

To: Metrolinx Board of Directors

From: Jennifer Gray David Jang
Chief Financial Officer *Chief Communications Officer*

Date: June 30, 2022

Re: **Metrolinx 2021-22 Annual Report**

Executive Summary

Metrolinx is required to prepare an Annual Report in keeping with the requirements of the *Metrolinx Act, 2006* and the government's *Agencies and Appointments Directive* (AAD). The report must provide details of the organization's achievements, major accomplishments and financial statements from the fiscal year and must be submitted for the Minister's approval within 120 days of the agency's fiscal cycle (March 31, 2022).

The Annual Report has been reviewed by the Audit, Finance, and Risk Management Committee, and is being recommended for the Board of Directors' approval, following which the report will be submitted to the Minister of Transportation for approval. Once approved by the Minister, the Annual Report will be made publicly available on the Metrolinx's website.

Recommendations

RESOLVED, on the recommendation of the Audit, Finance, and Risk Management Committee:

THAT, subject to any comments received from the Metrolinx Board of Directors and the Audit Finance, and Risk Management Committee and any other final formatting or other minor, non-material revisions required by staff, the Metrolinx Annual Report for 2021-22 be approved;

AND THAT Audited Financial Statements for Metrolinx for the year ended March 31, 2022 as appended to the 2021-22 Annual Report be approved;

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

AND THAT the CEO submit the approved Audited Financial Statements to the Ministers of Finance and Transportation;

Background

Based on guidelines provided in the AAD, Metrolinx's Annual Report includes details of how the organization performed operationally and financially in alignment with the 2021-22 Mandate Letter and the Business Plan.

The report provides an overview of activities over the year including major achievements that helped to fulfill the organization's mandate and key government priorities. Ensuring customer safety, supporting economic recovery and monitoring COVID-19 to determine short-and long-term recovery decisions are all featured. The organization's work to expand and enhance service, delivery of capital program milestones for the GO Expansion program, rapid transit projects and subways portfolio, as well as customer experience deliverables for GO, PRESTO and UP Express are discussed.

As part of the required details, the report also provides an analysis of Metrolinx's financial performance, including the approved budget that was set out in the 2021-22 Business Plan. This analysis captures actual year-end expenditures and explanations of significant variances, as well as risks. The audited financial statements are also presented in the report.

COVID-19 impacts and mitigation efforts measures are discussed as the organization responded with business continuity implementation and adjustments to our operations, to maintain delivery of our services and mandate in the region.

The Audit, Finance, and Risk Management Committee will also review the Annual Report consistent with the Committee's mandate.

Next Steps

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

Once approved by the Minister of Transportation, an electronic version of the 2021-22 Annual Report will be posted to Metrolinx's website at:

http://www.metrolinx.com/en/aboutus/publications/annual_reports.aspx

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

Respectfully submitted,

Jennifer Gray and David Jang

Attachment

Metrolinx Annual Report 2021-22 - Draft

Annual Report

2021-2022

Table of Contents

Land Acknowledgment	3
Message from the Chair.....	4
Message from the CEO	5
Vision, Mission, Values & Mandate.....	7
Business Context for 2021-22	8
Description of 2021-2022 Activities	11
Financial Highlights	11
Operational Performance	
Ridership and Revenue	12
Operations & Safety	16
Payments (PRESTO).....	21
Capital Projects.....	24
Transit Oriented Communities	
Regional Transit Planning	
Metrolinx Corporate	
Governance.....	38
Management Discussion & Analysis	39
Audited Financial Statements.....	60
Appendices.....	87
Appendix A. 2021-22 Strategic Objectives and Status Chart	87
Appendix B. Metrolinx GRI Report.....	91

Land Acknowledgement

Let us take a moment to acknowledge that we are on the traditional territory of Indigenous Peoples including the Anishnabeg, the Haudenosaunee and the Wendat peoples.

We are all Treaty people. Many of us have come here as settlers and immigrants...in this generation or generations past. Metrolinx declares its commitment to building meaningful relationships with Indigenous Peoples.

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

We acknowledge that Metrolinx operates on lands covered by 20 Treaties, and that we have a responsibility to recognize and value the rights of Indigenous Nations and Peoples and conduct business in a manner that is built on the foundation of trust, respect and collaboration.

Message from the Chair

Metrolinx is in the midst of delivering an unprecedented transformative transit expansion program, the largest in Canadian history. This year saw a record \$5.2 billion in capital investment delivered as we advanced several projects across the Greater Golden Horseshoe. This included approximately \$1.2 billion invested in the GO Expansion program. The Government of Ontario and the federal government also committed \$3.4 billion toward the construction of a 14-km light rail transit line in the City of Hamilton.

The dedication of the entire Metrolinx team, especially the front-line staff cannot be emphasized enough. They maintained services to keep travellers moving during a year marked with several waves of COVID-19 outbreaks, including the Omicron variant which resulted in renewed stay-at-home orders significantly impacting ridership and revenue recovery.

Throughout the year, Metrolinx continued ensuring safety for commuters in line with public health guidelines while supporting the economic recovery of the region. We implemented service adjustments, remained flexible to meet changing customer demands and introduced various fare strategies to encourage the use of transit across the region.

Transit access and the delivery of an integrated transit network remained top priorities for us, and we continued to progress these through milestones such as the opening of the Union Station Bay Concourse, and initiatives like the GO Affordability program.

Metrolinx remained steadfast in its mandate to connect communities as we worked with our shareholders to deliver on key government priorities. We continue to play a critical role in moving people across destinations and supporting the economic recovery and revitalization of the region. The Board looks forward to continuing to provide sound oversight and stewardship of all Metrolinx activities, while expanding services and continuing to achieve milestones of our ambitious capital program.

Sincerely,

Donald Wright

Message from the CEO

This year, our people at Metrolinx continued to serve, achieve new milestones, and make a positive impact throughout the Greater Golden Horseshoe. Despite multiple waves of the COVID-19 pandemic, our buses and trains continued to serve our customers and ensured front line workers got to where they needed to be. Our project teams and industry partners continued to build our transit projects, achieving significant milestones that will revolutionize the way people move around our region in the future.

The health and safety of our customers and employees was of particular focus during the pandemic and we implemented award-winning safety standards throughout our transit network, including reducing our Lost Time Injury Frequency Rates (LTIFR) for both Metrolinx employees and contractors to 0.38 for the year, a world-class level of safety performance.

Our customer satisfaction surveys showed that customers not only recognized reliability and convenience, but also cleaning, as a key attribute of our service. Safety became a top brand attribute for GO Transit. Our eight GO-VAXX mobile bus clinics delivered 55,000 doses of vaccines and received an American Public Transportation Association Bus Safety Gold Award.

Our ridership recovered slower than initially projected, mostly due to successive waves of COVID-19 and the slower return to normal life. Programs such as PRESTO E-tickets and the launch of contactless Interac debit payment were implemented to welcome our customers back. Ridership reached, at the end of the year, 20 per cent of the pre-pandemic level.

While ridership recovered, we continued to work on improving transit access for vulnerable users and customers with disabilities and for low-income households. Initiatives such as the GO Affordability program helped reduce the cost of trips for PRESTO customers with a low-income concession on GO fares. Consultations with the Advisory Committee for Accessible Transit (ACAT) helped to inform the modernization of the PRESTO fare payment system, including expansion of the Mobile Fare Payment App (MFPA) on the TTC's paratransit and specialized transit services. This was also rolled out to specialized transit services in Hamilton and Oakville.

Our capital construction programs made exciting progress throughout the year and we achieved several milestones in GO Expansion, rapid transit, and subway projects. On subways, the launch shafts for the Scarborough Subway and Eglinton Crosstown West Extensions were completed on schedule with tunnel boring now underway, early works for the Ontario Line began and two of the major procurements are near completion, and the Yonge North Subway Extension planning progressed along with procurement for early works were released.

On GO Expansion, a number of early works projects were completed, including the Highway 401/409 tunnel and the opening of new station buildings at Agincourt and Rutherford Stations. We advanced procurement of the On-Corridor works package of the GO Expansion program to meet our medium-to-longer term objective to provide two-way, all-day, 15-minute service to our customers along core segments of the GO rail network.

On rapid transit, the final installation of track for the Eglinton Crosstown LRT was completed, construction is progressing on Finch and Hurontario LRT, while Hamilton LRT and a number of Bus Rapid Transit projects progressed in planning.

The Transit Oriented Communities program executed agreements to partner with the private sector on development opportunities and secured more than \$100 million in revenue from the sale of assets, leases, licenses, and easements.

On the principles of trust, collaboration, and respect, we strengthened our processes and project consultations with Indigenous Nations and Peoples to deliver on the commitment of meaningful engagement. We are working closely with each Indigenous Nation to implement Framework Agreements which will create better certainty in the delivery of projects by having a structured approach to consult with them throughout the project lifecycle.

We launched our first external campaign for Black History Month, including a GO bus wrap featuring Canadian Blues legend Salome Bey. Our award-winning 'Safety Never Stops' campaign included messages in seven different languages, acknowledging the diversity of the communities we serve.

Overall, the fiscal year proved to be yet another year of learning as we navigated changes brought on by the pandemic. We are immensely thankful to our frontline workers, employees, contractors, partners, stakeholders, and shareholders for the year we had, and we look forward to providing reliable service, transit leadership and playing our part in the economic recovery for the region.

Keep well,

Phil Verster

Vision, Mission, Values & Mandate

Our Vision

We connect our communities.

Our Mission

Getting you there better, faster, easier.

Our Values

Serve with Passion.

Think Forward.

Play as a Team.

Our Mandate

Metrolinx is an agency of the Government of Ontario, established under the Metrolinx Act of 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 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 2021-22

COVID-19 Impacts

The close of this business year marked two full fiscal cycles where our business and operations were impacted by the COVID-19 pandemic. As with many other organizations across the world, Metrolinx had to implement a series of ongoing public health measures to mitigate the impacts of this public health crisis. We continued to experience reduced ridership with the closures of schools and non-essential businesses, physical distancing, self-quarantine, mandatory face coverings, continued work from home arrangements and non-essential travel orders, all to help stop the spread of COVID-19.

Public transit customers also adjusted their work and everyday routines, which resulted in a shift in demand for public transit. For transit agencies around the world, these changes in demand resulted in lower ridership and corresponding decreases in both fare revenues and associated non-fare revenues, as well as changing travel patterns during peak and off-peak hours due to more flexible work arrangements. At the close of Metrolinx's 2021-22 fiscal year, GO and UP ridership was 15.2 million, or 20.0 per cent of the FY2019-20 ridership.

With physical distancing requirements, non-essential travel restrictions, and work from home policies remaining in place for much of 2021, Metrolinx focused on ensuring safe transit operations to re-build customer confidence and adapted service offerings to meet changing customer needs. Metrolinx, successfully implemented over 65 safety measures to protect our customers and employees. As part of our 2021-22 organizational priorities, Metrolinx worked with the government to monitor the COVID-19 pandemic and focused efforts on providing support for short- and long-term economic recovery initiatives.

Government Mandate Letter and Key Organizational Initiatives for 2021-22

A key requirement of the Agencies and Appointments Directive (AAD) is that the Minister of Transportation issues an annual Mandate Letter to Metrolinx which sets out the expectations for the upcoming fiscal year. The 2021-22 Mandate Letter, issued in October 2020, provided details of the government's expectations for Metrolinx to ensure the delivery of high-quality service to Ontarians in keeping with its mandate and government priorities.

The letter outlined several key priorities, which Metrolinx incorporated into its organizational initiatives for the 2021-22 fiscal year. Highlights of the mandate letter priorities along with some of the key actions taken by the organization to meet these government priorities are outlined below.

- **Ensuring customer safety and supporting economic recovery by monitoring COVID-19 to inform short and long-term recovery decisions.** As a leader in public and passenger safety, Metrolinx responded to this mandate by introducing enhanced levels of safe behaviours, standards, processes and practices, introducing well over 45 customer-facing safety measures to help keep our customers safe. **The organization supported ridership and economic recovery** by providing essential services for customers, frontline workers and communities through the adjustment of GO Transit services to meet customer demand, based on customer research and insights. Campaigns, including *Safety Never Stops* (which was executed in several languages) and *Ready to Ride*, were introduced to reassure customers of the steps the organization was taking to keep them safe while welcoming them back to the GO network. Metrolinx continued to work with the provincial government to explore partnerships for intercommunity bus delivery.
- **An updated Ontario-Metrolinx Agreement was signed for the provision of railway safety inspection services by Transport Canada.** Through this agreement, Transport Canada's rail safety inspectors conduct inspections to determine whether a railway's operations, equipment, signals, and infrastructure support safety and complies with the Federal *Railway Safety Act*.
- **Expanding and enhancing GO Transit service** by building organizational agility and flexibility to meet evolving customer demand resulting from the COVID-19 pandemic, including through optimization of rail service frequency and train size, as well as bus service. To meet this priority, Metrolinx adjusted bus and train schedules and train lengths along its corridors. This allowed us to maintain a strategic balance of cost management and service levels. To further GO train service expansion, Metrolinx also leveraged the reduction in train service to accelerate and improve the efficiency of capital construction work on select corridors.
- **Advancing Ontario's priority transit projects in the GTA and continuing the delivery of Greater Toronto and Hamilton Area (GTHA) Rapid Transit Projects by working together with provincial governments in progressing through major milestones of the procurement process.** Metrolinx supported the implementation of the *Building Transit Faster Act, 2020* (BTFA), which expedites the planning, design and

construction process for priority transit projects. Throughout the fiscal year, Metrolinx continued to advance subways and light rail transit projects, achieving several milestones, including delivery of the tunnel boring machines for the Eglinton Crosstown West Extension and Scarborough Subway Extension, testing of light rail vehicles for the Eglinton Crosstown and Finch West LRTs, concluding a Memorandum of Understanding with the City of Hamilton on the restarted Hamilton LRT, completing environmental assessments on the Yonge North Subway Extension, and breaking ground on the Ontario Line. Progress was also made to expand and enhance GO Transit rail service in the region, with visible construction milestones achieved on key enabling projects like the Davenport Diamond Grade Separation and the Rutherford GO Station renewal, and key procurement activities completed to advance the Bowmanville extension and upgrades along the outer portions of the Kitchener corridor. Two high-quality proposals for the GO Expansion On-Corridor Works contract were received from skilled international consortia and evaluated late in the fiscal year. The Transit Oriented Communities program also progressed.

- **Supporting government initiatives to optimize transit investments by making smart investments to prepare for a post-COVID-19 public transit environment, including through the modernization of our PRESTO fare payment system across the region.** PRESTO delivered several key initiatives to advance this mandate, including introduction of contactless (debit/credit) payment capability on UP Express, enhancements to the PRESTO app, introduction of PRESTO E-Tickets, and refresh and replacement of devices across the region. Metrolinx also worked with the Advisory Committee for Accessible Transit (ACAT) to ensure PRESTO modernization initiatives were accessible. An evidence-based approach was applied to project planning to prioritize investments, identify efficiencies and maximize potential project benefits. The implementation of business improvement plans as key organizational initiatives helped to advance transformation of our business, while helping to find efficiencies and achieve better outcomes at a lower cost.
- **Advancing on regional transit planning commitments by working collaboratively with the province on planning studies to support an integrated transit network for the region including the development of the Greater Golden Horseshoe (GGH) Transportation Plan, Airport Area Transportation Study Update with Greater Toronto Airport Authority (GTAA) and supporting the actions outlined in Connecting the Southwest transportation plan.** In this regard, Metrolinx made considerable strides in refining initiatives and options for simplifying fare payments and improving integration of transit services in the GGH. Station access was also advanced with the opening of the Bay Concourse and introduction of a pilot at five stations. The organization continued to explore options for customers to have improved access to public transit services and encouraged greater public transit ridership in the region, as well as delivering commitments towards a sustainable transportation system for the region.
- **Working in a collaborative partnership with the Ministry of Transportation to support the actions outlined in *Connecting the Southwest: A draft transportation plan for southwestern Ontario*, by completing technical rail planning studies in southwestern Ontario and identifying opportunities to enhance passenger rail train speeds and service levels on existing railway corridors.** To support this work, Metrolinx launched a pilot in October 2021 to provide two trips per day to/from London, extending service in Southwestern Ontario. Building on this pilot, Metrolinx began a preliminary analysis of potential service enhancement options to London, investigating opportunities to reduce travel times and increase frequencies to better suit customer needs.
- **Working with the Ministry of Transportation to determine the appropriate timing and scope of any proposed changes or updates to the 2041 Regional Transportation Plan (RTP), reflective of government-approved transportation priorities for the region.** In this regard, Metrolinx worked closely with the MTO to support the GGH Transportation Plan's development, finalization, and ultimate publication. This included shared consultation with municipalities in the outer GGH, technical support for transit components of the plan, and ensuring consistency with Metrolinx's Regional Transportation Plan, Frequent Rapid Transit Network, and on-going planning work and short-term actions. Following the public release of MTO's GGH Transportation Plan in March 2022, Metrolinx is now applying its guiding principles to the RTP's Frequent Rapid Transit Network. The formal update of the RTP through a technical addendum is expected to follow this work in 2023.
- **Delivering partnership and generate additional non-fare revenue initiatives** by collaborating with external partners on sponsorship agreements, exploring billboard and advertising opportunities, as well as expanding on retail opportunities to contribute towards a more sustainable funding for the organization. Metrolinx continued to move this mandate forward through numerous marketing initiatives including the Niagara Parks Commission partnership, and collaboration with The Wine Rack to deliver the VIP Bus Experience pilot. Other key steps taken to advance this priority included the public solicitation for billboard development in fall 2021.

Metrolinx remained committed to fulfilling these government priorities for 2021-22, aligning these mandates with business objectives for the year. Though the COVID-19 pandemic resulted in significant reductions in ridership and revenue, Metrolinx provided leadership and innovation in public transit, supported key government priorities to ensure economic recovery to the region, and ensured customer safety during the pandemic, while continuing to deliver essential regional transit services to help support frontline workers, and simultaneously advancing our mission to connect our communities by advancing capital project milestones. Further details on the company's performance are included in the report by key business areas.

Financial Highlights

For the 2021-22 business year, Metrolinx's revenue was \$226.5 million, which comprised of \$120.5 million from fare revenue, \$80.5 million from non-fare revenue and \$25.5 million from third party construction revenue. Operating costs totaled \$1.3 billion at year-end. After taking into account proceeds from sale of assets of \$104.1 million, the resulting operating subsidy requirement at year-end is at \$946.2 million.

As with many public transit organizations across the globe, the enduring impact of the COVID-19 pandemic affected all areas of Metrolinx's business. Over the past year, ridership and revenue recovered lower than assumed in the 2021-22 budget as the province experienced the third, fourth, and fifth waves of COVID-19 cases. Despite the lower ridership and revenue in 2021-22, Metrolinx was able to lower its operating subsidy by leveraging the quarterly forecasting process to inform decisive and strategic responses through the implementation of business improvement plans. In addition, Metrolinx worked with MTO to modify service at the height of the Omicron variant to help mitigate the ridership and revenue impact while providing adequate service level that supports ridership growth and meets changing demand. In 2021-22, Metrolinx remained steadfast in its commitment to find efficiencies and cost savings in order to continue providing essential public transit service to support the region's economic recovery.

Our capital expenditures for the year were \$5.2 billion, to advance a large and growing capital program, including signature projects like the GO Expansion program, the Eglinton Crosstown LRT, Finch West LRT and the Hurontario LRT.

Operational Performance

Ridership & Revenue

Metrolinx's ridership and revenue were impacted by the COVID-19 pandemic. As the pandemic and return-to-work policies continued to evolve, Metrolinx adjusted its strategies to reflect the various changes, informed at all times by public health guidelines.

In keeping with our mandate priorities, our 2021-22 business planning targets to support ridership and economic recovery included implementing a ridership and revenue strategy to re-build customer confidence and attract customers back to public transit. Efforts were also focused on introducing a fare strategy aimed at building off-peak and discretionary travel; improving customer experience; and continuing to deliver non-fare opportunities to maximize revenue.

Metrolinx introduced various initiatives, including the Ready to Ride marketing plan and Weekend Pass promotion. Through these and other campaigns, we saw the start of ridership return, with continuous growth seen from mid-April 2021 until the rise of the Omicron variant in December 2021.

Also, in continued support of the province's efforts to improve economic recovery, Metrolinx engaged the Toronto Region Board of Trade to promote back-to-work plans focusing on targeted and mutually beneficial messaging to transit users. Dedicated outreach was also done with conferences, events and group sales opportunities to position UP Express and GO Transit as the most effective transit options in the region. In addition to completing a partnership with the Ontario Northland Transportation Commission to promote ridership from the north to Toronto Pearson International Airport and downtown Toronto through King City GO Station, Metrolinx also developed meaningful relationships with many downtown businesses through the *Return to Office Program*, designed to incentivize employers and employees to use transit to help stimulate economic recovery.

Proactive Steps Toward Ridership Recovery

At the onset of the COVID-19 pandemic, GO and UP ridership in 2020-21 dropped to 6.8 million, or nine per cent of the pre-pandemic 2019-20 levels. Initial forecast indicated that GO and UP ridership for 2021-22 would rebound to 27.4 million, or 36 per cent of the FY2019-20 ridership. At the close of the fiscal year, GO and UP ridership was 15.2 million, or 20.0 per cent of the FY2019-20 ridership.

This ridership improvement stemmed from Metrolinx's unwavering commitment to safety. Throughout the pandemic Metrolinx implemented various health and safety actions to re-build customer confidence and attract customers back to public transit, reflecting the provincial mandate to support economic recovery and ensure customer safety. We continued our safety focus amidst service adjustments as public health restrictions eased and vaccinations rolled out. Ongoing monitoring of government policies, ridership and customer behaviour trends directly informed our demand-based plans to return service across the network as services continued to be readjusted to support changing customer habits and needs.

Key actions taken to help rebuild ridership and support recovery efforts included making rail and bus service changes that reflected changing customer behaviour, focusing on areas of highest demand and leisure travel/events through spring and summer as restrictions eased. We also strategically introduced service in areas of highest demand, with promotional focus on leisure destinations and weekend travel, where we experienced the strongest recovery. Through research into evolving customer trip purpose needs, we identified an increase in demand for *GO Beyond* destinations (hiking, biking trails, waterfront walks, picnicking locations) all easily accessible by GO rail or bus. Promoting the exploration of various activities and destinations in Ontario led to leisure ridership recovery throughout the year.

We continued safety reassurance through continuous promotion of our safety measures and commitment through our 'Safety Never Stops' integrated campaign. As part of the Ready to Ride framework to support GO and UP Express, more than 45 customer facing initiatives were launched to support returning customers on the network, with tips on how to return to these services as well as using PRESTO again.

A new mainstream and multicultural campaign was launched on UP Express primarily targeting domestic travellers. It yielded positive responses and resulted in over 3.2 million video views and 8.2 million impressions in the first six weeks, and more than 12 million impressions over five ethnic groups and in seven languages, and mainstream online video delivered Facebook post with eight per cent engagement rate.

Supporting Ridership Recovery Through Fare Strategy

Metrolinx's fare strategy focuses on building off-peak and discretionary travel, making transit more affordable, and supporting ridership and revenue recovery and growth.

Fare strategies for 2021-22 were:

- Rebuilding ridership and revenue against the background of the changing customer needs in response to the COVID pandemic.
- Making transit more affordable, especially for younger customers and students, to help encourage the growth of lifelong customers.
- Launching new promotions and programs to provide more reasons to use GO Transit throughout the week and to continue to build off-peak discretionary travel.

Throughout the year, Metrolinx continued to work with the province to implement the outlined fare strategies to help optimize revenue and encourage transit usage across the Metrolinx network. Consistent with our strategy, initiatives promoted among riders included more affordable transit with the introduction of new PRESTO discounts, the launch of 100 per cent co-fare between GO Transit and some local transit agencies, (which allows riders to take local transit to a GO station for free where agreements are in place) and the launch of *GO Affordability Pilot* which reimburses 50 per cent of the GO Transit adult fare to those enrolled in *Peel Region's Affordable Transit Program*.

Enhanced Customer Experience to Encourage Transit Ridership

Customer experience is a key pillar to building customer confidence, especially given the uncertainties that resulted from COVID-19. Metrolinx's focus on customers is driven by research and data, which then inform our decision-making. Throughout the year, our efforts at building our understanding of current and potential customers led to more targeted strategies and the identification and removal of barriers.

Progress was made on key programs and initiatives aimed at incentivizing the return to ridership on GO Transit and building the technology foundation for exceptional customer communication and marketing experience. Examples of actions taken included:

- Adding service frequency where there was demand and offering customers flexibility with changing work and life needs. This included strategically adding service as public health measures relaxed, vaccinations rolled out, weather improved, and commuters and students began returning (in some capacity).
- Continuing to focus on our *Safety Never Stops* campaign, by pulsing in and out of market to reflect changes in restrictions, reassuring those riding that GO Transit and UP Express were doing everything they could to keep customers safe. The campaign included clever paid advertising, continued ad placements throughout the network on our vehicles and in stations, organic social media including quizzes and reminders, web blogs and customer emails. The campaign yielded positive customer results on both GO Transit and UP.
 - GO Transit: In 2021, "safe" became the top brand attribute for GO Transit within its semi-annual brand health tracking survey, the overall awareness of the personal health, safety and cleanliness measures that were put in place by GO Transit increased eight points throughout 2021.
 - UP Express: Perceptions regarding UP Express' health, safety and cleanliness have improved significantly since September 2021. Perceptions were also positive for UP Express' commitment to community safety and the overall safety of riders. Slightly more than two-thirds surveyed agreed with statements about UP Express' focus on health, safety and cleanliness. (Source: *Metrolinx Brand Tracking Study*, January 2022)
- Launching new promotions and programs to continue building off-peak discretionary travel gave customers more reasons to use GO Transit throughout the weekend.

- The Weekend Pass was launched on the GO E-Ticket platform in June 2021. It provided unlimited travel on GO trains and GO buses on weekends and statutory holidays, for \$10 each day or \$15 for the entire weekend.
 - *GO Beyond* campaign reignited leisure travel, as our GTHA communities emerged in a post-lockdown norm. Through this campaign, we inspired people to travel across the region to some of the most exciting destinations and adventures, promoting affordable and convenient offers, such as Weekend Pass, Kids GO Free, and various promotional partnership offers.
 - Niagara Parks Commission Partnership with Metrolinx in June 2021 to provide customers with a convenient travel package to Niagara Falls with special promotion of Niagara Parks Power Station and Journey Behind the Falls. Through the GO/WEGO Combo ticket, customers benefited from round trip GO fare along with hop-on/hop-off bus connection on WEGO, the local Niagara bus system.
- Rigorously tracking, monitoring and reporting on customer behaviours and trends to feed directly into service change decisions. Easing restrictions was identified as a top ridership growth trigger. Service was resized as demand shifted - from easing to growing restrictions. Priority was given to service for leisure travel as restrictions eased, and we continued to track trends with the following highlights providing examples of our findings:
 - GO Beyond campaign:
 - ✓ Weekend recovery showed stronger ridership recovery compared to 2019, when restrictions eased.
 - ✓ In August 2021, a key month for leisure exploration, weekend recovery compared to 2019 was 32 per cent, compared to 18.3 per cent weekday recovery. For the 2021-2022 financial year, weekday recovery is 18 per cent, with weekend at 36 per cent.
 - Targeted promotions and partnerships featuring key leisure destinations showed strong success in 2021 as was seen with Niagara weekend service ridership saw 85.2 percent recovery in August and September 2021.
 - Offering customers flexibility for their changing needs showed that corridors with more frequent service, and off-peak rail service, had the strongest ridership recovery compared to 2019. For example, Lakeshore Corridor recovery 32.2 per cent compared to 2019.
- Deepening our understanding of customer needs through trip purpose research, and ridership analytics helped to inform partnership and marketing strategies, service changes, and customer experience elements across our network. Activities like our trip purpose work gave us an updated understanding of where customers were planning to travel in 2021. Through our research, we found:
 - Our customers were excited about travelling in the region and being able to do more outdoor and exploration activities.
 - School and commute trips were less common throughout the pandemic, with many of our customers relying on GO Transit and UP Express for essential trips.
 - Customers were also looking for flexibility and ease in travel as they wanted to be able to travel spontaneously and with little planning effort - trips to Niagara, downtown Toronto and outdoor locations in general were top of mind.
- We optimized e-ticketing experience for customers so they are able to purchase easier, and faster, as well as find the best fare. E-Tickets aligned with customer needs throughout the pandemic and with infrequent riders for an easy and convenient way to travel to our GO Beyond destinations.
 - In 2021/22 e-ticketing grew to be a strong channel for customers enjoy the experience and convenience with six per cent tickets sold. (Since start of fiscal 796,000 E-Tickets have been sold).
- GO email pilot saw the implementation of modern marketing automation capabilities for GO Transit to deliver richer email content than what was previously possible with email communications. The email pilot introduced a new channel to engage with GO Transit customers, support important messaging including Safety Never Stops, GO Beyond, Weekend Pass, and Youth and Post-Secondary Fare Discounts.
 - As part of the pilot a new, personalized email experience was implemented, tailored according to customer engagement and interests.
 - In assessing email engagement with the GO email pilot, several performance indicators measured above industry averages in its first full year of operation, with subscriber base growing 563 per cent throughout the year.

Delivering Non-Fare Revenue Initiatives to Maximize Revenue

Metrolinx continued its mandate priority to deliver non-fare revenue initiatives. Non-fare revenue includes advertising and partnership revenue, fees collected from transit providers for the use of the PRESTO system, transit-oriented communities' revenue, track usage fees from corridor ownership, interest on working capital, reserved parking fees, and rental of commercial spaces.

We actively focused on exploring innovative opportunities to maximize revenue as well as contribute towards a more sustainable funding for the organization, especially as the economy recovers from the impacts of the COVID-19 pandemic. Initiatives aligned with this mandate area included expansion and transformation of our advertising network by way of digital infrastructure, entering into partnerships, and commercialization of key customer amenities.

In addition to supporting the province's Value Creation Task Force, our work to increase lucrative partnerships and deliver non-fare revenue initiatives continued with keen actions taken to deliver our designated targets including the following:

- Issued a public solicitation for additional billboard development. This new program will further develop the advertising network resulting in additional non-fare revenue in future fiscals once the construction of the billboards has been completed.
- Exploring opportunities to install cellular infrastructure on Metrolinx properties for annual fees and commissions.
- Advancing our goal to identify and acquire new corporate partners and sponsors to support ridership recovery through opportunities around services and amenities. Through these efforts, we successfully delivered a pilot VIP Bus Experience with The Wine Rack in fall 2021 to take customers from Downtown Toronto to Niagara wine region. We also partnered with Clorox for a four-week program and customer communication campaign in December to provide customers with 400,000 complimentary disinfecting wipes on trains to reduce the spread of viruses and germs during the cold and flu season. The campaign gained positive customer feedback. Additionally, we expanded the Purolator relationship during the holiday season shipping rush at Georgetown GO station.
- Pursued business-to-business opportunities through the Return to Office program, promoting Metrolinx as a valued business partner.
- Partnering with special events to drive incremental ridership has proven to be successful strategies and we continued to build on these throughout the year.
- Creating a Metrolinx cross-functional working group to identify innovative opportunities to generate non-fare revenue, or expand current initiatives based on ideas from this working group. For the first time, we kicked off summer/winter parking lot events which saw partnerships for community parking lot initiatives celebrating Tamil Heritage/Culture at Guildwood GO Station, Journey into Enchantment at Meadowvale and Mount Joy GO Stations.
- We also accelerated our retail strategy by going to market with a public solicitation to secure vending partners to deliver a networkwide program, bring new café options at select stations, and create community retail opportunities through Food Festivals and other mobile and temporary retail solutions in station parking lots. Other activities aligned with our retail strategy included:
 - A partnership with Switch Health to open a COVID-19 testing location at upstairs lounge at the UP Express/Union Station allowing customer to have quick access to their COVID-19 test results.
 - The launch of Shoppers Drug Mart vending machines at Union Station Bus Terminal, Burlington GO Station, and Oshawa GO Station helped to bring everyday essentials to GO customers before they board their trains.
 - The GO Wi-Fi Plus continued to be a welcome customer amenity. Continuous improvements to the customer experience and the solution resulted in a 25 per cent reduction in costs.

Operations & Safety

Metrolinx provides GO Transit and UP Express transit services for the region through train and bus services that serve a population of more than seven million across more than 11,000 square kilometres stretching from Hamilton, and Kitchener-Waterloo in the west to Newcastle and Peterborough in the east, and from Barrie in the north to Niagara Falls in the south.

With the impact of the COVID-19 pandemic, the focus of Operations in 2021-22 continued to be supporting ridership and economic recovery and preparing for the future ahead, specifically by:

- Ensuring a safe and secure journey for customers, as well as the safety of Metrolinx employees.
- Adjusting service levels to ensure an appropriate level of service is available to maintain GO Transit as a viable transportation option for customers.
- Optimizing train size and introducing new services to meet evolving customer demand and capture potential customers travelling during off-peak hours.
- Implementing a high-frequency regional express bus network to grow ridership, while increasing the cost-effectiveness for delivering GO Bus services.
- Implementing customer service recovery strategy that focuses on creating a valuable, safe, clean and easy-to-use service to reassure, attract and retain customers.

Enhanced Customer and Employee Safety in Response to COVID-19

Metrolinx continued to make the safety of our customers and employees our number one priority and made investments to further enhance our safety measures as part of the organization's business improvement plans in response to the COVID-19 pandemic. Reflective of the public health guidelines, specific actions that helped to advance our work in this area included:

- On-board enhanced safety measures including maintaining hand sanitizer dispensers, plexiglass seat dividers and a mandatory requirement for customers to wear face coverings on all GO Transit vehicles and UP Express trains.
- Safety products vending machines that dispense personal protective equipment (PPE) were available at select GO and UP Express stations to help keep travellers safe throughout their journey. Customers were able to purchase several different products including disposable and reusable face coverings (for adults and kids), disposable gloves, hand sanitizers, and touchless keychains.
- Employee active health screening requirement for all Metrolinx employees, whether they are office based, frontline facing, or have an operational role, to complete a health screening process before entering a Metrolinx work location, such as offices, facilities and construction/job sites. The health screening requirement included an online active health screening questionnaire and a no-touch automated temperature reader. This requirement also applied to any visitors, integrated contractors, contractors or other persons entering Metrolinx work locations.
- COVID-19 Vaccine Advisory Sub-committee was formed to ensure a coordinated and organized response to the rollout of the COVID-19 vaccine.
- Conversion of eight buses to operate as GO-VAXX bus mobile clinics, delivering over 55,000 doses of vaccinations across Ontario. The GO-VAXX initiative received the American Public Transportation Association (APTA) Bus Safety Gold Award.

Additionally, we continued delivery of high touch-point cleaning on bus and trains as well as at stations throughout most of the year. Integrated cleaning standards were also developed to ensure a consistent and sustainable delivery, so customers feel safe when using Metrolinx services. We also executed a comprehensive review of COVID-19 measures we implemented at the height of the pandemic to ensure we were applying the right measures for the moment.

Providing a Secure Journey to Customers

In addition to enhancing customer safety, Metrolinx is committed to providing a secure public transit experience across the network to foster a safe and positive customer experience. To meet this commitment, over the last year Metrolinx changed its approach to safety, security, and inclusivity including through:

- Building a plan to revamp Customer Protection Services (formerly Transit Safety) to transform the way Metrolinx protects and engages with customers and communities.
- Launching a community and customer engagement survey in June 2021 to ensure a shared vision of safety and security for all.
- Providing conflict management/de-escalation training to front-line employees, equipping them with knowledge and skills to help support a harmonious customer experience.
- Collaborating with stations and marketing teams to put in place a communications campaign aimed at reducing passenger injuries.

Improved Focus on Operational Safety

The scale and scope of the Metrolinx's safety program continues to grow to reflect the increased investment in infrastructure and as we continue our safety transformation journey to provide the safest services, stations and workplaces for our employees, customers, contractors and communities. Progress was made to advance safety initiatives and improve safety performance, and to develop industry-leading safety standards for Metrolinx. In addition to continuing our focus on developing a world-class safety organization, some goals set for 2021-22 included:

- Centralizing all safety reporting through a Safety Management Information System (SMIS), which will consolidate current streams of manual and software-based reporting into one software. SMIS will allow employees and contractors access to report hazards, configure and communicate alerts as well as corrective actions, and will support auditing requirements.
Enhancing Joint Health and Safety Committees (JHSCs) to increase employee engagement in health and safety matters that pertain to their specific workplaces by implementing JHSCs and Health and Safety Representative in accordance with the Occupational Health & Safety Act.
- Developing new standards to improve safety in the railway corridor, including a new Metrolinx Safety Rule Book and Occupational Health & Safety Manual.
- Establishing a new safety governance framework for the GO Expansion On-Corridor Works Project (OnCorr), LRTs, Subway and future Metrolinx projects, which will enhance system and safety assurance.

From the goals set over the past year, Metrolinx achieved the following:

- Low infection rates in our workplaces throughout the pandemic due to our robust but agile COVID-19 response and prevention program. As a result of our safety initiative, Metrolinx was the recipient of two national industry awards from the Railway Association of Canada (RAC) and The American Public Transportation Association (APTA).
- Demonstrating industry leadership and strong safety performance, for which Metrolinx was named Canada's Safest Public Transportation Employer in October 2021 by Canadian Occupational Safety.
- System safety assurance with further advances to Metrolinx's rail safety program including two industry firsts:
 - Metrolinx worked with the Canadian Standards Association (CSA) to develop the Canadian method for risk evaluation and assessment for railway systems (CMREA). The CMREA introduces best practices established and widely implemented in Europe for making any change to a railway system that is technical, operational, or organizational in nature.
 - Metrolinx partnered with the Standards Council of Canada (SCC) to create the Independent Safety Assessor (ISA) for Railway Systems Accreditation Program. Through the Independent Safety Assessor for Railway Systems Accreditation Program, ISAs who have earned accreditation by SCC play a vital role not only for ensuring safety during the design, build and commissioning phases of a project, but also for on-going inspection once a project is in operation.
- Outstanding safety culture - Metrolinx was added to Canadian Occupational Safety's 5-Star Safety Cultures list for its efforts to promote a positive safety culture across the organization through various new policies, programs, and initiatives, including:

- MySafety, Metrolinx's new Safety Management Information System (SMIS), an online platform for the management of safety data to enable more efficient and effective reporting of safety events and investigations, root cause analysis and risk assessments by all staff.
- A Safety Engagement Tour Program requiring a minimum of one safety tour every month by Directors and above to drive safety culture and performance.
- Demonstrated leadership commitment with active engagement and participation of our employees by achieving a 400 per cent increase in Joint Health and Safety Committees and established a Safety Leadership Council.
- Over 15,000 staff and contractors completed the organization's industry best practice Personal Track Safety (PTS) training course
- Introduction of a point-and-call system on GO trains called Shisa Kanko – a system which was jointly worked on with train operators Alstom. Prior to opening and closing train doors, the CSAs will point in both directions and at the same time yell 'clear right, clear left' when the platform is safe to operate the doors – this enhanced operating procedure helping the CSA to be more thoughtful about routine actions like opening and closing train doors.

Adjusting Service Levels to Meet Customer Demand

Throughout the COVID-19 pandemic, Metrolinx's transit service levels were adjusted to align with the significant shifts in travel patterns and lower ridership. Metrolinx continued to sustain lifeline services to ensure customers had reliable transit options by:

- actively monitoring ridership levels and customer behaviour, adjusting train lengths and trip frequency to meet demand and aligning with changing customer habits. This allowed Metrolinx to maintain high quality GO and UP Express service, while balancing cost management.
- introducing a Modular Service Model for GO Rail timetabling, improving agility and responsiveness by shortening service implementation lead times. Modular service introductions allowed the schedule to remain predictable and repeatable.

From June to October, Metrolinx gradually reinstated and increased GO train service, reaching 106 per cent of pre-COVID levels. These adjustments included:

- Resuming – and in some cases, increasing – pre-COVID GO train service levels, including weekday express rail trips on the Kitchener and Lakeshore lines, Barrie and Stouffville weekend service, 30-minute weekend service on the Lakeshore East and Lakeshore West lines. UP Express service increased to a 30-minute frequency.
- Introducing new train service enhancements, including hourly service to West Harbour GO, seven days a week, and piloting expansion of the Kitchener GO line to St. Marys, Stratford, and London in October 2021.
- Piloting GO bus service to the Toronto Zoo on Route 96 and a new express trip between University of Guelph and Square One on Friday and Sunday nights on Route 29.
- Introducing the first regional express bus service operating from Hamilton through to Pickering (Routes 41, 45, 47, 48), plus new service to Brock University (Route 18), the extension of Route 30 to Wilfrid Laurier University and the University of Waterloo and starting GO bus service at the new Kipling Bus Terminal.

Due to a competitive labour market for rail operators and staffing shortages resulting from the vaccination mandate, Metrolinx began reducing select bus and rail services in November and December. In December and into January 2022, COVID-19 cases began to rise again due to the spread of the Omicron variant and Metrolinx, like many other businesses, experienced high rates of absenteeism across the entire organization due to staff illness and isolation requirements. During the December and New Year holidays, these absences caused additional daily rail trip reductions.

With the reintroduction of province-wide safety measures, Metrolinx reduced GO Transit schedules on January 10 and 22. Staffing levels and ridership were monitored through the winter, and, with ridership increasing, the first phase of an incremental approach to service reinstatement was announced in mid-March.

GO Bus Strategy Implementation

With the 10-Year GO Bus Strategy established, the GO Bus Services team has begun the Bus Transformation program. Bus Transformation is a three-year program, that looks to deliver what GO bus customers want – an

easy-to-understand network, with frequencies of 15 minutes or better, that moves quickly and directly to destinations. The network will continue to focus on transit terminals, post-secondary institutions, business centers, and other regional destination. The focus remains on putting bus resources where customers need them and will look to re-allocate resources as GO Bus services are no longer needed – an example of this is GO Expansion, where rail service on the branch lines will increase, and GO Bus will re-deploy to increase frequency on Regional Express Bus Routes. For 2021-22, goals to advance the implementation of the GO Bus Strategy included:

- Continued focus on ridership recovery, through strategic service increases, and the deployment of additional daily resources to meet changing demand resulting in over 6 million boardings.
- Advancement of various projects focused on bus transformation – including the electric bus pilot, bus garage consolidation, and the finalization of a three-year service plan, all with the goal of improving operational effectiveness to enable 15-min service.

Metrolinx also achieved the following progress over the last year:

- Developed the Bus Transformation Program, with over 40 projects, all with the goal of meeting changing customer demand, and continuing to deliver great buses, great drivers and great service.
- Welcomed more partners into the Union Station Bus terminal, extending customer reach from that facility to Kingston, North Bay, Sudbury, Ottawa, London, Montreal, Buffalo and New York City.

Enhancing Customer Service and Meeting Customer Needs

Metrolinx is committed to supporting ridership recovery through enhanced customer service, while providing a seamless, easy-to-use, comfortable customer journey that is relevant to customers' needs and meets customers' expectations. The focus is to increase customer confidence and improve customer experience as they return to taking public transit.

Goals to enhance customer service and meet customer needs in 2021-22 fiscal year included implementing station modernization projects, providing improved access to stations, enhancing and maintaining high standards of cleanliness of customer facilities, and helping customers pay fares effortlessly. We also focused on:

- Optimizing customer service contact centres by reducing call volumes, through first-call resolution and offering alternate contact channels.
- Proceeding with plans to ensure compliance with Accessibility for Ontarians with Disabilities Act, 2005 by or before 2025. To demonstrate our commitment to accessibility and move beyond minimum legislative requirements, Metrolinx has continued to work with a broad range of persons with disabilities through advisory committees and other channels. This includes engaging accessibility advisory committees in Rapid Transit project discussions and holding an Accessibility Virtual Open House (as part of our virtual accessibility consultation) in March 2022.
- Performing a comprehensive review of the Service Guarantee Program and its application to GO Transit and UP Express.

Customer service achievements in alignment with goals for the year included:

- Bloomington GO Station opened in June 2021, extending the Richmond Hill line to provide more customers in York Region with more service options.
- Union Station's Bay Concourse reopened in July 2021 giving GO Transit customers about three times the amount of waiting area inside Union Station: from roughly 40,000 square feet to now more than 123,000 square feet when you combine the York and Bay Concourses. Both facilities will provide a seamless customer experience and more transit options for customers to connect throughout the region;
- In October 2021, the eligibility of Service Guarantee claims was expanded to include all delays except for extreme weather and special events accommodations.
- Extensive cleaning at stations continued. We also actively monitored the performance of our cleaning activities weekly as new COVID variants emerged throughout 2021. This has resulted in a new corporate cleaning standard, which will be implemented in 2022-23 fiscal year.
- Implemented parking capacity improvements at Bramalea, Rutherford, Brampton and Unionville GO stations and by end of fiscal we advanced procurement of a new parking management system and expect to pilot a new parking product that will offer flexible parking options in 2022-23
- Elevator modernization has been ongoing through the Early Stations Improvement Program at Pickering, Burlington, Streetsville, Whitby, and Oakville GO Stations.
- Improvements to platform canopies were made at several stations including Agincourt, Milliken, Unionville, Rutherford, Weston, Malton, Bramalea and Kennedy.

- Launched new fare payment devices on the Metrolinx network with credit/debit functionality to make it easier for customers to pay their fares.
- Simplified PRESTO to apply customer concession fares at the beginning of their trip rather than the end, significantly reducing related calls to the Contact Centre.
- Streamlined the call centre "Interactive Voice Response" system menu to improve customer usefulness, increase self-serve rates while decreasing call volumes.
- Increased promotion about automated self-serve communication tools to allow customers to access real-time service information on request. Implemented PRESTO webchat features on more GO Transit webpages.
- Enhanced the GO and UP websites to include real-time bus information on station and schedule departure pages, the option to buy E-Tickets to trip planning tools and exact PRESTO trip fare when using the Trip Planner
- Improved turn-around time for customer refunds - using Lean principles, the contact centre refund process was made for efficient
- E-bike policy was developed to clarify how and when e-bikes can be used on buses and trains.

Ops Customer Charter

On-Time Performance

For the second consecutive fiscal year, Metrolinx achieved on-time performance targets, delivering reliable service to our customers as they returned to our services. While reduced services and ridership played a role, the year's performance is the result of a series of integrated activities from within operations, the broader Metrolinx organization, and key partners outside of the organization. At the close of fiscal year, Metrolinx's on-time performance across GO rail, GO bus, and UP Express averaged 97 per cent.

Work to support GO rail on-time performance prioritized signalling infrastructure improvements, continuous improvements to winter planning, improved fatality response and minimized disruption due to police investigation, mitigations to crew shortages driven by pandemic, and the management of construction and maintenance activities on the GO rail corridor.

Efforts in GO bus were centred around on-time bus garage departures and first stop arrivals. Performance was monitored at each garage with leadership follow up actions taken with drivers when performance dips were noted. Performance did not fall below 98 per cent for the entire year, exceeding the target of 96 per cent, for both on-time departures and first stop arrivals.

Payments (PRESTO)

PRESTO is Metrolinx's fare payment system used by over four million customers across 11 transit agencies, with the mission to make transit better for all through a trusted and integrated fare payment experience.

Our focus for the 2021-22 fiscal year was to:

- Further modernize the fare payment system with emphasis on enhancing our customer strategy to support ridership recovery through continued implementation of new payment methods and customer experience improvements.
- Build a stronger client engagement model with more dedicated and focused client support for each transit agency to address PRESTO client satisfaction scores and client feedback.
- Strive for long-term financial sustainability through the PRESTO Procurement Program and by exploring additional partnership revenue streams.

PRESTO Customer Strategy

Metrolinx is committed to ensuring an excellent PRESTO customer experience, and consistent with the organization's strategic mandate priority, has continued to invest in customer products and service improvements to enable transit ridership recovery impacted by COVID-19. For the 2021-22 fiscal year, our goal was to continue to build on the previous year's success while focusing on improving the customer experience.

Our efforts and focus on continuous improvement resulted in an average PRESTO Customer Satisfaction (CSAT) score of 81 per cent for the fiscal year. In alignment with our customer strategy, we:

- Launched the pilot of PRESTO Contactless (fare payment with debit and credit) on UP Express; and began testing for the next phase of launch on GO Transit and 905 transit agencies. The launch of this debit payment feature marked a first in Canada and saw over 21,000 credit and debit fare payments in 2021. Through the implementation of contactless fare payments, Metrolinx is ensuring safe transit operations to re-build customer confidence and attract customers back to services impacted by COVID-19.
- Expanded PRESTO E-Tickets beyond Hamilton Street Railway and Durham Region Transit to include Oakville Transit and updated the program to support electronic activation/scanning and inspection (versus visual inspection previously supported). Towards the close of the fiscal year, 265,000 PRESTO E-Tickets had been sold.
- Expanded the distribution network to make PRESTO cards more accessible to transit customers, with the addition of 27 new retail locations in Toronto in the summer and fall of 2021. These additional locations can sell and load PRESTO cards helping to improve coverage and close geographical gaps across the network. There are now over 400 retail locations where PRESTO cards can be purchased and loaded. Throughout the year, priority was given to replacing PRESTO devices that were reaching end of life at retail locations across the GTHA and Ottawa.
- Introduced an average of 41 PRESTO customer experience enhancements each month in 2021. Some notable changes included updates to PRESTO fare device screens on TTC so that they show more details such as fare paid amount, account balance, and transfer time remaining, a website refresh to ensure customers can more easily find information (including new videos on topics such as how to set a default trip), an update to the devices across 905 agencies, GO Transit, and UP Express to improve clarity of where customers should be tapping, and a PRESTO app update to include new features such as "check balance" on the home screen. Metrolinx also added a new three-tone child fare sound to PRESTO devices across the TTC and early results showed that fare evasions using a PRESTO card with a child concession dropped by more than 80 per cent.
- Expanded PRESTO Perks, a program that provides discounts to PRESTO cardholders at attractions and events. Partners of the program now include Black Creek Pioneer Village, Museum of Contemporary Art, Toronto Arrows, Reptilia Zoo, Toronto Symphony Orchestra, Great Wolf Lodge, Art Gallery of Hamilton, Royal Botanical Gardens, Toronto Zoo, Ontario Science Centre, Royal Ontario Museum, Hockey Hall of Fame, and the Aga Khan Museum.
- Introduced Fare and Service Integration initiatives, including 100 per cent co-fare discount on municipal 905 transit when connecting with GO Transit using a PRESTO card, increased the GO youth concession discount from 23 per cent to 40 per cent for PRESTO cardholders, and launched a two-year GO

affordability pilot to provide PRESTO customers with a low-income concession of 50 per cent rebate off GO fares.

PRESTO Customer Charter Results for 2021-22

Promise	Measure	Target		Actual
To Do Our Best To Be On Time.	We will ensure that 99.9% of all customers transactions are available to be viewed online by the next day.	99.9% or higher	100%	✓
To Always Take Your Safety Seriously.	We will ensure that safeguards are in place to ensure customer accounts and information are secure	Full Compliance	100%	✓
To Keep You In The Know.	We will ensure our customers are satisfied with our communications around service interruptions (80% or higher on the bi-annual customer satisfaction survey).	80% or Higher	74%	✗
To Make Your Experience Comfortable	We will do our best to make sure we have 40 or fewer complaints per 1,000,000 taps (excluding transfers).	40 or Fewer	15.7	✓
To Help You Quickly and Courteously.	We will ensure that 80% of calls are answered within 30 seconds or less.	80%	88%	✓
	We will ensure that 80% of web inquiries are resolved within two business days.	80%	98%	✓

Building Stronger PRESTO Client Engagement

Metrolinx continues to work together with transit agencies and partners to implement customer and client initiatives that will deliver an excellent fare payment experience and value across the region.

For the 2021-22 fiscal year, Metrolinx's priorities were to drive continued PRESTO improvements through system enhancements, the implementation of new forms of payment, and the rollout of new PRESTO devices.

Significant progress was made on several priorities. Specifically, the team:

- Exceeded our network-wide PRESTO payment equipment availability rate targets, which is foundational to ensuring strong PRESTO client and customer satisfaction and brand reputation. Overall, availability for payment devices was 99.88 per cent, and load machines was 99.82 per cent, for a blended average of 99.85 per cent. Tremendous effort was also placed on enhancing TTC payment device performance which resulted in availability improvements from an average of 99.1 per cent to 99.75 per cent.
-
- Provided the PRESTO University Pass (U-Pass) to students from McMaster University, Redeemer University, and Mohawk College for use on HSR in Hamilton, as well as Durham College, Ontario Tech University, and the Trent University GTA Campus for use on DRT in Durham. These semester-based transit fare passes were provided to ~60,000 students using a combination of traditional PRESTO cards, and the PRESTO E-Ticketing platform in which students used the PRESTO E-Ticket app on their phone when taking transit.

- Completed the PRESTO device refresh program with GO Transit, UP Express, and 905 transit agencies in May 2021. This final phase of the project included the delivery of nearly 200 new and improved fare payment inspection devices across GO Transit, York Region Transit, MiWay, and UP Express that can detect payment with a PRESTO card or with contactless credit/debit payment.
- Improved accessible transit for customers through continued expansion of the Mobile Fare Payment App (MFPA) on paratransit and specialized transit services. Following the rollout on TTC paratransit vehicles and third-party sedan taxis in 2020, the MFPA has now been expanded to paratransit and specialized services in Hamilton and Oakville.

PRESTO Sustainability

To ensure a modern fare payment experience and drive long-term financial sustainability, Metrolinx kicked off its transformational PRESTO Procurement Program to support the future of the PRESTO system.

The PRESTO Procurement Program will replace the services and systems currently provided by Accenture with new contracts. The goals of the program are to reduce costs, improve outcomes for customers and clients, enhance future agility, and ensure access and equity.

In 2021-22 a Request for Information was completed to gauge market interest in the program followed by the release of Request for Supplier Qualifications for two of the key components of the PRESTO system - the Automated Fare Collection System lot and System Integration Services lot. The results of the RFSQ determined the short-listed vendors to be invited to participate in the Request for Proposal process.

In addition to the PRESTO Procurement Program, teams also began exploring additional partnership revenue streams to support financial sustainability. This kicked off with an Expression of Interest that was released to market in the spring of 2021. Commercial negotiations took place with proponents throughout the year, with the goal to launch publicly in 2022.

Capital Projects

During the 2021-22 fiscal year Metrolinx continued to advance the largest transit expansion program in Canadian history. With \$5.2 billion in capital investment delivered, 2021-22 represented a new record for the value of work implemented in a single fiscal year, and project achievements across the region ensured we are on track to exceed these figures in the years to come. With hundreds of varied capital projects moving through their various stages – planning, procurement or construction – different types of milestones were marked ranging from initial market engagement to new station completions and commissioning.

Metrolinx's capital portfolio is comprised of three major capital flagship programs:

- **GO Expansion**, which aims to transform GO rail from a limited commuter-oriented system to a world-class regional rail network. The core GO Expansion program consists of packages of Early Works, Off-Corridor and On-Corridor Works, and it is complemented by investments to extend service levels on the outer network and add new stations;
 - **Subway projects**, which will provide reliable and seamless transit options connecting to the existing TTC network, numerous connections to the GO network and municipal transit operators, and provide rapid transit access to previously underserved neighbourhoods through the building of Scarborough Subway Extension, Ontario Line, Yonge North Subway Extension and Eglinton Crosstown West Extension.
- Rapid Transit projects**, including three Light Rail Transit (LRT) projects well into construction across Toronto, Mississauga and Brampton, the Hamilton LRT in pre-procurement, capital projects in support of GO bus services, and potential future Bus Rapid Transit (BRT) projects being planned for the Greater Toronto Area.

GO Expansion

Metrolinx is committed to transforming the existing GO Transit rail system to offer a frequent all-day, two-way electrified service on core segments of the network through the GO Expansion program. Capital costs associated with the GO Expansion program are drawn from a combination of a GO Rail Expansion budget category in addition to those for State of Good Repair (SOGR) and Optimization and Expansion (O&E) for existing assets. Metrolinx invested approximately \$1.2 billion in the GO Expansion program, including investments in SOGR and O&E, to advance numerous projects to enhance the rail network and related passenger facilities. The implementation of the GO Expansion Program is divided into different packages of work, based on when and how the infrastructure is required.

Early Works

Early Works is a suite of projects that will prepare the rail network for the implementation of the subsequent Off-Corridor and On-Corridor packages. These works include utility relocations, grade separations, track work and modifications, grading, retaining structures, noise mitigation measures, and upgrades to bridges, stations, and signalling and communications infrastructure.

Seven projects within GO Expansion Early Works use the design-build-finance (DBF) contracting model, a form of public-private partnership. To deliver these projects, Metrolinx has worked seamlessly with Infrastructure Ontario as the procurement advisor through an integrated team model. Two projects, improvements to Cooksville GO Station and the new Kipling Bus Terminal, achieved substantial completion prior to 2021-22 and further advanced to closeout this year. The Highway 401/409 Tunnel project reached substantial completion in July 2021. Three contracts – Davenport Diamond Rail Grade Separation, Stouffville Stations and Grade Separation, and Rutherford GO Station and Grade Separation – continued to progress through construction. The seventh DBF contract, the Lakeshore West Corridor Infrastructure Improvements Project, achieved contract award in February 2022 and moved into implementation.

Metrolinx continued to deliver other early works through traditional procurement methods, such as Design-Build (DB) and Design-Bid-Build (DBB) contracts, including but not limited to Stouffville Second Track and Signals, Lakeshore East West Corridor Expansion, Barrie Corridor Expansion, Old Elm Station Replacement and significant improvements at Bloor Station. Metrolinx also continued to advance modernization and improvement of passenger facilities at more than 29 existing stations through a DB contract for Early Stations Improvements that was executed in January 2019 and is expected to reach substantial completion in 2022-23. Ongoing work will also incorporate routine annual maintenance investments of fixed assets, like surface parking, stations, and operating

facilities.

Within the 2021-22 fiscal year, the GO Expansion Early Works package began to deliver benefits to customers across the region. Several projects within this package initiated during the first years of the GO Expansion program entered service:

- Completion of our first all-new GO station in four years:
 - Bloomington GO Station opened on June 28, providing more transit options for customers in Richmond Hill, Aurora and Whitchurch-Stouffville.
- Improvements to existing stations:
 - Construction to enhance accessibility and safety features at Port Credit reached the finish line in July.
 - Bramalea GO Station Parking Garage opened to the public on September 13.
- Interim completions for multi-year construction projects:
 - Customers began using new station buildings at Agincourt and Rutherford stations as major reconstruction projects entered their final stretches.
 - New road underpasses carrying Steeles Avenue and Rutherford Road under our railway lines opened, easing travel for drivers, cyclists and pedestrians in the vicinity of our stations.

A significant portion of the GO Early Works package entails improvements at Union Station. There were many transitions for the heart of the regional transportation network in 2021-22. Key developments included:

- Renovations to the Bay East Teamway were completed and reopened to the public in May 2021.
- The Bay Concourse reopened to the public on July 27, boasting a new retail space beneath it, expected to serve thousands of customers as people return to transit.
- The Union Station Enhancement Project (USEP), the first project in the Canadian transport sector to use the Alliance contracting model, completed a successful Development Phase with the submission of a proposal at the end of September 2021; the collaboratively developed proposal was worked on by a team of Owner Participants and Non-Owner Participants who worked together to mitigate risks and reduce costs. In January 2022 the Project Alliance Agreement was executed, moving this multi-year project into the next stage with construction of a new South Concourse for Union Station beginning within days.
- Two nine-track signal bridges and one two-track signal cantilever structure were installed in August.

Off-Corridor

In 2021-22, the Existing Stations Renovations projects made demonstratable progress, with further refinement of scope and design undertaken to achieve readiness to seek contractors in 2022. This is the largest component of the Off-Corridor package focused on renovations at existing stations on the GO network, including upgrades to station buildings, platforms, signage, bus loops, parking, accessibility, and passenger pick-up and drop-off facilities.

On-Corridor

A key component of the delivery of the GO Expansion Program is the On-Corridor Works required to deliver the enhanced service levels outlined in the Full Business Case for GO Expansion. On-Corridor Works are being planned to be primarily delivered through an innovative Progressive Design-Build-Operate-Maintain contract, often known informally as “OnCorr”. The scope of the package includes:

- Operation of train services.
- Timetable planning, train control and dispatch for all operators across the GO-owned network.
- Servicing and cleaning, refurbishment, maintenance, and lifecycle renewals of all rolling stock and procurement of new rolling stock.
- Design, build, integration, and maintenance of the railway corridor (civil infrastructure, tracks, electrification, signalling).
- Construction of new maintenance and train storage and/or layover facilities.
- Reconstruction of Union Station track and platforms.
- Compliance with Metrolinx safety, security, and emergency management policies.

Procurement for OnCorr was a multi-year process which moved into its final stage with receipt of two compliant proposals on November 30, 2021 from large integrated consortia bringing together experienced international firms with local partners. These proposals were evaluated in detail and in February 2022 Metrolinx announced it had selected ONxpress Transportation Partners as the First Negotiations Proponent. In the final months of the

fiscal year, Metrolinx engaged in final negotiations with ONxpress, marking a significant milestone in the procurement phase of GO Expansion program.

GO Extensions and SmartTrack Stations

In 2021-22, investments of approximately \$64.7 million were made towards GO Transit improvements beyond the core GO Expansion Program. These projects, funded through parallel government funding commitments, complement GO Expansion investments to improve the quality and quantity of service by bringing the benefits of GO to new markets and communities.

The GO Extensions group of projects include the Bowmanville extension on the Lakeshore East corridor, improvements to the outer portions of the Kitchener corridor to facilitate two-way-all-day service, and new infrastructure to support more frequent train service to Niagara Falls on the Lakeshore West corridor. These projects involve close collaboration with private freight railway partners and are subject to successful negotiation. Key achievements in 2021-22 included the award of a significant contract to renew and expand the Guelph subdivision, a section of railway corridor that Kitchener line trains run over, and selection of the Construction Management at Risk (CMAR) model for the Bowmanville extension in concert with significant advancement of design.

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 more transit options to communities not traditionally served by regional rail. Through an agreement reached with the City of Toronto in 2021, five new stations will be added to the network. Three – King-Liberty, Finch-Kennedy and St.Clair-Old Weston – are to be delivered using the Construction Manager at Risk (CMAR) model. Metrolinx initiated their procurements with a Request for Proposal (RFP) released in August 2021. Procurement also advanced for Bloor-Lansdowne, with a statement of qualification (convention design build) also released in August 2021. The fifth SmartTrack station, East Harbour Transit Hub, will function as an interchange for GO Rail, the Ontario Line, and the future planned extension of the TTC's Broadview Streetcar. Key 2021-22 activities included further advancement of design and the selection of the Alliance contracting model.

Subway Projects

Metrolinx continued to make progress on advancing the provincial mandate for subways in 2021-22. The first ground was broken this fiscal year and by the end of March 2022 the program could demonstrate significant visible construction activities across the region ranging from a completed tunnelling site in Mississauga to extensive demolition underway in parts of downtown Toronto to prepare sites for future stations. Other key areas of activity were sensitive management of a large volume of property acquisitions and extensive engagement on critical agreements and permits with municipalities and utility partners. Meanwhile, a carefully planned series of procurements moved through various in-market stages, setting the stage for even more progress in 2022-23 and beyond. Throughout the year, Metrolinx met extensively with a variety of important partners, including with associations of residents and businesses along the alignment to minimize local impacts, with representatives of riders with disabilities to ensure accessible design elements are appropriately incorporated into these projects, and with adjacent landowners, developers and infrastructure owners to coordinate for effective delivery.

Ontario Line

This new 15.6 kilometre subway line running from Ontario Science Centre to Exhibition/Ontario Place had its official groundbreaking ceremony in March 2022, following the award of a contract for the Exhibition station. This followed significant advance works along the alignment throughout 2021-22, including demolitions at future station sites and work to prepare the railway corridor to be used jointly by Ontario Line and GO trains for construction. The entirety of 2021-22 consisted of an in-market period for two of the project's largest P3 procurements, with Metrolinx and Infrastructure Ontario further engaging with the competing bidders as they worked to develop their responses to the Requests for Proposals (RFPs) issued in December 2020 for the Southern Civil, Stations and Tunnel, and Rolling Stock, Systems, Operations and Maintenance (RSSOM) contracts that are set to close in 2022. To ensure environmental impacts of the project were effectively mitigated, early works reports were completed for several scope elements and the project's main environmental clearance document was also prepared and released in February 2022.

Yonge North Subway Extension

The final alignment of this approximately eight-kilometre project was publicly announced in December 2021,

having been further refined since the March 2021 release of the Initial Business Case. December 2021 also saw the release of the Finch Early Works RFQ with construction on the early works at Finch Station expected to start in fall 2022. In addition, the draft Environmental Project Report Addendum was released in February 2022.

Eglinton Crosstown West Extension

The advance tunnel contract for six kilometres of tunnelling between Renforth and Scarlett reached financial close in May 2021. Launch site preparation works began rapidly with the official ground-breaking in July 2021, and in parallel, tunnel boring machine (TBM) supplier Herrenknecht fabricated and tested the TBMs at its facility in Germany for both this project and the sister advance tunnel contract for the Scarborough Subway Extension. The TBMs were shipped across the Atlantic over the winter months, arriving at the ports of Oshawa and Hamilton and then delivered and assembled at the shafts at their respective projects by the end of the fiscal year. Procurement also commenced in 2021-22 for contracts to construct a shorter 500m tunnel segment between Jane and the future Mount Dennis Station, and an approximately 1.5 kilometres km elevated guideway between Scarlett Road and Jane Street. In addition to regular community engagement work, Metrolinx also consulted with the Advisory Committee for Accessible Transit on incorporating accessible design elements into this project.

Scarborough Subway Extension

This 7.8km extension will be a three-stop addition to the TTC's Bloor Danforth Line 2 from the existing terminal at Kennedy Station. The advance tunnel contract was awarded in May 2021 and uses a Design Build Finance (DBF) model. Procurement of the Stations, Railway and Systems (SRS) Progressive-Design-Build (PDB) contract commenced with a Request for Qualification (RFQ) in September 2021 and a Request for Proposals (RFP) in February 2022. The Scarborough Subway Extension officially broke ground in June 2021. The TBM has arrived and is being assembled at the launch site, with tunnelling anticipated to begin in summer 2022

Rapid Transit Projects

Eglinton Crosstown LRT

The construction of the Eglinton Crosstown LRT project is nearing completion. Throughout 2021-22 the underground station work shifted from heavy civil construction to the installation of finishes, fit-out and commissioning activities. Final pieces of track in the 19km alignment between Mount Dennis station in the west and Kennedy Station in the east were installed in November 2021. Vehicle testing over the surface commenced in summer 2021 and all 76 vehicles were received at the maintenance and storage facility, with the final vehicle arriving on December 24, 2021.

Finch West LRT

Throughout 2021-22, construction footprints advanced along the corridor. Milestones included delivery of the first LRT vehicle to the maintenance and storage facility in July 2021 and energization was achieved on September 13, 2021, with the first of two feeds from Toronto Hydro power supply providing permanent power to the site. Additionally, excavation significantly advanced at Finch West subway station and trenched segment near Humber College.

Hurontario LRT

The Hurontario LRT project is being delivered through a Design-Build-Finance-Operate-Maintain (DBFOM) contract, which was awarded to Mobilinx in October 2019. Construction on the operation's maintenance and storage facility for the Hurontario LRT progressed significantly in 2021-22 with the building fully enclosed, rail installation commencing and completion of utilities relocations. At Port Credit station, "push box" also advanced in preparation of sliding the LRT's guideway under the Lakeshore West line.

Hamilton LRT

In May 2021, the Government of Ontario, along with the federal government, announced a commitment of up to \$3.4 billion towards the capital construction of a 14km LRT in the City of Hamilton, extending from McMaster University to Eastgate Square. In September 2021, a Memorandum of Understanding (MOU) was formally signed by the City of Hamilton, Metrolinx, and the Ministry of Transportation. Further, a regulation came into force on September 28, 2021, to prescribe the Hamilton LRT as a priority transit project under the *Building Transit Faster Act, 2020* to streamline project delivery and support accelerated completion of the Hamilton LRT.

Advancing Other Future Projects

In addition to the rapid transit projects noted above, consistent with its mandated strategic priorities, Metrolinx continued to partner with municipalities, municipal transit agencies, and Indigenous partners in advancing the planning and preliminary design work of several other potential future projects – including:

- Durham-Scarborough Bus Rapid Transit - Transit Project Assessment Process (TPAP) and Preliminary Design Business Case for 36km of Bus Rapid Transit linking Scarborough Centre with Pickering, Whitby, Ajax and Downtown Oshawa was completed on January 20, 2022. A Notice of Completion of the Environmental Project Report (EPR) was issued advising of a 30-day public review period commencing on January 21, 2022. This was followed by a 35-day Minister's review period. Minister's Notice to Proceed with the transit project was issued on March 28, 2022.
- Dundas Street Bus Rapid Transit and Priority Bus - TPAP and Preliminary Design Business Case for 45 kilometres of enhanced bus infrastructure linking Toronto, Mississauga, Oakville, Burlington and Hamilton was completed for the Mississauga East segment of the project and a Notice of Completion of the Environmental Project Report (EPR) was issued advising of a 30-day public review period commencing on February 23, 2022. This was followed by a 35-day Minister's review period. Minister's Notice to Proceed with the transit project set to issue at the start of the 2022-23 fiscal year.
- Brampton Queen Street/Highway 7 West Extension Bus Rapid Transit - Procurement was initiated for the TPAP and Preliminary Design Business Case for 20 kilometres of Bus Rapid Transit linking Downtown Brampton and Vaughan Metropolitan Centre. The work is expected to start in May 2022, with public consultations scheduled in 2022-23.

Transit-Oriented Communities

In delivering major capital infrastructure projects, including Ontario's new Subway Transit Plan for the Greater Toronto Area, Metrolinx is working together with the Ministry of Transportation (MTO), Ministry of Infrastructure (MOI), Infrastructure Ontario (IO) and third parties to deliver high density, mixed-use, integrated development at stations through the Transit Oriented Communities (TOC) program. Metrolinx supports TOCs and other partnership opportunities under the following work streams:

- Market Driven - Third party designs, funds, and constructs transit infrastructure.
- Joint Development - Market offering to enable development that includes transit infrastructure.
- Dispositions - Market offering to enable development.
- Entrance Connections - Development connecting directly into transit infrastructure at, above or below grade.

This approach enables Metrolinx to leverage benefits from third-party investments to reduce public funding for transit expansion, to offer new opportunities to deliver more transit services faster and at a lower cost to taxpayers, while also encouraging transit ridership, to increase access to housing and jobs, to catalyze complete communities based on good planning principles, and to stimulate the economy through major projects for years after the pandemic.

The TOC program and other partnership opportunities provide possibilities to work with the private sector to generate value resulting from private investment in transit. By achieving the TOC program goals, Metrolinx is pursuing a more market-oriented approach to deliver the broader Metrolinx mandate.

TOC Progress

Over the past year, Metrolinx made progress in delivering components of the TOC program, including:

- Successfully executed agreements to partner with private sector on development opportunities.
- Accelerated property demolition work and site remediations to avoid costs, reduce risks and enable potential future revenue possibilities, while successfully relocating tenants to allow for planned construction and development opportunities.
- Secured more than \$100 million in revenue from sale of assets, leases, licenses, and easements.

Regional Transportation 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, which was published in March 2018, serves as Metrolinx's guiding document and blueprint to achieving this wide-reaching regional mandate. Through guidance from the 2041 RTP and the recently published Ministry of Transportation's Multimodal Transportation Plan for the Greater Golden Horseshoe, *Connecting the GGH: A Transportation Plan for the Greater Golden Horseshoe*, Metrolinx is:

- Advancing implementation of 2041 RTP key transit goals.
- Simplifying fares and integrating service in the region.
- Making transit more sustainable.
- Improving customer access to stations.

Through the implementation of the 2041 RTP, Metrolinx is committed to improving the quality of life, environment, and economy of the GGH by providing even more people with easier access to fast, frequent, and reliable transit.

Advancing Implementation of 2041 RTP

Highlights of key actions that advanced the implementation of the 2041 RTP in the 2021-22 fiscal year include:

- Working with the Ministry of Transportation to implement the transit components of the multimodal transportation plan for the Greater Golden Horseshoe, *Connecting the GGH: A Transportation Plan for the Greater Golden Horseshoe* which was released in March 2022, and incorporating the Plan into Metrolinx's work where appropriate. This includes a consideration of the appropriate scope and timing of any changes to the 2041 RTP that would be presented to the Minister of Transportation for review and approval.
- Researching, collecting data, and developing an understanding of the COVID-19 impact on travel behaviour and transit mode choice decisions that may impact transit ridership and choices in the medium- to longer-term (i.e., 2031 and beyond). This includes the development of planning scenarios that examine long-term changes in telework, auto ownership, and firm and residential location decisions and will be considered in future business cases.
- Documenting, measuring, and taking a 'pulse check' on the progress of 2041 RTP, including a detailed accounting of the status of each priority action, measuring key performance indicators and identifying opportunity areas.
- Proceeding with the Annual Review of Metrolinx Prioritization Framework, working closely with municipal stakeholders and the Ministry of Transportation, including additional projects from the expanded GGH mandate area as well as MTO's GGH Transportation Plan.
- Delivering robust and rigorous evidence-based business cases for major public transit infrastructure investments that meet industry best practices to support decision-making, in line with recommendations from the 2018 Auditor General Annual Report.
- Defining consultation principles to engage with Indigenous nations in the early stages of the project lifecycle.
- Advancing micro-transit and on-demand transit across the region by supporting MTO in determining opportunities and piloting programs.
- Developing first-mile / last-mile solutions with MTO, municipalities and other partners to provide additional transit opportunities and connections to GO facilities, including through the piloting of new technologies.
- Developing options and a business case informed analysis of a regional Priority Bus program; the analysis of economic cost and benefits of transit priority measures on three potential priority bus corridors, and the analysis of late-night transit service gaps and opportunities.
- Identifying planning strategies to improve transit access, equity and security for vulnerable users and customers with disabilities, as well as to improve outcomes for Black, Indigenous and People of Colour as well as low-income households.

Metrolinx finalized key deliverables related to critical priority actions of the 2041 RTP, including:

- The completion of the Airport Area Transportation Study in partnership with the Greater Toronto Airports Authority (GTAA), as well as the finalization and publication of business cases for key Frequent Rapid Transit Network (FRTN) expansion projects through the project lifecycle, including funded projects like the Ontario Line, Yonge North Subway Extension, Scarborough Subway Extension and Eglinton Crosstown West Extension, as well as unfunded projects including the Dundas Street BRT, Durham-Scarborough BRT, and the Brampton Queen Street/Highway 7 West Extension BRT. Detailed work, including mid-term and post-project evaluations to validate the original business case and gather lessons learned through activities such as analysis of route, stations and stops, and ridership. This evaluation will help with developing business cases for subsequent stages of the project lifecycle and inform decision making.

Simplifying Fare and Integrating Service in the Region

The 2041 RTP focuses on providing a seamless transit experience for travellers through integrated fares, payments, services and schedules. In consultation with municipal transit agencies and MTO, Metrolinx is undertaking work to support improved fare and service integration in the GTHA both individually and as part of regional working groups.

Fare and service integration continues to be an important part of the Metrolinx mandate and is vital to the creation of a seamless regional transit network. In the post COVID-19 context, Metrolinx recognizes the potential that fare and service integration offers for ridership recovery and the opportunity for structural change.

Fare and service integration initiatives implemented include:

- Launch of the 100 per cent co-fare program in March 2022, enabling free local transit trips to GO on most systems.
- Launch of the GO Affordability program in March 2022 to provide reduced cost GO trips for low-income concession holders.
- Working with local transit agencies to identify integration gaps and pilot improved approaches to cross boundary service operation.
- Supporting local transit agencies across GGH with harmonization concession definitions and of concession setting policies, with a goal of creating a consistent concession experience for customers across the region.
- Developing a set of recommended approaches for a long-term regional fare integration structure.
- A robust analysis of the current opportunities for integration and system efficiencies is in process and options to advance positive opportunities are being modelled.

Making Transit More Sustainable

Sustainability is one of Metrolinx's key organizational priorities and is embedded throughout our core functions. Our sustainability efforts put people first, and our approach is to consider all stakeholders, communities, rights-holders, Indigenous Nations, and including future generations, in our business decisions. Our goal is to ensure our long-term viability as a business and as an organization by reducing our environmental footprint, strengthening our economic bottom-line and enhancing our responsibility to our customers, employees, and communities.

Throughout 2021-22 key actions undertaken to advance implementation of Metrolinx Sustainability Strategy were:

- Completion of a five-year sustainability performance report, to enhance transparency and monitor key environmental and social impacts. (See Appendix B for Metrolinx's Global Reporting Initiative (GRI) with more details on the organization's environmental, social and governance disclosures).
- Following the publication of the "Sustainable Design Standard" DS-05 in February 2021, the priority has been to roll it out to projects, to inform a variety of requirements including water and energy use, GHG emissions and waste diversion. Metrolinx also published its first DS 25 "Climate Change Informed Data Standard" in June 2021.
- Developed a Sustainable Procurement Program including a Vendor Code of Conduct, and a Supplier Diversity component to increase procurement opportunities for Indigenous-owned, and diverse suppliers, and apply Environment, Social, and Governance (ESG) criteria in the evaluation of large procurements.

- Metrolinx was recognized for its work in sustainability with an award for being one of Canada's Greenest Employers, for the fifth year in a row.

Greenhouse Gas Emissions and Criteria Air Contaminant Data

Metrolinx has been calculating Greenhouse Gas (GHG) emissions and Criteria Air Contaminants (CAC) since the 2012-2013 fiscal year and has established that reporting period as the baseline year for ongoing monitoring. Since 2019, Metrolinx has publicly disclosed Scope 1 and 2 Greenhouse Gas Emissions and Criteria Air Contaminants, first using 2017-2018 reporting data. Scope 1 Greenhouse Gas Emissions refer to direct emissions resulting from diesel, natural gas, and gasoline consumption, while Scope 2 Greenhouse Gas Emissions refer to indirect emissions resulting from purchased electricity. The GHG emissions and CAC inventory includes GO Bus, GO Rail, UP Express, Non-Revenue Fleet, and Facilities. CAC emissions include nitrogen oxides (NOX), sulfur oxides (SOX), particulate matter (PM10), carbon monoxide (CO), volatile organic compounds (VOC), and hydrocarbons (HC).

The table below provides a summary of the GHG and CACs for the 2020-2021 fiscal year, alongside previously reported years. As shown in the Table, GHG emissions and CACs significantly decreased as a result of transit service reductions that responded to the COVID-19 pandemic and its effects on regional travel.

	2017-2018	2018-2019	2019-2020	2020-2021 ¹	Unit
Direct (Scope 1) GHG Emissions	239,669	269,139	281,371	144,108	tonnes of CO2e
Energy Indirect (Scope 2) GHG Emissions	4,793	2,464	4,622	5,257	tonnes of CO2e
Total CAC Emissions	2,003,844	2,332,755	2,218,794	1,074,789	kg

¹ Consistent with previous Annual Reports, the GHG and CAC emissions are reported for the previous fiscal year. This reflects data reporting lags and the time required to process the source data.

Improving Customer Access to Stations across the Region

As part of the 2041 RTP's focus to plan for the first and last mile solution for transit riders, Metrolinx is committed to providing multimodal options. The 2016 GO Rail Station Access Plan was developed with a focus on improving access to public transit by providing options for customers to get to GO stations, such as by walking, using local transit, cycling, passenger pick-up and drop-off (PPUDO) and carpooling, and to reduce dependency on single-occupancy vehicles.

In the 2021-22 Business Plan Metrolinx's goals to continue evolving the Station Access Plan included:

- Updating the Station Access Plan to 2041, incorporating new policies and current data and will outline an implementation framework.
- Developing first-mile/last-mile technologies and solutions: Metrolinx committed to working with local transit agencies to identify opportunities for improved station access. This includes a new Mobility Testing Program where Metrolinx is partnering with a number of local transit agencies to understand whether on-demand service can encourage customers to take transit by improving access to GO rail stations. In 2021-22, Metrolinx also committed to working with Durham Region Transit to pilot a new on-demand service pilot program serving the Pickering GO Station.
- Supporting MTO to develop strategies to improve access, equity and security outcomes of vulnerable transit users within the Metrolinx transit network related to broad government priorities such as accessibility, addressing Anti-Black Racism, and improving outcomes for Indigenous peoples.
- Providing new reserved parking options for a safe return of customers with a new type of temporary parking deck proposed to be piloted at Whitby GO Station.
- Installation and programming of new secure bike parking structures at 14 GO stations;
- Station access upgrades at nine GO stations will be completed; including new walkways and plazas, new bus loops, bike and car parking, and new PPUDO locations.
- Installing consistent signage at the new Bay Concourse and the new Union Station Bus Terminal to ensure a seamless and cohesive customer experience.
- Leveraging the new Way to GO carpooling tool in the post-COVID-19 recovery strategy to attract new and existing GO customers to carpooling to their station as ridership rebounds.

Metrolinx is cognizant of the success of station access initiatives and the positive results they can deliver in reducing dependence on single occupancy vehicles to get to GO stations. Some achievements towards improving customer access to stations include:

- Completing, delivering or planning for more than half of the on-site infrastructure improvements identified in the 2016 Station Access Plan are now either completed, in delivery, or in plan.
- Reopening of Bay Street Pedestrian Walkway at Union Station to provide an important connection to the Union Station Bus Terminal and CIBC square and completion of Kipling Transit Hub that provides seamless customer connection with three transit providers - GO Transit, MiWay and TTC.
- Implementing a suite of small but impactful, rapid station access improvements at five pilot stations (Oakville, Ajax, Mount Pleasant, Aurora and Long Branch) with a focus on walking, cycling and wayfinding. Insights and lessons learned from the pilots may inform future station improvements across the network.
- Partnering with several agencies to test and introduce in the Whitby Autonomous Vehicle Electric (WAVE) shuttle as part of an autonomous vehicle pilot. With connections to Whitby GO Station and Durham Region Transit, this pilot marked the first time in Canada that an autonomous shuttle and smart infrastructure was fully integrated into an existing transit service. The shuttle pilot ended in December 2021 following a single-vehicle collision while operating in manual mode. The incident will provide regulators and transportation authorities with valuable lessons learned when considering future trials of automated vehicle technology.
- Partnering with York Region to connect residents to Aurora, East Gwillimbury, and King City GO Stations through the Mobility On-Request on-demand rideshare pilot program. The pilot will also be carried out at Rutherford and Maple GO Stations in partnership with York Region Transit and the City of Vaughan.

Metrolinx Corporate (Internal)

Over the last year, Metrolinx's internal support functions have driven efficiencies and organizational improvements that help promote ridership recovery, deliver large and complex capital projects, and prepare for a new public transit environment post COVID-19. In 2021-22, Metrolinx's internal support functions were focused on continuing to find efficiencies and improvements to help the organization fulfil its strategic objectives. These efforts include:

- Building a strong and capable workforce to deliver the organization's vision, mission and strategic priorities.
- Advancing information systems and technology that are capable of effectively supporting the delivery of transit services to its customers.
- Developing an effective communication plan that supports all teams across Metrolinx in maintaining and improving Metrolinx's reputation as a trusted business and community partner.

Building a Strong, Capable and Inclusive Workforce

Metrolinx is ensuring that the capacity and capability of our workforce is consistent with the organization's vision, mission, and strategic priorities. To achieve this, in 2021-22 Metrolinx's key areas for workforce improvements were focused on developing and engaging employees, while providing necessary support through the pandemic; fostering a more diverse, inclusive, and more accessible workplace; developing competencies in Lean methodology; building project management maturity and working towards a safe return to the workplace plan.

Over the last year, we progressed our workforce improvements efforts by:

- Leveraging technology and process review to improve hiring practices as part of business improvement plans.
- Establishing a Lean Centre of Excellence (CoE). Through the Lean CoE, the organization has been developing Lean fundamental competencies that enable and empower employees to identify and remove inefficiencies, as well as to provide expertise, training coaching, tools, and best practice.
- Continuing to support employees during the pandemic and achieving a high engagement score of 80 per cent while utilizing digital tools that enhance collaboration and enable mobility to support the return of office-based employees to the workplace under a hybrid workplace model.

As of March 31, 2022, the total headcount of active unionized and non-unionized employees on payroll was 4,993:

- 4,672 regular full-time (RFT)
- 201 regular part-time (RPT)
- 62 long-term contract (CLT)
- 58 short-term contract (CST) employees

In addition, there are 330 employees on leaves of absence [including medical, parental, maternity, Workplace Safety and Insurance Board (WSIB), and other leaves] and 18 students (comprised of co-op students, summer students, interns, research fellows and articling students). Unionized employees represent 39.8 per cent of the total workforce.

Metrolinx respects the role of bargaining agents as representatives of its employees and meets frequently with its officers to share information and proactively resolve potential disputes. Collective agreements have been negotiated freely and without any history of work stoppages and with a view to ensuring that employees are compensated fairly. At the close of the 2021-22 fiscal year, preparations were being made to start negotiations with Amalgamated Transit Union (ATU) ahead of the expiration of the collective agreement in June 2022.

Metrolinx is actively committed to supporting its people while navigating a continually evolving work environment and will continue working towards building an inclusive and respectful workplace. Most significantly, Metrolinx hired its first Chief Inclusion Officer, reporting directly to the CEO and will help to determine and guide the organization's inclusion strategy.

The organization's foundational diversity and inclusion training continued, and an *Unconscious Bias* self-directed e-learning module is under development for launch in 2022-23. New tools and resources, such as *Inclusive Workplace Guides*, were also developed to support learning and awareness about cultural observances. Several key dates of significance events were supported in 2021-2022 including the introduction of the new *National Day for Truth and Reconciliation* holiday, and an integrated campaign to celebrate Black History Month, which featured

a historic bus wrap to honour Canadian Blues icon Salome Bey. Metrolinx exceeded its 2021-2022 target participation rate for its *Cultural Census* and is analyzing the data to inform future action planning.

Innovation and Information Technology

Metrolinx utilizes advanced information systems and technology to deliver transit services to its customers. Many different sized projects are deployed to deliver value-added service for internal groups of the organization in support of the commuters who use Metrolinx services daily.

Building on the progress achieved over previous years, some of Metrolinx's key business technology targets in 2021-22, included enhancing Metrolinx cybersecurity program/disaster recovery to secure all systems which control or monitor the safe and reliable operation of the transit system, its assets and the movement of Metrolinx customers. A priority was placed on transforming resource planning to deliver information technology projects to always use the optimal mix of internal and external talent to reduce heavy reliance on contractors and building core internal capabilities. Other priority activities were:

- Continuing to implement a transformative technology program to support readiness for transition to the GO Expansion On-Corridor project partner, including providing information management and data analytics to guide and align the strategic decisions for the Transit Operation GO Expansion program.
- Continuing to deliver functionality to support Union Station Bus Terminal in a phased delivery approach.
- Continuing to implement Transit Operations Technology Modernization Program that will upgrade or replace existing core services such as schedule changes, equipment assignments, real-time schedule arrival and departure information that support Transit Operations to increase On-Time Performance.
- Modernizing digital signage that will use dynamic content management to increase usefulness of digital signage on all Metrolinx assets and the mobile equivalent.
- Re-engineering product delivery projects by providing supporting technologies that enable rapid development, testing and deployment of new systems and applications.
- Enhancing delivery/operations risk identification and resolution excellence through the implementation of design first project methodology and simple risk tools - thereby helping to continue to delivery of projects on time, on budget and to scope.
- Fast and cost-effective acquisition of best of breed technologies and services to support value for money and to keep our organization at pace with technical industry trends.

Metrolinx has been undergoing a digital transformation building a robust, secure, and resilient infrastructure while creating a strong, skilled and experienced team to guide the organization towards success. Metrolinx has been focused on advancing technology initiatives related to cybersecurity, infrastructure modernization, Disaster Recovery and Failover while evolving enterprise resource planning, portfolio management, and program and project management.

Achievements from the past year include:

- Lowered cost of ownership, improved quality and accelerated delivery by implementing a Lean Agile approach to project delivery.
- Reduced reliance on contractors and shifted positions and accountability to permanent employees. As of March 31, there are 262 full-time employees and 62 contractors. This is a significant change compared to a year earlier when there were 148 full-time employees and 243 contractors. Unlocking business value and opportunities by connecting data sources to provide insights that enable more informed decision making.

Business Improvement Plans (BIPs) Implementation

To continue the transformation of its business in order to prepare, adapt, and respond to a changing post-COVID public transit environment, including changing the way services are delivered, Metrolinx implemented the next generation of BIPs. At year-end, Metrolinx generated total BIPs savings of over \$180 million primarily driven by operational efficiencies from train consist sizes, service level adjustments, I&IT project deployment efficiencies, and PRESTO operational contract efficiencies. In addition, Metrolinx also generated total BIPs revenues of over \$2 million primarily driven by non-fare revenue initiatives.

Hyperion Planning System

Metrolinx continued to leverage the Hyperion Planning System for Budgeting and Quarterly Forecasting processes. The capital burden model was built within Hyperion to replicate an Excel model. Building the model

within Hyperion utilizes the computation power, reduces manual effort and the time to calculate and validate the output from 10 days to one day. In addition, the Hyperion suite was upgraded to the latest Oracle Hyperion version available in June 2021, which extends Oracle Premier Support to 2031. The upgrade delivered new hardware increasing applications performance, up-to-date operating system and security compliance for Java.

Communications

MetroLinx is committed to engaging and building positive partnerships with our communities, our customers, the media, elected officials, our employees and other stakeholders. This communications work supports all teams across MetroLinx in maintaining and improving MetroLinx's reputation as a trusted business and community partner.

Communications business objectives for 2021-22 were anchored in building our reputation with both our customers and residents, as well as our positive impressions with stakeholders. This included the broader regional measure of trustworthiness, as well as media sentiment, to supplement existing stakeholder satisfaction metrics.

Throughout the 2021-22 fiscal year MetroLinx focused efforts on transitioning into an effective community relations and communications group that is more closely aligned to project delivery, operations and business strategies with a strong "campaign" ethic to get the right messages at the right time to the right people in our communities.

Virtual engagements were once more the main method of outreach activities. By the second quarter of the fiscal year, the community relations and community engagement teams resumed in-person community and stakeholder meetings as the province had started a gradual reopening and eased restrictions. Community offices were reopened, and the teams were back on the ground with active canvasses, walking tours and community pop-ups to build positive partnerships and improve the quality of engagement, however by end of Q3, there was shift back to virtual engagement with the rise of Omicron variant in December and a renewed stay at home order. (See table below for a summary of community engagement activities).

Communications efforts and key messages remained strong amplifying MetroLinx's health and safety initiatives and adjustments to services in response to changing health guidelines throughout the year. Proactive and responsive communications and media relations resulted in mostly neutral to positive impressions, while increased content on MetroLinx News grew digital reach, resulting in strong year-over-year audience growth and subscribers.

MetroLinx continued to build trust and positive relationships through collaborative partnerships with our internal and external stakeholders/partners and communities, including:

- Our responsive 'We are here for you' campaign consistently engaged with our customer-residents, facilitated 197 virtual public meetings, 1,163 virtual stakeholder briefings, conducted 34,447 interactions related capital projects, sent 419,468 eblasts, and 848,543 direct-to-home communications.
- A transparent communication approach with our various stakeholders/partners, with the media relations team responding to more than 1900 media calls.
- Continued the administration of the Community Benefits/ Supports program including the Community Benefit Agreements for Eglinton Crosstown, Finch West and Hurontario LRT projects.

Metrolinx Community Relations Engagement Summary

Fiscal Year	Public Meetings (virtual and/or in-person)	Stakeholder Briefings	Public Interactions	Eblasts	Direct-to-Home Communications
2021-22	197	1,163	34,447	419,468	848,543
2020-21	89	1,068	7,767	119,146	708,092

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 Metrolinx's Memorandum of Understanding.

The Metrolinx Board of Directors includes up to 15 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	Annual Remuneration
Don Wright, <i>Chair</i>	Serves from August 13, 2018 to August 15, 2025.	\$146,699.80
Rick Byers	Serves from December 12, 2019 to December 11, 2022.	\$5,900.00
Bryan P. Davies, <i>Vice Chair</i>	Serves from September 8, 2015 to November 14, 2023.	\$10,625.00
James Dodds	Serves from March 4, 2022 to March 3, 2024.	Remuneration to be paid in 2022-23 fiscal year.
Janet Ecker	Serves from October 31, 2012 to October 30, 2022.	\$5,800.00
Luigi Ferrara	Serves from January 17, 2019 to January 16, 2025.	\$5,500.00
Diana Fletcher	Served from September 17, 2020 to March 4, 2022.	\$7,400.00
Deb Hutton	Serves from February 24, 2022 to February 23, 2025.	Remuneration to be paid in 2022-23 fiscal year.
Michael Kraljevic	Serves from January 17, 2019 to January 16, 2024.	\$8,000.00
Tony Marquis	Serves from December 6, 2019 to December 5, 2022.	\$5,100.00
Emily Moore	Serves from January 17, 2019 to January 16, 2024.	\$5,400.00
Reg Pearson	Serves from February 14, 2019 to February 13, 2025.	\$5,600.00
Robert Poirier	Serves from January 17, 2019 to January 16, 2025.	\$11,800.00
Clio Straram	Served from January 17, 2019 to January 16, 2022.	\$3,600.00
Sylvie Tessier	Serves from September 3, 2020 to September 2, 2023.	\$5,400.00
Paul Tsaparis	Serves from January 17, 2019 to January 16, 2024.	\$9,500.00
Phil Verster, <i>President & CEO</i>	Serves from October 2, 2017 to October 1, 2023.	Phil Verster receives an annual salary as President & CEO of Metrolinx but does not receive remuneration as a Board member.

Management Discussion & Analysis

MANAGEMENT DISCUSSION & ANALYSIS

Corporate Performance

The public transit landscape, including all areas of Metrolinx's business, continues to be impacted by the COVID-19 pandemic. As with many public transit organizations across the globe, the enduring impact of the pandemic has resulted in unprecedented reductions in ridership and revenue. However, Metrolinx is steadfast in our commitment to find efficiencies and cost savings in order to continue providing essential public transit service to support post-COVID-19 economic recovery.

At the time of preparing the 2021-22 budget, Metrolinx anticipated the pandemic would continue impacting transit ridership yet was optimistic that ridership would recover quickly as health and safety restrictions eased and customers would return to daily workplaces and recreational outings. Over the past year, however, ridership and revenue recovered lower than budgeted as the province experienced the third, fourth, and fifth waves of COVID-19 cases. In April/May 2021, ridership was impacted by the third pandemic wave that lasted longer than anticipated with lockdown restrictions. In August/September 2021, the Delta-induced fourth wave delayed return to downtown offices and impeded ridership recovery. In January 2022, the Omicron-fueled fifth wave and the various public health restrictions including the stay-at-home order and school closures, further resulting in significant ridership drop. Metrolinx responded quickly and decisively to implement cost saving plans including working with the Ministry of Transportation to modify service at the height of the Omicron variant to help mitigate the ridership and revenue impact as much as possible while providing adequate service level that supports ridership growth and meets changing demand. Following Omicron, ridership and fare revenue rebounded slightly in February and March 2022 but overall, 2021-22 revenue performance remained significantly below budget.

To help manage these operating pressures, Metrolinx implemented additional rigour and discipline in its operations and financial processes. Some of the mitigation strategies included implementation of the 2021-22 Business Improvement Plans (BIPs) program, which is designed to leverage Lean principles throughout the organization and help business units to generate operational savings and efficiencies across the organization, as well as identify new revenue opportunities. Metrolinx also worked closely with the government to continue implementing its operating plan and monitored the uncertainty and potential fluctuations in ridership and revenue through the government's in-year quarterly financial reporting process. Since the pandemic began, Metrolinx has actively strengthened measures to keep customers and staff safe to ensure continued customer confidence across the network.

While the COVID-19 pandemic has had significant impacts on our ridership and revenue, it has also presented a unique opportunity for leadership, transformation, and innovation in the public transit environment. Throughout 2021-22, Metrolinx continued to support government priorities by continuing to provide essential regional transit services to advance our mission to connect our communities, while always ensuring customer safety.

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, 2022. Note that this management discussion and analysis is presented differently than in prior years to better align Metrolinx's Annual Report with the Business Plan for improved readability and comparability. This includes adjustments to the financial tables and revenue groupings. Results for 2019-20 and 2020-21 have been restated to reflect these adjustments. Year-end results are now reported in comparison to both the budget and the prior year's actuals.

Summary of Corporate Performance (\$M)

	2019-20 Actuals	2020-21 Actuals	2021-22 Budget	2021-22 Actuals	Change from 2020-21 Actuals	Change from 2021-22 Budget
Total Revenue (incl. Third-party Construction Revenue) ¹	706.5	182.9	336.6	226.5	43.6	(110.1)
Total Operating Expense (incl. Third-party Construction Expense) ²	1,140.0	1,203.6	1,384.0	1,280.6	77.0	(103.4)
Operating Subsidy ³	590.4	961.6	1,001.8	946.2	(15.4)	(55.6)
Amortization of deferred capital contributions	803.3	868.4	964.3	963.7	95.3	(0.6)
Amortization of capital assets	803.1	837.5	964.8	935.5	98.0	(29.3)
Amortization of long-term leases	0.3	0.3	0.3	0.3	0.0	0.0
Loss / (Gain) on disposal and write-down of capital assets	175.2	(10.9)	-	(69.0)	(58.1)	(69.0)
Net Income / (Loss)	(18.4)	(17.7)	(46.4)	(11.1)	6.6	35.3
Total Ridership (in millions)	76.3	6.8	27.4	15.2	8.4	(12.2)

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. Operating subsidy received from the provincial government takes into account proceeds from sale of assets

At year-end, Metrolinx's Total Operating Subsidy Requirement was \$946.2 million, an improvement of \$55.6 million compared to 2021-22 Budget of \$1,001.8 million. This improvement was realized despite the provincial lockdowns/restrictions and the multiple waves of COVID that were not anticipated or planned for at 2021-22 Budget, which slowed ridership recovery. In response, the organization acted quickly and strategically through the implementation of business improvement plans, working with MTO and modifying service at the height of the Omicron variant to help mitigate the ridership and revenue impact. The following table summarizes the total revenues, operating expense and operating subsidy for fiscal year ending 2021-22.

2021-22 Operating Results (\$M)

	2019-20 Actuals	2020-21 Actuals	2021-22 Budget ¹	2021-22 Actuals	Change from 2020-21 Actuals	Change from 2021-22 Budget
Fare Revenue	570.9	55.3	212.7	120.5	65.2	(92.2)
PRESTO Non-Fare Revenue	79.7	27.2	78.6	44.8	17.6	(33.8)
Other Non-Fare Revenue	55.8	24.3	45.3	35.7	11.4	(9.5)
Total Revenue	706.5	106.9	336.6	201.0	94.2	(135.5)
Third-party Construction Revenue ²		76.0	-	25.5	(50.6)	25.5
Total Revenue (incl. Third-party Construction Revenue)	706.5	182.9	336.6	226.5	43.6	(110.1)
Operations ³	375.4	291.8	465.3	336.0	44.1	(129.3)
Operating Labour & Benefits	352.2	379.6	389.7	410.1	30.5	20.4
Facilities & Track	145.4	161.1	161.5	156.8	(4.3)	(4.7)
Equipment Maintenance	138.3	109.2	151.9	117.3	8.2	(34.6)
Supplies & Services	128.6	184.5	215.6	234.1	49.7	18.5
Bid Fees	22.7	50.9	106.5	85.7	34.8	(20.8)
Total Operating Expense	1,140.0	1,126.2	1,384.0	1,254.4	128.1	(129.6)

Third-party Construction Expense ²		77.4	-	26.3	(51.1)	26.3
Total Operating Expense (incl. Third-party Construction Expense)	1,140.0	1,203.6	1,384.0	1,280.6	77.0	(103.4)
Proceeds from Sale of Assets	22.8	50.4	45.6	104.1	53.7	58.5
Total Operating Subsidy ⁴	590.4	961.6	1,001.8	946.2	(15.4)	(55.6)

Notes:

1. Total Revenue and Total Operating Expense subtotals are as published in the 2021-22 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. Operations include interest expense for East Rail Maintenance Facility
4. Operating subsidy does not equal balance of Total Operating Expense net of Total Revenue and Proceeds from Sale of Assets as the Operating Subsidy does not include long-term accrual for post-employment benefits of \$9.5M, \$8.7M and \$3.9M for 2019-20, 2020-21 and 2021-22. For 2019-20, the Operating Subsidy includes write-offs of \$189.6M primarily associated with Yonge North Subway Extension and cancellation of Hamilton LRT project. Write-offs for 2020-21 and 2021-22 have been included in (gain) loss on disposal and write-down of capital assets.

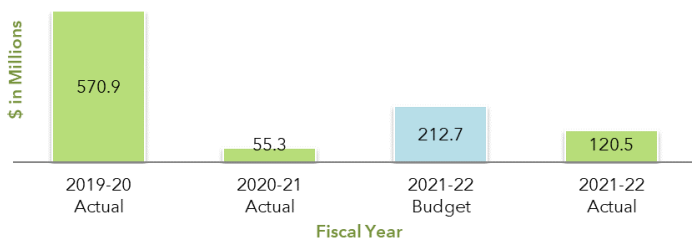
Revenue

Metrolinx's revenue includes fare revenue, PRESTO non-fare revenue, and other non-fare revenue. In 2021-22, Metrolinx reported total revenue of \$201.0 million, which was \$135.5 million (40.3 per cent) below Budget, primarily due to lower fare revenue and PRESTO non-fare revenue resulting from delayed ridership recovery as the region experienced multiple pandemic waves throughout the year. Total revenue of \$201.0 million also represented an increase of \$94.2 million (88.1 per cent) compared to the prior year, demonstrating healthy recovery as Metrolinx continued to promote ridership recovery and maximize revenue opportunities.

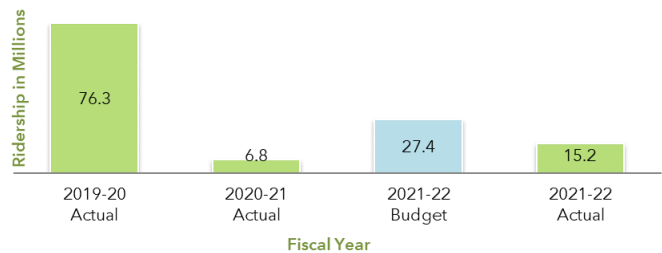
Fare Revenue

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. Throughout the COVID-19 pandemic, Metrolinx's fare revenue and ridership have been heavily influenced by the pandemic development and related public health and safety measures.

Total Fare Revenue



Total Ridership



Year-ended March 31, 2022, vs. Budget

The 2021-22 fiscal year experienced the third, fourth, and fifth waves of COVID-19 cases in GTHA, together with evolving health and safety measures including stay-at-home order, school closure, and provincial reopening plan. Metrolinx reported fare revenue of \$120.5 million in 2021-22, which was \$92.2 million (43.4 per cent) below Budget. The fare revenue decline was primarily driven by lower-than-anticipated GO and UP ridership recovery resulting from the pandemic waves throughout the year and delay in businesses returning to downtown offices. Total Metrolinx ridership was 15.2 million in 2021-22, which was 12.2 million (44.5 per cent) below Budget. Fare revenue and ridership were both lower than anticipated in the initial Budget but showed continuous growth from mid-April 2021 until emergence of the Omicron variant

in December 2021, followed by strong ridership and fare revenue recovery in February and March 2022 as restrictions eased and customers returned to transit.

Year-ended March 31, 2022, vs. March 31, 2021

Despite the lasting impact of COVID-19 on ridership, Metrolinx's fare revenue and ridership continued to recover in 2021-22. Fare revenue was \$120.5 million in 2021-22, \$65.2 million (117.7 per cent) higher than the prior year primarily due to gradual return of customers to GO and UP services. At the onset of the COVID-19 pandemic, GO and UP ridership in 2020-21 dropped to 6.8 million, or nine per cent of the pre-pandemic 2019-20 levels. In 2021-22, total Metrolinx ridership of 15.2 million was over two-fold of the 2020-21 ridership levels. Over the last year, Metrolinx continued to support ridership and economic recovery through implementing fare and revenue strategy. Some of the initiatives include:

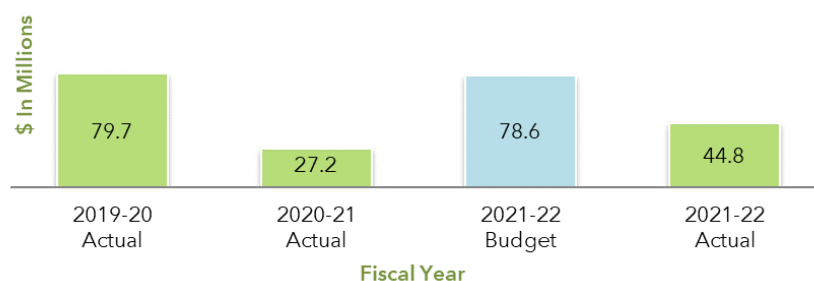
- Growth supported with a strategic Ready to Ride marketing plan that was developed from data-driven ridership analysis and customer/industry research.
- Demand-driven service changes implemented in the right places, at the right time, with a focus on summer leisure/weekend travel, and welcoming commuters and students back in fall 2021.
- E-Tickets, with a Weekend Pass promotion, were profiled to new and returning customers, presenting a convenient and compelling offer to encourage customers back to GO.
- Fare and service integration initiatives to make transit more accessible and affordable to support ridership recovery, enhance customer experience, and improve transit affordability.

Metrolinx is committed to continue the focus on safety and support the ridership growth momentum through health and safety measures, events and promotions that drive ridership demand, as well as service frequency and destinations that meet customer post-pandemic needs.

PRESTO Non-Fare Revenue

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

PRESTO Non-fare Revenue



Year-ended March 31, 2022, vs. Budget

Metrolinx reported PRESTO non-fare revenue of \$44.8 million in 2021-22, which was \$33.8 million (43.0 per cent) below Budget. The decrease in revenue was primarily driven by lower ridership recovery from the pandemic waves, stronger public health and safety restrictions and a delayed return to office, contributing to the decline in PRESTO commission revenue and lower demand for PRESTO cards across all channels.

Year-ended March 31, 2022, vs. March 31, 2021

PRESTO non-fare revenue grew from \$27.2 million in 2020-21 to \$44.8 million in 2021-22, an increase of \$17.6 million (64.7 per cent), mainly driven by fare card sales and commission revenue across transit agencies supported by gradually recovering ridership.

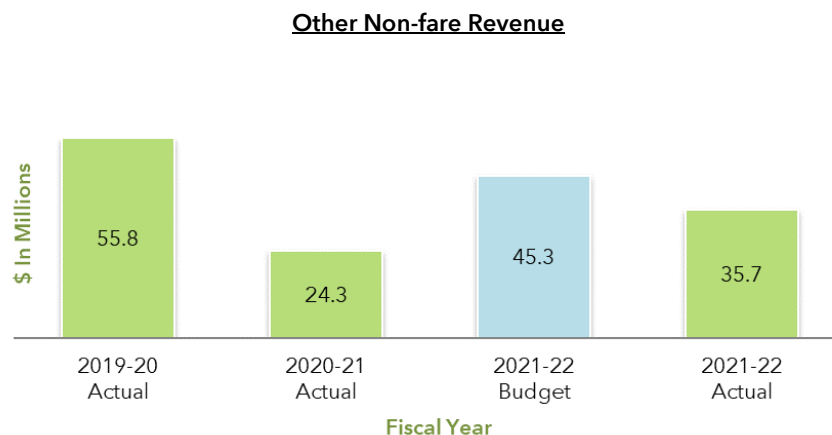
In 2021-22, Metrolinx focused on furthering its PRESTO customer strategy to support ridership recovery, building a stronger client engagement model, and striving for long-term financial sustainability. Metrolinx has embarked on a significant Modernization Program to transform the PRESTO system, fare media products and supplier landscape. PRESTO's modernization is composed of two parallel components, including the delivery of new payment methods to better serve PRESTO's four million customers, and the re-procurement of the entire PRESTO system with an accompanying evolution to a new operating model. Some of the achievements in 2021-22 include:

- Becoming the first transit organization in Canada to launch contactless Interac debit fare payments for UP Express in October 2021. This builds on the successful launch of contactless credit card fare payment for UP Express in the spring, which has seen almost 9,800 boardings using credit payment from 58 different countries worldwide, and the recent completion of a closed pilot for GO Transit.
- Launching E-Tickets for Oakville Transit, previously available only on Durham Region Transit and Hamilton Street Railway, and readiness across the remaining 905 transit agencies for rollout in the next fiscal year.
- Completing the PRESTO Procurement Program's Request for Supplier Qualifications (RFSQ) to replace the current fare payment system in January. Work is now underway to evaluate the submissions and proceed to Request for Proposals.

Healthy recovery is forecasted for PRESTO non-fare revenues with increases in GO and UP Express ridership and strong ridership growth projected by other PRESTO-supported transit agencies.

Other Non-Fare Revenue

Other non-fare revenue primarily includes advertising and partnership revenue, track usage fees from corridor ownership, interest income, reserved parking fees, and commercial space rent.



Year-ended March 31, 2022, vs. Budget

Metrolinx reported non-fare revenue of \$35.7 million in 2021-22, which was \$9.5 million (21.1 per cent) below Budget. Non-fare revenue in 2021-22 was mostly impacted by:

- Lower ridership due to COVID restrictions impacted advertising and partnership revenues.
- Billboard revenue was impacted due to billboard removals to accommodate construction, along with delay in digital billboard construction due to permitting and property access.
- Lower track usage fee revenue due to service of other railway partners being lower than projected.
- Lower retail revenue from timing shifts to next fiscal year due to permit challenges and retail

- partners deciding to delay opening until ridership recovers.
- Reclassification of revenue associated with liquidated damages to expense recovery for 2021-22 Actual. Liquidated damages are penalties collected from vendors for not meeting contractual requirements.

Year-ended March 31, 2022, vs. March 31, 2021

Other Non-fare revenue grew from \$24.3 million in 2020-21 to \$35.7 million in 2021-22, an increase of \$11.4 million (47.0 per cent), supported by recovering advertising and partnership revenues, track usage fees and interest income versus the prior year.

Advertising and partnership revenues are derived from partnerships with several companies in the private sector representing the financial services, information and technology, consumer electronics and retail food services sectors. Over the past year, Metrolinx implemented various initiatives and programs, including:

- Delivering the billboard expansion and digital advertising expansion to modernize media assets resulting in incremental advertising revenue through Metrolinx assets.
- Implementing an expanded retail strategy to include property use to utilize parking lots and drive additional revenue through new channels such as pop-up retail and outdoor festivals and community events.
- Signing a new sponsorship agreement for the Union Station Bus Terminal to drive non-fare revenue; as well as new partnerships such as Arterra Wines and activations for GO Transit riders with Clorox product sampling; partnering with Healthy Travel and Switch Health to offer a Rapid Antigen and PCR test clinic at the UP Express lounge.
- Launching additional value in kind partnerships with partners such as The Globe and Mail and Clean Slate to improve cost efficiency and support Metrolinx's business needs.

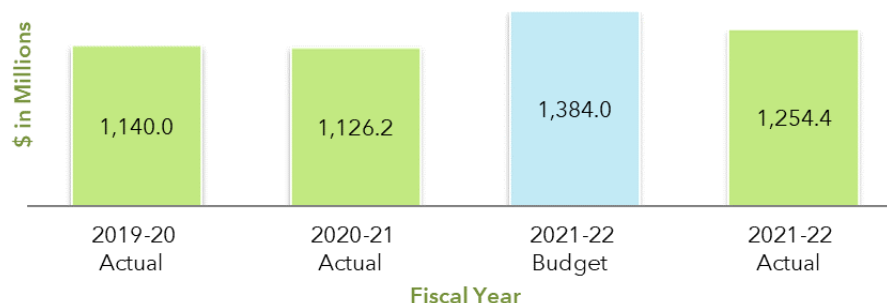
Metrolinx owns most of its transit railway corridors and shares its corridors with its partners including Canadian National Railway (CN), Canadian Pacific Railway (CP) and VIA Rail. Railway partners pay access corridor fees on Metrolinx-owned corridors that cover signalling, dispatch, and communications costs. Increase in track usage fees in 2021-22 versus prior year is in line with the gradual economic recovery as partners work towards resuming per-pandemic service levels.

Metrolinx earns interest on bank balances on funds drawn from the province based on the capital and operating planned requirements. During 2021-22, the timing of spend and lower rate of spending resulted in funds being held for longer periods of time. These higher-than-average bank balances combined with higher interest rates resulted in an increase in interest income for the year.

Operating Expense

Metrolinx's operating expense is allocated into five main expense categories. In 2021-22, operating labour and benefits expense is the largest allocation and accounts for 33 per cent of the total operating expense and includes salaries and benefits for Metrolinx employees. Operations expense accounts for 27 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 13 per cent of the total operating expense and includes rent, property taxes, hydro, winter maintenance and other facility repairs. Equipment maintenance accounts for 9 per cent of the total operating expense, covering support services, inventory, inspections, and yard operations. Finally, supplies and services represent 19 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.

Operating Expense



Year-ended March 31, 2022, vs. Budget

Operating expenses, before amortization and third-party construction expenses, for the year were \$1,254.4 million or \$129.6 million (or 9.4 per cent) lower than the Budget of \$1,384.0 million. The decrease in operating expense compared to Budget was primarily due to:

- Lower than budgeted expenses for transit operations and equipment maintenance due to reduced train consist sizes and lower service levels in response to COVID-19 Omicron impact while providing adequate service level that supports changing demand;
- Lower than anticipated bid fees due to a combination of operating expenses that were reclassified to capital expenses for fees paid to successful capital project bidders and delays in OnCorr and Lakeshore West station works; and
- Partially offset by higher than anticipated operating labour and benefits due to lower-than-expected salary and benefits capitalization for employees working on capital projects.

Year-ended March 31, 2022, vs. March 31, 2021

Compared to 2020-21, Metrolinx's 2021-22 operating expenses is higher by \$128.1 million (or 11.4 per cent) than 2020-21 Actuals of \$1,126.2 million, largely due to:

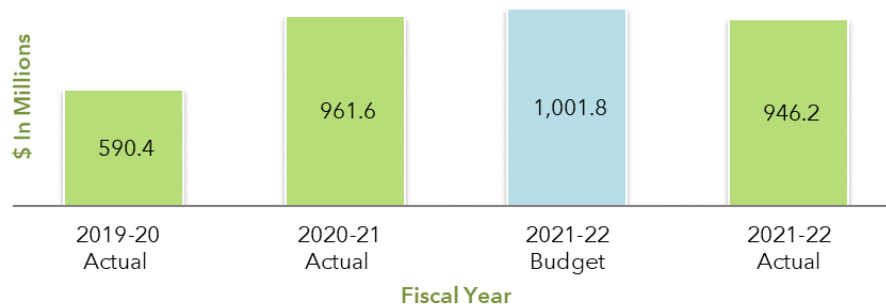
- Re-introduction some of the services that were paused during the height of pandemic, new services introduced during the year and increased cleaning requirement for trains and buses. Higher service levels resulted in increased equipment maintenance, rail crew, fuel costs, as well as farecard and financial fee expenses; and
- Continued and accelerated implementation of PRESTO modernization and digital transformation initiatives, such as contactless fare payment options, as well as enhanced management client relationships with our transit agencies.

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.

Operating Subsidy

The Province of Ontario provides Metrolinx with an operating subsidy of operating expenses less revenue and proceeds from sale of assets to ensure Metrolinx has sufficient funds to operate its transit services, implement commitments made under the Regional Transportation Plan (RTP) and to support the delivery of organizational strategic objectives. In 2021-22 Metrolinx received higher-than-budgeted proceeds from sale of assets driven by increased property value due to favourable market conditions, which helped to partially offset Metrolinx's operating subsidy requirement.

Operating Subsidy



Notes: 1. 2021-22 budget operating subsidy reflects figure from 2021-22 Business Plan

Year-ended March 31, 2022, vs. Budget

Metrolinx received \$946.2 million in operating subsidy from the Province of Ontario in 2021-22. This represents a decrease of \$55.6 million compared to the 2021-22 planned operating requirement of \$1,001.8 million, primarily as a result of higher-than-budgeted proceeds from sale of assets driven by increased property value due to favourable market conditions and lower-than-budgeted operating expense associated with reduced transit service level and train consist sizes. The favorable proceeds and operating expense results are partially offset by lower revenue driven by slower than anticipated ridership recovery compared to the 2021-22 budget.

Year-ended March 31, 2022, vs. March 31, 2021

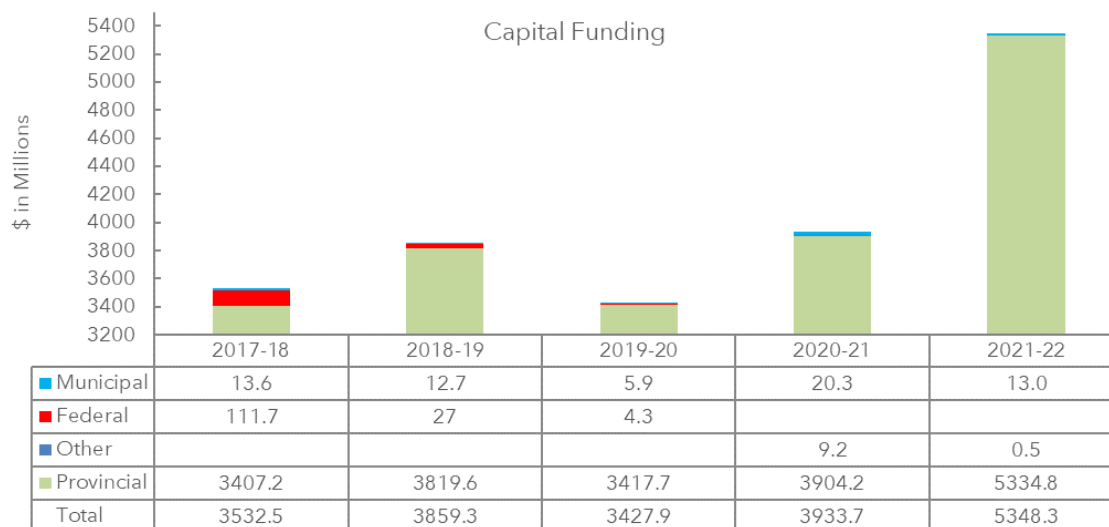
Compared to 2020-21, Metrolinx's 2021-22 operating subsidy represents a decrease of \$15.4 million largely due to higher-than-budgeted proceeds from sale of assets driven by increased property value due to favourable market conditions and higher revenue associated with increased ridership year-over-year. These higher proceeds and revenue are partially offset by higher expenses due to increased service levels compared to 2020-21. No municipal or federal operating subsidy or grant has been received over the last five years.

Capital Funding and Expenditure

Capital Funding

Metrolinx received capital funding from different levels of government to help fund its capital projects and programs. The majority of the capital funding received in recent years is from the province. Metrolinx also received capital contributions from municipalities and other organizations.

Capital Funding



Funding from the Province of Ontario totaled \$5,334.8 million for 2021-22. Metrolinx also received capital funding of \$13.0 million from municipal governments and \$0.5 million from other organizations. There was significant increase in investment in 2021-22 due to the construction of light rail and GO Expansion Early Works projects being well underway, and significant progress on preliminary construction and property purchases within the Subway program.

Municipalities contribute towards the GO Growth program. Municipal capital contributions decreased to \$13.0 million from \$20.3 million last year due to a smaller scope of eligible work being delivered.

Funding from other organizations was \$0.5 million in 2021-22 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 they demonstrate positive relations with the development community.

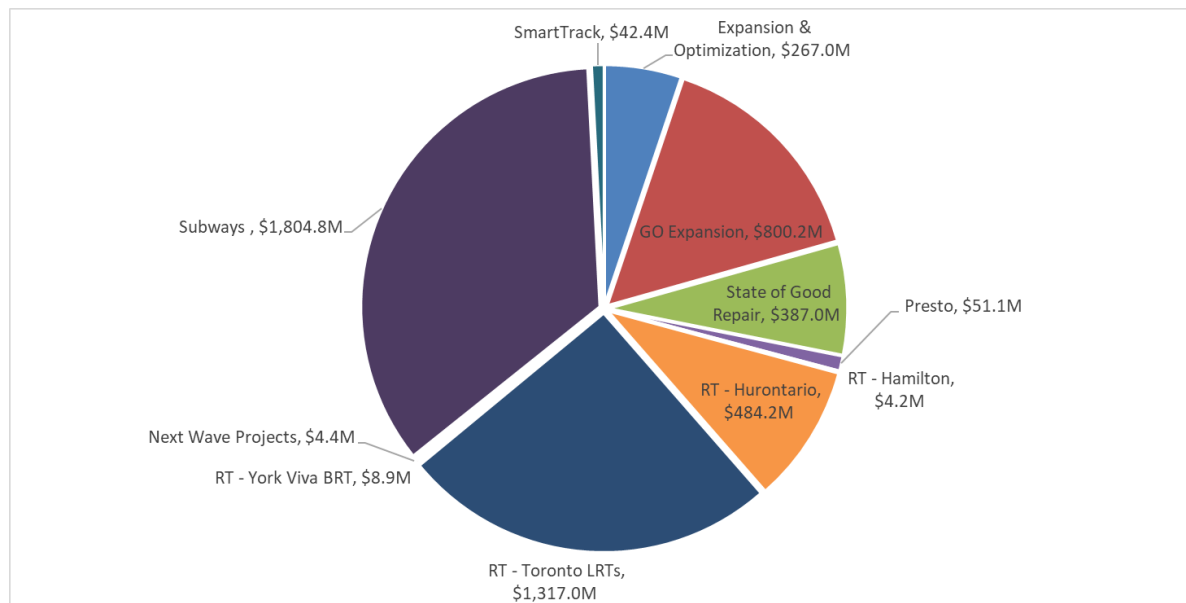
There were no federal contributions received in 2021-22 as the Public Transit Infrastructure Funding (PTIF) is complete. In addition, an agreement with the federal government was finalized in 2021-22 for the GO Expansion Program under the Building Canada Fund.

Amortization expense for the year was \$935.8 million or \$98.0 million over the prior year of \$837.8 million as a result of Metrolinx's ongoing investments in capital initiatives.

Capital Investments

In 2021-22, 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 the implementation of GO Expansion Early Works and procurement activities for On-Corridor works; procurement, planning and design advancement for the priority subway projects; and further progression into the implementation phase for the Eglinton Crosstown Light Rail Transit, Hurontario 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 2021-22 was \$5,171 million. (Includes adjustments for write-offs and advance pre-payments).

2021-22 Capital Expenditures by Category



Metrolinx is advancing a large and growing program, including signature projects like the GO Expansion program, the Eglinton Crosstown LRT, Finch West LRT and the Hurontario LRT. In addition, there was significant advancement and progress on the procurements, planning, design and advanced construction works for the priority subway projects - Ontario Line, Eglinton Crosstown West Extension (ECWE), Scarborough Subway Extension (SSE) and Yonge North Subway Extension (YNSE).

The 2021-22 capital results are mainly driven by milestone achievements. Starting with the priority subway projects, there has been progression of the tunnelling scope of SSE and ECWE. For SSE, the stations, rail and systems (SRS) procurement is under way and the Request for Proposal (RFP) was issued to three proponents. For ECWE, the Request for Qualification (RFQ) for Advanced Tunnel 2 procurement package has closed and the SRS Preliminary Design Business Case has been published. The ECWE elevated guideway work has also made significant progress through the procurement process. Ontario Line procurement continues to progress for RSSOM and Southern Civil, Stations and Tunnel procurement packages, and procurement for Northern Civil, Stations and Tunnel is scheduled to start in Winter 2023. For YNSE, work continues on planning and design. Design work for the Finch Station Modification package is nearing completion.

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 this year, reaching substantial completion on the Highway 401/409 Tunnel, Bloomington Station and Union Station Heritage Restoration projects. Key procurement and early construction milestones were achieved

on the series of enabling grading contracts along the Barrie corridor and Lakeshore corridors, and similar contracts on the Stouffville corridor were completed or advanced into late construction. Finally, a variety of critical scoping and contracting strategy decisions were reached for projects such as the SmartTrack stations that will bring GO train services to additional areas in the City of Toronto.

The Rapid Transit program, which is well under construction, will deliver Light Rail Transit (LRT) and Bus Rapid Transit (BRT) to the GTHA. The Eglinton Crosstown LRT continues to advance through the implementation phase and has started systems testing and commissioning. Over the course of 2021-22, the Finch West LRT project made significant progress on implementation, including testing of the light rail vehicles at the Maintenance and Storage Facility and the manufacturing facility in Kingston. The consortium delivering the Hurontario LRT, Mobilinx, continued to make significant progress on design and preliminary construction in 2021-22. Major achievements for construction works include completion of utility works and storm sewer work, the Mary Fix West Bridge approach slab and a portion of the elevated guideway piers was completed.

State of Good Repair (SOGR) includes Metrolinx infrastructure and technology assets that are regularly scheduled for repairs, maintenance and rehabilitation. More robust condition assessments and asset management planning are being performed to ensure SOGR projects are delivered within budgeted spending targets. Focused efforts are also being made to improve data quality and to provide reporting on contracts and detailed cost positions.

Over the course of the 2021-22 fiscal year, PRESTO's modernization was well underway with a number of enhancements to better serve GO Transit, UP Express and transit agencies across the region. These enhancements include the delivery and installation of new second-generation self-serve reload machines with faster load times, new PRESTO devices and enhancements to the customer web chat feature. With these enhancements as a technology enabler, Metrolinx will be able to introduce new payment options by credit card, debit card and mobile wallet.

Capital Expenditures (\$M)

Capital Expenditures by Category (\$ in millions)	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Actual**	2021-22 Variance
Expansion & Optimization	446.1	305.3	845.5	267.0	(581.5)
State of Good Repair	550.4	424.6	476.7	387.0	(89.7)
Subways	66.4	453.8	872.7	1,804.8	932.1
GO Expansion	631.5	764.3	1,138.0	800.2	(337.8)
SmartTrack	(3.4)	21.2	144.6	42.4	(102.2)
RT - York VIVA BRT	140.0	76.3	33.7	8.9	(24.8)
RT - Toronto LRTs	1,185.4	1,425.3	1,264.5	1,317.0	52.5
RT - Hamilton	-	-	10.0	4.2	(5.8)
RT - Hurontario	278.4	323.1	681.7	484.2	(197.5)
Next Wave Projects	3.8	4.0	7.7	4.4	(3.3)
PRESTO	96.3	111.5	95.0	51.1	(43.9)
Other*	-	-	(1,527.3)	-	1,527.3
Total	3,395.0	3,909.4	4,045.7	5,171.2	1,125.5
Capital Adjustments and Prepayments**	32.9	24.3	N/A	177.1	N/A
Total Funding	3,427.9	3,933.7		5,348.3	

* In fiscal year 2021-22, the government's plan continued to reflect more sustainable levels of infrastructure

investment through applying a capital lever. The intention is to reflect a more realistic forecast of construction timelines for major projects planned or underway, in keeping with actual expenditure patterns.
**Includes capital adjustments such as bid fees and advance payments

Year-ended March 31, 2022, vs. Budget

In 2021-22, the actual spend was \$1,125.5 million over the original budget for the year. This variance is largely driven by the increased spend compared to budget on the Subways program, specifically on advance tunnels and property purchases, and on the Toronto LRTS due to the claim settlement on the Eglinton Crosstown project. These increased spends were offset by underspending on the remaining capital projects due to underperformance on construction, delays to property purchases, and delays in procurement.

Year-ended March 31, 2022, vs. March 31, 2021

Compared to 2020-21, Metrolinx's 2021-22 capital expenditure increased by \$1,261.8 million. This significant increase was mainly a result of the following:

- The Rapid Transit program being fully under construction for Eglinton Crosstown LRT, Finch West LRT and Hurontario LRT, as well as the payout of a claim for Eglinton Crosstown LRT.
- The Subways program work picked up in 2021-22, with advanced construction on tunneling on Eglinton Crosstown West and Scarborough Subways Expansion starting, and with significant property acquisitions occurring across the Subways program in the year.
- Several construction contracts were awarded for the GO Expansion program in 2021-22, and construction work has picked up this year across the program.

Enterprise Risk Management

Metrolinx continues to enhance its Enterprise Risk Management (ERM) Program to help guide the organization's risk management activities and support risk-informed decision-making, assess opportunities and ensure that the organization complies with the Government of Ontario Enterprise Risk Management Directive for 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 strategic objectives.

The COVID-19 pandemic continued to challenge organizations in diverse ways. In response, Metrolinx adapted its business to address these challenges and set new strategies to appropriately support its business needs, along with the needs of the customer. Agile, focused mitigation of risks at both strategic and tactical levels will continue through 2022 and outlying years. In 2021-22, Metrolinx appointed the role of Chief Risk Officer to elevate the maturity of the risk management program. The organisation continues to assess risk at the enterprise, program and project level, considering our environment including but not limited to reviewing our value proposition and mitigating strategies as a result of train and bus service ridership impacts, Market capacity and supply chain challenges, capital builds as well as return to the workplace.

In 2022-23, Metrolinx will continue to review emerging and significant risks regularly through multiple forums, including through divisional meetings, review of divisional finances, senior management team meetings, and Board of Directors meetings, and actively manage the risks by ensuring appropriate communication, integration, collaboration, and mitigation plans are established and in place. The mitigating strategies to address those risks have been reflected throughout Metrolinx's Business Plan strategic priorities and key organizational initiatives. Risks reported typically fall within the following risk categories:

- **Financial risks:** Risks relating to and/or impacting funding of projects and operations, liquidity, financial reporting and movements in price.
- **Operational risks:** Risks relating to ongoing operations.
- **Project risks:** Risks relating to a project being completed on time and on budget.
- **Safety risks:** Risks to the safety of Metrolinx's customers, staff, contractors and communities it operates and builds in.
- **Strategic risks:** Risks that threaten to disrupt the assumptions at the core of Metrolinx's strategy resulting in potential for financial loss or reputational damage.

Key Risks

Metrolinx will also continue to focus on enhancing its ERM framework and program and delivering on its ERM maturity plan. These enhancements include reviewing and revising risk scoring methodologies, improving risk reporting functionalities and enhancing organizational risk intelligence. The ERM function will continue to identify, assess and report on current and emerging risks and ensure ongoing discussion of risks at all levels of the organization.

Metrolinx Key Risks

Risk	High Level Overview of Mitigation Actions
Financial	
Achieving a sustainable operating subsidy for fiscal year 2021-22 and beyond to deliver on Metrolinx's strategic objectives and government commitments.	- Metrolinx continues to proactively manage the impact of the COVID-19 pandemic by implementing business improvement plans (BIPs) to transform its business and adapt to a changing public environment, identify additional revenue opportunities and drive operational savings and efficiencies. - Metrolinx has worked closely with MTO, to provide updates on financial impact resulting from COVID-19 and received additional operating subsidy from the government for 2021-22.
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. - The RFP to support Payments Card Industry Compliance is awarded, and the new contract will commence in 2022-23. Three additional RFPs are in progress to engage third party support for Cyber Security Managed Services. - The Disaster Recovery Project is well underway, critical applications have been identified and will be tested for failover in 2022-23. - A project to upgrade aging IT Infrastructure is running in parallel to the Disaster Recovery Plan that will modernize Metrolinx' IT Infrastructure to next generation Data Centre Server, Network, Storage and Foundational Cloud Technologies.
Project	
PRESTO Modernization Procurement Program - PRESTO transitioning to proposed new operating model.	- Metrolinx continues to exercise appropriate governance for the delivery of Payments Procurement Program to ensure organizational alignment and executive sponsorship on its program strategy/objective, commercial direction, procurement approach and associated risk management. - To ensure a competitive strategy for procurement, Metrolinx has addressed resourcing needs, established streamlined communications practices, and created a committee to manage any potential Conflict of Interest. - Ongoing engagement continues to be facilitated with all key stakeholders (including the Transit Agencies) to achieve alignment for all key deliverables
The delivery of property to support capital projects is at risk due to the anticipated large volume of requirements.	- A property acquisition guideline is in development, addressing traditional and emerging acquisition related risks. - Executive sponsors have been engaged with the objective of minimizing impacts to the Metrolinx property acquisition process as well as impacts on communities and stakeholders.
There may be insufficient market capacity and/or appetite to deliver the volume of planned capital work and produce a competitive environment for bids.	- In mitigating risk around market conditions, Metrolinx has been: - Staging and packaging procurements to maximize interest from vendors/suppliers, - Enhancing the procurement process approach; and - Conducting market education sessions, revising the inclusivity of the prequalification criteria and revisiting procurement scoring mechanism. - In mitigating risk around market value, Metrolinx has been undertaking analysis to better understand what is driving market rates and developing mitigation strategies.
Current track access process in an operating railway may not enable delivery of planned capital works, resulting in negative impacts on safety, cost, schedule and revenue service start.	- Rail Corridor Access and Rules of the Route and Access Standard are in development. - A process to challenge track access assumptions used to build deterministic schedules and OnCorr schedule critical path and near-critical patch activities has been completed. - Track access process for maintenance companies has been developed and implemented.

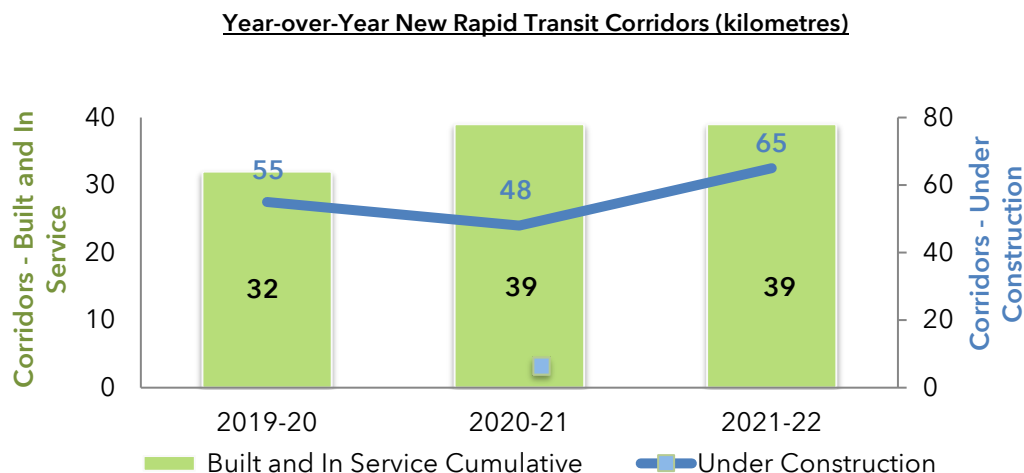
	A process has been finalized to agree on acceptable levels of operational impact during delivery of capital works.
Safety	
Damage to assets, service disruption and threats to safety due to extreme weather events.	- A targeted risk assessment for Metrolinx network of assets to identify vulnerable assets and asset geographies is currently in progress. - An asset management plan and a corresponding state of good repair plan have been completed. - Metrolinx Climate Adaptation Strategy and reporting of key actions are now in place. - Climate resiliency requirements have been embedded into GO Expansion. - Adoption of sustainable design standards, and development of a Climate Data Standard, which specifies the sources and climate scenarios that infrastructure must be designed to withstand. - Developing methods to incorporate climate resiliency benefits in business cases. - Developed Seasonal operating plans (Winter Readiness Plan, Summer Readiness Plan) which set out operating procedures in the event of climate-related disruptions to service.
Public safety and security risks at railway crossings, transit stations, construction zones and on board GO Transit	- Reduced risk by 11% at Metrolinx's public grade crossings and by 24% at private crossings, through on-going safety assessments and enhancements. - Engaging and collaborating with local partners, municipalities, and the public in locations where construction is occurring in proximity to, or on, Metrolinx property or assets. - Optimizing the Special Constable deployment strategy with a focus on greater visibility and accessibility. - Implementation of 65+ COVID-19 safety measures guided by public health authorities. - GO buses were converted to serve as mobile vaccine clinics to get COVID-19 vaccines directly to people, wherever they are located.
Managing emergent safety risks arising from new transit projects	- Incorporating international best practice safety and security standards and equipment, including the establishment of a Canadian Railway Safety Standard for Risk Evaluation and Assessment (CMREA). - Engaging with the Standards Council of Canada (SCC) to follow-up and provide feedback on a Canadian Independent Safety Assessor (ISA) program for Railway Systems. - Implementing progressive safety assurance onto all Metrolinx projects, following international best practice standard EN-50126 principles for the specification and demonstration of safety requirements.

Key Performance Indicators

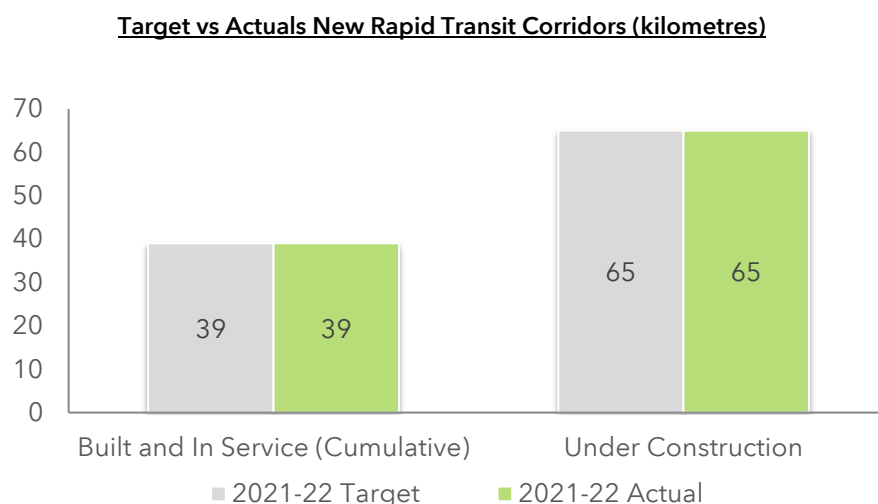
Metrolinx's Corporate Key Performance Indicators (KPIs) measure and report the organization's performance to its stakeholders, including the general public. These Corporate KPIs are reported against targets set as part of the annual business planning process. A more detailed set of KPIs are used internally to manage day-to-day business operations. The Corporate KPIs measure both Metrolinx's operations performance in delivering service and its capital infrastructure build performance.

New Rapid Transit Corridors

The New Rapid Transit Corridors KPI measures the number of kilometres (km) of rapid transit corridors that are under construction, built and in-service. Metrolinx has built and placed in service approximately 39km of rapid transit since 2013-14. Metrolinx progressed construction on approximately 65km of rapid transit corridor in 2021-22 as planned. This includes 18km on the Hurontario corridor, 19km on the Eglinton corridor, and 11km on the Finch corridor.



In 2021-22, the priority subway projects advanced through the design phase into procurement and construction as planned. Construction on components of both the Scarborough Subway Extension (approximately eight kilometres) and the Eglinton Crosstown West Extension (approximately nine kilometres) projects began in May 2021. Future planned subway projects (approximately 23 kilometres) are planned to begin in 2022-23 and 2023-24.

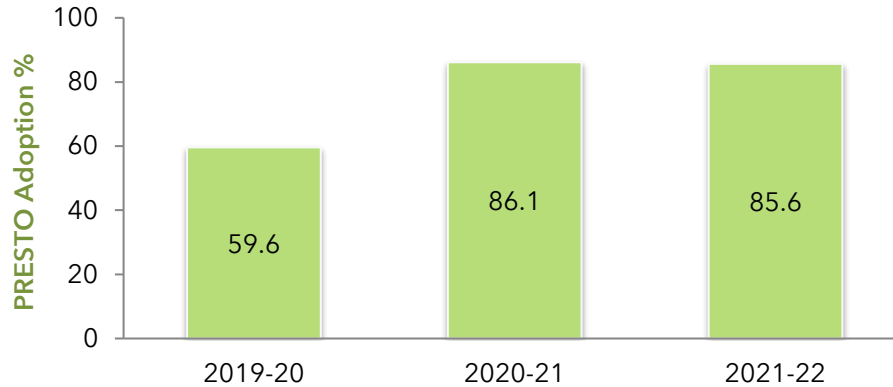


PRESTO Adoption

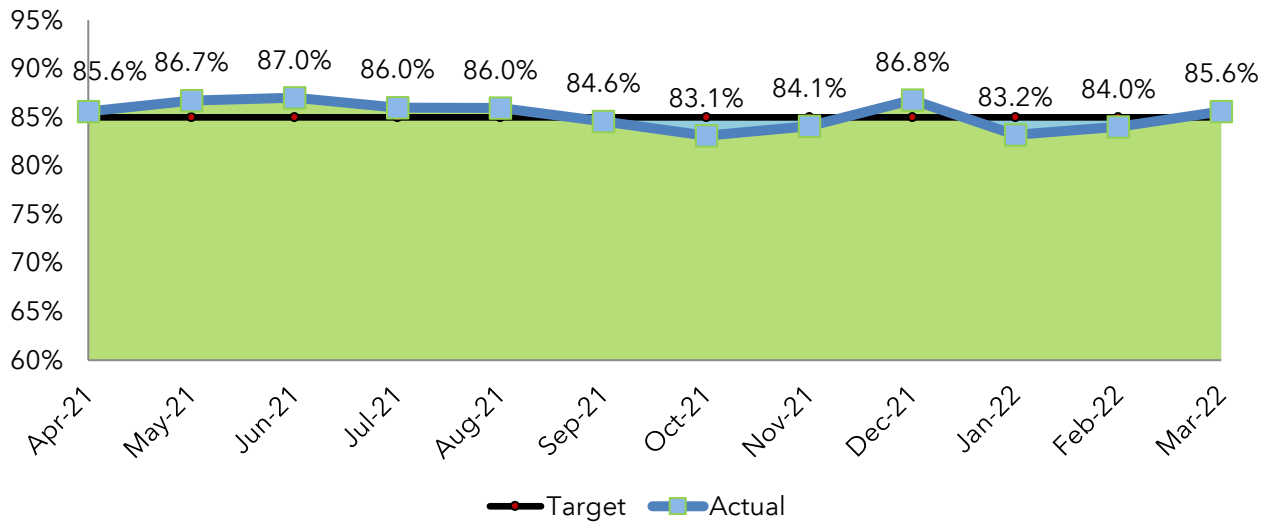
PRESTO adoption across our transit agency partners completed the year at 85.6 per cent for the month of March, to bring the 2021-22 annualized adoption score to 85.1 per cent, exceeding the 85 per cent target established at the outset of the year. March results were largely driven by the TTC (89.1 per cent), which had its strongest adoption since September and increased its share of total ridership to 70 per cent.

Metrolinx is continuing to enhance its PRESTO products and services to ease and encourage PRESTO usage amongst transit riders, and adoption will be further supported by the continued delivery of new fare payment methods. These efforts include prioritizing the expansion of PRESTO contactless payment for credit and debit beyond UP Express to GO Transit, 905 transit agencies and the TTC. Also, delivering PRESTO E-Tickets to more 905 transit agencies, introducing the PRESTO card on mobile devices, and working with the TTC to retire legacy fare media.

PRESTO Adoption Rate by Year (in percentage)



PRESTO Adoption Trend in 2021-22 (in percentage)

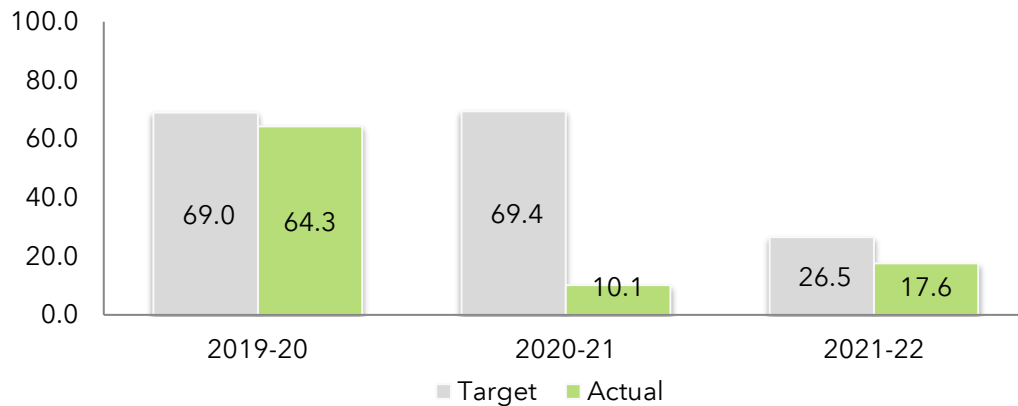


Cost Recovery Ratio

The cost recovery ratio (CRR), measured as total revenues to total operating costs (excluding items such as capital adjustments, bid fees, and CTS claims for COVID direct costs), represents the extent to which the organization's operations are self-funded. Metrolinx compares its cost recovery ratios to historical results and to industry benchmarks. Taking into account the impact of COVID-19, Metrolinx's cost recovery ratio is comparable among its North American peers. The CRR in 2021-22 was 17.6 per cent compared to 10.1 per cent in 2020-21 as ridership and revenue continued to recover from COVID-19.

CRR of 17.6 per cent was lower than the target of 26.5 per cent mainly due to the ongoing presence of COVID-19 and its impact on ridership and revenue. The Omicron variant, provincial public health restrictions, and delays in the region's return-to-office plans were not anticipated when targets were established and have hindered recovery plans. To help mitigate the continued pressure on revenue, the organization strategically modified service levels and consist sizes. In addition, the organization has had undiminished focus on Business Improvement Plan (BIP) program to find efficiencies and cost savings while continuing to provide essential public transit service to support post-COVID-19 economic recovery.

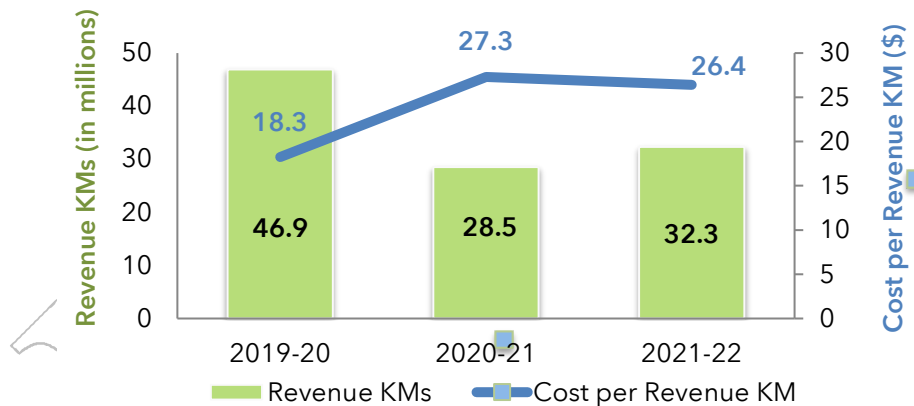
Cost Recovery Ratio (in percentage)



Operations Cost Efficiency

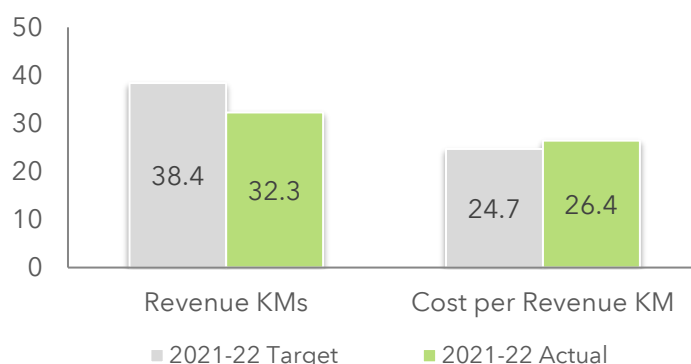
Cost per revenue kilometres (km) is a measure of cost-effective service delivery across all services (GO Train, GO Bus and UP Express) and factors in direct costs applied to rail and bus against total revenue kilometres delivered. Cost per revenue kilometres is an indicator of the effectiveness of business improvement plans and service adjustments implemented across operations throughout the COVID-19 pandemic.

Year-Over-Year Cost Efficiency



Cost per revenue kilometres in 2021-22 has improved compared to 2020-21. This is mainly driven by higher revenue kilometres in 2021-22 compared to 2020-21, as some of the services that were paused during the onset of pandemic has been restored. The service adjustment in response to the COVID-19 Omicron variant has however resulted in lower revenue kilometres in 2021-22 against target and consequently higher than anticipated cost per revenue kilometres in 2021-22.

Target vs Actual Cost Efficiency

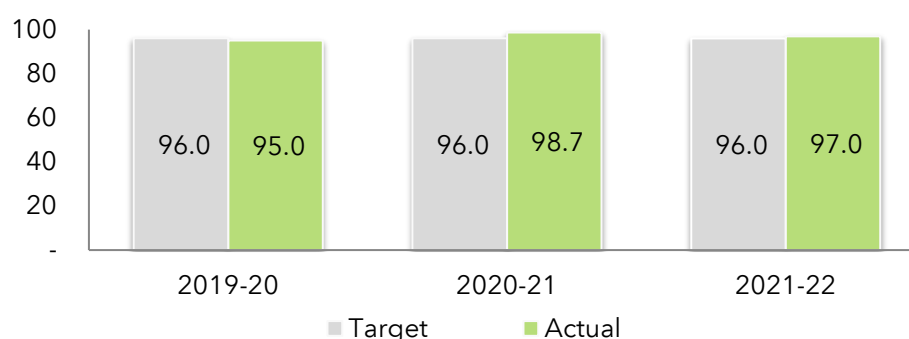


On-Time Performance

The on-time performance (OTP) key performance indicator measures the number of scheduled trips arriving at their destination on time for the period being measured. The OTP measure for GO rail is defined as within five minutes of scheduled arrival time and for GO Bus as being within 15 minutes of scheduled arrival time. The OTP measure for UP Express is defined as within five minutes of targeted journey time. OTP across all services (GO Train, GO Bus and UP Express) ended the fiscal year at 97 per cent which met the combined target of 96 per cent in line with Metrolinx's consistent performance in prior years.

Metrolinx achieved its blended OTP moving annual average (MAA) of 97 per cent, with GO train, UP Express, and GO Bus all achieving targets, 95 per cent, 98.4 per cent, and 97.4 per cent, respectively. GO Train, UP Express, and GO Bus have all exceeded their targets in the past two fiscal years despite managing workforce issues caused by COVID-19 sickness. Moving Annual Averages for Rail, UP and Bus were all sustained, with 95 per cent, 97 per cent and 96 per cent MAA, respectively. OTP erosion for Customer Experience OTP in Rail was 7.3 per cent. OTP erosion was 1.6 per cent for UP and 2.5 per cent for Bus. Addressing the risks related to OTP erosion is being monitored based on the largest contributors to ensure risks are mitigated resulting in diminished effect on future rates.

On-Time Performance (in percentage)



Customer Satisfaction

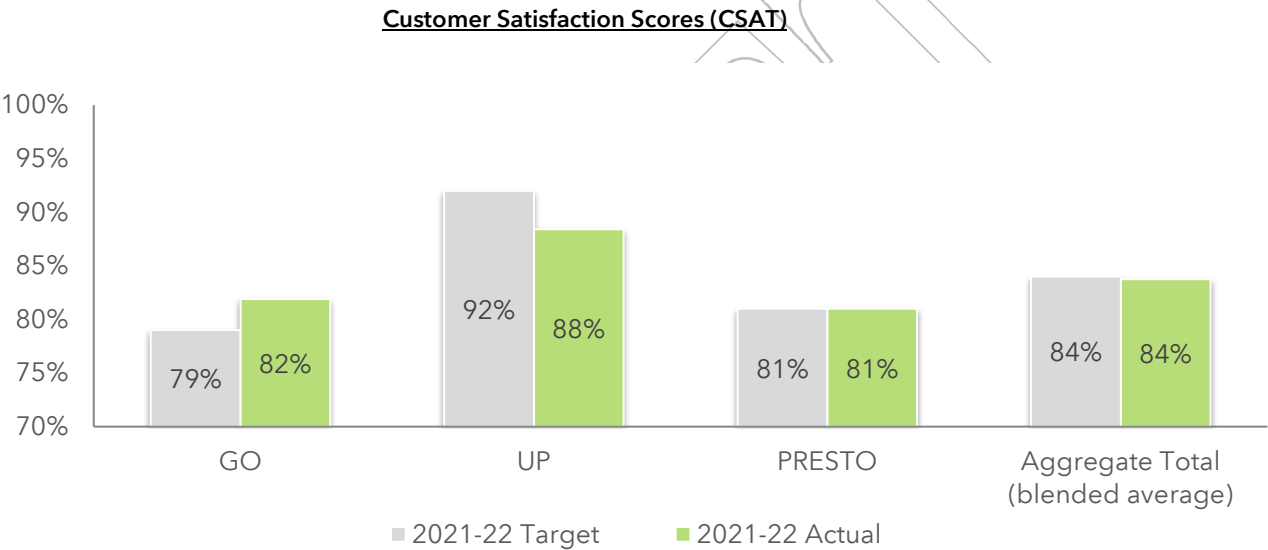
The Customer Satisfaction (CSAT) annual aggregate score was 84 per cent for Metrolinx's three brands (GO, UP, and PRESTO), which meets the annual target of 84 per cent.

GO Transit achieved an 82 per cent CSAT result for the year, surpassing the 2021-22 target of 79 per cent. Compared to last year, GO CSAT performance improved by six points. GO Transit delivered a strong CSAT performance through delivering necessary schedule changes that offered additional capacity, frequency, and travel options for customers when customers needed them. The continued focus on on-time performance, safety and

addressing customer concerns with COVID helped to boost customer satisfaction through the year.

UP Express achieved an 88 per cent CSAT score, below the 92 per cent target for 2021-22. Compared to last year, UP Express CSAT dropped by four points. UP Express customers were challenged by the level of service UP Express could provide because of crew shortages and budget constraints. There was a consistent theme throughout the year of customers seeking extended service hours, and increased frequency. Over the past year, UPE customers recognized the cleaning, reliability and convenience of the service within the CSAT survey.

PRESTO's average CSAT score for 2021-22 was 81 per cent, meeting its 81 per cent target and slightly above last year's 80 per cent score. With a focus on continuous improvement, an average of 41 PRESTO customer supporting changes were implemented each month. Notable enhancements included: updates to PRESTO fare device screens on TTC to show more details such as fare paid amount, account balance, and transfer time remaining, a website refresh to ensure customers can more easily find information, a PRESTO app update to include new features such as "check balance" on the home screen, and the rollout of 27 new PRESTO retail locations in Toronto to reduce geographic gaps and improve coverage within the city.

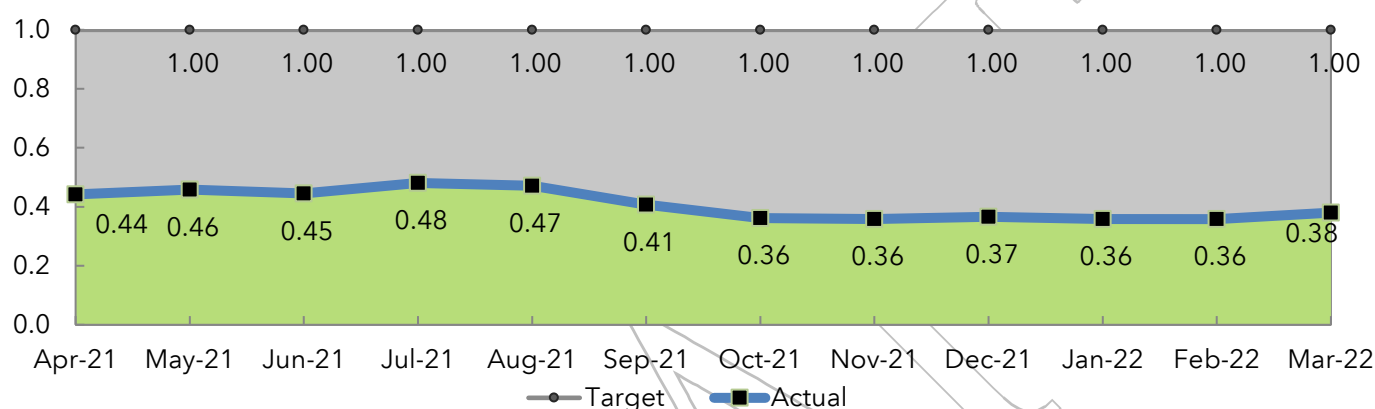


Safety - Lost Time Injury Frequency Rate

The Lost Time Injury Frequency Rate (LTIFR) is measured as the number of lost time injuries (an injured worker who is unable to come back to work the next day), reported on a 12-month rolling average. The calculation also includes the loss of wages or a permanent disability/impairment) per 100 Metrolinx employees (200,000 hours worked).

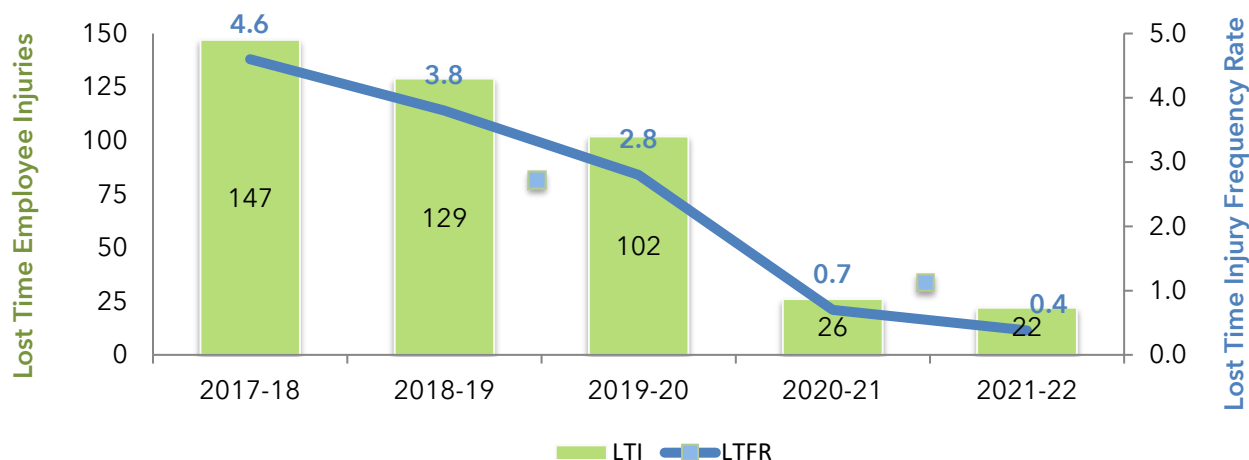
In the 2021-22 fiscal year, Metrolinx began tracking and monitoring a new LTIFR for “all parties”, against a corporate target of 1.0 per 200,000 work hours. The All Parties LTIFR includes employees from Metrolinx and Contractors performing work for Metrolinx such as train operations, track work and construction contractors. At the close of the financial year, the All Parties LTIFR was 0.38, which falls well below the target of 1.0.

All Parties LTIFR - 12 Month Rolling Average

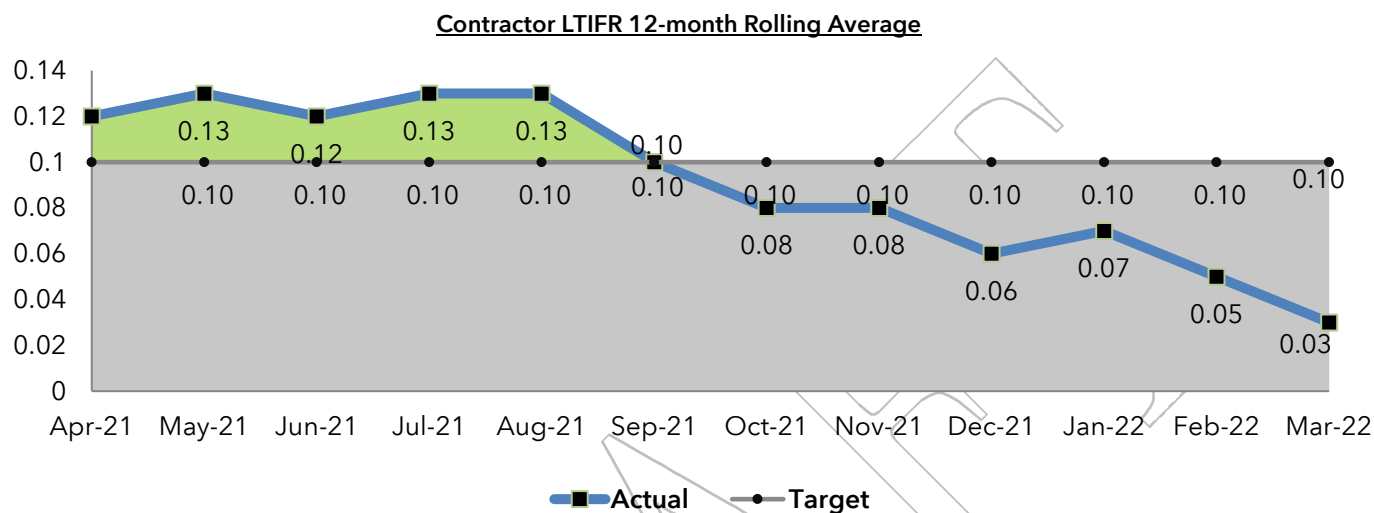


Metrolinx continued to measure our employee LTIFR against a target of 0.7 injuries per 200,000 hours worked, with a year end result of 0.58. Compared to the same time last year this is 19 per cent lower and 80 per cent lower than the prior year. Since tracking for this metric began in 2017, there has been a dramatic decline in injuries due to increased reporting and investigation of safety incidents, which has led to proactive preventive measures and represents a growing indication of improvements in safety management and safety culture at Metrolinx.

Metrolinx LTIFR and Lost Time Injuries



The Lost Time Injury Frequency Rate for Construction Contractors (LTIFR for Contractors) is measured as the number of lost time injuries (an injured worker who is unable to come back to work the next day. It also includes the loss of wages or a permanent disability/impairment) per 100 Metrolinx contract employees (200,000 hours worked), reporting on a 12-month rolling average. The current construction contractor 12-month rolling LTIFR is 0.03, which is a decrease of 76 per cent compared to last year. This is below the Metrolinx target of 0.10 and below the Ontario construction rate group average of 1.12 and Ontario General Contractors Association Members average of 0.36, which are comparable to Workplace Safety Insurance Board (WSIB) rates for yearly lost time injuries.



Metrolinx

Financial Statements

March 31, 2022



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, 2022 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, 2022;
- 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.

Other information

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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June @@, 2022

Metrolinx

Statement of Financial Position

As at March 31, 2022

(in thousands of dollars)

	2022 \$	2021 \$
Assets		
Current assets		
Cash and cash equivalents (note 5)	704,297	511,671
Investments	-	3,589
Accounts and other receivables (note 8)	260,753	319,652
Contributions receivable (note 9)	1,843,122	780,007
Spare parts and supplies	24,894	21,215
Prepaid expenses	29,760	45,345
	<u>2,862,826</u>	<u>1,681,479</u>
Contributions due from Province of Ontario – long-term (note 12)	2,768,328	3,114,629
Other assets (note 6)	97,403	76,144
Capital assets (note 7)	32,129,154	27,887,710
Deposits on land (note 10)	255,164	253,331
Advances on capital projects (note 10)	198,298	23,096
Long-term lease (note 11)	<u>25,591</u>	<u>25,918</u>
	<u>38,336,764</u>	<u>33,062,307</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 17 and 22)	2,800,752	1,604,576
PRESTO Farecard E-Purse (note 5)	111,655	105,225
	<u>2,912,407</u>	<u>1,709,801</u>
Long-term payable (note 12)	2,768,328	3,114,629
Deferred capital contributions (note 13)	28,200,702	24,484,501
Pension plan top-up benefits payable (note 15)	70,007	69,477
Other employee future benefits payable (note 16)	<u>166,702</u>	<u>163,342</u>
	<u>34,118,146</u>	<u>29,541,750</u>
Net Assets		
Invested in capital assets (note 18)	4,381,914	3,679,636
Invested in long-term lease (note 11)	25,591	25,918
Internally restricted (note 19)	26,332	26,332
Deficiency of net assets	<u>(215,219)</u>	<u>(211,329)</u>
	<u>4,218,618</u>	<u>3,520,557</u>
Accumulated remeasurement gains and losses	<u>-</u>	<u>-</u>
	<u>38,336,764</u>	<u>33,062,307</u>
Economic dependence (note 2)		
Commitments (note 20)		
Contingencies (note 21)		

Approved by the Board of Directors

Director

Director

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

Metrolinx

Statement of Operations

For the year ended March 31, 2022

(in thousands of dollars)

	2022 \$	2021 \$
Revenues		
Operating	193,090	102,036
Third party construction revenue	25,453	76,049
Contribution from the Province of Ontario	946,172	961,560
Interest income	7,948	4,819
Amortization of deferred capital contributions (note 13)	963,687	868,350
	<u>2,136,350</u>	<u>2,012,814</u>
Expenses		
Supplies and services	234,149	184,458
Equipment maintenance	117,319	109,158
Facilities and track	156,818	161,149
Labour and benefits	410,095	379,607
Rail and bus operations	335,983	291,846
Third party construction expense	26,259	77,363
Amortization of capital assets	935,460	837,468
Amortization of long-term lease	327	327
Gain on disposal and write-down of capital assets	(68,957)	(10,870)
	<u>2,147,453</u>	<u>2,030,506</u>
Excess of expenses over revenues	<u>(11,103)</u>	<u>(17,692)</u>

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

Metrolinx

Statement of Changes in Net Assets

For the year ended March 31, 2022

(in thousands of dollars)

				2022		2021
	Invested in capital assets \$ (note 18)	Invested in long- term lease \$ (note 11)	Internally restricted net assets \$ (note 19)	Deficiency \$	Total \$	Total \$
Balance – Beginning of year	3,679,636	25,918	26,332	(211,329)	3,520,557	3,496,116
Excess of expenses over revenues	-	-	-	(11,103)	(11,103)	(17,692)
Amortization – net of amortization to revenue	(1,709)	(327)	-	2,036	-	-
Assets contributed by the Province of Ontario	-	-	-	-	-	571
Land acquisitions including deposits	709,164	-	-	-	709,164	41,562
Disposal of land	(5,177)	-	-	5,177	-	-
Balance – End of year	4,381,914	25,591	26,332	(215,219)	4,218,618	3,520,557

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

Metrolinx

Statement of Cash Flows

For the year ended March 31, 2022

(in thousands of dollars)

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenues	(11,103)	(17,692)
Amortization of capital assets and long-term lease	935,787	837,795
Gain on disposal and write-down of capital assets	(68,957)	(10,870)
Amortization of deferred capital contributions	(963,687)	(868,350)
Employee future benefits – net of payments	3,890	8,724
	(104,070)	(50,393)
Change in non-cash working capital		
Investments	3,589	9,192
Accounts and other receivables	58,899	(58,173)
Spare parts and supplies	(3,679)	(337)
Prepaid expenses	15,585	(24,784)
Accounts payable and accrued liabilities	(1,609)	32,339
PRESTO Farecard E-Purse	6,430	8,485
Other assets	(21,259)	(35,440)
	(46,114)	(119,111)
Capital activities		
Purchase of capital assets	(4,043,405)	(2,873,011)
Proceeds from sale of capital assets	104,071	60,392
Deposits on land (note 18)	(255,164)	(253,331)
Advances on capital projects (note 10)	(198,298)	(23,096)
	(4,392,796)	(3,089,046)
Financing activities		
Grants received for purchase of land	709,164	41,562
Capital contributions	3,922,372	3,013,117
	4,631,536	3,054,679
Net change in cash, cash equivalents and restricted cash	192,626	(153,478)
Cash and cash equivalents – Beginning of year	511,671	665,149
Cash and cash equivalents – End of year	704,297	511,671
Supplemental cash flow information		
Non-cash capital activities		
Change in accounts payable and accrued liabilities relating to capital assets	1,197,785	(559,329)
Change in long-term capital payable/contribution due from Province	(346,301)	1,343,646
Assets contributed by the Province of Ontario	-	571
Non-cash financing activities		
Change in capital contributions receivable	(1,063,115)	464,572

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

Metrolinx

Statement of Remeasurement Gains and Losses

For the year ended March 31, 2022

(in thousands of dollars)

	2022 \$	2021 \$
Balance, beginning of year	-	(6,029)
Unrealized gains (losses) attributable to		
Forward fuel purchase contracts (note 24)	-	1,581
Amounts reclassified to the statement of operations:		
Forward fuel purchase contracts (note 24)	-	4,448
Net remeasurement gains and (losses)	-	6,029
Balance, end of year	-	-

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, an electronic farecard that allows riders to transfer seamlessly across multiple transit systems.

2 Economic dependence

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

In addition, Metrolinx receives government grants:

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

(in thousands of dollars)

COVID-19 impact

The COVID-19 pandemic continues to impact many transit organizations across the world in 2021-22, including all areas of Metrolinx’s business. Over the past year, Metrolinx ridership and revenue continue to be impacted as the province experienced the third, fourth and fifth waves of COVID-19 cases. In April/May 2021, ridership was impacted by the third pandemic wave that lasted longer than anticipated with lockdown restrictions. In August/September 2021, the Delta-induced fourth wave delayed return to downtown offices and impeded ridership recovery. And just as restrictions began to be slowly lifted in November 2021 and ridership was beginning to return in January 2022, the Omicron-fueled fifth wave and the various public health restrictions, including the stay-at-home order and school closures, further resulted in another ridership drop and prompted Metrolinx to once again reduce its service levels. Following Omicron, ridership and fare revenue rebounded slightly in February and March 2022 with the easing of health and safety restrictions.

As a Crown agency of the Government of Ontario, Metrolinx receives subsidy funding every year from the Province to cover for the shortfall between operating revenues and expenses, and capital funding for infrastructure renewal and expansion. With the health and safety restrictions in place, as well as delayed return to downtown offices as a result of various COVID-19 waves, ridership levels continue to be significantly lower as compared to pre-pandemic levels which, consequently, has resulted in further significant reductions in operating revenues in fiscal 2021-22.

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
Investments	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

(in thousands of dollars)

The fair value of Metrolinx's cash and cash equivalents, investments, 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, balances with banks net of bank overdrafts and highly liquid short-term investments with maturities of three months or less at the time of purchase.

Investments

Investments include highly liquid short-term investments with maturities of more than three months but not exceeding a year at the time of purchase.

Spare parts and supplies

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

Capital assets

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

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

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

(in thousands of dollars)

Capital assets derived through an Alternate Financing Procurement (AFP) contract for 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.

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)

Operating revenues

Operating revenues comprise fare revenues from transit operations, including bus and rail services and non-fare revenues from various services including partnership, parking, advertising, farecard sales, commercial space rent and other ancillary services. Revenue from commuter services is recognized when the transportation service is provided. Other revenues are recognized when the transaction or event has occurred, Metrolinx expects to obtain future economic benefits and the performance obligation related to the underlying services or goods has been met.

Third party construction revenue and expense

Third party construction revenue comprises revenues 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 which may arise. All reserves are approved by the Board of Directors and are disclosed on the statement of financial position as net assets.

Liability for contaminated sites

Metrolinx assesses all land holdings to determine if contamination, as defined under the standard and regulatory requirements, is present on lands not being used in providing transit and other related services. While contamination may be present, the resultant liability also depends on the existing and future disturbances to the land. A complete inventory of all land holdings was developed and assessed under the standard. The remediation cost is calculated based on the best available information and is reviewed and revised on an ongoing basis.

(in thousands of dollars)

Use of estimates

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

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. Extreme market volatility in the current fiscal year prevented Metrolinx from entering into any forward purchase contracts and as a result there are no outstanding diesel purchase contracts as at March 31, 2022.

5 PRESTO Farecard E-Purse balances

The balance of funds held in PRESTO Farecard E-Purse in the amount of \$111,655 (2021 – \$105,225) has been included in cash and cash equivalents. The E-Purse balance is held on behalf of the farecard owner and, therefore, a liability is recorded on the statement of financial position.

6 Other assets

Included in other assets is an amount of \$66,144 (2021 – \$66,144) relating to enhanced quality warranties for a period of 30 years. As at March 31, 2022, the underlying assets that the warranties relate to have not been put into service.

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

7 Capital assets

	2022		2021	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	3,559,599	-	3,559,599	2,855,008
Buildings	2,453,483	823,545	1,629,938	1,597,581
Leasehold improvements	109,202	61,927	47,275	52,583
Locomotives and other railway rolling stock	3,730,325	1,431,559	2,298,766	2,314,546
Improvements to railway right-of-way plant	1,633,187	967,936	665,251	686,555
Grade separations, track work and installations	4,467,498	1,270,582	3,196,916	3,115,038
Construction-in-progress	17,435,835	-	17,435,835	13,974,453
Buses	479,292	243,126	236,166	280,463
Parking lots	1,190,171	462,207	727,964	631,722
Computer equipment and software	2,335,675	1,367,494	968,181	999,505
Other	1,766,789	403,526	1,363,263	1,380,256
	39,161,056	7,031,902	32,129,154	27,887,710

Construction-in-progress includes the following:

	2022 \$	2021 \$
Rail corridor expansion	1,904,722	1,755,757
Union Station	637,679	605,958
Rail fleet	48,414	151,263
PRESTO system	45,563	102,703
Light Rail Transit and Bus Rapid Transit	10,953,910	9,183,964
Subways	1,635,830	452,293
Other	2,209,717	1,722,515
	17,435,835	13,974,453

Construction-in-progress relates to projects that are expected to come into service in one to nine years.

Subway projects

Regulations under the Metrolinx Act, 2006 were passed in July 2019 to formalize the Province taking control of the planning, design, construction and operation of certain subway projects 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 September 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. Subject to the outcome of the exercise, the Province commits to reimburse the City for reasonable costs incurred for these projects.

The Province and the City are currently working to finalize the partnership through a governance structure and agreements framework that will codify roles and responsibilities of the respective parties regarding the delivery of the rapid transit projects, capital funding contributions, operations and maintenance requirements and other governance parameters. In addition, the aforementioned financial review and reconciliation exercise between the Province and the City is not yet completed. Accordingly, Metrolinx has not recognized any amounts in the financial statements for the year ended March 31, 2022 pertaining to amounts incurred by the TTC prior to September 1, 2019.

8 Accounts and other receivables

Accounts and other receivables comprise the following:

	2022 \$	2021 \$
Recoverable harmonized sales tax	86,144	60,428
Third party reimbursements	55,690	129,425
Other receivables	44,132	55,012
	185,966	244,865
Sunk project costs recoverable from City of Toronto	74,787	74,787
	260,753	319,652

Included in accounts and other receivables is \$74,787 (2021 – \$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 and does not include costs related to any contract amendments or cancellations with third party vendors. On October 8, 2013, City of Toronto Council voted to replace the planned LRT currently under construction under the Master Agreement with a Scarborough subway. The City of Toronto has agreed to reimburse Metrolinx for expenditures incurred for the Scarborough LRT, including any potential costs associated with the LRT vehicle supply contract. Accordingly, the costs incurred to date have been reclassified from construction-in-progress to non-interest bearing accounts receivable. The receivable is expected to be settled in connection with the negotiations related to the subway upload transaction with the City (note 7).

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

9 Contributions receivable

Contributions receivable comprise the following:

	2022 \$	2021 \$
Contributions due from Province of Ontario	1,735,760	664,637
Contributions due from Municipalities (note 13)	95,461	100,144
Contributions due from Government of Canada	11,839	12,863
Contributions due from other organizations	62	2,363
	<u>1,843,122</u>	<u>780,007</u>

10 Deposits on land and advances on capital projects

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

	2022 \$	2021 \$
York Region	243,896	249,063
TTC	3,368	3,368
Other land deposits	7,900	900
	<u>255,164</u>	<u>253,331</u>

	2022 \$	2021 \$
York Region	14,512	23,096
Alstom Transport Canada Inc.	116,265	-
Ontario Northland Transportation Commission	39,025	-
Other advances on capital projects	28,496	-
	<u>198,298</u>	<u>23,096</u>

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

Pursuant to these agreements, advances were paid to York Region and to the TTC to provide working capital for deposits on land totalling \$247,264 (2021 – \$252,431) and advances on capital projects totalling \$14,512 (2021 – \$23,096) to fund

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

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.

Other advances on capital projects include advances paid to Alstom Transport Canada Inc. and Ontario Northland Transportation Commission for the refurbishment of 150 bi-level rail cars for GO Expansion project totalling \$84,058 (2021 – \$nil) and advances paid to Alstom Transport Canada Inc. for signaling changes for the Ontario Line totalling \$71,232 (2021 – \$nil) and various other advances totalling \$28,496 (2021 – \$nil).

11 Long-term lease

	2022		2021
	Cost \$	Accumulated amortization \$	Net \$
Leasehold – Union Station	32,704	7,113	25,591

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

During the year ended March 31, 2015, Metrolinx and Infrastructure Ontario had entered into an AFP contract with Plenary Infrastructure for the design, build, finance and maintenance of its Whitby Facility (formerly known as the East Rail Maintenance Facility). The AFP contract with Plenary Infrastructure is for 30 years at a total amount of \$921,794. This amount also includes lifecycle payments over the term of the contract amounting to \$76,593.

During the year ended March 31, 2016, Metrolinx and Infrastructure Ontario entered into an AFP contract with Crosslinx Transit Solutions for the design, build, finance and maintenance of its Eglinton Crosstown LRT. The AFP contract with Crosslinx Transit Solutions is for 30 years at a total amount of \$9,103,676.

During the year ended March 31, 2019, Metrolinx and Infrastructure Ontario entered into an AFP contract with Mosaic Transit Partners General Partnership for the design, build, finance and maintenance of its Finch West LRT. The AFP contract with Mosaic Transit Partners General Partnership is for a period of 35 years at a total amount of \$2,479,323.

During the year ended March 31, 2020, Metrolinx and Infrastructure Ontario entered into an AFP contract with Mobilinx Hurontario General Partnership for the design, build, finance and maintenance of its Hurontario LRT. The AFP contract with Mobilinx Hurontario General Partnership is for a period of 35 years at a total amount of \$4,599,026. As well, a design/build contract was issued to GCRS Davenport General Partnership in the amount of \$175,016 for Davenport Diamond Grade Separation project.

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

During the year ended March 31, 2022, Metrolinx and Infrastructure Ontario entered into the following contracts:

- Lakeshore West - with Ellisdon Infrastructure LSW RER Inc. \$443,871 to design, build and finance certain infrastructure improvements at the GO Stations, Burloak Drive Grade Separation and the Drury Lane Pedestrian Bridge in order to accommodate the anticipated Regional Express Rail services;
- Eglinton Crosstown West Extension - with West End Connectors Developer General Partnership (WEC) \$729,182 for design, build and finance of the Eglinton Crosstown West Extension (ECWE) Advanced Tunnel 1 project; and
- Scarborough Subway Extension - with Strabag Scarborough Project Inc. \$757,135 for design, build and finance of the Scarborough Subway Extension's Advance Tunnel project.

Costs incurred on these contracts as at March 31, 2022 are as follows and are included in construction-in-progress.

	Hurontario LRT \$	Whitby \$	Eglinton Crosstown LRT \$	Finch West LRT \$	Davenport Diamond \$	Lakeshore West \$	Eglinton Crosstown West Extension \$	Scarborough Subway Extension \$	2022 \$	2021 \$
Cost incurred to date	905,003	518,570	5,816,028	1,181,981	126,136	48,096	363,125	245,437	9,204,376	7,677,244
Less: Amount paid or amount payable within 1 year	235,670	334,625	4,969,864	307,133	65,331	-	278,113	245,312	6,436,048	4,562,615
Long-term payable	669,333	183,945	846,164	874,848	60,805	48,096	85,012	125	2,768,328	3,114,629

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

13 Deferred capital contributions

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

	2022 \$	2021 \$
Balance – Beginning of year	24,484,501	21,460,662
Contributions received or receivable in the period for capital acquisitions		
Province of Ontario	4,666,346	3,862,673
Municipalities	13,042	20,342
Government of Canada	-	-
Other organizations	500	9,174
Amortization of deferred capital contributions	(963,687)	(868,350)
Balance – End of year	28,200,702	24,484,501

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 \$4,374 (2021 – \$30,949) and the cumulative amount is \$1,421,116 (2021 – \$1,416,742). The Province will work with its municipal partners to address the funding shortfalls.

(in thousands of dollars)

The City of Toronto has agreed to contribute \$95,461 related to grade separation and utility relocation work performed by Metrolinx on the Georgetown South (GTS) corridor. An Agreement in Principle signed in January 2018 between the Province and the City of Toronto allows Metrolinx to recover eligible costs that it incurred on behalf of the City. The receivable is expected to be settled in connection with the negotiations related to the subway transaction with the City (note 7). Accordingly, the receivable has been classified as a short-term asset as at March 31, 2022.

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, 2022 is \$48,046 (2021 – \$42,286).

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, 2022. The pension expense recognized during the year is \$3,530 (2021 – \$4,160).

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:

	2022 \$	2021 \$
Accrued benefit obligation	66,552	74,800
Fair value of plan assets	(4,134)	(4,048)
Funded status – plan deficit	62,418	70,752
Unamortized net actuarial gain (loss)	7,589	(1,275)
Accrued benefit liability	70,007	69,477

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

Details of the accrued benefit obligation are as follows:

	2022 \$	2021 \$
Accrued benefit obligation – Beginning of year	74,800	77,916
Current service cost	650	664
Interest cost on accrued benefit obligation	1,961	1,853
Benefit payments	(2,921)	(2,746)
Actuarial gain on accrued benefit obligation	(7,938)	(2,887)
Accrued benefit obligation – End of year	66,552	74,800

Details of the pension expense are as follows:

	2022 \$	2021 \$
Current service cost	650	664
Interest cost on accrued benefit obligation	1,961	1,853
Actual return on plan assets	(7)	(11)
Expected return versus actual return on plan assets	7	11
Amortization of actuarial loss	919	1,643
	3,530	4,160

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

	2022	2021
Discount rate	3.25%	2.65%
Rate of compensation increase	2.5%	2.5%
Inflation per annum	2%	2%
Expected average remaining service life	3 years	4 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, 2022. The post-retirement non-pension benefits recognized during the year were \$6,886 (2021 – \$9,862).

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

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

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:

	2022 \$	2021 \$
Accrued benefit obligation	119,003	142,874
Funded status – plan deficit	119,003	142,874
Unamortized net actuarial gain	47,699	20,468
Accrued benefit liability	166,702	163,342

Details of the accrued benefit obligation are as follows:

	2022 \$	2021 \$
Accrued benefit obligation – Beginning of year	142,874	143,917
Current service cost	4,573	4,662
Interest cost on accrued benefit obligation	3,888	3,642
Benefit payments	(3,526)	(3,199)
Actuarial gain on accrued benefit obligation	(28,806)	(6,148)
Accrued benefit obligation – End of year	119,003	142,874

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

	2022 \$	2021 \$
Current service cost	4,573	4,662
Interest cost on accrued benefit obligation	3,888	3,642
Amortization of actuarial (gain) loss	(1,575)	1,558
	6,886	9,862

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

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

	2022	2021
Discount rate for post-retirement non-pension benefit	3.3%	2.7%
Discount rate for WSIB liabilities	3.2%	2.4%
Discount rate for retiree severance benefits	3.1%	2%
Expected average remaining service life for post-retirement non-pension benefit	16 years	16 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	3%	2.75%
Inflation per annum	2%	2%
Initial Weighted Average Health Care Trend Rate	4.69%	4.24%
Ultimate Weighted Average Health Care Trend Rate	3.18%	3.02%
Dental care benefits increase	2.75%	2.75%

17 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 \$3,957 (2021 – \$3,600) has been recorded based on environmental assessments or estimations for those sites where an assessment has not been conducted.

18 Net assets invested in capital assets

	2022 \$	2021 \$
Capital assets	32,129,154	27,887,710
Deposits on land	255,164	253,331
Advances on capital projects	198,298	23,096
Less: Deferred capital contributions used to purchase capital assets	(28,200,702)	(24,484,501)
	<u>4,381,914</u>	<u>3,679,636</u>

19 Internally restricted net assets

The internally restricted net assets are as follows:

	2022 \$	2021 \$
MCOR	21,051	21,051
Employment obligation	889	889
Self-insured retention	2,013	2,013
Stabilization	2,379	2,379
	<u>26,332</u>	<u>26,332</u>

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

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

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.

20 Commitments

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

	\$
2023	40,629
2024	36,825
2025	32,542
2026	29,987
2027	25,813
2028 and thereafter	538,962
	<u>704,758</u>

- 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), 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 \$400,000 per year:

- Master Operating Agreement with CN terminating on May 31, 2023;
- Commuter Agreement with CP terminating on December 31, 2024;
- Equipment Maintenance contract with Alstom terminating on December 31, 2024;
- Rail Crew contract with Alstom terminating on December 31, 2024;
- Routine Track and Signal Maintenance contract with PNR terminating on June 30, 2022;
- Rail Corridor Management Service Agreement with TTR terminating on June 30, 2023.

- c) Metrolinx has also committed approximately \$5,767,000 for various capital asset additions/projects.

Metrolinx

Notes to Financial Statements

March 31, 2022

(in thousands of dollars)

The remaining annual capital and/or service payments relating to AFP contracts in nominal dollars, as at March 31, 2022, are as follows:

	Contract amount \$	Amount disbursed \$	Outstanding obligation \$	Outstanding obligations to be disbursed by March 31					
				2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028 and thereafter \$
Eglinton	9,542,259	4,114,617	5,427,642	1,035,962	59,230	118,011	119,830	123,657	3,970,952
Whitby	921,794	378,009	543,785	17,643	17,809	17,980	18,454	18,668	453,231
#401/409 Tunnel	132,965	130,315	2,650	2,650	-	-	-	-	-
Kipling Bus Terminal	102,373	71,759	30,614	30,614	-	-	-	-	-
Rutherford Station	242,066	89,819	152,247	152,247	-	-	-	-	-
Stouffville Station	257,198	100,738	156,460	156,460	-	-	-	-	-
Davenport Diamond	177,600	32,538	145,062	128,364	16,698	-	-	-	-
Finch	2,485,511	293,627	2,191,884	194,222	904,037	31,971	32,284	32,283	997,087
Hurontario	4,601,444	191,050	4,410,394	585,704	312,301	758,546	63,613	63,613	2,626,617
Eglinton West Extension	769,621	120,148	649,473	-	153,154	133,064	363,255	-	-
Scarborough Extension	758,668	1,105	757,563	-	239,762	136,762	381,039	-	-
Lakeshore West	443,871	-	443,871	-	125,561	-	-	121,511	196,799
Total	20,435,370	5,523,725	14,911,645	2,303,866	1,828,552	1,196,334	978,475	359,732	8,244,686

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, 2022, Metrolinx had outstanding letters of credit totalling \$53 (2021 – \$53).

21 Contingencies

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

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 thousands of dollars)

In addition, Metrolinx had the following transactions with related parties during the year for the provision of services provided by these organizations.

- a) Infrastructure Ontario \$106,362 (2021 – \$85,967) for AFP procurement and transaction advisory services; Ministry of Transportation \$12,933 (2021 – \$14,639) for project services; Ontario Northland Transportation Commission \$47,491 (2021 – \$3,589) for refurbishment services. As at March 31, 2022, accounts payable and accrued liabilities included \$32,822 (2021 – \$49,237) owing to Infrastructure Ontario, \$5,350 (2021 – \$9,995) owing to Ministry of Transportation and \$32,100 (2021 – \$618) owing to Ontario Northland Transportation Commission.
- b) The Ministry owes \$nil (2021 – \$225) for two parcels of land procured from Metrolinx in prior years.

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. The terms of these indemnities are not explicitly defined, and the maximum amount of any potential reimbursement cannot be reasonably estimated.
- 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, 2022, Metrolinx has not entered into any future contracts for diesel fuel.

Appendices

Appendix A. Metrolinx Strategic Objectives

Our four strategic priorities continue to guide our work: Everyone Safe, Engaged People, Trusted Business Partner and Satisfied Customers. For the 2021-22 financial year we focused our efforts on 15 strategic objectives, reflecting key areas of our business that we wanted to build on and strengthen. The following status report provides an overview of our performance in these areas.

Everyone Safe	
Strategic Objective (SO)	Status at end of FY2020-21 and commentary on results
SO 1. Achieve LTIFR for All Parties of 1.0/200,000 hours worked and reduce construction LTIFR to 0.1/200,000 hours worked.	At the close of the financial year, the All Parties LTIFR was 0.38, which falls well below the target of 1.0. Metrolinx began tracking and monitoring a new LTIFR for "all parties", against a corporate target of 1.0 per 200,000 work hours. The All Parties LTIFR includes employees from Metrolinx and Contractors performing work for Metrolinx such as train operations, track work and construction contractors.
SO 2. Achieve Train Operating Rule Violations (TORV) rate of 0.9/million train kilometres on GO and UP and 1.3/million kilometres for all third-party operators.	Rail Operations achieved a TORV of 1.0/million train kilometres on GO and UP against a target of 0.9. As an ongoing target. Rail continues to establish actions to improve TORV beyond the target of 0.9. As of March 2022, Rail has gone 12 months without a Signal Passed at Danger (SPAD) for the second time within the Alstom contract.
SO 3. Implement a Safety Engagement Tour Program on September 1, 2021 requiring a minimum of one safety tour every four weeks by each leader who is a director or above.	Program successfully implemented with 288 tours conducted
Engaged People	
Strategic Objective	Status at end of FY2021-22
SO 4. Support our people during a year of significant change and achieve an engagement score of 80%	We met this objective receiving an engagement score of 80% in our annual employee engagement survey conducted in February-March 2022.
SO 5. Continue to build an inclusive culture and achieve and Inclusion score of 78%, while achieving gender balance for senior managers and above to 43% and 37% across Metrolinx.	Women as a percentage of senior managers and above: current forecasting indicates we will not meet the fiscal year target (38.3% as of March 25, 2022) and the share has been decreasing in the past three months Women as a percentage across Metrolinx: current forecasting indicates we will not meet the fiscal year target (36.8% as of March 25, 2022) but we are on an upwards trajectory
SO 6. Improve competent and confident people who are satisfied with their training and development and information, tools and resources to 70%.	In 2021-22 Metrolinx saw an improvement in the overall score for competent and confident people from the previous year. However, at 68%, the organization did not meet the target by 2 points.
Trusted Business Partner	
Strategic Objective	Status at end of FY2021-22
SO 7. Deliver our capital infrastructure program to budget in line with the capital plan and within 5% of the Q1 fiscal budget.	The year-end actuals for fiscal year 2021-22 are \$5,172M, which reflects an underspend of 7.2% compared to the fiscal year budget.

	Comparison between the final year end actuals and the budgetary forecast set at the start of the fiscal year shows certain capital projects have failed to meet anticipated spending rates due to factors including underperformance by contractors, delays to property purchases, and delays in procurement.
SO 8. Deliver the 40 critical milestones for capital infrastructure programs to schedule.	A total of 32 top milestones were completed by fiscal year end. Of the eight milestones not achieved, some were affected by performance delays substantially outside of program control, while others were affected by proactive and strategic decisions by management to extend project timelines to obtain better-value outcomes.
SO 9. Achieve our P&L objectives through total operating requirement targets for the organization of \$1,002M, Operations (GO/UP) of \$745M, PRESTO of \$96M and for Transit Oriented Communities a surplus of \$37M.	The total operating requirement for Metrolinx is \$929M, which is a \$73M improvement over the target of \$1,002M due to a combination of: • Expense savings; • Lower Bid Fees; and • Higher proceeds from sale of assets based on favourable market conditions; partially offset by • Revenue shortfall from lower ridership due to COVID-19. Note that the total operating requirement of \$929M excludes CTS claims for COVID-19 direct costs and Prior Year Construction in Progress (CIP) write-offs, which are funded by the Province separately. The total year-end operating requirement for Operations (GO/UP) is at \$769M, which is \$24M higher than the target of \$745M due to the impact of the Omicron variant, public health restrictions, and the region's delayed return-to-office plans. The total operating requirement for Transit-Oriented Communities is reflecting a surplus of \$99M, which is \$62M higher than the target of \$37M due to higher than anticipated proceeds from sale of assets based on favourable market conditions. The fiscal year end operating requirement for PRESTO was \$114M, which was \$18M higher than the target of \$96M largely due to lower commission revenue resulting from slower than anticipated COVID-19 ridership recovery across all transit agencies.
SO 10. Implement three waste reduction projects in each division and six each in Operations (GO and UP), Operations (Rapid Transit), PRESTO and CPG.	All Divisions have applied LEAN thinking and have used practical problem-solving methods to identify and remove waste. As a result, the majority of Divisions have completed their planned waste reduction projects and seen either direct or indirect benefits. The remaining Divisions are in progress to completing plans.

SO 11. Implement verified cybersecurity improvements by December 2021 that ensures no material breaches and implement full failover by March 2022.	Significant progress being made in 2021-22, but the overall schedule experienced delays due to external reasons. Verified Cybersecurity Improvements Metrolinx's I&IT cybersecurity team is working on four large procurement tenders to engage strong partners to assist and manage our cybersecurity (i.e., Payment Card Industry Data Security Standard Compliance, Managed Detection and Response Services, Operational Technology Remediation, and Managed Services Demilitarized Zone). A significant amount of time has been spent on these tenders to ensure the right requests are captured for the vendors; and that the vendors will complement and augment Metrolinx's in-house expertise. The Payment Card Industry tender was awarded in February 2022 and will start in May 2022. The remaining three are in progress and will continue into Q1 of 2022-23 fiscal year. A Payment Card Industry Data Security Standard Compliance Attestation of Compliance (AoC) has been successfully completed and the National Institute of Standards Technology (NIST) framework assessment to baseline Metrolinx's cyber defense processes is also complete. Full Failover Protection Significant progress is being made with the opening of the new data centre in Barrie, Ontario to support Disaster Recovery. Global issues and semiconductor shortages have impacted original schedules; the new forecast to test failover for 20 critical applications is June 2022 and the additional 34 applications by October 2022.
Satisfied Customer	
Strategic Objective	Status at end of FY2021-22
SO 12. Build our reputation with customer residents to 66% and improve our positive impressions with stakeholders to 66%.	Both research studies completed at end March. Results for both will be ready by April 13.
SO 13. Rebuild ridership to 27 million by March 2022 and increase PRESTO adoption to 85%	GO FY21-22 ridership was 14.4M, recovery (% of FY1920) is 20.0%. UP Express ridership 825k and recovery of 19.8% Total of ridership 15.2M PRESTO adoption across our transit agency partners is 85.1%, slightly above the 85% target.
SO 14. Deliver On-Time-Performance of moving annual average of 95% for GO rail, 96% for GO Bus, 97% for UP, and payment equipment availability of 99.65% for PRESTO.	Consolidated On-time performance result 2021/2022: 97% GO Bus: 97.4% GO Rail: 95% UP Express: 98.4% PRESTO payment equipment availability exceeded both the contractual target (99.50%) and the internal stretch target (99.65%). Payment readers

	achieved an aggregated availability of 99.88% across the ecosystem, while load machines achieved 99.82%, for a year-to-date blended average of 99.85%.
SO 15. Deliver customer Satisfaction of 79% for GO, 92% for UP, 81% for PRESTO to give an aggregate average of 84%	We have met the combined target of 84% for all three brands, despite another challenging year with COVID-19. This year GO CSAT achieved an all-time high of 88% in May 2021 and year-to-date of 83%, well above the 79% target. Similarly, PRESTO achieved its CSAT target of 81%. On UP Express, we have a current score of 88%, below target - but still strong and largely driven by reduced pandemic service levels during COVID-19.

Appendix B. GRI Report

Metrolinx is committed to monitoring and reporting on its performance as a trusted and transparent organization. This commitment includes publicly reporting on its performance in achieving the goals articulated in the five-year Sustainability Plan.

The following report has been developed in accordance with the Global Reporting Initiative (GRI) framework. The GRI framework is the most widely-adopted sustainability reporting framework globally. GRI is also a United Nations-sanctioned framework that enables entities to manage and report on their environmental, social and governance (ESG) impacts, mitigating risk, building trust and publicizing successful initiatives

Global Reporting Initiative (GRI) report - 2021-22

General Disclosures

GRI ref.	Disclosure	Related United Nations SDGs	Disclosure response 2021-2022
102-1	Name of the Organization	N/A	Metrolinx
102-2	Activities, Brands, Products and Services	Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable Cities and Communities	Metrolinx Overview: http://www.metrolinx.com/en/aboutus/metrolinxoverview/metrolinx_overview.aspx 2041 Regional Transportation Plan: http://www.metrolinx.com/en/regionalplanning/rtp/ Project Map: https://maps.metrolinx.com/projectmap/ Customer Charter: http://www.metrolinx.com/en/aboutus/customercharter/overview.aspx
102-3	Location of Headquarters	N/A	Toronto, Ontario
102-4	Location of Operations	N/A	Metrolinx operates in Ontario, Canada.
102-5	Ownership and Legal Form	N/A	Metrolinx, an agency of the Government of Ontario established under the Metrolinx Act, 2006 (the "Act"), is responsible for the operation of the regional transit system in the regional transportation area that includes the Greater Toronto Area (GTA), Hamilton and Niagara Region. The organization's mission is to champion, develop and implement an integrated transit network for our region that enhances prosperity, sustainability and quality of life.
102-6	Markets Served	Goal 11: Sustainable Cities and Communities	Transit and Operations Map: https://www.gotransit.com/en/trip-planning/system-and-route-map
102-7	Scale of the Organization	Goal 8: Decent Work and Economic Growth	See "Financial Highlights" of 2021-22 Annual Report, page 10.
102-8	Information on Employees and Other Workers	Goal 8: Decent Work and Economic Growth	There are a total of 4,993 active employees (excluding students, co-op and interns) working across 97 locations as of March 31, 2022. • Total number of employees by employment type, by gender: F: 1,720, M: 3,070 ; Part time: F: 116, M:87

			Data was extracted from the Human Resources System of Records.
102-9	Supply Chain	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 12: Responsible Consumption and Production	In 2021-22, Metrolinx continued the administration of the Community Benefits/Community Supports program including the Community Benefit Agreements for Eglinton Crosstown, Finch West and Hurontario LRT projects.
102-10	Significant Changes to the Organization and its Supply Chain	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 10: Reduced Inequalities Goal 12: Responsible Consumption and Production	No changes to report in 2021-2022.
102-11	Precautionary Principle or Approach	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 10: Reduced Inequalities Goal 12: Responsible Consumption and Production	Metrolinx is regulated by the Federal and Provincial government and the enabling legislation is the Metrolinx Act, 2006. The Enterprise Risk Management (ERM) Office has established guidelines, processes and tools to help Metrolinx and its business units identify risks to achieving its strategic objectives. Metrolinx maintains a full ERM Policy and framework to ensure robust processes for risk identification, mitigation, monitoring and reporting at all levels up to and including Senior Management and the Board. The ERM Policy is based on the COSO ERM Integrated Framework 2017 and ISO 31000. An ISO 14001 Environmental Management System to frame operational and construction processes. Metrolinx is in compliance with the Enterprise Risk Management Directive of the Ontario Public Sector, April 2020.
102-12	External Initiatives	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 10: Reduced Inequalities Goal 12: Responsible Consumption and Production	In 2021-22, the Transportation Procurement Initiative (TPI) delivered its 2000th bus in just half the time it took to reach its 1000th bus delivery. Program expanded to include new partnership with Brantford Transit, resulting in a total of 54 participating transit agencies. The total growth in bus order intake is 9.8% over the previous fiscal year, expanding across 30 regions. TPI awarded a new RFP for 6-metre minibus platform helping to support specialized transit ridership. In mid- 2021, TPI held an information session related to electric buses to understand TA interest level and readiness for this new propulsion. Based on meeting outcomes, TPI built our Battery Electric Bus Joint Procurement Roadmap. The first stage of the roadmap is a requirement for consulting services to complete a feasibility study and fleet electrification transition plan.
102-13	Membership of Associations	Goal 17: Partnerships for the Goals	American Public Transit Association (APTA) Association of Certified Fraud Examiners (ACFE) Association of Train Operating Companies Rail Delivery Group (ATOC) Canadian Council for Public-Private Partnerships (CCPPP) Canadian Marketing Association (CMA) Canadian Urban Transit Association (CUTA) Chartered Professional Accountants (CPA)

			Canada Construction Users Roundtable (CURT) Government Audit Group Canada (Association of IIA) Information Security Forum (ISF) Information Systems Audit and Control Association (ISACA) Institute of Corporate Directors (ICD) Institute of Internal Auditors (IIA) International Association of Chiefs of Police (IACP) Law Society of Ontario (LSO) Ontario Association Chiefs of Police (OACP) Ontario Construction User Council (OCUC) Ontario Public Transit Association (OPTA) Rail Safety Standards Board (RSSB) Railway Association of Canada (RAC) Toronto Region Board of Trade (TRBOT) Tourism Toronto Transportation Association of Canada (TAC/ATC) Note that Metrolinx's list of active memberships is continuously evolving and subject to change. A list of currently active memberships can be provided upon request.
102-14	Statement from Senior Decision- Maker	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable Cities and Communities	See "Message from the CEO" in 2021-22 Annual Report, page 5
102-16	Values, Principles, Standards and Norms of Behaviour	Goal 11: Sustainable Cities and Communities Goal 12: Responsible Consumption and Production Goal 16: Peace, Justice and Strong Institutions	Metrolinx Overview: http://www.metrolinx.com/en/aboutus/metrolinxoverview/metrolinx_overview.aspx https://www.metrolinx.com/en/aboutus/seniormanagementteam/senior_management_team.aspx
102-18	Governance Structure	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 12: Responsible Consumption and Production	Board of Directors: http://www.metrolinx.com/en/aboutus/board/board_of_directors_bios.aspx Senior Management Team: https://www.metrolinx.com/en/aboutus/seniormanagementteam/senior_management_team.aspx See Metrolinx Overview above in GRI ref 102-16 and "Governance" in the 2021-22 Annual Report, page 39
102-40	List of Stakeholder Groups	Goal 12: Responsible Consumption and Production Goal 16: Peace, Justice and Strong Institutions	Main stakeholder and partner categories: Metrolinx employees, federal or provincial government, municipal government, suppliers or vendors, local transit systems, industry or professional associations, customers, non- government organizations, and academics. Metrolinx is also committed to engaging and consulting, as appropriate, with First Nations or Metis governments as rights holders, and other partner Indigenous organizations.

102-41	Collective Bargaining Agreements	Goal 8: Decent Work and Economic Growth Goal 10: Reduced Inequalities Goal 12: Responsible Consumption and Production	Percentage of total employees covered by collective bargaining agreements: 39.8% in 2 unions: Amalgamated Transit Union Local 1587 and International Association of Machinists & Aerospace Workers Local 235.
102-42	Identifying and Selecting Stakeholders	Goal 17: Partnerships for the Goals	Metrolinx stakeholders are diverse and dependent on the division engaging and the topic being engaged upon. Broadly speaking, all Metrolinx stakeholders are identified based on their location within the Metrolinx mandate area as per latest legislative requirements.
102-43	Approach to Stakeholder Engagement	Goal 17: Partnerships for the Goals	Engagement with elected and non-elected stakeholders/partners consists of but is not limited to engagement in the form of community meetings, regional collaboration forums, speaking engagements, elected official briefings, municipal meetings, Council presentations, public town hall meetings, door-to-door neighbourhood engagement, material distribution, content partnerships, e-newsletters and digital engagement. The frequency of engagement depends on the forum, topic, and stakeholder, and in some cases is defined in a Terms of Reference document. Engagement with Indigenous Nations, organizations, businesses and urban Indigenous community partners consists of, but is not limited to, sharing project materials, technical documents, providing opportunities to participate in environmental assessments, holding information sharing meetings, building meaningful relationships, soliciting feedback on corporate strategies and plans, participating in community events, door-to-door and neighbourhood engagements. The frequency of engagement depends on the needs of each Nation, or urban Indigenous organization/neighbourhood, and in some cases is defined in a relationship agreement.
102-44	Key Topics and Concerns Raised	Goal 17: Partnerships for the Goals	Stakeholder engagement/partner is primarily focused on existing operations, initiatives, service, current construction, and future projects within the Metrolinx. Key topics and concerns are addressed through meeting summaries, reports, briefing notes, action items, and key performance indicators. Elected and non-elected officials in municipalities and transit systems are key stakeholder groups.
102-45	Entities Included in Consolidated Financial Statements	Goal 8: Decent Work and Economic Growth Goal 17: Partnerships for the Goals	See "Financial statements" in 2021-22 Annual Report, Page xx
102-46	Defining Report Content and Topic Boundaries	Goal 17: Partnerships for the Goals	In September 2019, Metrolinx conducted a materiality survey to identify the social, environmental and economic topics most material to our internal and external stakeholders. These key topics became a focus for Metrolinx's sustainability objectives over the last year and were updated at Metrolinx Regional Reference Panels hosted in June 2019 and March 2020. Material topics were also informed and updated through an internal advisory committee that met five times between September 2019 and October 2020.

102-47	List of Material Topics	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 10: Reduced Inequalities Goal 11: Sustainable Cities and Communities Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 14: Life Below Water Goal 15: Life on Land Goal 16: Peace, Justice and Strong Institutions Goal 17: Partnerships for the Goals	Issues of highest material importance to internal and external stakeholders: • Using triple-bottom line in planning and design • Building sustainable and resilient infrastructure adapted to climate change impacts • Building transit-oriented communities • Reducing GHG emissions through alternative fuels and renewable energy • Connecting key destinations through transit • Ensuring transit is affordable, accessible and reliable • Establishing a sustainable procurement policy
102-48	Restatements of Information	N/A	No material restatements provided.
102-49	Changes in Reporting	N/A	There have not been any significant changes in material topics or topic boundaries since the previous Metrolinx Annual Report 2020-2021.
102-50	Reporting Period	N/A	The GRI Report details information and data from both fiscal years 2020-21 (April to March) and 2021-22 (April to March). Energy and emissions data were reported based on FY2020-21 and the remainder of the data were reported based on FY2021-22.
102-51	Date of Most Recent Report	N/A	Prior to this report, the most recent Annual Report followed the GRI framework covering activities leading up to March 31, 2021.
102-52	Reporting Cycle	N/A	We issue our GRI Report on an annual basis.
102-53	Contact Point for Questions Regarding the Report	N/A	For feedback, questions or additional information about this report please contact us at 416-874-5900.
102-54	Claims of Reporting in accordance with GRI	N/A	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI Content Index	N/A	This table serves as our GRI Content Index, with the inclusion of corresponding United Nations Sustainable Development Goals. Please see this website for reference: https://www.un.org/sustainabledevelopment/
102-56	External Assurance	N/A	This GRI Index is self-declared. External professional expertise has been obtained for energy consumption and greenhouse gas emissions for FY2020-21

Specific Disclosures – Economic Performance

GRI ref.	Disclosure	Related United Nations SDGs	Disclosure response 2021-2022
103-1	Explanation of the material topic and its boundary	Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable Cities and Communities Goal 12: Responsible Consumption and Production Goal 17: Partnerships for the Goals	Securing government funding and reporting on direct economic performance of Metrolinx are top material concerns to both Metrolinx internal and external stakeholders. As a government agency, government funding has direct impact on Metrolinx's operations.
103-2	The management approach and its components	Goal 8: Decent Work and Economic Growth Goal 12: Responsible Consumption and Production Goal 17: Partnerships for the Goals	Details of economic performance are disclosed in the Financial Statements of this Annual Report. Metrolinx management is responsible for the preparation and fair presentation of 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.
103-3	Evaluation of the management approach	N/A	See "Independent Auditor's Report" section of 2021-22 Annual Report (page XX)
201-1	Direct economic value generated and distributed	N/A	See "Statement of cash flows" section of 2021-22 Annual Report (page XX)
201-4	Financial assistance received from government	Goal 8: Decent Work and Economic Growth Goal 12: Responsible Consumption and Production Goal 17: Partnerships for the Goals	See "Operating subsidy" and "Capital funding and expenditure" sections of 2021-22 Annual Report, pages.45-47

Specific Disclosures – Indirect Economic Impacts

GRI ref.	Disclosure	Related United Nations SDGs	Disclosure response 2021-2022
103-1	Explanation of the material topic and its boundary	Goal 8: Decent Work and Economic Growth Goal 12: Responsible Consumption and Production Goal 17: Partnerships for the Goals	Stakeholders and partners have identified that “ensuring transit is affordable” is a material issue. Metrolinx’s Transit Procurement Initiative (TPI) is there to help meet that objective. TPI continues to prove tangible value through customer service, procurement management, contract management and value for money, allowing municipalities to maximize transit dollars and savings to Ontario taxpayers. This program has saved municipalities an estimated \$36 million across all joint procurements through program savings and cost avoidance delivered under the program since 2006.
103-2	The management approach and its components	Goal 8: Decent Work and Economic Growth Goal 12: Responsible Consumption and Production Goal 17: Partnerships for the Goals	The Governance Agreement (GA) is the agreement between Metrolinx and participating municipalities outlining the principles of facilitating joint procurements, roles and responsibilities. Each project establishes its own steering committee with representatives from participating Transit Agencies. This structure fosters a strong link between TPI’s project team and the steering committee on delivering strategic based procurement decision making. The 2019-2024 GA incorporates a few changes to reflect updated processes and the maturity of the program. https://www.metrolinx.com/en/projectsandprograms/tpi/tpi.aspx
103-3	Evaluation of the management approach	Goal 12: Responsible Consumption and Production Goal 17: Partnerships for the Goals	The new five-year TPI Governance Agreement is effective since April 1, 2019. 35 by-law resolutions have been approved by Councils under the new agreement. The overall client satisfaction rate increased to 93.7% from 93.4% in the previous fiscal.
203-2	Significant indirect economic impacts	Goal 12: Responsible Consumption and Production Goal 17: Partnerships for the Goals	TPI is a prime example of successful partnerships. Working collaboratively throughout the province has benefited the participating TA fiscally and through their ability to utilize TPI’s expertise. https://www.metrolinx.com/en/projectsandprograms/tpi/tpi.aspx

Specific Disclosures – Environmental Management

GRI ref.	Disclosure	Related United Nations SDGs	Disclosure response 2021-2022
103-1	Explanation of the material topic and its boundary	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	Reduction for greenhouse gas emissions and air pollutant are top material issues to both Metrolinx and stakeholders/partners. From an operational perspective, Metrolinx has measured, calculated and reported on greenhouse gas emissions and criteria air contaminant emissions, in both absolute and intensity. Emissions are calculated for the period of April 1, 2020 to March 31, 2021. The main sources included are diesel fuel combustion from UP Express locomotives, GO rail locomotives and GO buses, and electricity and natural gas used at Metrolinx facilities and stations for power and heating. Fuel consumption for UP, GO rail, and GO bus is based off a combination of fuel invoices, while operational data and energy used at stations and facilities is based off utility invoices. The following metrics for FY 2020-2021 are the most recent data points supported by third-party review and calculations: • Scope 1 (GRI 305-1) • Scope 2 (GRI 305-2) • CAC (GRI 305-7)
103-2	The management approach and its components	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	Sustainability and Innovation: http://www.metrolinx.com/en/aboutus/sustainability/default.aspx
103-3	Evaluation of the management approach	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	The Metrolinx Sustainability Strategy (2015-2020) outlines a reduction in energy use and emissions. New draft targets were developed in 2021 for publishing and reporting in 2022.
302-1	Energy consumption within the organization	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	Total operational energy use (some exclusions apply) within the organization for FY 2019-20: 2,730,108 GJ Breakdown of total operational energy use: Diesel for GO Rail: 965,371 GJ Diesel for GO Bus: 554,932 GJ Diesel for UP Express: 54,750 GJ Diesel for Non-Revenue Vehicles: 6,793 GJ Gasoline for Non-Revenue Vehicles: 18,460 GJ Natural Gas for Stations, Facilities & Corridors: 498,948 GJ Electricity for Stations, Facilities & Corridors: 630,854 GJ

			Source of conversion factor: Canada Energy Regulator - Energy conversion tables (modified 2016-05-02) Exclusions: energy consumed during non-revenue fleet travelling, certain equipment energy use, construction, real estate and office energy use data are currently incomplete therefore are not included in this calculation. Future reporting will aim to improve data completeness.
302-3	Energy intensity	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	Internal energy consumption is normalized by million revenue-seat kilometres. Ratios presented below are for FY 2020-21: Total facilities, stations and corridor energy intensity: 89 GJ/MRSK GO Rail energy intensity: 295 GJ/MRSK GO Bus energy intensity: 320 GJ/MRSK UP Express energy intensity: 534 GJ/MRSK Source of conversion factor: Canada Energy Regulator - Energy conversion tables (modified 2016-05-02) Exclusions: energy consumed during non-revenue fleet travelling, certain equipment energy use, construction, real estate and office energy use data are currently incomplete, therefore are not included in this calculation. Future reporting will aim to improve data completeness.
305-1	Direct (Scope 1) GHG emissions	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	FY 2020-21 Emissions. Gross direct Scope 1 emissions: 144,108 tCO₂e. (2021-22 Annual Report , page 28) • Base year for the calculation: Fiscal April 1, 2012 - March 31, 2013 • The rationale for choosing it: First year with full data sets • Significant changes in emissions calculation and boundaries: None in the period • Year over year variation: Decrease in absolute Scope 1 emissions is due to transit service reductions that responded to the COVID-19 pandemic and its effects on regional travel • Standards, methodologies, assumptions, and/or calculation tools used: Emissions are calculated following the methodology outlined in the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard • Consolidation approach for emissions: Operational control • For additional details on the sources, please refer to 103-1 • Source of emission factors: The GHG emission factors are obtained from the National Inventory Report, and CAC emission factors are obtained from RailCan or the GHGenius Database. For stations and maintenance facilities, GHG emissions from purchased electricity and natural gas consumption were calculated using emission factors from the National Inventory Report • Source of Global warming potential (GWP): IPCC AR5 Chapter 8, page 22
305-2	Energy indirect (Scope 2) GHG emissions	Goal 12: Responsible Consumption and Production	Emission reported for FY 2020-21, based on emissions from electricity generation in Ontario. Gross indirect Scope 2 emissions: 5,257 tCO₂e. • Base year for the calculation: Fiscal year April 1, 2012 - March 31, 2013

		Goal 13: Climate Action Goal 15: Life on Land	- Significant changes in emissions calculation and boundaries: None in the period - Year over year variation: One of the reasons for the increase is the inclusion of the Whitby Rail Maintenance Facility (WRMF) in the emission inventory for the first time in the 2020/2021 fiscal year. - Refer to 305-1 for information on gases included, rationale for choosing base year, emission factor and GWP sources, as well as methodology used.
305-4	GHG emissions intensity	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	Scope 1 emission is normalized by 1 million revenue-seat kilometres for fleets. Ratios presented below are for FY 2020-21: Total fleets and facilities (scope 1) GHG emission intensity: 28 tonnes CO₂e/MRSK GO Rail GHG emissions intensity: 23 tonnes CO₂e/MRSK GO Bus GHG emissions intensity: 23 tonnes CO₂e/MRSK UP Express GHG emissions intensity: 41 tonnes CO₂e/MRSK Source of conversion factor: Canada Energy Regulator - Energy conversion tables (modified 2016-05-02) Exclusions: energy consumed during non-revenue fleet travelling, certain equipment energy use, construction, real estate and office energy use data are currently incomplete; therefore are not included in this calculation. Future reporting will aim to improve data completeness.
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 15: Life on Land	Total CAC emission reported for FY 2020-21 as: 1,074,789 kg - NO_x = 775,348 kg - SO_x = 36,823 kg - VOC = 6,198 kg - PM₁₀ = 20,195 kg - CO = 202,482 kg - HC = 33,744 kg - Gases included in CAC calculations are VOC, CO, NO_x, SO_x and PM₁₀. POP and HAP are not materially relevant to Metrolinx operations. Refer to 305-1 for information on gases included, rationale for choosing base year, emission factor and GWP sources, as well as methodology used. Emission Factors sourced from GHGenius.
307-1	Non-compliance with environmental laws and regulations	Goal 12: Responsible Consumption and Production Goal 13: Climate Action Goal 14: Life Below Water Goal 15: Life on Land	Total number of reportable operational spills, excluding bus roadside, in 2021 calendar year: 13. All spills were remediated and reported, unless immediately contained and remediated. One significant release of R22 occurred during the calendar year, which was reported to the Ministry of Environment, Conservation and Parks and Environment Canada.

Specific Disclosures – Social Management

GRI ref.	Disclosure	Related United Nations SDGs	Disclosure response 2021-2022
103-1	Explanation of the material topic and its boundary	Goal 8: Decent Work and Economic Growth Goal 9: Industry, Innovation and Infrastructure Goal 10: Reduced Inequalities Goal 11: Sustainability Cities and Communities Goal 12: Responsible Consumption and Production	Metrolinx recognizes that major transit infrastructure investments should also provide benefits for the communities in which it works, and we are committed to providing employment, apprenticeship, and local supplier opportunities for local residents and businesses where our projects are under construction.
103-2	The management approach and its components	Goal 8: Decent Work and Economic Growth Goal 10: Reduced Inequalities Goal 11: Sustainability Cities and Communities Goal 12: Responsible Consumption and Production	Transit is a major catalyst to community development and growth. Priority transit projects are supported by a Four Pillar Community Supports Strategy which was approved by the Metrolinx Board of Directors on February 17, 2022 and is now being implemented. The focus is on: 1) promoting apprenticeship training & workforce development opportunities, 2) building and fostering relationships with local businesses to minimize and alleviate disruptions as a result of construction impacts, 3) finding ways to leave surroundings in an improved state during or post-construction (e.g. parks, streetscape, vegetation enhancements, etc.), and 4) supporting municipalities and communities to maximize benefits possible from new transit investments/infrastructure, outside of public realm improvements.
413-1	Operations with local community engagement, impact assessments, and development programs	Goal 8: Decent Work and Economic Growth Goal 10: Reduced Inequalities Goal 11: Sustainability Cities and Communities Goal 12: Responsible Consumption and Production	The Eglinton Crosstown and Finch West LRT Community Benefits Agreement commits 10% of all trade & craft working hours for apprentices, including, those who are from historically disadvantaged communities and equity-deserving groups. In 2021, Eglinton Crosstown hired a total of 219 Apprentices and Journey Persons and the Finch West project hired a total of 121 making a combined total of 340 hires. While the total number of Professional, Administrative and Technical hires for both projects were 256. In support of local businesses and social enterprises close to \$20M was invested by the projects with Finch West spending over \$11.1M and Eglinton Crosstown spending over \$8.2M as of December 31, 2021.