

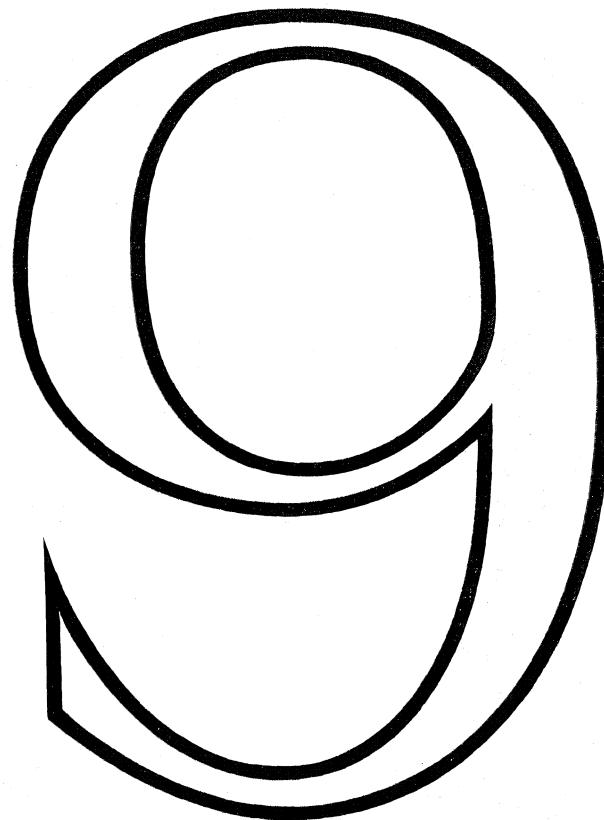
9th

ANNUAL
REPORT

TORONTO TRANSIT COMMISSION



1962

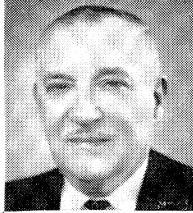


NINTH ANNUAL REPORT TO THE
MUNICIPALITY OF METROPOLITAN TORONTO

Toronto Transit Commission 1962



RALPH C. DAY



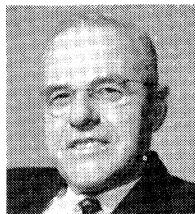
CHAS. A. WALTON



FORD G. BRAND



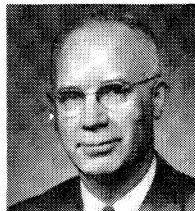
C. C. DOWNEY, Q.C.



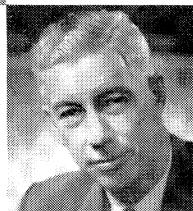
D. F. HAMILTON



J. G. INGLIS



W. H. PATERSON



H. E. PETTETT



TORONTO TRANSIT COMMISSION

COMMISSIONERS

RALPH C. DAY, Chairman

CHAS. A. WALTON, Vice-Chairman

FORD G. BRAND, Commissioner

C. C. DOWNEY, Q.C., Commissioner

DOUGLAS F. HAMILTON, Commissioner

OFFICIALS

J. G. INGLIS, General Manager of Operations

W. H. PATERSON, General Manager—Subway Construction

H. E. PETTETT, General Secretary

J. H. KEARNS, Assistant General Manager of Operations

J. W. H. DAY, Q.C., General Counsel

R. R. GILLESPIE, Treasurer

W. H. C. SEELEY, Assistant Manager—Administration



June 18, 1963.

Wm. R. Allen, Esq., Chairman,
And Members of the Council of
The Municipality of Metropolitan Toronto,
67 Adelaide Street East,
TORONTO 1.

Ladies and Gentlemen:

ANNUAL REPORT — 1962

The Commission is pleased to submit herewith the ninth Annual Statement of the Toronto Transit Commission covering the year 1962.

Although there was a loss of \$823,431 for the year, it is encouraging to report that the number of passengers carried increased by 1,221,983 over the previous year. The paradox of increased riding and a financial loss in the same year was the result of increased costs, a decrease in the adult fare on May 1st, 1961, and the Commission's continued policy of extending routes into newly developing suburban districts at a pace believed to be unmatched anywhere on this continent. Bus service in the suburbs was increased by almost one-half million miles in 1962 to a new high of 8,764,000 miles. This is 3,624,000 miles more than were operated in 1955, the first full year of Metro transit service, a 70% increase. Details of the many new and extended routes introduced during 1962 are shown in the operations section of this report.

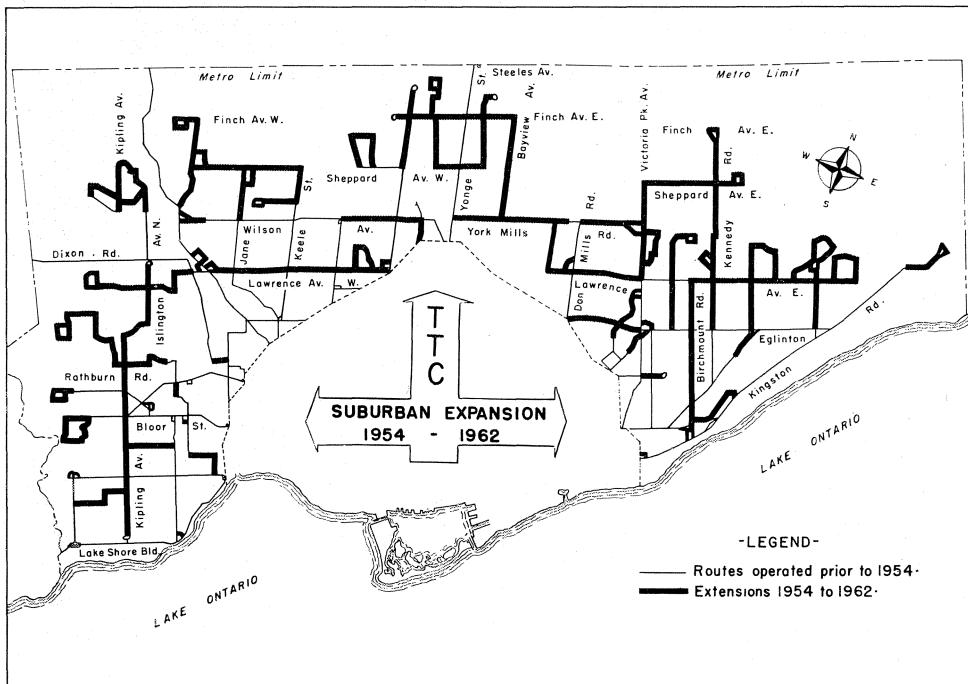
As has been stated in previous reports to Council, the Commission recognizes fully the need and the importance of convenient transit service throughout the entire Metropolitan Area, but the fact must be faced that bus routes into new suburban districts are heavy money losers, sometimes for many years. Legislation requiring the T.T.C. to be self-sustaining, plus demands for more and more money-losing suburban routes, plus the necessity of maintaining fares at an acceptable level, has created a financial straight jacket which, if it is not loosened, will make it increasingly difficult for public transit to continue to contribute fully and effectively to the well-balanced transportation system Metro is striving for.

The Commission cannot emphasize too strongly the need for a long-range permanent solution to this problem and urges that Council give serious consideration to relieving transit riders of the heavy debt burden resulting from the construction of subways which benefit the whole community. The Commission feels certain that this burden was never envisaged when the original T.T.C. legislation was drawn up more than forty years ago. If transit were freed from this debt, it could continue to operate on a self-sustaining basis and expand its services at a pace consistent with the needs of the community.

ZONE MERGER

Another important forward step in the Commission's long-range plans for the development of transit lines in suburban districts was the merger of five Metro area zones into two on February 1st, 1962. This new streamlined two-zone system continued the policy of progressive zone mergers which was begun in 1956 to improve fare collection methods and speed up service. The new two-zone system meant substantially reduced fares for many suburban riders. There are, of course, many other factors involved in the 1962 results, but it is considered significant that the first increase in riding in eight years coincided with the streamlining of the zone system.

The following pages show the achievements and the operating and financial results of the past year.



FINANCIAL RESULTS

The operations for the year 1962 resulted in a net loss of \$823,431 compared with a net profit of \$375,422 in 1961 after meeting a deficit of \$82,106 on the operation of the Island Ferry Service in that year.

Although gross revenue showed a slight increase of \$30,291, expenses increased by \$1,311,250, resulting in a decrease in net income of \$1,280,959, which is reduced to \$1,198,853 when the 1961 loss of \$82,106 on the Island Ferry Service is considered.

The 1962 results may be summarized as follows:

Operating expenses	\$39,284,256
Debenture interest and discount	2,190,318
	<hr/>
Total expenses	\$41,474,574
Gross revenue	40,651,143
	<hr/>
Loss for the year	\$ 823,431

Revenue from zone-fare passengers declined by \$195,342. This was partly offset by an increase of \$101,339 in special services and charter revenue resulting in a net decrease in passenger revenue of \$94,003. Income from rents, mostly real estate rents, increased by \$87,578 and income from rental of advertising space on revenue vehicles showed an increase of \$56,837. Interest on invested funds declined by \$7,071 and income from various other sources by \$13,050.

The increase of \$1,311,250 in expenses is comprised of increases of \$933,952 in labour costs, \$192,603 in depreciation provision, \$167,119 in the cost of maintenance materials, equipment rents, etc., and \$17,576 in the other expense categories.

Revenue miles operated during the year 1962 numbered 49,503,217, an increase of 332,517 over the mileage operated in 1961. The mileage operated on the zone-fare system amounted to 48,607,888 as compared with 48,135,240 in 1961, an increase of 472,648 miles. The balance of the mileage results from special service and charter operations. It is significant that reductions in mileage operated occurred in all types of operation except motor bus, where a very substantial increase was made. The figures are as follows:

Increase — motor bus operation	806,089
Less decreases—street car operation	200,671
trolley coach operation	66,150
Yonge St. subway operation	66,620 333,441
	<hr/>
Net increase in miles operated	472,648

This increase in motor bus miles operated is a reflection of the continued expansion and extension of services into new areas. This is dealt with more fully in the section of this report dealing with operations.

The number of revenue passengers (fares collected) expanded in 1962 to 268,804,636 from 267,582,653 in 1961, an increase of 1,221,983. This increase of .46% is the first since the commencement of the Metropolitan area operation in 1954. The apparent anomaly of an increase in fares collected and a decrease in passenger revenue is because of the 4.76% reduction on May 1, 1961, in the adult ticket rate when the fare was reduced from 5 for 75c to 7 for \$1.00.

FARE STRUCTURE

There were no changes in rates of fare during the year, but on February 1, 1962, zones 2, 3, 4 and 5 within the boundaries of Metropolitan Toronto were consolidated into one zone known as zone 2. This conversion of the multi-zone system to a two-zone system presented many suburban riders with a reduced fare and at the same time simplified the fare-collection procedures on the routes affected.

The adult fare structure at December 31, 1962, was as follows:

Zone 1 – 1 ticket or token (7 for \$1.00 or 2 for 30c) or 20c cash
Zone 2 – Same as Zone 1
Zone 1 and 2 combined ride – 1 ticket (4 for \$1.10)
Outer Zones (beyond Metro) – 10c cash
Combined fare for riding two adjacent outer Zones –
1 ticket (2 for 30c) or 15c cash.

BALANCE SHEET

The total assets of the Commission, before deducting accumulated depreciation, amounted to \$186,405,000 at December 31, 1962, as compared with \$175,469,000 at the close of 1961, an increase of \$10,936,000 during the year.

CASH INCLUDING INTEREST BEARING DEPOSITS

The amount of cash on hand and on deposit at the end of 1962 was \$709,000, a reduction of \$249,000 from the amount of \$958,000 at the close of 1961. The principal cause of this reduction is the continued use of current funds for the temporary financing of construction of the Bloor-Danforth-University Subway pending the issuance of debentures.

ACCOUNTS RECEIVABLE

Accounts receivable, including accrued interest, are shown at \$352,000 as compared with \$565,000 at December 31, 1961.

MATERIALS AND SUPPLIES

The investment in inventories of operating and maintenance supplies shows a decrease of \$252,000 during the year, dropping to \$1,876,000 from \$2,128,000 a year earlier.

INVESTMENTS

The Commission's investment portfolio remained unchanged during the year, and consisted solely of \$170,000 par value of Government of Canada bonds maturing on September 1, 1972. The market value of these bonds at the end of 1962 was \$161,500 as shown in the balance sheet.

Mortgages receivable and a conditional sale agreement amounting to \$420,692 and \$70,000 respectively are all in a good current position, and are considered to be sound investments well secured.

CAPITAL ASSETS

The total cost of capital assets owned at the close of 1962 (excluding the B-D-U Subway) was \$150,850,000 as compared with \$149,900,000 at the end of 1961, an increase of \$950,000. This is made up of purchases of new assets, \$2,300,000 and retirements of \$1,350,000. The principal additions were forty G.M.C. diesel buses and spare parts at a cost of \$1,407,000 and land acquired costing \$400,000, being made up of \$150,000 for a site for a new west-end garage and \$250,000 for land for Wilson Yard purposes. Other major expenditures were, \$187,000 for completion of the new garage building in the Eglinton Subway Terminal area; \$215,000 for track and overhead reconstruction; \$32,000 for shop equipment; \$18,000 for automotive service equipment; \$13,000 for air-conditioning systems and \$14,000 for furniture and office equipment.

The main retirements were \$436,000, being the cost of the ferry fleet which was sold to The Municipality of Metropolitan Toronto at its net book value of \$132,648; \$342,000 for twenty obsolete street cars sold in 1962; \$158,000 for thirteen obsolete buses disposed of; \$356,000 for track and related overhead structures rehabilitated or abandoned; \$20,000, being the cost of Weetwood Street and Avon Loop properties sold; \$16,000 for automotive service vehicles disposed of and \$14,000 for furniture and office equipment retired.

Accumulated depreciation at the end of 1962 amounted to \$71,575,000, an increase of \$2,950,000 over the December 31, 1961 figure.

BLOOR-DANFORTH-UNIVERSITY SUBWAY

Expenditures on this subway project to December 31, 1962, may be summarized as follows:

	Stage I	Stage II	Stage III	Total
Engineering and Administration	\$ 224,481	\$1,328,010	\$632,250	\$ 2,184,741
Tunnel and Structures	2,998,440	5,801,055		8,799,495
Track	268,266	388,880		657,146
Supervisory Control and				
Traction Power	1,050,736			1,050,736
Signal System	971,988			971,988
Rolling Stock	3,450,780			3,450,780
Land Purchase –				
Greenwood Yard		247,700		247,700
Interest during construction	541,926	117,232		659,158
	\$9,506,617	\$7,882,877	\$632,250	\$18,021,744
Add—Expenditures to December 31, 1961				<u>35,656,220</u>
				<u>\$53,677,964</u>
TOTAL CONSTRUCTION EXPENDITURES				
Add—Cash on hand and in the bank			\$1,120,299	
Miscellaneous receivables and Prepaid Expense			296,158	
Proceeds of sale of debentures not yet drawn from				
Metro Treasurer			1,457,813	
Temporary Investments secured by Government				
of Canada bonds			500,000	3,374,270
				<u>\$57,052,234</u>
Deduct—Accounts Payable and Accruals			\$1,646,496	
Contract holdbacks			2,050,700	3,697,196
				<u>\$53,355,038</u>
Total Expenditures on and funds appropriated				
for subway construction				

The financing of these expenditures has been carried out in accordance with the Ontario Municipal Board Order as amended, and at December 31, 1962, the respective contributions of the Municipality of Metropolitan Toronto and of the T.T.C. were \$24,863,439 and \$28,491,599 which amounts were provided as shown in the following tabulation:

Funds Required	Metro Share	Temporary Advances	T.T.C. Share Proceeds of Debenture Sale per T.T.C. Accounts	Total
On expenditures to December 31, 1958	\$ 520,774	\$ 520,773	\$	\$ 1,041,547
On 1959 expenditures	1,185,915	1,212,419		2,398,334
On 1960 expenditures	5,779,188	4,812,971	4,874,674	15,466,833
On 1961 expenditures	8,325,464	2,309,287	4,005,922	14,640,673
On 1962 expenditures	9,052,098	998,062	9,757,491	19,807,651
	<u>\$24,863,439</u>	<u>\$9,853,512</u>	<u>\$18,638,087</u>	<u>\$53,355,038</u>

PROVISION FOR TICKETS AND TOKENS HELD BY THE PUBLIC

The liability for tickets and tokens held by the public increased slightly from \$350,000 at December 31, 1961, to \$367,000 at the end of 1962. There was no fare change during the year (other than a consolidation of zones on February 1) and consequently there was no appreciable change in the number of outstanding tickets and tokens.

CAPITAL DEBT

The capital debt of the Commission as at December 31, 1962, amounted to \$78,176,816, composed of the following:

Debentures issued in 1950 repayable serially to 1980.....	\$10,050,000
Debentures issued in 1951 repayable serially to 1981.....	15,750,000
Debentures issued in 1953 repayable serially to 1983	24,575,000
Debentures issued in 1954 repayable serially to 1984.....	3,290,000
Sinking fund debentures issued in 1955 repayable in 1980....	1,617,037
Sinking fund debentures issued in 1956 repayable in 1986....	2,241,629
Sinking fund debentures issued in 1960 repayable in 1990....	4,987,244
Sinking fund debentures issued in 1961 repayable in 1991....	4,102,657
Debentures issued in 1962 repayable by instalments to 1992	10,000,000
Foreign exchange premiums received, less discounts paid on transfer of proceeds of outstanding debentures issued in United States funds	1,563,249
Net debt	<u>\$78,176,816</u>

Interest rates payable on these debentures range from 2 $\frac{5}{8}\%$ to 5 $\frac{1}{2}\%$.

Of the foregoing debt outstanding at December 31, 1962, \$42,881,629 is repayable as to principal and interest in United States funds, so that the cost of servicing this portion of the debt is influenced by the rate of exchange on the U.S. dollar.

On December 5, 1962, a new issue of debentures having a par value of \$10,000,000 was sold by The Municipality of Metropolitan Toronto to the Province of Ontario under that Government's undertaking to loan up to \$60,000,000 in connection with the construction of the Bloor-Danforth-University Subway. This issue, which was sold under authority of By-law 1764, passed by Council on November 13, 1962, is dated December 3, 1962, carries a coupon interest rate of 5 $\frac{3}{8}$ % and is repayable in annual instalments over a term of 30 years. These debentures were sold at a small discount and the cost to the Commission will be approximately 5.415% per annum.

Although capital borrowings required by the Toronto Transit Commission are made through the issue of Municipality of Metropolitan Toronto debentures, the servicing of these debentures, both as to principal and interest payments, has always been fully carried by the Commission.

EARNINGS RETAINED IN THE SYSTEM

The balance of earnings retained in the system was reduced in 1962 by \$853,203 to \$4,995,633 from \$5,848,836 at December 31, 1961. This reduction is made up of the operating loss of \$823,431 plus a foreign exchange loss of \$60,238 on repayment of debenture debt payable in United States funds less a profit of \$30,466 realized on the sale of property.

TAXES

Taxes continue to impose a heavy burden on the transit system as shown by the following comparative statement:

	1962	1961
Taxes paid to the City of Toronto	\$ 948,172	\$913,857
Taxes paid to other municipalities	63,065	59,847
Total municipal taxes paid	<u>\$1,011,237</u>	<u>\$973,704</u>

Other imposts borne in 1962 include license fees of \$108,170 and gasoline and diesel fuel taxes of \$595,426 paid to the Province of Ontario.

It is important to note that the amount of \$1,011,237 paid in municipal taxes is greater than the 1962 operating loss of \$823,431, and that without such taxes the operations for the year would have resulted in a net profit of \$187,806.

FINANCIAL STATEMENTS AND AUDIT

Messrs. Price Waterhouse & Co., the independent public accountants retained by the Commission, have audited the books and examined the financial statements. Their certificate is attached to the annual accounts which are a part of this report.

The Metropolitan Auditor has submitted his report covering the year 1961 and is currently engaged on his review of the 1962 accounts.

OPERATIONS

At the year end preparations were in full swing for the opening of the University section of the new subway and the major surface route changes associated with it. These changes included replacement of the Dupont street car line with a new bus route on Bay Street, and the extension of the Annette trolley bus line to St. George Subway Station.

NEW ROUTES AND EXTENSIONS

As mentioned in the opening paragraphs of the report, the highlights of 1962 operations were the formation of a streamlined two-zone system for the whole Metro area and the continued rapid pace of service extensions into new suburban districts.

These extensions and improvements included:

BAYVIEW — Extended to provide a new crosstown service on Finch Avenue from Bayview Avenue to Bathurst Street.

DAWES — Extended across Sheppard Avenue from Victoria Park Avenue to Agincourt.

DUFFERIN — Merged with the former South Dufferin route and extended to the Exhibition grounds to provide one of the longest north-south routes in the Metro area.

KEELE — Extended west on Sheppard Avenue to Weston Road.

KENNEDY — Extended north to Finch Avenue.

KIPLING — Extended north on Islington Avenue to Dixon Road.

NORTH YONGE-SENLAC — Rerouted and extended north to Goulding Avenue.

O'CONNOR — Rush hour extension north on Victoria Park and across Lawrence Avenue to Don Mills.

WESTWAY — A new bus line to provide service from Weston Road at Lawrence Avenue to serve the Westway district.

WILSON — Extended north on Weston Road to the Finch Main Gardens development.

WOODBINE — Three extensions were made to this route during the year:

In January, service was extended to Providence Villa Hospital near Warden Avenue.

In July a special mid-day service was inaugurated to the East York Acres Senior Citizens' Residence.

In October, the Elswick branch was extended to Aspen Avenue in the Parkview Hills district.

YORK MILLS — A new north-end crosstown bus route on York Mills Road from Victoria Park Avenue to Yonge Street and Glen Echo Loop.

In addition, there was a major extension of hours of service on the LAWRENCE bus route to Weston Road, and improvements were made to the evening and week-end service on the BRIMLEY route.

SPECIAL SERVICES

The Commission's continued drive for new business in this field again met with success. A seventh route was added to the Express service to the Canadian National Exhibition, and two other routes were extended. Passengers carried on these lines rose to 162,000, a 70% increase over 1961.

Express buses to football, hockey and horse-racing continue to be popular with many thousands of fans. The benefits that these services bring about by reducing traffic congestion at many busy locations should not be overlooked.

Special buses from five suburban districts to downtown were operated in mid-day and evening hours during the Christmas shopping season for the second successive year. Although more than 16,000 passengers were carried, public response to this service has not come up to expectations.

A new summer week-end bus service to Pioneer Village was started and it proved very popular. Service was again provided to Edwards Gardens, and at the year end consideration was being given to a new summer service through High Park on Sundays and holidays.

1962 SHRINE CONVENTION

The 88th Shrine Imperial Council Session was held in Toronto from July 1st to 5th, and attendance was estimated at 40,000. Plans to co-ordinate and operate the many special transit services required for these visitors, and at the same time provide uninterrupted service for regular riders, were prepared by the T.T.C. many months in advance. Vehicle maintenance schedules were advanced to insure that extra subway cars, street cars and buses would be available as needed, and many operators and drivers voluntarily worked on their off-days. Several thousand Shriners were carried on special charter and sightseeing trips, and riding on regular routes increased by an estimated 400,000 fares over the same week in 1961. All in all, it is believed that T.T.C. operations during the Convention demonstrated clearly the efficiency and flexibility with which public transit can meet the transportation needs of huge crowds in congested areas.

NEW TOKEN HOLDER

An interesting and successful effort to encourage greater use of automatic turnstiles and to speed up fare collection in the subway was made this year with the introduction of the "TOKESTRIP", a convenient paperboard token holder. The handy pocket size holders were tested in February and soon proved very popular with many riders who had objected to the inconvenience of carrying loose tokens. The sale of TOKESTRIPS was continued at all subway stations and the use of tokens has doubled since they were introduced. In addition to its convenience for transit riders, the TOKESTRIP shows promise of becoming a well established advertising medium.

VEHICLES

The exciting news under this heading in 1962 was the arrival in April of the first Canadian-built subway car, the forerunner of the \$4-million, 36-car order built for the University section of the new subway. After extensive testing in the shops and yard, the first train of new cars was operated in regular service on the Yonge Subway on September 30th. Public reaction to these longer, lighter and livelier subway cars was very favourable. By the end of the year, thirty-two cars had been received.

Forty new, large capacity Canadian-built buses were purchased during the year. Almost all of them were placed into service on routes serving suburban areas.

At the end of the year, the passenger and service fleet was as follows:

	Total
Street Cars:	
P.C.C. Cars	744
Witt Type	72
	<hr/>
Subway Cars	172
Trolley Coaches	145
Motor Buses	604
Service Vehicles:	
Rail-Surface	32
Rail-Subway	6
Automotive	122
	<hr/>
TOTAL	1,897

Twenty street cars, thirteen buses and eleven service vehicles were retired during the year.

TRACK AND ROADWAY

Major track reconstruction and replacement projects completed during the year were as follows:

Realignment and replacement of worn rail on Lake Shore Road between Miles Road and First Street in Mimico was done in conjunction with Metropolitan Toronto repavement work. With the exception of a short section from Mimico Avenue to Legion Road to be done in 1963, repaving and track rehabilitation has been completed on Lake Shore Road from Humber Loop to Brown's Line.

Trackwork on Kingston Road from Victoria Park Avenue to Woodbine Avenue was rebuilt coincident with repaving work done by Metropolitan Toronto.

While Metro carried out extensive repairs to the Don River bridge on Dundas Street, T.T.C. forces replaced all track on the bridge structure.

The track on Howard Park Avenue from Dundas Street to Roncesvalles Avenue was rebuilt.

In preparation for subway construction work, Lipton street car and bus loop on Pape Avenue just north of Danforth Avenue was relocated a short distance to the north of the former location.

Heat-treated rail was installed on curves on the Yonge Subway at Maitland Street, Pleasant Road and King Street.

At December 31, 1962, total miles of single track in service were:

Surface Track	197.75
Subway Track	13.40
	TOTAL - 211.15

Miles of streets and highways in Metropolitan Toronto served by bus and trolley coach lines at the year end were:

Trolley bus	25.84
Motor bus	314.21
	TOTAL - 340.05

BUILDINGS AND PROPERTY

An extension to Eglinton Garage was completed during the year. The garage now provides heated storage for 195 buses. Additional vehicle hoists and inspection pits, improved steam cleaning facilities and three new "Cyclone" vehicle vacuum cleaners have greatly improved efficiency at this garage.

In connection with construction of the University subway, T.T.C. forces installed the traction power supply system at Bedford and Orde electrical substations. Associated equipment was also installed in the Hillcrest Power Control Centre.

Other major building maintenance projects included installation of a new 600 volt traction power supply system to the General Repair Shops at Hillcrest; relighting of various shop areas to bring lighting up to present day standards; installation of underground feeder cable at Roncesvalles electrical substation; and the installation of a new exhaust ventilation system at Davenport Garage.

PUBLIC INFORMATION

A comprehensive public information program was maintained during the year. The telephone information staff answered 732,000 requests for route, schedule and fare information, an increase of 70,000 calls over 1961. More than 60,000 transit route maps and 350,000 pocket bus schedules were distributed by drivers, guides and by direct mail. The regular program of installing permanent and temporary signs at terminals and stops along the routes to announce route extensions and schedule changes was continued.

Two new Montreal-built subway cars were displayed at the Canadian National Exhibition. The advertising spaces in the new cars were used to advantage to show details of construction progress on the Bloor-Danforth-University Subway. Interest in the display was keen, and an estimated 140,000

persons visited it. More than 35,000 subway Progress Report folders were distributed at the display.

Public relations work in connection with subway construction also received much attention during the year, and every effort was made to keep residents and businesses adjacent to the right-of-way fully informed well in advance of necessary street closures, diversions or other disturbances. All contractors on the project co-operated fully with the T.T.C. Public Relations staff to enable press, radio and television representatives to keep their readers and listeners abreast of construction progress.

LABOUR RELATIONS

Collective agreements were re-negotiated in the Fall of 1961 with two of the three unions which represent Commission employees. The third agreement covering electrical workers was renewed in July, 1962, after a conciliation board hearing. All three collective agreements are effective for a two-year period ending December 31, 1963.

Relations between the unions and the Commission have been harmonious and co-operative on the whole, and demonstrate the employees' deep interest in the service they render to Metropolitan Toronto.



This is one of the new rapid transit cars, which are 17 feet longer than the first subway cars. They have four doors on each side to permit rapid loading and unloading. The fluted aluminum exterior finish will not require painting.

SUBWAY CONSTRUCTION

The Bloor-Danforth-University Subway is being built jointly by Metropolitan Toronto and the Toronto Transit Commission at a cost of \$206,000,000. Work on the two-mile University section began in the Fall of 1959.

This 10-mile extension to Toronto's subway system was originally scheduled for completion in 1969, but the Province of Ontario has made available a \$60-million loan which has made it possible to complete the entire project by early 1967. During 1962, the possibility of a further construction speed-up was the subject of discussion between Metro and the Commission.

UNIVERSITY SECTION

At the close of the year work on the University section of the Bloor-Danforth-University Subway was virtually complete. Third rail power was on and extensive tests were being carried out on signals, track switches, electrical circuits and other equipment in readiness for the scheduled opening day, February 28, 1963.

BLOOR-DANFORTH SECTION

Construction progress on the east-west branch of the subway at December 31, 1962, was as follows:

Contract D-1 — The cut and cover structure from Avenue Road east to Yonge Street, including Yorkville Station was awarded to the Foundation Company of Canada on February 5, 1962. This work was on schedule and almost to the halfway point.

Contract D-2 — The tunnelling for twin tunnel structure from Yonge Street east to Sherbourne Street, but exclusive of Sherbourne Station was awarded to Robert McAlpine Limited on February 5, 1962. This work was ahead of schedule and about 70% complete.

Contract D-5 — The cut and cover structure east from Prince Edward Viaduct to the intersection of Strathmore and Dewhurst Boulevards, and including the structures for Broadview, Chester and Pape Stations was awarded on November 1, 1962, to Robert McAlpine Limited. This contract was very slightly behind schedule at the year end due to unexpected and difficult ground conditions which have delayed installation of piling. It is expected that this delay will be made up and the schedule maintained during 1963.

Contract D-7A — The excavation and grading of Greenwood Yard awarded to the Swansea Construction Co. Ltd., on January 1, 1962, was completed on October 10, 1962, 83 working days ahead of schedule.

At the year end, tenders had been invited for the construction of Sherbourne Station; the Rosedale Valley Bridge and the structure from Sherbourne Station to Prince Edward Viaduct; and for Greenwood Yard and Shop buildings. These contracts are expected to be awarded early in 1963. Other work not yet out for tender, but which is expected to get under way in the coming year includes Yonge Station; the structure from Donlands to Greenwood Avenue, including Donlands and Greenwood Stations; and the subway structure from Lansdowne Avenue to Indian Road including Vincent Station.

Design engineering work on the remaining sections is nearing completion, and detailed contract drawings and documents will be completed during 1963 and 1964, by which time all heavy construction will be under way. In addition to the structural and station finish contracts for the Bloor-Danforth line, work is in progress on the necessary specifications for the supply and installation of signal systems and traction power equipment.

RIGHT-OF-WAY

The Metro Subway Property Committee is well advanced with the acquisition of property for the subway right-of-way. Over two-thirds of the property required for the entire project from Keele to Woodbine, including the University section, has been purchased at a cost of \$14½-million.



A view from Museum Station of the tunnel running under Queen's Park and the Parliament Buildings.

GENERAL

The Commission would be remiss if it did not extend its appreciation to all employees for their conscientious and efficient work during the year.

The Commission also gratefully acknowledges the co-operation of Metropolitan Council and all municipal authorities.

Yours truly,



Chairman



Vice-Chairman



Commissioner



Commissioner



Commissioner

TORONTO TRAN

BALANCE SHEET

ASSETS

CURRENT AND WORKING ASSETS:

Cash including interest bearing deposits	\$ 709,025
Accounts receivable less allowance for doubtful accounts	352,347
Gray Coach Lines, Limited — current account	457,934
Working funds advanced to employees and agents	281,611
Materials and supplies valued on the basis of cost less allowance for obsolete items	1,876,225
Unexpired insurance premiums and other prepaid expenses	376,738

	\$ 4,053,880

INVESTMENTS:

Canadian Government bonds, at market value	\$ 161,500
Mortgages receivable and conditional sale agreement on property sold	490,692

	652,192

INVESTMENT IN CAPITAL STOCK OF GRAY COACH LINES, LIMITED, A WHOLLY OWNED SUBSIDIARY, at cost	1,000,000
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CAPITAL ASSETS:

Land, buildings, subway, power distribution system, trackwork, rolling stock, buses, franchises, etc., at cost	\$ 150,847,379
Less — Accumulated depreciation	71,575,248

	79,272,131

BLOOR-DANFORTH-UNIVERSITY SUBWAY UNDER CONSTRUCTION (Note 1):

Expenditures on and funds appropriated for construction of the subway	\$ 53,355,038
Less — Capital contributions received from The Municipality of Metropolitan Toronto	24,863,439

	28,491,599

UNAMORTIZED DEBENTURE DISCOUNT	107,763,730
	1,360,420

	\$114,830,222

IT COMMISSION

DECEMBER 31, 1962

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 4,481,693
Debenture interest accrued	505,347

	\$ 4,987,040

PROVISIONS:

For tickets and tokens held by the public	\$ 367,000
For workmen's compensation and public liability	1,500,000

	1,867,000

CAPITAL DEBT:

The Municipality of Metropolitan Toronto:

For debentures maturing in annual instalments from 1963 to 1992 (including \$40,640,000 debentures payable in United States funds)	\$ 63,665,000
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For sinking fund debentures maturing between 1980 and 1991 (including \$2,599,000 deben- tures payable in United States funds), less sinking fund balance of \$1,104,433 (Note 2)	12,948,567
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Total, including debentures maturing and sinking fund payments aggregating \$2,506,521 due in 1963	\$ 76,613,567
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Foreign exchange premiums received less dis- counts paid on transfer of proceeds of out- standing debentures issued in United States funds	1,563,249

	78,176,816

EARNINGS RETAINED IN THE SYSTEM:

Balance January 1, 1954 at which date the system was acquired from the Toronto Transportation Commission	\$ 24,803,733
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Add - Earnings retained since January 1, 1954 per statement attached	4,995,633

	29,799,366

	\$114,830,222

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1962

REVENUE:

Passenger services	\$39,246,169
Rental of equipment and buildings to Gray Coach Lines, Limited, municipalities and others	608,008
Rental of advertising space	489,710
Interest earned	101,860
Dividend from Gray Coach Lines, Limited	70,000
Miscellaneous	135,396

	\$40,651,143

EXPENSES:

Wages, salaries and other employee costs	\$26,725,934
Electric traction power purchased	2,155,352
Gasoline and diesel oil, including provincial taxes \$595,426	1,056,099
Vehicle and other licences	108,318
Municipal taxes	1,011,237
Public liability and property damage costs	436,994
Depreciation	4,030,411
Other expenses including cost of materials used, equipment rentals, etc.	3,759,911

	39,284,256

	\$ 1,366,887
Debenture interest and discount	2,190,318
Loss for the year	\$ 823,431

TORONTO TRANSIT COMMISSION

STATEMENT OF EARNINGS RETAINED SINCE JANUARY 1, 1954

Balance December 31, 1961	\$5,848,836
Profit realized on sale of property	30,466

\$5,879,302	
Deduct:	
Loss for the year 1962	\$823,431
Foreign exchange loss realized on repayment of capital debt —	
Foreign exchange premium on United States funds purchased for debenture debt repayments in 1962	\$139,032
Less — Amount charged to "Foreign exchange premiums received" account, being the applicable portion of the net foreign exchange premiums re- ceived on issue of the debentures	78,794

	60,238

	883,669
Earnings retained at December 31, 1962	\$4,995,633

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1962

NOTE 1:

Under authority of Order No. P.F.E. 287-58 of the Ontario Municipal Board dated September 5, 1958 and amendments to December 31, 1962, The Municipality of Metropolitan Toronto has undertaken to contribute \$108,093,000 toward the cost of the Bloor-Danforth-University subway. This amount includes \$21,000,000 for the estimated cost of land for the right-of-way, which is being purchased by and becomes the property of the Municipality. The total cost of the subway is estimated in the amended Ontario Municipal Board order at \$206,533,000.

Expenditures on and funds appropriated for construction of the Bloor-Danforth-University subway to December 31, 1962 (exclusive of expenditures by the Municipality on land for the right-of-way) were:

Construction costs	\$53,677,964
Miscellaneous costs and receivables	296,158
Cash on hand and in Bloor-Danforth-University subway bank account	1,120,299
Temporary investment secured by Government of Canada bonds	500,000
Portion of proceeds of debenture issue receivable from The Municipality of Metropolitan Toronto	1,457,813

	\$57,052,234

Less:	
Accounts payable and accruals	\$1,646,496
Contract holdbacks	2,050,700

Balance at December 31, 1962	<u>\$53,355,038</u>

The Municipality of Metropolitan Toronto had contributed \$24,863,439 toward the above expenditures at December 31, 1962 and the Commission had contributed \$28,491,599.

The Commission has been authorized to finance its share of the estimated subway construction costs from the proceeds of debenture issues by the Municipality which become part of the Commission's capital debt. At December 31, 1962, funds for the Commission's contribution to the extent of \$18,638,087 had been provided by such debenture issues. The balance of \$9,853,512 had been temporarily advanced from the Commission's general funds, and will be reimbursed as required from the proceeds of debenture issues.

NOTE 2:

At December 31, 1962, the Commission had an apparent equity, which is not reflected in the financial statements, of \$53,550 in the excess earnings of the sinking fund of The Municipality of Metropolitan Toronto in respect of sinking fund debenture payments. An amendment to The Municipality of Metropolitan Toronto Act, passed in 1962, provides that at such time as the sinking fund committee of the Municipality applies a sinking fund surplus to any of the purposes set forth in the Act, the Commission will share in such distribution of the surplus in the proportion that its contributions to the sinking fund bear to the total contributions made to the sinking fund account.

NOTE 3:

Commencing in 1962, the invoiced cost of uniforms is being amortized in accordance with the Commission's agreement to supply uniforms to employees, whereas in prior years uniforms were charged to expense at time of purchase. The effect of this change was to reduce the expense and thus the loss for the year 1962 by approximately \$74,000.

NOTE 4:

The Statement of Earnings reflects charges of \$1,110,031 made to Gray Coach Lines, Limited by the Toronto Transit Commission for rental of property and equipment, use of joint facilities and administrative services.

NOTE 5:

Earnings of the wholly-owned subsidiary, Gray Coach Lines, Limited which operates outside the Toronto Metropolitan area, are recorded in the accounts of the Toronto Transit Commission to the extent of dividends received. Net earnings of Gray Coach Lines, Limited for the year ended December 31, 1962, amounted to \$230,713.

NOTE 6:

Effective January 1, 1962, The Municipality of Metropolitan Toronto assumed the operation and purchased the assets of the Island Ferry Service on payment to the Commission of \$132,648 representing the net book value of the ferry boats.

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, 1962 and the Statement of Earnings Retained and Statement of Earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying Balance Sheet and Statement of Earnings Retained and Statement of Earnings present fairly the financial position of the Commission as at December 31, 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent (except for the change, which we approve, referred to in Note 3) with that of the preceding year.

Price Waterhouse & Co

Chartered Accountants.

Toronto, May 17, 1963.

TORONTO TRANSIT COMMISSION

1962 STATISTICS

Revenue passengers carried — zone fare system	268,804,600
Revenue passengers — normal week day average zone fare system....	878,900
Miles operated — including chartered and special services	49,503,217
Miles operated — normal week day zone fare system	152,000
Miles in single track operated	211.15
Bus route miles	314.21
Trolley coach route miles	25.84
Street cars	816
Buses	604
Trolley coaches	145
Subway cars	172

Fares

Zone 1

Adults — 20c cash or 1 ticket or token (7 for \$1.00 or 2 for 30c)
(Books of 21 tickets for \$3.00)
Children (not over 56" in height) — 10c cash or 1 ticket (4 for 25c)
Scholars — 1 ticket — (10 for \$1.00)
(1 scholar's ticket good for ride anywhere in Metropolitan Area)

Zone 1 & 2 continuous — 1 combination ticket (4 for \$1.10)

Zone 2 — same as Zone 1

Zone 2 and 3 combined

Adults — 30c cash or 1 ticket or token (7 for \$1.00) plus 1 ticket (4 for 30c)
Children — 15c cash or 1 ticket (4 for 25c) plus 5c
Scholars — 2 tickets — (10 for \$1.00)

Zones 3 and 4

Single Zone

Adults — 10c cash
Children — 5c cash only
Scholars — 1 ticket — (10 for \$1.00)

Two Zones

Adults — 15c cash — 1 ticket or token (7 for \$1.00)
Children — 10c cash or 1 ticket (4 for 25c)
Scholars — 1 ticket — (10 for \$1.00)

Electric traction power consumption — kilowatt hours	173,899,000
Gasoline consumption in gallons — including Gray Coach Lines	1,064,700
Diesel oil consumption in gallons — including G.C.L.	3,718,600
Taxes paid on gasoline and diesel oil	\$ 595,426
Property taxes paid	1,011,237
Other taxes and licenses paid	108,318
Total taxes and licenses paid	\$ 1,714,981
Number of regular employees — including G.C.L.	5,560
Gross payroll — including G.C.L.	\$28,973,400
Metropolitan Area population	1,608,500

