

Agenda
York Region Rapid Transit Corporation
Board of Directors

April 24, 2025
Immediately following Regional Council
Electronic and In-Person Meeting
Committee Room A
17250 Yonge Street, Newmarket

Quorum: 6

Page No.

A. Call to Order

B. Land Acknowledgement

We acknowledge that York Region is located on the traditional territory of many Indigenous peoples including the Anishinaabeg, Haudenosaunee, Huron-Wendat and Métis peoples and the treaty territories of the Haudenosaunee, Mississaugas of the Credit First Nation and Williams Treaties First Nations.

Today this area is home to many diverse Indigenous Peoples, and we recognize their history, spirituality, culture and stewardship of this land.

We also acknowledge the Chippewas of Georgina Island First Nation as our closest First Nation community.

C. Disclosures of Interest

D. Approval of Minutes

D.1 Approval of Minutes - March 20, 2025 YRRTC Board Meeting

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Recommendation: Approve

E. Presentations

E.1 Draft 2024 Audited Financial Statements

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Paul Jankowski, President, York Region Rapid Transit Corporation
(See item G.1)

E.2 Quarterly Financial Update Q1 2025 12

Paul Jankowski, President, York Region Rapid Transit Corporation
(See item F.1)

F. Communications

F.1 York Region Rapid Transit Corporation Q1-2025 Unaudited Financial Statements 22

Memorandum dated April 15, 2025 from Paul Jankowski,
President, York Region Rapid Transit Corporation

Recommendation: Receive

G. Reports

G.1 2024 Annual Report and 2024 Draft Audited Financial Statements 30

Report dated April 15, 2025 from the York Region Rapid Transit Corporation President recommending that:

1. The Board of Directors approve York Region Rapid Transit Corporations (YRRTC) 2024 Annual Report (Attachment 1) to be forwarded to the Regional CAO, as per the Shareholder Direction; and
2. The Board of Directors approve the 2024 Draft Audited Financial Statements (Attachment 2) together with the signed report of the auditors KPMG LLP, for the fiscal year ending December 31, 2024, and submit them as part of the YRRTC's Annual Report to the Shareholder.
3. The Director, Finance of the Corporation be authorized to sign the annual Audited Financial Statements on behalf of the Board for submission to the Shareholder at its Annual General Meeting scheduled for June 26, 2025.

G.2 Bus Rapid Transit (BRT) Q1 2025 Priority Projects Activities Update 70

Report dated April 15, 2025 from the York Region Rapid Transit Corporation President recommending that:

1. The Board of Directors receive this report for information.

H. Other Business

I. Private Session

I.1 Private Minutes - York Region Rapid Transit Corporation Board Meeting - March 20, 2025

I.2 Private Reports

I.2.1 Yonge North Subway Extension (YNSE) Q1 2025 Project Activities Update

J. Adjournment

Minutes

York Region Rapid Transit Corporation Board of Directors

March 20, 2025
Electronic and In-Person Meeting
Committee Room A
17250 Yonge Street, Newmarket

Directors: E. Jolliffe, G. Chan, S. Del Duca, J. DiPaola, M. Ferri, J. Jones,
T. Mrakas, F. Scarpitti, T. Vegh, D. West

YRRTC Staff: S. Arora, P. Jankowski, K. Sharma

Regional Staff: H. Babcock-Cormier, D. Basso, P. Casey, K. Doyle, D. Kuzmyk,
E. Mahoney, L. McDowell, L. Mirabella, M. Rabeau

A. Call to Order

The York Region Rapid Transit Corporation Board Meeting was called to order at 9:33 a.m. with Mayor Scarpitti presiding.

B. Land Acknowledgement

Mayor Scarpitti provided the following acknowledgement:

"We acknowledge that York Region is located on the traditional territory of many Indigenous peoples including the Anishinaabeg, Haudenosaunee, Huron-Wendat and Métis peoples and the treaty territories of the Haudenosaunee, Mississaugas of the Credit First Nation and Williams Treaties First Nations.

Today this area is home to many diverse Indigenous Peoples, and we recognize their history, spirituality, culture and stewardship of this land.

We also acknowledge the Chippewas of Georgina Island First Nation as our closest First Nation community."

C. Disclosures of Interest

None

D. Approval of Minutes

D.1 Approval of Minutes - February 27, 2025 YRRTC Board Meeting

Moved By Regional Councillor DiPaola

Seconded By Mayor Mrakas

That the Board approve the Minutes of the February 27, 2025 YRRTC Board meeting.

Carried

E. Presentations

E.1 YRRTC's Implementation of Board Governance / Oversight Practices

Moved By Mayor West

Seconded By Regional Councillor Vegh

That the Board receive the presentation by Paul Jankowski, President, YRRTC.

Carried

F. Communications

None

G. Reports

G.1 York Region Rapid Transit Corporation's Proposed Implementation of Mandate Letter and Shareholder Direction

Moved By Mayor West

Seconded By Regional Councillor Vegh

That the Board endorse the following recommendations in the report dated March 20, 2025 from the President:

1. Proposed Implementation Approach to address the governance responsibilities identified in the Shareholder-approved Mandate Letter and Shareholder Direction, as listed in Appendix A.
2. Typical Annual Board Outlook Calendar, as outlined in Appendix B.
3. Board Chair and Board Vice-Chair responsibilities as listed in Appendix D
4. Updated YRRTC Inclusion Statement for the Inclusion Charter of York Region as attached as Appendix E

Carried

H. Other Business

None

I. Private Session

Moved By Regional Councillor Jones

Seconded By Regional Councillor G. Chan

That the Board resolve into Private Session at 10:00 a.m. to consider the following:

Carried

I.1 President's Performance and Objectives Review

Moved By Mayor Mrakas

Seconded By Mayor Del Duca

The Board reports that, in private session, it exercised its responsibilities under section 5.1(g) of the Shareholder Direction, and reviewed and has approved the appraisal of the President's 2024 Performance.

Carried

J. Adjournment

Moved By Regional Chair Jolliffe

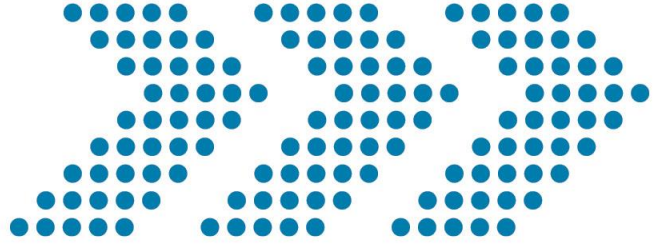
Seconded By Regional Councillor Ferri

That the Board meeting adjourn at 10:46 a.m.

Carried

Kristine Doyle
for Christopher Raynor, Secretary

Mayor Frank Scarpitti
Chair



Draft 2024 Audited Financial Statements

2025-04-24



Key Highlights

- **KPMG concluded the Corporation's financial statements presented fairly in all material respects**
 - Prepared in accordance with Canadian generally accepted accounting principles GAAP
 - Audit opinion was issued without reservation or condition
 - To be consolidated with York Region's Audited Financial Statements
 - Includes operating costs of the Corporation





Independent Auditor's Report

■ Opinion

- KPMG concluded that York Region Rapid Transit Corporation's financial statements accurately reflect its financial position and operations for 2024

■ Basis for Opinion

- KPMG is independent of the Corporation, adhering to relevant ethical requirements in Canada. The audit evidence obtained is sufficient and appropriate to support the opinion.

■ Responsibilities- Management

- Prepare and fairly present financial statements per Canadian public sector accounting standards.
- Implement necessary internal controls to ensure financial statements are free from material misstatement (fraud or error).
- Assess the Entity's ability to continue as a going concern and disclose relevant matters unless liquidation or cessation of operations is intended.
- Oversee the YRRTC's financial reporting process



Independent Auditor's Report (Continued)

■ Responsibilities- Auditors

- Objective: Obtain reasonable assurance that financial statements are free from material misstatement (due to fraud or error) and issue an auditor's report with an opinion.
- Audit Process: Exercise professional judgment and skepticism, identify and assess risks of material misstatement, and design audit procedures to address those risks.
- Evaluation: Understand internal controls, evaluate accounting policies and estimates, assess the going concern basis, and ensure fair presentation of financial statements.
- Communication: Report significant audit findings and deficiencies in internal control to those charged with governance.



Overview of 2024 Financials

2024 Operational Financial Activities

	2024 (\$000's)
Revenue:	
York Region Program Management Fee	4,403
Expenses:	
York Region Rapid Transit Program Management:	8,312
Regional Municipality of York Corporate Allocation:	969
Operating Recoveries:	(4,878)
Total Expenses	4,403
Surplus (deficit), end of year	-



Statement of Financial Position

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Due from Regional Municipality of York (note 4)	\$ 518,732	\$ 394,079
Financial Liabilities		
Due to Regional Municipality of York (note 5)	518,731	394,078
Net debt	1	1
Accumulated surplus (note 6)	\$ 1	\$ 1

See accompanying notes to financial statements.



Statement of Cash Flows

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

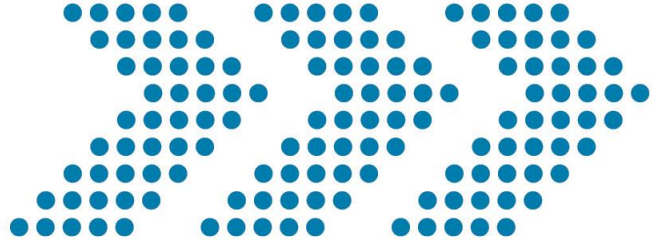
	2024	2023
Operating activities:		
Annual surplus	\$ —	\$ —
Change in non-cash assets and liabilities:		
Due from Regional Municipality of York	(124,653)	2,489
Due to Regional Municipality of York	124,653	(2,489)
Cash, end of year	\$ —	\$ —

See accompanying notes to financial statements.



2024 Draft Audited Financial Statements – Next Steps

- Approved by the Board – April 24, 2025
- To be included in York Region's consolidated financial statements (for fiscal year ending Dec 31, 2024)
- Presented by York Region at Regional Audit Committee as part of 2024 Regional Audited Financial Statements – June 12, 2025
- Integration into the 2024 YRRTC Annual Report
- Presented at the Annual General Shareholder Meeting – June 26, 2025



Quarterly Financial Update – Q1 2025

2025-04-24

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Agenda

- Operating Results – Q1 2025
 - Operating Expenditures- \$0.3M under-spending
 - Operating Revenues
- Capital Results – Q1 2025
 - Capital Expenditures- \$0.2M under-spending





Q1 2025 Operating Budget: Key highlights

- Approved Annual Gross Operating Budget is \$35.2M and Net Operating Budget is \$3.8M
- Approved Q1 2025 Gross Operating Budget is \$2M and Net Operating Budget is \$0.8M
 - Gross operating expenditure at end of Q1 2025 was \$1.4M
 - Net operating expenditure at end of Q1 2025 was \$0.5M
 - Net Favorable Variance of \$0.3M due to salary gapping and lower general expenditures





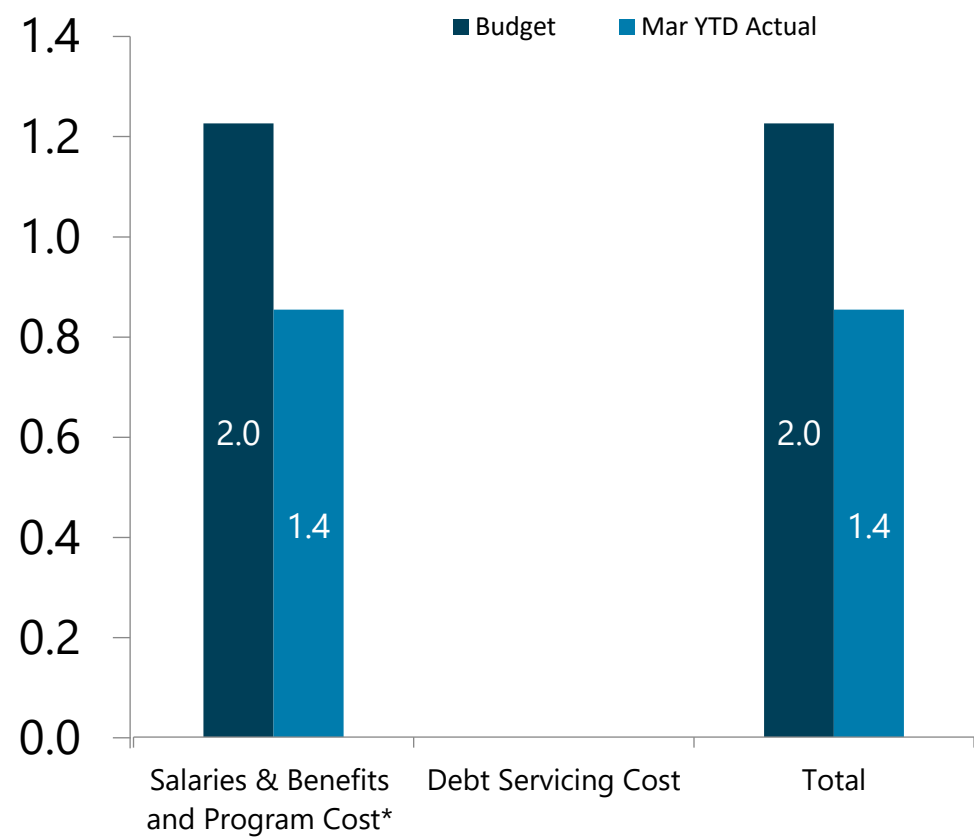
2025 Approved Budget and Outlook

Operating Budget (\$M)	2025 Total Approved Budget	Q1 2025			2025 Total Forecast
		Budget	Actual	Variance	
Gross Operating Budget	\$35.2	\$2.0	\$1.4	\$0.6	\$35.2
Revenue	(\$31.4)	(\$1.2)	(\$0.9)	(\$0.3)	(\$31.4)
Net Operating Budget	\$3.8	\$0.8	\$0.5	\$0.3	\$3.8



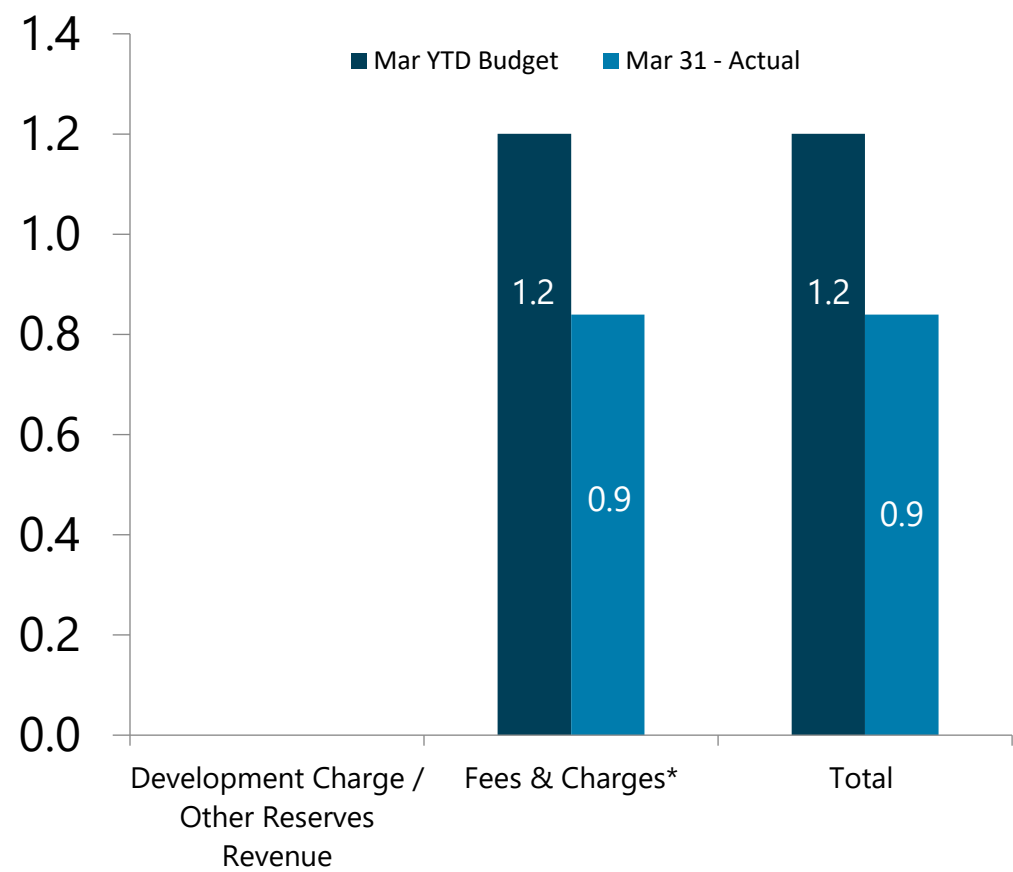
Operating Results – Q1 2025 Gross Expenditures and Revenue

Operating Expenditures
MARCH 31, 2025 (\$M)



Rapid transit project management and related building activities fees fund through the Region.

Operating Revenues
MARCH 31, 2025 (\$M)



Rapid transit project management and related building activities fees fund through the Region.



Q1 2025 Capital Budget: Key highlights

- Approved Annual Capital Budget is \$14.4M and Q1-2025 Capital Budget is \$2.1M
- Capital expenditure at end of Q1-2025 was \$1.9M
 - Underspensing of \$0.2M is due to timing of capital expenditures



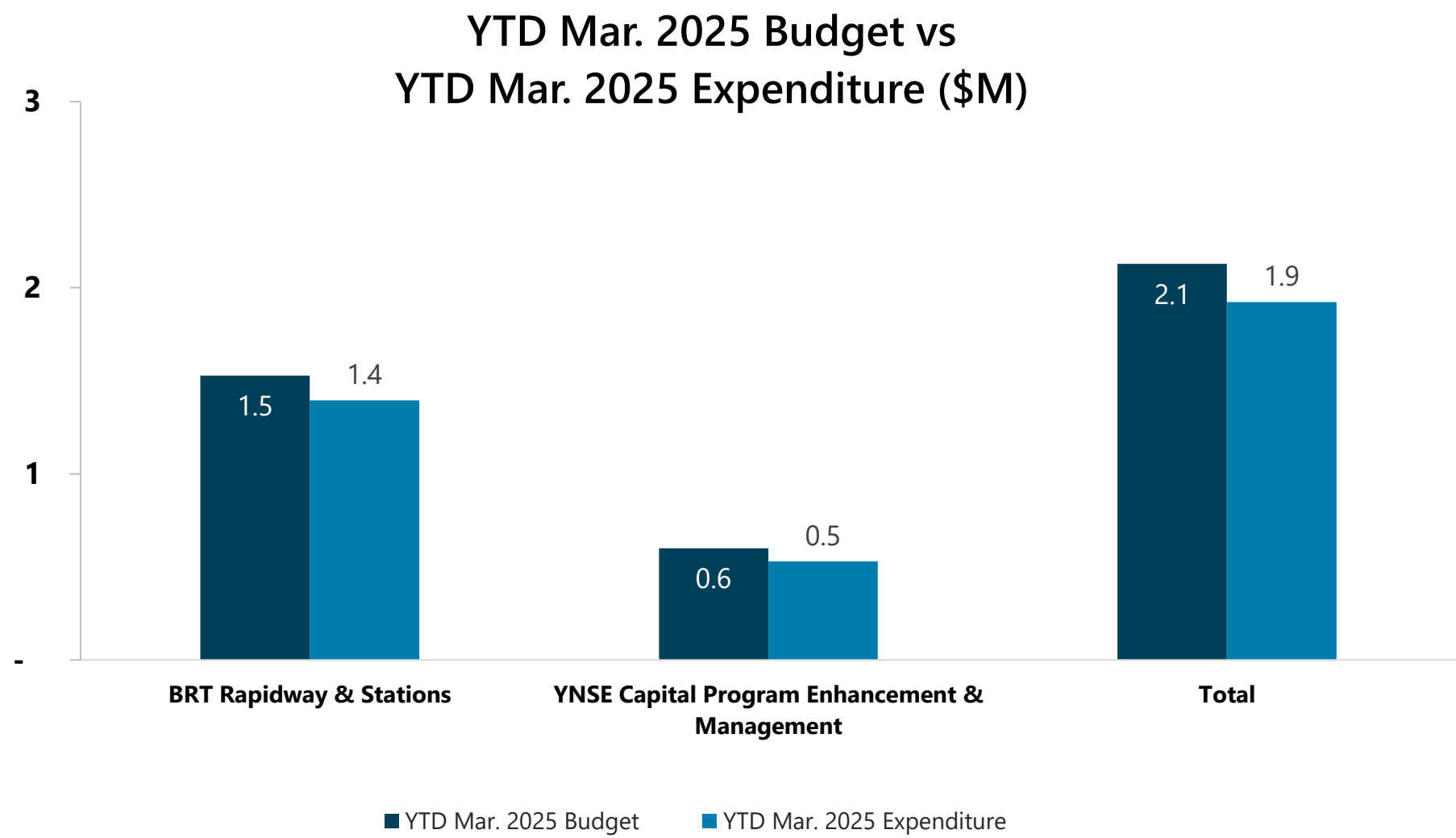


2025 Budget and Outlook

Capital Budget (\$M)	2025 Total Approved Budget	Q1 2025			2025 Total Forecast
		Budget	Actual	Variance	
BRT Rapidway & Stations	\$11.3	\$1.5	\$1.4	\$0.1	\$11.3
YNSE Capital Program Enhancement & Management	\$3.0	\$0.6	\$0.5	\$0.1	\$3.0
Total	\$14.4	\$2.1	\$1.9	\$0.2	\$14.4



Capital Results – Q1 2025 Expenditures





Next Steps

- September 2025
 - Q2-2025 Unaudited Quarterly Financial Update - Board
 - 2025 Mid-Year Reporting Update - Council
 - YRRTC 2026 Proposed Operating and Capital Budget - Board



For more information, contact:



@rapidtransitYR

DATE: April 24, 2025
TO: Members of York Region Rapid Transit Board of Directors
FROM: Paul Jankowski, President, York Region Rapid Transit Corporation
SUBJECT: Q1-2025 Unaudited Financial Statements
eDOCS # 16643697

This memo presents the Q1-2025 (Unaudited) Financial Statements for York Region Rapid Transit Corporation (YRRTC).

YRRTC is increasing and strengthening financial accountability and transparency

YRRTC's approved Shareholders' Direction included recommendations to increase and strengthen YRRTC's financial accountability and transparency. The Q1-2025 Financial Statements, and ongoing Quarterly (Unaudited) Financial Statements, are presented to the Board of Directors for review and will be subsequently advanced to the Shareholder for information.

The Q1-2025 (Unaudited) Financial Statements provides information on YRRTC's financial position, operations, and changes in financial position

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP), as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

The Q1-2025 (Unaudited) Financial Statements for YRRTC, outlined in **Attachment 1**, include:

- Statement of Financial Position – Balance Sheet
- Statement of Operations – Income Statement
- Statement of Cash Flows
- Notes to Financial Statements

At the end of the Q1-2025, YRRTC's Operating and Capital expenditures were lower than the Q1 calendarized budget

The approved Gross Operating Budget for Q1-2025 was \$2 million, and the Net Operating Budget was \$0.8 million.

- By the end of the Q1-2025, gross operating expenditure was \$1.4 million, and net operating expenditure was \$0.5 million
- Net Operating expenditure was \$0.3 million lower than the approved budget, primarily due to salary gapping and lower general expenditures.

The approved annual Capital Budget is \$14.4 million and Capital Budget for Q1-2025 was \$2.1 million, and by the end of the Q1-2025, Capital expenditure was \$1.9 million.

- Q1-2025 capital expenditure was \$0.2 million lower than the Q1 calendarized budget:
 - BRT Rapidway & Stations: Q1-2025 underspending of \$0.1 million due to timing of capital expenditures.
 - YNSE Capital Program Enhancement & Management: Q1-2025 underspending of \$0.1 million due to timing of capital expenditures.

The Q2-2025 Quarterly (Unaudited) Financial Statements and results will be presented at the YRRTC Board meeting on September 25, 2025.

For more information on this memo, please contact Kirti Sharma, Director, Finance, at 905-505-1856. Accessible formats or communication supports are available upon request.

Paul Jankowski, President

April 15, 2025

eDocs 16643697

Attachment 1 – Q1-2025 YRRTC Unaudited Financial Statements (eDocs 16719028)

Q1 2025 FINANCIAL REPORT

YORK REGION RAPID TRANSIT CORPORATION

For the period ended March 31, 2025

** Unaudited - For Discussion Purposes Only **

Draft

YORK REGION RAPID TRANSIT CORPORATION

Statement of Financial Position

March 31, 2025 with comparative information for 2024

	MAR 2025	DEC 2024
Financial Assets		
Due from Regional Municipality (note 4)	\$ 393,669	\$ 518,732
Financial Liabilities and Shareholder's Equity		
Current Liabilities:		
Due to the Regional Municipality of York (note 5)	\$ 393,668	\$ 518,731
	393,668	518,731
Shareholder's Equity:		
Share capital	1	1
Accumulated surplus (note 6)	1	1
	\$ 393,669	\$ 518,732

See accompanying notes to financial statements.

YORK REGION RAPID TRANSIT CORPORATION

Statement of Operations and Accumulated Surplus

Period ended March 31, 2025, with comparative information for 2024

	Annual Budget 2025	Actual Year-to-date MAR 2025	Forecast Q2-Q4 2025	FULL YEAR 2025	FULL YEAR 2024
Revenue:					
Program management fee (note 7)	\$ 5,009,196	\$ 839,424	\$ 4,169,773	\$ 5,009,196	\$ 4,402,717
Expenses:					
York Region Rapid Transit Program Management:					
Salaries and benefits	6,579,149	1,335,716	5,243,433	6,579,149	6,561,345
External professional contracted services (note 8)	1,901,648	89,614	1,812,034	1,901,648	926,531
Regional Municipality of York professional contracted services (note 9)	524,600	112,290	412,310	524,600	433,582
Office administration	686,941	97,646	589,294	686,941	294,151
Occupancy and rent	132,251	24,227	108,024	132,251	96,310
	9,824,588	1,659,493	8,165,095	9,824,588	8,311,919
Regional Municipality of York Corporate Allocation:					
Legal	691,026	172,757	518,270	691,026	518,667
Computers hardware	198,802	49,701	149,102	198,802	162,327
Telephone and data management	95,141	23,785	71,356	95,141	74,399
Supplies services	87,362	21,841	65,522	87,362	94,480
Computer software	39,542	9,885	29,657	39,542	17,357
Finance charges	33,813	8,453	25,360	33,813	60,118
Human resources	20,147	5,037	15,110	20,147	41,322
	1,165,834	291,459	874,375	1,165,834	968,670
Operating Recoveries:					
Recoveries from the Metrolinx BRT Capital Projects					
Recoveries from the Metrolinx YNSE Projects	(5,981,226)	(1,111,528)	(4,869,698)	(5,981,226)	(4,877,872)
Recoveries from the Regional Capital Projects					
	(5,981,226)	(1,111,528)	(4,869,698)	(5,981,226)	(4,877,872)
Total Expenses	5,009,196	839,424	4,169,772	5,009,196	4,402,717
Annual surplus	-	-	-	-	-
Accumulated surplus, beginning of year	-	1	-	1	1
Accumulated surplus, end of period	\$ -	\$ 1	\$ -	\$ 1	\$ 1

See accompanying notes to financial statements.

YORK REGION RAPID TRANSIT CORPORATION

Statement of Cash Flows

Period ended March 31, 2025, with comparative information for 2024

	MAR 2025	DEC 2024
Operating activities		
Annual surplus	\$ -	\$ -
Change in non-cash assets and liabilities:		
Due from Regional Municipality of York	125,063	(124,653)
Due to Regional Municipality of York	(125,063)	124,653
Cash, end of period	-	-

See accompanying notes to financial statements.

THE YORK REGION RAPID TRANSIT CORPORATION

Notes to Financial Statements

Period ended March 31, 2025

The York Region Rapid Transit Corporation ("Organization") was incorporated on July 2, 2003 under the Ontario Business Corporations Act. The Organization is responsible for the planning, design and construction of the Region's rapid transit network and related infrastructure. The expertise of the Organization lies in project management - design and engineering, procurement and financial management and community relations.

The Organization manages the capital projects funded by the Regional Municipality of York such as road widening, sidewalks, landscaping, storm sewers and fiber communications. In addition, the Organization also manages the capital projects funded by Metrolinx.

The Organization is exempt from income taxes if certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(b) Accrual basis of accounting:

The financial statements are prepared using accrual basis of accounting. Revenue is recognized as earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of a legal obligation to pay.

(c) Revenue recognition:

The program management fee is recognized as revenue in the year in which related expenses are recognized.

(d) Budget figures:

Budget figures presented in the financial statements are based on the 2024 budget approved by Council on December 21, 2023.

(e) Related party:

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the financial statements.

(f) Expense allocations and operating recoveries:

The Organization classifies expenses on the statement of operations and accumulated surplus. Expenses are allocated to the Organization based on corporate allocation from the Regional Municipality of York. Operating recoveries represent salaries and benefits and general administrative costs related to the capital projects managed by the Organization.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Estimates are based on the best information available to management at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(h) Operating recoveries:

Staff and related cost are charged to operating expenses and then allocated to respective capital projects including Bus Rapid Transit, Yonge north subway extension projects. These recoveries from the capital projects are shown under the operating recoveries.

2. Future accounting pronouncements

(a) Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the Organization for the year ending on December 31, 2024):

PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

PS 3400 - Revenue, establishes standards on how to account for and report on revenue, specifically differentiating between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

PSG-8 - Purchased Intangibles, provides guidelines on accounting and reporting for purchased intangibles. Concurrently, PS 1000 - Financial Statement Concepts, has been amended to remove the prohibition against recognizing intangibles purchased in an exchange transaction in public sector financial statements.

There is no impact of these new standards on the financial statements.

- (b) Standards applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Organization for the year ending on December 31, 2027):

The Conceptual Framework for Financial Reporting in the Public Sector:

The new Conceptual Framework provides a meaningful foundation for formulating consistent financial reporting standards. The Conceptual Framework will replace current guidance in Section PS 1000 and PS 1100. A Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which standards are developed and professional judgment is applied. While the impact of any changes on Region's consolidated financial statements is not reasonably determinable at this time. Region intends to implement the Conceptual Framework effective January 1, 2027.

PS 1202 - Financial Statement Presentation. The new standard provides updated guidance on the general and specific requirements for the presentation of information in general purpose financial statements. PS 1202 will replace PS 1201. While the impact of any changes on Region's consolidated financial statements is not reasonably determinable at this time. Region intends to implement the standard effective January 1, 2027.

3. Statement of change in net debt:

A statement of change in net debt has not been presented, as the amount of net debt remains unchanged year over year and any other information which would be contained within the statement is readily available elsewhere in these financial statements.

4. Due from the Regional Municipality of York:

Amounts due from the Regional Municipality of York are non-interest bearing and have no specific terms of repayment.

5. Due to Regional Municipality of York:

Due to Regional Municipality of York is primarily comprised of payroll related liabilities at the end of the year. They are non-interest bearing and are normally settled on 30-day terms; therefore, their carrying amount approximates the fair value.

6. Accumulated surplus:

The accumulated surplus as March 31 comprises:

	MAR 2025	DEC 2024
Share capital	\$1	\$1

7. Program management fees:

Per the Rapid Transit Agreement, the Organization is the Program Manager tasked with delivering the rapid transit infrastructure projects for the Regional Municipality of York.

In 2017, the Organization and the Regional Municipality of York entered into a Memorandum of Understanding, whereby the Organization will invoice project management fees to the Regional Municipality of York on a semi-annual basis for project management services rendered in the year.

8. External professional contracted services:

Expenses on professional contracted services include external legal counsel, external communications, public relations, consulting services and audit services.

9. Related party transactions - Regional Municipality of York professional contracted services:

For efficiency purposes, York Region Departments provided contracted services to the Organization per Dedicated Charges Agreements between the Regional Municipality of York and the Organization. These charges were fully recovered against capital projects.

	Budget	MAR 2025	DEC 2024
Regional Municipality of York professional contracted services:			
Legal services	524,600	112,290	433,582
	\$ 524,600	\$ 112,290	\$ 433,582

April 24, 2025

FOR DECISION

Report of the President

2024 Annual Report and 2024 Draft Audited Financial Statements

1. Recommendation

It is recommended that:

1. The Board of Directors approve **York Region Rapid Transit Corporations (YRRTC) 2024 Annual Report (Attachment 1)** to be forwarded to the Regional CAO, as per the Shareholder Direction; and
2. The Board of Directors approve the **2024 Draft Audited Financial Statements (Attachment 2)** together with the signed report of the auditors KPMG LLP, for the fiscal year ending December 31, 2024, and submit them as part of the YRRTC's Annual Report to the Shareholder.
3. The Director, Finance of the Corporation be authorized to sign the annual Audited Financial Statements on behalf of the Board for submission to the Shareholder at its Annual General Meeting scheduled for June 26, 2025.

2. Purpose

This report highlights York Region Rapid Transit Corporation's (YRRTC) 2024 project and financial achievements. It fulfills the reporting requirements of the Corporation to York Region, as YRRTC's sole Shareholder.

The 2024 Annual Report (**Attachment 1**) is required under **Section 8.3.1** of the Shareholder Direction. The 2024 Draft Audited Financial Statements of YRRTC, together with the auditors' report from KPMG LLP (**Attachment 2**), are required per **Section 8.4.3**. Once approved by the Board, the Audited Financial Statements will be added to the 2024 Annual Report. This report will then be submitted to the Region's CAO.

The approved YRRTC Audited Financial Statements will be consolidated with the annual Audited Financial Statements of The Regional Municipality of York for the fiscal year ending December 31, 2024. These will be presented at the Regional Audit Committee meeting, currently scheduled for June 12,

2025. After finalization, they will be presented to the Shareholder at the Annual Shareholder Meeting, scheduled for June 26, 2025.

3. Key Points:

- The Corporate governance requirements of York Region Rapid Transit Corporation (YRRTC) are governed by the Ontario Business Corporations Act (OBCA) and the Shareholder Direction, with York Region being the sole shareholder.
- The 2024 Annual Report provides project activities, milestones and financial highlights, fulfilling the reporting requirements of the Corporation to York Region, as the sole Shareholder.
- The 2024 Audited Financial Statements provide an independent and objective assessment of the organization's financial health and performance.
- The Financial Statements will be consolidated with the 2024 Annual Report and presented to the Shareholder on June 26, 2025, and will be available on York Region Rapid Transit Corporation's website, yrrtc.ca.

4. Background

Per the Shareholder Direction, YRRTC is required to submit an annual report to the Regional CAO within 120 days after the end of the fiscal year, once approved by the Board

Section 8.3.1 of the Shareholder Direction, approved October 2024, states that:

- *"within 120 days after the end of the fiscal year, or as requested by the Region, YRRTC will submit an annual report to the Region CAO which has been prepared by YRRTC's Senior Executive and approved by the Board. This report will be signed by the Chair of the Board and may be presented to the Shareholder by the President of YRRTC as the delegate of the Chair of the Board."*

The 2024 Annual Report (**Attachment 1**) provides a review of program achievements, advocacy efforts, and financial highlights for 2024, along with key objectives for 2025.

Pursuant to regulatory and legislative requirements, and the Shareholders Direction, York Region, as the Shareholder, must meet annually to approve the Annual Audited Financial Statements of YRRTC for the previous fiscal year

Section 8.4.3 of the Shareholder Direction states:

- *"the Board will deliver to the Region CAO and the Region CF & Treasurer, as soon as practicable and in any event within 90 days after the end of each fiscal year or such other timeline as required by the Shareholder's requirements in the preparation and finalization of the Shareholder's audited Financial*

Statements, the audited consolidated and unconsolidated annual Financial Statements of YRRTC as approved by the Board for presentation to the Shareholder for consideration by the Shareholder. The audited annual Financial Statements of YRRTC will also accompany the Annual Report of YRRTC”.

KPMG LLP is the approved auditing firm responsible for auditing the 2024 Audited Financial Statements for YRRTC and the Region. These statements are prepared in accordance with generally accepted accounting principles (GAAP).

5. Analysis

The 2024 Annual Report highlights key achievements in advancing the planning and design of Jane Street and Highway 7 East bus rapid transit, as well as advocacy efforts to secure capital funding for these critical projects

Milestones achieved in 2024 in the areas of bus rapid transit and pursuit of funding are as follows:

- Engaged and consulted with the federal and provincial governments to showcase the benefits of BRT in York Region.
- Collaborated with York Region and the cities of Vaughan and Markham to advance the Expression of Interest to the province, ensuring eligibility for BRT funding from the Canada Public Transit Fund—Metro-Region Agreement Stream;
- Attended key industry events to promote York Region’s critically needed BRT projects;
- Executed contract and initiated work on the Jane Street BRT Transit and Rail Project Assessment Process (TRPAP), including Environmental Assessment and 30% Preliminary Design;
- Completed comprehensive review of existing 2003 Environmental Assessment (EA) for Highway 7 East BRT corridor to ensure findings remain relevant and to inform 30% preliminary engineering and design work;
- Completed review of capital cost estimates for future BRT corridors, leveraging current industry standards and cost analysis best practices; and
- Completed phase one of existing BRT operations and maintenance review to identify cost efficiencies and optimize future BRT construction.

Project milestones for the Metrolinx-led Yonge North Subway Extension (YNSE) included advancing foundational agreements and conducting technical reviews

The 2024 YNSE milestones achieved with York Region are as follows:

- Executed the Agreement in Principle between the Province of Ontario and York Region;
- Executed the Resource Agreement between Metrolinx and York Region;

- Provided technical input into Metrolinx’s procurement of the YNSE Advanced Tunnels Contract (ATC);
- Advanced York Region’s interests related to the YNSE project scope; and
- Advanced Main Agreement technical reviews and ATC property requirements and agreements with Metrolinx.

KPMG concluded that the 2024 Draft Audited Financial Statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2024

OBCA sections 154 and 159 requires the Board of Directors to provide the approved and signed Annual Audited Financial Statements at the Annual General Shareholder Meeting within six (6) months of the Corporation’s year-end. The 2024 Draft Audited Financial Statements of YRRTC, provide information about the financial position, operations, and changes in financial position of YRRTC.

The Statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada), and includes:

- Independent Auditors’ Report
- Statement of Financial Position – Balance Sheet
- Statement of Operations – Income Statement
- Statement of Cash Flows
- Notes to Financial Statements

YRRTC’s 2024 Draft Audited Financial Statements, as audited by external auditors, will be consolidated in the 2024 Financial Statements of The Regional Municipality of York, pursuant to the report from the Commissioner of Finance expected in June 2025.

Table 1 shows the breakdown of the operational financial activities for 2024, as found in the Statement of Operations and Accumulated Surplus on page 2 of **Attachment 2**.

**Table 1:
2024 Operational Financial Activities**

	2024 (\$000’s)
Revenue:	
Program Management	\$ 4,403
Expenses:	
York Region Rapid Transit Program Management	\$ 8,312

	2024 (\$000's)
Regional Municipality of York Corporate Allocation	\$ 969
Operating Recoveries	\$ (4,878)
Total Expenses:	\$ 4,403
Surplus (deficit), end of year	\$ -

6. Financial Considerations

The 2024 Annual Report and the 2024 Audited Financial Statements will follow formal approval processes before being made available to the public

There are no financial implications associated with this report.

The Board of Directors is required to formally approve the Annual Audited Financial Statements, after which the statements will be submitted for review by the Regional Audit Committee, currently scheduled for June 12, 2025.

Sharing the Annual Audited Financial Statements is essential for maintaining transparency, accountability, and compliance with regulatory standards, while also ensuring that the financial information is accessible to the public.

7. Local Impact

The 2024 Annual Report and Audited Financial Statements highlight YRRTC's dedication toward advancing rapid transit infrastructure in York Region. These achievements reflect efforts to collaborate with municipalities, engage with residents, advocate for critical capital funding, and deliver transit solutions that connect communities. YRRTC remains committed to enhancing accessibility, fostering economic growth, and improving the quality of life for residents and workers across York Region.

8. Conclusion and Next Steps

YRRTC's 2024 Annual Report and 2024 Draft Audited Financial Statements are being submitted in compliance with the Shareholder Direction and regulatory requirements, ensuring good governance practice and accountability.

The Annual Report reflects achievements for 2024 related to the pursuit of funding, BRT and YNSE projects and sets the stage for continued progress in the coming year.

KPMG concluded that the 2024 Draft Audited Financial Statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2024.

Following Board of Director endorsement, the 2024 Annual Report, including the 2024 Audited Financial Statements, will be submitted to the Region's Chief Administration Officer, in accordance with the Shareholder Direction, and will be received by York Regional Council at the Annual General Shareholder Meeting, scheduled for June 26, 2025. The Annual Report will also be shared via social media and accessible on yrrtc.ca, making it easily available to the Region's residents and businesses in an AODA compliant format.

For more information on this report, please contact Danielle Hutson, Vice President, Communications at 1-877-464-9675 ext. 71272 or Kirti Sharma, Director, Finance at 905-505-1856. Accessible formats or communication supports are available upon request.

Recommended by: **Paul Jankowski**
President, York Region Rapid Transit Corporation

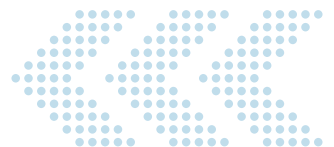
April 15, 2025
eDocs 16619616

Attachment #1 – 2024 Annual Report (eDocs 16594849)
Attachment #2 – 2024 Draft Audited Financial Statements (eDocs 16682976)

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YORK
REGION
RAPID
TRANSIT
CORPORATION

2024 Annual Report

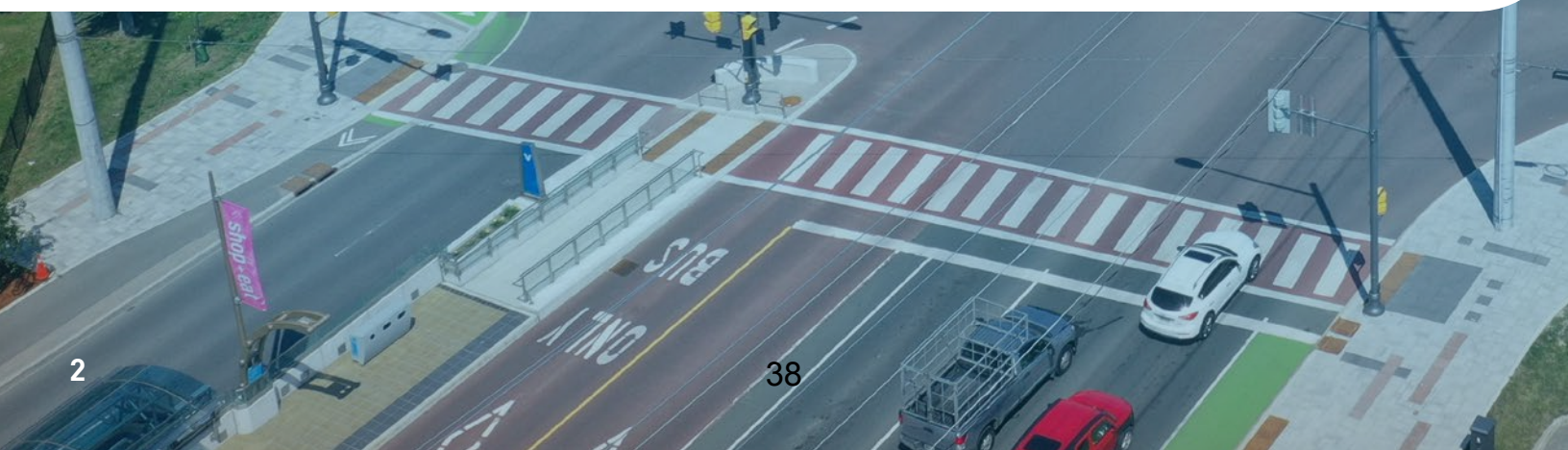


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Land Acknowledgement

We acknowledge that York Region is located on the traditional territory of many Indigenous peoples including the Anishinaabeg, Haudenosaunee, Huron-Wendat and Métis peoples and the treaty territories of the Haudenosaunee, Mississaugas of the Credit First Nation and Williams Treaties First Nations. Today this area is home to many diverse Indigenous Peoples, and we recognize their history, spirituality, culture and stewardship of this land. We also acknowledge the Chippewas of Georgina Island First Nation as our closest First Nation community.





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Message from the Regional Chair

This 2024 York Region Rapid Transit Corporation (YRRTC) Annual Report highlights progress and planning work underway in preparation for the next significant investment needed from senior levels of government for The Regional Municipality of York's rapid transit infrastructure.

Advancing York Region's rapid transit projects underscores York Regional Council's commitment to meeting the evolving needs of our growing communities. By 2051, our population is expected to exceed two million residents, with nearly one million jobs, showcasing the Region's economic strength and reputation as an attractive place to live, work and invest. Our steady and significant growth reinforces the critical need for rapid transit projects that support new housing options and maintain the Region's exceptional quality of life.

In 2024, Regional Council reaffirmed the importance of a strong corporation to deliver on these important regional priorities and approved a new Shareholder Direction for YRRTC. Along with our municipal partners, YRRTC is completing necessary planning work to maintain a state of readiness for federal and provincial transit funding opportunities. Completing Bus Rapid Transit and subway infrastructure is integral to support economic development and jobs, attract more housing and plan for a sustainable and prosperous future in York Region.

Sincerely,

Eric Jolliffe
Chairman and CEO, The Regional Municipality of York
CEO, York Region Rapid Transit Corporation

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“ Our steady and significant growth reinforces the critical need for rapid transit projects that support new housing options and maintain the Region’s exceptional quality of life.”

Vaughan Metropolitan Centre continues to experience significant development and growth.



Message from the Chair of the Board

On behalf of the York Region Rapid Transit Corporation (YRRTC) Board of Directors, I am pleased to present the YRRTC 2024 Annual Report, highlighting critical advancements in Bus Rapid Transit (BRT) and subway projects.

Throughout 2024, necessary planning and preparation work was underway along the Jane Street (Vaughan) and Highway 7 East (Markham) Bus Rapid Transit (BRT) corridors — key initiatives that will enable York Region to secure \$1.7 billion in provincial and federal construction funding. Our focus remains on ensuring readiness and collaborating with the province to confirm timely commitments for critical BRT investment.

The Yonge North Subway Extension (YNSE), led by Metrolinx, also remains a priority. Milestones from 2024 included an executed Agreement-in-Principle with the province and the conveyance of stratified property rights within York Region to enable future tunnel construction. Extending Line 1 with five new stations in York Region will unlock economic opportunities, attract housing, and reduce travel times.

In 2024, York Region, as Shareholder, reviewed YRRTC's governance to ensure continued transparency, accountability and alignment with the needs of the Region and our communities. Continuing this dedication to upholding a high standard of governance is key to the Board's success.

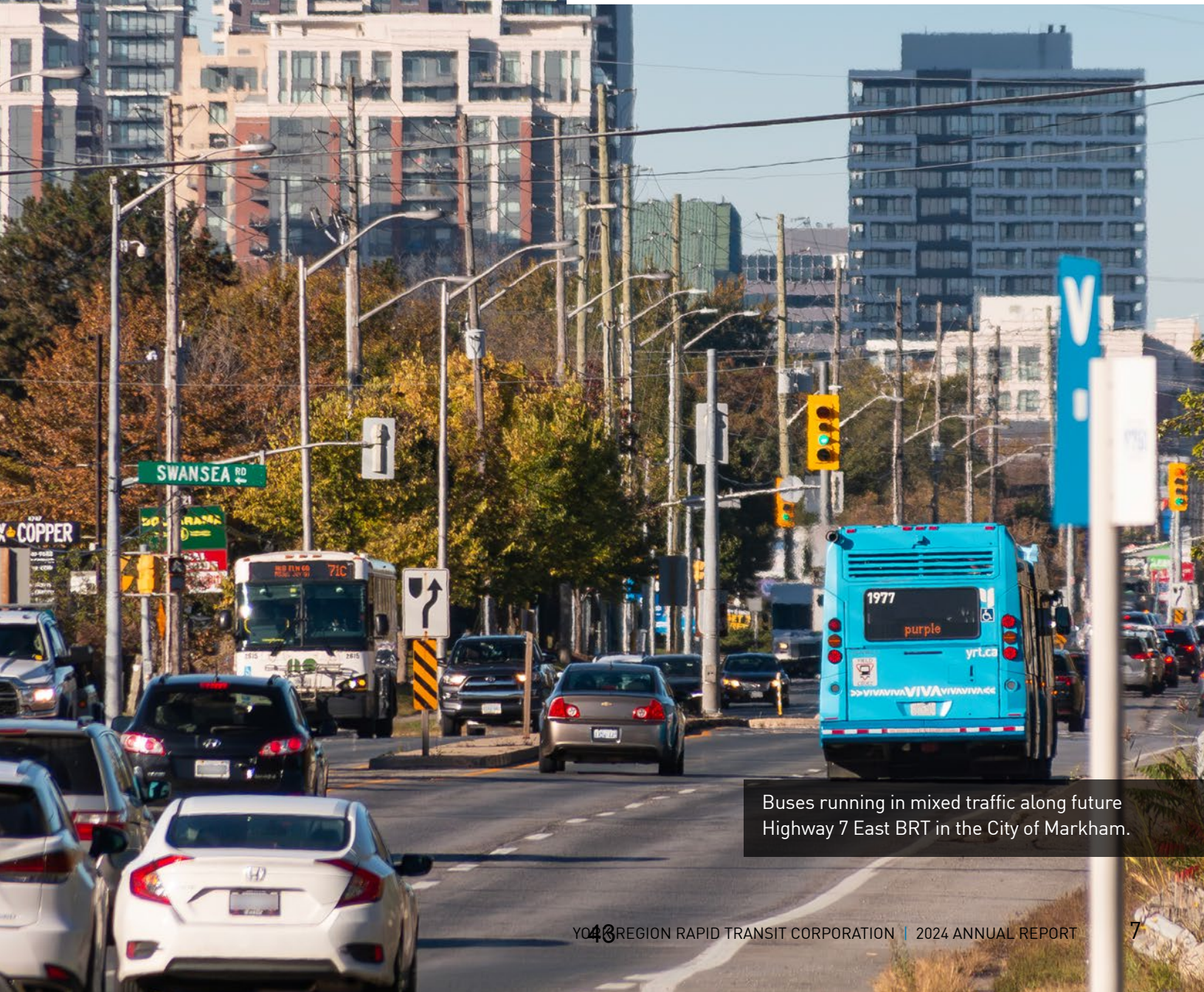
Ongoing investment in rapid transit infrastructure is critical for economic growth, job creation, housing, and reducing congestion and pollution. With ongoing collaboration with local municipalities and funding contributions from federal and provincial partners, we are poised to expand York Region's rapid transit system and meet the demands of our growing communities.

Sincerely,

Frank Scarpitti
Chair, Board of Directors, York Region Rapid Transit Corporation
Mayor, City of Markham

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“ Our focus remains on ensuring readiness and collaborating with the province to confirm timely commitments for critical BRT investment.”



Buses running in mixed traffic along future Highway 7 East BRT in the City of Markham.

York Regional Council

OWNS THE CORPORATION

Board of Directors

11 BOARD MEMBERS APPOINTED BY COUNCIL
FROM COUNCIL MEMBERSHIP



Frank Scarpitti

Chair
.....
Mayor
Markham



Steven Del Duca

Vice Chair
.....
Mayor
Vaughan



Eric Jolliffe

Director & CEO
.....
Chairman & CEO
York Region



David West

Director
.....
Mayor
Richmond Hill



Iain Lovatt

Director
.....
Mayor
Whitchurch-Stouffville



Tom Mrakas

Director
.....
Mayor
Aurora



Godwin Chan

Director
.....
Regional Councillor
Richmond Hill



Joe DiPaola

Director
.....
Regional Councillor
Richmond Hill



Jim Jones

Director
.....
Regional Councillor
Markham



Mario Ferri

Director
.....
Regional Councillor
Vaughan



Tom Vegh

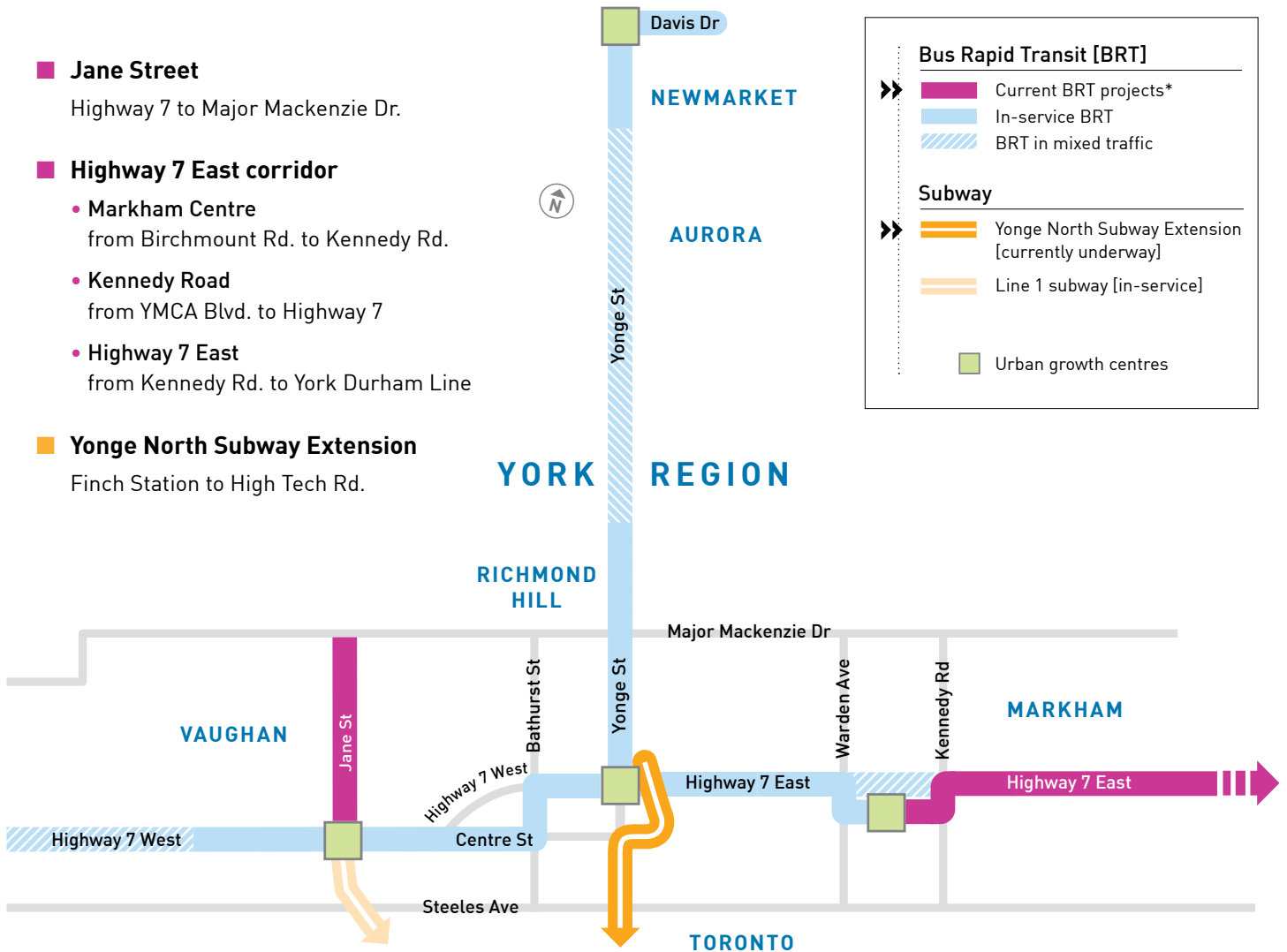
Director
.....
Regional Councillor
Newmarket

Mandate & Shareholder Direction

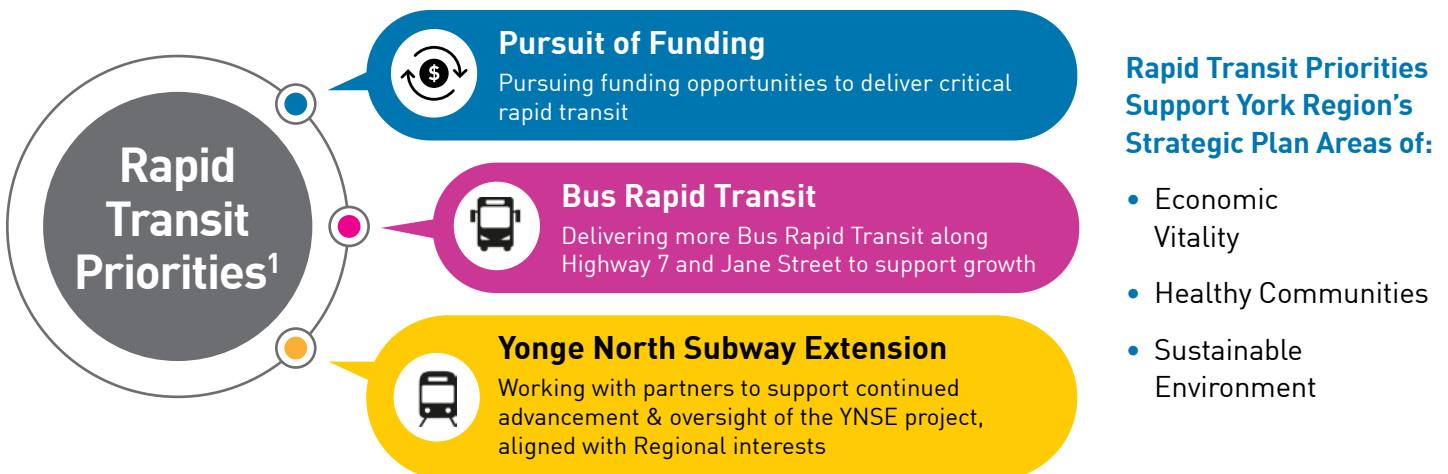
In October 2024, Regional Council (our shareholder) adopted York Region Rapid Transit Corporation's (YRRTC) Mandate Letter and Shareholder Direction. These documents clarify our focus areas of business and guide our roles, responsibilities, and operational framework, ensuring that our activities align with the broader objectives of the Region¹.

1. The Regional Municipality of York. Committee of the Whole. Finance and Administration. (October 10, 2024). Report of the Regional Solicitor and General Counsel: YRRTC Corporate Governance and Mandate Implementation.

York Region's Priority Rapid Transit Projects



Focus Areas of Business



Pursuit of Funding

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York Region Rapid Transit Corporation works collaboratively with York Region to pursue and secure funding for the next generation of rapid transit projects.

To support new housing and a forecasted increase of over 273,000 people and 53,000 jobs, \$1.7 billion in federal and provincial investments is needed for Bus Rapid Transit (BRT) projects along Jane Street in the City of Vaughan and Highway 7 East in the City of Markham.



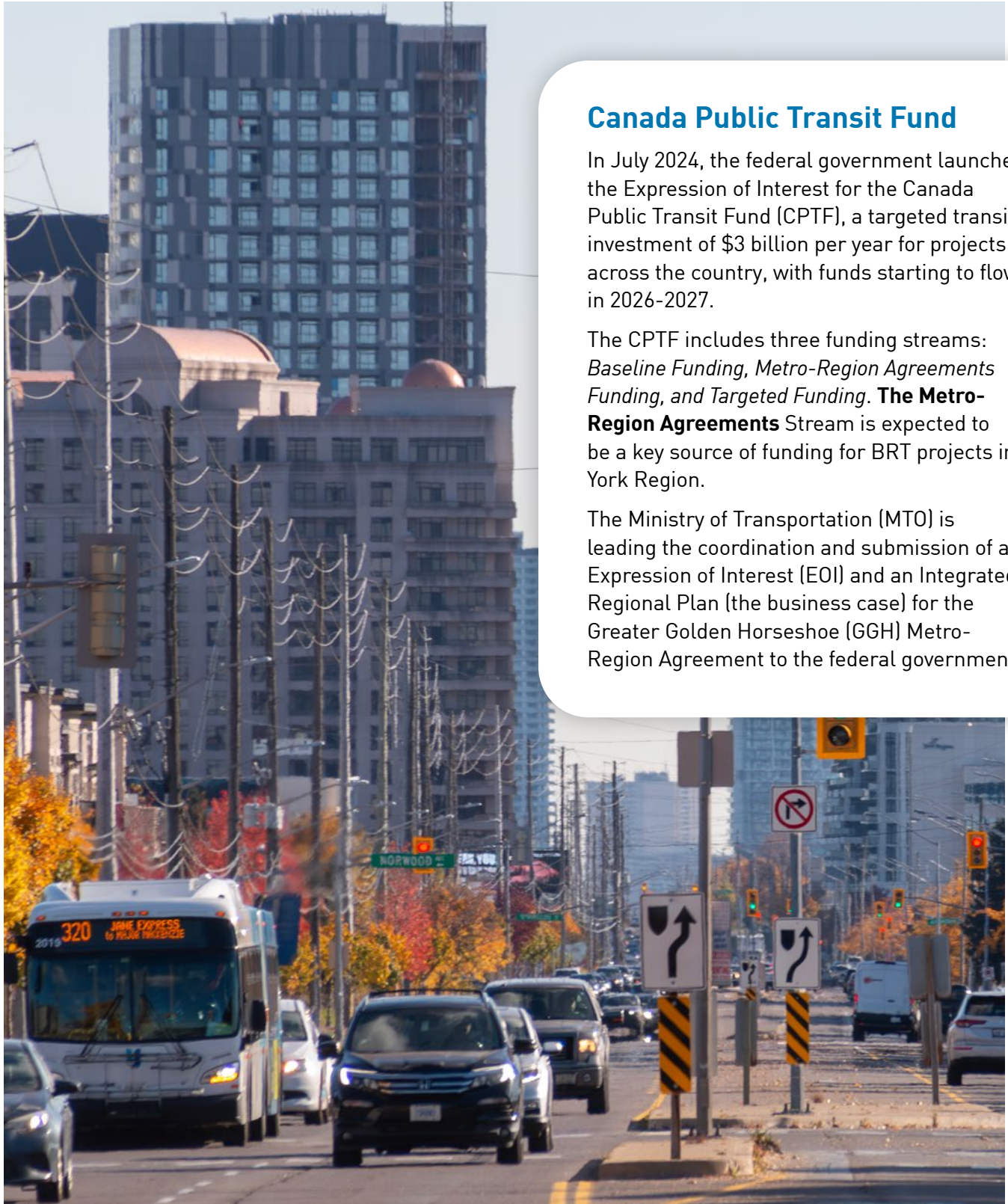
SmartVMC Bus Terminal at Jane Street connects riders to regional transit including TTC, Viva, and YRT.

2024 Milestones Achieved

- ✓ Engaged and consulted with the federal and provincial governments to showcase the benefits of BRT in York Region.
- ✓ Confirmed that York Region will be included in the province's comprehensive Metro-Region Agreement proposal for the Greater Golden Horseshoe (GGH) region.
- ✓ Collaborated with York Region and the cities of Vaughan and Markham to advance the Expression of Interest to the province, ensuring eligibility for BRT funding from the Canada Public Transit Fund—Metro-Region Agreements Stream.
- ✓ Attended key industry events to promote York Region's critically-needed BRT projects.

2025 Look Ahead

- Through political advocacy and outreach, ensure York Region's BRT transit projects for Jane Street and Highway 7 East are given timely priority in the GGH Metro-Region Agreement.
- Collaborate with York Region and local municipalities to build the strongest business case for BRT priority projects to be advanced to the province.
- Advocate to federal and provincial partners to secure maximum funding for the GGH Metro-Region Agreement.
- Engage various advocacy measures to ensure Canada Public Transit Fund, or similar funding program, remains a priority following 2025 federal and provincial elections.



Canada Public Transit Fund

In July 2024, the federal government launched the Expression of Interest for the Canada Public Transit Fund (CPTF), a targeted transit investment of \$3 billion per year for projects across the country, with funds starting to flow in 2026-2027.

The CPTF includes three funding streams: *Baseline Funding*, *Metro-Region Agreements Funding*, and *Targeted Funding*. **The Metro-Region Agreements** Stream is expected to be a key source of funding for BRT projects in York Region.

The Ministry of Transportation (MTO) is leading the coordination and submission of an Expression of Interest (EOI) and an Integrated Regional Plan (the business case) for the Greater Golden Horseshoe (GGH) Metro-Region Agreement to the federal government.

Traffic on future Jane Street BRT corridor north of Norwood Avenue, in the City of Vaughan.

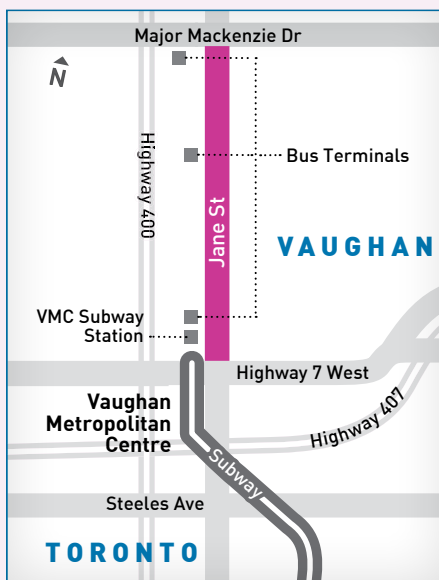
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Bus Rapid Transit

York Region Rapid Transit Corporation plans, designs and constructs Bus Rapid Transit (BRT) projects, with a focus on Highway 7 East and Jane Street.

Completing the planning and preliminary engineering work for these two BRT corridors is essential to supporting York Region's population growth and economic sustainability, and will ensure these projects are ready for construction when funding becomes available from senior levels of government.

Project Descriptions



Jane Street BRT

Project length: approx. 6.3 kilometres between Highway 7 and Major Mackenzie Drive.

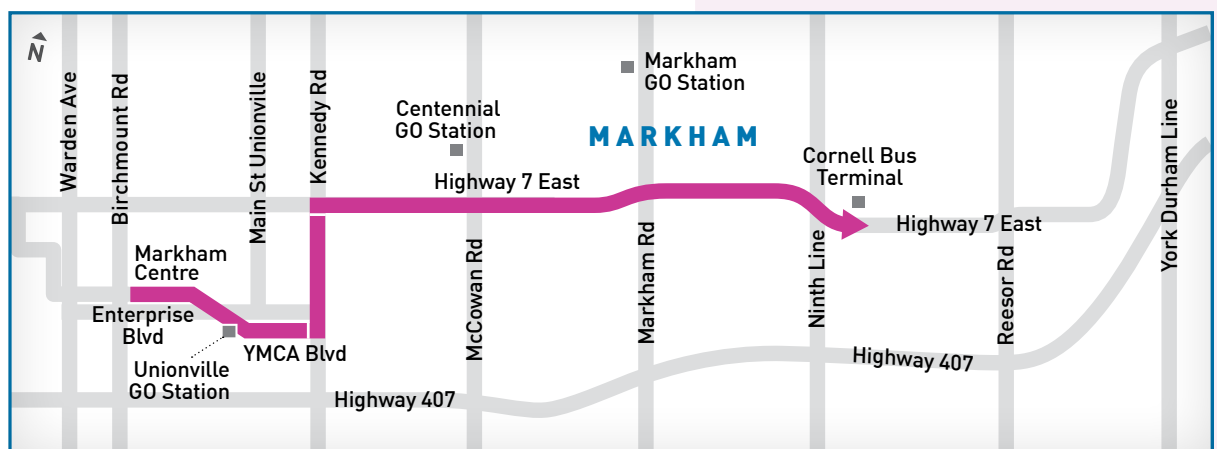
Connects to transit and key destinations: TTC subway, existing BRT on Highway 7, GO Transit, SmartVMC and Major Mackenzie West Bus Terminals, Cortellucci Vaughan Hospital, Canada's Wonderland and Vaughan Mills Mall.

Highway 7 East BRT

Project length: approx. 13.5 kilometres:

- through Markham Centre between Birchmount Road and Kennedy Road; and
- along Highway 7 East between Kennedy Road and York-Durham Line.

Connects to transit and key destinations: Yonge North Subway Extension via existing BRT on Highway 7, Unionville GO Station, Markham Pan Am Centre, York University Markham Campus, Markville Secondary Plan area, Cornell Bus Terminal, the Cornell community and Markham Stouffville Hospital.





Traffic on Highway 7 East westbound toward Markham Centre.

2024 Milestones Achieved

- ✓ Executed contract and initiated work on the Jane Street BRT Transit and Rail Project Assessment Process (TRPAP), and 30% Preliminary Design.
- ✓ Completed comprehensive review of existing 2005 Environmental Assessment for Highway 7 East BRT corridor to ensure findings remain relevant and to inform 30% Preliminary Engineering and Design work.
- ✓ Completed revised capital cost estimates for future BRT corridors, leveraging current industry standards and cost analysis best practices.
- ✓ Completed phase one of existing BRT Capital, Operations and Maintenance Costs Review to identify cost efficiencies and optimize future BRT construction.

2025 Look Ahead

- Award contract and advance work for 30% Preliminary Engineering and Design on Highway 7 East BRT corridor.
- Complete TRPAP requirements for Jane Street BRT, including public consultation, and prepare for the filing of the project with the Ministry of the Environment, Conservation and Parks.
- Complete phase two of existing BRT Capital, Operations & Maintenance Costs review, including confirmation of rapidway design elements for Jane Street and Highway 7 East corridors to further inform cost estimates and Preliminary Engineering and Design.

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Yonge North Subway Extension

York Region Rapid Transit Corporation is dedicated to working with partners to support continued advancement & oversight of the Yonge North Subway Extension (YNSE) project, aligned with Regional interests.

Through active collaboration with Metrolinx, the Project Manager, as well as York Region, local municipalities of Markham, Vaughan and Richmond Hill, and other key stakeholders, YRRTC is committed to facilitating the project's progress efficiently and effectively.



Project Description

- YNSE will extend the TTC's Line 1 service approximately eight kilometres north, from Finch Station in the City of Toronto to High Tech Road in the City of Richmond Hill, and includes five stations.
- The province, through Metrolinx, is leading planning, design, and construction of the YNSE project, including community engagement and public communications.

2024 Milestones Achieved

- ✓ Executed the Agreement in Principle between the province of Ontario and York Region.
- ✓ Executed the Resource Agreement between Metrolinx and York Region.
- ✓ Provided technical input into Metrolinx's procurement of the YNSE Advanced Tunnels Contract.
- ✓ Advanced York Region's interests related to the YNSE project scope.
- ✓ Advanced Main Agreement technical reviews and ATC property requirements and agreements with Metrolinx.



The Yonge North Subway Extension will connect riders more efficiently with other transit services while reducing congestion on Yonge Street.

2025 Look Ahead

- Continue to advance the YNSE Main Agreement with Metrolinx, identifying clear roles and responsibilities to ensure smooth implementation of the YNSE project in York Region.
- Continue coordination of York Region's capital and asset management plans with YNSE implementation, including collaboration with the City of Markham, Richmond Hill, Vaughan, Toronto, and private developers.
- Implement strategies to minimize financial impact during and after project construction.
- Provide timely input to Metrolinx to enable the award and mobilization of the Advanced Tunnels Contract.
- Provide coordinated Regional comments to Metrolinx through the design development and procurement phases of the Surface Segment Advanced Works to ensure work addresses Regional interests.
- Advocate to Metrolinx for final scope, manage utility relocations impacts, finalize ATC property agreements and advance property requirements as it relates to the Stations, Rails and Systems Contract.
- Advance principles discussion with MTO and Metrolinx on the Contribution and Operations and Maintenance Agreements and various other design-construction related agreements for the project.

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2024 Financial Summary

York Region Rapid Transit Corporation's budget is shaped in close collaboration with York Region. The annual capital budget supports the advancement of the Yonge North Subway Extension (YNSE), York Region's top transit priority, and planning and design work for Bus Rapid Transit (BRT) corridors along Highway 7 East and Jane Street.

Yonge North Subway Extension

\$55.9 million budgeted for program management work with York Region to support the Metrolinx-led Yonge North Subway Extension.



The Richmond Hill Centre Terminal at Highway 7 will connect with the YNSE's planned northernmost subway station.

Bus Rapid Transit

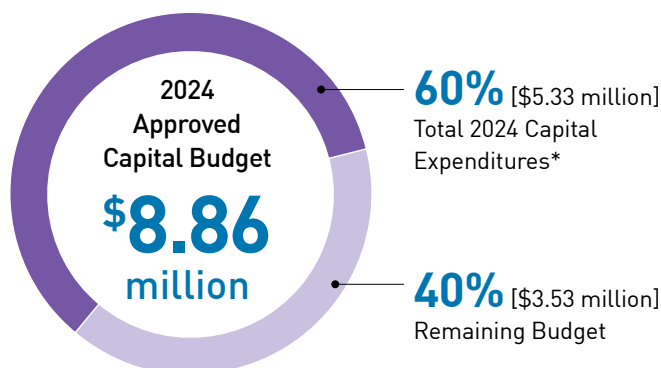
\$36.1 million budgeted for Environmental Assessments and Preliminary Engineering and Design work for the two priority BRT corridors.



Heavy traffic on Jane Street at Major Mackenzie Drive underscores the need for more Bus Rapid Transit.

Capital Budget

YRRTC's 10-year capital budget focuses primarily on two areas: Bus Rapid Transit, including preliminary design and engineering for BRT projects, and the Yonge North Subway Extension.



Bus Rapid Transit

- 2024 total approved budget: **\$6 million**
- Total spent: **\$2.8 million or 48%****
- Advancing planning and preparatory work to ensure York Region BRT projects along key priority corridors on Highway 7 East and Jane Street are in a state of readiness in anticipation of construction funding from senior levels of government.
- Underspending in this capital program for 2024 is due to alignment of future construction procurement for all BRT project elements along Highway 7 East.

YNSE Program Management

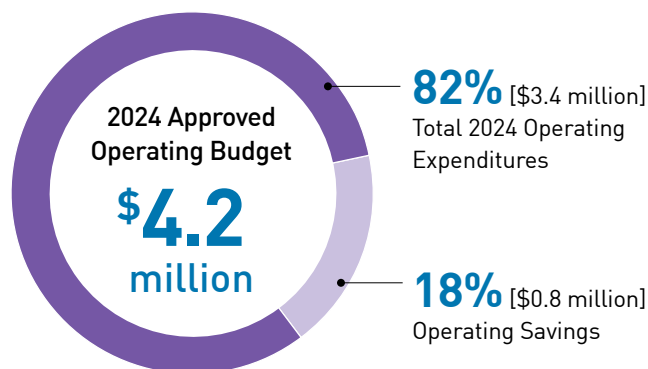
- 2024 total approved budget: **\$2.9 million**
- Total spent: **\$2.5 million or 86%****
- Continued collaboration with Metrolinx, the Project Manager, as well as York Region, local municipalities of Markham, Vaughan and Richmond Hill, and other key stakeholders, to advance agreements and facilitate YNSE progress efficiently and effectively.

* 2024 year-end results do not reflect the updated estimate for contract settlements related to the Toronto-York Spadina Subway Extension project (TYSSE), which will be confirmed upon reaching all settlements on the project.

** of approved budget

Operating Budget

YRRTC's 2024 operating budget supports capital delivery of rapid transit infrastructure projects, primarily Bus Rapid Transit and Yonge North Subway Extension.



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2024 Audited Financial Statements

Audited Financial Statements to be
added once approved by Board of Directors
at April 24, 2025 meeting

DRAFT

Audited Financial Statements to be
added once approved by Board of Directors
at April 24, 2025 meeting

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yrrtc@york.ca

905.886.6767 or 877.464.9675

yrrtc.ca



[@rapidtransitYR](https://www.instagram.com/rapidtransitYR)

Financial Statements of

**YORK REGION RAPID TRANSIT
CORPORATION**

And Independent Auditor's Report thereon

Year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of York Region Rapid Transit Corporation

Opinion

We have audited the financial statements of York Region Rapid Transit Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Due from Regional Municipality of York (note 4)	\$ 518,732	\$ 394,079
Financial Liabilities		
Due to Regional Municipality of York (note 5)	518,731	394,078
Net debt	1	1
Accumulated surplus (note 6)	\$ 1	\$ 1

See accompanying notes to financial statements.

On behalf of the Board:

_____ Treasurer

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget (note 1(d))	2024	2023
Revenue:			
Program management fee (note 7)	\$ 5,108,459	\$ 4,402,717	\$ 5,343,652
Expenses:			
York Region Rapid Transit Program Management:			
Salaries and benefits	6,424,675	6,561,345	6,082,684
External professional contracted services (note 8)	2,728,519	926,531	107,226
Regional Municipality of York professional contracted services (note 9)	601,800	433,582	327,305
Office administration	720,027	294,151	39,772
Occupancy and rent	395,009	96,310	286,580
	10,870,030	8,311,919	6,843,567
Regional Municipality of York Corporate Allocation:			
Legal	353,462	518,667	257,011
Computer hardware	199,926	162,327	666,237
Computer software	97,646	74,399	331,766
Telephone and data management	106,867	94,480	158,499
Finance charges	26,566	17,357	21,078
Human resources	65,259	60,118	56,901
Supplies services	43,879	41,322	40,975
	893,605	968,670	1,532,467
Operating recoveries (note 1(h)):			
Recoveries from the Province of Ontario Capital Projects	–	(193,205)	(293,098)
Recoveries from the Metrolinx Yonge North Subway Extension Projects	(6,655,176)	(1,783,656)	(689,911)
Recoveries from the Regional Capital Projects	–	(2,901,011)	(2,049,373)
	(6,655,176)	(4,877,872)	(3,032,382)
	5,108,459	4,402,717	5,343,652
Annual surplus	–	–	–
Accumulated surplus, beginning of year	–	1	1
Accumulated surplus, end of year	\$ –	\$ 1	\$ 1

See accompanying notes to financial statements.

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Operating activities:		
Annual surplus	\$ —	\$ —
Change in non-cash assets and liabilities:		
Due from Regional Municipality of York	(124,653)	2,489
Due to Regional Municipality of York	124,653	(2,489)
Cash, end of year	\$ —	\$ —

See accompanying notes to financial statements.

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Notes to Financial Statements

Year ended December 31, 2024

The York Region Rapid Transit Corporation (the "Organization") was incorporated on July 2, 2003 under the Ontario Business Corporations Act. The Organization is responsible for the planning, design and construction of the rapid transit network and related infrastructure. The expertise of the Organization lies in project management - design and engineering, procurement and financial management and community relations.

The Organization manages the capital projects funded by the Regional Municipality of York such as road widening, sidewalks, landscaping, storm sewers and fiber communications. In addition, the Organization also manages the capital projects funded by Metrolinx.

The Organization is exempt from income taxes if certain requirements of the Income Tax Act (Canada) are met.

The Organization is economically dependent on the Regional Municipality of York.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Accrual basis of accounting:

The financial statements are prepared using accrual basis of accounting. Revenue is recognized as earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of a legal obligation to pay.

(c) Revenue recognition:

The program management fee is recognized as revenue in the year in which related expenses are recognized.

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Notes to Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) Budget figures:

Budget figures presented in the financial statements are based on the 2024 budget approved by Council on December 21, 2023.

(e) Related party:

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the financial statements.

(f) Expense allocations and operating recoveries:

The Organization classifies expenses on the statement of operations and accumulated surplus. Expenses are allocated to the Organization based on corporate allocation from the Regional Municipality of York. Operating recoveries represent salaries and benefits and general administrative costs related to the capital projects managed by the Organization.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Estimates are based on the best information available to management at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(h) Operating recoveries:

Staff and related cost are charged to operating expenses and then allocated to respective capital projects including Bus Rapid Transit, Yonge North Subway Extension Projects. These recoveries from the capital projects are shown under the operating recoveries.

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Notes to Financial Statements

Year ended December 31, 2024

2. Future accounting pronouncements:

- (a) Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the Organization for the year ending on December 31, 2024):

PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

PS 3400 - Revenue, establishes standards on how to account for and report on revenue, specifically differentiating between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

PSG-8 - Purchased Intangibles, provides guidelines on accounting and reporting for purchased intangibles. Concurrently, PS 1000 - Financial Statement Concepts, has been amended to remove the prohibition against recognizing intangibles purchased in an exchange transaction in public sector financial statements.

There is no impact of these new standards on the financial statements.

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Notes to Financial Statements

Year ended December 31, 2024

2. Future accounting pronouncements (continued):

- (b) Standards applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Organization for the year ending on December 31, 2027):

The Conceptual Framework for Financial Reporting in the Public Sector:

The new Conceptual Framework provides a meaningful foundation for formulating consistent financial reporting standards. The Conceptual Framework will replace current guidance in Section PS 1000 and PS 1100. A Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which standards are developed and professional judgment is applied. While the impact of any changes on Region's consolidated financial statements is not reasonably determinable at this time. Region intends to implement the Conceptual Framework effective January 1, 2027.

PS 1202 - Financial Statement Presentation. The new standard provides updated guidance on the general and specific requirements for the presentation of information in general purpose financial statements. PS 1202 will replace PS 1201. While the impact of any changes on Region's consolidated financial statements is not reasonably determinable at this time. Region intends to implement the standard effective January 1, 2027.

3. Statement of change in net debt:

A statement of change in net debt has not been presented, as the amount of net debt remains unchanged year over year and any other information which would be contained within the statement is readily available elsewhere in these financial statements.

4. Due from Regional Municipality of York:

Amounts due from Regional Municipality of York are non-interest bearing and have no specific terms of repayment.

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Notes to Financial Statements

Year ended December 31, 2024

5. Due to Regional Municipality of York:

Due to Regional Municipality of York is primarily comprised of payroll related liabilities at the end of the year. They are non-interest bearing and are normally settled on 30-day terms; therefore, their carrying amount approximates the fair value.

6. Accumulated surplus:

The accumulated surplus at December 31 comprises:

	2024	2023
Share capital	\$ 1	\$ 1

7. Program management fee:

Per the Rapid Transit Agreement, the Organization is the Program Manager tasked with delivering the rapid transit infrastructure projects for the Regional Municipality of York.

In 2017, the Organization and the Regional Municipality of York entered into a Memorandum of Understanding, whereby the Organization will invoice project management fees to the Regional Municipality of York on a semi-annual basis for project management services rendered in the year.

8. External professional contracted services:

Expenses on professional contracted services include external legal counsel, external communications, public relations, consulting services and audit services.

YORK REGION RAPID TRANSIT CORPORATION

DRAFT Notes to Financial Statements

Year ended December 31, 2024

9. Related party transactions - Regional Municipality of York professional contracted services:

For efficiency purposes, York Region Departments provided contracted services to the Organization per Dedicated Charges Agreements between the Regional Municipality of York and the Organization. These charges were fully recovered against capital projects.

	Budget	2024	2023
Regional Municipality of York professional contracted services:			
Legal services	\$ 601,800	\$ 433,582	\$ 327,305

April 24, 2025

FOR DECISION

Report of the President

BRT Q1 2025 Priority Projects Activities Update

1. Recommendation

It is recommended that:

1. The Board of Directors receive this report for information.

2. Purpose

This report provides the Board with a progress update on the priority Bus Rapid Transit (BRT) projects for Q1-2025 and general next steps in progressing the BRT work program.

3. Key Points:

- Two initiatives undertaken to optimize future BRT delivery based on current industry best practices and lessons learned from previous BRT projects in York Region, and to inform funding advocacy efforts, are nearing completion:
 - *Capital, Operations and Maintenance Costs Review* of the current BRT network: identified the need for stations and boulevard design changes for the new BRT corridors; and
 - *Construction Contract Models Analysis*: identified a 'collaborative' model approach as most appropriate for delivery of the projects.
- The first Public Open House for the Jane Street BRT Environmental Assessment (TRPAP) and 30% Preliminary Design will be scheduled for late May 2025. The final date is pending confirmation, and further details will be advertised publicly once finalized.
- Various stages of BRT planning and design are progressing along the Highway 7 East BRT corridor in Markham, with procurement for preliminary engineering commencing for the main segment of the corridor.
- YRRTC continues to collaborate with the Region and the cities of Vaughan and Markham to advocate for funding for the construction of the Jane Street and Highway 7 East BRT projects.

- Housing Supply and Affordability Policy Framework reports and action plans were presented to the respective Councils on April 1, 2025 (City of Vaughan) and April 8, 2025 (City of Markham) and both frameworks were endorsed.

4. Background

The current BRT work program includes projects along two rapid transit corridors in various stages of planning, design and funding advocacy

To meet funding requirements and increase the likelihood of receiving capital funding commitments from senior levels of government, Regional Council has invested in advancing priority BRT projects along Jane Street and Highway 7 East (**Appendix A**). Key components of the current BRT work program include:

1. Future BRT Delivery Optimization:
 - a) Capital, Operations and Maintenance Cost Review
 - b) Construction Contract Models Analysis
2. Advancing planning work for priority BRT projects along Jane Street and Highway 7 East corridors:
 - a) Jane Street BRT – Highway 7 to Major Mackenzie Drive
 - b) Highway 7 East BRT – Birchmount Road in Markham Centre to York-Durham Line
3. Funding Advocacy and Stakeholder Engagement to secure construction funding

5. Analysis

OPTIMIZING FUTURE BRT DELIVERY

The BRT Capital, Operations, and Maintenance Costs Review is aimed at ensuring investments in future BRT corridors return value for money based on lessons learned from previous BRT projects. Recommendations will be presented to the Board in Q2 2025

The primary objective of the BRT Capital, Operations and Maintenance Costs Review capitalized on lessons learned from previous BRT projects. This may include reducing capital costs and ensuring the cost-effective operations and maintenance of the system, while not impacting the customer experience and service levels. This review aims to inform the future design of the corridors, ensuring they are both efficient and sustainable. The recommendations of the review will be presented to the Board in Q2-2025.

Through a series of workshops with York Region departments, several initial infrastructure design options were identified and are currently being considered by staff.

Capital cost estimates will be updated based on the results and recommendations of this review, as necessary, ensuring that the financial planning is reflective of the proposed changes.

A detailed analysis of construction contract models, aimed at achieving critical objectives for the delivery of the Jane Street and Highway 7 East BRT projects, leveraging lessons learned from past BRT projects, has identified a 'collaborative' model approach as the most appropriate

YRRTC, in collaboration with York Region departments, is nearing completion of a review of various construction contract models in use in the industry to identify the most appropriate contract model for the priority BRT projects.

Workshops were conducted with industry experts in both the public and private sectors to review different contract models. Several key regional objectives for project delivery success were identified through this process, including reducing/minimizing community impacts and achieving the best value for money.

Analysis of the objectives identified that a “collaborative” contract delivery model may be the most appropriate approach to meet the regional objectives. A “collaborative” contract delivery model allows for the owner, designer, and contractor to collaborate early in the design phase of the project delivery, fostering cooperation and shared goals, and helping to optimize project outcomes and reduce risks.

A report with recommendations will be presented to the Board in Q2-2025.

ADVANCING PRIORITY BRT PROJECTS:

JANE STREET BRT – CITY OF VAUGHAN

The first Public Open House for the Jane Street Environmental Assessment (TRPAP) and 30% Preliminary Design will be held in May 2025

The Jane Street BRT Environmental Assessment (TRPAP) and 30% Preliminary Design was awarded to HDR Corporation in October 2024. Data gathering (including traffic, property details and conditions of existing infrastructure in the corridor), and project analysis are underway and will help inform the first stage of the Environmental Assessment process.

Field investigations will continue through the spring for survey work, utility and geotechnical investigations. Work is mostly taking place in the boulevard; however isolated lane closures may be required.

YRRTC is working closely with York Region, York Region Transit (YRT) and the City of Vaughan to ensure all interests are appropriately addressed. Several workshops have been held with YRT and the City of

Vaughan to review the project schedule, project risks, and traffic and transit operations within the study area.

Community engagement, hosted by YRRTC and YRT, is also on-going with several pop-up booths at community locations near the Jane Street corridor to raise awareness and share information about the project. The first public Open House is scheduled for late May 2025. The final date is pending confirmation, and further details will be advertised publicly once finalized. Additional Open Houses are planned for the summer/fall to share design alternatives and analysis, with the final project Notice of Completion planned to be submitted Q1-2026.

HIGHWAY 7 EAST BRT – CITY OF MARKHAM

BRT planning and design is progressing along the Highway 7 East BRT corridor as follows:

Simcoe Promenade: Birchmount Road to Andre De Grasse Street

- In January 2025, the YRRTC Board approved deferring construction of this segment of rapidway and the execution of related agreements until further construction opportunities are confirmed. YRRTC will continue to explore and assess opportunities to advance the construction of this segment of rapidway, ensuring that proceeding is feasible.

Kennedy Road: YMCA Boulevard to Highway 7

- Public Works has advanced the detailed design for Kennedy Road to 60%, with construction planned for 2027. YRRTC continues to provide technical reviews and comments as part of the Technical Advisory Committee, sharing lessons learned from delivery of the previous BRT program.

Highway 7 East (including Enterprise in Markham Centre): Andre De Grasse Street to York-Durham Line

- The completed Environmental Assessment (EA) Review and Gap Analysis for Highway 7 East confirmed that an amendment to the 2005 EA is not required, setting the stage to progress to preliminary design.
- YRRTC is collaborating with YRT and the City of Markham to confirm operational needs along the corridor, particularly in constrained areas and the easterly segments, while preparing for the procurement of the preliminary design.
- Community engagement aimed at sharing information, raising awareness, and building support for the project will commence in Q2-2025.

6. Financial Considerations

CONSTRUCTION FUNDING ADVOCACY

Support from senior levels of government will be required to help advance an estimated \$1.7 billion in capital construction investment needed over the next 10 years to construct the Jane Street and Highway 7 East BRT projects. These funds are not currently included in the Region's 10-year Capital Plan, as they require funding commitments and are subject to the Region's Fiscal capacity considerations.

York Region and YRRTC are working with the province, through MTO, to advance the Canada Public Transit Fund (CPTF) funding application. Consolidated comments from Regional departments and the planning departments at the cities of Markham and Vaughan on the Greater Golden Horseshoe (GGH) Metro-Regional Agreement Expression of Interest were submitted to MTO in January 2025 and were expected to be advanced to the federal government following the Provincial election.

On March 21, 2025, before the dissolution of Parliament, the first funding commitments were made through the CPTF Metro-Region Agreement stream. These included:

- Over \$1.5 billion for TransLink Metro Vancouver Transit Projects, including transit expansion and infrastructure improvements; and
- Funding to extend the Hazel McCallion LRT Extension in Brampton (exact amount was not disclosed).

Staff will continue to liaise with the MTO to support the development of the best Business Case for each of the two priority BRT projects.

There is ongoing collaboration with the City of Vaughan and the City of Markham regarding housing policy frameworks for the integration of housing supply and affordability in support of the CPTF funding application. Planning staff from both municipalities presented Housing Supply and Affordability Policy Framework reports and action plans to their respective Councils and received endorsement on April 1, 2025 (City of Vaughan) and April 8, 2025 (City of Markham). YRRTC and the Region will continue to collaborate with both municipalities on the implementation of the endorsed housing supply and affordability action plans over the next number of months as well as integrating the municipal housing action plans into the Metro-Region Agreement funding submission.

Staff continue to monitor and consider the outcomes of recent provincial election and upcoming federal election to understand and anticipate what funding mechanisms will be available for these projects.

CURRENT AND FUTURE REGIONAL FUNDING

\$34.2 million for the Jane Street and Highway 7 East BRT projects and related scopes of work described in this report are included in the approved YRRTC BRT 2025 10-year Capital Budget. Overall scopes of work are trending within budget.

The Kennedy Road BRT detailed design and construction is funded and included in Public Works 10-year Capital Budget.

As BRT funding is advanced by senior levels of government, the capacity of the Region to finance any required share of capital costs would need to be addressed in the Region's Capital planning process.

7. Collaborative Partnerships

Successful project progress and implementation of the Jane Street and Highway 7 East BRT projects requires continuous collaboration with our partners to ensure all input and feedback are appropriately addressed.

It is also critical to continue to work closely with the Region and the cities of Vaughan and Markham to create and present the most compelling transit and housing supply and affordability business cases for the projects to meet federal funding criteria.

YRRTC will continue to engage with the local municipalities, the Region, the Province, Metrolinx, and other partners to ensure the BRT work program is developed taking into consideration emerging plans and existing work programs.

8. Conclusion

Advancing the planning, preliminary design and related works for the Jane Street and Highway 7 East BRT will lead to shovel-ready projects, positioning the Region to be in a state of readiness to effectively secure construction funding from senior levels of government.

YRRTC remains committed to progressing the BRT work program to ensure timely achievement of this shovel-ready status through collaborative efforts with our partners and stakeholders.

Staff will continue to provide quarterly updates to the Board on the progress of this work program.

For more information on this report, please contact Liza Sheppard, Vice President, Project Implementation at 1-877-464-9675 ext. 71035. Accessible formats or communication supports are available upon request.

Recommended by: **Paul Jankowski**
President, York Region Rapid Transit Corporation

April 15, 2025
eDocs # 16671348
Appendix A – Bus Rapid Transit Network Plan

APPENDIX A - Rapid Transit Network Plan

