ANNUAL REPORT

2023-2024

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Land Acknowledgement

Metrolinx acknowledges that it operates on lands that have been, and continue to be, home to many Indigenous Peoples including the Anishnabeg, the Haudenosaunee and the Huron-Wendat peoples.

We are all Treaty people. Many of us have come here as settlers, as immigrants or involuntarily as part of the trans-Atlantic slave trade, in this generation, or generations past.

We acknowledge the historic and continued impacts of colonization and the need to work towards meaningful reconciliation with the original caretakers of this land.

We acknowledge that Metrolinx operates on territories and lands covered by many treaties that affirm and value the rights of Indigenous communities, Nations and Peoples. We understand the importance of working towards reconciliation with the original caretakers of this land. At Metrolinx, we will conduct business in a manner that is built on a foundation of trust, respect and collaboration.

Message from the Chair

This past year we continued to put our customers first and worked closely with our provincial and municipal partners to connect communities and make transit an even more compelling option to travel throughout the Greater Golden Horseshoe.

In collaboration with the province and local transit partners, and in support of the 2041 Regional Transportation Plan, we enabled greater fare and service integration across the region with the implementation of Ontario's One Fare Program in late February 2024. The program removes double fares for transit riders connecting to and from the Toronto Transit Commission (TTC), GO Transit and five local transit agencies, making transit more affordable and accessible. The program has already had remarkable success, with 3.16 million transfers in the first 35 days.

In parallel, we continue to make progress transitioning the current platform of the PRESTO system to an account-based ticketing infrastructure. This will increase flexibility and enable a seamless customer experience, while also reducing the cost of ownership for the PRESTO system.

This past year we worked to improve partnerships and relationships with the communities we serve. We introduced a Sustainable Procurement Program to remove barriers for Indigenous, diverse and local vendors to participate in our procurements, with a goal to achieve 20 per cent diverse vendor participation in select categories of annual invitational procurements by 2027. Five guiding relationship agreements were signed with Indigenous communities this past year, providing the parties with a mechanism to work together, and Metrolinx continues to explore opportunities to improve transportation connections between First Nations reserves and the GO Transit network.

We continued to deliver the planning, design and construction of priority rapid transit projects, the subway program and GO Expansion. In response to market signals and feedback, we are creatively evolving our procurement and contract management as more projects move towards major construction. This approach yielded successful procurements this past year, particularly on our subways program. We manage our contracts with a strong focus on collaboration and value for money.

As we move into the next fiscal year, we continue to drive Metrolinx's strategic priorities and ensure good governance and accountability. We are excited to advance our mandate and we continue to build an integrated transit network that gets you there better, faster and easier.

Sincerely,
Donald Wright

Message from the CEO

This past year was one of progress and results. We delivered and exceeded the majority of our performance objectives, while continuing our work to deliver complex projects such as the Eglinton Crosstown LRT.

Our customer satisfaction scores exceeded expectations and reached the highest since we began keeping records in 2009. This past year we achieved customer satisfaction as high as 92 per cent for GO Rail, 90 per cent for GO Bus, 91 per cent for UP Express and 83 per cent for PRESTO. Ridership also surpassed our targets this year and achieved 59 million. These strong results were driven by more frequent and reliable services, together with our continued focus on safety.

We responded and adapted our services to meet the demands of new travel patterns and changing ridership trends. The traditional peak time and business travel has changed significantly, and there is an increased demand for leisure travel and from post-secondary and youth riders. We made substantial service adjustments in response, including a 34 per cent increase in school-related GO Bus trips, extending UP Express service to 1 a.m. in the morning, and providing additional support for customers to get to and from special events.

While we increased our services significantly, we also increased our reliability and punctuality. The moving annual average for on-time performance reached 96.8 per cent for GO Rail, 96.3 per cent for GO Bus and 98.2 per cent for UP Express, compared to 90.3 per cent, 96 per cent and 98.2 per cent, respectively, the year before.

To encourage the wide use of transit, we continued to evolve the flexibility of our PRESTO payments system. Over 5.3 million customers used PRESTO for payment and transacted $1.3 billion in fares. We launched contactless credit and debit and have had 43 million PRESTO contactless boardings. We also implemented a PRESTO card in the Google Wallet in fall of 2023, with 3.4 million taps since launch. A further very significant milestone was achieved with Ontario's One Fare Program, a fare integration initiative that removes double payments for local transit partners and paves the way for greater service integration across the region.

Our relentless focus on the safety of our customers, our people, our contractors and our communities was again central to what we achieved this past year. We launched new safety programs, such as our Station Safety Ambassador program which provides a consistent staff presence and links vulnerable populations to available social supports.

Our “Safety Is” campaign engages customers on how to stay safe on our network, and over 3,500 customers received support with their safety concerns using our Text-for-Help service. Our active improvement plans reduced incidents and threats of violence across our network by 27.3 per cent and achieved a Lost-Time Injury Frequency Rate of 0.40 per 200,000 hours worked, which is better than global benchmarks.

Our capital projects continue at pace. Important progress milestones in our GO Expansion program included the substantial completion of the Davenport Diamond Grade Separation, the improvements at Bramalea GO Station, the opening of the new Old Elm GO Station and several improvements on the Stouffville Line.

Our light rail transit projects also achieved important milestones. On the Eglinton Crosstown LRT (ECLRT), construction work to upgrade the watermain near Yonge and Eglinton finished in February 2024. Crews continue to put finishing touches on landscaping and rectify deficiencies as they are identified. We made significant progress in our System Integration Testing. The overhead catenary system was the first system to attain a construction certificate, which indicates final safety and quality sign off, and additional construction certificates are expected shortly. To date, 34 of the 40 required occupancy permits were received from the City of Toronto. The signalling and train control software, the most important system, continues to receive quality improvements. The Train the Trainer program is expected to resume early next fiscal year. An opening date will be announced three months in advance of the first revenue services.

Physical construction neared completion on the Finch West LRT (FWLRT) this past year, with focus shifting to the testing and commissioning process. Similar to ECLRT, we are working closely with TTC on driver training and operational readiness for customer service. On the Hazel McCallion Line, major construction was 60 per cent completed, and advanced enabling works began on the Hamilton LRT.

We also made progress on the Subway program. On the Ontario Line, major construction began at all downtown station sites and into the joint rail corridor in the east end. At Exhibition Station, the first platform was built, and a new pedestrian bridge was installed to ensure continued access to GO Rail service during major construction. Queen Street between Bay and Victoria Streets, one of Toronto’s busiest intersections, was successfully closed to prepare for construction of the future Queen Station. On the Eglinton Crosstown West Extension, tunnelling from Renforth Drive to Scarlett Road neared completion, with the two tunnel boring machines travelling 5.3 kilometres and 6.0 kilometres. Another tunnel boring machine-made progress on the Scarborough Subway Extension and completed approximately 930 metres. Procurement is also underway for the Yonge North Subway Extension’s tunnelling contract.

We have actively implemented LEAN Thinking and continuous improvement across our whole organization and are starting to see the benefits of employee-led improvements. We are also implementing progressive project management approaches where risk allocation is shared, and delivery is a collaborative process with our partners. These activities ensure we have the right capabilities, capacity, processes and behaviours in place to achieve success.

We continued to work closely with communities across all of our projects. This past year we engaged with customer-residents throughout the region through open houses, canvasses, pop-ups and community events, including 1,022 meetings with elected officials and stakeholders, the delivery of more than 2.3 million construction notices and the opening of two additional community offices. This year, Metrolinx undertook a new approach to consultation and engagement with Indigenous communities centered on relationship building and understanding. This led to the signing and execution of three Framework Agreements and two Monitoring Agreements with Indigenous communities, providing a meaningful foundation for Metrolinx and these communities to work together.

Our employees remained key to our success. This past year we released our first Equity, Diversity and Inclusion strategy, *Building Spaces of Belonging*. This three-year plan outlines 24 initiatives to meet the diverse needs of our colleagues, customers, and communities.

Thank you to our customers, partners and stakeholders for holding us accountable and to our employees for your continued dedication. We are excited about the future of transit and delivering results for our region.

Keep well,
Phil Verster

Vision, Mission, Values and Mandate

OUR VISION

Getting you there better, faster, easier.

OUR MISSION

Connecting our communities.

OUR VALUES

Play as a team.

Think forward.

Serve with passion.

OUR MANDATE

Metrolinx is an agency of the Government of Ontario, established under the *Metrolinx Act, 2006* (“the Act”).

The Act mandates Metrolinx to coordinate, plan, finance, develop and implement an integrated transit network in the regional transportation area in alignment with applicable growth plans and provincial transportation policies and plans.

Metrolinx is responsible for the operation of the regional transit system and the provision of other transit services in the regional transportation area that includes the Greater Toronto Area (GTA), Hamilton and the Niagara Region.

The organization’s mission is to ensure the implementation of an integrated transit network that connects people, improves their quality of life, and brings sustainable development and prosperity to our communities.

Business Context in 2023-24

PREPARING FOR AN EXPANDED AND INTEGRATED REGIONAL TRANSPORTATION NETWORK

Throughout 2023-24, Metrolinx actively supported the province's plan for growth, renewal and economic recovery and we continued to work with our partners to safely plan, build and operate an affordable, integrated, and sustainable transit network for all.

While ridership grew considerably this past year, customer needs and travel patterns continued to evolve. Metrolinx remained flexible and continued to monitor, adapt and respond to changes in the public transit landscape and offer demand-driven services. Metrolinx continued to experience disruptions from global supply chains and increased project costs, increasing legal and commercial complexity as well as contractual, stakeholder, safety and asset management risks.

Consistent with its mandate to deliver on an expanded regional network, Metrolinx made progress in major construction and several capital and operational procurements. The organization also took the next steps in modernizing the PRESTO system, including enhanced payment options, and responded to changing customer needs by building on safety and service delivery, and improving customer experience.

Achieving these milestones in the current environment required the initiation of broad transformational activities across the organization to ensure Metrolinx is well-equipped to deliver on its mandate while creating stability and sustainability for future growth. The magnitude and scale of these transformations touch every aspect of our business and will fundamentally change the way we behave and operate in future years. Critical areas of focus included:

- **Providing exceptional customer and community experiences that are reliable, relevant and responsive.** To meet changing demand and ridership trends, Metrolinx's work in 2023-24 was informed by the things that matter most to our customers. Initiatives such as further rollout of contactless payment options, improved amenities, fare and service integration, strengthened safety measures, as well as service increases and adjustments were central to customer experience planning.

- **Delivering on our public transit project commitments through heightened cost controls and mitigation of risks enabled by greater control in all areas of**

our business. In 2023-24, Metrolinx focused on ensuring operational readiness and contractual requirements for projects coming into service, management of risks and reputation related to capital program expansion as well as maintaining existing assets. Metrolinx continued to manage risks and reach project milestones through enhanced collaboration with partners, transaction and compliance support, stakeholder and issues management, active and strategic community engagement as well as engineering and asset management.

- **Ensuring value for money for customers and stakeholders.** In 2023-24, Metrolinx focused on strengthening commercial capabilities across the organization by growing expertise in commercial decision-making to strengthen negotiation capabilities and ensure value for money in our contracts and procurement activity. Metrolinx also focused on achieving long-term financial sustainability through ridership growth and maximizing non-fare revenue initiatives, such as strategic partnerships and real estate.

ANNUAL LETTER OF DIRECTION AND KEY ORGANIZATIONAL INITIATIVES FOR 2023-24

A requirement of the Agencies and Appointments Directive (AAD) is that the Minister of Transportation issues an Annual Letter of Direction to Metrolinx that sets out the expectations for the upcoming fiscal year. The 2023-24 Annual Letter of Direction, issued on November 3, 2022, provided details of the government's expectations for Metrolinx to ensure the delivery of high-quality services to Ontarians in alignment with its mandate and government priorities.

The Annual Letter of Direction listed a number of key priorities which Metrolinx incorporated into its key organizational initiatives for 2023-24. Highlights of the Annual Letter of Direction priorities along with some key actions taken by the organization to meet these are outlined below.

- **Operational Excellence in the Delivery of Efficient, Safe and Reliable Transit Services while Supporting Economic Recovery Efforts.** Metrolinx continued to support economic recovery efforts, through recovering ridership and increasing service levels to meet customer demands, while maintaining high-safety standards. With the implementation of operational adjustments and return of services, ongoing prioritization of safety, and introduction of fare strategy initiatives, ridership increased to over 59.03 million riders, up 43.7 per cent compared to the last year, with 124.7 per cent weekend ridership recovery compared to pre-COVID.

- **Continuing the Delivery of Metrolinx Priority Rapid Transit Projects.** Metrolinx continued to work with provincial and municipal partners to accelerate planning, design, and construction of the priority rapid transit projects. Procurement and construction works progressed on several projects, including the Ontario Line's Exhibition Station, where a pedestrian bridge, platforms and station entrance buildings were completed. The Ontario Line also saw the final two work packages in the project's northern half awarded. As a key government priority, Metrolinx continued to implement strategies to support local businesses, residents, organizations, and Indigenous communities impacted by transit projects through initiatives like the Community Benefits and Supports (CBS) program. In 2023-24, on the Eglinton Crosstown LRT, Finch West LRT, Hazel McCallion LRT, Ontario Line and Scarborough Subway Extension collectively, the CBS program resulted in 28.8 per cent of new hires self-identifying as women, 45.8 per cent of new hires coming from BIPOC communities, and 74 apprentices being hired onto projects. A total of $35.7 million was spent on procurement from local businesses and social enterprises.

- **Expanding and Enhancing GO Transit Services.** In April 2023, Metrolinx welcomed the first trains on the Davenport Diamond, which reached substantial completion in March 2024. $139 million worth of improvements were also completed at Bramalea GO Station in May 2023, and service is steadily increasing to the Brampton community. The new Old Elm GO Station opened in October 2023, adding to the many recent improvements on the Stouffville Line, including track upgrades and major station upgrades to Agincourt, Milliken and Unionville GO Stations. These improvements are helping to lay the foundation for GO Expansion which will transform GO Transit from a rush hour commuter service to a two-way, all-day service on core segments, offering more service with faster trains, more stations and seamless connections across the region.

- **Supporting Government Initiatives to Optimize Transit Investments and Regional Transit Planning.** In collaboration with the province and 905 transit systems, Metrolinx supported the implementation of Ontario's One Fare Program, which removed existing double fares between the TTC and GO Transit and the TTC and bordering 905 municipal transit systems. The program has seen tremendous success since its launch in late February 2024, with over 3.16 million transfers in the fiscal year. The delivery of this program is a critical step towards Metrolinx's goal of creating an integrated and equitable regional transit network. Work was also underway in 2023-24 to update Metrolinx's 2041 Regional Transportation Plan (RTP) in close coordination with MTO, municipalities, Indigenous communities, and external stakeholders. The update will bring the RTP into alignment with *Connecting the GGH: a transportation plan for the Greater*

Golden Horseshoe, extend the RTP's time horizon to 2051 and its geographic extent to the Greater Golden Horseshoe (GGH), address Metrolinx's transit-focused mandate, and evaluate the implications of post-pandemic travel trends and other considerations to the regional transit network. Throughout 2023-24, Metrolinx has also been collaboratively exploring opportunities to improve transportation connections between First Nation communities and the GO Transit network.

- **Building a Sustainable and Future Ready Transportation System.** Metrolinx remained focused on its sustainability goals and maturing its environmental, social and governance (ESG) strategy. This year, Metrolinx refreshed its internal Environmental Sustainability Plan, which consists of action plans to be accomplished over the next three years (2023-2025) towards achieving a 7.5 per cent reduction of total greenhouse gas (GHG) emissions. This year, GO Bus GHG Intensity was below target every month, achieving a 3 per cent reduction of GHG emissions. Metrolinx also advanced the Zero Emissions Bus program, moving two zero emissions electric buses into revenue service testing, which covered over 12,500 kilometres and operated for 480 hours serving various GO Bus routes. Approximately 14.5 tonnes of carbon dioxide equivalent have been avoided between May 15, 2023, and May 1, 2024. (Further details on Metrolinx's sustainability strategy will be available in the 2023-24 ESG Report.)

- **Delivering Partnership and Non-Fare Revenue Initiatives.** Metrolinx remained committed to expanding strategic partnerships and maximizing non-fare revenue streams by enhancing retail initiatives, digital advertising networks and pivoting to sustainable revenue generation by leveraging the real estate portfolio to optimize asset revenue. In 2023-24, Metrolinx achieved $91.9 million in other non-fare revenue and $21.6 million from one-time sale of assets.

- **Ensuring Safety.** Metrolinx continued to embed high safety standards across the organization. In addition to achieving a world-class Lost-Time Injury Frequency Rate of 0.4 per 200,000 hours worked as of March 2024, Metrolinx decreased incidents and threats of violence across our network by 27.3 per cent, and launched important safety initiatives, like the Station Safety Ambassador program and "Safety Is" campaign.

Metrolinx remained committed to fulfilling these government priorities and aligning these mandates with business objectives for the year, all while supporting government-wide initiatives, including transparency and accountability, risk management, and diversity and inclusion. Further details on the agency's performance are included in the report by key business areas.

Description of 2023-24 Activities

FINANCIAL HIGHLIGHTS

For the 2023-24 fiscal year, Metrolinx's operating subsidy requirement was $1,213.3 million, with revenue of $689.4 million, operating expense of $1,918.2 million, and proceeds from sale of assets of $21.6 million.

The past fiscal year has been crucial for Metrolinx with significant ridership recovery gains in a transformed transit landscape and reflective of a shift in customer behaviour and expectations from transit service. While overall ridership and revenue has continued to grow in 2023-24 closer to pre-pandemic levels, recovery levels were lower than budget as Metrolinx observed new ridership patterns with changes in traditional peak-time and business travel, increased demand in leisure travel, and growth in post-secondary and youth riders. Meanwhile, Metrolinx has continued to responsibly implement its operating and capital plan, delivering on extensive transportation investments such as operational readiness for GO Expansion and the implementation of Open Payment and Mobile Wallet, and partially managing operating pressures through continued efforts in the implementation of business improvement plans. Despite an evolving business environment and continued inflation driving higher spending, these efforts have helped manage and mitigate pressures to generate savings and efficiencies across the organization. Metrolinx continues to remain committed to providing customers with increased travel options and access to safe and reliable transit services across the region.

The capital expenditures for the year were $6,529.1 million, to advance a large and growing capital program, including signature projects within the GO Expansion program, Subways and LRTs.

OPERATIONAL PERFORMANCE

RIDERSHIP AND REVENUE

Over the last year, demand for our services continued to grow with GO Transit and UP Express serving over 59.03 million riders. This represents a 43.65 per cent increase in ridership compared to the last year.

The transit landscape has evolved in recent years, with continuously changing travel patterns and needs as customers return to public transit. This past year's customer and brand plans focused on growing ridership through partnerships, fare strategy and by offering an enhanced customer experience, as well as the expansion of non-fare revenue streams.

Accelerating Travel Demand and Building Ridership Growth and Travel Frequency

Leveraged by research and data-driven analysis to address evolving customer demand, Metrolinx continued to drive ridership growth momentum and travel frequency through strategic partnerships, events, promotions, fare strategy and enhanced customer experience.

Strategic Partnerships and Events Support

In 2023-24, overall weekend ridership recovered to 124.7 per cent and off-peak ridership recovered to 95.7 per cent compared to pre-COVID, demonstrating a continued demand for leisure travel. As a result, ridership growth was bolstered by targeted strategies to inspire trip planning for events and key leisure destinations, including continued collaboration and partnerships with regional tourism.

Niagara sustained popularity as a leisure destination, with 2023-24 ridership to the region growing by 48.8 per cent compared to 2022-23. The GO partnership with WEGO gained momentum, with sales increasing 103.9 per cent in 2023-24 versus 2022-23.

The Toronto Blue Jays partnerships provided customers with convenient schedules and customer offers to promote sports event-related travel. The recent Blue Jays season saw a 40 per cent increase in ridership for weekend games and a 23 per cent increase for the entire season compared to the previous year.

GO Explore bus destinations to Toronto Zoo, Canada's Wonderland and the Toronto Premium Outlets continued to draw customers, with an increase in average daily ridership by 49 per cent compared to the previous year.

Metrolinx also partnered with 51 events across the region, including long-standing collaborations with the Canadian National Exhibition, Canadian International Auto Show, Royal Agriculture Winter Fair, Toronto International Boat Show, Toronto Caribbean Carnival and Toronto Pride, as well as first-time multicultural event support, including The Toronto Ukrainian Festival and Taste of Asia.

Targeted strategies were also implemented to inspire trip planning among youth and post-secondary riders and business travellers. Youth ridership was supported with an integrated Gen Z campaign highlighting the PRESTO youth concession and reading week GO Bus service. This included activations at Student Life Expo and eight post-secondary open houses and collaborations with content creators. In 2023-24, youth ridership increased by 98.7 per cent compared to 2019-20.

To support business travel, GO & UP partnered with Collision Conference, Canada's largest tech event, to offer its attendees unique travel deals. Further, a collaboration with American Express rewarded customers with up to $10 in statement credits and the Tim's Financial $10 credit reward offer for Monday travel also launched this past year.

Enhanced Customer Experience

Metrolinx also increased promotion of the PRESTO Perks program. In 2023-24, 113 organizations participated in the PRESTO Perks program offering customers value-added promotions – 37 more than the previous year – including CN Tower, The Second City, Treetop Trekking, Royal Ontario Museum, Royal Botanical Garden, Ontario Science Centre, Toronto Zoo, Hockey Hall of Fame, Toronto Marlies, Toronto FC, Raptors 905, and Toronto Rock. The expanded PRESTO Perks program offered customers over $1.6 million in savings throughout the year while promoting travel to regional events and destinations. Based on customer survey results, the PRESTO Perks program has an 85 per cent satisfaction score, and nearly 50 per cent of survey respondents said the program improved their impression of the PRESTO brand, while 40 per cent reported it increased their use of PRESTO.

Marketing efforts across Metrolinx, GO Transit, PRESTO and UP Express continue to build meaningful connections with our customers and communities through research, intentional partnerships, and consultations with equity-deserving communities. This past year, the Days of Significance initiative continued to build awareness and affinity with multicultural audiences around days of significance, including Vaisakhi, Eid, Mid-Autumn Moon Fest, Nowruz and Holi. The launch of the first Diwali Train onboard experience with live entertainment and giveaways on decorated coaches saw over 2,000 engagements.

The customer experience was further augmented through events and activations across the GO network, including American Circus/Circus Osorio at Ajax GO and Richmond Hill GO stations, car shows, product sampling, and food truck festivals.

In 2023-24, Metrolinx helped make trip planning easier with new digital websites to further support ridership growth and an improved customer experience. The relaunched GOTransit.com and UPExpress.com websites provide customer trip planning support. On The GO Alert was also consolidated into GOTransit.com to support an enhanced user trip experience and GO Plus Wi-Fi added premium content onboard, including notable blockbuster movies.

Fare Strategy

Fare strategy focused on building off-peak leisure travel, making transit more appealing, improving customer experience, and supporting ridership and revenue recovery and growth.

Increased payment options, flexibility and convenience were supported, including PRESTO Contactless, the launch of PRESTO in Google Wallet in November 2023, the $10 weekend pass and the UP Express Group Pass introduced in January 2024.

In February 2024, Ontario's One Fare Program was launched, advancing the integration of transit services and fares by reducing barriers and enabling cost-savings to make transferring between transit systems easier for customers. Ontario's One Fare Program is discussed in further detail in Regional Transit Planning, page 31.

Expanding Non-Fare Revenue Initiatives

Metrolinx continued to drive non-fare revenue through innovative partnership initiatives, expanded retail and digital advertising to enhance value for returning customers and support long-term financial sustainability.

With a renewed retail strategy, enhanced customer food and beverage options were delivered, including Daily Blends, freshly made pizza from PizzaForno, and the grand opening of Second Cup at Union Station Bus Terminal. An expanded network of 104 vending machines across 39 locations provide convenient offerings to riders and the community.

The Brampton Innovation District GO naming initiative launched in June 2023 to help bring to life Brampton's Innovation District, a developing ecosystem for innovation and technology companies.

This past year, Metrolinx also partnered with Turo to promote car sharing while using transit across the GO Transit service area, and with SCOOTY, an electric scooter rental company, to support first and last-mile access within the City of Brampton at Brampton Innovation District GO, Bramalea GO and Mount Pleasant GO stations.

Advertising revenue rebounded as riders returned. Increased digital assets across the network progressed, including advertising screens on new generation Ticket Vending Machines at over 160 locations. The digital billboard expansion program also advanced with construction of several revenue-generating digital billboards, including the completion of billboards at Pickering GO and Oriole GO stations.

OPERATIONS AND SAFETY

GO Transit and UP Express are trusted providers of safe and efficient bus and train services for millions of customers across the Greater Golden Horseshoe (GGH). Metrolinx's transportation network features over 2,778 kilometres of bus routes serving 51 stations,1,000 bus stops, 13 post-secondary institutions and operates approximately 523,566 bus trips per year. The GO Rail network spans 526 kilometres of track serving 69 GO and UP train stations and offers approximately 97,000 train trips per year, providing customers with reliable, efficient, and safe transportation options. As the network expands, Metrolinx remains committed to offering high-quality transit services that meet the needs of our customers and communities.

Growth in Service

To meet growing ridership, overall weekly rail trips increased by 17.94 per cent, when compared to 2022-23, recovering to 83.6 per cent of pre-COVID GO Rail service levels. Peak service increases continued over the year with specific evening trips to better support leisure travel and events.

Service on the Lakeshore West Line for trips to and from Niagara Falls increased by 133 per cent weekly (18 trips in early 2023 to 42 trips by January 2024). Weekend service to Niagara Falls increased 50 per cent above pre-COVID levels (from four to six trips per weekend day). In April 2023, weekend service on the Kitchener corridor was introduced (32 trips per weekend day to/from Mount Pleasant GO). Weekly trips on the Kitchener Line increased by 32.17 per cent (from 230 trips in March 2023 to 304 trips by April 2023). As a result, ridership for Lakeshore West, Niagara and the Kitchener corridor recovered beyond pre-COVID levels.

UP Express weekday service achieved 100 per cent service recovery from pre-COVID levels, with weekend service at 95 per cent. Overall, this brings the combined service recovery total to 98.6 per cent for UP Express customers in 2023-24.

Weekly bus trips saw an increase of 19.3 per cent, when compared to 2022-23 which helped recover GO Bus service hours to 91.5 per cent of pre-COVID service levels.

Service increases implemented in 2023-24 were designed to drive ridership and continue to increase service levels for 2024-25. Service levels will continue to increase in 2024-25.

Increasing Customer Satisfaction

Efforts throughout the year to deliver safe and reliable service, drive customer satisfaction and improve the customer experience were reflected in customer satisfaction (CSAT) survey results. CSAT in 2023-24 for GO Transit overall was 85 per cent against a target of 84 per cent. GO Rail achieved 86 per cent customer satisfaction against a target of 84 per cent and GO Bus achieved 84 per cent customer satisfaction against a target of 84 per cent. UP Express ended the 2023-24 fiscal year at 88 per cent customer satisfaction against a target of 91 per cent.

Major Events

One of the key customer satisfaction improvements this year was the planning and execution around major events, including Toronto Pride, Toronto Caribbean Carnival, the Toronto International Film Festival, Blue Jays games and the Canadian National Exhibition (CNE). During the CNE, approximately 585,000 customers travelled to and from Exhibition GO between August 18 to September 4, 2023, a 24 per cent increase compared to 2022. Customer satisfaction overall for the month of August was 88 per cent among special events travelers.

Another notable success was the delivery of the first-ever all-night service by GO Rail and GO Bus on New Year's Eve. Dedicated staff worked throughout the night to ensure the success of this new service without any safety incidents or service disruptions.

As part of continuous improvement initiatives to enhance customer satisfaction and improve service availability, Metrolinx is expanding the network to meet evolving travel patterns, ridership trends, and anticipated future demand. A total of 26 Major Track Closures (MTCs) and 17,335 work events were successfully planned and delivered this past year in support of capital construction work. Planned modified train services and bus bridging accommodated the maintenance and expansion work with minimal disruption to customers.

Improved On-Time Performance

At the close of the 2023-24 year, Metrolinx achieved a significant milestone with record levels of punctuality and reliability for our rail and bus services. Notably, the 12-month

Moving Annual Average exceeded all three of our On-Time Performance (OTP) objectives. GO Rail OTP achieved 96.8 per cent against a target of 95 per cent, GO Bus achieved 96.3 per cent against a target of 96 per cent, and UP Express achieved 98.2 per cent against a target of 97 per cent.

Providing a Safe Transit System for Customers and Staff

Throughout 2023-24, Metrolinx implemented targeted initiatives, programs and actions to improve customers' feelings of safety across the network. Perceptions of safety on the system were 89 per cent as of March 2024.

The deployment of the Station Safety Ambassadors (SSAs) program has been a key success in ensuring staff presence and safety in our stations. The utilization of SSAs support Metrolinx's Vulnerable Persons Strategy, which provides compassionate services to individuals experiencing homelessness or mental health challenges. SSAs have also supported the Managing My Platform program to assist customers during peak travel times to safely board and exit trains promptly, while providing necessary information and support.

The "Text-For-Help" service continued to be an important function for first response. Metrolinx received and responded to 56,975 messages from customers in 2023-24. Customers can communicate in real-time with a Customer Protection Service's dispatcher to quickly and discreetly report or request assistance in the event of an emergency or safety concern. Through this service customers can chat with us in over 100 languages, including French, Hindi, Punjabi, Traditional and Simplified Chinese, Tagalog, and Arabic.

Introduction to Human Trafficking training was also provided to Customer Protection Services frontline staff with a completion rate of 78 per cent for the year. The training emphasized that vulnerable populations, including females, particularly young children, 2SLGBTQQIA+ individuals, Indigenous people, and racialized women and children, are at heightened risk of human trafficking. The course content strategically focuses on these vulnerable groups to enhance awareness and protection efforts.

To continue to drive down workplace violence, Metrolinx established a new strategic objective this past year to reduce incidents of threats or violence against customers and employees by 25 per cent. This initiative is in concert with de-escalation training which equips staff with the skills to defuse emotionally intense situations or manage mental health crises, thereby reducing the likelihood of violence. Metrolinx achieved this target, reducing incidents by 27.1 per cent against 2022-23 levels.

The organization continues to track and monitor the rate of lost-time injuries across our workforce, which includes Metrolinx employees and contractors performing work on our behalf, such as train operators, track maintenance workers, and construction contractors. At the close of the fiscal year, the Lost-time Injury Frequency Rate (LTIFR) for all parties was 0.40, significantly lower than the target of 0.50.

With well-established lagging indicators such as LTIFR, Metrolinx focused on establishing strong leading indicators to proactively identify and address trends that may lead to more serious injuries or incidents. The Metrolinx Train Accident Precursor Key Performance Indicator is another strategic objective to reduce the likelihood of train accidents across our network. A targeted reduction of 11 per cent, or the equivalent to 9.60 precursor indicator occurrences per 1000 train movements each fiscal year, for three years, has been established by the organization to enable the measured reduction of train accident likelihood. Using a 12-month Moving Annual Average, Metrolinx achieved an 18.6 per cent reduction in 2023-24, equivalent to 8.87 precursor indicator occurrences per 1000 train movements.

The Near Miss program was launched this past year with the intent of increasing the reporting of incidents that did not result in an injury or damage to property but had the potential to do so. In 2023-24, 874 near miss incidents were reported. A target of increasing the ratio of near misses to realized (actual) incidents was established as a divisional goal, aiming to increase near misses to 24 per cent of all reported incidents. As of March 2024, 30.7 per cent of incidents reported were near misses. In addition, Metrolinx continued to track actual and potential Serious Injury and Fatality incidents. A total of 163 incidents took place throughout the year, including seven actual Serious Injury and Fatality (SIFa) incidents and 156 potential Serious Injury and Fatality (SIFp) incidents.

In addition to keeping our transit system safe for customers and staff, Metrolinx also requires all staff to be certified in First Aid, either Standard or Emergency dependant on their role. The completion rate was 87 per cent at the close of the 2023-24 year. Further, the requirements for Metrolinx leaders to complete Safety Engagement Tours continued, which remained at 100 per cent participation at the end of 2023-24.

Building Operational Readiness for Rapid Transit Projects

Throughout 2023-24, Metrolinx continued to prepare for two new light rail transit (LRT) projects coming into service: the Eglinton Crosstown LRT (ECLRT) and the Finch West LRT (FWLRT). This work has included program transition and governance management as well as validation of processes, such as customer journey mapping. Metrolinx is also overseeing an Operational Readiness schedule and tracking the status of activities within each workstream to ensure all requirements to achieve a successful Day One and ongoing operations are in place.

The commercial focus continues for the transition of major long-term public and private partnerships from the Build phase into the Operations and Maintenance Phase. This includes the execution of key operating contracts such as the Train Operating and Funding Agreement (TOFA) for ECLRT and the approval to execute the Train Operating and Service Agreement (TOSA) for FWLRT.

Asset Management and Maintenance

In the next decade, Metrolinx's asset base is expected to grow from $20 billion to $60 billion. This will be managed with a strong focus on asset and commercial management and asset management maturity. This year's asset management plans were updated and the continued focus to increase asset management maturity across the organization has resulted in an improvement in the Enterprise Asset Management Maturity score to 56.2 per cent, up from 42 per cent in April 2023.

Metrolinx provides maintenance services for both the upcoming LRTs and Subway projects and the existing GO and UP Express network. In 2023, Metrolinx completed procurement for updated maintenance service contracts for the GO and UP Express network. The new regional multi-vendor model splits the corridors into regions for track, signal and right-of-way maintenance service. These new contracts also have improved terms and conditions that will result in greater performance and service quality, with the intention to reduce delays to customers. The first stage of this new model was successfully transitioned to a new provider without any customer impacts, and results are already being realized in day-to-day operations. For Signals maintenance, Mean Time to Restore (MTTR) has improved from 4.7 hours in April 2023 to 3.7 hours in March 2024.

This focused approached to driving continuous improvement of performance and reliability across the network lends itself to the State of Good Repair of Metrolinx assets across the network. The planned State of Good Repair program for GO and UP Express stations by the end of the fiscal year was delivered within 4 per cent of the budget. This includes:

- 506 preventative/regulatory inspections on Metrolinx GO-owned structures (bridges and culverts) complete.
- 32,360 feet of new fencing (6.12 miles) installed, with an additional 18,150 feet (3.4 miles) in fence repairs.

- Ongoing GO refurbishment of 15 cars and 56 Bi-Level 2 coaches with Ontario Northland and Alstom.

PRESTO

In 2023-24, Metrolinx exceeded its targets on PRESTO adoption and device availability, achieving a PRESTO adoption rate of 86.9 per cent (target was 84 per cent), PRESTO payment device availability at 99.86 per cent (target was 99.65 per cent) and card loading device availability at 99.73 per cent (target was 99.65 per cent). Metrolinx also maintained a central system availability rate of 100 per cent.

PRESTO customer satisfaction achieved a high of 82.6 per cent in March 2024, with an average score of 78.8 per cent for 2023-24.

New Ways to Pay

In 2023-24, Metrolinx completed a majority of the New Ways to Pay component of the overall PRESTO Modernization program, providing more choice for customers in how they pay transit fares.

In May 2023, PRESTO Contactless with Interac debit expanded beyond UP Express to GO Transit and all participating 905 transit systems – Brampton Transit, Burlington Transit, Hamilton Street Railway in Hamilton, MiWay in Mississauga, Oakville Transit, York Region Transit, Durham Region Transit – as well as Para Transpo in Ottawa.

This was accomplished with the world's first real-time Mass Transit Transactions (MTT) open payment solution. The solution displays transactions in real time through customer channels, including the mobile app and website. This technology also enables an elevated experience for transit system clients by providing support on multi-dimensional and complex transit business rules as well as improved internal operational efficiencies, such as protecting revenue and mitigating fraud.

PRESTO Contactless credit and debit fare payment launched on TTC, PRESTO's largest client, in August 2023 following the completion of a device refresh across the network. This involved the installation of nearly 6,300 PRESTO new devices on surface vehicles (i.e., streetcars and buses), the deployment of the PRESTO Mobile Fare Transaction Processors and Mobile Fare Payment App and Adaptors in 2,500 TTC-contracted sedan taxis, and the rollout of approximately 250 PRESTO Hand-Held Point of Sale devices to be used by fare inspectors. Uptake of PRESTO Contactless on the TTC has been strong since launch - the TTC now makes up the bulk of all boardings across all agencies with 31.5 million of the overall 43 million boardings made using open payments based on end of fiscal year reporting (i.e., fare payment with credit and debit to a PRESTO device).

For customers who use PRESTO to pay their fares, open payments have quickly moved into the second most used PRESTO product for fare payment at 14.1 per cent.

In November 2023, another modern way to pay transit fares was launched with the introduction of a digital PRESTO card in Google Wallet that can be used on an Android smartphone or Wear OS smartwatch. Customers can convert their current plastic PRESTO card to their mobile wallet, which will support the same fare type discounts (e.g., senior pricing), products, and fare rules as the plastic card, or customers can obtain a new, digital PRESTO card for their Google wallet at no cost.

This new product is the world's first account-based MIFARE Desfire card in Google Wallet, which uses secure contactless technology that is reliable, scalable, and works well with existing contactless infrastructure. It is also fast, flexible, and enables highly secure data transmission. Since launch, 3.4 million boardings have been made by approximately 57,000 unique riders (of which, 38,000 converted their plastic PRESTO card to a digital card versus obtaining a new card).

Establishing PRESTO's Future

The Procurement Program is a key component of PRESTO Modernization as it is focused on replacing the current platform and core vendor agreement to an account-based ticketing infrastructure with an open architecture, allowing increased flexibility, innovation, and a better customer experience. Through this program, Metrolinx will increase adaptability, reduce complexity, and ensure customer access and equity, while also reducing the total cost of ownership for the PRESTO system.

In 2023-24, to advance the PRESTO Procurement Program, Metrolinx supported RFP market activities for five lots, which included System Integration Services, Automated Fare Collection System, Service Integration and Management, Digital Channels and Contact Centre.

Advancing the PRESTO Customer Experience

Metrolinx updated the methodology of the customer satisfaction survey in the 2023-24 year, using a variety of new tactics to ensure a more robust pool of participants, and improved messaging to narrow the intent and focus of the survey on PRESTO products and services. An extensive analysis of satisfaction survey results took place to better understand what areas need more focus and support. Based on this, work focused on the delivery of continuous improvements each month to ensure PRESTO customers have a smooth fare payment experience and can self-serve information and resolutions if concerns arise.

This included technology updates, device reliability improvements, new website information and how-to videos. One large-scale initiative included the enhancement of PRESTO's digital channels, which involved a new landing page within the PRESTO app to provide news and updates for customers, accessibility improvements, and biometric login so customers can use their fingerprint or facial recognition to open the app.

To ensure the PRESTO Contact Centre was well supported to address customer inquiries, a multi-language translation was added as an option for customers, and a pilot was launched to make reaching an agent easier from the main contact centre phone menu.

An average of 42 customer supporting enhancement and improvements were delivered each month of the 2023-24 fiscal year, for a total of 500 enhancements, well above the monthly target of 35.

Delivering for PRESTO Customers

Metrolinx is committed to adding real value to every customer interaction. In August 2023, the physical PRESTO card issuance fee reduced from $6 to $4. This brings the price in closer alignment to the $0 issuance fee of obtaining a digital card in a mobile wallet, while still covering manufacturing fees for the physical card.

Metrolinx also worked with stakeholders to launch Ontario's One Fare Program, which supports the removal of existing double fares between the TTC and GO Transit and the TTC and bordering 905 municipal transit systems. The program connects communities by reducing barriers to cross-boundary travel, and it is made possible by the PRESTO platform. Ontario's One Fare Program is discussed in further detail in Regional Transit Planning, page 31.

Installations of PRESTO equipment also continued along the Eglinton Crosstown LRT and Finch West LRT lines to support future services.

CAPITAL PROJECTS

GO Expansion

This past year, Metrolinx continued to make significant progress on GO Expansion, a program transforming the GO network into a comprehensive regional rapid transit network with faster and more frequent electric service at all times of day. The GO Expansion program involves dozens of projects whose planning, design and construction must be carefully aligned and coordinated with one another and with operating GO services.

In 2023-24, new and upgraded stations and grade separations entered into service, offering customers improved amenities, safety and accessibility, and procurement and design through collaborative development phases across the program were substantially advanced.

Early Works

Significant progress was made on projects with grade separations that will enable the safe, fast, and efficient operation of GO Rail service.

- The Davenport Diamond Rail Grade Separation reached a major milestone, with GO trains travelling on the elevated guideway above the CP Rail tracks and several busy streets since April 2023. The new eastern span of the Bloor bridge was also installed in fall 2023. The grade separation removed what was previously one of North America's busiest rail-rail crossings, increasing daily speeds for services on the Barrie Line.
- The project to improve three Stouffville Line stations and construct a road underpass at Steeles Avenue reached substantial completion in August 2023, increasing safety and traffic flow for communities near the underpass and improving customer amenities at Agincourt, Milliken, and Unionville GO stations. New amenities now serving customers include platform canopies, snow melt systems, station buildings, elevators, pedestrian tunnels, hundreds of parking spots, and passenger pick-up and drop-off facilities.
- Construction of the Lakeshore West Infrastructure Improvements Project began in 2023-24 with the installation of new track crossovers near Burloak Drive in preparation for the planned Burloak Drive Grade Separation.
- Platform rehabilitation and accessibility improvements at Long Branch GO Station also commenced in 2023-24.

Several station projects progressed to allow increased future GO service and improve customer amenities this past year.

- Old Elm GO Station is now open and serving customers on the Stouffville Line, providing a more direct entrance and saving customers roughly two minutes per trip. The new station improves accessibility and pedestrian and cycling connections, and provides modern amenities such as 35 bike racks, a heated platform shelter, platform canopy, and a snow-melt system. The bus loop was also re-configured to preserve a 200-year-old Elm tree for which the station was named.
- At Maple GO Station on the Barrie Line, installation of the second track progressed with ballast and concrete ties being laid, as well as foundation works for two new platform structures that will allow new stairs and elevators to be installed.
- Following an innovative canopy lift at Eglinton GO Station, modular construction to minimize customer impacts continued with the completion of staged platform rehabilitation. The full station rehabilitation and accessibility upgrades are planned to be completed in fall 2024.

The Union Station Enhancement Project continued excavating the future South concourse area that will connect the existing Bay and York concourses. Foundation work for the western portion is complete and work is now moving eastward. Utility relocation, signalling, and bridge expansion work outside the blockade zone progressed with the demolition of the Sherbourne signal bridge as planned, which will allow for two additional south tracks to be installed in the future.

Further corridor widening progressed across the network in 2023-24 to enable installation of additional tracks for future service increases, including on the Kitchener, Barrie and Stouffville corridors. On the Lakeshore East corridor, widening and grading was completed between Warden and Kennedy Road in Scarborough. Further works, including bridge work and retaining wall construction, continued westward along the Lakeshore East corridor towards Pape Avenue in preparation for future installation of a fourth track.

Off-Corridor Works

Procurement began for renovations at existing stations on the GO network, including upgrades to station buildings, platforms, signage, bus loops, parking, bike parking, accessibility, and passenger pick-up and drop-off facilities. Procurement of renovations at Hamilton, West Harbour, and Oakville GO Stations was released in 2023-24 and are planned to be awarded in 2024-25.

On-Corridor Works

The development phase for the On-Corridor works package, the largest and most complex element of GO Expansion, progressed with ONxpress Transportation Partners. This is a multi-stage process to finalize scope, designs, schedules, risk allocation, and pricing of project elements.

Throughout 2023-24, due diligence and investigations work including soil, structural, utility, and environmental investigations proceeded as planned. This provided insights about existing network assets that are being used in the ongoing development phase design and risk allocation process, including the development of construction means and methods for working in the rail corridors.

In December 2023, the project reached the first major milestone of the development phase when Metrolinx accepted the ONxpress Operations & Maintenance (O&M) proposal, bringing on a new, integrated operator for the GO Rail network. On January 1, 2025, ONxpress Operations Inc. will begin operating and maintaining GO trains, introducing new operational technology solutions and providing maintenance services for new fixed assets, including planned electrification and signalling infrastructure.

Complementary Works

Design, procurement, and early works progressed on projects complementary to the GO Expansion program, which will bring greater access to regional rail service across the region.

GO Extensions:

- The Bowmanville Extension was successfully awarded under a progressive Construction Manager at Risk model in June 2023. Since then, detailed design and the development of construction methods and schedules for the nearly 20-kilometre extension of the Lakeshore East Line from Oshawa to Bowmanville has progressed, with the collaborative development phase planned to be complete in late 2024-25.
- Initial works proceeded on the Kitchener Extension, including the construction of a second, south platform nearing completion at Guelph GO Station and passing track near Breslau, planned for completion in late 2024.
- While design proceeds on the Niagara Extension, construction at Confederation GO Station in Hamilton saw the installation of the new expanded bridge over Centennial Parkway in August 2023.,

SmartTrack Stations Program:

- The SmartTrack Stations Program will see infill stations added to inner portions of the GO Rail network in the City of Toronto, leveraging the frequency and capacity improvements of GO Expansion to bring new transit options to more communities.
- While the development phases progressed for three stations procured under a Construction Management at Risk model (King-Liberty, Finch-Kennedy, and St. Clair-Old Weston), including early works such as utility relocations, the contract for Bloor-Lansdowne station was awarded in July 2023 under a fixed price model.
- The fifth station, East Harbour Transit Hub, also progressed through the development phase as part of the Alliance contract. Concurrently, a significant portion of early works occurred in 2023-24, including the first phase of demolition and construction for an expanded Eastern Avenue bridge, and completing the shift of hundreds of metres of track in coordination with the Ontario Line, which will allow room for future station and platform construction.

Rapid Transit

Significant advancements took place in 2023-24 across Metrolinx's light rail transit (LRT) and subway projects. Two LRT projects neared completion of physical construction and entered the critical testing and commissioning phase toward reaching revenue service. In parallel, important milestones were achieved across the subways program in both construction and procurement.

Light Rail Transit

On the Eglinton Crosstown LRT (ECLRT), construction work to upgrade the watermain near Yonge and Eglinton finished in February 2024 and road and sidewalk restrictions were lifted. While physical construction on the project is largely complete, the remaining project schedules require completion of testing and commissioning activities and other preparations for operation. This crucial stage ensures that faults, issues and deficiencies related to design and installation are identified and corrected before the LRTs open for safe customer use. It is a multi-step process that follows worldwide industry practices for major infrastructure projects. Significant progress was made on ECLRT testing and commissioning during this fiscal year.

All Light Rail Vehicles (LRVs) were delivered to the Finch West LRT (FWLRT) Operations, Maintenance and Storage Facility (OMSF) this past year. In January 2024, the first LRV ran end-to-end across the entire alignment. Physical construction neared completion on the

FWLRT in 2023-24, with focus shifting here as well to the testing and commissioning process.

On the Hazel McCallion LRT, the second push box successfully completed works under Port Credit GO Station this past year. Track work was completed at 23 of 55 intersections along the corridor, and five out of 18 stops were constructed. Preparations also began for the upcoming delivery of LRVs at the OMSF.

Early works continued on the Hamilton LRT throughout 2023-24, including property relocation and utility works, such as watermain relocations. This work will clear the path for larger procurement efforts and more significant construction to take place going forward. Transit corridor lands have been designated under the Building Transit Faster Act, and realignment efforts for the LRT route are underway.

Subways

Various work packages on the Ontario Line progressed throughout 2023-24. On the South Civils contract, demolition works continued across various downtown stations and construction commenced, including piling works. The handover of lands to the contractor also began. Under the Rolling Stock, Systems, Operations and Maintenance contract, many businesses that required relocation to accommodate the OMSF were completed. The demolition of 26 Overlea Boulevard was also completed ahead of schedule – the first of several planned demolitions to clear the OMSF footprint.

Also on the Ontario Line, the Pape Tunnel and Underground Stations contract entered the development phase in January 2024. Since the development phase begun, the team has been working collaboratively on the workstreams for technical, schedule and commercial components of the package. The Elevated Guideway and Stations contract also entered the development phase in February 2024, with workshops taking place with Metrolinx and the contractor to reach alignment on various workstreams. Further, the Pape Support of Excavation contract was awarded and the Don Valley Crossing contract entered procurement this past year.

On the Scarborough Subway Extension, the advance tunnel contract continued in construction. The development phase for the systems, rail and stations package also continued with design work progressing well.

On the Eglinton Crosstown West Extension (ECWE), works on the first advanced tunneling package continued this past year, with the two tunnel boring machines nearing completion of the parallel tunnels from Renforth Drive to Scarlett Road. Rexy, one of the twin tunnel boring machines, broke through the extraction shaft in April 2024. The second advanced tunnel contract was awarded in February 2024 and preliminary site works for construction of the tunnel launch site and the extraction shaft began. The contract for the elevated guideway was awarded in December 2023.

On the Yonge North Subway Extension, early works at Finch Station, including utility works and tail track work, were completed on schedule in December 2023. A Request for Proposals for the advance tunnel contract was also released in December 2023 and is expected to close late 2024.

REGIONAL TRANSIT PLANNING

Metrolinx is mandated to provide leadership in the coordination, planning, financing, development and implementation of an integrated transit network in the regional transportation area. The transit related components of the 2041 Regional Transportation Plan (RTP), published in March 2018, along with *Connecting the GGH: A Transportation Plan for the Greater Golden Horseshoe*, the multimodal transportation plan for the region published in 2022, serve as Metrolinx's guiding documents and blueprint to achieving this wide-reaching regional mandate.

Advancing Implementation of the 2041 Regional Transportation Plan

Work is underway to update Metrolinx's 2041 Regional Transportation Plan (RTP) in close coordination with MTO, municipalities, Indigenous communities, and external stakeholders. The update will extend the RTP's time horizon to 2051 and its geographic extent to the Greater Golden Horseshoe (GGH), bringing it into alignment with *Connecting the GGH: a transportation plan for the Greater Golden Horseshoe,* addresses Metrolinx's transit-focused mandate, and evaluates the implications of post-pandemic travel trends and other considerations to the regional transit network. Metrolinx is currently working towards delivering to MTO staff a draft update to the RTP's vision, goals, strategies, and priority actions.

Fare Integration through Ontario's One Fare Program

To make transit more connected, affordable, and convenient, this year Metrolinx worked with the province and local transit partners to further integrate transit fares and make it easier and more affordable for customers to transfer between systems. Since its launch on February 26, 2024, Ontario's One Fare Program has allowed transit riders to only pay once when connecting to and from the TTC and GO Transit, Brampton Transit, Durham Region Transit, MiWay and York Region Transit. Customers may tap with a PRESTO card, credit or debit, or PRESTO in Google wallet to save money with Ontario's One Fare making cross-boundary travel more affordable and convenient for students, seniors and other commuters. To help make transit more affordable we have also reduced the PRESTO card issuance fee from $6 to $4 and continue to offer the Youth and Post-Secondary Discount.

From its February launch to March 31, there were 3.16 million transfers for Ontario's One Fare Program with savings of over $10 million from the removal of double fares with the TTC. The success of the program can be attributed to a robust program management plan, collaboration with all five municipal transit system partners and MTO, and cross-functional efforts of various teams across the organization.

Enhancing Service Delivery and Customer Access throughout the Network

Metrolinx continues to work toward an accessible transit network, with GO station improvement programs ongoing in various stations, including tactile edge tile at platforms, elevator modernization to improve reliability, and accessible washrooms. Currently, 65 of 68 GO stations are accessible. In addition, new initiatives to enhance services and experience for all users have been implemented, including partnerships with AccessNow information platform, MagnusCards, and the Hidden Disabilities Sunflower Program.

Metrolinx continues to improve French-language services by supporting the provincial government and the Francophone community with the application of the French-Language Services Act and its regulations. In 2023-24, Metrolinx worked towards an updated action plan which outlines the enterprise-wide strategy to deliver quality, equivalent and accessible French-language services to our customers.

Throughout 2023-24, Metrolinx has also been collaboratively exploring opportunities to improve transportation connections between First Nation communities and the GO Transit network.

Advancing the GO Regional Express Bus Network and Greener Bus Technologies

Metrolinx is in the early stages of implementing the Regional Express Bus (REB) network, that will provide more frequent service on core routes to connect key destinations along major highways. This network evolution will provide optimal transit connectivity in response to changing customer needs, regional development patterns, and the significant investment in GO Rail and rapid transit services.

As part of a program to modernize the GO Transit Bus fleet, Metrolinx is exploring alternative propulsion technologies for the fleet while reducing its environmental impact and energy consumption. This includes the phased replacement of diesel buses over the next decade to evaluate options and transition Metrolinx to lower emission coaches.

In May 2023, Metrolinx launched the next phase of the program with two electric buses. The electric buses are currently in revenue service on Routes 19 East, 19 West, 27 East, 27A West, 27F West, 92 West, and 96B East. Ongoing and future trials will enable Metrolinx engineers and technical staff to evaluate electric bus technology in a high-mileage environments and collect data, such as battery performance, required for future electric bus fleet procurement plans.

As of April 2024, the electric buses covered over 12,500 kilometres, operated for 480 hours, and served various GO Bus routes. Approximately 14.5 tonnes carbon dioxide equivalent (CO2e) have been avoided since the second phase of the pilot was initiated.

Community Benefits and Supports

The Metrolinx Community Benefits and Supports (CBS) program is implemented across our projects and provides the opportunity to give back to communities impacted by construction, beyond the transit benefits. This is accomplished by engaging with local communities, making improvements to public spaces, and providing connections to job opportunities in partnership with our project contractors and stakeholders.

A new iteration of the program was launched in August 2023, alongside a redevelopment of the webpage. The CBS program includes four pillars: Employment Opportunities, Local Business Supports, Public Realm Improvements, and Community Improvement Supports.

In 2023-24, on the Eglinton Crosstown LRT, Finch West LRT, Hazel McCallion LRT, Ontario Line and Scarborough Subway Extension collectively, the CBS program resulted in 28.8 per cent of new hires self-identifying as women, 45.8 per cent of new hires coming from BIPOC communities, and 74 apprentices being hired onto projects. A total of $35.7 million was spent on procurement from local businesses and social enterprises. Work also included a tour of the CBS program in action on some Light Rail Transit projects, and adding the CBS schedule in project contracts to enhance reporting on CBS and ensure contractors are held accountable for implementing the CBS pillars throughout all phases of construction. Work in the communities continued through walking tours, construction liaison committees, and ensuring ongoing communication with local businesses to mitigate any construction impacts.

The first CBS program annual report will be published in the summer of 2024.

Business Case Development and Value Management

Metrolinx is currently managing 12 active Business Cases ranging from the Initial Business Case (IBC) stage to the Post Implementation Business Case (PIBC) stage. The Sheppard Extension project is at the Initial Business Case (IBC) stage of Metrolinx's project planning and development process. Input and feedback received from community members during consultation will be an important component of the IBC. The first round of public consultations was held with three open houses in November 2023 to inform development of problem statement and options. A second round is planned for spring 2024.

Metrolinx is continuing to advance the Preliminary Design Business Case (PDBC) for the airport segment of ECWE. Work on this will be continuing into 2024.

Metrolinx has made great progress on cost avoidance and savings with Value Management methodology being applied by Sponsors supporting affordability on the following capital projects: King Victoria Transit Hub ($10.93 million savings); Scarborough Subway Extension ($309.51 million savings). Further to this, Value Management studies are underway the following projects: Mount Joy, Yonge-North Subway Extension, and Eglinton Crosstown West Extension. To build enterprise awareness of Value Management we have published an Enterprise Value Management Framework and E-Learning.

METROLINX CORPORATE

Building a Strong and Inclusive Workforce

Despite a continued enterprise talent risk due to legislative constraints and a competitive labour market, Metrolinx remained focused on implementing several initiatives in 2023-24 to optimize our current and future workforce and ensure sustainability for the organization over the next ten to fifteen years.

Metrolinx implemented several strategies and programs to attract, develop and retain talent. These initiatives include a Leadership Development Framework to enhance leadership capabilities of existing staff, an Internal Mobility Policy to reduce negative churn in the organization by 35 per cent, an Early Talent Program which targets our highest risk talent areas and streamlined talent acquisition processes to reduce our Time to Fill performance indicator by more than 20 per cent. Metrolinx also conducted succession management exercises across the organization and launched a comprehensive Employer of Choice strategy with new employer branding to improve our position in the market and attract top talent to the organization.

Metrolinx also continued to implement strategies and initiatives to support employee health, safety and wellness and foster a positive organizational culture and work environment. This includes the implementation of a new, multi-year Disability Management strategy to reduce absence durations and enhance the return-to-work process, the transition to a new Employee and Family Assistance Plan offering increased mental health supports, and the launch of several wellness programs to support frontline operations, including peer support training and targeted supports for employees who attend and experience traumatic incidents in the workplace.

Metrolinx provides opportunities for employees to provide feedback on their experience through confidential employee engagement surveys. In 2023-24, Metrolinx's all-employee engagement surveys saw record high participation rates. In the most recent Annual survey, employees reported an 80 per cent engagement score and an 81 per cent inclusion score, achieving our strategic targets.

Equity, diversity, and inclusion (EDI) are foundational to our work across Metrolinx and are critical drivers of organizational success. In 2023-24, Metrolinx launched a three-year EDI strategy that builds on our current momentum. This plan will guide the organization through the implementation of 24 priority actions which include a network-wide accessibility audit, expanded transit affordability and accessibility, culturally appropriate guidelines for engaging with communities and expanding our Indigenous and diverse supplier programs.

In 2023-24, Metrolinx achieved all-time high representation of women across the organization and at the Senior Manager and above level. This work was achieved as a result of training on how to reduce bias in the recruitment process, the continuation of women and family-friendly policies and programs in place (e.g., Menopause Policy, emergency child-care support), and the use of predictive analytics to support sourcing of women candidates in fields traditionally dominated by men.

In 2023-24, Metrolinx continued to strengthen the EDI competency of our workforce through both mandatory and supplemental training, including enhanced Unconscious Bias training, How to Be an Ally and Responding to Microaggressions, Racism, Racial Discrimination and Human Rights, Indigenous Awareness Training and Accessibility 101.

Metrolinx has a total of 12 Employee Resource Groups (ERGs), across the organization. ERGs provide supportive environments for their members and allies, and they are a vital component of driving engagement and belonging across Metrolinx.

Workplace Transformation

In 2023-24, Metrolinx initiated the workplace transformation strategy which increased capacity to support more in-person teamwork, optimized existing space, and increased collaborative work environments which support new ways of working. These enhancements and the transformation of our workplace and office portfolio has created an environment fostering innovation and productivity, provides a space where teams can thrive, and supports recruitment and retention with an improved employee experience.

To support new ways of working, Metrolinx has introduced new office space standards through the Collaboration Enhancement program. Metrolinx is in the early stages of initiating the program, which will optimize our existing office portfolio to integrate modern flexible office workplaces and increase seat capacity within the existing footprint. Updated work settings support both focused and collaborative work to support a diverse range of user needs. Metrolinx has started delivery of the regional strategy with the optimization and refresh of the Hamilton office space.

Communications and Community Engagement

Over the past two years, we have transformed the way we communicate and connect with our audiences as our approach to communications and community engagement combines the best face-to-face methods with the latest digital and social strategies.
As the pipeline of active construction and construction-ready projects continued to grow in 2023-24, community engagement teams remained embedded in communities across the Greater Golden Horseshoe (GGH) area to increase trust and support for our programs and services while minimizing disruption due to construction. In 2023-24, Metrolinx actively engaged with customer-residents across the region: we knocked on 108,000 doors, delivered over 2.3 million construction notices, organized 1,250 pop-up events with over 100,000 interactions, conducted over 1,000 meetings with elected officials and stakeholders, and held 530 community canvasses. Additionally, we partnered with organizations with similar missions of enriching communities throughout the GGH. These partnerships increase the reach of our content, enhance brand visibility, foster credibility, and attract new audiences as we stimulate public engagement.

Metrolinx's community engagement strategy aims to increase awareness of transit infrastructure projects and proactively identify potential issues in order for solutions to be developed. To accomplish this, Metrolinx is active in communities to share information, gather feedback and where possible, integrate the feedback we receive from community members. In 2023-24, 61 public meetings were held, with over 8,000 public meeting attendees present. With the power of personal engagement, we are meeting people where they are, in the communities they live, speaking the languages that they speak. Metrolinx team members speak 20 languages and translate project materials accordingly. Metrolinx also attends event activations near project areas, creating more opportunities to provide information to culturally diverse groups. This past year, Metrolinx participated at cultural events such as Fun Philippines, TAMILfest, Pride Toronto, and Taste of Vietnam. To extend its reach, Metrolinx is focused on a digital-first approach to storytelling and content delivery, including the development of compelling video and photo content to grow awareness of projects and benefits. In 2023-24, website views hit 5.6 million and MX News blog subscribers grew to 4,600. Metrolinx social media channels maintained above average performance, achieving 21 million impressions with a 5 per cent social engagement rate and 5.8 million video views. In that same year, Metrolinx saw 225 per cent growth in followers across all social media channels, further highlighting that we are creating media that audiences want to consume, on platforms that they prefer. Additionally, e-blast circulation reached nearly 1.1 million recipients, and correspondences, emails, and phone calls surpassed 11,000.

As we head into 2024 and beyond, Communications and Community Engagement will continue to combine the power of personal engagement with the reach and impact of digital and social technologies. The communications and community engagement activities highlighted in this report support all teams across Metrolinx in maintaining and improving the organization’s reputation as a trusted business partner and a good neighbour in the communities we serve.

Indigenous Relations

In 2023-24, Metrolinx undertook a new approach to consultation and engagement with Indigenous communities that is centered on relationship building and understanding, leading to the first Framework Agreements being signed and executed between Metrolinx and Alderville First Nation, Curve Lake First Nation, and Six Nations of the Grand River, as well as two additional monitoring agreements with Huron Wendat First Nation and Hiawatha First Nation. Metrolinx is in active discussions with other Communities to ratify framework agreements. These agreements provide capacity support to participate in our capital program and provide a meaningful foundation for Metrolinx and these communities to work together to fulfill and go beyond the Duty to Consult process.

The continued expansion and staffing of the Indigenous Relations Office enabled further collaboration cross-organizationally which has resulted in improved consultation and engagement approaches with Indigenous communities. The Indigenous Relations Office works closely with Procurement Services to develop the Indigenous supplier program and develop procurement opportunities for Indigenous businesses. This has resulted in Aecon Six Nations (A6N), a general partnership between Six Nations of the Grand River Development Corporation (51 per cent ownership) and Aecon Group Inc. (49 per cent ownership), being subcontracted to work on the Eglinton Crosstown West Extension. Metrolinx also partnered with Kayanase [Gayanase] Greenhouse, a Six Nations of the Grand River business, to purchase plants for various projects as part of vegetation giveaways to assist with projects' restoration plans. Furthermore, Metrolinx continues to review and update outgoing procurements to ensure there is language that encourages partnerships with Indigenous owned businesses.

Realty Strategy and Portfolio

In 2023-24, Metrolinx continued to advance its real estate strategy to transition towards a more sustainable, recurring revenue model. Metrolinx undertook a comprehensive lifecycle-focused approach to real estate asset management to minimize holding costs, increase revenue and improve safety conditions, and optimizing the real estate portfolio for potential development opportunities and revenue sources from underutilized assets. In 2023-24, Metrolinx's Real Estate and Development team:

- Achieved $38.6 million in non-fare revenue through recurring revenue and one-time sale of assets and limited expenses to $23 million for a 168 per cent cost recovery ratio.
- Minimized rental delinquencies to 2.7 per cent, down from 7 per cent in 2022-23.
- Completed five demolitions and one construction project, all delivered on schedule.
- Was involved in eight active Ontario Land Tribunal cases, three of which were settled.
- Ensured safety and safeguarded rail corridor integrity by reviewing 2,390 adjacent development, utility and roadway, and corridor development permit applications.
- Conducted 447 site visits, with only one Stop Work Order and two Non-Compliance Notifications issued.

Following direction from the province, Infrastructure Ontario (IO) has begun assessing sites at GO Rail and Light Rail Transit stations for development opportunities under the GO Heavy Rail and Light Rail Transit-Oriented Communities (GO/LRT TOC) Program. In support of the province's goal of building 1.5 million new homes by 2031, and building on the existing program established by Metrolinx, the program focuses on how the province can unlock, maximize and accelerate opportunities for delivering transit expansion and housing near transit. Metrolinx has been working closely with MOI, MTO, and IO to establish a formal governance framework for the TOC Program. Metrolinx, MOI, MTO and IO are in the process of finalizing a draft Memorandum of Understanding (MoU) which will provide a governance and accountability structure for integrated decision-making and guide key areas of collaboration and engagement for all parties to support the delivery of the TOC Program.

Business Improvement Plans

Metrolinx built momentum from the success of its business improvement plan implementation over the last three years. This has allowed the organization to continue embedding a culture of LEAN continuous improvement to achieve better outcomes at a lower cost base. Metrolinx implemented business improvement plans in 2023-24, including continuously optimizing its service offerings and service capacity, through modal shifts between train and buses and train consist size adjustments. Business improvement plan implementation has also generated other efficiencies across the organization resulting from better value-for money from new and existing contracts as well as improvement on systems and controls. The implementation of these business improvement plans has helped generate savings to help manage emerging operating financial pressures and identify other operational efficiencies across the organization.

Transit Procurement Initiative

The Transit Procurement Initiative (TPI) is a champion of innovation in North America's transit procurement landscape. Since its inception in 2006, the TPI has orchestrated 27 joint procurements involving 54 transit systems. The initiative helps transit systems of all sizes deliver cost savings using a team of seasoned industry professionals who develop performance-driven technical specifications, manage tender documents, evaluate proposals, and oversee contracts throughout their lifecycle.

Since the start of the TPI, transit systems have purchased over $1.27 billion of goods and services through the initiative which has generated savings and cost avoidance of $64 million for Ontario taxpayers. This year, Metrolinx focused on continuous improvement opportunities within the TPI, from creating program-specific procurement and contract templates to modernizing data management platforms. Metrolinx focused on reducing duplication of work and increasing value for participating transit systems. The TPI has also made large strides towards facilitating fleet electrification by awarding Ontario's first 12-

and 18-metre battery electric bus joint procurement contract and developing Canada's first joint procurement for charging systems that will be awarded in early-mid 2024.

Sustainable Procurement Program

The implementation of the Sustainable Procurement Program was enabled through the Board of Directors' approval of updates to the Procurement Policy in November 2023. This program is intended to ensure Metrolinx procurement opportunities consider social, environmental, and economic factors. It is centered around the inclusion of diverse and Indigenous-owned vendors in the Metrolinx supply chain, providing increased access to do business with Metrolinx and introduce more sustainable procurement practices. The program also consists of a newly developed Vendor Code of Conduct which establishes ethical and operational standards that vendors must adhere to when conducting business with Metrolinx.

Environmental, Social and Governance

Metrolinx's environmental, social and governance (ESG) strategy is integrated with its enterprise business planning processes enabling the organization to embed ESG in its business objectives and the annual business plan. A key achievement includes introducing a pilot for two zero-emissions electric buses which resulted in approximately 12 tonnes of carbon dioxide equivalent being avoided by the end of 2023 and will further inform requirements for procurement of the next generation of buses. In 2023, Metrolinx also met a strategic objective to develop and implement an Indigenous Relations Improvement Plan and introduce mandatory Indigenous awareness training for all employees.

Further details on Metrolinx's ESG accomplishments, impacts, and forward-looking plans can be found in the 2023-24 ESG report, which was prepared and posted to the Metrolinx website in the fall of 2024.

Innovation and Information Technology

Metrolinx Innovation and Information Technology (I&IT) is a technology partner, working in collaboration with the broader organization to advise, deliver and operate high value, high-quality, cost-effective solutions to serve the diverse and evolving needs of Metrolinx and its customers. Metrolinx utilizes advanced information systems and technology to deliver transit services to its customers. Projects of various sizes are deployed to deliver value-added service for the organization in support of Metrolinx customers.

Select key business technology accomplishments in 2023-24 include:

- A focus on maturing Metrolinx's data journey and demonstrate business value by connecting data sources to provide insights that enable more informed decision making.
- Reducing reliance on contractors and shifted positions and accountability to permanent employees supported by third parties.
- With the completion of the Barrie Data Centre in January 2024, our infrastructure Disaster Recovery plan now has an active Data Centre strategy with the focus now on building and testing full application recoveries across the two Data Centres.
- An enhanced cybersecurity stance with a focus on increasing cybersecurity capabilities to minimize, monitor, and manage operational technologies, rapid transit systems, Network Operations Centre and customer facing technologies.

Governance

Metrolinx is an agency of the Government of Ontario and is guided by a mandate from the Minister of Transportation, on behalf of the Premier of Ontario.

The Board of Directors 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 as described in the Metrolinx Memorandum of Understanding.

The Metrolinx Board of Directors includes up to 15 members, including members from several communities in the Greater Golden Horseshoe. They are appointed through Order in Council under the *Metrolinx Act, 2006*. The table below provides an overview of the Board members, their period of service and annual remuneration.

Director	Period of Appointment	Remuneration for 2023
Don Wright, Chair	August 13, 2018 to August 15, 2025	$146,699.80
Bryan Davies	September 8, 2015 to November 22, 2026	$7,500.00
James Dodds	March 4, 2022 to March 3, 2026	$4,200.00
Janet Ecker	October 31, 2012 to October 12, 2023	$3,100.00
Luigi Ferrara	January 17, 2019 to January 16, 2025	$3,700.00
Deb Hutton	February 24, 2022 to February 23, 2025	$1,000.00
Tony Marquis	December 6, 2019 to December 14, 2025	$2,200.00
Mark McQueen	June 22, 2023 to June 21, 2026	$1,000.00
Emily Moore	January 17, 2019 to July 17, 2024	$3,000.00
Reg Pearson	February 14, 2019 to February 13, 2025	$4,400.00
Robert Poirier	January 17, 2019 to January 16, 2025	$7,000.00
Sylvie Tessier	September 3, 2020 to September 2, 2023	$900.00
Paul Tsaparis	January 17, 2019 to January 17, 2026	$6,100.00
Phil Verster, *President & CEO*	October 2, 2017 to October 1, 2026	Phil Verster receives an annual salary as President & CEO of Metrolinx but does not receive remuneration as a Board member

Management Discussion and Analysis

CORPORATE PERFORMANCE

The 2023-24 fiscal year has been a crucial year for Metrolinx with a transformed transit landscape marked by significant and possibly longer-term changes in ridership patterns, customer needs and behaviours. Metrolinx achieved progressive ridership recovery gains this year, supported by the reinstatement of service on certain corridors, sustained leisure weekend travel as well as a significant growth in post-secondary and youth riders. Our customers responded positively to service reinstatements and enhancements, and this was reflected in historically high customer satisfaction scores for both GO Transit and UP Express. Throughout 2023-24, Metrolinx also focused on building travel demand through various programs, campaigns, offers and enhanced journey experiences. Additionally, large volumes of engineering and construction work have also been successfully delivered, with minimal disruption to customers and customer experience.

This fiscal year was also momentous as Metrolinx launched PRESTO Contactless and Interac debit across transit systems, including the TTC, as well launched PRESTO in Google Wallet. PRESTO also enabled the launch Ontario's One Fare Program, making transit more affordable and accessible in the Greater Toronto Area (GTA). One Fare is projected to incentivize 26,500 new riders to take transit per day by making their trips more affordable and save riders 2.7 million hours of travel time per year by making their trips more efficient.

Metrolinx continued to play an active role in supporting the province's plan for growth, renewal, and economic recovery, and deliver on its legislative mandate by providing leadership in the coordination, planning, financing, development, and implementation of an integrated transit network. Metrolinx also made significant strides on the continued implementation and delivery of the extensive transportation investments which include new priority transit projects, new and extended subway lines, light rail transit lines and a transformed GO Rail system. This future expanded regional transportation network will help people move throughout the Greater Toronto and Hamilton Area (GTHA) and beyond, providing existing transit users with faster and more comfortable journeys, while making transit a more compelling option for underserved markets.

The 2023-24 budget was prepared in early fall 2022 with an optimistic outlook on ridership recovery based on trends observed leading into the fall, and with an expectation that commuter travel would continue to grow, and that community illnesses would have a minor impact. The impact of lower ridership from 2022-23 carried forward into early 2023-24 resulting in a slower than expected return of commuter travel, softened ridership from community illnesses during fall 2023, however, partly offset by strong weekend recovery. To help manage the impact of lower ridership, Metrolinx focused on managing costs through the continued implementation of business improvement plans designed to leverage LEAN principles throughout the organization. For example, Metrolinx took a data-driven approach to align services to new travel patterns to meet customer needs, such as using lower cost service options, such as buses, to serve customers during lower demand, adjusting frequencies and varying train consist sizes as necessary.

Metrolinx also worked closely with the government to continue implementing its operating and capital plan, deliver on its mandate and provide access to safe and reliable transit services across the region. Metrolinx has played a critical role in supporting government efforts to improve services, ensuring taxpayer dollars are invested responsibly and providing value-for-money to Ontarians.

The following management discussion and analysis for Metrolinx should be read in conjunction with the audited financial statements and related notes for the fiscal year ended March 31, 2024, included within this 2023-24 Annual Report.

The following table summarizes the consolidated revenue, expense, subsidy, and ridership for Metrolinx for 2022-23 and 2023-24.

Summary of Corporate Performance

(in millions)	2023-24 Actual	2023-24 Budget[1]	2022-23 Actual[4]	Actual vs. Budget 2023-24		Year over Year 2023-24 vs. 2022-23	
				Change	%	Change	%
Total Revenue (incl. Third-party Construction Revenue) [1]	689.4	771.4	486.6	(82.0)	(10.6%)	202.8	41.7%
Total Expense (incl. Third-party Construction Expense) [2]	1,918.2	1,652.7	1,544.6	265.5	16.1%	373.6	24.2%
Total Operating Subsidy	1,213.3	846.7	1,001.9	366.6	43.3%	211.4	21.1%
Amortization of deferred capital contributions	1,134.5	2,037.6	1,030.1	(903.1)	(44.3%)	104.4	10.1%
Amortization of capital assets	1,053.9	2,053.6	1,004.7	(999.6)	(48.7%)	49.3	4.9%
Amortization of long-term leases	0.3	0.3	0.3	0.0	n/a	0.0	0.0%
Loss / (Gain) on disposal and write-down of capital assets	102.7	-	(9.0)	102.7	n/a	111.8	(1236.5%)
Net Income / (Loss)	**(38.0)**	**(50.8)**	**(22.0)**	**12.8**	**(25.1%)**	**(16.0)**	**72.8%**
Total Ridership	**59.0**	**72.5**	**41.1**	**(13.5)**	**(18.6%)**	**17.9**	**43.7%**

Notes:
1. Total Revenue includes operating revenue, interest income, and third-party construction revenue.
2. Total Expense includes supplies and services, equipment maintenance, facilities and track, labour and benefits, rail and bus operations, and third-party construction expense.
3. Total Revenue and Total Operating Subsidy reflect $2.6M contribution from Province of Ontario to GO Transit for co-fare reimbursement under the One Fare Program; One Fare payments from the Province to Transit Agencies are not reflected in Operating Subsidy figure.
4. Prior Period Adjustment: On April 1, 2023, Metrolinx implemented an accounting standard, PS 3400 Revenue. This standard has been implemented on a modified retroactive basis with restatement of prior period financial statements. Refer to note 3 in the Financial Statements.

The following table provides the breakdown of revenue and expense for fiscal years 2022-23 and 2023-24.

Operating Results

(in millions)	2023-24 Actual	2023-24 Budget[1]	2022-23 Actual[5]	Actual vs. Budget 2023-24		Year over Year 2023-24 vs. 2022-23	
				Change	%	Change	%
Fare Revenue	429.2	552.1	308.5	(122.9)	(22.3%)	120.7	39.1%
PRESTO Non-Fare Revenue	92.5	124.4	76.4	(31.9)	(25.6%)	16.1	21.1%
Other Non-Fare Revenue	91.9	94.9	80.0	(3.0)	(3.2%)	11.9	14.9%
Total Revenue	**613.6**	**771.4**	**464.9**	**(157.8)**	**(20.5%)**	**148.7**	**32.0%**
Third-party Construction Revenue [2]	75.8	-	21.7	75.8	n/a	54.2	250.1%
Total Revenue (incl. Third-party Construction Revenue)	**689.4**	**771.4**	**486.6**	**(82.0)**	**(10.6%)**	**202.8**	**41.7%**
Operations	451.0	521.3	436.0	(70.3)	(13.5%)	14.9	3.4%
Operating Labour & Benefits	586.5	552.1	498.6	34.4	6.2%	87.9	17.6%
Facilities & Track	212.8	212.0	173.4	0.8	0.4%	39.5	22.8%
Equipment Maintenance	156.2	150.7	140.0	5.5	3.6%	16.1	11.5%
Supplies & Services	410.4	216.5	274.9	193.9	89.5%	135.6	49.3%
Bid Fees	5.8	18.3	72.3	(12.5)	(68.3%)	(66.5)	(92.0%)
Total Operating Expense	**1,816.9**	**1,652.7**	**1,522.9**	**164.3**	**9.9%**	**294.0**	**19.3%**
Third-party Construction Expense [2]	101.3	-	21.7	101.3	n/a	79.6	367.1%
Total Expense (incl. Third Party Construction Expense)	**1,918.2**	**1,652.7**	**1,544.6**	**265.5**	**16.1%**	**373.6**	**24.2%**
Proceeds from Sale of Assets	21.6	34.5	59.5	(12.9)	(37.4%)	(37.9)	(63.7%)
Total Operating Subsidy [3]	**1,213.3**	**846.7**	**1,001.9**	**366.6**	**43.3%**	**211.4**	**21.1%**

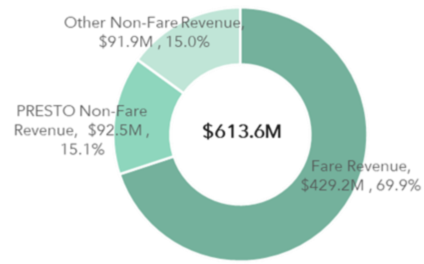
Notes:
1. 2023-24 Budget Total Revenue and Total Operating Expense subtotals are as published in the 2023-24 Business Plan.
2. Third-party Construction Revenue and Expenses are included as part of Total Revenues (incl. Third-party Construction Revenue) and Total Operating Expenses (incl. Third-party Construction Expense) respectively to recognize third-party reimbursements for capital assets constructed on the third-party's behalf.
3. Operating subsidy excludes long-term accrual for post-employment benefits of ($3.4M) and ($6.1M) for 2022-23 and 2023-24 respectively.
4. Fare Revenue and Total Operating Subsidy reflect $2.6M contribution from Province of Ontario to GO Transit for co-fare reimbursement under the One Fare Program; One Fare payments from the Province to Transit Systems are not reflected in Operating Subsidy figure.
5. Prior Period Adjustment: On April 1, 2023, Metrolinx implemented an accounting standard, PS 3400 Revenue. This standard has been implemented on a modified retroactive basis with restatement of prior period financial statements. Refer to note 3 in the Financial Statements.

Operating Subsidy

The Province of Ontario provides Metrolinx with an operating subsidy to cover operating expenses less revenue and proceeds from the sale of assets to ensure Metrolinx has sufficient funds to operate its transit services, implement commitments made under Metrolinx's 2041 Regional Transportation Plan and support the delivery of its mandate.

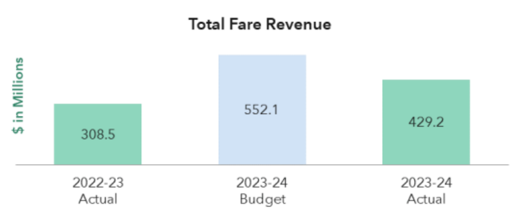
Metrolinx's total operating subsidy requirement was $1,213.3 million for 2023-24, an increase of $366.6 million compared to the 2023-24 budgeted operating subsidy requirement of $846.7 million. This increase in requirement was primarily driven by lower fare revenue resulting from slower ridership recovery, as well as impact from emerging in-year pressures such as higher GO Expansion OnCorr operational readiness, corridor maintenance, and the roll-out of Mobile Wallet and additional reporting requirements for TTC Open Payment. In response, Metrolinx continued to minimize the impact to financials through the implementation of business improvement plan initiatives to generate savings and efficiencies across the organization.

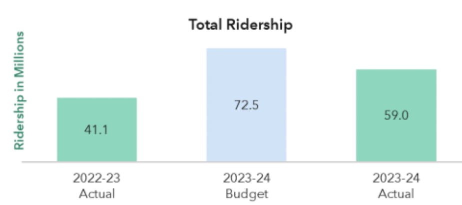
Revenue



Metrolinx's revenue includes fare revenue, PRESTO non-fare revenue, and other non-fare revenue. In 2023-24, Metrolinx reported total revenue of $613.6 million, which was $157.8 million (20.5 per cent) below budget. The lower-than-budgeted revenue was primarily due to lower fare revenue resulting from slower return of commuter travel, lower off-peak ridership, and a new post-pandemic fall/winter seasonality with softened ridership due to community illnesses. Despite being lower than budget, revenue continued to recover and grow modestly over the past year. Total revenue of $613.6 million represented an increase of $148.7 million (32.0 per cent) compared to the prior year, demonstrating strong year-over-year growth as Metrolinx continued to drive sustainable growth in ridership and non-fare revenue through optimized service, partnership opportunities, promotions to events, and targeted campaigns.

Fare Revenue





Metrolinx's fare revenue is directly tied to ridership and includes revenue related to fares from transit operations, including GO Transit and UP Express services. Ridership reflects the use of GO and UP trains and GO buses across the region and is calculated as rail boardings plus bus boardings less transfers across both train and bus routes. In the past year, Metrolinx achieved progressive ridership recovery gains supported by the reinstatement of service and sustained leisure weekend travel. Ridership increased to 59.0

million in 2023-24, with resulting fare revenue of $429.2 million. This represents a recovery of 77.3 per cent when compared to the 2019-20 ridership of 76.3 million.

Change from Budget (Year-ended March 31, 2024, vs. Budget)

Ridership was growing strongly through the early part of 2023-24, and continued to be impacted by community illnesses in fall suppressing transit demand. Metrolinx reported fare revenue of $429.2 million in 2023-24, which was $122.9 million (22.3 per cent) below budget. The budgeted ridership and revenue assumed commuter travel to continue trending positively from 2022-23 into 2023-24. Ridership continued to recover and grow in spring to summer 2023 yet remained below budget. The lower fare revenue was primarily due to slower return of commuter travel as hybrid work continued, and a new post-pandemic fall/winter seasonality with softened ridership due to community illnesses. Total Metrolinx ridership was 59 million in 2023-24, which was 13.5 million (18.6 per cent) below budget. Fare revenue and ridership were both lower than anticipated versus the budget but showed continuous growth for most of April to September 2023 until the rise of community illnesses in fall, followed by gradual ridership and fare revenue recovery from January to March 2024 as new and returning customers turn to transit for both business and leisure travel. As the post-pandemic transit patterns for the region continues to unfold, Metrolinx will leverage customer analytics to support the projection of fare revenue and ridership, deliver demand-driven service, and drive strategic ridership growth.

Change from Prior Year (Year-ended March 31, 2024, vs. March 31, 2023)

Metrolinx's fare revenue and ridership continued to grow in 2023-24 as commuters and new customers look for transit options post-pandemic. Fare revenue was $429.2 million in 2023-24 or $120.7 million (39.1 per cent) higher than the prior year mainly due to continued ridership growth as Metrolinx focuses on building travel demand through reinstatement of service as well as partnerships and collaborations to enhance customer experience. In 2023-24, total Metrolinx ridership of 59 million was 43.7 per cent over the 2022-23 ridership levels. Over the last year, Metrolinx implemented targeted growth strategies to continue growing ridership and fare revenue in areas of greatest demand. Some of the initiatives include:

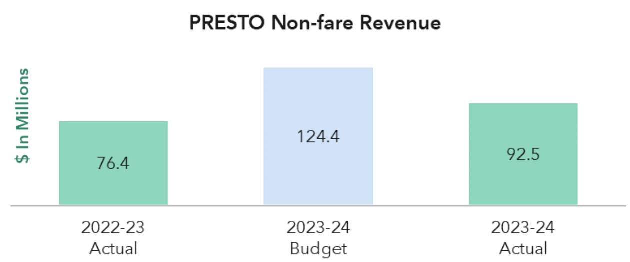
- Delivery of demand-driven marketing strategies and customer experience elements through innovative product development and strategic partnership that stimulate market demand and support ridership growth.
- Discount travel packages, new destinations, and PRESTO Perks offers to promote leisure travel to key destinations and special events.
- Service enhancements, marketing awareness campaigns, and multicultural outreach to attract new customers and build demand for student and business customers.

- Amenities to enhance the journey experience such as mobile food and beverage service and expansion of vending machines across the network for snack, beverage, health, beauty, and travel products.
- Implementing Ontario's One Fare Program towards integrating transit fares across systems, making transit more connected, affordable, and convenient to support ridership growth, transit infrastructure investments, and build the region's transit network for the future.

Metrolinx continued to focus on stimulating demand for business and leisure travel through service enhancements, innovative partnerships, and enhanced customer experience. Looking forward, Metrolinx will continue to encourage more frequent trips with returned riders, inspire new and proven leisure destination and travel ideas, attract and engage multicultural and international audiences, and support business travel through corporate programs.

PRESTO Non-Fare Revenue

PRESTO non-fare revenue includes fees collected from transit providers for the use of the PRESTO system and is heavily influenced by the fare revenue and ridership of transit providers in the region. PRESTO non-fare revenue reached $92.5 million in 2023-24.



[Change from Budget (Year-ended March 31, 2024, vs. Budget)]

Metrolinx reported PRESTO non-fare revenue of $92.5 million in 2023-24, which was $31.9 million (25.6 per cent) below budget. The lower-than-budgeted revenue was primarily driven by lower ridership recovery for GO and TTC from slower return-to-office, contributing to lower PRESTO commission revenue. This unfavourable variance in PRESTO commission revenue is partially offset by higher interest revenue from interest rate increase through 2024.

[Change from Prior Year (Year-ended March 31, 2024, vs. March 31, 2023)]

PRESTO non-fare revenue grew from $76.4 million in 2022-23 to $92.5 million in 2023-24, an increase of $16.1 million (21.1 per cent), mainly driven by increase in commission revenue across transit systems from continuous ridership recovery over the past year.

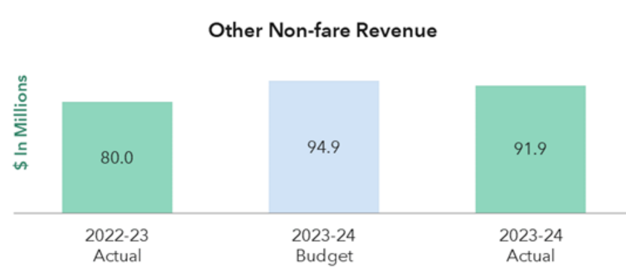
In 2023-24, Metrolinx focused on advancing the PRESTO Modernization Program through continued rollout of new ways to pay transit fares and enhancing PRESTO products and services to improve customer experience and drive adoption. Some of the achievements in 2023-24 include:

- Expanding PRESTO Contactless with Interac debit beyond UP Express to GO Transit, TTC, all 905 transit systems as well as OC Transpo para transit services to provide customers with more transit fare payment options with best-in-class technology.
- Introducing digital PRESTO card in Google Wallet on GO Transit, UP Express, TTC and all 905 transit systems to provide customers with a fast, secure, and modern way to pay transit fares.
- Supporting the roll out of the One Fare Program to enable free transit connections between TTC and GO Transit as well as other transit systems to move the region closer to a seamless transit network while supporting transit ridership growth.
- Reducing the PRESTO card fee from $6 to $4 to make it easier for customers to access transit.
- Proactively communicating and educating customers about the PRESTO App, Autoload, and other PRESTO features through website updates and embedded how-to videos.
- Adding new PRESTO Perks program partners to continuously raise brand awareness and support PRESTO usage, while providing discounts to special events across the region.

PRESTO non-fare revenue continues to grow as transit ridership increases across the region, supported by new ways to pay and enhanced PRESTO products and services to continuously drive PRESTO adoption. Moving forward, Metrolinx will build on its progress and focus on completing the PRESTO Procurement Program to ensure the long-term sustainability of the PRESTO system, continuing to advance a frictionless customer experience enabled by new ways to pay, and supporting PRESTO clients by maintaining exceptional system performance.

Other Non-Fare Revenue

Other non-fare revenue primarily includes revenue from advertising, track usage fees from corridor ownership, partnerships, interest on working capital, reserved parking, and commercial and promotional space rent. Other non-fare revenue continued to grow and reached $91.9 million in 2023-24.



Change from Budget (Year-ended March 31, 2024, vs. Budget)

Metrolinx reported non-fare revenue of $91.9 million in 2023-24, which was $3.0 million (3.2 per cent) below budget, mainly driven by lower partnership revenue due to clients delaying their marketing plans, lower advertising revenue that was dependent on ridership recovery levels, partially offset by an increase in bank interest from higher bank balance and additional flagging revenue.

Change from Prior Year (Year-ended March 31, 2024, vs. March 31, 2023)

Other non-fare revenue grew from $80.0 million in 2022-23 to $91.9 million in 2023-24, an increase of $11.9 million (14.9 per cent) mainly driven by expanding strategic partnerships to maximize non-fare sales and increasing advertising through upgrading existing signage to digital advertising screens across the GO Station network.

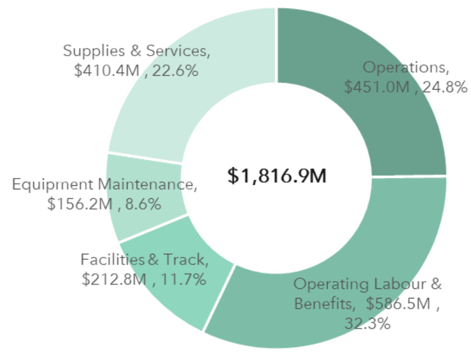
In 2023-24, Metrolinx continues to maximize non-fare revenue through initiatives such as:

- Expanding the digital billboard portfolio through the construction of digital billboards in the GTHA, including growing the 400 series highway digital billboard program and continuing the Municipal Billboard Expansion program.
- Implementing a market engagement strategy to identify new strategic and corporate partnerships as ridership grows to maximize partnership revenue.
- Delivering retail amenities and customer community events with a renewed focus on commercial opportunities including filming requests, product sampling and brand activations.
- Advancing new commercial ideas, expanding client outreach and business-to-business initiatives to deliver revenue targets.
- Modernizing the GO Transit advertising network through upgrading existing signage to digital advertising screens across the GO Station network.

Metrolinx remains dedicated to advancing non-fare revenue initiatives and is consistently seeking new avenues to optimize revenue streams, elevate the customer journey, and foster sustainable funding for long-term financial stability. Additionally, Metrolinx is committed to increasing non-fare revenue by expanding our digital advertising network, cultivating strong partnerships, and expanding our retail presence to enrich the station experience for our customers.

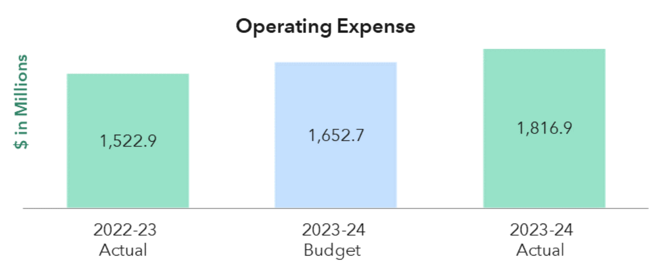
Operating Expense

Metrolinx's operating expense is allocated into five main expense categories. In 2023-24, operating labour and benefits expense is the largest allocation and accounts for 32.3 per cent of the total operating expense and includes salaries and benefits for Metrolinx employees. Operations expense accounts for 24.8 per cent of the total operating expense. This expense category includes items such as support train crew wages, train control dispatch, diesel fuel and PRESTO operations. Facilities and tracks account for 11.7 per cent of the total operating expense and includes rent, property taxes, hydro, winter maintenance and other facility repairs. Equipment maintenance accounts for 8.6 per cent of the total operating expense, covering support services, inventory, inspections, and yard operations. Finally, supplies and services represent 22.6 per cent of the total operating expense, which includes bid fees, capital expenses funded through operating, and all types of professional services, bank fees, staff development and advertising. Metrolinx reported operating expense of $1,816.9 million in 2023-24.



Change from Budget (Year-ended March 31, 2023, vs. Budget)

Operating expenses, before amortization and third-party construction expenses, for the year were $1,816.9 million or $164.3 million (or 9.9 per cent), higher than the budget of $1,652.7 million. The increase in operating expense compared to budget was primarily due to:



- Higher expense pressure related to OnCorr Operational Readiness as Metrolinx prepares for the transition of operations to ONxpress Operations Inc. (OOI).
- Higher expenses due to extension of the corridor maintenance contracts, as well as costs to support implementation of Mobile Wallet and Open Payment.
- Partially offset by lower project financing costs and compensation to unsuccessful bidders of capital projects as part of the procurement process due to revised project schedule.
- Additional expense to settle receivables as part of the Ontario-Toronto New Deal agreement.

Change from Prior Year (Year-ended March 31, 2024, vs. March 31, 2023)

Metrolinx's 2023-24 operating expenses were higher by $294.0 million (or 19.3 per cent) than 2022-23 Actuals of $1,522.9 million, largely due to:

- Further development of GO Expansion OnCorr operational readiness activities supporting the transition of operations to OOI.
- New transit services introduced during the year, resulting in increased equipment maintenance, rail crew and diesel fuel costs.
- Continuing build-up of maintenance delivery capability and strengthening enterprise engineering and asset management expertise to support the new LRTs, GO Expansion and Subway program.
- Advancing PRESTO Procurement Program and expanding rollout of credit and Interac debit card contactless payment to additional transit systems across the PRESTO network as well as implementation of Ontario's One Fare Program.
- Additional expense to settle receivables as part of the Ontario-Toronto New Deal agreement.

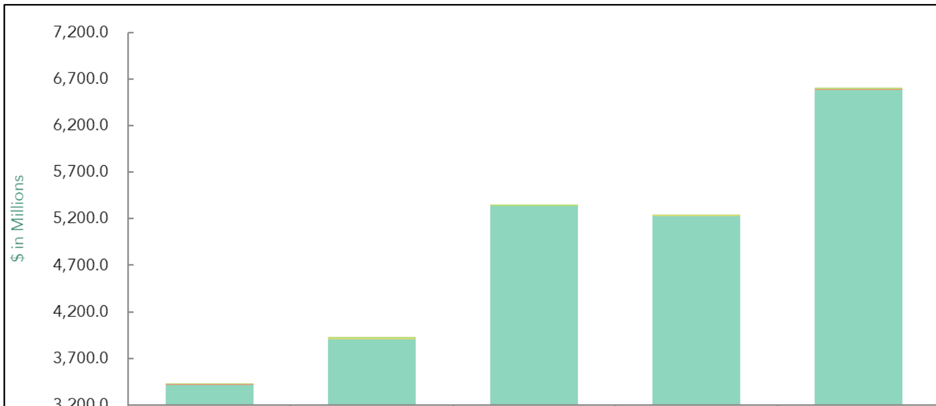
Year-end actuals are inclusive of savings from the implementation of business improvement plans to achieve better value-for-money and improved efficiencies. Metrolinx is committed to continuing implementing business improvement plans to help transform our business to find efficiencies and achieve better outcomes at a lower cost base.

CAPITAL FUNDING AND EXPENDITURE

Capital Funding

Metrolinx received capital funding from different levels of government to help fund its capital projects and programs. In recent years, the province has provided the majority of Metrolinx's capital funding.

Capital Funding



	2019-20	2020-21	2021-22	2022-23	2023-24
Municipal	5.9	20.3	13.0	14.8	10.5
Federal *	4.3	-	-	-	8.6
Other	-	9.2	0.5	5.0	5.3
Provincial	3,417.7	3,904.2	5,334.8	5,227.5	6,580.0
Total **	3,427.9	3,933.7	5,348.3	5,247.3	6,604.4

Fiscal Year

*For active federal agreements for GO Expansion and Finch West LRT, the Province provides the full project funding to Metrolinx. Federal funding is then flowed as a reimbursement to the Province. The same mechanics are expected to apply to future federally funded projects as agreements are signed.
**Includes capital adjustments such as advance payments

Funding from the Government of Ontario totalled $6,580 million for 2023-24. Metrolinx also received capital funding of $10.5 million from municipal governments, $8.6 million from the Federal Government and $5.3 million from other organizations. Capital funding received in 2023-24 supported construction and property acquisitions within the Subway program, continued construction for GO Expansion Early Works and progression of the Development Phase for GO Expansion OnCorr, and investments in the light rail program for continued construction work, testing and commissioning.

Municipalities contribute towards the GO Growth program. Municipal capital contributions decreased to $10.5 million from $14.8 million last year as scope currently eligible through GO Growth is ramping down as projects near completion.
Federal funding totaled $8.6M and was a contribution for at-grade crossing improvements funded through the Federal Government's Rail Safety Improvement Program.

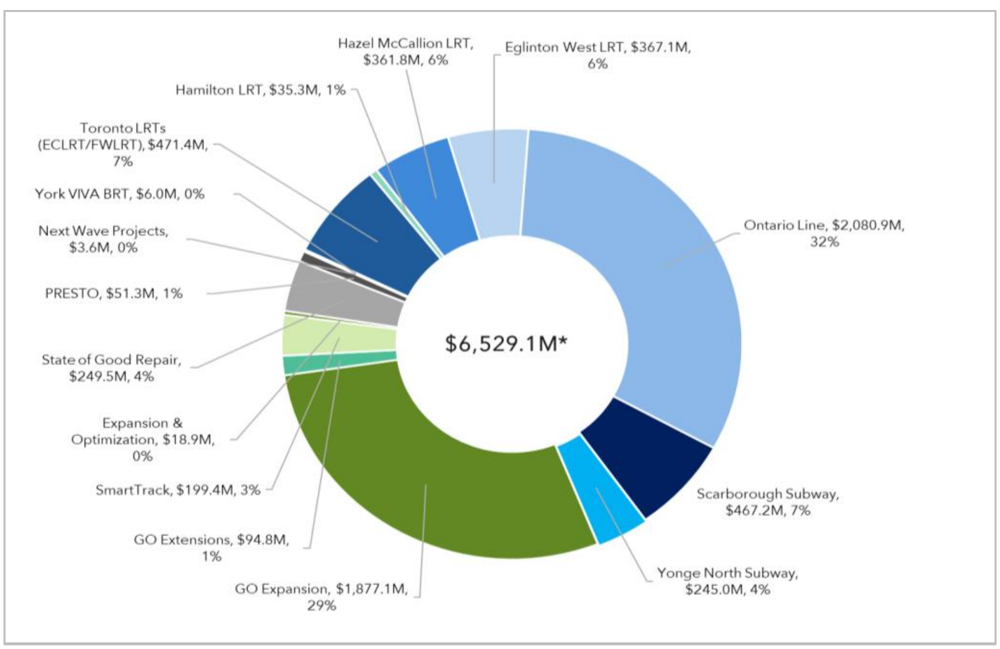
Funding from other organizations totaled $5.3 million in 2023-24 relating to third-party reimbursements of capital assets owned by Metrolinx as part of Metrolinx's existing capital projects. These reimbursements are beneficial for Metrolinx projects and demonstrate positive relations with the development community.

Amortization expense for the year was $1,053.9 million, representing an increase of $49.2 million relative to the prior year's $1,004.7 million. This rise is attributed to Metrolinx's continuous investments in capital initiatives.

Capital Investments

In 2023-24, Metrolinx continued working towards the province's priority to significantly increase investment in public transit infrastructure. Key milestones were achieved throughout the year on major capital projects such as continued implementation of GO Expansion Early Works and progress in the Development Phase of OnCorr; advancement of procurement, planning and design, and construction on the provincial priority projects; and further progression into the implementation phase for the Eglinton Crosstown Light Rail Transit, Hazel McCallion Light Rail Transit and the Finch West Light Rail Transit projects. Significant investments were also made towards the State of Good Repair (SOGR) program for existing infrastructure to maintain and improve safety and reliability. Capital expenditure in 2023-24 was $6,529.1million which excludes adjustments such as write-offs and advance pre-payments.

2023-24 Capital Expenditures by Category



*Excludes capital adjustments such as advance payments

In 2023-24, Metrolinx's first three light rail transit (LRT) projects all advanced into the latter stages of the delivery lifecycle. The Eglinton Crosstown LRT continued to progress through the testing and commissioning phase and obtained occupancy permits for all stations (excluding Eglinton Station). Over the course of 2023-24, the Finch West LRT project made significant progress on implementation, including testing of the light rail vehicles along the entire alignment. Mobilinx, the consortium delivering the Hazel McCallion LRT, continued to make progress on construction in 2023-24, including installing the first stops along the northern end of the alignment and making significant progress on the elevated guideway section.

Through the fiscal year, there has been further progression of tunnelling for the Scarborough Subway Extension (SSE) and the Eglinton Crosstown West Extension (ECWE). For SSE, the stations, rail and systems (SRS) development phase contract was awarded in November 2022 with the Project Agreement anticipated for later in 2024-2025. For ECWE, construction progress continued on the Advance Tunnel 1 contract; in addition, the Elevated Guideway contract was awarded in December 2023 and the Advance Tunnel 2 contract was awarded in February 2024.

The Ontario Line project completed procurement on most of the remaining Advance Work packages, with the exception of Don Valley Crossings, which is expected to close in the first quarter of fiscal year 2024-25. The two P3 contractors responsible for the RSSOM and South Civil packages, Connect 6ix and Ontario Transit Group, respectively, completed their first physical construction activities on the project in 2023-24. The year also saw completion of many utility relocation advance works and significant acquisition of properties.

Finally, for the Yonge North Subway Extension (YNSE), the construction of early upgrades was completed in 2023-24, which supports the readiness of Finch Station for major construction on the Yonge North extension. In addition, the Request for Proposals (RFP) for the Advance Tunnel procurement package was issued in December 2023 and is expected to close in the summer of 2024. In 2023-24, design refinement continued for the Hamilton LRT and an enabling works program commenced which includes relocating water mains and utilities; the enabling works program will clear the path for larger procurement efforts and more significant construction to take place going forward.

GO Expansion delivers on the province’s commitment to transform the GO Transit rail network into a comprehensive, all-day rapid transit network. The GO Expansion program achieved significant progress throughout 2023-24, reaching substantial completion on the Stouffville Stations (Unionville, Milliken and Agincourt), Davenport Diamond Separation, as well as various early station improvements across the GO network. Construction progressed on the series of enabling grading or track contracts along the Barrie, Kitchener and Lakeshore corridors, and similar contracts on the Stouffville corridor were advanced into late construction. Finally, the OnCorr Development Phase has made significant progress in design and scoping work.

State of Good Repair (SOGR) includes investments in existing Metrolinx infrastructure and technology assets to maintain the safety and reliability of services to customers. In 2023-24, these rehabilitation and renewal investments were prioritized based on asset condition assessments and asset management plans. The execution of the SOGR program has produced remarkable outcomes by supporting On-Time Performance (OTP) and supporting I&IT initiatives and enhancements. This underscores the significance of continued investment in Metrolinx's asset portfolio.

In 2023-24, PRESTO successfully launched Ontario's One Fare Program, eliminating double fares for transit riders when connecting to and from the TTC, GO Transit and municipal transit systems across the region. PRESTO also introduced new payment options allowing transit riders to tap with debit, credit, and the digital PRESTO card in Google mobile wallet. In the upcoming year, PRESTO will continue to focus on improving the customer experience by expanding capabilities for new payment options, advance proactive device and customer experience enhancements and begin the transition of the PRESTO system into a multi-vendor model.

The following table summarizes the 2023-24 capital expenditures compared to budget and the change in expenditure year-over-year.

Capital Expenditures

Capital Expenditures by Category ($ in millions)	2023-24 Actual	2023-24 Budget **	Actual vs. Budget 2023-24		2023-24 FY Actual vs. 2022-23 FY Actual	
			Variance	%	Change	%
Toronto LRTs (ECLRT/FWLRT)	471.4	155.7	315.7	202.8%	(5.6)	(1.2%)
Hamilton LRT	35.3	113.7	(78.3)	(68.9%)	12.0	51.2%
Hazel McCallion LRT	361.8	297.5	64.3	21.6%	(14.3)	(3.8%)
Eglinton West LRT	367.1	343.7	23.4	6.8%	37.3	11.3%
Ontario Line	2,080.9	1,858.7	222.2	12.0%	516.9	33.0%
Scarborough Subway	467.2	512.3	(45.1)	(8.8%)	58.4	14.3%
Yonge North Subway	245.0	371.9	(126.8)	(34.1%)	151.0	160.7%
GO Expansion	1,877.1	2,355.3	(478.2)	(20.3%)	393.9	26.6%
GO Extensions	94.8	154.1	(59.3)	(38.5%)	42.7	81.8%
SmartTrack	199.4	194.7	4.7	2.4%	129.2	184.3%
Expansion & Optimization	18.9	87.2	(68.4)	(78.4%)	(26.0)	(57.9%)
State of Good Repair	249.5	276.5	(27.0)	(9.8%)	20.3	8.8%
PRESTO	51.3	42.3	9.0	21.4%	(30.6)	(37.3%)
Next Wave Projects	3.6	6.6	(3.0)	(45.8%)	(0.8)	(19.0%)
York VIVA BRT	6.0	28.7	(22.7)	(79.2%)	(14.1)	(70.3%)
RT Lifecycle	-	1.2	(1.2)	(100.0%)	-	0.0%
Total	**6,529.1**	**6,799.9**	**(270.8)**	(4.0%)	**1,270.2**	**24.2%**
Capital Adjustments and Prepayment*	75.2	-	**75.2**	0.0%	-	-
Total Funding	**6,604.4**	**6,799.9**	**(195.5)**	(2.9%)	**1,270.2**	**24.2%**

*Includes capital adjustments such as advance payments
**The 2023-24 Budget reflects the final fiscal year budget

Change from Budget (Year-ended March 31, 2024, vs. Budget)

In 2023-24, the actual spend was $270.8 million or 4 per cent below the budget for the year. This variance is mainly caused by property acquisitions and valuations, contractor and construction performance and supply chain issues.

Change from Prior Year (Year-ended March 31, 2024, vs. March 31, 2023)

Compared to 2022-23, Metrolinx's 2023-24 capital expenditure increased by $1,270.2 million. This increase was mainly a result of the following:

- Advancement of procurement, planning and design, and construction on the priority subway projects.
- Within GO Expansion, there was the award of the OnCorr Development Phase and significant progress in design and scoping work, along with continued construction progress on the GO Expansion Early Works.
- Award of SmartTrack contracts and ramp up of work.

ENTERPRISE RISK MANAGEMENT

In 2023-24, Metrolinx steadies its Enterprise Risk Management (ERM) Program as it continues to shape and enhance risk management activities across the organization, supporting the identification and visibility of risk and risk-informed decisions. It further continued to ensure that the organization complies with the Government of Ontario Enterprise Risk Management Directive, which requires all provincial agencies to use a risk-informed approach in managing their business. The identification, assessment, management, monitoring and reporting of risks is vital to the successful ongoing achievement of the organization's transformational and strategic objectives.

While planning, building and operating an integrated regional transit network, agile and focused identification and mitigation of risk continues to be at the forefront of Metrolinx activities and its decision-making. This year the Office of the Chief Risk Officer (OCRO) continues its mandate by focusing on further elevating the risk conversation across the organization, driving discussions at the enterprise, program and project levels, supported by enhanced risk intelligence, including Customer Service, Ridership, Cybersecurity, PRESTO / Payments, the Environment as well as our Capital Projects, transition readiness to operate Light Rail Transit, and Talent Management.

Metrolinx reviews emerging and significant risks regularly through multiple forums, including through divisional, senior management team, Committee and Board of Directors meetings. These discussions support active management of risk by ensuring appropriate visibility, integration, collaboration, and mitigation plans are established and in place. Reported risks are categorized by the following:

- **Financial:** Risks relating to financial performance and stability, potential impact to project funding and operations, liquidity, movements in price of products and services, interest rates, currencies and commodities.
- **Operational:** Risks associated with day-to-day operations relating to people, process, technology, security, compliance & implementation of mandate which can impact Metrolinx's ability to achieve its corporate objectives.
- **Reputational:** Risks relating to Metrolinx's brand, image or reputation as a result of the expected outcomes, actions of the agency or partners such as vendors, suppliers.
- **Safety:** Risks to safety of Metrolinx's customers, staff, contractors, and communities it operates and builds within in the Greater Toronto & Hamilton Area (GTHA).
- **Strategic:** Risks pertaining to Metrolinx's mandate & commercial environment. It can include risks that threaten to disrupt the assumptions at the core of

Metrolinx's strategy resulting in potential for financial loss or reputational damage.

Metrolinx has continued to focus on enhancing risk programming through its ERM framework and delivering on its ERM transformation plan. These enhancements include providing guidance, focused training and being the centre of expertise in support of the Enterprise Risk Directive. The ERM function will continue to oversee, identify, assess and report on current and emerging risks, and ensure ongoing discussion of risks at all levels of the organization.

Metrolinx Key Risks

Risks	High Level Overview of Mitigation Actions
Financial	
Achieving a sustainable operating subsidy for 2023-24 and beyond to deliver on Metrolinx's strategic objectives and government commitments	• Metrolinx has continued to proactively mitigate the operating subsidy risk, including through service optimization, contract negotiation efficiencies and additional savings opportunities as part of business improvement plans. • Metrolinx has managed diesel fuel price volatility for 2023-24 by hedging a portion of its diesel fuel volume, which has provided cost certainty and generated savings against market price. • Metrolinx continues to support ridership growth by adapting to changing customer needs through optimized service and schedules, delivering demand-driven marketing strategies and customer experience, attracting new customers and supporting more frequent business and leisure travel, while also continuing to grow non-fare revenue to drive financial sustainability. • Metrolinx worked closely with MTO to provide financial updates and request

	additional operating subsidy, which it received mainly to mitigate for revenue decreases resulting from lower ridership trends relative to Metrolinx's original assumptions.
Operational	
Technological risks within the following areas: cyber security, disaster recovery, end of life hardware/hardware refresh and project delivery	• Increased security controls have been implemented and are regularly tested. • Several vendors are in place for DMZ, MDRS and PCI. Additionally, our Cyber practice is engaging with other vendors on Cyber Awareness training, OT Asset Discovery, Assessment and Remediation. Subsequent plans are in place to begin rollout for Cyber Security Implementation Services is year. • The Disaster Recovery Project continues to evolve and is modifying its strategy related to changing market conditions. Our Disaster Recovery site is operational improving our readiness and reducing risk well underway, critical applications have been identified and will be tested for failover in 2024-2025. A project to upgrade aging IT Infrastructure is running in parallel to the Disaster Recovery Plan that will modernize Metrolinx's IT Infrastructure to next generation data centre server, network, storage and foundational cloud technologies.
Talent risks associated with acquisition, retention and engagement of employees	• Strengthen the talent brand and attraction practices through the rollout of the Employer of Choice strategy, the build of the Metrolinx talent brand strategy, and the introduction of targeted recruitment tactics for niche and difficult-to-fill roles. • Introduce measures to build and

	develop talent pipelines through several new initiatives to address the highest areas of risk and address in-demand skills including new Early Talent Programs (e.g., Capital Projects Early Career Development Program), tactical and customized career pathway mapping, and development of specialized competency models. • Enhance leadership capabilities across the organization by delivering a flagship Leadership Development Strategy with specific focus on inclusive behaviours, fostering high-performing teams, supporting employee wellbeing and maximizing leadership trust. • Embed strategic workforce planning into reporting and planning processes to ensure Metrolinx has the skills needed to sustainably evolve the organization, deliver the current mandate and priorities, and prepare for future trends and priorities.
Reputational	
Risks relating to Metrolinx's brand, image or reputation as a result of the expected outcomes, and actions of the agency or partners such as vendors, and suppliers.	• Liaising with media to ensure the dissemination of information to customers and the general public. • Working collaboratively with media to correct inaccuracies in a timely manner. • Providing responsive and personalized support Through digital, customer and community management channels to ensure customer inquiries are being addressed in a timely way.
Risk to relationships with Indigenous communities and subsequently, Metrolinx's reputation and commercial program. Misalignment between Metrolinx and rights-holding Indigenous	• Established monthly meetings, along with relationship building activities between the Indigenous Relations Office (IRO) and Indigenous communities, support ongoing

communities may impact capital programs.	dialogue and collaboration between both parties to hear community concerns and ideas. • In partnership with Indigenous community groups, the development and implementation of Framework Agreements and Monitoring Agreements ensures that Metrolinx has a mutually agreed upon basis from which to pursue its capital program. These Frameworks establish alignment on engagement objectives and outcomes, with a focus on building and strengthening relationships. • Control mechanisms are in place to ensure that Capital Project Delivery teams meet consultation milestones throughout the project lifecycle and regularly engage with Indigenous communities to receive feedback to further enhance engagement and mitigate potential risks. • To build lasting relationships with Communities, Metrolinx is actively considering a number of partnerships with Indigenous-owned businesses as part of our capital program and future restoration works. (Examples include: A6N partnership, and tree sapling purchases with Kayanse Greenhouse).
Metrolinx may not realize the full benefits of the progressive contracting models used on some of our capital projects due to limited familiarity in the supply chain or internally.	• Strategically staggered releases of key procurements to allow for bidders to be able to plan which works to pursue given the limited resources with the necessary experience. • Active engagement and collaboration with our supply chain partners to communicate and align expectations for working together in progressive contracting models to achieve the

	development phase and enter into implementation. • Training and awareness campaigns to educate our integrated team members on best practises and to build the skills and capabilities needed to effectively guide and manage the delivery of work through progressive contracting models. • Leveraging the role of the Independent Value Assessor to provide detailed review and challenge of approach to delivery and its risk allocation and other cost drivers during the development phase in effort to assure that a fair and reasonable target price is being agreed to. • Integrated project delivery teams that include Delivery Partners who possess the necessary experience, knowledge and capabilities in progressive contracting models to support the achievement of our project outcomes and maximize the benefits of these models on our capital projects.
Damage to assets, service disruption and threats to safety due to extreme weather events	• Risk assessments of vulnerabilities to climate change for new assets are completed as per the Metrolinx Sustainable Design Standard and the federal Climate Lens, where applicable • Methods were developed to incorporate climate resiliency benefits in business cases.
Employee and Public Safety	• A systemwide effort is underway to provide a safe transit system for customers and staff and connect vulnerable individuals with social services. • The Station Safety Ambassador Program, in parallel to an enhanced

	Vulnerable Persons Strategy, was launched in September 2023. The first cohort of trained staff were deployed to stations identified as priority high risk stations to provide staff presence, customer and community service, and access to services for vulnerable people (e.g., housing, employment, mental health services). • Workplace incidents against Metrolinx employees and customers have been reduced by 27.1 per cent, exceeding Metrolinx's organizational target of 25.0 per cent. Through a targeted, risk-based approach, incidents of threats and violence have successfully reduced year-over-year. • A Near Miss program was launched in March 2023 to expand safety reporting and encourage reporting of near miss events as a leading indicator for safety trends and proactive mitigations. • The Metrolinx Safety Certification Committee was established to ensure safety and system assurance through a gated approvals process for all existing and new Metrolinx projects. • The Construction and Public Interface Guidance document was launched to guide best practices in construction projects, protecting the sites, employees, and public through appropriate barriers, lighting, risk assessment, and equipment usage. • Grade crossing improvements are being rolled out across the network, upgrading our crossing infrastructure with modernized signalling, gating, and lighting, and reducing grade crossing risk.

	For organizational initiatives associated with this risk, please see the Operations and Safety.
Strategic	
PRESTO Procurement Program – transitioning to proposed new operating model	• Metrolinx has collaborated with essential stakeholders, including transit systems, new and existing vendors, and government entities to ensure alignment and involvement on key deliverables. This engagement has been fundamental to the program's progress. • Metrolinx has established an effective governance structure to support the progression of the program. This includes a well-defined strategy with a focus on adequate resourcing and mobilization planning to ensure all key priorities are captured. • Metrolinx has implemented robust risk management practices to identify and mitigate potential risks associated with the procurement program.

KEY PERFORMANCE INDICATORS

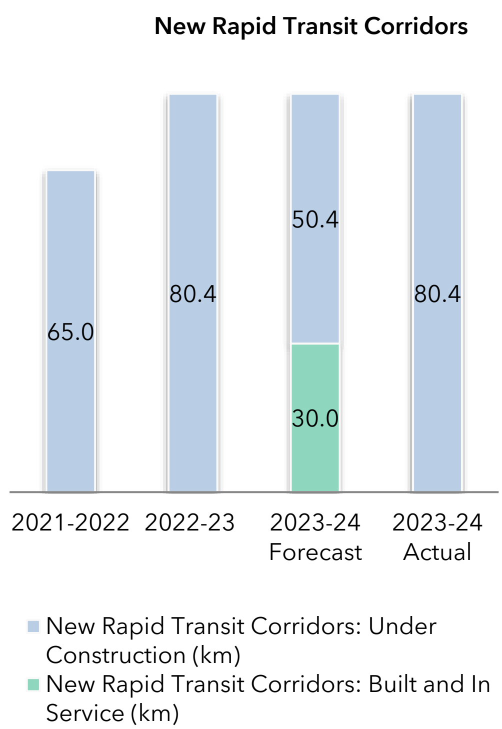
Our corporate key performance indicators (KPIs) measure our performance in delivering services, progressing capital infrastructure and provide a view of Metrolinx's overall performance to our stakeholders, including the public and MTO. These KPIs are reported against targets which are developed through our annual business planning process, endorsed by our Board of Directors, and submitted to MTO as part of the provincial budgeting process.

New Rapid Transit Corridors

The new rapid transit corridors KPI measures the number of kilometres of rapid transit corridors that are under construction, built and in-service.

Metrolinx progressed major construction or testing and commissioning on approximately 80.4 kilometres of light rail and subway projects in 2023-24, not including projects such as the Yonge North Subway Extension or Hamilton LRT where early works were undertaken.

57 kilometres of light rail transit were in various stages of delivery at fiscal year's end, including 19 kilometres on the Eglinton Crosstown project and 11 kilometres on Finch West, both in testing and commissioning; 18 kilometres on the Hazel McCallion Line, in peak construction; and 9 kilometres on the Eglinton Crosstown West Extension, with tunnelling underway. Subway construction also moved forward on key packages for the Ontario Line (15.6 kilometres) and Scarborough Subway Extension (7.8 kilometres).

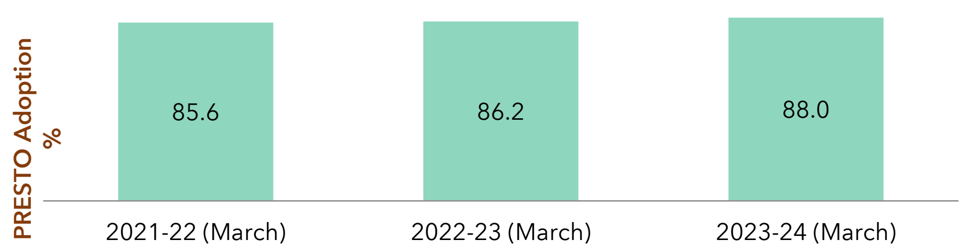


PRESTO Adoption

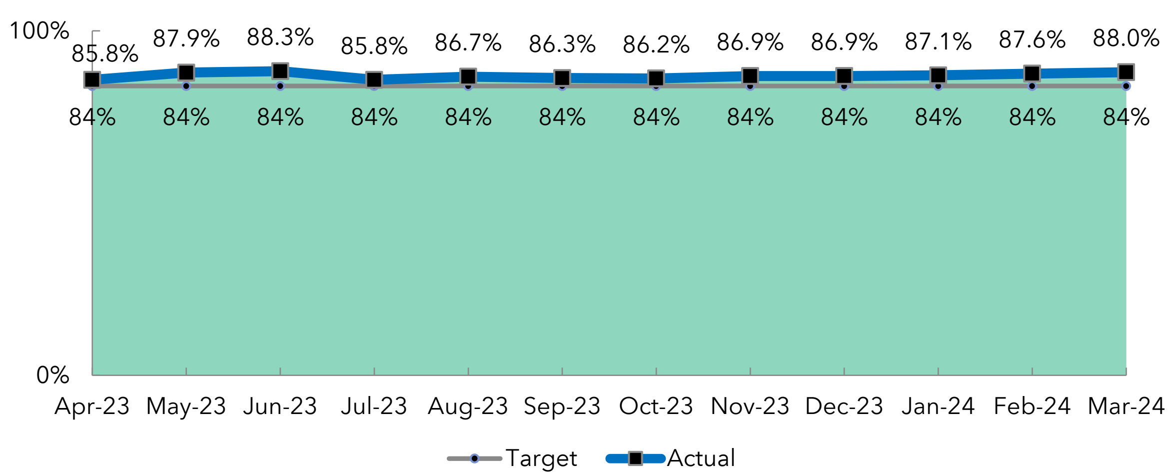
PRESTO Adoption measures the percentage of ridership with fares processed by the PRESTO system. PRESTO Adoption across transit system partners reached 88 per cent for the month of March, to bring the 2023-24 fiscal year-to-date adoption score to 87 per cent, exceeding the target of 84 per cent established at the outset of the year. This performance represents significant increase of 1.8 per cent points from previous fiscal. Of the 11 participating transit systems, UP Express saw the largest growth this year, an increase of 12.8 per cent points as compared to last year, followed by GO Transit, with increase of 4.8 per cent points over last year.

PRESTO adoption continued to grow with the delivery of enhanced PRESTO products and services. These efforts included expansion of contactless payment for credit and debit across all transit systems, including the launch on the TTC. Also, delivery of E-Tickets to more transit systems, introduction of the virtual PRESTO card on mobile devices, including launch of PRESTO card on Google Mobile Wallets, and supporting TTC requirements to enable the retirement of legacy fare media.

PRESTO Adoption Rate by Year (in percentage)



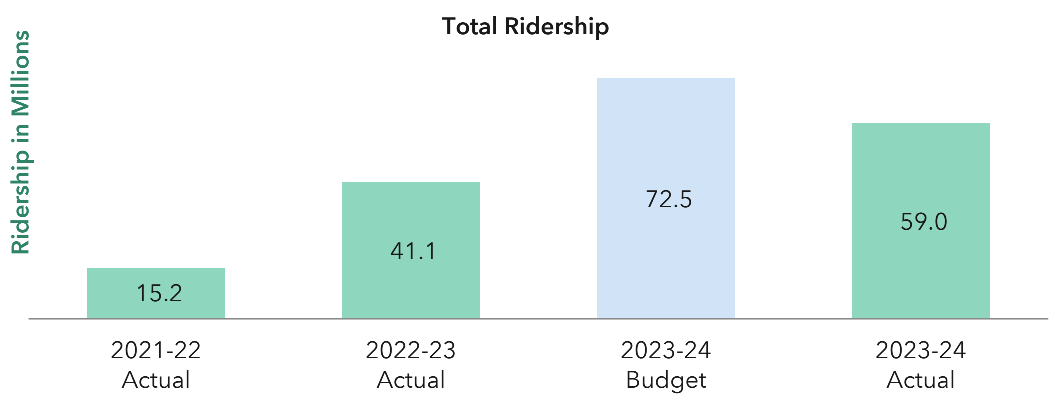
PRESTO Adoption Trend in 2023-24 (in percentage)



Ridership

Ridership, measured as the use of GO and UP trains and GO buses across the region is calculated as rail boardings plus bus boardings less transfers across both train and bus routes. In the past year, Metrolinx achieved progressive ridership recovery gains supported by the reinstatement of service and sustained leisure weekend travel. Ridership increased to 59 million in 2023-24, demonstrating a strong year-over-year growth of 43.7 per cent.

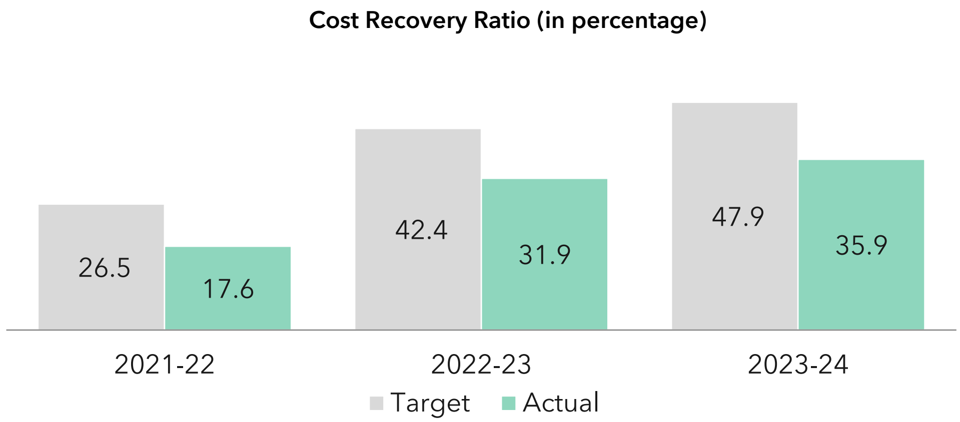
Ridership growth, though lower than budget, was impacted by the slower return of commuter travel, as hybrid work continued, and a new post-pandemic fall/winter seasonality, which softened ridership due to community illness. The carried-forward effects of community illnesses in the fall of 2022 also suppressed transit demand this fiscal year.



Metrolinx focused on driving ridership growth through targeted audience strategies. Tactics to rebuild travel frequency with returned riders included optimizing service and schedule frequency, and effective outreach and communication to youth and student audiences. Leisure and tourism travel were sustained through promotion of weekend, destination and sport & concert event communication and seasonal adjustments to rail and bus services.

Cost Recovery Ratio

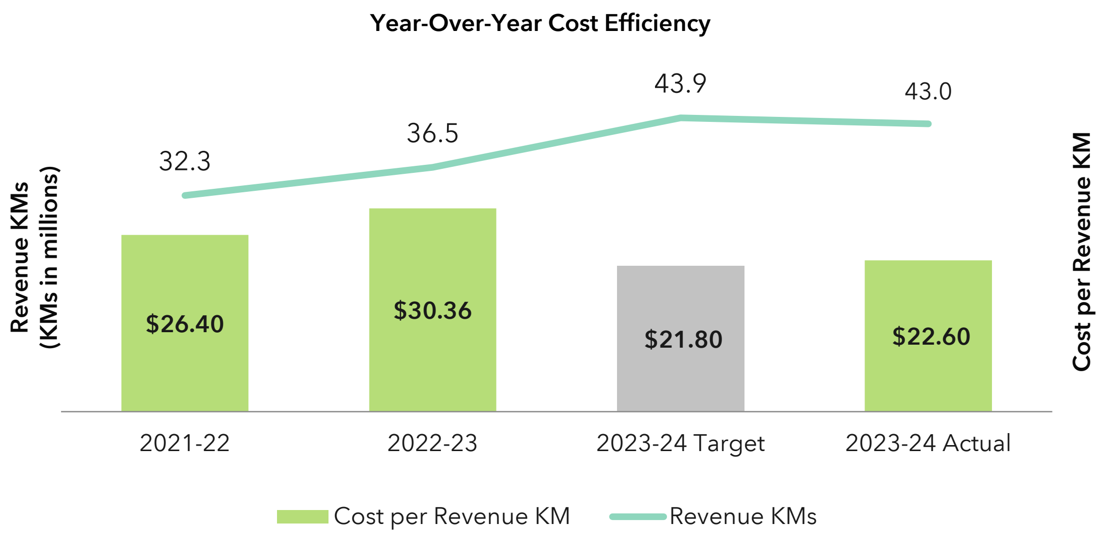
The cost recovery ratio (CRR), measured as the ratio of total revenues (excluding proceeds from sale of assets from Transit Oriented Communities program) to total operating costs (excluding long-term interest expense for capital projects, write-offs, pension adjustment and bid fees associated with capital project procurement), represents the extent to which the organization's operations are self-funded. The CRR of 35.9 per cent was lower than the target of 47.9 per cent largely driven by lagging ridership recovery and lower Revenues mainly due to slower return of commuter travel, and softened ridership from community illnesses as the hybrid work arrangement enabled employees to easily work from home during cold/flu season.



Metrolinx faced emerging in-year pressures which included higher costs related to OnCorr Operational Readiness, maintenance for the GO and UP rail corridors, the roll-out of Mobile Wallet and additional reporting requirements for TTC Open Payment, as well as slower than expected ridership recovery. Metrolinx helped to mitigate a portion of in-year pressures by managing costs through Business Improvement Plan initiatives including service plan optimization which better aligns the mode of service to support the ridership level.

Cost Per Revenue Kilometre

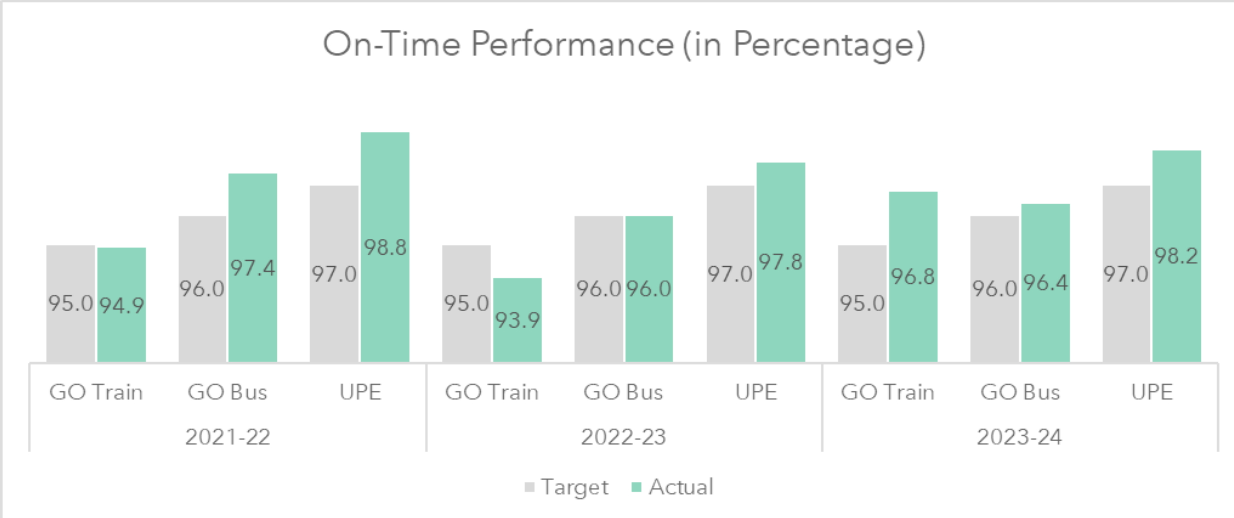
For the fiscal year 2023-24, the cost per revenue kilometre for Operations on reinstated services across all services (GO Rail, GO Bus, and UP Express) and service enhancements for GO Rail and GO Bus were slightly over the target, attributed to fewer kilometres being travelled than budgeted. The cost per revenue kilometre is $6.11, compared to the target of $5.91 with a variance of -$0.20 (-3.4 per cent). The year-to-date results for actual revenue kilometres vs. the original budget submission was unfavourable by 1.0 million kilometres (-2.3 per cent).



GO Bus has recovered to 88.3 per cent of pre-COVID revenue service kilometres and UP Express is operating at 98.6 per cent with the reinstatement of 15-minute all-day service up until 23:00 hours in January 2024. GO Rail reinstated 91.7 per cent of pre-COVID revenue kilometres with targeted service increases that matched ridership demands (e.g., reinstatement of peak weekday trips on the Milton and Kitchener lines, return of Stouffville weekday service).

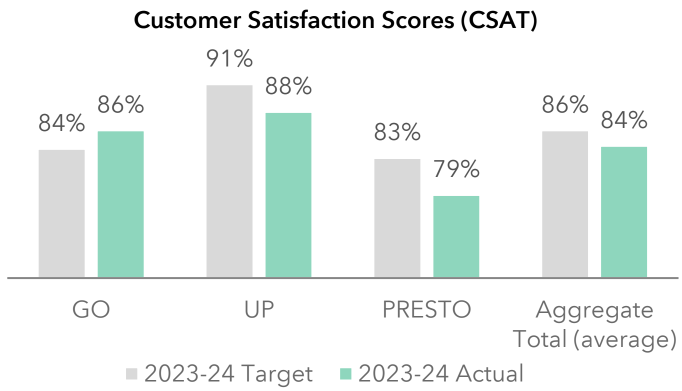
On-Time Performance

The On-Time Performance (OTP) KPI measures the schedule adherence of GO Rail, GO Bus, and UP Express services. The OTP measure for GO Rail is defined as within five minutes of the scheduled arrival time and for GO Bus within 15 minutes of the scheduled time. The OTP measure for UP Express is defined as within five minutes of targeted journey time. Operations (GO&UP) achieved a historic milestone by exceeding the strategic The On-Time Performance (OTP) KPI measures the schedule adherence of GO Rail, GO Bus, and UP Express services. The OTP measure for GO Rail is defined as within five minutes of the scheduled arrival time and for GO Bus within 15 minutes of the scheduled time. The OTP measure for UP Express is defined as within five minutes of targeted journey time. Operations (GO&UP) achieved a historic milestone by exceeding the strategic objectives for all three targets. The Moving Annual Average for GO Rail OTP ended the fiscal year at 96.8 per cent, against a target of 95.0 per cent, GO Bus OTP ended at 96.3 per cent against a target of 96.0 per cent, and UP Express achieved 98.2 per cent against 97.0 per cent.

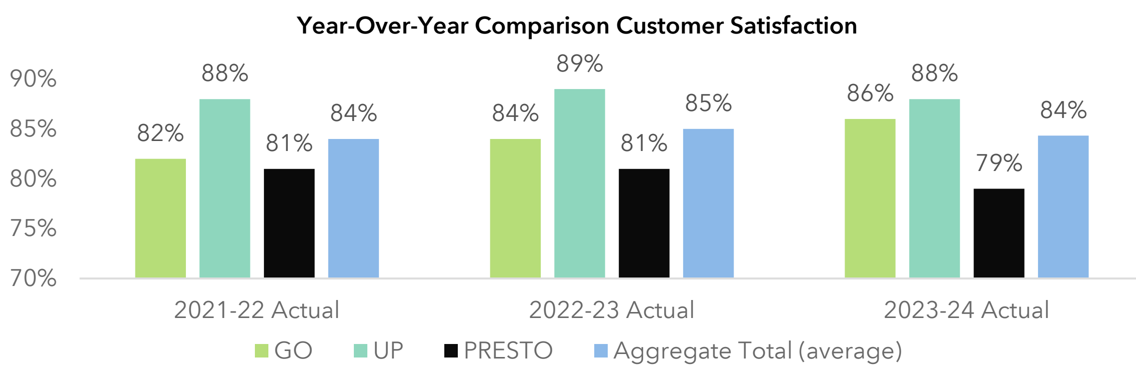


Customer Satisfaction

For 2023-24, GO Transit continued to improve the customer experience by providing a safe and reliable service while increasing capacity, frequency, and travel options supporting ridership demand.



Concluding the fiscal year, GO Transit achieved 86.0 per cent against a target of 84.0 per cent. GO Rail and GO Bus exceeded the strategic objective, with GO Rail achieving 86.0 per cent and GO Bus achieving 85.0 per cent, against a target of 84.0 per cent. UP Express achieved 88.0 per cent, against the target of 91.0 per cent, yet showcased strong growth by reaching 91.0 per cent in December 2023 and February 2024.



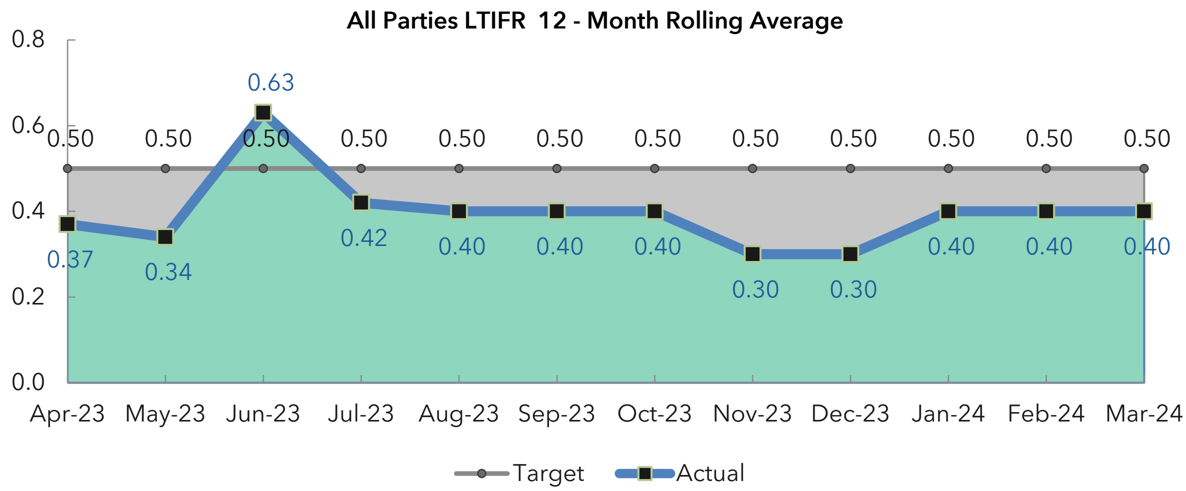
PRESTO CSAT is measured through a biannual deep dive survey, with progress monitored further in-year through a monthly Pulse survey. The year-to-date average PRESTO CSAT score for 2023-24 was 78.8 per cent, compared to a target of 83 per cent. The monthly Pulse surveys saw positive momentum from December 2023 to March 2024 closing the year with a March CSAT score of 82.6 per cent, marginally below our target of 83 per cent. The strategy to improve CSAT score focused on delivering an average of 42 customer supporting changes every month exceeding the fiscal year target of delivering 35 customer supporting changes every month. These changes centered around resolving pain points throughout the customer journey and across all PRESTO channels, including the website, mobile app, and devices. The launch and expansion of new ways to pay, including PRESTO contactless, PRESTO in Google Mobile Wallets, and PRESTO E-tickets, all supported and improved customer experience. Additionally, Metrolinx launched the One-Fare program enabled by PRESTO which supports free transit connections between TTC and GO Transit, Brampton Transit, Durham Region Transit, MiWay, And York Region Transit making transit more affordable for customers that transfer between TTC and these agencies. Furthermore, PRESTO updated its CSAT score measurement methodology by streamlining our survey promotion channels and updating the deep-dive questionnaire.

Safety – Lost Time Injury Frequency Rate

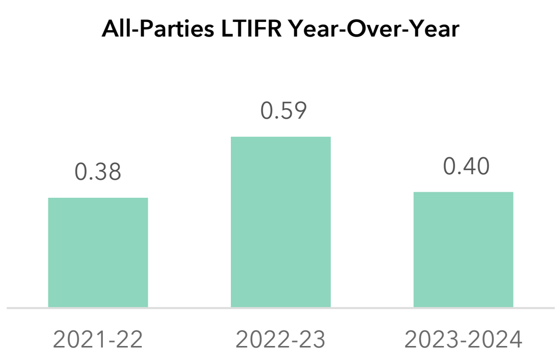
All Parties LTIFR

Lost Time Injury (LTI) refers to any work-related injury that results in an employee being unable to perform their regular duties and requires them to take time off from work. The time lost can vary from a day, weeks, or even months depending on the severity of the injury. The LTIFR is a rate that Lost Time Injury (LTI) refers to any work-related injury that results in an employee being unable to perform their regular duties and requires them to take time off from work. The time lost can vary from a day, weeks, or even months depending on the severity of the injury. The LTIFR is a rate that represents the number of lost time injuries per 100 workers in a given period, 200,000 hours worked. This is considered a "lagging indicator," as the figure is calculated using incidents that have already occurred. The "All Parties" LTIFR includes employees from Metrolinx and contractors performing work for Metrolinx such as train operations, track work, and construction contractors. The organization's continued focus and targeted interventions have achieved a Lost-Time Injury Frequency Rate (LTIFR) of 0.40 against a target of 0.50 for 2023-24 for Metrolinx employees, construction contractors, and engineering and maintenance contractors.

Notable progress has been made in reducing the most common contributors to employee injury.



Initiatives such as enhanced footwear for frontline staff have resulted in no reported slips, trips, or falls since implementation; and the installation of protective padding on overhead Computer-Aided Dispatch (CAD) units in buses has reduced the frequency and severity of being struck by or against type injuries.



With the ongoing expansion of capital projects and service offerings, contractor oversight continues to be a key priority. Throughout 2023-24, With the ongoing expansion of capital projects and service offerings, contractor oversight continues to be a key priority. Throughout 2023-24, Metrolinx leveraged relationships and commercial and operational agreements to ensure contractors were meeting safety requirements, appropriately investigating, and assessing root causes, and placing effective corrective actions. Continuous inspections and auditing of contractors' compliance with regulations are ongoing with follow-up on non-compliance, corrective actions, recommendations, and monitoring for improvement.

Metrolinx

Financial Statements
March 31, 2024

Independent auditor's report

To the Board of Directors of Metrolinx

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Metrolinx (the Organization) as at March 31, 2024 and the results of its operations, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at March 31, 2024;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of remeasurement gains and losses for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2
T.: +1 416 863 1133, F.: +1 416 365 8215, Fax to mail: ca_toronto_18_york_fax@pwc.com

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the Annual Report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 27, 2024

Metrolinx

Statement of Financial Position

As at March 31, 2024

(in thousands of dollars)

	2024 $	2023 $
Assets		
Current assets		
Cash and cash equivalents (note 5)	593,022	438,312
Accounts and other receivables (note 8)	260,262	239,170
Contributions receivable (note 9)	2,961,263	2,623,130
Spare parts and supplies	36,245	26,907
Prepaid expenses	58,908	62,615
Derivatives (note 24)	305	-
	3,910,005	3,390,134
Contributions due from Province of Ontario – long-term (note 12)	2,703,655	3,182,580
Other assets (note 6)	92,925	90,368
Capital assets (note 7)	41,972,887	36,590,079
Deposits on land (note 10)	254,748	176,634
Advances on capital projects (note 10)	158,922	169,456
Long-term lease (note 11)	24,937	25,264
	49,118,079	43,624,515
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 17 and 22)	3,836,499	3,316,153
PRESTO Farecard E-Purse (note 5)	128,301	122,591
Liabilities for asset retirement obligations – current (note 25)	23,795	6,182
Derivatives (note 24)	-	2,351
	3,988,595	3,447,277
Long-term payable (note 12)	2,703,655	3,182,580
Liabilities for asset retirement obligations – long-term (note 25)	222,586	219,837
Deferred capital contributions (note 13)	36,759,156	31,822,854
Pension plan top-up benefits payable (note 15)	61,065	66,111
Other employee future benefits payable (note 16)	166,108	167,174
	43,901,165	38,905,833
Net Assets		
Invested in capital assets (note 18)	5,381,020	4,881,233
Invested in long-term lease (note 11)	24,937	25,264
Internally restricted (note 19)	26,332	26,332
Deficiency of net unrestricted assets	(215,680)	(211,796)
	5,216,609	4,721,033
Accumulated remeasurement gains and losses (note 24)	305	(2,351)
	49,118,079	43,624,515

Economic dependence (note 2)
Commitments (note 20)
Contingencies (note 21)

Approved by the Board of Directors

Donald A. Wright
_______________ Director

_______________ Director

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

Metrolinx

Statement of Operations

For the year ended March 31, 2024

(in thousands of dollars)

	2024 $	2023 Restated $ (note 3)
Revenue		
Fare revenue	429,191	308,538
Presto non-fare revenue	82,500	69,766
Other non-fare revenue	60,821	57,892
Third party construction revenue	75,803	21,650
Contribution from the Province of Ontario	1,213,296	1,001,887
Interest income	41,095	28,745
Amortization of deferred capital contributions (note 13)	1,134,468	1,030,054
	3,037,174	2,518,532
Expenses		
Supplies and services	410,430	274,851
Equipment maintenance	156,174	140,046
Facilities and track	212,849	173,352
Labour and benefits	586,503	498,614
Rail and bus operations	450,973	436,029
Third party construction expense	101,259	21,677
Amortization of capital assets	1,053,930	1,004,680
Amortization of long-term lease	327	327
Loss/(Gain) on disposal and write-down of capital assets	102,744	(9,041)
	3,075,189	2,540,535
Excess of expenses over revenues	(38,015)	(22,003)

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

Metrolinx

Statement of Changes in Net Assets

For the year ended March 31, 2024

(in thousands of dollars)

	Invested in capital assets $ (note 18)	Invested in long-term lease $ (note 11)	Internally restricted net assets $ (note 19)	Unrestricted deficiency $	2024 Total $	2023 Total $ (note 3)
Balance – Beginning of year	4,881,233	25,264	26,332	(211,796)	4,721,033	4,147,944
Excess of expenses over revenue	-	-	-	(38,015)	(38,015)	(22,003)
Amortization – net of amortization to revenue	(17,520)	(327)	-	17,847	-	-
Land acquisitions including deposits	533,591	-	-	-	533,591	595,092
Disposal of land	(16,284)	-	-	16,284	-	-
Balance – End of year	5,381,020	24,937	26,332	(215,680)	5,216,609	4,721,033

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

Metrolinx

Statement of Cash Flows

For the year ended March 31, 2024

(in thousands of dollars)

	2024 $	2023 $ (note 3)
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue	(38,015)	(22,003)
Amortization of capital assets and long-term lease	1,054,257	1,005,007
Loss/(Gain) on disposal and write-down of capital assets	102,744	(9,041)
Amortization of deferred capital contributions	(1,134,468)	(1,030,054)
Employee future benefits – net of payments	(6,113)	(3,424)
	(21,595)	(59,515)
Change in non-cash working capital		
Accounts and other receivables	(21,091)	21,583
Spare parts and supplies	(9,339)	(2,013)
Prepaid expenses	3,707	(32,855)
Accounts payable and accrued liabilities	45,258	8,793
PRESTO Farecard E-Purse	5,710	10,936
Other assets	(2,557)	7,035
	93	(46,036)
Capital activities		
Purchase of capital assets	(6,188,462)	(3,986,410)
Proceeds from sale of capital assets	11,595	59,515
Deposits on land (note 18)	(254,748)	(176,634)
Advances on capital projects (note 10)	(158,922)	(169,456)
	(6,590,537)	(4,272,985)
Financing activities		
Grants received for purchase of land	533,591	595,092
Capital contributions	6,211,563	3,457,944
	6,745,154	4,053,036
Net change in cash, cash equivalents and internally restricted cash	154,710	(265,985)
Cash and cash equivalents – Beginning of year	438,312	704,297
Cash and cash equivalents – End of year	593,022	438,312
Supplemental cash flow information		
Non-cash capital activities		
Change in accounts payable and accrued liabilities relating to capital assets	475,090	506,608
Change in liabilities for asset retirement obligations	20,362	579
Change in long-term capital payable	(478,925)	414,252
Non-cash financing activities		
Change in capital contributions receivable	(338,133)	(780,008)
Change in contribution due from Province	478,925	(414,252)

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

Metrolinx

Statement of Remeasurement Gains and Losses

For the year ended March 31, 2024

(in thousands of dollars)

	2024 $	2023 $
Balance, beginning of year	(2,351)	-
Unrealized gains (losses) attributable to		
Forward fuel purchase contracts (note 24)	305	(2,351)
Amounts reclassified to the statement of operations		
Forward fuel purchase contracts (note 24)	2,351	-
Net remeasurement gains (losses)	2,656	(2,351)
Balance, end of year	305	(2,351)

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

(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), to transform mobility and connect communities across the Greater Golden Horseshoe (GGH). 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 GTHA, 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, London 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. In its current state, PRESTO uses smart card technology to replace the need for tickets, tokens, passes or cash, and also offers payment with debit and credit cards on almost all Transit Agencies, providing transit users with seamless travel across boundaries.

2 Economic dependence

Metrolinx currently generates revenue 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
- through an annual 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 is dependent on the ongoing government grants it receives as outlined above. As a Crown agency of the Government of Ontario, Metrolinx receives subsidy funding every year from the Province to cover for the shortfall between revenue and expenses, and capital funding for infrastructure renewal and expansion.

(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.

Financial instruments reported on the statement of financial position of Metrolinx are measured as follows:

Cash and cash equivalents	amortized cost
Accounts and other receivables	amortized cost
Contributions receivable	amortized cost
Contributions due from Province of Ontario – long-term	amortized cost
Derivatives	fair value
Accounts payable and accrued liabilities	amortized cost
PRESTO Farecard E-Purse	amortized cost
Long-term payable	amortized cost

The fair value of Metrolinx's cash and cash equivalents, accounts and other receivables, contributions receivable, accounts payable and accrued liabilities and PRESTO Farecard E-Purse approximate their carrying values due to the short-term nature of these financial instruments. 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.

From time to time, 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 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.

Cash and cash equivalents

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

(in thousands of dollars)

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 activities such as design, build, finance, maintain and operate will contain a portion of the capital design and construction costs that will be paid on 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.

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 – 40 years
Leasehold improvements	lease life
Locomotives and other railway rolling stock	20 – 30 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

Construction-in-progress comprises direct construction and development costs. No amortization is recorded until the assets are in service. Land and permanent easements both have indefinite useful lives and therefore are not subject to amortization.

(in thousands of dollars)

Public private partnerships

Public private partnerships (P3s) are arrangements between a private sector entity and Metrolinx in order to build, design, finance, and operate and/or maintain tangible capital assets such as transit infrastructure. The assets are reported as capital assets on the statement of financial position and are initially recognized at cost, which represents fair value at the date of recognition. Cost includes the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset, along with any directly attributable costs such as interest charges during the asset's construction. Construction-in-progress is recorded based on a percentage of completion, which is provided by Metrolinx's Project Delivery Team, Infrastructure Ontario or an external consultant (e.g., independent certifier).

When Metrolinx has recognized a tangible capital asset in relation to a P3 arrangement and has an obligation to provide consideration to the private sector entity, Metrolinx recognizes a corresponding liability reported as a long-term payable on the statement of financial position. The long-term payable is initially measured at the same amount as the related asset, reduced for any consideration that Metrolinx previously provided to the private sector entity. Other consideration attributable to the P3 agreement, such as operating and maintenance payments, are excluded from the measurement of the long-term payable.

Financial models are used to calculate the value of ongoing maintenance costs during the operating and maintenance (O&M) period. The long-term payable is recorded at amortized cost using the implicit interest rate, which typically corresponds to the interest rate per the P3 agreement. The implicit interest rate must remain consistent throughout the arrangement unless the terms have been renegotiated.

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, which is the term of the lease plus one renewal period.

Pension plan top-up benefits and other employee future benefits

Metrolinx provides pension plan benefits through the multi-employer Ontario Municipal Employees Retirement System (OMERS) Pension Plan. 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.

(in thousands of dollars)

Revenue

All revenue is reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recognized as unearned revenue and recorded in accounts payable and accrued liabilities.

Depending on the characteristics of a revenue transaction with performance obligations, Metrolinx can either be acting as a principal or an agent. When Metrolinx is acting as a principal, revenue is recognized on a gross basis, with revenue and the related direct expenses recorded on separate lines in the statement of operations. If Metrolinx is acting as the agent, revenue is recognized on a net basis, where revenue less any related discounts, commissions and direct expenses are recorded on one revenue line.

Adjustment for adoption of new accounting standard

On April 1, 2023, Metrolinx implemented the Accounting Standard PS 3400, Revenue. This standard has been implemented on a modified retroactive basis with restatement of prior period financial statements. As a result, in the statement of operations, Metrolinx has disaggregated 2023 operating revenue as follows:

	2023 Previously reported $	**Adjustment for adoption $**	**2023 Restated $**
Revenue			
Operating revenue	424,502	(424,502)	-
Fare revenue	-	308,538	308,538
PRESTO non-fare revenue	-	69,766	69,766
Other non-fare revenue	-	57,892	57,892
Expenses			
Supplies and services	263,157	11,694	274,851

Fare revenue

Fare revenue includes fares received from transit operations including GO Transit and UP Express services. Fare revenue is recognized when the transportation service is provided. Fare revenue is generated through ticket vending machines, and the sale of paper tickets, e-tickets, etc. Fare revenue is recognized when the transaction or event has occurred, and the performance obligation related to the underlying services have been met.

PRESTO non-fare revenue

PRESTO non-fare revenue includes fees collected from transit providers for the use of the PRESTO system and is heavily influenced by the fare revenue and ridership of transit providers in the region they operate. PRESTO non-fare revenue is recognized when the transaction or event has occurred, and the performance obligation related to the underlying services or goods have been met.

(in thousands of dollars)

Other non-fare revenue

Other non-fare revenue primarily includes revenue from advertising and partnerships, charges for track usage, reserved parking fees, and commercial space rent. Other non-fare revenue is recognized ratably over the term of the agreement, which transcribes to when the transaction(s) or event(s) have occurred, and the performance obligation(s) related to the underlying services or goods have been met. For revenue without performance obligations, revenue is recognized when Metrolinx has the authority to claim or retain an inflow of economic resources and when revenue is expected.

Adoption of the new accounting standard resulted in an adjustment of $11,694 related to a revenue transaction that was recorded on a net basis in 2023; the offsetting impact is included in supplies and services in the statement of operations. In accordance with the new revenue standard, this has been adjusted to be on a gross basis.

Third party construction revenue and expense

Third party construction revenue comprises revenue from third party reimbursements of capital assets ultimately owned by third parties. Revenue is recognized when a transaction or event has occurred and Metrolinx expects to obtain future economic benefits. Third party construction expense comprises expenditures incurred on capital assets ultimately owned by third parties. Expenses are recognized on an accrual basis.

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 other than land. These deferred capital contributions are recognized as revenue over the same period as the amortization of the related capital asset.

Contributions received for the acquisition of land, including deposits for land, are recognized as direct increases in net assets.

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 that may arise. All reserves are approved by the Board of Directors and are disclosed on the statement of financial position as net assets.

Liabilities for contaminated sites

Metrolinx reports environmental liabilities related to the management and remediation of contaminated sites where Metrolinx is directly responsible or accepts responsibility to incur such costs. Metrolinx assessed and developed a complete inventory of all contaminated sites, as defined under PSAS and environmental regulations. The remediation cost is calculated based on the best available information and is reviewed on an annual basis.

(in thousands of dollars)

Liabilities for asset retirement obligations

Metrolinx reports liabilities related to legal obligations where Metrolinx is obligated to incur costs to retire a tangible capital asset. An asset retirement obligation (ARO) liability has been recorded for activities to fulfill the retirement of obligations identified based on estimations for the extent and cost of activities to fulfill the requirements of the obligations.

A significant part of the ARO liability results from the removal and disposal of designated substances such as asbestos from Metrolinx's buildings and bridges, and retirement activities legally required related to tanks and leases. The measurement of AROs is also impacted by the activities that occurred to settle all or part of the obligation in the year, or any changes in the legal obligation. On initial recognition of an ARO, the cost of the associated asset in productive use is increased by the amount recognized and amortized over the remaining useful life of that asset. Subsequently, revisions to the estimated cost of the obligation will result in changes to the carrying amount of the associated assets that are in productive use and amortized over the remaining useful life of that asset.

To estimate the liabilities for large portfolios of similar buildings with asbestos and other designated substances and retirement activities legally required related to tanks, Metrolinx uses experts' assessments on the extent and nature of the retirement activities for the asset to measure the liability, and this information is extrapolated to a group of similar assets. To estimate the liabilities for bridges with designated substances, Metrolinx uses historical costs to measure the ARO liability and extrapolates the findings.

To estimate the liabilities for the removal of leasehold improvements, Metrolinx uses historical costs or an expert's assessment of an appropriate rate to measure the ARO liability and extrapolates the findings. As more information becomes available on specific assets, the liability is revised to be asset-specific.

Metrolinx discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate would be reflective of the risks specific to the asset retirement liability. As at March 31, 2024, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

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 as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The items subject to the most significant estimates are capital assets valuation, impairment and amortization, certain accrued liabilities, liabilities for asset retirement obligations, pension plan top-up benefits payable and other employee future benefits payable.

Adoption of new accounting policies and guidelines

On April 1, 2023, Metrolinx adopted two new accounting standards and one new accounting guideline as required by the Public Sector Accounting Board; upon implementation, the financial statements reflect new presentation and disclosure requirements. The impact of the adoption of these standards is as follows:

(in thousands of dollars)

PS 3400, *Revenue*, is a new accounting standard establishing guidance on how to account for and report on revenue and requires the identification and disclosure of performance obligations that are associated with revenue. Metrolinx has adopted this standard on a modified retroactive basis with restatement of prior period financial statements. The adoption of this accounting standard has not impacted the measurement of revenue and has only impacted the recognition, presentation and disclosure as shown in note 3.

PS 3160, *Public private partnerships*, is a new accounting standard establishing guidance on how to account for and report on agreements between Metrolinx and private sector companies, where the private sector entity has an obligation to (a) design, build, acquire or better a new or existing asset; (b) finance the transaction past the point of when the asset is ready for use (e.g. in service); and (c) operate and/or maintain the asset. Metrolinx accounts for its public private partnerships by recording these investments as capital assets with a corresponding long-term payable. Metrolinx has adopted this standard on a modified retroactive basis with restatement of prior period financial statements. The adoption of this accounting standard has not impacted the recognition and measurement for public private partnerships and has only impacted the disclosure as shown in notes 3 and 12.

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 other organizations under common control of the Province of Ontario.

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 or as a result of AFP contractual agreements.

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. There are three outstanding diesel purchase contracts as at March 31, 2024.

5 PRESTO Farecard E-Purse balances

The balance of funds held in PRESTO Farecard E-Purse in the amount of $128,301 (2023 – $122,591) 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.

(in thousands of dollars)

6 Other assets

Included in other assets is an amount of $66,144 (2023 – $65,042) relating to enhanced quality warranties for a period of 30 years. As at March 31, 2024, the underlying assets that the warranties relate to have not been put into service.

7 Capital assets

	2024			2023
	Cost $	Accumulated amortization $	Net $	Net $
Land	4,651,430	-	4,651,430	4,265,863
Buildings	2,535,861	934,743	1,601,118	1,689,859
Leasehold improvements	122,621	79,372	43,249	45,228
Locomotives and other railway rolling stock	3,764,623	1,732,758	2,031,865	2,170,179
Improvements to railway right-of-way plant	1,483,020	882,835	600,185	669,007
Grade separations, track work and installations	4,849,738	1,520,178	3,329,560	3,320,120
Construction-in-progress	26,979,205	-	26,979,205	21,310,334
Buses	439,818	282,079	157,739	191,637
Parking lots	1,338,885	579,471	759,414	821,281
Computer equipment and software	2,017,676	1,452,952	564,724	795,000
Other	1,767,833	513,435	1,254,398	1,311,571
	49,950,710	7,977,823	41,972,887	36,590,079

Construction-in-progress includes the following:

	2024 $	2023 $
Rail corridor expansion	4,081,957	2,486,094
Union Station	575,392	555,330
Rail fleet	79,961	64,296
PRESTO system	84,514	102,410
Light Rail Transit and Bus Rapid Transit	12,776,948	11,942,386
Subways	6,153,438	3,366,113
Other	3,226,995	2,793,705
	26,979,205	21,310,334

Subway projects

Regulations under the Metrolinx Act, 2006 were passed in July 2019 to formalize the Province taking control of the planning, design and construction of the Scarborough Subway Extension, Yonge North Subway Extension and Relief Line (replaced by the Ontario Line) from the City of Toronto (the City) and the Toronto Transit Commission (TTC). As a result, these subway projects became the sole responsibility of Metrolinx. In August 2019, the subway contracts were transferred from the TTC to Metrolinx, which provided Metrolinx with the ability to procure and manage the design and development activities.

(in thousands of dollars)

In February 2020, the City and the Province signed a preliminary agreement (Ontario-Toronto Transit Partnership) that noted, amongst other items, that the Province will undertake a financial review and reconciliation exercise with the City, related to the investments made by the TTC to fund the planning, design and engineering work for these subway projects.

On November 26, 2023, the Province and the City signed a letter with the recommended terms indicated in the Ontario-Toronto New Deal Working Group Term Sheet: "City agreement that the ledger on historical transit funding reconciliation exercise is settled and cleared". Accordingly, Metrolinx has recognized a payable of $52,113 for design costs relating to the projects prior to September 1, 2019, which has been set off against the historical amounts due from the City (notes 8 and 13). For the year ended March 31, 2024, the design costs have been capitalized to construction-in-progress and the remaining historical amounts due from the City of $118,135 were derecognized and recorded to supplies and services.

8 Accounts and other receivables

Accounts and other receivables comprise the following:

	2024 $	2023 $
Recoverable harmonized sales tax	102,205	70,526
Third party reimbursements	118,645	50,012
Other receivables	39,412	43,845
	260,262	164,383
Sunk project costs recoverable from the City of Toronto	-	74,787
	260,262	239,170

Included in accounts and other receivables as at March 31, 2023 was $74,787 related to the design of the Light Rail Transit (LRT) Scarborough corridor in the City of Toronto incurred by Metrolinx as at March 31, 2016, which did not include costs related to any contract amendments or cancellations with third party vendors. As at March 31, 2024, the receivable was settled in connection with the Ontario-Toronto New Deal Working Group Term Sheet (note 7).

9 Contributions receivable

Contributions receivable comprise the following:

	2024 $	2023 $
Contributions due from Province of Ontario	2,952,716	2,511,563
Contributions due from Municipalities (note 13)	-	95,656
Contributions due from Government of Canada	8,547	11,839
Contributions due from other organizations	-	4,072
	2,961,263	2,623,130

(in thousands of dollars)

10 Deposits on land and advances on capital projects

Deposits on land and advances on capital projects comprise the following:

	2024 $	2023 $
York Region	147,045	135,053
TTC	3,368	3,368
Ontario Line – various	103,436	37,311
Other land deposits	899	902
Total deposits on land	254,748	176,634

	2024 $	2023 $
York Region	1,591	13,726
Alstom Transport Canada Inc.	44,226	77,432
Ontario Northland Transportation Commission	34,585	37,283
Crosslinx Transit Solutions General Partnership	10,836	10,319
Kiewit Alberici Union General Partnership	7,382	8,775
Toronto Hydro-Electric System Limited	11,129	-
Hydro One Networks	31,942	-
Other advances on capital projects	17,231	21,921
Total advances on capital projects	158,922	169,456

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 the TTC and the City of Toronto was signed November 28, 2012 and covers the cost of constructing the Eglinton LRT, Scarborough RT, Finch West Light Rail Transit (FWLRT) and Sheppard East LRT. The Master Agreement also covers project governance and costs related to the East Rail Maintenance Facility AFP.

Pursuant to these agreements, advances were paid to York Region and to the TTC to provide working capital for deposits on land totalling $150,413 (2023 – $138,421) and advances on capital projects totalling $1,591 (2023 – $13,726) 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.

Ontario Line land deposits $103,436 (2023 – $37,311) for the construction of the Ontario Line capital project. Other land deposits $899 (2023 – $902) for construction of Barrie Corridor capital projects.

(in thousands of dollars)

Other advances on capital projects include: $44,226 (2023 – $77,432) paid to Alstom Transport Canada Inc., of which $38,763 (2023 – $38,763) was for the refurbishment of 150 bi-level rail cars for GO Expansion and $5,463 (2023 – $38,669) for signaling changes for the Ontario Line; $34,585 (2023 – $37,283) paid to Ontario Northland Transportation Commission for the refurbishment of 150 bi-level rail cars for GO Expansion; $10,836 (2023 – $10,319) paid to Crosslinx Transit Solutions General Partnership for the ECLRT project in support of community and developer relations; $7,382 (2023 – $8,775) paid to Kiewit Alberici Union General Partnership (KAGP) for the construction of utilities, platforms and tracks for GO Expansion; $31,942 (2023 – $0) paid to Hydro One Networks for utilities relocation for Ontario Line; $11,129 (2023 – $0) paid to Toronto Hydro-Electric System Limited for temporary primary service connection of the Tunnel Boring Machine (TBM) Launch Site at Corktown for the Ontario Line project and for the design, supply and installation of THESL infrastructure to provide permanent power for the FWLRT; $17,231 (2023 – $21,921) in various other advances.

11 Long-term lease

	2024			2023
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**	**Net** **$**
Leasehold – Union Station	32,704	7,767	24,937	25,264

12 Contributions due from Province of Ontario – long-term and long-term payable

Since 2015, Metrolinx and Infrastructure Ontario have entered into various AFP agreements with contractors. Costs incurred on these contracts as at March 31, 2024 are as follows and are included in construction-in-progress.

	Hurontario LRT **$**	**Whitby** **$**	**Eglinton Crosstown LRT** **$**	**Finch West LRT** **$**	**Ontario Line** **$**	**Lakeshore West** **$**	**Eglinton Crosstown West Extension** **$**	**Scarborough Subway Extension** **$**	**2024** **$**	**2023** **$**
Cost incurred to date	1,592,774	518,570	6,461,043	1,632,853	1,367,449	167,800	696,525	501,636	12,938,650	10,622,594
Less: Amount paid or amount payable within 1 year	770,874	343,521	5,614,879	1,619,381	888,072	127,915	428,322	442,031	10,234,995	7,440,014
Long-term payable	821,900	175,049	846,164	13,472	479,377	39,885	268,203	59,605	2,703,655	3,182,580

A matching contribution receivable from the Province for costs incurred to date is included in deferred capital contributions.

Metrolinx has five agreements that meet the criteria of a public private partnership per the new accounting standard: the ECLRT, Hazel McCallion Line (HML) – LRT project, FWLRT, East Rail Maintenance Facility (ERMF), and the Rolling Stock, Systems, Operations and Maintenance (RSSOM) contract within the Ontario Line project. The LRT projects and RSSOM have not yet reached substantial completion and therefore assets constructed to date are currently recorded in construction-in-progress. The EMRF project was completed and in service for 2023; therefore, it is recorded as a capital asset.

(in thousands of dollars)

Long-term interest during the O&M period will be calculated using the implicit interest rate and is based on the total annual service payment – capital portion less the principal repayment and the Base Relevant Insurance Costs if applicable. Under these agreements, key rights and obligations of Metrolinx are that Metrolinx obtains ownership of the assets constructed upon substantial completion of each project. For ECLRT and FWLRT, key rights and obligations of the private sector company are performing ongoing maintenance to the assets (i.e., LRT lines and maintenance facility). For HML and RSSOM, the Private Partner is also performing ongoing operations of the line in addition to maintenance.

Capital assets have been recognized on the face of the statements in order to account for the LRT assets (various rail, stations, signals, light rail vehicles) and maintenance storage facility/rail. A long-term payable has also been reflected in the statements to account for the future payments to the private companies. During the current reporting period, there were no changes to the terms of the agreements.

Required assumptions made pertain to the basis of recognition, discount rate, and percentage of completion. The discount rate is the implicit contract rate.

13 Deferred capital contributions

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

	2024 $	2023 $
Balance – Beginning of year	31,822,854	28,200,702
Contributions received or receivable in the period for capital acquisitions		
Province of Ontario	6,046,445	4,632,434
Municipalities	10,473	14,770
Government of Canada	8,550	
Other organizations	5,302	5,002
Amortization of deferred capital contributions	(1,134,468)	(1,030,054)
Balance – End of year	36,759,156	31,822,854

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 $25,881 (2023 – $14,714) and the cumulative amount is $1,461,711 (2023 – $1,435,830). The Province will work with its municipal partners to address the funding shortfalls.

As at March 31, 2023, a contributions receivable from the City of Toronto of $95,461 was related to grade separation and utility relocation work performed by Metrolinx on the Georgetown South (GTS) corridor. The receivable was settled in connection with the Ontario-Toronto New Deal Working Group Term Sheet (note 7).

14 Pension contributions

Metrolinx provides pension benefits for substantially all of its permanent employees through participation in the OMERS multi-employer defined benefit pension plan. The amount expensed in pension contributions for the year ended March 31, 2024 is $75,115 (2023 – $59,583).

(in thousands of dollars)

Because OMERS is a multi-employer plan, Metrolinx does not recognize any share of the pension deficit of $4.2 billion as at December 31, 2023.

15 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 at March 31, 2024. The pension expense recognized during the year is $2,047 (2023 – $604).

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:

	2024 $	2023 $
Accrued benefit obligation	57,536	59,544
Fair value of plan assets	(5,531)	(5,527)
Funded status – plan deficit	52,005	54,017
Unamortized net actuarial gain	9,060	12,094
Accrued benefit liability	61,065	66,111

Details of the accrued benefit obligation are as follows:

	2024 $	2023 $
Accrued benefit obligation – Beginning of year	59,544	66,552
Current service cost	192	213
Interest cost on accrued benefit obligation	2,328	2,119
Benefit payments	(3,079)	(3,152)
Actuarial gain on accrued benefit obligation	(1,449)	(6,188)
Accrued benefit obligation – End of year	57,536	59,544

(in thousands of dollars)

Details of the pension expense are as follows:

	2024 $	2023 $
Current service cost	192	213
Interest cost on accrued benefit obligation	2,328	2,119
Actual return on plan assets	(82)	(45)
Expected return versus actual return on plan assets	82	45
Amortization of actuarial gain	(4,567)	(1,728)
	(2,047)	604

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

	2024	2023
Discount rate	4.2%	4%
Rate of compensation increase	3%	3%
Inflation per annum	2.25%	2.25%
Expected average remaining service life	3 years	3 years

16 Other employee future benefits liability

Metrolinx provides post-retirement life and health benefits, Workplace Safety and 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, 2024. The post-retirement non-pension benefits recognized during the year were $3,920 (2023 – $4,921).

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

	2024 $	2023 $
Accrued benefit obligation	106,702	108,529
Funded status – plan deficit	106,702	108,529
Unamortized net actuarial gain	59,406	58,645
Accrued benefit liability	166,108	167,174

(in thousands of dollars)

Details of the accrued benefit obligation are as follows:

	2024 $	2023 $
Accrued benefit obligation – Beginning of year	108,529	119,003
Current service cost	3,074	3,414
Interest cost on accrued benefit obligation	4,350	3,950
Benefit payments	(4,987)	(4,449)
Actuarial gain on accrued benefit obligation	(4,264)	(13,389)
Accrued benefit obligation – End of year	106,702	108,529

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

	2024 $	2023 $
Current service cost	3,074	3,414
Interest cost on accrued benefit obligation	4,350	3,950
Amortization of actuarial gain	(3,504)	(2,443)
	3,920	4,921

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

	2024	2023
Discount rate for post-retirement non-pension benefit	4.2%	4.0%
Discount rate for WSIB liabilities	4.2%	3.9%
Discount rate for retiree severance benefits	4.2%	3.8%
Expected average remaining service life for post-retirement non-pension benefit	13 years	13 years
Expected average remaining service life for WSIB liabilities	10.5 years	10.5 years
Expected average remaining service life for retiree severance benefits	5 years	5 years
Rate of compensation increase	2.75%	2.75%
Inflation per annum	2%	2%
Initial Weighted Average Health Care Trend Rate	4.69%	4.69%
Ultimate Weighted Average Health Care Trend Rate	3.18%	3.18%
Dental care benefits increase	2.75%	2.75%

17 Accounts payable and accrued liabilities

Liabilities for contaminated sites

Metrolinx reports environmental liabilities related to the management and remediation of contaminated sites where it is obligated or likely obligated to incur such costs. A contaminated sites liability of $7,071 (2023 – $7,137) has been recorded based on environmental assessments or estimations for those sites where an assessment has not been conducted. The contaminated site obligations will be settled between 2024 and 2028.

(in thousands of dollars)

18 Net assets invested in capital assets

	2024 $	2023 $
Capital assets	41,972,887	36,590,079
Deposits on land	254,748	176,634
Advances on capital projects	158,922	169,456
Unfunded capital asset additions		
Asset retirement obligation	(246,381)	(226,019)
Other	-	(6,063)
Deferred capital contributions used to purchase capital assets	(36,759,156)	(31,822,854)
	5,381,020	4,881,233

19 Internally restricted net assets

The internally restricted net assets are as follows:

	2024 $	2023 $
MCOR	21,051	21,051
Employment obligation	889	889
Self-insured retention	2,013	2,013
Stabilization	2,379	2,379
	26,332	26,332

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.

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.

(in thousands of dollars)

20 Commitments

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

	$
2025	47,369
2026	40,909
2027	40,021
2028	31,321
2029	29,902
2030 and thereafter	527,257
	716,779

b) 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), Alstom, PNR Rail Works Inc. (PNR), Siemens Mobility, Toronto Terminals Railway Ltd. (TTR) and by a number of minor service agreements. Metrolinx has entered into the following major agreements with payments of approximately $542,638 per year:

- Master Operating Agreement with CN terminating on July 31, 2026.
- Commuter Agreement with CP terminating on December 31, 2024; For outer years, Metrolinx is currently in negotiations with CP for a new service agreement.
- Equipment Maintenance contract with Alstom terminating on December 31, 2024 and being replaced by Metrolinx's commercial agreement with ONxpress Transportation Partners (OOI).
- Rail Crew contract with Alstom terminating on December 31, 2024 and being replaced by Metrolinx's commercial agreement with ONxpress Transportation Partners (OOI).
- Equipment Maintenance and Rail Crew Contract with ONxpress Transportation Partners (OOI) terminating on April 12, 2047.
- Routine Track and Signal Maintenance contract with PNR terminating on June 30, 2024 for East and Central regions; Siemens (West Region) contract will terminate on June 30, 2026; New PNR contract will begin on July 1st, 2024 and terminating on June 30, 2029 for East region; New Siemens contract will begin on July 1, 2024 and terminating on June 30, 2029 for Central Region.
- Rail Corridor Management Service Agreement with TTR terminating on June 30, 2029.

c) Metrolinx has also committed approximately $8,110,000 for various capital asset additions/projects.

(in thousands of dollars)

The remaining annual capital and/or service payments relating to AFP contracts in nominal dollars, as at March 31, 2024, are as follows:

	Contract amount $	Amount disbursed $	Outstanding obligation $	Outstanding obligations to be disbursed by March 31: 2025 $	2026 $	2027 $	2028 $	2029 $	2030 and thereafter $
Lakeshore West	452,033	82,577	369,456	45,528	-	123,650	200,278	-	-
Whitby	921,794	413,461	508,333	17,980	18,454	18,668	19,046	19,462	414,723
#401/409 Tunnel	135,466	132,904	2,562	2,562	-	-	-	-	-
Stouffville Station	267,174	260,957	6,217	6,217	-	-	-	-	-
Rutherford Station	255,682	251,100	4,582	4,582	-	-	-	-	-
Davenport Diamond	205,053	180,885	24,168	24,168	-	-	-	-	-
Eglinton West Extension	800,015	428,322	371,693	638	371,055	-	-	-	-
Scarborough Extension	803,555	274,692	528,863	140,643	388,220	-	-	-	-
Hurontario	4,686,734	750,782	3,935,952	194,311	194,311	745,017	64,733	65,691	2,671,889
Eglinton	10,261,423	4,815,341	5,446,082	996,109	149,003	146,877	149,004	146,877	3,858,212
Finch	2,760,708	729,680	2,031,028	914,974	31,325	31,335	31,474	31,905	990,015
Ontario Line	15,255,933	796,423	14,459,510	991,345	885,940	885,940	914,872	914,872	9,866,541
Total	36,805,570	9,117,124	27,688,446	3,339,057	2,038,308	1,951,487	1,379,407	1,178,807	17,801,380

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. Metrolinx has contractual rights because of agreements entered into with various transit agencies for the use of the PRESTO fare system. The agreements allow for a commission fee paid to Metrolinx based on the percentage of revenue collected via PRESTO. The terms of the agreements vary in length for periods between 9 and 15 years from inception.

As at March 31, 2024, Metrolinx had outstanding letters of credit totaling $53 (2023 – $53).

21 Contingencies

Various lawsuits have been filed against Metrolinx for incidents that 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.

22 Related party disclosures and transactions and balances

Metrolinx receives government grants from the Province to support its investment in capital infrastructure to be used in the delivery of current and future transportation services and an annual operating subsidy to further support the delivery of transportation services. Balances due from/to the Province are separately disclosed on the statement of financial position. In addition, Metrolinx had the following transactions with related parties during the year for the provision of services provided by/to these organizations.

(in thousands of dollars)

a) Transactions during the fiscal year: Infrastructure Ontario: $42,912 (2023 – $39,146) for AFP procurement and transaction advisory services; Ministry of Transportation: $3,081 (2023 – $3,671) for project services; Ontario Northland Transportation Commission: $12,774 (2023 – $9,337) for refurbishment services.

b) As at March 31, 2024, accounts payable and accrued liabilities included $26,171 (2023 – $29,864) owing to Infrastructure Ontario, $1,005 (2023 – $659) owing to Ministry of Transportation and $2,035 (2023 – $558) owing to Ontario Northland Transportation Commission.

The transactions above are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

23 Guarantees

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

a) 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 statutory sanctions that may be suffered by the counterparty as a consequence of the transaction.

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.

24 Diesel fuel forward contracts

As at March 31, 2024, Metrolinx has entered into three future contracts for 47.0 million litres of diesel fuel, at prices ranging from $0.8647 to $0.9468 per litre, which mature in fiscal 2024-25. The change in fair value of the derivative instruments of $305 for the year ended March 31, 2024 is recorded as an unrealized gain in the statement of remeasurement gains and losses.

(in thousands of dollars)

25 Liabilities for asset retirement obligations

	2024 $	2023 $
Liabilities for asset retirement obligations – Beginning of year	226,019	225,440
Liabilities incurred during the year	3,857	579
Liabilities settled during the year	(1,155)	-
Revisions in estimated cash flows	17,660	-
Liabilities for asset retirement obligations – End of year	246,381	226,019

As at March 31, 2024, approximately 50% of liabilities for asset retirement obligations pertained to the retirement activities legally required for tanks and leases, and approximately 46% related to the removal and disposal of designated substances from Metrolinx's buildings and bridges. The asset retirement obligations will be settled between 2024 and 2071.

Appendix

2023-24 STRATEGIC OBJECTIVES AND STATUS REPORT

EVERYONE SAFE	
Strategic Objective (SO)	**Status at end of FY2023-24 and commentary on results**
SO 1. Achieve a Lost-time Injury Frequency Rate (LTIFR) for all parties of 0.5/200,000 hours worked.	At the close of the fiscal year, Metrolinx exceeded expectations, achieving an LTIFR of 0.40 per 200,000 hours worked, marking a 20 per cent decrease from the target. Compared to the previous fiscal year's LTIFR of 0.59, this signifies a drop of 32 per cent.
SO 2. Reduce the incidents of threats and violence against Metrolinx employees and customers by 25 per cent.	At the close of the fiscal year, Metrolinx achieved a 27.3 per cent reduction in workplace threats and violence against employees and customers, surpassing the strategic target of 25 per cent. In 2023, the CPS Station Safety Ambassador (SSA) program was introduced, where resource allocation is strategically placed at top-priority stations, effectively addressing and mitigating incidents. November 2023 saw the reconvening of the Corporate Workplace Violence Prevention Working Group. Tasked with expanding on the May 2023 campaign focused on public education and advocating a zero-tolerance stance against violence towards staff, the group identified enterprise and Business Unit level actions aimed at three primary objectives: education, prevention, and de-escalation.

SO 3. Further strengthen organizational safety culture by implementing a near-miss program.	The near-miss program was successfully launched in March 2023 to broaden reporting capabilities for all employees, and to encourage a culture of reporting, while collecting data that will provide leading indicators for safety performance on an enterprise level.
ENGAGED PEOPLE	
Strategic Objective (SO)	**Status at end of FY2023-24 and commentary on results**
SO 4. Support our people in delivering on our complex and ambitious mandate and achieve an employee engagement score of 80 per cent.	This fiscal year, the organization conducted two all-employee surveys – the 2023 Pulse Employee Engagement Survey in October and the 2024 Annual Employee Engagement Survey in February. We achieved the highest participation rates ever recorded across Metrolinx for both surveys – 74 per cent for the Pulse and 73 per cent for the Annual. We continue to have strong employee engagement across Metrolinx with an engagement score of 80 per cent, meeting our strategic objective.
SO 5. Develop and implement an Equity, Diversity & Inclusion Strategy; continue to build an equitable and inclusive culture and achieve an inclusion index score of 78 per cent and gender balance for senior managers and above to a minimum of 40 per cent and 38 per cent across Metrolinx.	In 2023-24, Metrolinx launched our first Equity, Diversity, and Inclusion Strategy (approved by the Board of Directors in June 2023). This plan will guide the organization in achieving our vision of being an inclusive, engaged and equitable organization by implementing 24 priority actions outlined under our three strategic pillars of colleagues, customers and communities. We continue to build an equitable and inclusive culture across Metrolinx with an inclusion index score of 81 per cent, exceeding our objective (as measured in

	the Annual 2024 Employee Engagement Survey). This fiscal year continued to reflect the organization's commitment to gender balance with new all-time highs set. Gender balance for Senior Manager and above is at 41.3 per cent, surpassing the enterprise-wide target of 40 per cent by 1.3 point. The organizational population of all women has also surpassed the enterprise target remaining at 39.1 per cent, which is 1.1 point above the KPI target of 38 per cent.
SO 6. Achieve a minimum of two Safety Engagement Tours (SET), one Community Engagement Tour (CET) and Customer Satisfaction Engagement Tour (CSET) per director and above, annually.	The year-to-date cumulative SET, CSET and CET compliance rate closed at 100 per cent, meeting the annual target.
TRUSTED PARTNER	
Strategic Objective (SO)	**Status at end of FY2023-24 and commentary on results**
SO 7. Deliver our capital program to a high quality, on time and on budget, within 10 per cent of the Q1 Forecast.	The year-end actuals for 2023-24 are $6,529.1 million, or on target compared to the Q1 Forecast of $6,554.8 million. Metrolinx has met the Strategic Wheel capital spend target to be within 10 per cent of the Q1 Forecast. Within the capital expenditure there were various underspending related to property acquisitions and valuations, contractor and construction performance and supply chain issues offset by greater-than-forecasted development phase requirements, construction progression and claims.
SO 8. Achieve 50 critical milestones across the capital program by the end of the fiscal year, while continuously improving means	For 2023-24, the Capital Projects Group (GO & UP) achieved 14 of 25 (56 per cent) key milestones targeted to be

of working to reduce customer and community impacts.	achieved by the end of the fiscal year. CPG (GO&UP) milestones were primarily delayed due to proactive decisions and ongoing value management, with four affected by contractor performance. For 2023-24, CPG (Rapid Transit) achieved 15 of the 25 (60 per cent) key milestones targeted to be achieved by the end of the fiscal year. Of the delayed milestones for CPG (Rapid Transit), eight were due to performance delays and two were due to external approvals.
SO 9. Achieve our P&L total operating requirement target of $933.7 million by driving revenue to $805.9 million and managing expenses to $1,739.6 million.	Total operating requirement for Metrolinx was $1,091.7 million, which was $158.0 million unfavourable compared to target of $933.7 million. While ridership significantly improved this fiscal year, nearing pre-pandemic levels, it fell short of expectations which impacted fare revenue. Through continuous effort to manage costs, Metrolinx partially offset revenue pressures. Total revenue was $666.1 million, which was $139.8 million lower than target of $805.9 million driven by slower return of commuter travel, and softened ridership from community illnesses as the hybrid work arrangement enabled employees to easily work from home during cold/flu season. Total operating expenses were $1,757.8 million, which was $18.2 million higher than target of $1,739.6 million, driven by emerging in-year pressures which included higher costs related to OnCorr operational readiness, maintenance for the GO&UP rail corridors, the roll-out of

	Mobile Wallet and additional reporting requirements for TTC Open Payment. Additionally, there were costs related to Transit Oriented Communities that were not capitalizable against Metrolinx owned or controlled assets. Metrolinx partially offset in year pressures by managing costs through business improvement plan initiatives, including service plan optimization which better aligns the mode of service to support the ridership level, lower Bid Fees due to the timing of capital projects. *SO 9 results include One Fare reimbursement and exclude expenses related to the Ontario-Toronto New Deal.
SO 10. Drive a culture of continuous improvement through all Directors initiating one continuous improvement project with the A3 action plan identified and being implemented and ensuring employee participation.	Deployment of LEAN training and integration of its principles, practices and tools continues to be imperative to our organization as LEAN fundamental competencies enable and empower employees to identify and remove waste and improve everything we do. Metrolinx continues to progress on its continuous improvement journey where LEAN is used as the engine to drive a culture of continuous improvement. LEAN thinking is now practiced as an integral part of the annual strategic planning process and continues to be used as part of daily performance management and business operations. Teams are progressing to a mature state and are analyzing processes through direct observation, practical problem solving and root-cause analysis. People leaders are deploying the LEAN behaviours that are critical in sustaining

	their new LEAN environment and for creating high-performing teams. Metrolinx's annual objective target for each Director to implement at least one continuous improvement project was achieved. At year end, 100 per cent of Directors across the organization had identified their project, and 100 per cent have started their implementation. As we move forward and look ahead, Metrolinx continues to drive the importance of Continuous Improvement and LEAN thinking as both a mindset and a practice.
SO 11. Achieve a 3 per cent reduction of greenhouse gas emissions across GO Transit and UP Express fleets compared to 2022-23.	Concluding the year GHG results for the overall fleet (GO Train, GO Bus, and UP Express) increase to +8.9 per cent compared to the previous year. In absolute terms, the overall fleet's emissions intensity was 19.02 tCO2e/MRSK, compared to a year-end target of 16.95 tCO2e/MRSK. Bus achieved their target while Rail and UP Express were not able to meet the target.
SO 12. Implement the Indigenous Relations improvement plan, and have key teams complete the Indigenous cultural awareness training.	This past year Metrolinx signed three Framework Agreements along with project-specific monitoring agreements. Framework Agreements were signed with Curve Lake First Nation, Six Nations of the Grand River, and Alderville First Nation. Significant progress was made on advancing agreements with other Indigenous communities, including an interim agreement with the Mississaugas of Scugog Island First Nation, Framework Agreement with Hiawatha First Nation, an interim monitoring Agreement with the Huron-Wendat Nation, and a monitoring and report review agreement

	with HCCC/HDI. There are also preliminary discussions underway on a consolidated consultation approach with three Chippewas communities through the Chippewas Tri-Council (CTC) office. In general, our relationship with Indigenous communities improved significantly from the prior year, including two invitations from Curve Lake First Nation to meet with community elders and the Chief. The IRO also procured the development of an Indigenous Awareness training which was launched on June 21, 2023 and had an 86 per cent completion rate by March 31, 2024. This mandatory training provides a basic understanding of Indigenous History in Canada for key divisions within Metrolinx.
SATISFIED CUSTOMERS	
Strategic Objective (SO)	**Status at end of FY2023-24 and commentary on results**
SO 13. Maintain our positive impression with high impact customer residents at 49 per cent and improve awareness amongst low impact customer residents to 49 per cent.	High-Impact Customer Impression – 54 per cent Low-Impact Customer Resident Awareness – 46 per cent <u>High Impact Customer Residents</u>**:** Those residents who live within certain postal codes or FSAs identified by Metrolinx as near the project. In many cases, these residents live within 800 metres of the project. <u>Low Impact Customer Residents</u>: Residents that live close, but not adjacent to the project, as identified by Metrolinx.

SO 14. Rebuild ridership to 57.9 million by March 2024 and achieve PRESTO adoption to 84 per cent.	Achieved ridership of 59 million, exceeding the Strategic Objective by 1.1 million
SO 15. Deliver On-Time Performance of moving annual average of 95 per cent for GO Rail, 96 per cent for GO Bus, 97 per cent for UP, and payment equipment availability of 99.65 per cent for PRESTO.	The Moving Annual Average for GO Rail On-Time Performance (OTP) ended the fiscal year at 96.8 per cent, significantly exceeding the strategic objective of 95 per cent. GO Bus OTP achieved a Moving Annual Average of 96.4 per cent, surpassing the 96 per cent target. UP Express achieved a 98.2 per cent OTP Moving Annual Average for the fiscal year, 1.2 per cent over the corporate strategic objective of 97 per cent. The 99.65 per cent PRESTO payment equipment availability target was exceeded for both Payment Readers (99.86 per cent) and our critical Load/Vending devices (99.73 per cent).
SO 16. Deliver customer satisfaction of 84 per cent for GO Transit, 91 per cent for UP Express and 83 per cent for PRESTO to achieve an aggregate of 86 per cent.	Concluding the fiscal year, GO Rail and GO Bus exceeded the strategic objective, with GO Rail achieving 86 per cent and GO Bus achieving 85 per cent customer satisfaction, against a target of 84 per cent. UP Express achieved 88 per cent, against the target of 91 per cent, yet showcased remarkable growth by reaching 91 per cent in December 2023 and February 2024. PRESTO reached 83 per cent on the March CSAT Pulse survey, but did not reach the official target of 83 per cent calculated as a year-to-date average of all surveys. The year-to-date average for 2023-24 is 78.8 per cent.