Metrolinx

Financial Statements
March 31, 2025

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, 2025 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, 2025;
- 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

Emphasis of matter – restated comparative information

We draw attention to note 3a to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not 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
July 10, 2025

Metrolinx

Statement of Financial Position

As at March 31, 2025

(in thousands of dollars)

	2025 $	2024 (Restated) (note 3a) $
Assets		
Current assets		
Cash and cash equivalents (note 5)	647,902	593,022
Accounts and other receivables (notes 8 and 22)	361,108	152,743
Contributions receivable (note 9)	4,198,500	2,961,263
Spare parts and supplies	63,167	36,245
Prepayments (note 6)	128,489	58,908
Derivatives (note 24)	2,238	305
	5,401,404	3,802,486
Contributions due from Province of Ontario – long-term (note 12)	2,825,268	2,703,655
Other assets (note 6)	153,359	200,444
Capital assets (note 7)	51,026,492	41,836,966
Deposits on land (note 10)	174,011	254,748
Advances on capital projects (note 10)	187,955	158,922
Long-term lease (note 11)	24,610	24,937
	59,793,099	48,982,158
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 17 and 22)	6,884,070	3,836,499
PRESTO Farecard E-Purse (note 5)	126,385	128,301
Liabilities for asset retirement obligations – current (note 25)	28,337	23,795
	7,038,792	3,988,595
Long-term payable (note 12)	2,825,268	2,703,655
Liabilities for asset retirement obligations – long-term (note 25)	234,761	222,586
Deferred capital contributions (note 13)	43,229,908	36,622,558
Pension plan top-up benefits payable (note 15)	52,651	61,065
Other employee future benefits payable (note 16)	164,607	166,108
	53,545,987	43,764,567
Net Assets		
Invested in capital assets (note 18)	6,399,717	5,381,697
Invested in long-term lease (note 11)	24,610	24,937
Internally restricted (note 19)	26,332	26,332
Deficiency of net unrestricted assets	(205,785)	(215,680)
	6,244,874	5,217,286
Accumulated remeasurement gains and losses (note 24)	2,238	305
	59,793,099	48,982,158

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

Approved by the Board of Directors

B Davis Director

Donald A. Wright Director

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

Metrolinx

Statement of Operations

For the year ended March 31, 2025

(in thousands of dollars)

	2025 $	2024 Restated $ (note 3a)
Revenue		
Fare revenue	480,412	429,191
Presto non-fare revenue	86,871	82,500
Other non-fare revenue	71,713	60,821
Third party construction revenue	92,086	75,803
Contribution from the Province of Ontario	1,288,853	1,213,296
Interest income	39,579	41,095
Amortization of deferred capital contributions (note 13)	1,090,010	1,202,460
	3,149,524	3,105,166
Expenses		
Supplies and services	330,391	410,430
Equipment maintenance	179,085	156,174
Facilities and track	258,918	212,849
Labour and benefits	650,368	586,503
Rail and bus operations	566,086	450,973
Third party construction expense	79,469	101,259
Amortization of capital assets	1,040,828	1,121,922
Amortization of long-term lease	327	327
Loss on disposal and write-down of capital assets	53,260	102,744
	3,158,732	3,143,181
Excess of expenses over revenues	(9,208)	(38,015)

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

Metrolinx

Statement of Changes in Net Assets

For the year ended March 31, 2025

(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 $	2025 Total $	2024 Restated Total $ (note 3a)
Balance – Beginning of year	5,381,697	24,937	26,332	(215,680)	5,217,286	4,721,033
Excess of expenses over revenue	-	-	-	(9,208)	(9,208)	(38,015)
Amortization – net of amortization to revenue	(13,127)	(327)	-	13,454	-	-
Land acquisitions including deposits	1,036,796	-	-	-	1,036,796	534,268
Disposal of land	(5,649)	-	-	5,649	-	-
Balance – End of year	6,399,717	24,610	26,332	(205,785)	6,244,874	5,217,286

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

Metrolinx

Statement of Cash Flows

For the year ended March 31, 2025

(in thousands of dollars)

	2025 $	2024 (Restated) $ (note 3a)
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue	(9,208)	(38,015)
Amortization of capital assets and long-term lease	1,041,155	1,122,249
Loss on disposal and write-down of capital assets	53,260	102,744
Amortization of deferred capital contributions	(1,090,010)	(1,202,460)
Employee future benefits – net of payments	(9,915)	(6,113)
	(14,718)	(21,595)
Changes in non-cash working capital		
Accounts and other receivables	(208,365)	44,365
Spare parts and supplies	(26,922)	(9,339)
Prepayments	(69,581)	3,707
Accounts payable and accrued liabilities	154,562	45,258
PRESTO Farecard E-Purse	(1,916)	5,710
Other assets	47,085	(68,013)
	(119,855)	93
Capital activities		
Purchase of capital assets	(6,853,304)	(6,188,462)
Proceeds from sale of capital assets	14,698	11,595
Deposits on land (note 18)	(174,011)	(254,748)
Advances on capital projects (note 10)	(187,955)	(158,922)
	(7,200,572)	(6,590,537)
Financing activities		
Grants received for purchase of land	1,036,796	534,268
Capital contributions	6,338,511	6,210,886
	7,375,307	6,745,154
Net change in cash, cash equivalents and internally restricted cash	54,880	154,710
Cash and cash equivalents – Beginning of year	593,022	438,312
Cash and cash equivalents – End of year	647,902	593,022
Supplemental cash flow information		
Non-cash capital activities		
Change in accounts payable and accrued liabilities relating to capital assets	2,893,007	475,090
Change in liabilities for asset retirement obligations	16,717	20,362
Change in long-term capital payable	121,613	(478,925)
Non-cash financing activities		
Change in capital contributions receivable	(1,237,237)	(338,133)
Change in contribution due from Province	(121,613)	478,925

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

Metrolinx

Statement of Remeasurement Gains and Losses

For the year ended March 31, 2025

(in thousands of dollars)

	2025 $	2024 $
Balance, beginning of year	305	(2,351)
Unrealized gains attributable to		
Forward fuel purchase contracts (note 24)	2,238	305
Amounts reclassified to the statement of operations		
Forward fuel purchase contracts (note 24)	(305)	2,351
Net remeasurement gains	1,933	2,656
Balance, end of year	2,238	305

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 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 on 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. Construction-in-progress is recorded based on a percentage of completion as determined by Metrolinx's Project Delivery Team, Infrastructure Ontario or an external consultant (e.g., independent certifier).

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 cancelled 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 – 20 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
Light rail vehicles	40 years
Buses (including double decker buses)	10 years
Bus rapid transit system	10 – 30 years
Parking lots	20 years
Computer equipment and software	5 – 7 years
Grade separations and corridor barriers	50 years
Other (including furniture and equipment)	3 – 12 years

Construction-in-progress comprises design 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 costs 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 on 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.

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.

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.

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.

(in thousands of dollars)

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.

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.

(in thousands of dollars)

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, 2025, 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.

3a Adjustment to prior year amounts

In the 2024-25 fiscal year, as part of Metrolinx's maturing financial governance and ongoing efforts, Metrolinx undertook a review of its accounting practices related to construction-in-progress for capital projects. This review revealed that costs, that were initially recorded as construction-in-progress and not amortized, should have been reclassified to capital assets once they were put into use. The adjustment has been made by restating the comparative figures presented for the prior year as follows:

	2023-24 Previously reported $	Adjustments $	2023-24 Restated $
Statement of Financial Position			
Assets			
Capital assets	41,972,887	(135,921)	41,836,966
Liabilities			
Deferred capital contributions	36,759,156	(136,598)	36,622,558
Net Assets			
Net assets invested in capital assets	5,381,020	677	5,381,697
Statement of Operations			
Amortization of deferred capital contributions	1,134,468	67,992	1,202,460
Amortization of capital assets	1,053,930	67,992	1,121,922
Statement of Changes in Net Assets			
Land acquisitions including deposits	533,591	677	534,268
Balance – End of year	5,216,609	677	5,217,286
Statement of Cash Flows			
Amortization of capital assets and long-term lease	1,054,257	67,992	1,122,249
Amortization of deferred capital contributions	(1,134,468)	(67,992)	(1,202,460)
Grants received for purchase of land	533,591	677	534,268
Capital contributions	6,211,563	(677)	6,210,886

(in thousands of dollars)

Metrolinx also determined that, in the 2024–25 fiscal year, recoveries of construction expenses through third party reimbursements that were not expected to be invoiced within a year were initially classified as accounts and other receivables – current, but should have been reclassified as long-term receivables under other assets. The impact is as follows:

	2023-24 Previously reported $	**Adjustments $**	**2023-24 Restated $**
Statement of Financial Position			
Assets			
Accounts and other receivables	260,262	(107,519)	152,743
Other assets	92,925	107,519	200,444
Statement of Cash Flows			
Changes in non-cash working capital			
Accounts and other receivables	(21,091)	65,456	44,365
Other assets	(2,557)	(65,456)	(68,013)

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 and are not exposed to interest rate fluctuations as they have fixed interest rates.

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, 2025.

5 PRESTO Farecard E-Purse balances

The balance of funds held in PRESTO Farecard E-Purse in the amount of $126,385 (2024 – $128,301) 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 Prepayments and other assets

Other assets comprise the following:

	2025 $	2024 (Restated) (note 3a) $
Prepayments – long-term	107,603	92,925
Third party reimbursements – long-term	45,756	107,519
	153,359	200,444

Included in prepayments – long-term is an amount of $65,042 (2024 – $66,144) relating to enhanced quality warranties for a period of 30 years. As at March 31, 2025, the underlying assets that the warranties relate to have not been put into service. Also included in prepayments – long-term are insurance premiums relating to capital projects, amounting to $27,672 (2024 – $11,646).

Prepayments include insurance premiums relating to capital projects amounting to $44,533 (2024 – $8,742), payments to Alstom Transport Canada Inc., for operating and maintenance contract extension $21,454 (2024 – $nil).

7 Capital assets

			2025	2024 (Restated) (note 3a)
	Cost $	Accumulated amortization $	Net $	Net $
Land	5,533,765	-	5,533,765	4,652,108
Buildings	2,750,535	1,057,081	1,693,454	1,751,963
Leasehold improvements	125,954	84,848	41,106	43,282
Locomotives and other railway rolling stock	3,883,132	1,903,984	1,979,148	2,104,093
Improvements to railway right-of-way plant	1,675,721	967,669	708,052	704,234
Grade separations, track work and installations	5,736,369	1,772,641	3,963,728	3,904,284
Construction-in-progress	34,285,186	-	34,285,186	25,639,796
Buses	475,055	321,093	153,962	173,867
Parking lots	1,566,629	671,021	895,608	953,513
Computer equipment and software	2,296,637	1,738,389	558,248	650,246
Other	1,789,742	575,507	1,214,235	1,259,580
	60,118,725	9,092,233	51,026,492	41,836,966

(in thousands of dollars)

Construction-in-progress includes the following:

	2025 $	**2024 (Restated)** (note 3a) $
Rail corridor expansion	4,966,662	3,528,521
Union Station	561,113	555,008
Rail fleet	81,563	61,883
PRESTO system	92,710	84,514
Light Rail Transit and Bus Rapid Transit	14,366,746	12,770,089
Subways	11,392,967	6,153,438
Other	2,823,425	2,486,343
	34,285,186	25,639,796

Metrolinx has written off $55,149 (2024 – $91,628) of costs related to capital assets during the fiscal year.

8 Accounts and other receivables

Accounts and other receivables comprise the following:

	2025 $	**2024 (Restated)** (note 3a) $
Recoverable harmonized sales tax	186,374	102,205
Third party reimbursements	132,821	11,126
Other receivables	41,913	39,412
	361,108	152,743

9 Contributions receivable

Contributions receivable comprise the following:

	2025 $	**2024** $
Contributions due from Province of Ontario	4,197,124	2,952,716
Contributions due from Government of Canada	1,376	8,547
	4,198,500	2,961,263

(in thousands of dollars)

10 Deposits on land and advances on capital projects

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

	2025 **$**	**2024** **$**
York Region	154,209	147,045
TTC	3,368	3,368
Ontario Line – various	12,954	103,436
Other land deposits	3,480	899
Total deposits on land	174,011	254,748

	2025 **$**	**2024** **$**
York Region	16,489	1,591
Alstom Transport Canada Inc.	61,725	44,226
Ontario Northland Transportation Commission	27,582	34,585
Crosslinx Transit Solutions General Partnership	10,492	10,836
Kiewit Alberici Union General Partnership	16,501	7,382
Toronto Hydro-Electric System Limited	10,697	11,129
Hydro One Networks	14,351	31,942
TTC vending machines	10,085	-
Motor Coach Industries Limited	7,273	-
Alectra Utilities Corporation	7,919	-
Other advances on capital projects	4,841	17,231
Total advances on capital projects	187,955	158,922

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 totaling $157,577 (2024 – $150,413) and advances on capital projects totaling $16,489 (2024 – $1,591) 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 total $12,954 (2024 – $103,436) for the construction of the Ontario Line capital project. Other land deposits total $3,480 (2024 – $899) for construction of Barrie Corridor capital projects.

(in thousands of dollars)

Other advances on capital projects include: $61,725 (2024 – $44,226) paid to Alstom Transport Canada Inc., of which $61,725 (2024 - $38,763) was for the refurbishment of bi-level rail coaches and cab cars for GO Expansion (increase in 2025 due to the addition of 181 bi-level coaches to the scope of work) and $nil (2024 – $5,463) was for signaling changes for the Ontario Line; $27,582 (2024 – $34,585) paid to Ontario Northland Transportation Commission for the refurbishment of 56 bi-level rail coaches for GO Expansion; $10,492 (2024 – $10,836) paid to Crosslinx Transit Solutions General Partnership for the ECLRT project in support of community and developer relations; $16,501 (2024 – $7,382) paid to Kiewit Alberici Union General Partnership (KAGP) for the construction of utilities, platforms and tracks for GO Expansion; $10,697 (2024 – $11,129) 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; $14,351 (2024 – $31,942) paid to Hydro One Networks for utilities relocation for Ontario Line; $10,085 (2024 – $nil) capital advances for TTC single ride vending machines upgrades, replacements, mobilization fees and bus kitting installations; $7,273 (2024 – $nil) paid to Motor Coach Industries Ltd. to design and build the in-market-diesel-buses to support the GO Bus Fleet requirements; $7,919 (2024 – $nil) paid to Alectra Utilities Corporation for Expansion and Offer to Connect agreements for Heritage Road Layover project on Kitchener line; and $4,841 (2024 – $17,231) in various other advances.

11 Long-term lease

	2025			2024
	Cost $	Accumulated amortization $	Net $	Net $
Leasehold – Union Station	32,704	8,094	24,610	24,937

12 Contributions due from Province of Ontario – 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, 2025 are as follows and are included in construction-in-progress.

	Hazel McCallion Line $	Whitby $	Eglinton Crosstown LRT $	Finch West LRT $	Ontario Line $	Eglinton Crosstown West Extension $	Scarborough Subway Extension $	2025 $	2024 $
Cost incurred to date	2,049,156	518,570	6,709,801	1,806,173	2,631,204	955,436	646,318	15,316,658	12,938,650
Less: Amount paid or amount payable within 1 year	1,182,793	348,246	6,041,704	1,704,159	1,798,334	944,375	471,779	12,491,390	10,234,995
Long-term payable	866,363	170,324	668,097	102,014	832,870	11,061	174,539	2,825,268	2,703,655

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

(in thousands of dollars)

Metrolinx has five agreements that meet the criteria of a public private partnership per PSAS: the Eglinton Crosstown LRT (ECLRT), Hazel McCallion Line (HML), Finch West LRT (FWLRT), Whitby - 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.

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:

	2025 $	**2024 (Restated)** (note 3a) $
Balance – Beginning of year	36,622,558	31,754,925
Contributions received or receivable in the period for capital acquisitions		
Province of Ontario	7,681,841	6,045,768
Municipalities	9,464	10,473
Government of Canada	1,263	8,550
Other organizations	4,792	5,302
Amortization of deferred capital contributions	(1,090,010)	(1,202,460)
Balance – End of year	43,229,908	36,622,558

MetrolinxThe Province has provided funding to bridge certain municipal shortfalls in the capital program in the current year in the amount of $31,631 (2024 – $25,881) and the cumulative amount is $1,493,342 (2024 – $1,461,711). The Province is working with its municipal partners to reevaluate and address the funding shortfalls.

(in thousands of dollars)

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, 2025 is $90,451 (2024 – $75,115).

Because OMERS is a multi-employer plan, Metrolinx does not recognize any share of the pension funding deficit of $2.9 billion as at December 31, 2024.

15 Pension plan top-up benefits payable

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, 2025. The pension recovery recognized during the year is $3,413 (2024 – $2,047).

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:

	2025 $	2024 $
Accrued benefit obligation	56,551	57,536
Fair value of plan assets	(7,318)	(5,531)
Funded status – plan deficit	49,233	52,005
Unamortized net actuarial gain	3,418	9,060
Accrued benefit liability	52,651	61,065

Details of the accrued benefit obligation are as follows:

	2025 $	2024 $
Accrued benefit obligation – Beginning of year	57,536	59,544
Current service cost	193	192
Interest cost on accrued benefit obligation	2,355	2,328
Benefit payments	(3,325)	(3,079)
Actuarial gain on accrued benefit obligation	(208)	(1,449)
Accrued benefit obligation – End of year	56,551	57,536

(in thousands of dollars)

Details of the pension expense are as follows:

	2025 $	2024 $
Current service cost	193	192
Interest cost on accrued benefit obligation	2,355	2,328
Actual return on plan assets	(112)	(82)
Expected return versus actual return on plan assets	112	82
Amortization of actuarial gain	(5,961)	(4,567)
	(3,413)	(2,047)

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

	2025	2024
Discount rate	4%	4.2%
Rate of compensation increase	2.75%	3%
Inflation per annum	2%	2.25%
Expected average remaining service life	2 years	3 years

16 Other employee future benefits payable

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, 2025. The post-retirement non-pension benefits recognized during the year were $4,121 (2024 – $3,920).

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:

	2025 $	2024 $
Accrued benefit obligation	118,779	106,702
Funded status – plan deficit	118,779	106,702
Unamortized net actuarial gain	45,828	59,406
Accrued benefit liability	164,607	166,108

(in thousands of dollars)

Details of the accrued benefit obligation are as follows:

	2025 $	2024 $
Accrued benefit obligation – Beginning of year	106,702	108,529
Current service cost	3,080	3,074
Interest cost on accrued benefit obligation	4,493	4,350
Benefit payments	(5,621)	(4,987)
Actuarial loss (gain) on accrued benefit obligation	10,125	(4,264)
Accrued benefit obligation – End of year	118,779	106,702

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

	2025 $	2024 $
Current service cost	3,080	3,074
Interest cost on accrued benefit obligation	4,493	4,350
Amortization of actuarial gain	(3,452)	(3,504)
	4,121	3,920

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

	2025	2024
Discount rate for post-retirement non-pension benefit	4.1%	4.2%
Discount rate for WSIB liabilities	3.8%	4.2%
Discount rate for retiree severance benefits	3.6%	4.2%
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	5.04%	4.69%
Ultimate Weighted Average Health Care Trend Rate	3.04%	3.18%
Dental care benefits increase	2%	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 $2,784 (2024 – $7,071) 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 2025 and 2028.

(in thousands of dollars)

18 Net assets invested in capital assets

	2025 $	**2024 (Restated)** (note 3a) $
Capital assets	51,026,492	41,836,966
Deposits on land	174,011	254,748
Advances on capital projects	187,955	158,922
Unfunded capital asset additions		
Asset retirement obligations	(263,098)	(246,381)
Other	(1,495,735)	-
Deferred capital contributions used to purchase capital assets	(43,229,908)	(36,622,558)
	6,399,717	5,381,697

Other capital asset additions amounting to $1,495,735 made during the fiscal year 2024–25 remained unfunded as at March 31, 2025, as it exceeded the Province of Ontario’s contributions in accordance with the fiscal year’s appropriations. Metrolinx will seek the necessary appropriation in fiscal year 2025–26.

19 Internally restricted net assets

The internally restricted net assets are as follows:

	2025 $	**2024** $
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:

	$
2026	55,054
2027	47,809
2028	35,731
2029	34,198
2030	31,539
2031 and thereafter	568,558
	772,889

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 $409,347 per year:

- Master Operating Agreement with CN terminating on July 31, 2026.
- Commuter Agreement with CP terminating on December 31, 2029;
- Equipment Maintenance contract with Alstom expires on October 4, 2025. Service beyond this date needs to be negotiated.
- Rail Crew contract with Alstom expires on October 4, 2025. Service beyond this date needs to be negotiated.
- Metrolinx terminated its 25 year Operating and Maintenance Agreement with ONxpress Operations Incorporated (OOI). These services will be completed by Alstom in 2025/26. Remaining commitments relate to costs to transfer assets to Metrolinx and will be closed out in 2025/26 as the parties negotiate a settlement. A provision for the estimated liability is recorded in the financial statements at March 31, 2025, with a corresponding expense on the statement of operations. The accrual represents management’s assessment of the likely amount payable relating to the contract termination as outlined in a term sheet with OOI.
- Routine Track and Signal Maintenance contract with PNR terminating on June 30, 2029 for East region; Siemens contract terminating on June 30, 2029 for Central region and Siemens contract terminating on June 30, 2026 and option years are expected to exercise for West region.
- Rail Corridor Management Service Agreement with TTR terminating on June 30, 2029.

c) Metrolinx has also committed approximately $15,580,000 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, 2025, are as follows:

				Outstanding obligations to be disbursed by March 31					
	Contract amount $	Amount disbursed $	Outstanding obligation $	2026 $	2027 $	2028 $	2029 $	2030 $	2031 and thereafter $
Lakeshore West	487,865	244,932	242,933	56,993	42,909	42,909	42,909	42,909	14,304
Whitby	921,794	431,441	490,353	18,454	18,668	19,046	19,462	19,978	394,745
Stouffville Station	329,123	325,386	3,737	3,737	-	-	-	-	-
Davenport Diamond	205,210	204,808	402	402	-	-	-	-	-
Eglinton West Extension	1,125,395	540,805	584,590	419,183	-	165,407	-	-	-
Scarborough Extension	1,090,010	326,930	763,080	185,790	577,290	-	-	-	-
Hazel McCallion Line	4,886,254	1,157,636	3,728,618	81,769	81,769	762,768	64,733	65,691	2,671,888
Eglinton	10,491,677	5,027,295	5,464,382	1,014,410	149,004	146,877	149,004	146,877	3,858,210
Finch	2,920,221	891,181	2,029,040	831,065	34,276	34,287	34,351	34,756	1,060,305
Ontario Line	15,387,998	1,408,540	13,979,458	1,391,418	885,940	914,872	914,872	2,144,530	7,727,826
Total	37,845,547	10,558,954	27,286,593	4,003,221	1,789,856	2,086,166	1,225,331	2,454,741	15,727,278

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, 2025, Metrolinx had outstanding letters of credit totaling $53 (2024 – $53).

21 Contingencies

Various claims have been issued against Metrolinx for incidents that arose in the ordinary course of business. Additionally, contractors and other stakeholders on capital projects make claims against Metrolinx for compensation and delay events such as late access to lands, delayed permits and differing geotechnical site conditions, and property acquisitions. Portions of these claims are considered contingencies until the counterparties substantiate the claim or Metrolinx enters into a settlement agreement with the counterparties.

Management reviews all of the relevant facts for each claim and applies judgment in evaluating the likelihood and, if applicable, the amount of any potential settlement. Where a potential settlement is considered likely and the amount can be reasonably estimated, provisions for claims are made based on management's assessment of the likely outcome and amount. The actual amount of any settlement may vary materially from the estimate recorded. Metrolinx does not provide for claims for which the outcome is not determinable or claims for which the amount of the settlement cannot be reasonably estimated.

As at March 31, 2025, Metrolinx has recorded provisions relating to claims on various projects that are currently under construction based on management's assessment of the likely outcomes. There is significant measurement uncertainty relating to the amounts accrued and to the corresponding amounts capitalized to these construction projects. Metrolinx may be exposed to amounts in excess of the amounts accrued and that exposure may result in a material adjustment to liabilities to the counterparties and the cost of these capital projects in future periods. The extent of the liability accrued is not disclosed because, in management's judgment, this information would have a significant adverse effect on the outcome of the ongoing negotiations.

(in thousands of dollars)

Property acquisitions

Metrolinx is subject to various claims related to property acquisitions, including those concerning fair market value, injurious affection, business losses, disturbance damages, and statutory interest. Metrolinx has recorded portions of the claims that have been assessed as likely. Where portions of the claims consist of costs that are not determinable or estimable, they have not been accrued.

Ontario Line

Various claims have been made against Metrolinx in connection with the Ontario Line project. These claims relate to compensation and delay events for late access to lands and delayed completion of Early Works. Claims that have been assessed by management as likely have been accrued in the financial statements at March 31, 2025. Where portions of the claims consist of costs that are not determinable or estimable, they have not been accrued.

ECLRT and FWLRT

Various claims have been made against Metrolinx in connection with the ECLRT and FWLRT projects. These claims relate to compensation and delay events such as testing and commissioning and stakeholder management. Metrolinx has recorded portions of the claims that have been assessed as likely. Where portions of the claims consist of costs that are not determinable or estimable, they have not been accrued.

HMLRT

Various claims have been made against Metrolinx in connection with the Hazel McCallion LRT project. These claims relate to compensation and delay events such as alleged unknown utilities and differing geotechnical conditions. Metrolinx has recorded portions of the claims that have been assessed as likely. Where portions of the claims consist of costs that are not determinable or estimable, they have not been accrued.

As at March 31, 2025, there are other claims for which management has assessed a potential settlement as is not determinable and therefore, no accrual has been made. Where the outcome of a claim is not yet determinable, any provision will be recorded when it is determined that a claim is substantiated, is likely to be settled and the amount can be estimated. Further, there are claims outstanding for which Metrolinx has assessed the potential settlement as likely to result; however, an estimate of the amount cannot reasonably be made. There are many reasons that Metrolinx cannot make these assessments, including, among others, one or more of the following: the early stages of a claim does not provide sufficient detail, amounts sought are unspecified, unsupportable, unexplained or uncertain; substantiation has not been provided or is incomplete; the facts that are in dispute are highly complex; the difficulty of assessing novel claims; the parties have not engaged in any meaningful settlement discussions; the possibility that other parties may share in any ultimate liability; and the often slow pace of resolution.

Overall, claims made by the counterparties are approximately $8.2B for the transit delivery portfolio – this represents approximately 8.5% of the estimated value of projects in progress. These claims arise from normal course of project delivery in respect to the rights of contracted parties to file claims for consideration. A portion of this value as been recognized as a liability as described above. In addition, through the course of negotiations and claims substantiation process, a further portion of this value may be determined as a liability to Metrolinx. However, the substantiation process is an iterative exchange between parties to determine reasonable quantum which can be fluid and may take place over an indeterminate period of time. As this process is ongoing across the program, the outcomes are not determinable for certain claims, and changes to estimates are reflected in the period they are assessed by management.

(in thousands of dollars)

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.

a) Transactions during the fiscal year: Infrastructure Ontario, $37,764 (2024 – $42,912) for AFP procurement and transaction advisory services and Ontario Northland Transportation Commission, $16,810 (2024 – $12,774) for refurbishment services. Metrolinx charged Infrastructure Ontario $24,533 (2024 – $nil) for construction services and Ministry of Transportation $1,530 (2024 – $1,450) for railway flagging and other services.

b) As at March 31, 2025, accounts payable and accrued liabilities included $18,630 (2024 – $26,171) owing to Infrastructure Ontario and $1,971 (2024 – $2,035) owing to Ontario Northland Transportation Commission; accounts and other receivables included $14,815 (2024 – $nil) owing from Infrastructure Ontario and $1,460 (2024 – $916) from Ministry of Transportation.

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.

(in thousands of dollars)

24 Diesel fuel forward contracts

As at March 31, 2025, Metrolinx has entered into three future contracts for 44.9 million litres of diesel fuel, at prices ranging from $0.7991 to $0.8115 per litre, which mature in fiscal 2025-26. The change in fair value of the derivative instruments of $2,238 for the year ended March 31, 2025 is recorded as an unrealized gain on the statement of remeasurement gains and losses.

25 Liabilities for asset retirement obligations

	2025 $	2024 $
Liabilities for asset retirement obligations – Beginning of year	246,381	226,019
Liabilities incurred during the year	7,180	3,857
Liabilities settled during the year	(63)	(1,155)
Revisions in estimated cash flows	9,600	17,660
Liabilities for asset retirement obligations – End of year	263,098	246,381

As at March 31, 2025, approximately 52% of liabilities for asset retirement obligations pertained to the retirement activities legally required for land, tanks and leases, and approximately 44% related to the removal and disposal of designated substances from Metrolinx’s buildings and bridges. The asset retirement obligations will be settled between 2025 and 2071.