTC on behalf of Metrolinx. The deposits on land referred to above relate to obtaining, in the future, perpetual easements required for the operation of the York Region bus rapidway. The advances on capital projects are to be held in a separate account and any interest accrued will be applied against the project.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT
NOT TO BE FURTHER COMMUNICATED**

Metrolinx

Notes to Financial Statements

March 31, 2017

(in thousands of dollars)

As at March 31, 2017, Metrolinx has expended approximately \$4,440,449 (2016 - \$3,321,244) in relation to these projects, including the following amounts that have been advanced for costs expected to be incurred to June 30, 2017 and deposits related to future perpetual easements.

	2017 \$	2016 \$
York Region	354,263	281,731
TTC	10,982	10,988
	<hr/>	<hr/>
	365,245	292,719
Other land deposits	1,050	1,507
	<hr/>	<hr/>
	366,295	294,226

10 Long-term lease

	2017		2016	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Leasehold - Union Station	32,704	5,478	27,226	27,553

11 Long-term payable and contributions due from Province of Ontario - long term

Metrolinx and Infrastructure Ontario entered into an Alternate Financing Procurement (AFP) contract with Crosslinx Transit Solutions for the design, build, finance and maintenance of its Eglinton Crosstown Light Rail Transit Line during the year ended March 31, 2016. The AFP contract with Crosslinx Transit Solutions is for 30 years at a total amount of \$9,103,676. Metrolinx and Infrastructure Ontario had entered into another AFP contract with Plenary Infrastructure for the design, build, finance and maintenance of its East Rail Maintenance Facility during the year ended March 31, 2015. The AFP contract with Plenary Infrastructure is for 30 years at a total amount of \$921,794.

Costs incurred on these contracts as at March 31 are as follows and are included in work-in-progress:

	2017		2016
	ECLRTL \$	ERMF \$	Net \$
Costs incurred	1,402,666	420,826	1,823,492
Amount paid or payable within one year	(406,239)	(252,496)	(658,735)
	<hr/>	<hr/>	<hr/>
			-

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

Long-term payable	996,427	168,330	1,164,757	944,550
A matching contribution receivable from the Province for costs incurred to date is included in deferred capital contributions.				

12 Deferred capital contributions

The changes in the deferred capital contributions for the year are as follows:

	2017 \$	2016 \$
Balance - Beginning of year	11,854,540	9,734,686
Contributions received or receivable in the period for capital acquisitions		
Province of Ontario	2,518,187	2,528,462
Municipalities	7,662	9,886
Government of Canada	26,445	34,563
Amortization of deferred capital contributions	(520,871)	(453,057)
Balance - End of year	13,885,963	11,854,540

Metrolinx realized a shortfall in municipal funding related to its capital program. The Province has provided funding to bridge the shortfall in the current year in the amount of \$81,549 (2016 - \$141,097) and the cumulative amount is \$1,196,033 (2016 - \$1,114,484). The Province will work with its municipal partners to address the funding shortfalls.

13 Pension contributions

Metrolinx provides pension benefits for substantially all of its permanent employees through participation in the OMERS Pension Fund. The amount expensed in pension contributions for the year ended March 31, 2017 is \$28,425 (2016 - \$25,857).

14 Pension plan top-up benefits liability

With repatriation of the former GO Transit to the Province in 2002, bargaining and non-bargaining employees requested the Province to rectify the difference in pension benefits to be received by employees of GO Transit. When GO Transit was transferred from the Province to the Greater Toronto Services Board in 1999, the Provincial Plans were frozen and a new plan commenced under OMERS. It had been resolved that GO Transit was responsible for the pension obligation. GO Transit completed an actuarial valuation as of April 1, 2013. The updated actuarial valuation is being carried out as of April 1, 2016 and was not available at the time these financial statements were prepared. The financial statement items resulting from the valuation have been determined in accordance with Section 3250 of the PSA Handbook. The pension expense recognized during the year is \$4,098 (2016 - \$6,891).

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

The cost of pension plan top-up benefits is actuarially determined using the projected benefit method pro-rated on service. The discount rate used to determine the accrued benefit obligation was determined based on the Ontario provincial bond yields. The actuarial gains and losses are amortized over the average remaining service period of active employees.

Information about Metrolinx's pension plan top-up is as follows:

	2017 \$	2016 \$
Accrued benefit obligation	68,873	67,247
Fair value of plan assets	(2,562)	(2,126)
	<hr/>	<hr/>
Funded status - plan deficit	66,311	65,121
Unamortized net actuarial loss	(2,781)	(3,688)
	<hr/>	<hr/>
Accrued benefit liability	63,530	61,433
	<hr/>	<hr/>

Details of the accrued benefit obligation are as follows:

	2017 \$	2016 \$
Accrued benefit obligation - Beginning of year	67,247	74,608
Current service cost	1,104	1,870
Interest cost on accrued benefit obligation	2,095	2,192
Benefit payments	(1,572)	(1,776)
Actuarial (gain) loss on accrued benefit obligation	-	(9,647)
	<hr/>	<hr/>
Accrued benefit obligation - End of year	68,874	67,247
	<hr/>	<hr/>

Details of the pension expense are as follows:

	2017 \$	2016 \$
Current service cost	1,104	1,870
Interest cost on accrued benefit obligation	2,095	2,192
Actual return on plan assets	(8)	(4)
Expected return versus actual return on plan assets	8	4
Amortization of actuarial loss	899	2,829
	<hr/>	<hr/>
	4,098	6,891
	<hr/>	<hr/>

Metrolinx

Notes to Financial Statements

March 31, 2017

(in thousands of dollars)

Plan assets by asset category are as follows:

	2017 %	2016 %
Cash invested	10	2
Cash on deposit with Canada Revenue Agency	90	98
	<u>100</u>	<u>100</u>

Other information about Metrolinx's benefit plan is as follows:

	2017 \$	2016 \$
Employer contributions	2,000	2,200
Benefits	1,572	1,776

The significant actuarial assumptions adopted in measuring Metrolinx's pension plan top-up benefit obligations are as follows:

	2017	2016
Discount rate	3.1%	3.1%
Rate of compensation increase	2.75%	2.75%
Inflation per annum	2%	2%
Expected average remaining service life	5 years	6 years

15 Other employee future benefits liability

Metrolinx provides post-retirement life and health benefits, Workplace Safety & Insurance Board (WSIB) liabilities and retiree severance benefits. The plan is unfunded and requires nominal contributions from employees. Substantially all full-time active employees are eligible for life and health benefits. A limited number of employees are eligible for severance benefits.

The measurement date of the plan assets and accrued benefit obligation is March 31 of each year. The most recent actuarial valuation of the other employee future benefits was as at March 31, 2017. The valuation was performed in accordance with the standards of the Canadian Institute of Actuaries. The financial statement items resulting from the valuation have been determined in accordance with Section PS3250 of the PSA Handbook. The post-retirement non-pension benefits recognized during the period were \$14,438 (2016 - \$14,663).

The cost of post-retirement non-pension benefits is actuarially determined using the projected benefit method pro-rated on service, retirement ages of employees and expected health-care costs. The discount rate used to determine the accrued benefit obligation was determined based on the Ontario provincial bond yields. The actuarial gains and losses are amortized over the average remaining service period of active employees. Past service costs are expensed when incurred.

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

Information about Metrolinx's post-retirement non-pension benefits is as follows:

	2017	2016
	\$	\$
Accrued benefit obligation	131,205	151,855
Fair value of plan assets	-	-
Funded status - plan deficit	131,205	151,855
Unamortized net actuarial loss	(1,686)	(34,398)
Accrued benefit liability	129,519	117,457

Details of the accrued benefit obligation are as follows:

	2017	2016
	\$	\$
Accrued benefit obligation - Beginning of year	151,855	149,894
Current service cost	6,572	6,729
Interest cost on accrued benefit obligation	4,833	4,446
Benefit payments	(2,376)	(2,617)
Actuarial gain on accrued benefit obligation	(29,679)	(6,597)
Accrued benefit obligation - End of year	131,205	151,855

Details on the post-retirement non-pension benefits expense are as follows:

	2017	2016
	\$	\$
Current service cost	6,572	6,729
Interest cost on accrued benefit obligation	4,833	4,446
Amortization of actuarial loss	3,033	3,488
	14,438	14,663

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

The significant actuarial assumptions adopted in measuring Metrolinx's post-retirement non-pension benefit obligations are as follows:

	2017	2016
Discount rate for post-retirement non-pension benefit	3.2%	3.1%
Discount rate for WSIB liabilities	2.6%	2.6%
Discount rate for retiree severance benefits	2.2%	2.4%
Expected average remaining service life for post-retirement non-pension benefit	15 years	15 years
Expected average remaining service life for WSIB liabilities	10 years	10 years
Expected average remaining service life for retiree severance benefits	5 years	5 years
Rate of compensation increase	2.75%	3%
Inflation per annum	2%	2%
Initial Weighted Average Health Care Trend Rate	5.1%	5.4%
Ultimate Weighted Average Health Care Trend Rate	4%	4.3%
Dental care benefits increase	2.75%	4%

16 Net assets invested in capital assets

	2017 \$	2016 \$
Capital assets	16,108,846	13,910,393
Deposits on land	145,079	111,153
Advances on capital projects	221,216	183,073
Less: Deferred capital contributions used to purchase capital assets	(13,885,963)	(11,854,540)
	<u>2,589,178</u>	<u>2,350,079</u>

17 Internally restricted net assets

The internally restricted net assets are as follows:

	2017 \$	2016 \$
MCOR	21,051	21,051
Employment obligation	889	889
Self-insured retention	2,013	2,013
Stabilization	2,379	2,379
	<u>26,332</u>	<u>26,332</u>

The Municipal Capital and Operating Restructuring (MCOR) reserve was established to assist in funding large capital expenditures.

The Employment Obligation reserve was established to assist in funding general employment related obligations of Metrolinx.

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

The Self Insured Retention reserve was established to assist in funding any claims against the self-insured retention layer of Metrolinx's insurance program.

The Stabilization reserve was established to assist in funding fluctuations in operating and capital budgets of Metrolinx from year to year.

18 Commitments

The minimum operating lease payments in each of the next five years and thereafter are as follows:

	\$
2018	35,358
2019	35,980
2020	34,025
2021	33,778
2022	33,552
Subsequent	237,646
	<u>410,339</u>

Metrolinx has also committed approximately \$11,000,000 for various capital asset additions/projects.

A significant amount of the services provided by Metrolinx are operated and maintained by outside parties. These services are governed by the agreements with the Canadian National Railway Company (CN), Canadian Pacific Railway Company (CP), Bombardier Inc., PNR Rail Works Inc. (PNR), Toronto Terminals Railway Ltd. (TTR) and by a number of minor service agreements. Metrolinx has entered into the following major agreements for approximately \$265,000 per year:

- Master Operating Agreement with CN terminating on May 31, 2017;
- Commuter Agreement with CP terminating on December 31, 2019;
- Equipment Maintenance contract with Bombardier terminating on May 31, 2023;
- Rail Crew contract with Bombardier terminating on May 31, 2023;
- Routine Track and Signal Maintenance contract with PNR terminating on June 30, 2019; and
- Rail Corridor Management Service Agreement with TTR terminating on June 30, 2019.

The remaining annual service payments relating to the AFP contract with Crosslinx Transit Solutions (note 11) aggregate to \$8,752,512. The annual service payments relating to the AFP contract with Plenary Infrastructure (note 11) will aggregate to \$921,794 after substantial completion of the project expected during the fiscal year ending March 31, 2018.

As at March 31, 2017, Metrolinx had outstanding letters of credit totalling \$28 (2016 - \$28).

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

19 Contingencies

Various lawsuits have been filed against Metrolinx for incidents which arose in the ordinary course of business. Management has reviewed these claims and made provisions as appropriate. Where the outcome of a claim is not yet determinable, any settlement will be recorded when it is determined that a claim is likely to be settled and the amount is determinable.

20 Related party transactions and balances

Metrolinx had the following transactions with related parties during the year.

- a) The Ontario Ministry of Government and Consumer Services, Infrastructure Ontario, Ontario Northland and Toronto District School Board charged Metrolinx \$793 (2016 - \$706), \$10,627 (2016 - \$11,654), \$257 (2016 - \$1,921), and \$1,008 (2016 - \$131) respectively, during the year for the provision of services provided by these organizations. At March 31, 2017, accounts payable and accrued liabilities included \$2,762 (2016 - \$5,152) owing to the Infrastructure Ontario.
- b) Metrolinx procured four parcels of land for Snail from the Ontario Ministry of Transportation during the year. The transfer was treated as a contribution from the Province equivalent to the fair value of the asset that amounted to \$10 (2016 - \$13,575).

The transactions in 20(a) are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Contributions of capital assets from the Province are recorded at the fair value.

Balances due from/to the Province of Ontario are separately disclosed on the statement of financial position. Amounts are non-interest bearing with no specified terms of repayments.

21 Guarantees

In the normal course of business, Metrolinx enters into agreements that meet the definition of a guarantee.

- a) In the normal course of business, Metrolinx has entered into agreements that include indemnities in favour of third parties such as purchase and sale agreements, confidentiality agreements, engagement letters with advisers and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require Metrolinx to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

- b) Indemnity has been provided to all directors and or officers of Metrolinx including, but not limited to, all costs to settle suits or actions due to association with Metrolinx, subject to certain restrictions. Metrolinx has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of Metrolinx. The maximum amount of any potential future payment cannot be reasonably estimated.

The nature of these indemnification agreements prevents Metrolinx from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties.

Historically, Metrolinx has not made any significant payments under such or similar indemnification agreements and therefore no amount has been recorded with respect to these agreements.

22 Subsequent Event

Metrolinx has several contracts with Bombardier Inc. (Bombardier) including those for repairs and maintenance of rail coaches, purchase of GO bi-level coaches and daily operations of GO and UP Express trains. On June 13, 2010, Metrolinx and Bombardier entered into a contract for the design, production and supply of 182 Light Rail Vehicles (LRVs) for the Toronto LRT projects, including 76 LRVs for the Eglinton Crosstown LRT and 23 for the Finch West LRT. The value of the contract is approximately \$871,000. The Eglinton Crosstown and Finch West LRT projects have been publicly committed to enter revenue service in September 2021 and December 2021 respectively.

Metrolinx was expecting pilot vehicles to be delivered in April and May 2015. To date, Bombardier has not fulfilled the contractual requirements for the pilot vehicles to be deemed delivered. Metrolinx has continuously communicated with Bombardier that its pilot vehicles do not meet agreed-upon specifications. Metrolinx maintains a regular presence in Bombardier's facilities and is in regular discussion with Bombardier on the readiness of the vehicle for delivery.

Metrolinx filed a Notice of Default in July 2016, and issued a Notice of Intent to terminate the contract with cause in November 2016. However, on April 19, 2017, an Ontario court ruled that Metrolinx must proceed with the Dispute Resolution Process (DRP) as defined in the contract prior to considering terminating the contract. The DRP is estimated to be an 8 to 12 month process.

On May 3, 2017, Metrolinx entered into an agreement with Alstom as an alternative supplier of LRVs. Alstom has been contracted to build 17 vehicles for the Finch West LRT project and, if necessary, 44 for Eglinton Crosstown. If Alstom vehicles are not needed for Eglinton Crosstown, they will be reassigned to the Hurontario LRT project.

Once the DRP process is complete, Metrolinx will re-visit its obligations under its contract with Bombardier. As at March 31, 2017, Metrolinx has not written down its Work-in-Progress related to

Metrolinx**Notes to Financial Statements****March 31, 2017**

(in thousands of dollars)

Bombardier LRVs as management cannot determine,, whether the Bombardier vehicles under the contract being disputed will be delivered and used in future service for the Region.

DRAFT

APPENDIX

Acronym legend

Alternative Financing and Procurement:	AFP
Accounting for Sustainability:	A4S
Bus Rapid Transit:	BRT
Certified Public Accountants:	CPA
Enterprise Resource Planning:	ERP
Enterprise Risk Management:	ERM
Environmental Assessment:	EA
Greater Toronto and Hamilton Area:	GTHA
Infrastructure Ontario:	IO
Key Performance Indicator:	KPI
Light Rail Transit:	LRT
Ministry of Transportation:	MTO
Public Sector Accounting Standards:	PSAB
Regional Express Rail:	RER
Regional Transportation Plan:	RTP
Request for Proposals:	RFP
Request for Qualifications:	RFQ
Transit Procurement Initiative:	TPI
Transit Project Assessment Process:	TPAP
Union Pearson Express:	UP Express
Value for Money:	VFM

**Metrolinx**

97 Front Street West
Toronto, ON M5J 1E6

metrolinx.com