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TORONTO
TRANSIT COMMISSION
•
ANNUAL REPORT
1978

TORONTO TRANSIT COMMISSION

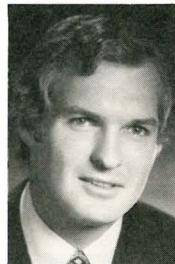
ANNUAL REPORT TO THE MUNICIPALITY OF METROPOLITAN TORONTO 1978



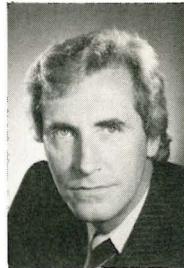
TORONTO TRANSIT COMMISSION

COMMISSIONERS

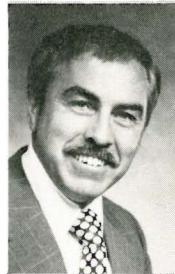
JULIAN PORTER, Q.C., Chairman
KARL L. MALLETTE, Vice Chairman
PAUL GODFREY, Commissioner
JEFFERY S. LYONS, Q.C., Commissioner
ALAN TONKS, Commissioner



JULIAN PORTER



R.M. WARREN



KARL L. MALLETTE



J.T. HARVEY



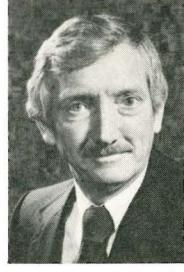
PAUL GODFREY



P.J. McCANN



JEFFERY S. LYONS



J.G. McGUFFIN



ALAN TONKS



June 15, 1979

Paul V. Godfrey, Chairman
and Members of the Council of the
Municipality of Metropolitan Toronto
City Hall
Toronto, Ontario

Ladies and Gentlemen:

The 1978 Annual Report of the Toronto Transit Commission is presented for the approval of the Council of the Municipality of Metropolitan Toronto.

The Commission's operating expenditures increased by 9.1% in 1978, in step with the general rate of inflation. This increase includes the additional costs resulting from the opening of the 6.17 mile Spadina line in January, 1978. This extension to the subway system provided quick, convenient, downtown-oriented service for the first time to the citizens of the north-west area of Metropolitan Toronto.

On the revenue side, fares were increased by an average of 8.4% in January 1978. This increase was in accordance with the Metro TTC policy agreement that small periodic fare increases, in line with the rate of inflation, be implemented to achieve a "user's fair share," determined to be about 70%, of transit expenditures. As with any increase in fares, revenue was increased, but at a cost in terms of ridership.

Ridership declined further as a result of the four day strike in September 1978. The strike was terminated when the Provincial Government appointed an arbitrator to settle the contract dispute and at the same time enacted back-to-work legislation. Subsequent to the arbitration the Unions were awarded a 6.1% pay increase and improvements in benefits, retroactive to July 1, 1978.

The strike, the fare increase, and a series of factors beyond the control of the TTC, such as a static population and increased auto ownership, all combined to reduce 1978 ridership compared to that of 1977 (337.6 million vs. 348.7 million). As a result, by the end of the year, fare and financing policies were again under serious review as it had become increasingly clear that the ridership projection for 1978 would not be achieved. This fact caused the Commission to re-evaluate its estimates of future years riding, with the conclusion that small annual fare increases would not be sufficient to maintain the "user's fair share" of costs.

The implications of this reassessment have been set out in the 1979 staff report "Some Tough Choices". This report's basic premise is that for a number of reasons, many of them beyond the control of the Commission,

the Commission's ridership is declining and decisions will have to be made at the political level as to the level of support which will be provided to public transit.

If public transit is to maintain or increase its present ridership, then political support must be forthcoming, not only from a financial point of view, but also in such areas as land use development associated with transit, and preference to surface public transit vehicles by the use of reserved bus lanes, preferential traffic signals and similar public transit initiatives.

Looking to the future, Commission contractors continued construction work on extensions at both the east and west ends of the Bloor-Danforth subway. Design work commenced on the light rail line to be built from the new subway terminal at Eglinton and Kennedy to the Scarborough Town Centre, and the Commission took delivery of the first six cars of a new fleet of 196 light rail vehicles.

Other major events which took place in 1978 were as follows:

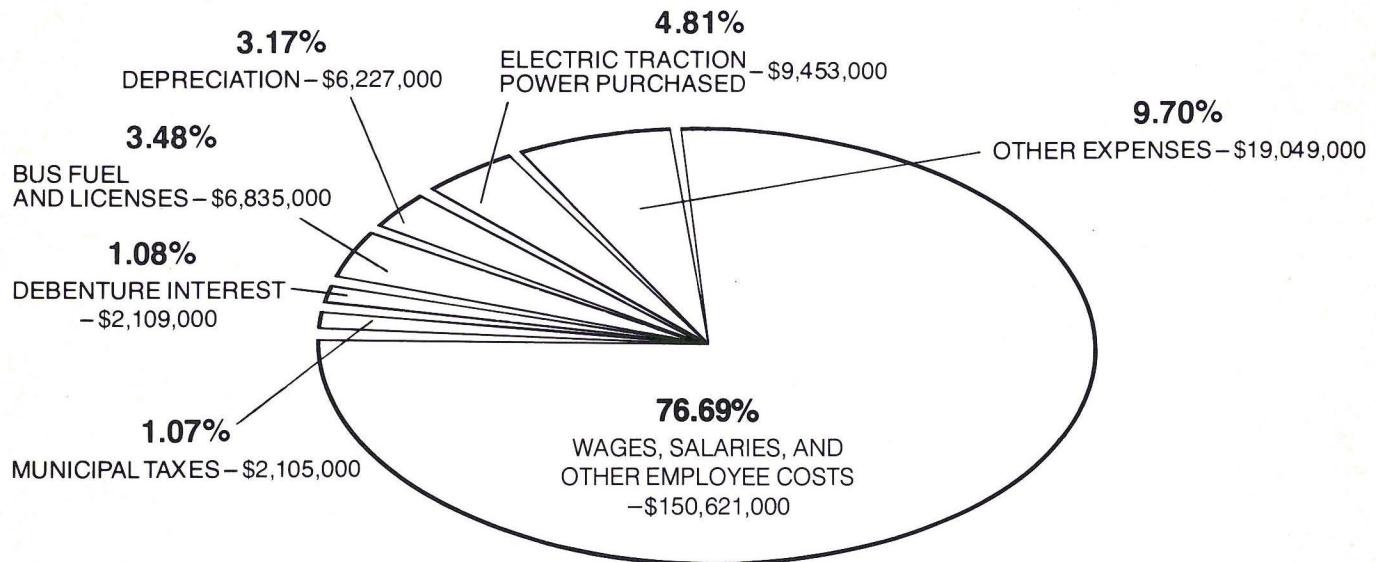
- the Commission remained in the forefront of technical advances in the transit industry with the continued development of such projects as the Communications and Information System, which provides a direct communication link between surface transit vehicles and the Control Centre at Wilson Division, and the R.U.C.U.S. computerized scheduling system.
- the Special Transit Plan was introduced to ease traffic congestion caused by major events at Exhibition Place.
- the Commission's marketing program continued with emphasis on the Spadina Subway and was supplemented by a major subway origin-destination survey and ongoing market research studies.

The following pages cover the detailed financial and operating results for 1978.



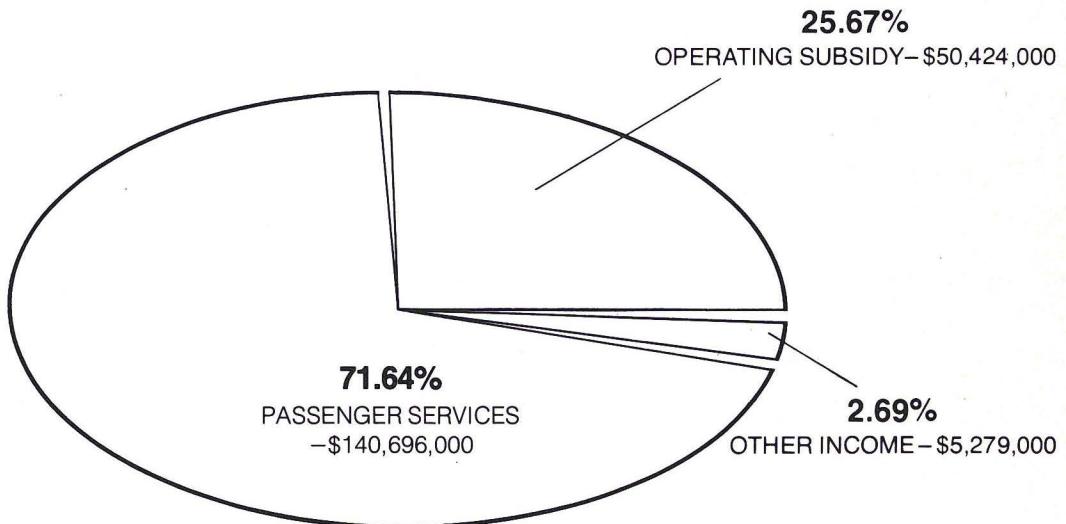
WHERE THE 1978 DOLLARS WENT

TOTAL EXPENSES—\$196,399,000



WHERE THE 1978 DOLLARS CAME FROM

TOTAL REVENUE—\$196,399,000

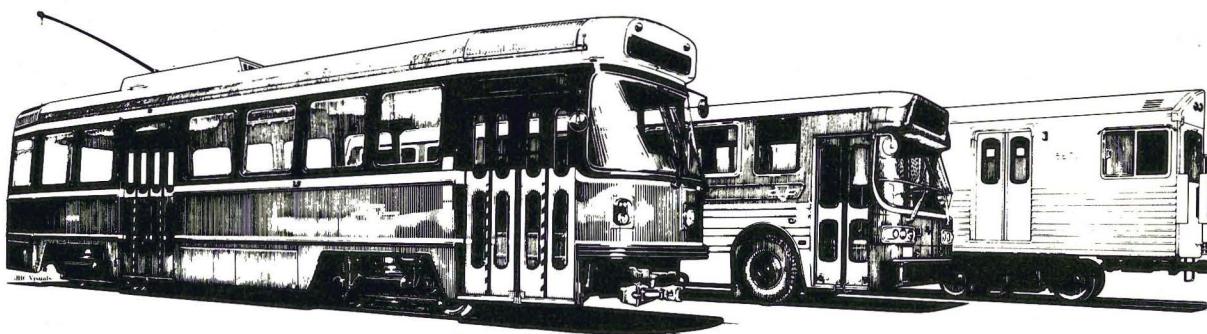




FINANCIAL

MAJOR FINANCIAL AND OPERATING STATISTICS

	1978	1977	Increase (Decrease)	%
REVENUE (Millions)	\$146.0	\$137.7	\$ 8.3	6.0
EXPENSES (Millions)	196.4	180.0	\$ 16.4	9.1
EXCESS OF EXPENSES OVER REVENUE (Millions)	\$ 50.4	\$ 42.3	\$ 8.1	19.1
PASSENGERS (Millions)	337.6	348.7	(11.1)	(3.2)
Revenue Per Passenger	43.3¢	39.5¢	3.8¢	9.6
Expenses Per Passenger	58.2¢	51.6¢	6.6¢	12.8
Excess Per Passenger	14.9¢	12.1¢	2.8¢	23.1
MILES (Millions)	98.7	94.4	4.3	4.6
Revenue Per Mile	147.9¢	145.9¢	2.0¢	1.4
Expenses Per Mile	199.0¢	190.7¢	8.3¢	4.4
Excess Per Mile	51.1¢	44.8¢	6.3¢	14.1
CAPITAL EXPENDITURES (Millions)	\$ 64.2	\$ 99.5	\$ (35.3)	(35.5)



REVENUE

Total revenue for 1978 amounted to \$145,975,000.

The main elements are set out below:

	1978	1977	Increase (Decrease)	%
	(Thousands of Dollars)			
Regular Service Revenue	133,968	125,866	8,102	6.4
Metro Subsidies for Senior Citizens, Blind and War Amputees	5,265	5,281	(16)	(0.3)
	139,233	131,147	8,086	6.2
Charter and Special Service Revenue	1,463	1,382	81	5.9
	140,696	132,529	8,167	6.2
Rental Income	2,318	2,053	265	12.9
Advertising Space Rental	1,937	1,876	61	3.3
Other Revenue, including Profit on Sale of Land	1,024	1,271	(247)	(19.4)
	145,975	137,729	8,246	6.0
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Regular Service revenue (\$133,968,000) accounted for more than 90% of the Commission's revenue in both 1978 and 1977 and increased by \$8,102,000 or 6.4% during the year. This increase was generated mainly by a fare increase on January 1, 1978 which averaged 8.4% and raised adult passenger fares from 40¢ (5 for \$2.00) to 42.9¢ (7 for \$3.00). Cash and concession fares were raised by approximately the same percentage.

The new fare structure, which continued in effect to March 1979, is as follows:

	Tokens	Tickets	Cash
Adult	7 for \$3.00 21 for \$9.00	7 for \$3.00 21 for \$9.00	55¢
Scholar	—	7 for \$1.50	30¢
Senior Citizens	—	7 for \$1.50	—
Child	—	7 for \$1.00	20¢
Family Pass (Sunday or Holiday Riding)	—	\$1.50	—

Offsetting the additional revenue from the fare increase was a decline in passengers of 11,093,000 which reduced the 1978 ridership to 337,614,000. The most significant single factor contributing to this decrease was the transit strike which, it is estimated, caused the loss of 4.6 million rides during the strike and a further 3.0 million in the ensuing months. Other factors included reaction to the January 1 fare increase, continued competition from the automobile and generally poor economic conditions.

Metro continued to subsidize fares for senior citizens and the blind and war amputees. Senior citizens travel at half fare and the blind and war amputees at no cost. This direct subsidy totalled \$5,265,000 in 1978.

Rental income increased by \$265,000 to \$2,318,000 mainly as the result of net income of \$179,000 generated by the operation of the terminal parking lots at Finch and Wilson stations.

Other revenue includes \$119,000 for profit realized on the sale of two properties, compared with profit of \$484,000 in 1977.



EXPENSES

The 1978 operating expenses of the Commission totalled \$196,399,000 compared with \$179,981,000 in 1977, an increase of \$16,418,000 or 9.1%.

These expenses are summarized as follows:

	% of 1978 Total Expenses	1978 (Thousands of Dollars)	1977 (Thousands of Dollars)	Increase (Decrease)	%
Wages, Salaries and Other Employee Costs	76.7	150,621	137,620	13,001	9.4
Materials, Services and Supplies (other than the items shown below)	8.8	17,267	15,169	2,098	13.8
Electric Traction Power	4.8	9,453	8,477	976	11.5
Automotive Fuel Including Provincial Taxes	3.3	6,465	6,059	406	6.7
Vehicle and Other Licenses	0.2	370	316	54	17.1
Municipal Taxes	1.1	2,105	2,047	58	2.8
Public Liability Costs	0.9	1,782	1,708	74	4.3
Depreciation	3.1	6,227	6,360	(133)	(2.1)
Debenture Interest	1.1	2,109	2,225	(116)	(5.2)
	<u>100.0</u>	<u>196,399</u>	<u>179,981</u>	<u>16,418</u>	<u>9.1</u>

Labour costs, including allowances and employee benefits, accounted for more than three quarters of total costs in both 1978 and 1977. The \$13,001,000 increase reflects mainly the combined effect of 1977 and 1978 wage settlements of 6.0% and 6.1% respectively, plus improved employee benefits. The 1978 labour settlement was the result of an arbitrator's award, following the September transit strike and subsequent government legislation. In addition to the wage increase there were increased costs associated with the operation of an additional 4,382,000 subway miles, following the opening of the Spadina subway. Savings in labour costs during the strike served to some extent to offset these increases.

Other major increases took place in the cost of materials, services and supplies, electric traction power and automotive fuel. These increases, totalling \$3,480,000, were the result of additional costs resulting from the operation of the Spadina Rapid Transit line and general inflationary increases in prices.

CAPITAL EXPENDITURES

During 1978 the Commission spent \$64,218,000 on expansion, improvements and replacement of its capital assets.

Major expenditures were as follows:

Subway Extensions & Improvements	(Thousands of Dollars)
Bloor-Danforth, Kennedy & Kipling Extensions	25,540
Spadina Rapid Transit	9,727
Other Projects	3,046
	<u>38,313</u>
Surface Assets	
125 Light Rail Vehicles (progress payments)	21,100
31 Buses	2,351
Other Projects	2,454
	<u>25,905</u>
Total Capital Expenditures	<u>64,218</u>

The Kennedy and Kipling Extensions are scheduled for completion in 1980.

The 125 Light Rail Vehicles are part of a total 196 vehicle contract, 71 vehicles of which are being purchased by the Province of Ontario to be leased to the Commission at nominal cost.

As at December 31, 1978 the Commission's investment in capital assets, and the subsidies paid by Provincial and Municipal Governments may be summarized as follows:

	Cost	Subsidy	Net Cost	Accumulated Depreciation	Net Book Value
(Thousands of Dollars)					
Subway System					
In use, including rolling stock	692,922	575,788	117,134	59,722	57,412
Under Construction	93,940	93,940	—	—	—
Surface System					
	786,862	669,728	117,134	59,722	57,412
	126,572	31,301	95,271	74,206	21,065
Total	913,434	701,029	212,405	133,928	78,477

FINANCING OF EXPENDITURES

(a) Operating Expenditures

The Commission's operating deficit is assumed by the Municipality of Metropolitan Toronto which in turn receives a subsidy from the Province of Ontario.

The Provincial subsidy formula introduced in 1977 continued in effect in 1978. This formula provides for a basic 13.75% subsidy of eligible operating expenditures of the Commission plus the Municipality's transit related debenture payments. In addition, a special 50% subsidy is paid on the notional operating deficit of major new transit facilities, such as the Spadina line, in place of the regular subsidy.

It was agreed by the three financial partners, Metro, the Province and the Commission, that small regular fare increases to cover increases in labour and other costs would be implemented in order to continuously share costs in the approximate proportions of 70% by the Commission, through its farebox and other revenue, and 30% by Metro and the Province.

For the year 1978 the estimated division of expenditures (subject to Provincial audit) is as follows:

	Thousands of Dollars	%
Total Expenditures, including Metro direct expenditures of \$17,409,000	213,808	100.0
TTC Revenues	145,975	68.3
Provincial Subsidy	30,700	14.3
Metro Contribution	37,133	17.4
	213,808	100.0

The above cost sharing is not strictly comparable with the 70:15:15 sharing ratio agreed to by Metro, the Province and the Commission, which was based on a restricted definition of total costs. Recasting the cost sharing on the basis contemplated in the 70:30 split results in TTC revenues accounting for 68.7%, Provincial Subsidy 15.0% and Metro Contribution 16.3%.



(b) Capital Expenditures

Metro continues to assume the full costs of all expenditures on subway construction and other major projects included in the Capital Works Programme. The Province pays a 75% subsidy on Capital Works Programme expenditures. For all other capital projects, mainly buses and surface rail rehabilitation, the Province pays a 75% subsidy on most projects and the Commission assumes the remainder of costs.

For 1978 the funding of expenditures is as set out below:

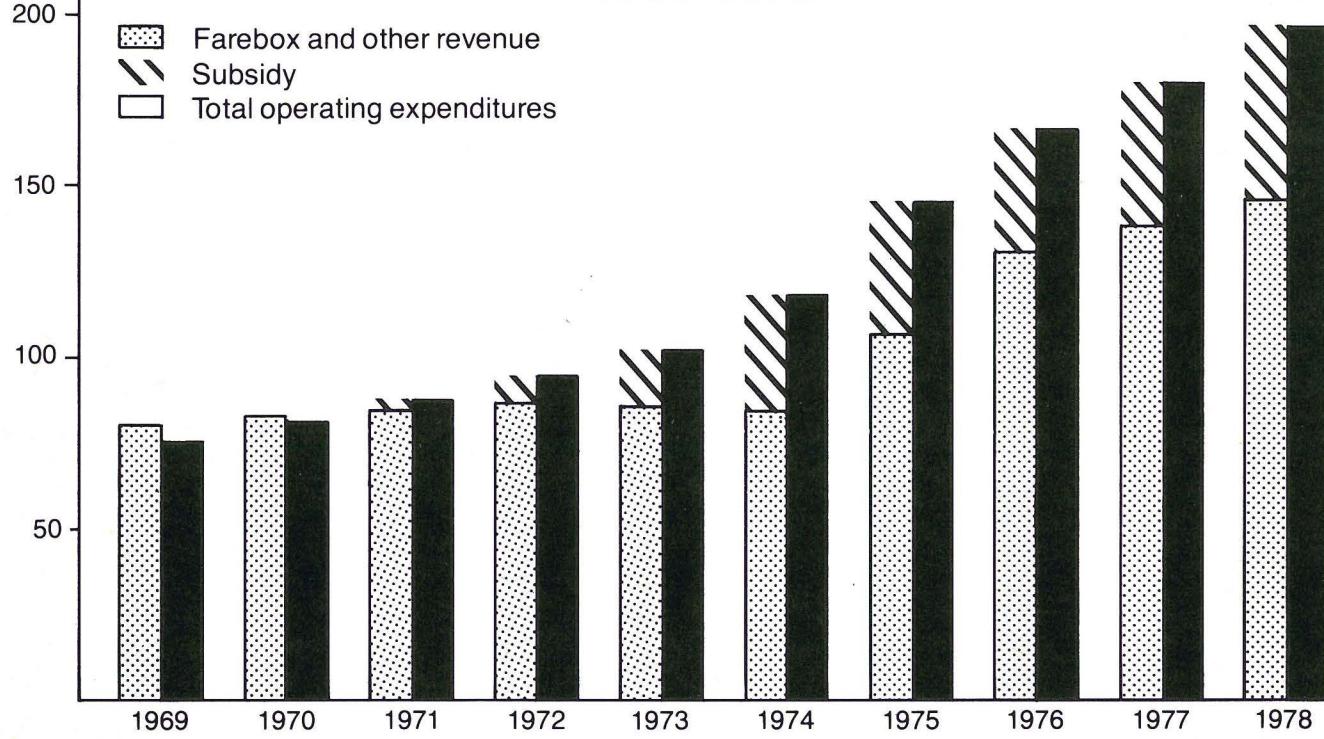
	Thousands of Dollars	%
Total Capital Expenditures including Metro direct payments of \$5,884,000	70,102	100.0
Metro Contribution	16,892	24.1
Provincial Subsidy	52,426	74.8
TTC Share	784	1.1
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	70,102	100.0
	<hr/>	<hr/>

(c) Future Funding

The basis of financing public transit costs is currently being studied.

As mentioned previously, the current operating subsidy regulations (which were implemented for a five-year period in 1977) were intended to provide the basis of a 70:30 sharing between the Commission and contributions from Metro and the Province. Current indications, however, are that the passenger growth anticipated at that time will not be forthcoming, for a number of reasons. The Commission has asked that Metro and the Province review their commitment to public transit in order that funding policy can properly reflect objectives for public transit. "Some Tough Choices" must be made at both political levels in order that the expectation of public transit is reflected by financial and other policies.

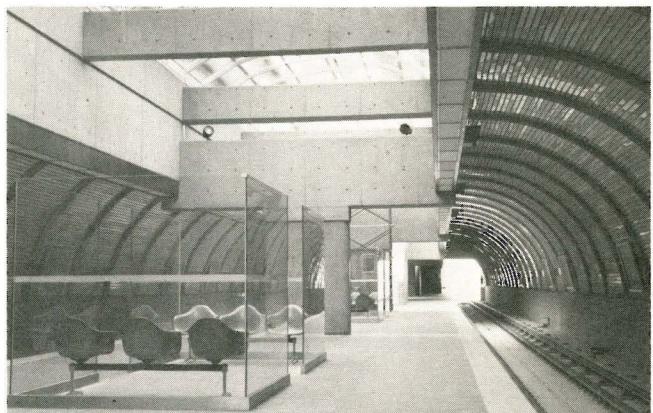
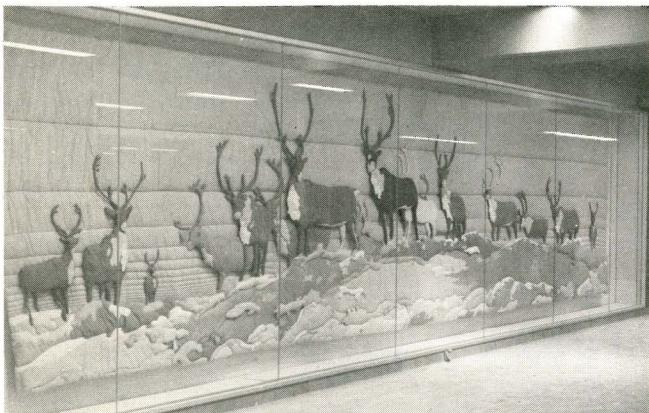
FINANCING OF OPERATING EXPENDITURES 1969-1978



FINANCIAL STATEMENTS AND AUDIT

Price Waterhouse Co., the independent Chartered Accountants retained by the Commission, have reviewed the accounting procedures and made such tests of the accounting records for 1978 as they considered necessary. Their report is appended to the financial statements which are part of this report.

The Metropolitan Auditor has submitted his report covering the year 1977 and is currently engaged in his review of 1978 accounts.





OPERATIONS

SPADINA SUBWAY OPENING

A significant achievement in 1978 was the official opening of the 6.17-mi. Spadina subway by the Honourable William G. Davis, Premier, Province of Ontario, on January 27. The new line was opened for passenger service on January 28 and riders were allowed free entry to the new stations between 6 a.m. and 5 p.m. The opening of the Spadina line extended the Yonge-University subway north from its southerly terminus at St. George Station to Wilson Station in the City of North York and brought the total length of Metro's subway system to approximately 32 miles.

From St. George Station the line runs in a northwest direction north of Bloor Street where it swings north under Spadina Road to Davenport Road. The cut-and-cover method of construction was used on this section of line. North from Davenport Road, the line runs in tunnel to Russell Hill Drive and the Nordheimer Ravine. It continues northwest in cut-and-cover through the Forest Hill and Cedarvale Ravines and then north under Everden Road to Eglinton Avenue. From Eglinton Avenue, the line continues north on the median strip of the William Allen Arterial Road-Expressway to the terminal at Wilson Avenue. Passengers travelling between downtown Toronto and the northwest section of Metro have the choice of a direct, through, subway ride via University Avenue or transferring to the crosstown Bloor-Danforth line at Spadina or St. George Stations.

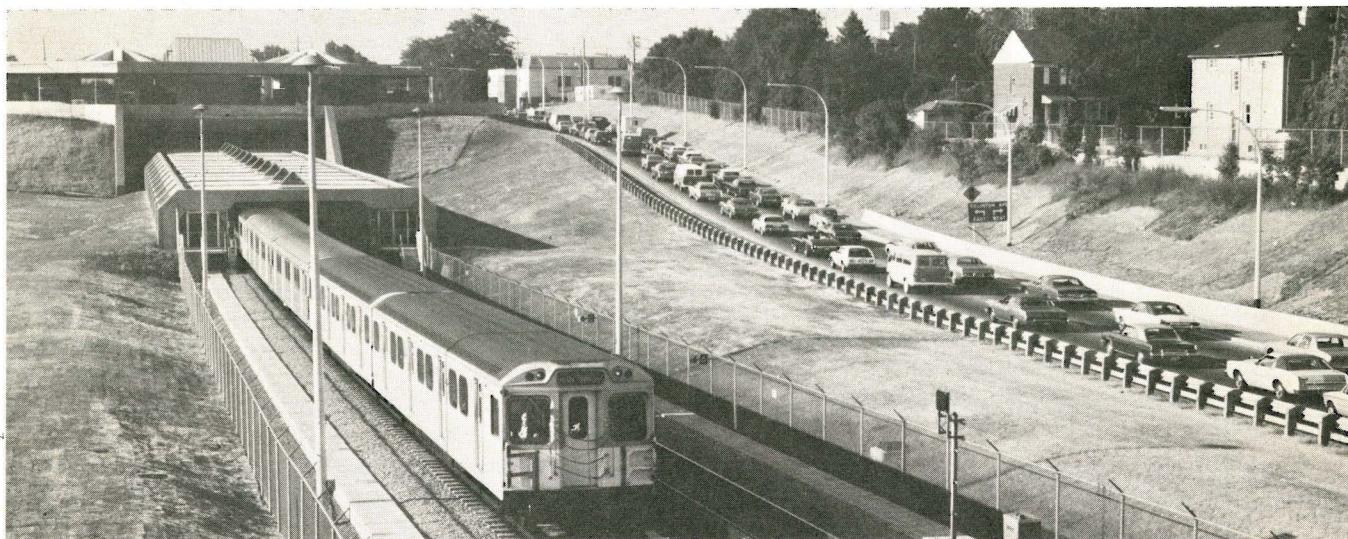
There are eight new stations on the Spadina subway, each unique in design. Station aesthetics are further complimented by imaginative works of art especially created by nine contemporary Canadian artists.



SURFACE ROUTE CHANGES ASSOCIATED WITH THE OPENING OF THE SPADINA SUBWAY

Co-incident with the opening of the new subway line, the Commission introduced an extensive program of associated surface route changes. The new routes and extensions were planned to provide as many direct-to-subway feeder routes as practicable so that passengers would get the maximum benefit from faster subway service. In all, seven new routes were started, nineteen were rerouted or extended to subway stations, and service improvements and schedule changes were introduced on many more routes.

In addition to the new and extended routes associated with the subway opening, several other routes were extended or rerouted to provide improved service during the year.



MANPOWER AND LABOUR RELATIONS

Collective agreements with the Commission's union employees expired in 1978 as follows:

June 30—Local 113, Amalgamated Transit Union—6,684 members; March 31—Local 2, Canadian Union of Public Employees—164 members; March 31—Lodge 235, International Association of Machinists and Aerospace Workers—43 members.

Negotiations began in February and continued virtually without interruption until September 10. However, all issues could not be resolved and on September 11, members of the three unions went on strike.

The Ontario Legislature, called back into special session by Premier William Davis on September 13, enacted legislation to end the strike and to impose binding arbitration to resolve all outstanding issues. Full transit service was resumed on September 15.

Under the provision of the Government bill, an arbitrator, Mr. Justice Sydney Robins, was appointed by the Province to decide all issues still in dispute between the unions and the TTC, his award to be final and binding.

The bill provided for an immediate wage increase of 4% retroactive to the day following the expiry dates of the agreements with the unions.

The arbitrator's award, dated November 30, 1978, contained the following key provisions:

- Wage increase of 6.1% effective July 1, 1978 (This included the 4% provided by legislation)
- Cost of living allowance which provides a lump sum payment in July 1979 of one percent of the basic hourly rate for all hours worked during months when the Consumer Price Index for Toronto exceeds 183.7 by a factor of one percent or more
- A signing-on bonus of twenty dollars for all employees
- The Commission given the authority to obtain competitive bids for employee health benefits

It is estimated that labour costs chargeable to TTC operations resulting from terms agreed upon during negotiations and provisions of the arbitration award will increase by more than \$7.5 million over the one-year term of the new union agreements.

Throughout 1978, work continued on the development of a computerized Personnel Data Base System. Two terminals were installed to enable improved and faster on-line data entry and retrieval. Additional computer terminals are being considered for the future.

The Commission's Employee Assistance Program, designed to help employees deal with personal problems that affect their job performance continued to be used regularly by employees from various TTC departments. In addition, good progress was made on the development of a Work Availability Program to counsel and assist employees with attendance problems. This important program will be introduced in 1979.

During the year, the number of active employees leaving the Commission for reasons other than retirement or death represented 3.2% of employee strength. Job applicants increased from 17,025 in 1977 to 17,780 in 1978.

SUBWAY ORIGIN-DESTINATION SURVEY

A subway system origin-destination survey was undertaken by TTC staff on October 26, 1978, to obtain updated information on subway travel patterns, including the stations of origin and destination of all subway passengers and transfer movements through the Bloor-Yonge and St. George Stations. Approximately 600,000 pre-coded computer survey cards were issued to subway passengers during all hours of subway operation.

Computer analysis of the survey results was underway at the year end. The information and data will be the first obtained since a previous origin-destination survey made in 1975. This information will be particularly useful and important in view of the 1978 opening of the 6.17-mi. Spadina subway and resultant changes in passenger travel patterns.

COMMUNICATIONS AND INFORMATION SYSTEM (C.I.S.)

The development of the Commission's Communication and Information System—a computer-based data and radio communications system being designed for all TTC surface transit vehicles—continued during the year.

Among other features, C.I.S. provides facilities for the direct and continual exchange of passenger, service and vehicle data between surface transit vehicles and the Control Centre. The system also enables TTC Controllers to determine the exact location of surface vehicles and to contact the driver at any time.

During 1978, development and testing of the base station and on-vehicle hardware and software associated with C.I.S. continued. A 100-vehicle test on six transit routes operating from Wilson Division is scheduled for 1979.



The Communications and Information System is a joint project of the Toronto Transit Commission and the Province of Ontario. Provincial participation and funding is part of the government's program to assist public transit.

COMPUTER SCHEDULING—"RUCUS" PROJECT

Work continued on expanding the applications of RUCUS (computerized run cutting and scheduling) to TTC operating locations. First used on a test basis at Queensway sub-division in 1974, RUCUS is a long-sought alternative to manual scheduling and crewing. While the objective is to make more efficient use of manpower and equipment, RUCUS also has the capability to be used in a simulation mode to assess the effect of projected changes in levels of service, shift reductions and other working conditions.

In 1978, the run cutting feature of RUCUS was introduced at Birchmount and Danforth sub-divisions. These locations will be completed in 1979 and RUCUS will also be implemented at other operating divisions.

COMPUTERIZED TRAIN DESPATCH AND INFORMATION SYSTEM

Good progress was made in 1978 in the testing of a new Computerized Train Despatch and Information System designed to replace all electro-mechanical subway train despatchers. In addition to replacing the older train despatching equipment, the new system provides facilities for display of run numbers, improved schedule control and enables the TTC to respond more quickly to subway delays, unusual service changes and to accommodate future expansion. Also, the availability of subway operating data in computer readable form facilitates the recording of specific subway operating characteristics and the pinpointing of areas requiring improvement. It also promises considerable savings in energy because of improved train control.

The installation of the Computerized Train Despatch and Information System throughout the 32-mi. subway system is scheduled to be completed by the end of 1979.

SPECIAL TRANSIT PLAN

A Special Transit Plan developed by Metro and the TTC to reduce traffic congestion around Exhibition Place was introduced in 1978.

Designed for operation on specific days throughout the year when two or more major attractions occur at Exhibition Place, the plan has two main components—priority for the movement of buses and street cars plus increased and new transit services to Exhibition Place.

Police-enforced transit priority on Bathurst Street, increased service on the regular TTC routes which serve Exhibition Place and three new, regular-fare, subway-to-CNE express bus routes were in effect on each day the plan was implemented.

The introduction of the Special Transit Plan was a major step in using transit as an effective and readily available means of easing traffic congestion in the vicinity of Exhibition Place during peak activity times. The Special Transit Plan will be implemented again in 1979.

TRANSPORTATION FOR THE PHYSICALLY DISABLED

In 1973, at the request of Metropolitan Toronto Council, consideration was given to the operation of a pilot project to transport handicapped persons. TTC staff met with Metro officials and citizen members of the Technical Committee on Transportation of the Physically Handicapped and plans were made for a project to serve employed or employable persons confined to wheelchairs or unable to use regular public transportation.

A Metro-wide newspaper survey was conducted to identify these citizens and to determine their individual transportation requirements. Following analysis of the survey, it was decided to invite proposals from private operators of wheelchair transportation services within Metro for the operation of a modest pilot project to help gain operating experience in the field. A contract was awarded to Wheelchair Mobile Services Limited and the two-year pilot project began early in 1975.

This pilot project, termed "Wheel-Trans", Phase I, provided rush hour subscription service by using twelve vans suitably equipped for the transportation requirements of physically disabled persons.

The second phase of the Wheel-Trans project began in 1977 and is scheduled to run until 1980. The service utilizes eighteen vans on a twelve-hour day, five-day week basis. The additional vans permitted an increase in the subscription home-to-work service and the provision of a non-subscription, demand-response service in the off-peak hours during the day.

Beginning on August 1, 1978, taxis were used to augment the van fleet and provide accommodation for additional ambulatory registered customers on subscription service. The contract was awarded to Metro

Cab Co. Ltd. This expansion of service was introduced as an experiment to obtain operating experience with the use of taxis for transportation of handicapped persons.

At the end of 1978, approximately 400 people were using the Wheel-Trans van and taxi service daily. The service is scheduled for further expansion in 1979.

Wheel-Trans is equally funded by the Province of Ontario and the Municipality of Metropolitan Toronto.

PASSENGER VEHICLE FLEET

At the year end, the number of vehicles owned was as follows:

	1978	1977
Street cars	344*	354*
Subway cars	590	534
Motor buses	1219**	1235**
Trolley buses	151	151
	<hr/>	<hr/>
	2304	2274

*includes active and stored vehicles and
Witt Car 2766

**includes four mini-buses previously leased

During 1978, thirty-one new buses were placed in service and forty-seven buses which had reached the end of useful service were disposed of during the year. Ten street cars were disposed of also.

Throughout the year, the Commission accepted fifty-six vehicles in its latest order for new subway cars from Hawker-Siddeley Canada Limited. This brings the total number of these newest cars in the Commission's fleet to 100 with the remaining vehicles scheduled for acceptance during 1979.





NEW LIGHT RAIL VEHICLES

Production of the Commission's 190 new light rail vehicles is underway by Hawker-Siddeley Canada Limited. Delivery of six prototype vehicles manufactured by the Swiss Industrial Company (SIG) was completed in 1978. The 190 production vehicles are scheduled to be delivered between 1979 and late 1980 and will be used to replace the non-rehabilitated street cars in the Commission's P.C.C. fleet. Suitably modified, the new cars may also be used for exclusive right-of-way, light rail transit operation.

TRACK AND ROADWAY

During the year, major surface track repair work was carried out on Bay Street, Broadview Avenue, College Street, Queen Street, Adelaide Street, St. Clair Avenue and Bathurst Street. The work was co-ordinated with the City of Toronto and Metro Pavement renewal programs. Worn rail was replaced at eleven car stop locations and renewal of curve and crossover rail was completed at eight locations on the Yonge-University and Bloor-Danforth subway lines.

As part of the Commission's program of substation and surface traction power modernization, extensive enlargement and alteration of the Roncesvalles Substation building was completed in 1978. Included with this modernization was the replacement of two mercury arc rectifiers with solid state units. Similar replacement units were also installed at Pleasant, Asquith and Townsley substations in 1978 as part of the program.

SAFETY AND SECURITY

Safety programs, both industrial and traffic, continued to receive close attention throughout the Commission's work force.

In 1978, TTC drivers and operators achieved an accident rate of 4.2 incidents per 100,000 miles of surface operation. The overall system accident rate has been reduced by 39.2% in the past ten years. The Commission's Safe Driving Awards program continued to be an important part of the safety effort. A total of 2,807 drivers or 76% of total operating strength qualified for awards in 1978.

In the field of industrial safety, an industrial injury rate of 15.1 lost-time injuries per million hours worked was achieved. This compares very favourably with an average rate of approximately 30 for all industry in the Province and a rate of 56 for the North American transit industry as reported by the National Safety Council. Safety awards were made to several groups including two American Public Transit Association gold awards for 1,000,000 hours of accident-free work and three silver awards for 500,000 hours of accident-free work.

There are forty-three competing work groups in the Commission's "ZERO" injury program and thirty-six awards were made for safety performance in 1978. Special mention should be made of Equipment Department employees (Parkdale Shop — Unit Overhaul and Free Stores Section) who, during 1978, achieved 1,000,000 injury free hours — a level they had been aiming for since 1972.

Throughout the year, Safety and Security staff was active in bringing the Commission's safety message to Metro residents at various community functions. Barney Beaver, the TTC's popular safety symbol, participated in several community parades, local cable TV programs, and was also on hand at a number of TTC Safety and Security displays in plazas and shopping centres throughout Metro. The Commission's Student Safety Program continued to be popular in 1978. Approximately 71 schools and 22,000 children in grades kindergarten to six received instruction in transit safety from Commission staff.

In addition, familiarization tours and instruction in TTC emergency procedures concerning security, fire prevention and safety were provided for the Metropolitan Toronto Police, City and Borough Firefighters and new TTC drivers.

During the year, the Toronto Fire Department removed all master fire alarm boxes throughout the city and all TTC fire alarm systems were connected directly to the Transit Control Centre.

A micro-fiche program indicating the location of facilities and equipment in the subway during emergency situations commenced in 1978. The visual display can be used simultaneously by the Fire Departments and Transit Control to co-ordinate field operations.

The combination of patrol by TTC Security Investigators and frequent visits by Metro Toronto Police contributed to a 1.3% decrease in criminal offences committed on the system from 1977.

MATERIALS

The Materials Department issued over 20,000 purchase orders during 1978 for a total volume of approximately \$23 million. Among some of the larger purchases were: \$2.9 million for GM bus parts for 1979-80; \$468.7 thousand for 1,133,300 gallons of heating oil; \$444.2 thousand for 1,100 tons of rail for 1979; \$325.9 thousand for 2,227 operators' and supervisors' uniforms and \$264.7 thousand for subway car wheels for 1978-80.

In order to meet the materials needs required for Light Rail Vehicle support about 350 different LRV parts have been placed in inventory and orders issued for an additional 200. To provide efficient service to the new transit vehicles, these parts and those of existing P.C.C. vehicles will be stored in the general stores warehouse adjacent to the major overhaul and repair shop at the Commission's Hillcrest property.

CORPORATE PLANNING

Corporate planning was defined as an explicit function by the Commission in late 1977, and had its first full year of activity in 1978. The corporate planning staff was engaged in a number of long-range studies dealing with overall Commission priorities in financing, fare structure, energy and transportation policy. The work culminated in a report entitled, "Transit in Metro: Some Tough Choices", which outlined the options and argued the need for firm decisions in a number of areas. It is hoped that these tough decisions can be made in 1979, and will provide consistent guidelines for the corporate direction of the TTC.

MANAGEMENT SERVICES

The Management Services department was formed in 1978 to bring various service functions in the Commission under common management.

The TTC sections transferred to Management Services were: Operations Research, Graphic Communications, Administrative Services, Data Processing and Systems Development.

A great deal of effort in 1978 was directed toward developing an administrative framework for the department and integrating the units into the framework.

Data Processing took delivery of a new I.B.M. 370/138 computer and additional on-line storage to enable it to handle the continued increase in demand for computer resources. In November, the section pro-

cessed approximately 600,000 cards for Transit Planning's subway origin-destination survey.

Systems Development staff was increased substantially in late 1977 to handle the increased emphasis in real-time computer projects such as the Communications and Information System, the Computerized Train Despatch and Information System and the Personnel Data Base system, mentioned previously in this report.

Graphic Communications continued to provide service in the areas of printing, photography, art and layout. At year end new equipment was on order to improve service and reduce costs.

Operations Research provided specialized services to the Commission departments in areas such as Scheduling (RUCUS), Subway Operations Control and Materials ordering.

Administrative Services was formed in 1978 to provide expertise within the Commission in such areas as office copying, office equipment, forms design and control, records and information management. At year end, this section was in the process of completing staff.





MARKETING AND COMMUNITY RELATIONS

Various marketing programs were conducted in 1978, with a view to encouraging off-peak ridership while maintaining the ridership of the heavy users of the system (those making more than ten trips weekly).

The opening of the Spadina subway was heralded by intensive marketing and publicity activities which included newspaper advertisements, media familiarization tours, revisions to all rider aids, distribution of 100,000 copies of a direct mail brochure, "How To Use Your Spadina Subway", and the installation of overhead promotional signs on the William R. Allen Arterial Road.

In June 1978, an "on-board" survey of 8,500 Spadina subway passengers indicated a satisfaction level with the new line of over 90%.

A program of increased co-operation between the TTC and the CNE, GO Transit, Toronto Argonauts, Harbourfront, Royal Ontario Museum and Art Gallery of Ontario began in 1978. Exclusive newspaper ads promoted travel by TTC to a variety of recreational and cultural attractions throughout Metro. In addition, sixteen special events at Exhibition Place were publicized throughout the year.

From October 16-December 24, a combined radio and newspaper campaign ran focussing on the high cost of gas, automobile repairs, parking and new cars, as well as traffic congestion and the benefits of the Spadina subway. A long-term theme, "TTC — The Better Way" was developed and copyrighted in 1978 for use in TTC advertising and promotional activities.

An update of the 1976 market research study was conducted in the Fall of 1978 to monitor riders' attitudes towards the TTC in a number of areas, including safety, security, cleanliness, passenger comfort, dependability, service reliability, shelters, fares, etc. The findings will aid in determining future marketing strategies.

The Commission's telephone information staff

answered 1.7 million requests for schedule, route and fare information, an increase of 120,000 over 1977. Approximately 185,000 TTC Ride Guides and 615,000 pocket bus timetables were distributed by mail, at subway stations, on surface routes and through a variety of information outlets.

Officials and staff continued to attend meetings of various Metro area community and business groups to speak on specific topics and to review transit services, future plans, construction programs and other transit-related matters.

TTC orientation sessions and system tours were arranged for three hundred visitors to the Commission from all over the world. Working with other Commission departments, several tours of major TTC facilities were planned and carried out for delegates attending the Annual Meeting of the American Public Transit Association held in Toronto from September 24-28. Over 2,400 delegates from transit operations and related agencies across the continent attended the Annual Meeting. During 1978, the Commission's audio-visual presentation "Moving People" again proved popular with service clubs, senior citizens' groups, schools and colleges and community associations. It was shown on 29 occasions to over 1,400 people. Media releases were prepared and distributed providing information and details on topics such as the Special Transit Plan, Safe Driving Awards, managerial changes; major construction projects, fare increase, Management-Union negotiations progress, Wheel-Trans expansion, passenger-assistance alarms and transit safety and security. Staff also assisted other departments with information and photographic materials, training seminars and departmental visits and tours.

In 1978, the total number of complaints received about TTC operations decreased by 4.1% compared to 1977—9,800 versus 10,200. Commendations increased by 11 per cent.

Are gas prices taking you for a ride?
TRY THE TTC.  **THE BETTER WAY.**

ENGINEERING & CONSTRUCTION

SPADINA SUBWAY

As mentioned previously in this report, the 6.17-mi. Spadina subway from St. George Station to Wilson Station was opened for revenue operation on January 28, 1978.

BLOOR-DANFORTH EXTENSIONS

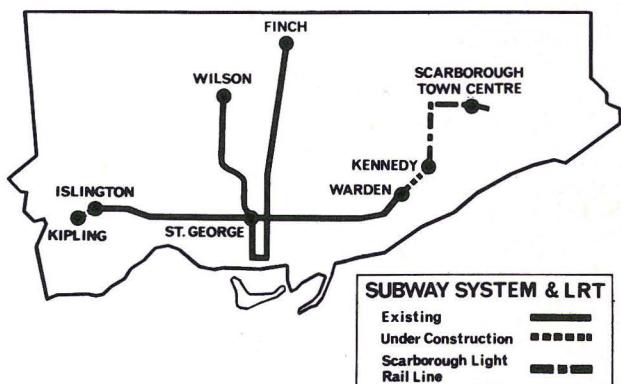
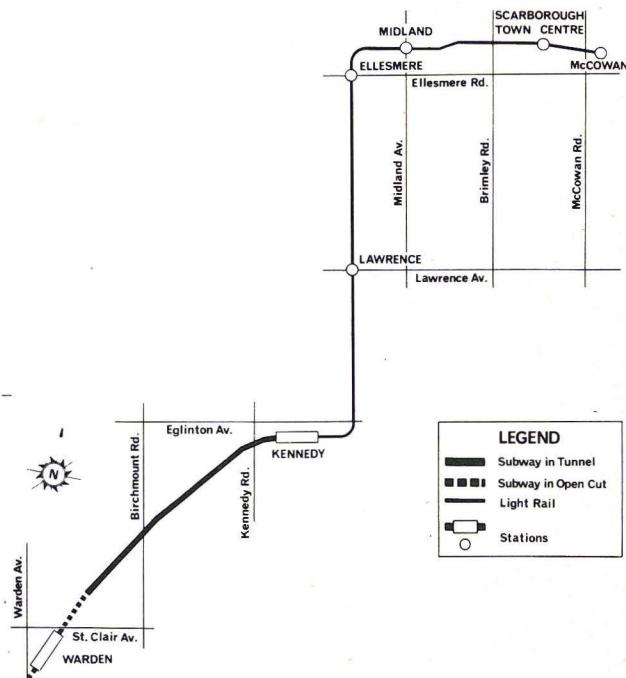
Construction work continued on the 1.6-mi. easterly extension of the Bloor-Danforth subway from the existing easterly terminal station at Warden and St. Clair to Eglinton and Kennedy Road. At the west end of the Bloor-Danforth line, the subway is being extended approximately one mile to Kipling Avenue. At year end, three contracts had been completed, nine were in progress, three were out for tender and two other contracts had been awarded.

Most of the easterly extension will be underground and when completed in 1980, the multi-level Kennedy terminal station will also include terminal facilities for the Scarborough Light Rail Transit Line, commuter parking for 510 automobiles and a Kiss'N'Ride installation. The westerly extension which is also scheduled to open in 1980 will include commuter parking for 1,221 automobiles and a Kiss'N'Ride facility.



SCARBOROUGH LIGHT RAIL TRANSIT LINE

In September, 1977, formal approval was given by the Ontario Municipal Board to Metropolitan Toronto's application to construct the 4.4-mi. Scarborough Light Rail Transit Line. Construction of the \$108.7 million project will begin in 1980 and the line is scheduled to open in 1982. The new transit facility will run north from the Kennedy subway terminal station on Ontario Hydro Electric Power Commission land and unused Canadian National right-of-way to the Scarborough Town Centre. During 1978, preliminary technical studies and engineering work covering various aspects of the line were carried out.





PRIVATE DEVELOPMENT ALONG THE SUBWAY ROUTES

During the year, Engineering and Construction staff worked closely with private developers in a number of major construction projects underway or planned in the vicinity of subway stations throughout the system. Some of these included—St. Clair, Sheppard, Queen, College, Museum, Islington and Dufferin Stations. Many of the developments include entrances to the adjacent subway stations.

SPECIAL PROJECTS AND RESEARCH

Engineering and Construction officials and staff were actively involved in the development and preparation of preliminary concepts and contract documents for a number of transportation-related projects including the Scarborough Light Rail Transit Line, a light rail line to the CNE, Union Station expansion, public transit facilities through Downsview Airport property between Wilson Station and Sheppard Avenue and improvements and modifications to existing rapid transit facilities. Research, evaluation and assistance were also provided on several other projects including studies on subway and light rail vehicle noise and vibration, station facilities for the physically disabled, light rail transit stations and trackbed design, and an evaluation of turbine generator noise.



CONCLUSION

To sum up, 1978 was a busy and rewarding year for the Commission and its staff. The opening of a new subway line is a major undertaking and it, together with the associated major realignment and expansion of surface routes, was carried out efficiently and smoothly under sometimes difficult conditions. It could only have been done with the fullest effort by a capable and conscientious staff working closely with citizens and other public agencies.

Your Commission is confident that with the continued co-operation of Metropolitan Toronto Council and the elected representatives and officials of each of the area municipalities, the transit system will continue to contribute in full measure to the urban progress of Metropolitan Toronto.

The Commission would be remiss if it did not express its appreciation to its passengers for their continued support during the past year.

YOURS TRULY

CHAIRMAN

VICE CHAIRMAN

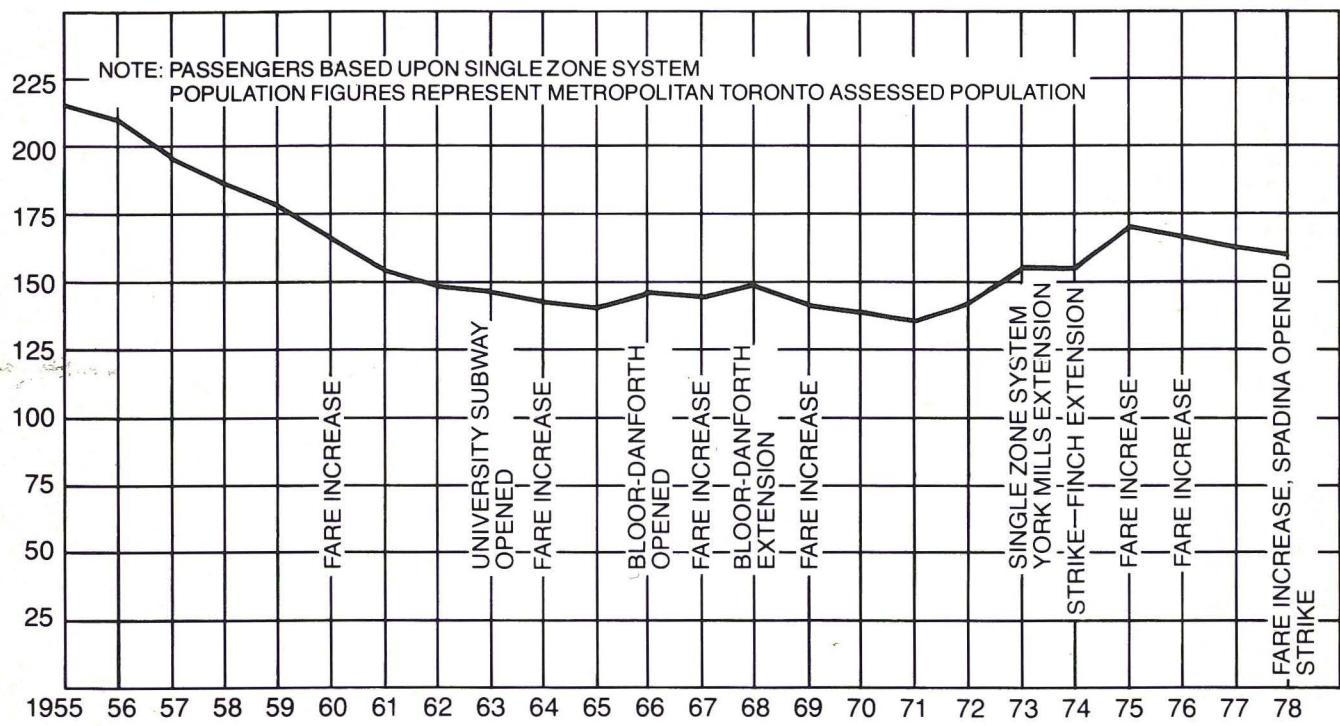
COMMISSIONER

COMMISSIONER

COMMISSIONER



TTC RIDES PER CAPITA (RIDERSHIP/POPULATION)





TORONTO TRANSIT COMMISSION STATEMENT OF REVENUE AND EXPENSES

	For the year ended December 31	
	1978	1977
	(in thousands)	
REVENUE:		
Passenger services	\$140,696	\$132,529
Rental of land, air rights, buildings, subway concessions and equipment	2,318	2,053
Rental of advertising space	1,937	1,876
Profit on sale of land	119	484
Miscellaneous	905	787
	<hr/>	<hr/>
	145,975	137,729
EXPENSES:		
Wages, salaries and other employee costs	150,621	137,620
Materials, services and supplies other than the items shown below	17,267	15,169
Electric traction power	9,453	8,477
Automotive fuel, including provincial taxes of \$2,219,000 (1977-\$2,236,000)	6,465	6,059
Vehicle and other licences	370	316
Municipal taxes	2,105	2,047
Public liability costs	1,782	1,708
Depreciation (Note 3)	6,227	6,360
Debenture interest	2,109	2,225
	<hr/>	<hr/>
	196,399	179,981
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	50,424	42,252
OPERATING SUBSIDY (Note 1)	50,424	42,252
BALANCE FOR THE YEAR	\$ —	\$ —

TORONTO TRANSIT COMMISSION

FINANCIAL STATEMENTS

DECEMBER 31, 1978

BALANCE SHEET

	ASSETS	
	As at December 31	
	1978	1977
	(in thousands)	
CURRENT ASSETS:		
Cash and interest bearing deposits	\$ 489	\$ 767
Accounts receivable—		
Gray Coach Lines, Limited— current account (Note 4)	2,598	2,066
Operating subsidy receivable (Note 1)	19,940	14,271
Capital subsidy and other receivables	11,753	15,003
Other—		
Materials and supplies, at cost	5,885	5,722
Working funds and prepaid expenses	1,188	1,241
	<hr/>	<hr/>
	41,853	39,070
INVESTMENT in capital stock of Gray Coach Lines, Limited, at cost (Note 4)	1,000	1,000
UNAMORTIZED DEBENTURE DISCOUNT	615	663
CAPITAL ASSETS (Note 2):		
Land, buildings, subways, power distribution system, trackwork, rolling stock, buses and other equipment, at cost	819,494	603,411
Less: Capital contributions	607,089	389,606
	<hr/>	<hr/>
	212,405	213,805
Less: Accumulated depreciation	133,928	130,220
	<hr/>	<hr/>
	78,477	83,585
Subway and other assets under construction	93,940	248,371
Less: Capital contributions	93,940	247,988
	<hr/>	<hr/>
	—	383
Total capital assets	78,477	83,968
	<hr/>	<hr/>
	\$121,945	\$124,701
	<hr/>	<hr/>



LIABILITIES

As at December 31
1978 1977
(in thousands)

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 29,793	\$ 29,268
Debenture interest accrued	458	470
	<hr/>	<hr/>
	30,251	29,738
	<hr/>	<hr/>

PROVISION FOR:

Tickets and tokens held by the public	4,525	4,750
Public liability and workmen's compensation	2,000	2,000
	<hr/>	<hr/>
	6,525	6,750
	<hr/>	<hr/>

CAPITAL DEBT:

The Municipality of Metropolitan Toronto—		
For debentures maturing in annual instalments from 1979 to 1995	29,070	31,057
For sinking fund debentures maturing between 1980 and 1997 less sinking fund balance of \$11,306,000	10,876	11,905
	<hr/>	<hr/>
Total (Note 5)	39,946	42,962

Foreign exchange premiums received less discounts on transfer of proceeds of outstanding debentures issued in United States funds	38	66
	<hr/>	<hr/>
	39,984	43,028

EQUITY

EQUITY ACQUIRED FROM TORONTO TRANSPORTATION

COMMISSION ON JANUARY 1, 1954:

Earnings retained and invested in improvement and expansion of the system by Toronto Transportation Commission	24,804	24,804
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EARNINGS RETAINED AND INVESTED IN THE SYSTEM

by Toronto Transit Commission (unchanged from prior year)	20,381	20,381
	<hr/>	<hr/>
	45,185	45,185

	<hr/>	<hr/>
	\$121,945	\$124,701

TORONTO TRANSIT COMMISSION STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended
December 31
1978 1977
(in thousands)

SOURCE OF FUNDS:

Passenger services	\$140,696	\$132,529
Other income	5,160	4,716
Operating subsidy	<u>50,424</u>	<u>42,252</u>
	196,280	179,497
Proceeds of capital asset disposals	368	762
	<u>196,648</u>	<u>180,259</u>

APPLICATION OF FUNDS:

Operating expenses	196,399	179,981
Add (deduct) items not requiring current funds—		
Depreciation	(6,227)	(6,360)
Other	1,036	(846)
	191,208	172,775
Expenditures on capital assets (Note 2)	64,218	99,460
Less: Capital contributions	<u>63,434</u>	<u>96,753</u>
	784	2,707
Debenture debt repayments	2,386	2,307
	<u>194,378</u>	<u>177,789</u>

INCREASE IN WORKING CAPITAL

WORKING CAPITAL AT BEGINNING OF YEAR	9,332	6,862
WORKING CAPITAL AT END OF YEAR	<u>\$ 11,602</u>	<u>\$ 9,332</u>

TORONTO TRANSIT COMMISSION NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1978



1. OPERATING SUBSIDY:

In each of the years 1971 to 1978 The Municipality of Metropolitan Toronto has assumed responsibility for the Commission's operating deficit. Financial assistance from the Province of Ontario to the Municipality included subsidy payments based on 50% of the deficits for the years 1971 to 1976. For 1977 and 1978 the Provincial subsidy is 13.75% of eligible transit operating expenditures by the Commission and the Municipality plus 50% of the operating deficit for the Spadina Subway extension calculated in accordance with Provincial subsidy regulations.

The Municipality had made payments to the Commission of \$30,484,000 in respect of the 1978 operating deficit leaving a balance receivable of \$19,940,000 at December 31, 1978.

2. CAPITAL ASSETS AND CAPITAL CONTRIBUTIONS:

The Commission constructs or purchases its capital asset additions and receives capital contributions from The Municipality of Metropolitan Toronto and the Province of Ontario. Capital assets are recorded at gross cost in the financial statements and the capital contributions received are recorded as a deduction from this cost. The current bases for capital contributions are as follows:

- (i) For additions and major improvements to the subway and light rail systems and equipment and for 125 light rail vehicles the Municipality makes a capital contribution equal to the total cost and recovers 75% of this amount from the Province.
- (ii) For most of its other capital asset additions the Commission receives from the Province a 75% capital contribution that is paid through the Municipality.

The additions to capital assets and capital contributions during 1978 are summarized below. These figures do not include land for subways which is purchased by the Municipality and is not recorded on the Commission's books.

	Expended in 1978	Capital contributions recorded in 1978 from the Province and Municipality (in thousands)
Subway extensions and improvements—		
Bloor-Danforth line, Kipling and Kennedy extensions	\$25,540	\$25,540
Spadina line	9,727	9,727
Additional and replacement escalators	1,579	1,579
Other	871	1,688
Scarborough light rail line	596	596
Surface assets—		
125 light rail vehicles	21,100	21,100
31 buses	2,351	1,736
Trackwork rehabilitation	1,123	842
Other	1,331	626
	<u>\$64,218</u>	<u>\$63,434*</u>

*Includes \$7,896,000 receivable at December 31, 1978.

Subway and other assets under construction at December 31, 1978 are summarized as follows:

(in thousands)

Subway assets—

Bloor-Danforth line, Kipling and Kennedy extensions	\$47,873
Subway Cars	7,091
Additional and replacement escalators	1,752
Other	1,785
	<hr/>
	\$58,501
Scarborough light rail line	742
125 light rail vehicles	34,697
	<hr/>
	\$93,940
	<hr/>

3. DEPRECIATION POLICY:

The provision for depreciation on capital assets is computed on the straight-line method at rates based on the estimated average useful life of each asset group. Depreciation is charged only on that portion of the total cost of capital assets borne by the Commission.

4. GRAY COACH LINES, LIMITED:

Gray Coach Lines, Limited, a wholly-owned subsidiary of the Toronto Transit Commission, operates interurban coach services and its financial statements are published separately. The accounts of Gray Coach Lines are not consolidated with those of the Toronto Transit Commission because consolidation is not felt to be the more informative presentation in the circumstances. The earnings of the Company, after any dividends to the Commission, are retained to maintain and improve the service for the benefit of the population it serves and are not likely to accrue to the Commission. In addition, the Company's fares and routes are regulated by the Province of Ontario and a significant part of the Company's operations is carried out under an agreement with the Toronto Area Transit Operating Authority as part of the "GO Transit" commuter system.

The earnings of Gray Coach Lines, Limited are recorded in the accounts of the Commission only to the extent of dividends received. No dividends were received in 1978 or 1977 but a dividend of \$100,000 was received in January 1979. The results of Gray Coach Lines' operations are summarized as follows:



GRAY COACH LINES, LIMITED

	Year ended December 31	
	1978	1977
	(in thousands)	
Revenue	\$29,847	\$27,135
Expenses, including Ontario income taxes	28,782	26,928
Net earnings for the year	\$ 1,065	\$ 207

The Company's balance sheet is summarized as follows:

	ASSETS	
	As at December 31	
	1978	1977
Current assets	\$ 7,971	\$ 5,847
Short term investments, primarily held for modernization and expansion of the system	2,400	1,475
Capital assets, at cost less accumulated depreciation	7,389	8,561
	\$17,760	\$15,883

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities	\$ 3,852	\$ 3,043
Provisions, mainly for public liability and workmen's compensation	1,433	1,330
Capital stock, reserve and retained earnings	12,475	11,510
	\$17,760	\$15,883

The Statement of Revenue and Expenses reflects charges of \$5,495,000 (1977-\$5,211,000) made to Gray Coach Lines, Limited by the Commission for rental of property and equipment, use of joint facilities and administrative services.

5. CAPITAL DEBT:

Capital borrowings by the Commission are effected through the issue of Municipality of Metropolitan Toronto debentures. The Commission is required to provide the Municipality with funds to meet all principal and interest payments on such debentures. At December 31, 1978 the net capital debt of the Commission was as follows:

	1978	1977
	(in thousands)	
Instalment debentures—		
2-3/4% due 1980*	\$ 338	\$ 507
3-3/8% due 1981*	951	1,253
3-1/2% due 1983*	1,386	1,635
4% due 1983	933	1,098
3-1/2% due 1984	1,009	1,157
5-3/8% due 1992	2,737	2,866
5-1/2% due 1993	6,905	7,197
5-1/4% due 1995	14,811	15,344
	<hr/>	<hr/>
	29,070	31,057
Sinking fund debentures—		
4-1/8% due 1986*	444	597
5% due 1993	947	1,071
6% due 1996	5,152	5,589
6% due 1997	1,958	2,106
7% due 1997	2,375	2,542
	<hr/>	<hr/>
	10,876	11,905
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	\$39,946	\$42,962
	<hr/>	<hr/>

* These debentures are stated in U.S. dollars and based on the December 31, 1978 exchange rate the Commission would have an additional liability of approximately \$605,000 on the above amounts.

Instalment debenture maturities and scheduled sinking fund payments required in each of the next five years are approximately \$2,400,000.

The sinking fund balance of \$11,306,000 at December 31, 1978 consists of:

- (i) the annual levies paid by the Commission into The Municipality of Metropolitan Toronto sinking fund together with interest credited at the rate of 3% per annum, which is the rate to provide sufficient funds to retire the debentures at maturity, and
- (ii) the Commission's equity of \$2,463,000 in the actual earnings of the sinking fund in excess of the 3% rate.



6. PENSIONS:

The Commission has a contributory pension plan covering substantially all employees including those assigned to Gray Coach Lines, Limited. The Commission and employees contribute equally to the Pension Fund Society and the present rate of contributions for each member and the Commission is 6.79% of wages and salaries less the amounts required to be contributed to the Canada Pension Plan. This contribution by the Commission covers both its share of all current service costs under the plan and amounts required to liquidate the unfunded liabilities arising from improvements in the benefits of the plan, over the periods prescribed by law. Based on information furnished by the actuaries in conjunction with their most recent actuarial valuation as at December 31, 1976, the Pension Fund Society assets, at market value, approximate the actuarially determined value, at market, of accrued benefits.

7. RESTATEMENT OF COMPARATIVE FIGURES:

Certain of the 1977 figures in the balance sheet have been restated to conform with the presentation adopted in 1978.

April 12, 1979

AUDITORS' REPORT

To the Chairman and Members
of the Toronto Transit Commission:

We have examined the balance sheet of Toronto Transit Commission as at December 31, 1978 and the statements of revenue and expenses and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1978 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Pricewaterhouse & Co.

Chartered Accountants



TORONTO TRANSIT COMMISSION
FINANCIAL AND OPERATING STATISTICS
10 YEAR SUMMARY
1969 — 1978

	1969	1971	1973	1975	1977	1978	% Increase (Decrease) 1969-1978
PASSENGERS/REVENUE							
Passengers (Millions)	276.9	281.5	329.0	357.6	348.7	337.6	21.9
Basic Adult Fare (at December 31)	25.0¢	25.0¢	25.0¢	33.3¢	40.0¢	42.9¢	71.6
Total Revenue (Millions of Dollars)	79.0	83.6	85.3	107.9	137.7	146.0	84.8
Revenue Per Mile	109.4¢	113.9¢	106.5¢	114.4¢	145.9¢	147.9¢	35.2
Revenue Per Passenger	28.5¢	29.7¢	25.9¢	30.2¢	39.5¢	43.2¢	51.6
OPERATIONS/EXPENDITURES							
Miles Operated, Including Charters and Special Services (Millions)							
Motor Bus	33.5	35.6	39.4	46.0	46.9	46.9	40.0
Subway Car Miles	22.7	22.8	26.2	34.1	33.8	38.2	68.3
Streetcar	11.8	11.0	10.9	10.5	9.5	9.4	(20.3)
Trolley Bus	4.2	4.0	3.6	3.7	4.2	4.2	—
	72.2	73.4	80.1	94.3	94.4	98.7	36.7
Average Number of Employees (Including Gray Coach Lines Ltd.)	6,529	6,815	7,330	8,047	8,525	8,632	32.2
Average Hourly Wages & Benefits Per Driver	\$4.28	\$5.16	\$6.07	\$8.15	\$9.62	\$10.27	140.0
Total Expenses (Millions of Dollars)	74.9	86.5	103.2	146.0	180.0	196.4	162.2
Expense Per Mile	103.7¢	117.8¢	128.8¢	154.8¢	190.7¢	199.0¢	91.9
Expense Per Passenger	27.0¢	30.7¢	31.4¢	40.8¢	51.6¢	58.2¢	115.6
EXCESS OF EXPENDITURES OVER REVENUE							
Excess (Surplus) (Millions of Dollars)	(4.1)	2.9	17.9	38.2	42.3	50.4	—
Excess (Surplus) Per Mile	(5.7¢)	4.0¢	22.3¢	40.5¢	44.8¢	51.1¢	—
Excess (Surplus) Per Passenger	(1.5¢)	1.0¢	5.4¢	10.7¢	12.1¢	14.9¢	—
CAPITAL ASSETS							
Investment In Capital Assets (before depreciation and contributions)							
at Dec. 31 (Millions of Dollars)	405.5	462.9	530.5	640.2	851.8	913.4	125.3
Route Miles In Operation							
Subway	20.7	20.7	23.1	25.7	25.7	31.3	51.2
Surface	549.7	577.2	637.3	685.3	689.7	702.4	27.8
Vehicle Fleet							
Buses	1,003	963	1,097	1,218	1,235	1,219	21.5
Subway Cars	334	334	410	498	534	590	76.6
Trolley Coaches	152	152	152	151	151	151	(0.7)
Streetcars	446	422	393	388	354	344	(22.9)
	1,935	1,871	2,052	2,255	2,274	2,304	19.1

