

ANNUAL
REPORT
2025



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.



contents

message from the Regional Chair	4
message from the Chair of the Board	6
governance	8
mandate & shareholder direction.	8
focus areas of business.	8
York Region’s rapid transit network.	9
bus rapid transit on Jane Street and Highway 7 East	10
Yonge North Subway Extension	12
pursuit of funding	14
engaging and collaborating in 2025.	15
performance reporting	16
2025 financial summary	18
2025 audited financial statements	20

message from the Regional Chair



The York Region Rapid Transit Corporation (YRRTC) 2025 Annual Report highlights continued progress in planning, designing and delivering rapid transit infrastructure on behalf of its shareholder, The Regional Municipality of York.

York Regional Council remains committed to sustaining an exceptional quality of life across York Region's nine cities and towns. Central to this commitment is ensuring residents and businesses have access to connected, accessible transportation options that support new housing, thriving businesses and growing employment opportunities.

By 2051, York Region's population is expected to exceed two million residents, with employment approaching one million jobs. This growth will increase travel demand across the Greater Golden Horseshoe and reinforce the need for expanded rapid transit connection, including new subway and GO Transit links.

To help meet these evolving needs, YRRTC continues to work closely with its partners to advance York Region's rapid transit priorities. This includes supporting Metrolinx in delivering the Yonge North Subway Extension and collaborating with local cities and towns to complete planning and design for bus rapid transit projects.

Together, these investments in rapid transit infrastructure will help create thousands of jobs, accelerate high-density housing development and strengthen connections between York Region's growing communities and employment centres.

Sincerely,

Eric Jolliffe

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

Opposite page:
Passengers boarding bus on a
busy Highway 7 West in Vaughan.



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 this 2025 Annual Report, outlining advancements in subway projects and bus rapid transit (BRT) that continue to support the Region’s significant growth and economic vitality.

In 2025, YRRTC continued to support the Yonge North Subway Extension project, led by Metrolinx, including oversight of York Region’s capital investment. Significant progress was made by the project to start tunneling and prepare for station construction.

The YRRTC Board endorsed budget for planning and design work to continue for two important BRT projects on Highway 7 East and Jane Street. This allowed the projects to advance Environmental Assessments in 2025, moving one step closer to being shovel-ready for construction funding.

pushing for progress

Together with members of the YRRTC Board, Regional leadership and YRRTC, I have been actively working to secure capital funding for these critical bus rapid transit projects. By pursuing federal and provincial investments in rapid transit infrastructure, we’re pushing for progress and helping to shape growth in the Greater Golden Horseshoe. These projects will accelerate housing supply, support job creation and enable efficient, reliable movement across municipal boundaries. With sustained partnership from all levels of government, we can build complete, connected communities where businesses and residents can live, work and travel more efficiently. I look forward to advancing this work, together.

Sincerely,

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



Mayor Scarpitti with Hon. Gregor Robertson, federal Minister of Housing and Infrastructure (Top), and with Hon. Dominic LeBlanc, federal Minister of Internal Trade (Bottom)

Opposite page:
A Viva bus traveling eastbound on Highway 7 East in Markham.



governance

YORK REGIONAL COUNCIL OWNS THE CORPORATION

BOARD OF DIRECTORS 11 BOARD MEMBERS APPOINTED



Frank Scarpitti

Chair
.....
Mayor
Markham



Steven Del Duca

Vice Chair
.....
Mayor
Vaughan



Eric Jolliffe

Director
.....
Chairman & CEO
York Region



Iain Lovatt

Director
.....
Mayor
Whitchurch-Stouffville



Tom Mrakas

Director
.....
Mayor
Aurora



David West

Director
.....
Mayor
Richmond Hill



Jim Jones

Director
.....
Regional Councillor
Markham



Mario Ferri

Director
.....
Regional Councillor
Vaughan



Tom Vegh

Director
.....
Regional Councillor
Newmarket



Joe DiPaola

Director
.....
Regional Councillor
Richmond Hill



Godwin Chan

Director
.....
Regional Councillor
Richmond Hill

mandate & shareholder direction

York Region Rapid Transit Corporation [YRRTC] advocates for investments in York Region's higher-order transit, and plans, designs and delivers rapid transit infrastructure on behalf of our Shareholder, York Region, to connect the Region's urban centres, destinations and communities.

In addition, YRRTC works with stakeholders to support continued advancement of the Yonge North Subway Extension, including oversight of York Region's capital investment in this project.

YRRTC's Mandate Letter and Shareholder Direction can be found at yrrtc.ca/about_us.

focus areas of business

RAPID TRANSIT PRIORITIES



bus rapid transit



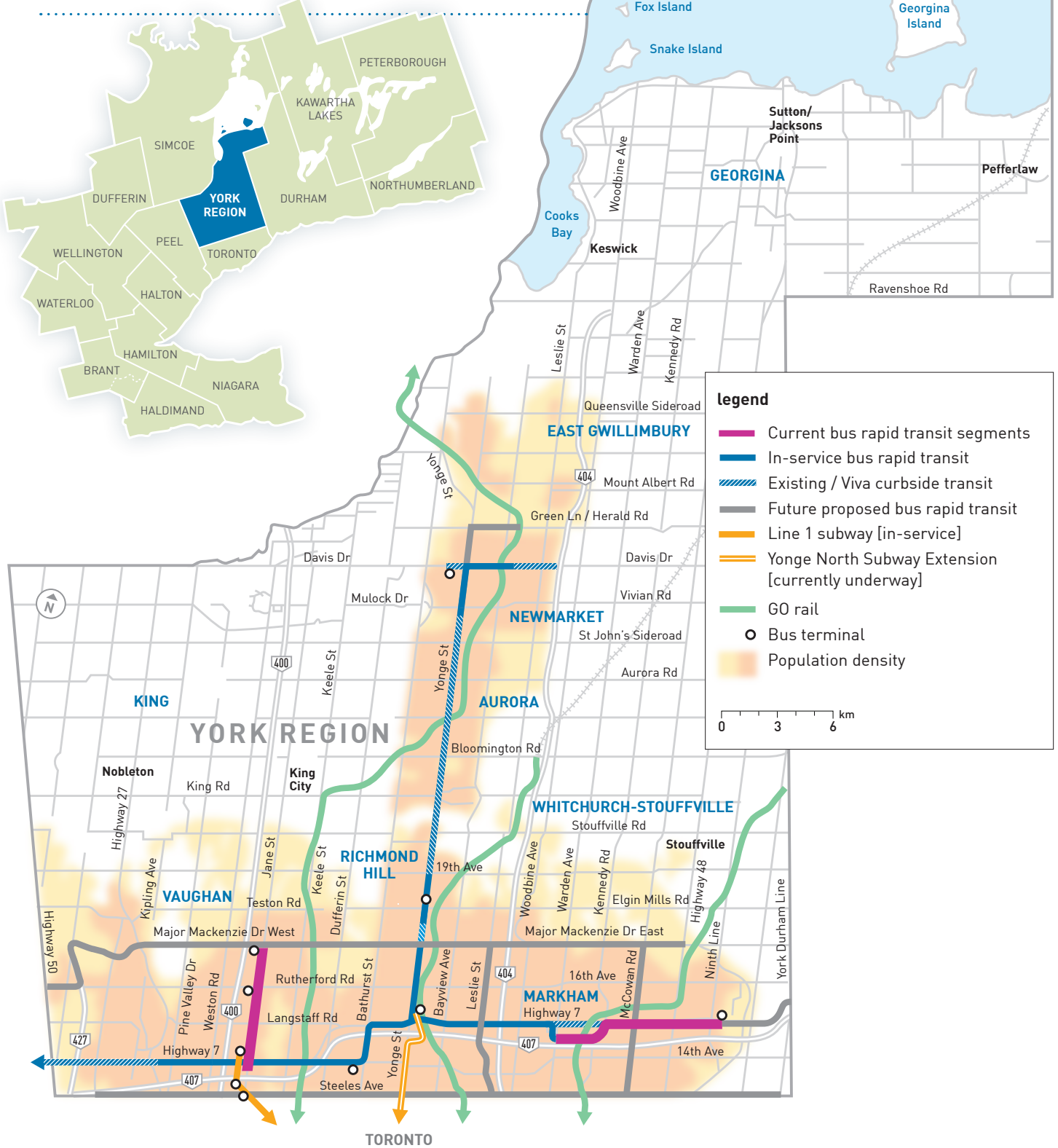
Yonge North
Subway Extension



pursuit of funding

York Region's rapid transit network

York Region is a critical link in connecting the Greater Golden Horseshoe region



bus rapid transit

York Region Rapid Transit Corporation plans, designs and builds bus rapid transit (BRT) projects, with a focus on Highway 7 East and Jane Street.

The next BRT segments along Jane Street in the City of Vaughan and Highway 7 East in the City of Markham will create thousands of jobs, accelerate high-density housing development, and boost Ontario's economic growth.

Current planning and preliminary engineering ensures these segments will be ready for the next work phases once capital funding is in place.





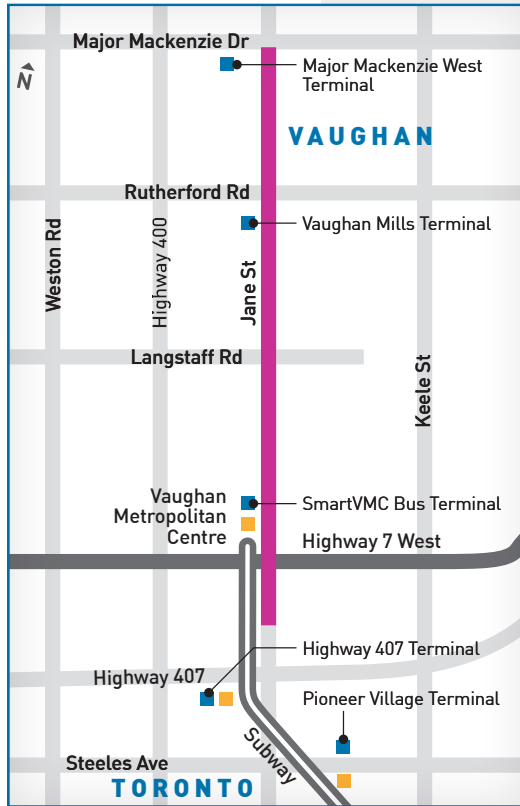
projects

Jane Street BRT

Length: approximately 6.8 kilometres.

Route: Jane Street between Interchange Way and Major Mackenzie Drive.

Connections: TTC subway and existing BRT at 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

Length: approximately 8 kilometres:

- through Markham Centre between Birchmount Road and Kennedy Road; and,
- along Highway 7 East between Kennedy Road and Cornell Bus Terminal.

Connections: Yonge North Subway Extension via existing Highway 7 BRT, Unionville GO Station, Markham Pan Am Centre, York University Markham Campus, Markville key development area, and the Cornell community including Markham Stouffville Hospital and Cornell Bus Terminal.



- LEGEND
- Priority BRT segment
 - Existing BRT
 - ▨ Viva curbside service
 - Bus terminal
 - Subway station
 - GO station

Opposite page: A Viva bus takes full advantage of the dedicated rapidway during a heavy snowfall on Yonge Street in Richmond Hill.

Yonge North Subway Extension

York Region Rapid Transit Corporation (YRRTC) provides project oversight and coordination of the Metrolinx-led Yonge North Subway Extension (YNSE) project on behalf of our shareholder, York Region.

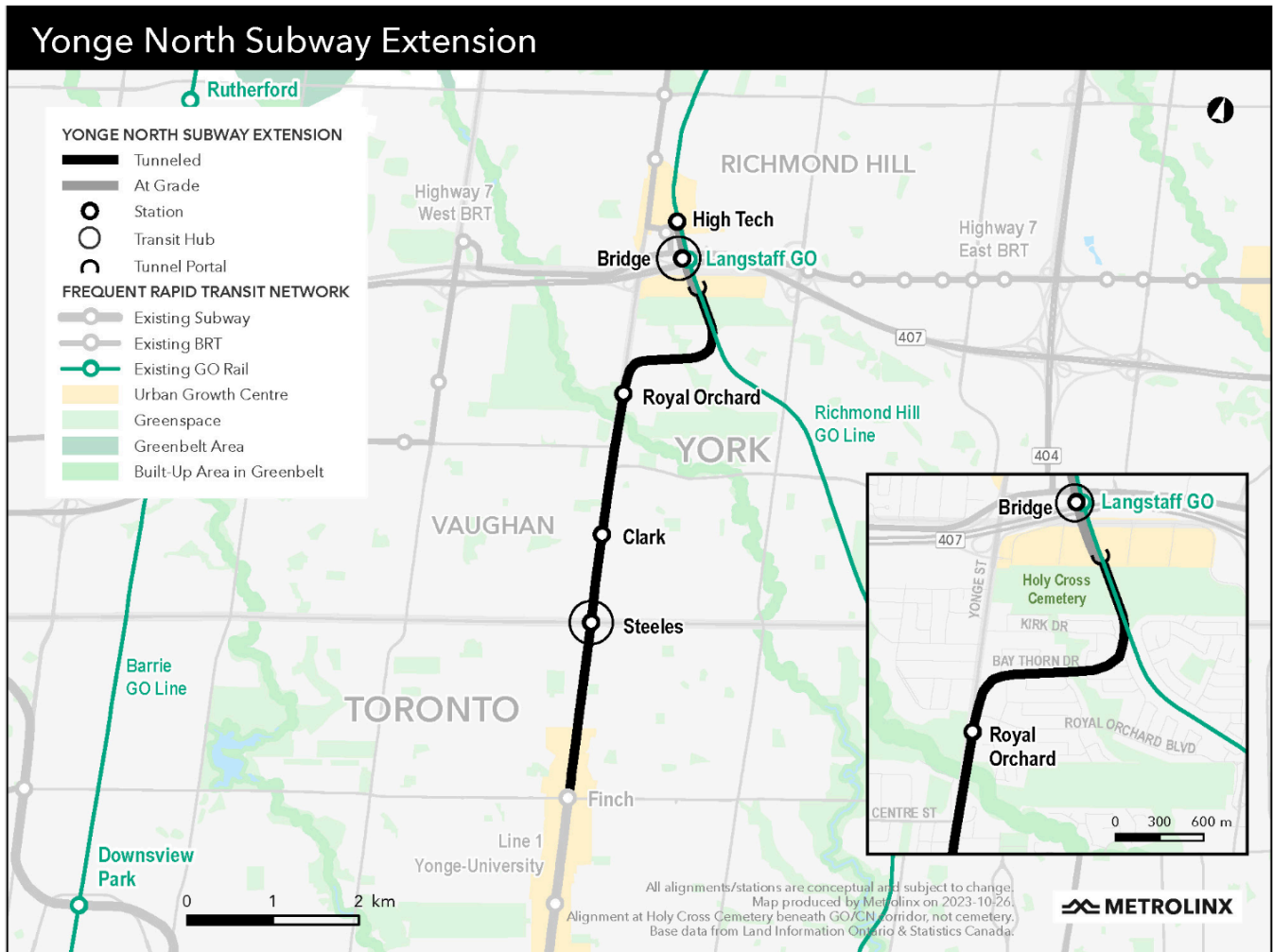
YRRTC is working with Metrolinx, the cities of Markham, Richmond Hill and Vaughan to ensure progress aligns with the Region's priorities, and \$1.12 billion investment in this project.



Celebrating the YNSE project award of contract for Advance Tunneling

Left side: Mandeep Lali, CEO, TTC; Jim Jones, Markham Regional Councillor, and YRRTC Board Director; Ali Ehsassi, MP for Willowdale; Frank Scarpitti, Mayor of Markham and Chair of the YRRTC Board; Hon. Prabmeet Singh Sarkaria, Ontario Minister of Transportation; Hon. Kinga Surma, Ontario Minister of Infrastructure; Logan Kanapathi, MPP for Markham-Thornhill.

Right side: Hon. Doug Ford, Ontario Premier; Laura Smith, MPP for Thornhill; Eric Jolliffe, York Region Chairman & CEO and YRRTC Board Director; Steven Del Duca, Mayor of Vaughan and Vice Chair of the YRRTC Board; Michael Lindsay, Metrolinx President and CEO; Michael Parsa, MPP for Aurora-Oak Ridges-Richmond Hill.



project description

- The Yonge North Subway Extension (YNSE) will transform the commute in York Region, Toronto and beyond by extending the TTC's Line 1 subway service north from Finch Station to Vaughan, Markham and Richmond Hill.
- This project includes five stations along an extension of approximately eight kilometres, putting more than 26,000 people within walking distance of rapid transit.

pursuit of funding

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 by 2051, federal and provincial investments are needed for \$1.7 billion in bus rapid transit (BRT) projects along Jane Street in Vaughan and Highway 7 East in Markham.



In November 2025, the Federal Budget introduced a new Build Communities Strong Fund, which will provide \$51 billion over 10 years starting in 2026–27, as well as \$3 billion per year ongoing in new and existing funding to support a wide range of infrastructure projects.

YRRTC is awaiting additional funding program information from Housing Infrastructure Communities Canada. Staff are working with the Ministry of Transportation to advance a streamlined Integrated Regional Plan for the Greater Golden Horseshoe region, with a planned submission in 2026.



engaging and collaborating in 2025

In 2025, YRRTC and members of the YRRTC Board attended key events with industry leaders, advocating for funding for priority York Region projects, including bus rapid transit (BRT) on Jane Street and Highway 7 East. YRRTC also engaged with the community to inform and gather feedback on BRT projects, and worked with partners to support the Yonge North Subway Extension (YNSE).



Frank Scarpitti, Mayor of Markham and Chair of the YRRTC Board, with Hon. Doug Ford, Ontario Premier (Top Left), and with Hon. François-Philippe Champagne, federal Minister of Finance and National Revenue (Bottom Left)

Steven Del Duca, Mayor of Vaughan and Vice Chair of the YRRTC Board, with Hon. Prabmeet Singh Sarkaria, Ontario Minister of Transportation, and Hon. Doug Ford, Ontario Premier (Top Centre), and with Michael Lindsay, Metrolinx President and CEO, and Laura Smith, MPP for Thornhill (Top Right)

Community engagement at a Jane Street BRT open house in Vaughan (Bottom Right)

2025 performance reporting

Each year, YRRTC's Business Plan is presented alongside annual capital and operating budgets, with performance reported in the following year's Annual Report.

The 2025-2026 Business Plan for York Region Rapid Transit Corporation (YRRTC) outlined strategic objectives for capital project planning for bus rapid transit (BRT), strategic partnerships and collaboration on the Yonge North Subway Extension (YNSE), and the pursuit of funding for the construction of priority BRT segments.

Included here are highlights of YRRTC's performance in accomplishing those strategic objectives.



bus rapid transit (BRT) program

This year marked significant progress across the BRT program, with both Jane Street and Highway 7 East completing key planning steps and demonstrating strong community participation. Significant communications and engagement activities helped shape project design, showcase project benefits and maintain public confidence.

Jane Street:

- Submitted 100% of required Transit and Rail Project Assessment Process documentation by deadlines and confirmed alignment and station locations
- Board endorsed design objectives and scope
- Early analysis shows BRT on Jane Street will meet/exceed York Region travel time savings criteria
- 23 information booths in the community, with 25 responses incorporated in project pre-planning

Highway 7 East:

- Completed 100% of Environmental Assessment Gap Analysis
- Board endorsed design objectives and scope
- Incorporated 100% of recommendations from technical partners into final design objectives and scope



Yonge North Subway Extension

The YNSE project, led by Metrolinx, reached several major milestones. YRRTC helped ensure timely completion of technical deliverables and successful execution of key agreements with Metrolinx. The project demonstrates strong alignment with Regional priorities, and high levels of Regional input.

Results achieved in 2025 include:

- 97% of deliverables were completed within the review timelines per the Resource Agreement between Metrolinx and York Region
- 74% of comments made by YRRTC and Regional staff were reflected in submissions and incorporated across the YNSE project phases, including contracts for tunneling, underground and surface segment works, and stations, rail and systems
- The Permanent Easement Agreement for the subway tunnels was finalized and executed



pursuit of funding

Staff are engaging with federal and provincial partners to confirm the status of previously committed funds under the Canada Public Transit Fund, and obtain additional details on the new funding program and application processes.

Throughout 2025, York Region strengthened its funding position through advocacy and successful submission of project information to the Ministry of Transportation (MTO).

Actions taken in 2025 include:

- Collected comments on the Expression of Interest from York Region and Cities of Vaughan and Markham, and consolidated feedback for the Ministry of Transportation in January 2025
 - In June–July 2025, Ontario’s Ministry of Transportation submitted the final Expression of Interest and provided progress updates on the Integrated Regional Plan to the Ministry of Housing, Infrastructure and Communities of Canada, on behalf of 15 organizations in the Greater Golden Horseshoe’s Metro Region Agreement
- Signed the Ministry of Transportation’s Terms of Reference in August 2025
- Submitted the Metro Region Agreement’s Planning Funding Application to the Ministry of Transportation in September 2025. This included detailed information on bus rapid transit segments in Vaughan and Markham along with a comprehensive table showing municipal policies that support building these critical segments

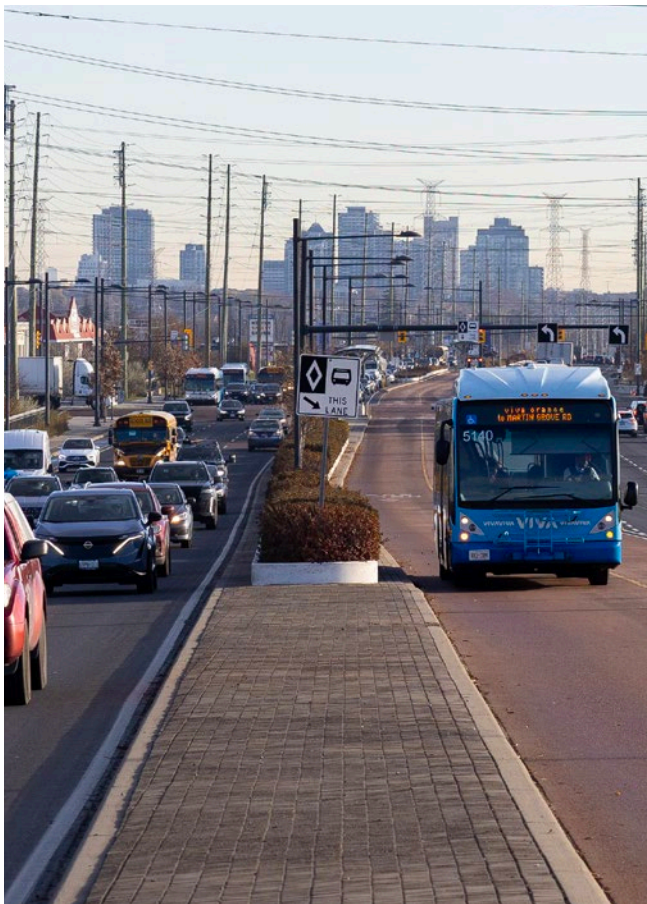
2025 financial summary

York Region Rapid Transit Corporation's budget is shaped in close collaboration with York Region. The annual capital budget supports York Region's top transit priorities: the Yonge North Subway Extension (YNSE), and bus rapid transit (BRT) on Jane Street in Vaughan and the Highway 7 East segment in Markham.

In 2025, the YRRTC Board endorsed the capital funding submission to York Region for advancing the next phases of these critical BRT segments, including \$35.9 million for the Environmental Assessment and Preliminary Design and Engineering.

bus rapid transit

\$35.9 million budgeted for Environmental Assessments and Preliminary Engineering and Design work for the two priority BRT segments.



A westbound Viva bus along Highway 7, Vaughan, with Centre Street development in the background.

Yonge North Subway Extension

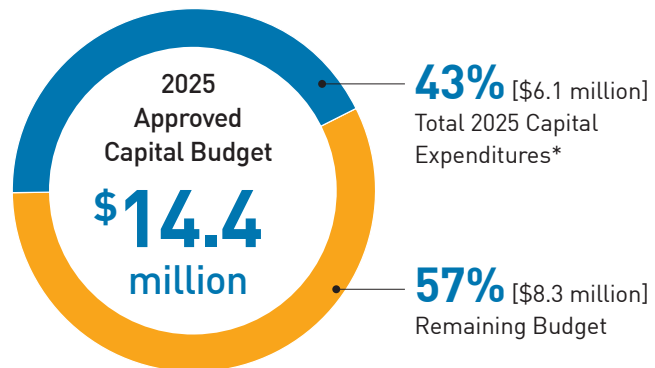
\$57.8 million budgeted for program management work with York Region to support the Metrolinx-led Yonge North Subway Extension.



A Viva bus heads southbound on Yonge Street towards Finch Station through traffic congestion.

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 YNSE.



bus rapid transit

- 2025 total approved budget: **\$11.3 million**
- Total spent: **\$3.9 million or 35%****
- Advancing planning and preparatory work to ensure York Region BRT projects along key priority segments of Highway 7 East and Jane Street are in a state of readiness in anticipation of construction funding from senior levels of government.
- 2025 BRT capital program underspending was due to optimization of internal resources, the planned deferral of construction for a segment of Highway 7 East BRT in Markham Centre, and the deferral of Jane Street BRT design activities to 2026 to support an expanded study area and enhanced stakeholder consultation in the planning process.

YNSE program management

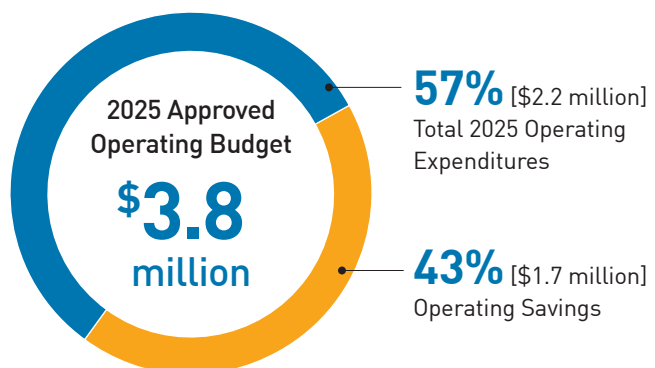
- 2025 total approved budget: **\$3 million**
- Total spent: **\$2.2 million or 72%****
- Continued collaboration with the project lead, Metrolinx, and the cities of Markham, Richmond Hill and Vaughan, to ensure the YNSE is designed and built in alignment with the Region's priorities, and \$1.12 billion investment.

* 2025 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 2025 operating budget supports capital delivery of bus rapid transit and Yonge North Subway Extension infrastructure projects.



2025 audited financial statements



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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, 2025
- 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, 2025, 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.

A handwritten signature in blue ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 23, 2026

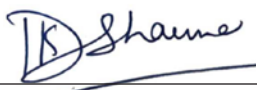
Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial Assets		
Due from Regional Municipality of York (note 4)	\$ 273,011	518,732
Financial Liabilities		
Due to Regional Municipality of York (note 5)	273,010	518,731
Net debt	1	1
Accumulated surplus (note 6)	\$ 1	\$ 1

See accompanying notes to financial statements.

On behalf of the Board:



 _____ Director, Finance

Statement of Operations and Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	Budget	2025	2024
	(note 1(d))		
Revenue: Program management fee (note 7)	\$ 5,009,196	\$ 2,463,838	\$ 4,402,717
Expenses: York Region Rapid Transit Program Management :			
Salaries and benefits	6,579,149	4,831,651	6,561,345
External professional contracted services (note 8)	1,901,648	306,147	926,531
Regional Municipality of York professional contracted services (note 9)	524,600	327,674	433,582
Office administration	686,941	334,354	294,151
Occupancy and rent	132,251	100,311	96,310
	9,824,589	5,900,137	8,311,919
Regional Municipality of York Corporate Allocation:			
Legal	691,026	34,678	518,667
Computer hardware	198,802	175,393	162,327
Computer software	95,141	81,890	74,399
Telephone and data management	39,542	32,081	94,480
Finance charges	20,147	18,481	17,357
Human resources	87,362	72,399	60,118
Supplies services	33,813	28,239	41,322
	1,165,833	443,161	968,670
Operating recoveries (note 1(h)):			
Cost (recoveries) from the Province of Ontario Capital Projects	–	143,229	(193,205)
Recoveries from the Metrolinx Yonge North Subway Extension Projects	(5,981,226)	(1,345,650)	(1,783,656)
Recoveries from the Regional Capital Projects	–	(2,677,039)	(2,901,011)
	(5,981,226)	(3,879,460)	(4,877,872)
	5,009,196	2,463,838	4,402,717
Annual surplus	–	–	–
Accumulated surplus, beginning of year	–	1	1
Accumulated surplus, end of year	\$ –	\$ 1	\$ 1

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Operating activities		
Annual surplus	\$ -	\$ -
Change in non-cash assets and liabilities:		
Due from Regional Municipality of York	245,721	(124,653)
Due to Regional Municipality of York	(245,721)	124,653
Cash, end of year	\$ -	\$ -

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2025

The York Region Rapid Transit Corporation (the “Organization”) was incorporated on July 2, 2003 under the Ontario Business Corporations Act. The Organization is integral to the well-being and the rapid transit infrastructure of the Regional Municipality of York (the “Region”), and is responsible for the management of its undertaking and making all policy and operational decisions.

The Organization serves solely as a project office delivering transit projects and manages the capital projects funded by the Region such as road widening, sidewalks, landscaping, storm sewers and fiber communications. The capital projects are recorded and maintained in Region’s financial records. Once construction is complete, Region provides operation and maintenance services related to these capital projects. The Organization does not own any assets and as such no capital assets are recognized on the Organization’s financial statements.

In addition, the Organization also manages two external capital projects funded by Metrolinx, where Organization provides project management services on a cost recovery basis. The capital assets related to these projects are recognized and maintained in Metrolinx financial records. The Organization does not own any assets related to these projects and as such no capital assets are recognized on the Organization’s financial statements for these two projects.

A. Metrolinx - Bus Rapid Transit (“BRT”):

Program oversight services. This program has been fully funded by Metrolinx. As at December 31, 2025, this project is substantially complete and only minor staff costs remain related to end of program.

B. Metrolinx - Yonge North Subway Extension (“YNSE”):

Program oversight costs related to the management of the subway program, which is fully funded by Metrolinx. As at December 31, 2025, costs incurred are related to the staff costs to support facilitation and collaboration with 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 Region.

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.

D. Budget figures:

Budget figures presented in the financial statements are based on the 2025 budget approved by Council on November 28, 2024.

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 Region. 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:

Operating recoveries are comprised of recoveries from Metrolinx funded projects (including YNSE) and Region-funded capital projects, consistent with the operating recoveries line items presented in the statement of operations and accumulated surplus.

Operating recoveries for Metrolinx-funded projects represent the reimbursement of staff, benefits and other administrative costs incurred by the Organization in supporting and delivering rapid transit capital projects, including BRT projects and the Metrolinx YNSE. These costs are initially recorded as operating expenses and are then recovered from the applicable capital projects based on an approved cost recovery allocation methodology.

The cost recovery allocation for Metrolinx-funded projects is applied monthly to allocate eligible operating costs to the respective capital projects. For the YNSE project, the Organization prepares and issues quarterly invoices to Metrolinx for reimbursement of dedicated project team staff costs in accordance with the executed Resource Agreement. Any difference between costs recovered from Metrolinx and total eligible operating costs is allocated to other regional capital projects.

Operating recoveries related to Region-funded projects are funded through the related capital projects administered by the Region, and are presented in the statement of operations and accumulated surplus as operating recoveries, reflecting reimbursement of the Organization's operating costs associated with these capital projects.

2. Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2025, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements.

- A. The conceptual framework for financial reporting in the public sector was revised and 2024-2025 Annual Improvements to Public Sector Accounting Standards (“PSAS”) were issued. The Public Sector Accounting Board (“PSAB”) approved amendments providing terminology updates to align various sections of the PSAS Handbook with PSAB’s Conceptual Framework and Reporting Model. These revisions and amendments are effective for fiscal years beginning on or after April 1, 2026. Region intends to implement the conceptual framework effective January 1, 2027.
- B. PS 1202, Financial Statement Presentation, will replace the current section PS 1201. This guideline is effective for fiscal years beginning on or after April 1, 2026. Region intends to implement the standard effective January 1, 2027.
- C. Section PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently pending final approval, with an expected effective date of April 1, 2029. Region intends to implement the standard effective January 1, 2030.
- D. PS 3150, Tangible Capital Assets: The PSAB has issued amendments related to PS 3150 in May 2025 as a result of implementing its Government Not-for-Profit Strategy, which incorporates the PS 4200 series into public sector accounting standards with potential customization. The amendments to this section are effective for fiscal periods beginning on or after April 1, 2030. Region intends to implement the standard effective January 1, 2031.
- E. PS 3155, Intangible Assets, will replace the current section PSG 8, Purchased Intangibles. The proposed section is currently pending final approval and an effective date for the proposed standard is currently not known.

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.

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:

	2025	2024
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. There were no changes to this Memorandum of Understanding during the current 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	2025	2024
Regional Municipality of York professional contracted services:			
Legal services	\$ 524,600	\$ 327,674	\$ 433,582

10. Financial risk:

The Organization does not hold any financial assets or liabilities that give rise to significant financial risk. The Organization’s operations are funded entirely by the Region.



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