

An Agency of the Government of Ontario



Annual Report 2024-2025



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The Province of Ontario recognizes that northern Ontario has unique transportation needs and challenges, and that the Ontario Northland Transportation Commission (hereafter referred to as “Ontario Northland”) serves an important role in providing efficient, affordable, safe and reliable transportation services in northern Ontario.

Land Acknowledgement

Ontario Northland acknowledges the importance and significance of the land it operates on, which was originally under the care of Indigenous peoples and communities.

Ontario Northland reaffirms its commitment and responsibility to improve relationships between Ontario Northland and Indigenous people and communities to improve our understanding of Indigenous peoples and their cultures. We are dedicated to honouring the treaties and other commitments that have been made by moving towards reconciliation and collaboration.

Message from the CEO and Chair

We are pleased to present Ontario Northland's Annual Report for the 2024-25 fiscal year. This report offers information about the agency's operational and financial results, detailing important activities carried out over the fiscal year. The report outlines that Ontario Northland has fulfilled government priorities, advanced key projects, grown capacity, modernized operations and fostered relationships to better address the unique transportation challenges in northern Ontario.

A key highlight was our team's continued progress on the new era of the Northlander passenger rail service. The team moved from planning and design to implementation with the start of construction for stop and track improvements.

Ontario Northland's operating and other revenues grew 18%, to a total of \$127.8 million. This is thanks to higher ridership, an increase in external contract work and a rise in freight revenues. This year, the Remanufacturing and Repair Centre achieved significant milestones, including the extension of a contract to refurbish 121 additional bi-level rail cars for Metrolinx. The team also focused on cost reduction, efficiency improvements, and the standardization of best practices, while seeking new business opportunities.

The 10-year capital asset program continued to progress, with a focus on streamlining processes, finding efficiencies and reducing costs. Several major projects were completed this fiscal such as a new maintenance of way facility in Englehart, a mechanical building in Hearst and the motor coach facility expansion in North Bay.

Ontario Northland's workforce continued to focus on fostering a productive, diverse, equitable, and inclusive workplace. Teams were able to make progress on important projects such as the Enterprise Asset Management, Enterprise Risk Management and the Modernization Plan, while achieving excellence across all divisions.

We are proud of the work we achieved throughout this past year, and extend our gratitude to customers, employees, stakeholders, and community partners for their contributions and commitment to the agency's success.



Chad Evans,
Chief Executive Officer



Alan Spacek,
Chair

Agency Overview

Mandate

As an agency of the Ontario government that reports to Legislature through the Minister of Transportation (MTO), Ontario Northland was established in 1902 by the Ontario government to provide transportation services in northern Ontario. Operating under the authority of the *Ontario Northland Transportation Commission Act*, the organization is mandated to deliver efficient, safe, affordable, and reliable transportation services throughout northern Ontario.

Vision

The world needs what northern Ontario has to offer – and Ontario Northland is the modern, future-ready transportation system to deliver it.

Mission

Ontario Northland is improving connectivity between northern Ontario and other parts of the province to bolster economic development, foster job creation and community sustainability. Working in collaboration with municipal stakeholders, Indigenous communities and partners at MTO, Ontario Northland will align priorities, focus on fulfilling our commitments, and serve as a trusted partner to deliver high quality services.

Values

Ontario Northland believes in the following values:

Safety. Full Stop. Safety is core to everything we do. We do not settle for less, for our people or our customers.

Go Beyond. We take pride in serving our customers and communities. We seize every opportunity to exceed their expectations and to challenge the status quo to meet their evolving needs.

Never Stop Caring. We care about each other, our customers, the work we do, and how we do it. We create a respectful environment where we can be ourselves, feel valued, and perform at our best.

Focus on the Path Ahead. We grow and innovate with intention. We align with government and ministry priorities and fulfil our commitments.

Lead the Way. We can all be leaders. We take responsibility, trust each other to do the right thing, and speak up to make things better.

Governance

The Commission, (Ontario Northland Board of Directors), is responsible for ensuring the agency maintains its commitment to delivering high-quality services to Ontarians while fulfilling its mandate. The Board is made up of publicly appointed representatives from communities throughout Ontario Northland's service area. The Board meets throughout the year to discuss the agency's key projects, performance, and strategic direction.

Appointee	First Appointed to board	Current Appointment Start	Current Appointment End	Meeting Attendance	Remuneration
Alan Spacek, Chair	6-May-21	28-Jan-2025	27-Jan-28	100%	\$11,700.00
Robert Falconi, Vice Chair	9-Jan-20	28-Jan-25	27-Jan-28	100%	\$2,700.00
Orlando Rosa, Director	25-Apr-24	25-Apr-24	24-Oct-25	100%	\$2,900.00
Randy Nickle, Director	6-Dec-19	16-Dec-24	15-Dec-26	100%	\$1,600.00
Allan Youmans, Director	28-Jan-25	28-Jan-25	27-Jan-26	100%	-
Roberta Sawchyn, Director	29-Jul-21	29-Jul-24	31-Dec-25	83%	-
Fred Gibbons, Director	19-Jan-23	19-Jan-23	18-Jan-26	100%	\$3,500.00
William Ferguson, Director	13-Jul-23	13-Jul-23	12-Jul-26	100%	-
Kadie Philp, Director	16-Jan-25	16-Jan-25	15-Jan-27	100%	-
Chad Evans, Chief Executive Officer		09-Feb-25	08-Feb-27	100%	Chad Evans receives an annual salary as CEO but does not receive remuneration as a member of the Board.

During FY 2024-25, the Board held six scheduled meetings, each achieving quorum. Attendance rates were calculated based on each director's appointment date, recognizing that three directors joined mid-year. No ad hoc meetings were convened during this reporting period.

All appointees are eligible for remuneration in accordance with their appointment terms; however, as outlined in the Agencies & Appointments Directive, there is no requirement that remuneration be claimed. This reflects the broader public service context in which board appointments are made.

Delivering Strategic Priorities

Strategic Priorities

Ontario Northland is mandated to deliver efficient, affordable, safe and reliable transportation services in northern Ontario.

As the *Agencies and Appointments Directive* requires, the Minister of Transportation issued a 2024-25 Annual Letter of Direction (ALOD) that set out the expectations for the fiscal year. The letter identifies expectations for all agencies to deliver high-quality service to Ontarians in addition to directing Ontario Northland to:

- Reinstatement of the Northlander Passenger Rail Service between Toronto and Timmins, with a rail connection to Cochrane.
- Continue to develop and implement the agency's capital asset management plan and asset management data reporting, and report back on the Enterprise Asset Management (EAM) program implementation.
- Work towards implementing the Modernization Action Plan (MAP).
- Complete a review of the agency's organizational structure, based on efficient and effective organizational design principles, and consider workplace culture, safety and diversity.
- Develop a performance measurement framework in alignment with ministry priorities.
- Develop and implement a new agency governance and relationship framework.
- Work with the ministry to evaluate rail and bus service planning and partnerships.
- Continue to have meaningful engagement with Indigenous communities and organizations.
- Deliver transportation services while taking actions to combat sexual exploitation, human trafficking and the safety of Indigenous women, girls, 2SLGBTQIA+ people and other marginalized groups.

Key Projects

Some of Ontario Northland's key accomplishments, listed below, highlight how the agency demonstrated a commitment to operational excellence, as described in the ALOD. Ontario Northland's 2024-25 Business Plan identified five major initiatives for the 2024-2025 Fiscal Year (FY 2024-25) which ensured alignment of Ontario Northland's mandate, vision, mission and the 2024-25 ALOD.

1. Prepare for the New Era of the Northlander Passenger Rail Service

- Manufacturing of the new train equipment began in April 2024.
- During the construction season, Ontario Northland completed 345 kilometers of continuous welded rail. This represents 42% of the joint elimination work planned for the Northlander corridor and will eliminate the gaps between the rail sections, allowing for a smoother, quieter journey for passengers.
- Progress was made on a bypass track in North Bay. This 982-metre section of track will reduce transit time for future passengers.
- Three upgrades and three partial upgrades were completed at crossings along the Northlander corridor.
- Stop improvements began at North Bay, Temiskaming Shores and Englehart stop locations.
- The exterior design of the Northlander equipment was unveiled to the public in December 2024.
- Two events were held in Timmins as part of the environmental assessment process for the construction of the new Timmins-Porcupine Station, which will serve as the northern terminus for the service.
- Procurement objectives were met including procuring for prominent projects related to construction at stop locations, crossing upgrades, shelter supply, and rail infrastructure work including curve adjustments, continuous welded rail (joint elimination) and the North Bay bypass construction.

2. Agency Modernization

- Ontario Northland developed and implemented a detailed Modernization Action Plan (MAP) for several initiatives including the Enterprise Resource Plan (ERP) and Enterprise Asset Management (EAM) programs.
- The agency reported on the progress being made on MAP initiatives through quarterly reports to MTO, in alignment with MAP key performance indicators, milestones and timelines.
- The MAP team held bi-monthly meetings with MTO to identify and discuss the content of a relationship management framework.
- The agency achieved alignment with MTO on MAP's five-year timeline starting in FY 2024-25.
- Ontario Northland completed a fleet assessment to guide vehicle procurement.
- Passenger Services and Motor Coach Operations continued to progress work with MTO to rescope the Charter Services Framework.

- Continued to implement the capital asset management plan to ensure the long-term sustainability of assets and reduce maintenance expenses.
- In August 2024, key system updates were implemented within the EAM program to improve asset tracking, permissions and reporting. In October 2024, a system update enhanced processes for work execution and supply chain management.
- The Commission, or Board of Directors, enhanced governance to promote effective decision making and enhanced oversight by implementing several strategies and processes. For example, board self-assessments were conducted to evaluate effectiveness and identify areas for improvement. A board education plan was also created to ensure Commissioners were equipped with the skills needed for effective governance.
- The Commission reinforced accountability to the Minister. Governance reporting was strengthened to reflect the Memorandum of Understanding responsibilities, including pre-submission of board materials.

3. Health and Safety

- Ontario Northland's health and safety team worked to ensure new and ongoing safety processes, procedures, and policies were implemented and improved. This work increased observations and audits with the number of on-site observations rising from 6,413 in FY 2023-24 to 7,036 in FY 2024-25.
- 11 new health and safety training courses were created in FY 2024-25. These courses included topics such as ladder safety, asbestos, confined spaces, respiratory protection, noise in the workplace and more. A total of 396 employees received training within these courses.
- To further strengthen the agency's commitment to health and safety, two additional roles of Health and Safety Specialists were introduced. These positions are dedicated to providing focused support across all divisions. The specialists are responsible for developing and implementing safety protocols, conducting regular inspections, and ensuring compliance with health regulations.
- Pre-existing health and safety training courses also remained a priority, which included: Introduction to Health and Safety, WHMIS, Workplace Violence and Harassment and more. The combined completion of the pre-existing courses was 2,300 throughout the fiscal year.
- The agency observed National Injury Prevention Day on July 5, 2024. Managers encouraged employee feedback on the current safety of their work environment, scheduled health and safety meetings and educated employees about the importance of hazard awareness.
- A Wheel Impact Load Detector was installed to enhance the rail operation's ability to detect damaged wheels which lowers the risk of track damage.

4. Serving Northern Communities

- Ontario Northland hosted two roundtable meetings with Indigenous leaders representing communities along the James Bay Coast. The agency furthered its knowledge and understanding of the unique transportation needs of this service territory, identified areas for improvement and shared service updates with community members.
- In July 2024, Ontario Northland launched a Wi-Fi and entertainment system on the Polar Bear Express.
- Ontario Northland completed duty to consult screening on all relevant infrastructure, construction and demolition projects to ensure projects did not adversely impact Aboriginal and treaty rights. Ontario Northland sent interest-based notification letters that shared information about 15 projects across the service territory.
- The Polar Bear Express offered 15 additional service dates to accommodate community events and initiatives in Moosonee and the James Bay Coast.
- The Mattagami First Nation Band office became an agency partner, helping to ensure passengers have an indoor waiting area to access motor coach services. This also increased options for ticket purchases and greater access to Ontario Northland's Bus Parcel Express service. The local water board has also benefitted from this partnership and leveraged the bus parcel express service to ship water samples for regular testing.
- Passenger Services continued to support at risk populations, including Indigenous women, girls, 2SLGBTQIA+ people, providing 10 passengers complimentary fare, as part of the agency's Safe Ride Home program.
- Human Trafficking training continued to be rolled out to front line employees and an additional 19 staff members received the training this fiscal.
- Ontario Northland provided transportation services to support the Residential School Survivors gathering, held in Timmins from February 13 to 15, 2024. Attendees from Moosonee received approximately \$5 000 in complimentary travel to attend the event.
- Ontario Northland completed an assessment of the effectiveness of planning and partnership strategies across northern Ontario. An overview of service planning best practices and methodologies was submitted to MTO in September 2024.
- Over the past year, the agency has updated the long-term motor coach fleet strategy that was originally developed in 2016. This plan supports future decisions related to fleet purchases and replacements, identifying gaps and opportunities for operational effectiveness. Ontario Northland has integrated a new software program to enhance its asset management practices, with further updates expected in FY 2025-26. Current milestones include reviewing the

viability of a dedicated fleet of accessible smaller vehicles and increasing the spare ratio of the bus fleet by purchasing five new motor coaches. This will provide redundancy when coaches are unavailable due to overhauls, incidents, heavy cleaning, or training new operators.

5. Building Strong Teams through Talent Acquisition and Learning Initiatives

- Ontario Northland began the fiscal year with approximately 923 full-time equivalent positions and ended with approximately 1,041 full-time equivalent positions, reflecting targeted recruitment in support of modernization and expansion initiatives.
- Significant progress was made on the agency's three-year Talent Acquisition Roadmap, a key output of the Future State Talent Acquisition Review completed in 2023.
- In FY 2024-25, we prioritized actions aligned with seven key recommendations from the Talent Acquisition Review, including advancing Diversity, Equity and Inclusion in recruitment practices and improving access to opportunities in both English and French. The agency submitted the review and strategy to the ministry in July 2024 and updated it quarterly thereafter.
- Ontario Northland grew the agency's learning management system, ONLearn, and increased available content for employee training on the platform from when the system was introduced in April 2023. Approximately 1,000 employees have been enrolled into the system, and in FY 2024-25, approximately 3,900 courses were completed by staff.
- Specialized, onsite training was also provided for staff. For example, employees responsible for performing sandblasting were trained to use newly required personal protective equipment called Air Hoods and Tiger Vacuums.

Fulfillment of Government Priorities

Beyond the highlights mentioned in the previous section, Ontario Northland delivered further on government priorities. The following provides highlights on how the agency delivered on these priorities this fiscal year:

1. Competitiveness, Sustainability and Expenditure Management

- Ontario Northland generated \$3.5 million in revenue for the repair and maintenance of third-party locomotives.
- Leased locomotives represented \$0.8 million in revenue.
- Ontario Northland saw an overall increase in revenue generated by Rail Freight from \$59 million in FY 2023-24 to \$63.3 million in FY 2024-25.

- A new mechanical building in Hearst was completed. The new facility replaced five smaller buildings, offset operating costs, enhanced efficiencies and simplified work processes.
- A new maintenance facility was completed in Englehart. As the central location for rail infrastructure across the network, the new facility has streamlined infrastructure services, unlocked operational efficiencies and enhanced maintenance of infrastructure equipment.
- In FY 2024-25, Ontario Northland complied with the Interim Measures by not completing any realty or lease acquisitions primarily for general-purpose office space.
- Throughout the fiscal year, 107 competitive procurements were awarded, comprising 64 open competitive and 43 invitational competitive categories.
- The agency operated within the approved subsidies allocated by the government over the year. It concentrated on executing numerous projects designed to enhance public services and infrastructure. It is important to note that items may arise that are beyond the control of the agency, necessitating adjustments to plans and potential reallocation of resources to address these unforeseen circumstances.
- Ontario Northland leveraged and met benchmarked outcomes for compensation strategies and directives. For example, a consulting firm was engaged through a competitive Request for Proposal process to assess all non-union positions, salary bands, and leadership classifications. The comprehensive review will support the development of a modernized, competitive compensation framework aligned with the agency's long-term talent strategy and expansion mandate.

2. Transparency and Accountability

- Ontario Northland's Board of Directors, the Commission, welcomed three new members this fiscal to ensure the Commission continued to have the skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.
- On December 19, 2024, the Commission provided the Minister of Transportation with an annual skills matrix to ensure the board continued to include qualified appointees. New appointees added significant skills in the areas of legal expertise and transportation operations, further strengthening the Board's collective governance capacity in these critical areas.
- Ontario Northland adhered to all established approval and review processes in alignment with the requirements of the Agencies and Appointments Directive (AAD) and the Public Service of Ontario Act ethical framework. For example, the Ontario Northland Commission adjusted processes, such as many of our annual reporting processes, in response to the October 2024 updates to the AAD to ensure continuous compliance with revised expectations for accountability, transparency and governance practices.

- The Commission's Finance and Audit Committee met seven times throughout the fiscal year.
- The agency adhered to all applicable accounting standards and practices and responded to audit findings. For example, Ontario Northland implemented new policies and processes and adhered to all reporting requirements outlined in Bill S211. The [*Fighting Against Forced Labour and Child Labour in Supply Chains Act*](#) (the Act) aims to increase industry awareness and transparency about forced labour and child labour, and to encourage responsible business practices, which took effect January 1, 2024.
- Ontario Northland consistently undertook efforts to review and update agency KPIs on a regular basis, ensuring efficiency, effectiveness, reliability and sustainability. Additionally, monthly meetings were held with MTO to report on KPIs and obtain feedback for further development.

3. Risk Management

- Established an Executive Risk Management Committee, which serves as a strategic forum for guiding the risk management approach at Ontario Northland in accordance with strategic objectives and high-level decision-making regarding Risk Management.
- Ontario Northland enhanced the established Enterprise Risk Management process. This process is used to identify, track, assess and mitigate Enterprise as well as divisional risks within Ontario Northland.
- Risks managed through this process cover all functional areas and include, but are not limited to, risks to workforce management, cybersecurity, future emergency risks and health and safety risks.

4. Workforce/Labour Management

- Ontario Northland continued to grow its employee recruitment campaign, entitled 'The Company You Keep'. Ongoing recruitment campaigns include radio ads in northern communities, and targeted social media ads across Meta and LinkedIn. Ontario Northland also included a 'Company You Keep' ad in the OnBoard Entertainment app which is accessible for passengers on the Polar Bear Express and the agency's fleet of motor coaches. The recruitment newsletter distribution list was launched in FY 2024-25 and has grown to include 830 recipients.
- Bargaining teams from Ontario Northland and three unions successfully negotiated to renew five collective agreements representing 259 employees. All agreements were reached collaboratively and without disruption, reinforcing Ontario Northland's stable and respectful labour relations environment.
- Ontario Northland continued to strengthen its workforce planning and labour relations functions and advanced strategic initiatives to support long-term talent sustainability, modernization, and operational growth.

- In alignment with best practices and public sector expectations, Ontario Northland implemented a centralized Position Control Framework to enhance workforce governance and staffing oversight. The agency now has a comprehensive view of approved positions across all divisions. This framework, developed collaboratively between Human Resources, Finance, and operational leaders, supports strategic hiring, resource allocation, and long-term workforce planning.
- Ontario Northland continued its methodical approach to organizational realignment through ongoing functional assessments and organizational design workshops. Informed by the enterprise-wide Activity Analysis and guided by the priorities outlined in the Annual Letter of Direction, the agency focused on evolving the leadership structure to support growth, compliance, and modernization. This work involved reassessing leadership capacity, clarifying decision-making roles, and introducing and refining leadership positions across the agency. These efforts are ongoing and represent a long-term commitment to building a sustainable, agile leadership model that supports Ontario Northland's evolving operational needs and service obligations.

5. Diversity and Inclusion

- Throughout the fiscal year, Ontario Northland staff attended 12 job fair events to boost recruitment efforts and continue to foster positive relationships with communities across the service territory. Highlights included attending the Diversity at Work Nipissing Summit, as well as job fairs in Moosonee, Moose Factory and Cochrane.
- In November and December 2024, virtual public information sessions about Ontario Northland's Multiyear Accessibility Plan and ongoing accessibility initiatives were offered to community members in both English and French.
- Ontario Northland provided staff the opportunity to engage with the Moose Hide campaign by offering Moose Hide pins and campaign information throughout May 2024. The Moose Hide Campaign is an Indigenous-led grassroots movement to engage communities to help put an end to violence against women and children.
- A French Language Services policy was created to assist the agency in implementing processes to remain compliant with the *French Language Services Act*.
- Ontario Northland provided local disability employment agencies with a tour of the Remanufacturing and Repair Centre (RRC) to promote employment opportunities.
- New accommodations training was added to the learning management system, ONLearn.

- Ontario Northland updated the employee self-ID form to align with Ontario Public Service Anti-Racism Data Standards.

6. Data Collection, Sharing and Use

- Ontario Northland developed policies and processes to align with the province's artificial intelligence (AI) policy by establishing an AI framework that reflects this directive.
- As a result of increased analysis, Ontario Northland introduced additional buses to busy routes during the Christmas season, Labour Day weekend and Thanksgiving weekend, to accommodate increased demand.
- Enhancements to the customer feedback survey saw improvements to data collection and analysis. The refreshed survey model launched in August 2024 and saw 1,300 customers complete the survey by the end of the fiscal year. Accessibility has also been taken into consideration for surveys by providing passengers with an option to call a customer service agent to record the feedback, in addition to the email tool.

Key Business Activities

Throughout FY 2024-25, every operational division within Ontario Northland demonstrated a consistent effort and maintained a focused approach to fulfilling their specific targets and responsibilities. This contributed to the agency's overall progress and success over the fiscal year.

Remanufacturing and Rail Mechanical

In recent years, the Remanufacturing and Rail Mechanical division has successfully implemented strategies to reduce costs, increase efficiency and standardize best practices. During FY 2024-25, a notable reduction in workstation time was achieved. Workstation time refers to the duration a passenger coach is worked on in each stage of the remanufacturing and refurbishment process. The division aims to decrease this time from three weeks to two weeks and is on track to meet this target. As a result, key customers receive their remanufactured coaches in a timelier manner.

In January 2025, the Ministry of Transportation announced that Ontario Northland was selected to refurbish 121 GO Transit bi-level rail cars for Metrolinx. This \$350 million approximate investment will be an extension of the pre-existing bi-level refurbishment contract with Metrolinx. Ontario Northland was also selected to refurbish 12 locomotives for the agency as part of Metrolinx's electrification program.

Remanufacturing and Rail Mechanical also progressed work on modernizing workspaces and equipment. For example, Ontario Northland began construction on a new Paint Bay, attached to the Paint Shop and installed electrical equipment in the Wheel Shop and Diesel Shop. This included replacing a transformer pad, installing a new main switchboard, and enhancements to the washrooms, changerooms and Diesel Shop ramp. Two new axel lathes were also purchased for the Wheel Shop to further standardize operations and reduce costs associated with maintaining and safely operating aging equipment.

Investments were also made to modernize technology and tools, replacing older equipment with engineered, industry standard models. This included additional lifting devices, router wheeled trailers, handheld tools, specialty tools for window installation and more. New outdoor rail equipment included a forklift and the purchase of an automatic single car break test device.

Construction also began on a new facility in North Bay to store parts and improve inventory management. Once construction is completed, the new building will reduce the wait time for part retrieval, improve storage capacity, assist in supply chain management and eliminate offsite leases related to this work.

The Coach Shop and Powerhouse facilities in Cochrane received upgrades to prepare for work on newer fleet equipment. Those upgrades include new insulation in the Coach Shop, a new building envelope at the Powerhouse and ventilation upgrades. As a result, locomotive inspection was reduced to a 45-day turnaround by eliminating the need to send the equipment to the facility in North Bay and providing additional capacity for revenue-generating work.

Passenger Services

The Passenger Services team continued to grow and evolve to accommodate the unique transportation needs of rural and northern Ontario.

Customer experience continues to be an area of focus as Ontario Northland prepares to launch the new era of the Northlander passenger rail service, which will provide safe and reliable transportation between Toronto and Timmins, with a connection to Cochrane. As a result, the Passenger Services team progressed work on ticketing to ensure passengers have the option to purchase tickets online, in person and over the phone when services launch.

Ontario Northland completed an upgrade to the Customer Contact Centre to enable the agency to provide passengers with bilingual service 24 hours a day, seven days a week. Specialized funding through French Language Services allowed the agency to implement new technology to hire employees from around the region who can work remotely and provide service in French and English.

Customer Service Sales Agents and Customer Contact Centre Representatives participated in an internal training program focused on delivering exceptional customer service and improving customer experience skills.

Ontario Northland also deployed 150 handheld translators to assist third-party ticket selling locations, motor coach and rail stations, onboard services, conductors and motor coach operators in communicating with French-speaking customers in their preferred language.

As part of work in the MAP program, Ontario Northland continued to develop a long-term motor coach fleet strategy to support future decisions related to fleet purchases and replacement. This, in combination with the success of the EAM program in this division, facilitated the purchase of four new replacement motor coaches and identified the need for an additional five motor coaches for enhanced service planning during peak travel seasons.

Ontario Northland continued to stay involved in industry discussions and trials for intercommunity bus travel in rural and northern climates. The agency continued to work on a pilot program to test the feasibility of electrification for motor coaches and infrastructure

requirements along Ontario Northland's service territory. Ontario Northland took part in four test runs as part of this project.

ONTC continues to engage with Indigenous leaders of the James Bay Coast to discuss transportation initiatives. Over the past two years, numerous roundtable meetings have been held, fostering stronger relationships and collaboration. These discussions have focused on improving infrastructure, accessibility and transportation services to better serve the communities in this region.

Ontario Northland expanded its seamless ticketing connections, with Metrolinx to include post-secondary connections, in addition to the already offered services to and from Union Station and Pearson Airport. Seamless ticketing connections allow passengers to purchase tickets for both services using the Ontario Northland website. This connection demonstrates the agencies' commitment to Mobility as a Service (MaaS) principle, while furthering the positive working relationship with community partners.

Freight and Rail Services

Ontario Northland continued to support economic development opportunities in the northeast with a focus on mining, forestry and agriculture. For example, Ontario Northland prepared land for a new lumber transload site in Englehart. The new facility will increase efficiency and enhance existing services by growing capacity to accommodate between 12-16 cars, compared to the four-car capacity at the current site.

The rail division continued to progress work on aligning rail operations with federal regulations. This included an increased focus on standardizing protocols and policies across the rail network, and completing work to enhance records management, employee training and oversight of daily operations. This work also included comprehensive rail crossing assessment work throughout the agency's rail network to identify any required upgrades and ensure compliance with federal oversight. An additional position was created to perform independent audits of work that is regulated under federal oversight.

Rail infrastructure remained a priority for Ontario Northland. Capital rehabilitation work included the progression of rehabilitation work to three bridges within the Kapuskasing subdivision and north of Cochrane. The team also maintained and replaced over 20 culverts across the entire system. Between May and October 2024, approximately 28 miles of track rail was replaced, and five crossing upgrades were completed, in addition to crossing upgrades associated with the Northlander project.

The EAM program progressed in Freight and Rail Services, through discovery sessions to support the software build. The launch of asset management software is scheduled in FY 2025-26 and is expected to help forecast in-house rail maintenance and repair work.

Ontario Northland matured the five-year scrap tie disposal program. Scrap ties contain creosote which can contaminate soil and water. This program will collect and dispose of approximately one million scrap ties from across the rail network, demonstrating a commitment to environmental sustainability. Responsible disposal of scrap ties, including recycling, and repurposing, reduces the need for new materials, minimizing environmental impacts and contributes to sustainable waste management. During FY 2024-25, the program discarded approximately 377,326 ties across the Temagami, Ramore and Devonshire subdivisions.

Freight and Rail Services continued to support the Weeneebayko Area Health Authority in their redevelopment project in Moosonee. To assist the transportation of construction materials to the worksite, the infrastructure team completed approximately 3,700 feet of track construction for two tracks and two turnouts.

Corporate Services

Ontario Northland maintained its focus on accountability and transparency. Teams within Corporate Services dedicated efforts to updating policies and introducing new practices to stay aligned with legislative changes and industry standards. This included deploying software solutions to improve fiscal reporting and cost data analysis. Further, in compliance with the *Pay Equity Act*, Ontario Northland completed a Pay Equity Plan. This included forming a pay equity committee, gathering feedback from employees and correcting pay equity gaps.

Ontario Northland continued to explore restructuring opportunities to respond to and prepare for organizational growth. The agency successfully recruited a Chief Administrative Officer to oversee several corporate services divisions including IT, Human Resources, Finance and Agency Modernization.

The agency continued to adhere to industry best practices as enhancements in cybersecurity, artificial intelligence and data management evolve. To strengthen cybersecurity, Ontario Northland has aligned its strategies with industry standards, ensuring strong protection of its digital infrastructure. This includes implementing advanced security measures, conducting regular audits and providing comprehensive training to its employees on the latest cybersecurity protocols. Ontario Northland has collaborated with a third-party security service provider, to enhance cybersecurity across all divisions of the agency, including Rail and Passenger Services. Ontario Northland has also taken significant steps to integrate Artificial Intelligence (AI) responsibly and effectively into its operations. The agency has established an AI policy that directly reflects the Ontario Government's Responsible Use of Artificial Intelligence Directive. Furthermore, the agency mandates that any employee requiring access to AI technology undergoes and passes specialized training.

Progress on the long-term building renewal program continued this fiscal and included projects such as the completion of the Hearst Mechanical Building, the Englehart Maintenance Facility, North Bay Motor Coach Facility expansion, a new sand dome in Englehart and more. Other notable projects included repairs to the Moosonee Staff House, engineering studies to repair the Temagami Tool House and Lunchroom Building, and the demolition of several sites in critical condition. Continued cost savings were achieved as improvements helped to reduce operating expenses and supported the organization's environmental and sustainability initiatives.

Marketing and Communications met several key objectives this fiscal year, which included expanding opportunities to develop community relationships and enhance partnerships. Examples included an increase in community engagement activities such as promoting the agency's services at community events like Creefest, Northern Ontario Municipal Association Conference, the Federation of Northern Ontario Municipalities Conference and the Canadian Mining Expo. The team also focused on revenue-generating sales, exploring new opportunities and partnerships. Ontario Northland continued to share progress on the Northlander project including providing construction notices to communities, supporting MTO in public announcements, providing updates on the agency's website, completing design requirements for the new train equipment and more.

Summary of Human Resource (HR) Impacts

To support critical positions and address Ontario Northland's evolving business needs, Human Resources focused on the following areas to recruit and retain a diverse workforce, while emphasizing transparency and reducing complexities in the recruitment processes.

A Talent Acquisition Strategy was developed to assess the current state of the talent acquisition function and led to the creation of a Talent Acquisition Charter, finalized in April 2024. The Charter outlined key guiding principles for the future state of talent acquisition, including:

- Integration into strategic organizational decisions
- Scalability for future growth
- Proactive, consultative partnership with departments
- Transparency, accountability, and data integrity
- Positive candidate and hiring leader experience

The agency continued to work towards achieving milestones identified in this Charter. For example, work progressed on a new talent acquisition operating model.

A comprehensive Activity Analysis was also completed to assess workload distribution, organizational alignment, and role clarity across departments. This work supported the specified business plan full time equivalent submissions and assisted in prioritizing workforce needs tied to critical projects such as EAM and return of Northlander.

Ontario Northland also delivered all compensation-related commitments outlined in the FY 2024–25 Business Plan. This included completing a review of the existing non-union salary structure and a market analysis to ensure alignment with industry standards, internal equity, and organizational objectives.

Following five successful collective agreement negotiations, immediate compression issues were also identified and addressed for non-union supervisory and leadership positions. In addition, a one-time market-based wage adjustment was implemented for skilled trades positions to enhance competitiveness and better attract and retain skilled labour. Targeted compensation adjustments were also implemented to maintain internal consistency and support employee retention and an additional full non-union salary structure review was initiated in response to evolving workforce needs and organizational growth.

Advancements were also achieved in Ontario Northland's ongoing People and Culture strategy including an employee recognition section in a weekly organizational newsletter. This initiative provided employees with the opportunity to share appreciation and acknowledge the contributions of their colleagues. Ontario Northland also leveraged the Employee Family Assistance Program to provide staff with greater access to mental health support, providing two optional training sessions for managers and people leaders.

The table below shows the growth in full-time equivalents (FTE) over the past three fiscal years. The FTE resources have expanded to support major initiatives like EAM, which enhances proactive maintenance and capital planning. Additionally, external work such as the Metrolinx refurbishment projects has significantly increased FTEs, along with the return of the Northlander.

FTE's			
	2022-23	2023-24	2024-25
Employees	830	914	1,030
Executives	9	10	11
Total FTE's	839	924	1,041

Enterprise Risk Management (ERM) and Significant Events

Enterprise Risk Management

Ontario Northland continued to improve and standardize its ERM program to better support the organization's decision-making process. The identification, assessment, management, monitoring and reporting of emerging risks remain crucial to the company's success.

The ERM process includes regular discussions on risks that could impede the achievement of strategic goals and plans to mitigate risks' impact on desired outcomes. The team considers threats to the health and safety of both the public and employees, physical and virtual infrastructure, as well as essential resources such as labour, funding, and equipment.

These discussions reference the evolving external environment in which Ontario Northland operates. Political, economic and environmental factors are considered in risk identification and assessment sessions, which can also influence planned mitigations. Ontario Northland's ERM process works to provide a comprehensive and well-considered risk profile to the Executive, Board and ministry to aid in the decision-making.

The following table summarizes the key risks identified by the agency at an Enterprise level.

Risk Identification	Mitigation Strategy
Workforce Management - Ontario Northland faces challenges in attracting and retaining resources due to competition for talent, a shortage of skilled trades, compensation issues, and difficulties in attracting professionals to northern Ontario. These factors may negatively impact its ability to deliver on key priorities.	<p><i>This risk was mentioned in the 2024-25 Business Plan and remained a HIGH RISK during this fiscal.</i></p> <p>Apprentice programs continue to be used to lower barriers to entry for skilled trades.</p> <p>Ontario Northland will continue to progress work in talent acquisition, marketing and review of compensation strategies.</p> <p>Ontario Northland also addressed compensation through a completed market analysis and has implemented benefit increases.</p>
Public potentially being exposed to hazards at sites located on/near Ontario Northland real estate assets which were contaminated in the past due to previous uses of those lands.	<p><i>This risk was mentioned in the 2024-25 Business Plan but has moved from a HIGH RISK to a MEDIUM-HIGH risk during this fiscal.</i></p> <p>In March 2025, ONTC launched public procurement for mining hazard advance geoengineering studies for priority sites.</p>

Some Ontario Northland-owned real estate, including a former mining site, requires additional analysis and potential remediation	Ontario Northland is ensuring interim safety measures are taken such as signage and fencing, while a longer-term solution is developed.
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Significant Events

In the summer of 2024, a derailment occurred on Ontario Northland's Kirkland Lake Subdivision near Larder Lake, involving nine rail cars. There were no injuries, and the contents of the cars were contained with no spills reported. This significant event did bring rise to costs of \$2.9 million added to Ontario Northland's expenditures.

Performance Measures

Ontario Northland is actively enhancing its performance measurement program to monitor business lines, achieve organizational objectives, and align with agency and government priorities. Through modernization efforts, performance measures are being clearly defined and refined. The program includes critical indicators that focus on effectiveness, efficiency, sustainability, safety, and customer experience, thereby supporting operational improvements and government initiatives.

Throughout the year, Ontario Northland started recruiting and establishing a performance measurement team, including positions such as Manager, Business Planning and Intelligence, a Team Lead, Business Intelligence and Business Intelligence and Reporting Analysts. This team has established a performance measurement framework and is collaborating regularly with MTO to ensure accurate reporting of measures. Furthermore, the team is working on standardizing processes to ensure information is available for decision making purposes.

The strategic performance measures captured in this report are designed to effectively monitor Ontario Northland's business activities, align with organizational objectives, and enhance overall performance. Certain metrics were not reported due to limited impact on evaluating or enhancing the agency's overall performance. Ontario Northland is implementing Enterprise Asset Management (EAM) metrics across all business divisions and will 'go live' with the program at the end of November 2025. This initiative aims to establish standardized metrics for assessing the performance of ongoing major projects, including redefining the Motor Coach fleet availability (uptime) measurement based on new data from the EAM software. Consequently, this measurement has been excluded from this annual report until the relevant information becomes available.

Key Performance Indicators:

Motor Coach Ridership			
FY 2024-25 Achievement	FY 2024-25 Target	FY 2023-24	FY 2022-23
306,335	254,544	314,332	281,790
Details: Motor Coach ridership refers to the total number of motor coach passenger tickets for which revenue was realized in the given fiscal year. Over the past three years, ridership has steadily recovered to pre-pandemic levels. Although the KPIs rose from FY 2022-23 to FY 2023-24, they experienced a slight decline in FY 2024-25. The target for FY 2024-25 was set conservatively at 254,544, reflecting uncertainty about how ridership trends would continue to evolve. Despite this cautious approach, we surpassed the target by 51,791, reaching a total ridership of 306,335. This increase in ridership is not directly attributable to specific service improvements or enhancements but rather reflects the restoration of pre-pandemic travel patterns. Exceeding our target is a positive sign that we have maintained public confidence, encouraging users to return to our services.			

Polar Bear Express (PBX) Passenger Train Ridership			
FY 2024-25 Achievement	FY 2024-25 Target	FY 2023-24	FY 2022-23
55,957	51,307	52,758	46,201
Details: Polar Bear Express Passenger train ridership refers to the total number of passenger tickets for which revenue was realized in the given fiscal year. Over the past two years, ridership has seen a significant increase following the COVID-19 pandemic. Travel to and from the communities on the James Bay Coast has resumed, contributing to this growth. For FY 2024-25, the projected ridership was 51,307, which was exceeded by 4,650, bringing the total to 55,957. This increase can be attributed to the new construction projects in Moosonee, including a hospital, water treatment plant, and other civil improvements. Furthermore, the winter Wetum Road has become increasingly unreliable, prompting passengers to utilize the PBX service instead. In future years, the target ridership will be adjusted to be more in line with the actual performance achieved in prior years, ensuring that projections reflect the recent trends and improvements.			

Carloads Moved

FY 2024-25 Achievement	FY 2024-25 Target	FY 2023-24	FY 2022-23
35,894	41,000	37,957	41,186

Details:

Carloads moved measures the number of customer railcar loads moved in a fiscal year. This number shows that Ontario Northland's rail freight customers continued to demonstrate confidence in our services.

The target is set based on a comprehensive analysis of current market conditions, past performance data, and anticipated project continuity or new business opportunities with our clients. While Ontario Northland experienced an increase in rail revenues, total carload volumes declined over the past two years, primarily due to the closure of the Rayonier Advanced Materials plant in Temiskaming, which previously contributed only switching traffic.

Rail – Revenue Ton Miles (RTM)

FY 2024-25 Achievement	FY 2024-25 Target	FY 2023-24	FY 2022-23
487,127,000	410,000,000	453,612,000	409,624,000

Details:

RTM provides Ontario Northland with a way to measure incremental performance by tracking the load versus distance. This standard metric in the North American rail freight industry calculates the revenue generated by moving one ton of goods over a distance of one mile.

RTM serves as a quick reference tool for analyzing productivity over specific territories or timeframes and helps identify areas that need adjustment. Significant changes in traffic patterns, seasonality, or customer shipping behaviours could highlight the need to revise train frequency or horsepower allocation.

Despite our best efforts to accurately estimate RTMs each year, the past two years have shown an underestimation of targets, resulting in overachievement, this discrepancy is also partly due to an increase in customer carloads.

Rail – Slow Order Penalty Minutes

FY 2024-25 Achievement	FY 2024-25 Target	FY 2023-24	FY 2022-23
447	450	322	374

Details:

Rail Services tracks the impact of slow orders on performance by determining slow order penalty minutes. Depending on the grade and curvature of tracks, speed limits are developed if the condition of the track deteriorates. A slow order is issued for that section of track until it can be repaired. This performance measure tracks the amount of additional time or 'penalty' time that a train takes to complete its journey as the result of a slow order.

These are tracked monthly for every subdivision across the railway. Slow orders are a good measure of the condition of the track infrastructure and the success of capital investment. This measure helps determine where capital investments should be made in the track infrastructure. The lower the penalty minutes, the better the state of good repair is for the infrastructure.

Our performance for slow order penalty minutes on the rail resulted in 447, slightly below the target of 450. This outcome is primarily due to the extensive amount of work conducted on the rails, which necessitated slowing down the trains for significant periods. The main contributing factor was the high volume of work undertaken.

Safety – Lost Time Injury Frequency Rate (LTIF)

FY 2024-25 Achievement	FY 2024-25 Target	FY 2023-24	FY 2022-23
3.17	1.70	2.93	3.56

Details:

The lost time frequency is measured as the number of lost time injuries (an injured worker who is unable to come back to work the next day). The calculation is total lost time incidents over total hours worked by Ontario Northland employees for 200,000 hours worked. Ontario Northland established the LTIF targets that align with industry best practices while considering the specific challenges and conditions present in northern Ontario.

In FY 2024-25, Ontario Northland observed a rise in Lost Time Incidents with 27 occurrences, four more than the previous fiscal year. These incidents were tracked across multiple divisions, including Corporate, Transportation, and RRC. This resulted in a Lost Time Injury Frequency Rate (LTIF) of 3.17, up from 2.93 over the previous year. The rise in injuries reported is mainly attributed to newer employees who are working in the car shop with equipment they are still gaining experience of. To address this issue, Ontario Northland has hired a dedicated Health and Safety Trainer whose focus is to develop a training program geared to production workers and basic skills such as tool handling.

Cost Recovery Ratio

FY 2024-25 Achievement	FY 2024-25 Target	FY 2023-24	FY 2022-23
65%	62%	69%	69%
71% excluding Polar Bear Express	67% excluding Polar Bear Express	76% excluding Polar Bear Express	75% excluding Polar Bear Express

Details:

Cost recovery ratio is the ratio of total revenues (excluding operating subsidies, grants, and sale of assets) to total operating costs including corporate allocation (excluding amortization, future employee benefits, accretion and derailment expenses). Cost recovery ratio is used as a key indicator of financial performance and provides an indicative measure of how efficient and how effective the agency operates. This ratio also represents the extent to which the organization's operations are self-funded.

Ontario Northland is continually working on improving its cost recovery ratio through business efficiency initiatives, optimizing its use of provincial assets and increasing revenue. Ontario Northland has come in over target by 3% on its cost recovery ratio due to expenses coming in under budget by \$19.9 million as cost recovery ratio target is based on business plan budget.

However, Ontario Northland's cost recovery ratio has come in over prior year due to modernizing processes/technologies that are over 120 years old, which will generate large one-time costs, such as for the Enterprise Asset Management (EAM) and Enterprise Resource Planning (ERP) transformation programs. Both programs have different implementation timelines; however, EAM is scheduled for completion by end of FY 2025-26 and ERP is in its planning phase. These programs will result in greatly increased efficiency once in place. Furthermore, the return of the Northlander is anticipated to further decrease the cost recovery ratio over the next few years. Other initiatives are being implemented to improve this ratio.

Financial Performance

Ontario Northland effectively fulfills mandate to provide essential regional transportation services while managing its operating and capital funding in FY 2024-25. The following discussion and analysis of the financial condition and results should be read in conjunction with the audited financial statements and related notes.

Ontario Northland's total operating and other revenues increased to \$127.8 million, from \$108.5 million in the previous year, representing an increase of 18%. This growth was driven by higher ridership, an increase in external contract work at the agency's shops and a rise in freight revenues. Additionally, the Province of Ontario and Transport Canada contributed approximately \$89.3 million toward operations, bringing the total operating revenue and government contributions to \$217 million, which is a 29% increase.

Ontario Northland's expenses before other items totaled \$187.1 million¹ compared to \$152.2 million in the previous year, representing a 23% increase. The increase stems from higher costs for labour, benefits, materials, and parts. Specifically, the increase is due to annual union rate increases, an expanded workforce driven by growth in remanufacturing and repair services, and the need for more materials to support contract work. Moreover, higher fuel costs have impacted the operational budgets across all divisions.

MTO continues to support Ontario Northland by upgrading technology and processes. This includes an \$8.5 million operational investment, up from \$4.8 million the previous year. This investment covers the costs of building Hexagon EAM software and continuing to implement EAM processes and practices. Additionally, further progress is being made on establishing an ERP implementation team and upgrading cloud-based technology.

Ontario Northland recognized an excess of \$8.7 million in revenues over expenses during the year, as compared to an excess of \$6.7 million in the prior year.

¹ See Appendix: Financial Statements, Note 12

Revenues

Ontario Northland's operational revenues increased by 18% (\$19.3 million) compared to the prior year. The total revenues for the year were \$127.8 million, which aligned closely with a budget of \$127.9 million. Revenues by years (2022-23 to 2024-25) are shown below.

Financial Report	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25
(\$000's)	Actual	Actual	Actual	Budget	\$ variance over budget	% variance over budget	\$ variance over prior year	% variance over prior year
Rail Services Revenues	53,732	59,041	63,345	46,825	16,520	35%	4,304	7%
PBX Revenues	8,666	8,975	9,380	10,665	(1,285)	(12%)	405	5%
Motor Coach Revenues	15,666	17,387	17,673	16,340	1,333	8%	286	2%
Remanufacturing & Repair Service (RRC) Revenue	15,588	21,546	35,835	53,263	(17,428)	(33%)	14,289	66%
Other revenues	1,245	1,535	1,536	789	747	95%	1	-%
Total Revenues	94,897	108,484	127,769	127,882	(113)	-%	19,285	18%

Rail continued to be Ontario Northland's main revenue source, generating \$63.3 million. Most of this revenue came from four major clients in the mining and lumber industries. In FY 2024-25, rail revenues increased by \$4.3 million (7%) compared to the previous year and exceeded the budget by \$16.5 million (35%). This increase is due to higher fuel surcharge revenue, the addition of new freight customers, and increased infrastructure revenue.

The Polar Bear Express passenger train generated \$9.4 million in revenue for Ontario Northland, which was an increase of \$0.4 million (5%) from the previous year and below budget by \$1.3 million (12%). This increase is attributed to a 6% increase in ridership levels and higher sales of on-board services.

The scheduled and chartered motor coach services generated \$17.7 million in revenue marking an increase of \$0.3 million (2%) from the previous year. This figure was \$1.3 million (8%) above the budgeted amount. Despite a drop in ridership compared to previous years, the average sales per trip increased due to distance traveled.

The RRC generated \$35.8 million in revenue, marking an increase of \$14.3 million (66%) from the previous year. This figure was \$17.4 million (33%) below the target, due to supply chain and schedule delays in external contract work within the Passenger Car Shop on a large external contract.

Other revenues included leasing revenues and interest earned.

Expenses

Operating costs (before other items such as amortization, inventory write-offs, employee future benefits, etc.) for the year were \$187.1 million or \$20 million (10%) lower than budget and \$35 million (23%) more than prior year.

Expenses by year (2022-23 to 2024-25) are shown below.

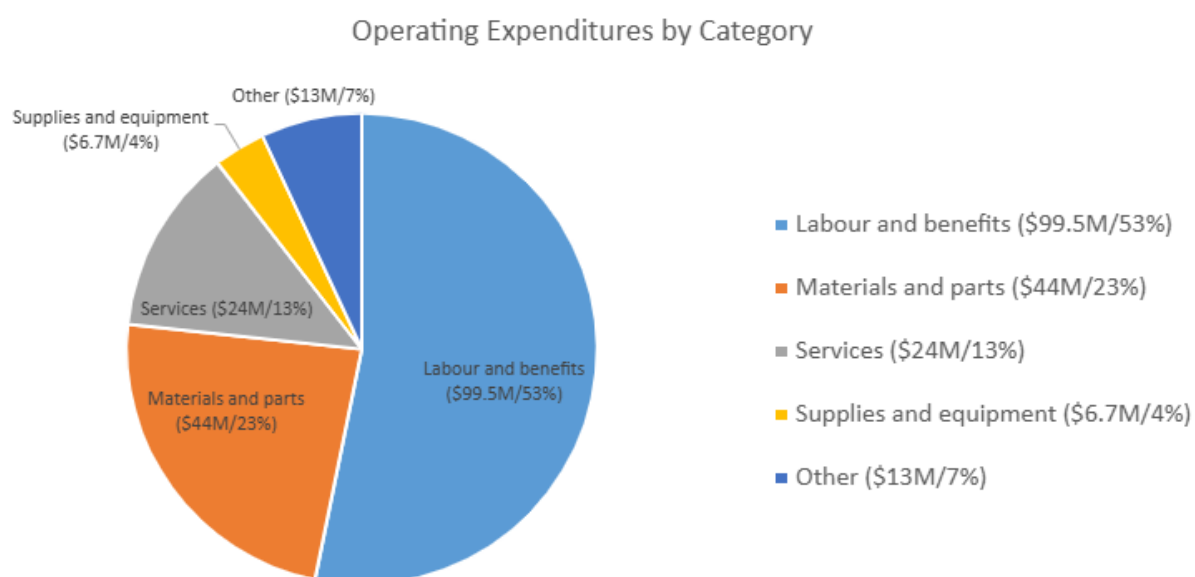
Financial Report	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25
(\$000's)	Actual	Actual	Actual	Budget	\$ Variance Over Budget	% Variance Over Budget	\$ Variance Over Prior Year	% Variance Over Prior Year
Labour and benefits	70,723	82,851	99,540	101,960	(2,420)	(2%)	16,689	20%
Materials and parts	32,973	35,980	43,953	55,727	(11,774)	(21%)	7,972	22%
Services	13,897	18,463	23,957	21,329	2,628	12%	5,494	30%
Supplies and equipment	5,346	5,393	6,677	5,250	1,427	27%	1,285	24%
Administration and other	9,884	9,549	12,990	22,751	(9,761)	(43%)	3,441	36%
Total Expenses	132,823	152,236	187,117	207,017	(19,900)	(10%)	34,881	23%

The large variances can be explained as follows:

- Labour and benefits, which constitute the agency's largest expense at 53% of total costs, increased by \$16.7 million (20%) to \$99.5 million from the previous year. This increase was due to annual cost of living adjustment, union ratification, pay equity adjustments and the addition of new employees to support refurbishment work, the EAM program and the return of the Northlander.
- Materials and parts, which account for 23% of the agency's expenses, increased by \$8 million (22%) to \$44 million from the previous year. This expenditure was \$11.8 million (21%) under budget. This increase is mainly due to schedule changes for Metrolinx refurbishment work and an increase in expenses for materials purchased to support operational divisions.
- Services, which make up 13% of the agency expenses, increased by \$5.5 million (30%) to \$24 million from the previous year and came in \$2.6 million (12%) over budget. This is due to the reallocation of rail freight car rental and leasing expenses which were budgeted in administrative and other expenses.
- Supplies and equipment, which make up 4% of the agency expenses, increased by \$1.3 million (24%) to \$6.7 million from the previous year and came in \$1.4 million (27%) over

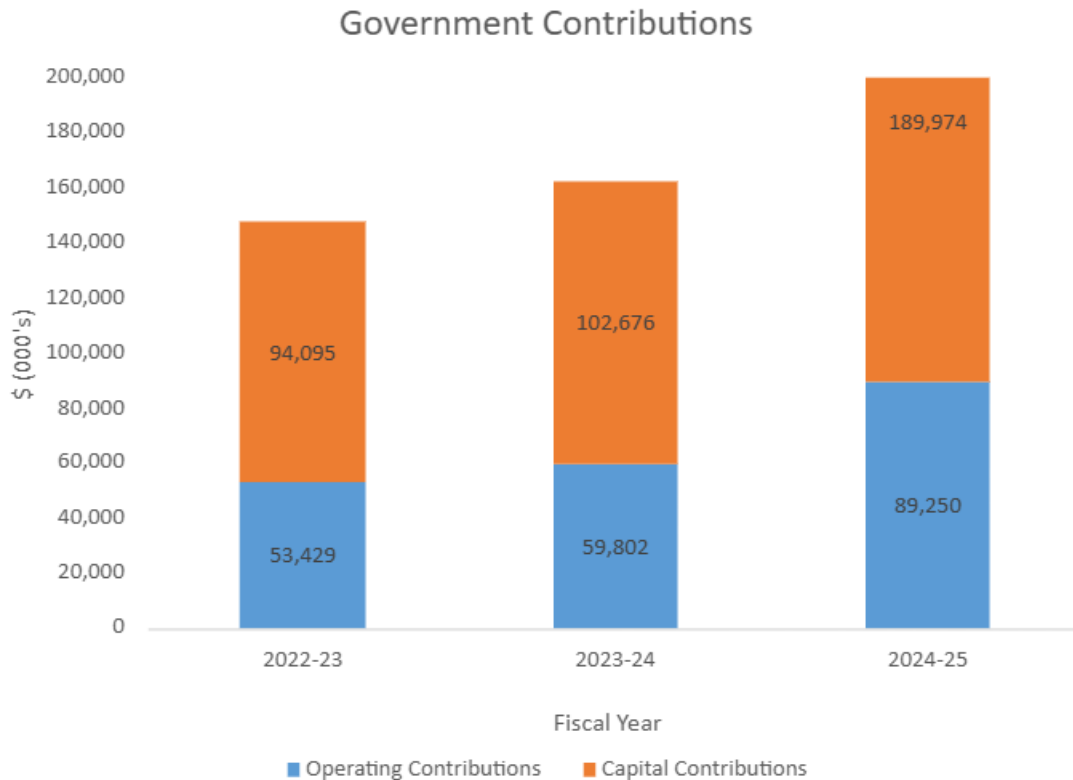
budget. This increase is mainly due to schedule changes for the Metrolinx refurbishment work and includes an increase in expenses for supplies purchased to support operational divisions.

- Administration and other expenses encompass costs such as insurance, property taxes, marketing, travel and training. The other expenses saw an increase of \$3.4 million (36% to \$13 million from the previous year, which was \$10 million (43%) under budget. This increase was attributed to the reallocation of rail freight car rental and leasing expenses to the services line.



Operating Government Contributions

The Province of Ontario provides Ontario Northland with an operating subsidy to cover operating expenses less revenue, employee future benefits, proceeds from sale of assets and principal payments made on a loan to ensure Ontario Northland has sufficient funds to operate, to fulfil its mandate. Ontario Northland received \$89.3 million in operating contributions from the Province of Ontario and Transport Canada in 2024-25, which is an increase of 49% over prior year; however, just slightly over budget of \$84.6 million by 6%. This increase over prior year is a result of an increase in inflation/consumer price index costs for material items such as fuel, an increase in labour and benefit costs as well as the Province investing in technology for the agency, such as the EAM and ERP.



Capital Government Contributions and Investments

Ontario Northland's capital expenditures totaled \$190 million from the Province of Ontario and Transport Canada, marking an 85% increase from the previous year. However, the total expenditure was 38% below the budget amount of \$305.3 million. This shortfall was due to the need to reprofile funding to the 2025-26 fiscal year, caused by extended construction timelines and delays on receiving major vehicles and equipment.

Ontario Northland allocated \$79.5 million to Rail Services capital expenditures. These funds were dedicated to maintaining and upgrading the infrastructure, with \$37.6 million invested in rail infrastructure and \$41 million in buildings, equipment, and rolling stock. Below is a summary of the capital work completed:

- Capital rehabilitation work included progress on two bridges, six culvert replacements, and upgrades to five crossing signal system. Additionally, 27 miles of track were surfaced and lined, 41,955 ties installed, 377,326 ties disposed of, and 20.9 miles of rail were upgraded.
- Multiple buildings received upgrades, including the head office, various shop complexes, motor coach facilities, and the Englehart and Cochrane yards. The expansion of the Englehart Shop, which began FY 2023-2024, was completed this fiscal year.
- Major equipment upgrades included the installation of a portable single wheel lathe, Protran safety technology, which is a collision avoidance system, in five machines/trucks and personal modules, a ballast car, a 50-ton portable electric screw jack, and the

replacements of end-of-life vehicles. There was also substantial completion of eight locomotive overhauls and the purchase of four used locomotives.

Capital expenditures related to motor coach operations totaled \$6.3 million. Capital projects completed as part of these expenditures includes:

- Construction completed on the shelter for motor coaches in North Bay.
- Construction of 2,000 square feet expansion of the motor coach stores in North Bay.
- Purchase of three new full-size motor coaches for Ontario Northland's fleet, of which, two are wheelchair accessible. These units are intended to replace the existing fleet at the end of their life cycle.
- Completion of six bus transmission and engine replacements.

Polar Bear Express capital expenditures totaled \$12.1 million. Of those expenditures, \$11.6 million was invested in rail infrastructure, while the remainder of \$447 thousand was invested in buildings and equipment. Capital projects completed during the current fiscal year includes:

- Capital rehabilitation work such as year one of two of the bridge rehabilitation work for mile point 162.0 Island Falls subdivision, replacement of nine culverts, installation of 89,290 feet of relay rail, and replacement of 25,635 ties.
- Building upgrades and equipment purchases such as drainage solution for the Cochrane maintenance of way and yard parking lot, and installation of the Polar Bear Express Wi-Fi Solution.

Capital expenditures for Northlander totaled \$92.1 million. Total investment in rail infrastructure was \$28.3 million. The balance of \$63.9 million was invested in land, buildings, and rolling stock. Below is a list of highlights of the work progress:

- Rail infrastructure including 5,591 joints removed which amounts to 345kms of continuous welded rail from the Temagami subdivision, 28kms of rail upgraded on the Ramore subdivision, significant completion of the work required for the North Bay bypass to be completed next fiscal, and work was completed on 6 crossings and commenced on upgrading an additional 4 crossings located on the Northlander corridor.
- Investments in land include the acquisition of necessary land parcels from the City of North Bay, Canadian National Railway, and AIM Recycling.
- Construction commenced on the required station upgrades for North Bay, Temiskaming Shores, and Englehart, with shelters acquired for other stop locations.
- Additionally, milestone payments for the trainsets were made throughout the year as manufacturing progresses according to schedule.

Appendix: Audited Financial Statements

Ontario Northland Transportation Commission
Consolidated Financial Statements
For the year ended March 31, 2025

Ontario Northland Transportation Commission

Consolidated Financial Statements

For the year ended March 31, 2025

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Management's Responsibility

The Ontario Northland Transportation Commission's management is responsible for the integrity and fair presentation of the consolidated financial statements and other information included in the annual report. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The preparation of consolidated financial statements necessarily involves the use of management's judgment and best estimates, particularly when transactions affecting the current accounting period cannot be determined with certainty until future periods. All financial information in the annual report is consistent with the consolidated financial statements.

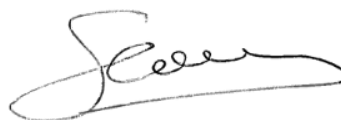
The Commission maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, and that the Commission's assets and liabilities are adequately accounted for and assets safeguarded.

The Commission is responsible for ensuring that management fulfils its responsibilities for internal control and financial reporting. The Commission meets with management and external auditors to satisfy itself that each group has met its responsibilities. These consolidated financial statements have been reviewed and approved by the Commission.

These consolidated financial statements have been audited by the Auditor General of Ontario, whose responsibility is to express an opinion on whether they are fairly presented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report which follows, outlines the scope of the Auditor's examination and opinion.



Chad Evans
Chief Executive Officer



Sean Conroy
Chief Administrative Officer

North Bay, Ontario
July 8, 2025

INDEPENDENT AUDITOR'S REPORT

To the Ontario Northland Transportation Commission

Opinion

I have audited the consolidated financial statements of the Ontario Northland Transportation Commission (Commission), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Commission as at March 31, 2025 and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Commission in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Commission'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 the Commission either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 my 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 Commission'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 Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.



Toronto, Ontario
July 8, 2025

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Ontario Northland Transportation Commission
Consolidated Statement of Financial Position
(dollars in thousands)

March 31	2025	2024
Assets		
Current		
Cash	\$ 13,995	\$ 28,827
Accounts receivable (<i>net of allowance \$2,954; 2024-\$300</i>)	42,521	33,691
Inventory	49,892	39,517
Prepaid expenses	2,286	2,062
	<u>108,694</u>	<u>104,097</u>
Restricted cash (Notes 3 and 6)	2,000	2,000
Capital assets (Note 4)	<u>847,996</u>	<u>692,516</u>
	<u>\$ 958,690</u>	<u>\$ 798,613</u>

Liabilities and Net Assets

Current		
Payables and accrued liabilities	\$ 54,202	\$ 45,220
Deferred revenue	16,738	33,576
Current portion of long-term debt (Note 8)	123	117
	<u>71,063</u>	<u>78,913</u>
Deferred contributions (Note 6)	2,000	2,000
Deferred capital contributions (Note 7)	785,946	626,002
Long-term debt (Note 8)	686	809
Accrued non-pension benefit obligation (Note 5)	81,843	82,292
Asset retirement obligation (Note 9)	2,973	2,890
Liability for contaminated sites (Note 10)	3,799	4,071
	<u>948,310</u>	<u>796,977</u>
Net Assets		
Unrestricted	<u>10,380</u>	<u>1,636</u>
	<u>\$ 958,690</u>	<u>\$ 798,613</u>

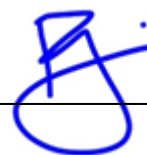
Contingencies (Note 13)

Commitments (Note 14)

Approved on behalf of the Commission:



Chair



Vice-Chair

Ontario Northland Transportation Commission
Consolidated Statement of Operations and Changes in Net Assets
(dollars in thousands)

For the year ended March 31	2025	2024
Revenues (Note 12)		
Operating and other	\$ 127,769	\$ 108,484
Government contributions (Note 11)	89,250	59,802
Amortization of deferred capital contributions (Note 7 & 20)	27,178	25,303
	<u>244,197</u>	<u>193,589</u>
Expenses (Note 12)		
Labour and fringe benefits (Note 5)	99,540	82,851
Materials and parts	43,953	35,980
Services	26,457	18,463
Administration and other (Note 16)	15,198	9,032
Technology costs	8,468	4,836
Supplies and equipment	6,677	5,393
Employee future benefits (Note 5)	4,160	1,363
Accretion expense (Note 9)	86	112
Interest on long-term debt (Note 8)	43	48
Gain on disposal of capital assets	-	(713)
Amortization of capital assets (Note 20)	30,871	29,475
	<u>235,453</u>	<u>186,840</u>
Excess of revenue over expenses for the year	\$ 8,744	\$ 6,749
Net assets (deficit), beginning of year	\$ 1,636	\$ (5,113)
Excess of revenue over expenses for the year	<u>8,744</u>	<u>6,749</u>
Net assets, end of year	\$ 10,380	\$ 1,636

Ontario Northland Transportation Commission
Consolidated Statement of Cash Flows
(dollars in thousands)

Year ended March 31	2025	2024
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 8,744	\$ 6,749
Items not affecting cash		
Amortization of capital assets	30,871	29,475
Amortization of deferred capital contributions	(27,178)	(25,303)
Accretion expense	86	112
Change in estimate of asset retirement obligation	(40)	(190)
Contaminated sites provision/(recovery)	(272)	-
Gain on disposal of capital assets	-	(713)
Non-Pension benefit expense (Note 5)	4,160	1,363
	16,371	11,493
Changes in non-cash working capital balances		
(Increase)/decrease in accounts receivable	(8,830)	8,496
(Increase)/decrease in inventory	(10,375)	(14,428)
(Increase)/decrease in prepaid expenses	(223)	113
Increase/(decrease) in accounts payable and accrued liabilities	8,982	13,218
Increase/(decrease) in deferred revenue	(16,838)	(6,436)
	(10,913)	12,456
Capital activities		
Purchase of capital assets	(190,478)	(102,676)
Proceeds from disposal of capital assets	807	1,100
	(189,671)	(101,576)
Financing activities		
Deferred capital contributions received	190,478	102,676
Non-pension benefits paid	(4,609)	(5,006)
Principal repayment of long-term debt	(117)	(111)
	185,752	97,559
Increase/(decrease) in cash during the year	(14,832)	8,439
Cash, beginning of year	30,827	22,388
Cash, end of year	\$ 15,995	\$ 30,827
Represented by		
Cash	\$ 13,995	\$ 28,827
Restricted cash (Note 3)	2,000	2,000
	\$ 15,995	\$ 30,827

1. Nature of Organization

The Ontario Northland Transportation Commission (the "Commission") is a Crown agency, reporting to the Minister of Transportation. The Commission delivers a variety of services, including rail freight, passenger rail, motor coach, and remanufacturing and repair in Northern Ontario.

The Commission generates revenues from the provision of transportation and refurbishment services. The Commission also receives annual operational contributions as well as capital contributions from the Province of Ontario. The ability of the Commission to continue to offer its services and fulfill its mandate is dependent on the ongoing government contributions it receives from the Province.

The consolidated financial statements include the activities of the wholly owned subsidiary, Nipissing Central Railway Company, that leases all of its assets to the Commission.

As a not-for-profit Crown agency of the Province, the Commission is exempt from income taxes. This exemption extends to its wholly owned subsidiary, and accordingly no tax provision is recorded in these financial statements.

2. Significant Accounting Policies

These consolidated financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Public Sector Accounting Handbook, which sets out generally accepted accounting principles for government not for-profit organizations in Canada. The Organization has elected to use the standards for not-for-profit organizations that include PS 4200 to PS 4270. The consolidated financial statements include the following significant accounting policies:

Basis of Consolidation

The consolidated financial statements include the assets, liabilities and activities of Nipissing Central Railway Company, the wholly owned subsidiary. Transactions and balances between the entities have been eliminated in arriving at the consolidated financial statements.

Receivables

Receivables are measured at amortized cost and shown net of allowance for doubtful accounts.

Prepaid Expenses

Insurance, municipal taxes and annual technology costs are included as prepaid expenses and stated at cost and are charged to expense over the periods expected to benefit from it.

2. Significant Accounting Policies (continued)

Inventory

Materials and supplies are valued at the lower of cost and net realizable value by using the weighted-average costing methodology. The Commission uses the same cost formulas for all inventories having a similar nature and use to the Commission. The Commission periodically reviews the value of items in inventory and records write-downs or write-offs based on its assessment of slow moving or obsolete inventory. When net realizable value is less than carrying cost, inventory is written down accordingly.

Capital Assets

Capital assets are stated at acquisition cost less accumulated amortization. Amortization is provided using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives for principal categories of capital assets are as follows:

Land	No amortization
Transportation Infrastructure	20 to 100 years
Buildings	20 to 50 years
Rolling Stock	10 to 40 years
Equipment	3 to 40 years

No amortization is provided on assets under construction until they are placed in use.

Impairment of Capital Assets

Capital assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the capital asset may not contribute to the Commission's ability to deliver services. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, both the asset and any related deferred capital contributions are written down by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Commission uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Revenue Recognition

The Commission follows Section PS 3400 of the Public Sector Accounting Standards for the recognition of revenue. PS 3400 establishes standards on how to account for and report revenue. Specifically, the standard differentiates between revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions).

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Summary of revenue recognition by revenue stream

i) **Freight revenue** consist of carload freight, haulage, storage, demurrage, auto carrier, ancillary services and surcharges. The performance obligation is satisfied and revenues are recognized as the train journey is made and the goods are transported.

ii) **Passenger revenue** consists of ticket sales, baggage fees, interline settlement, charter services and bus parcel. The revenue is recorded as deferred revenue until the transportation service has been provided. The performance obligation is satisfied when the train or motor coach trip has occurred.

On-board sales of food, beverages and sundries revenues are recognized when the customer purchases the goods and control of the goods have transferred.

Other passenger revenue sources including transaction fees, ATM fees, locker rentals and vending machine sales, are recognized in the period when the customer purchases the goods and control is transferred.

iii) **Refurbishment and repair revenues** consist of repair work done on customers locomotives and cars. Revenues are recognized based on the percentage of expenses incurred over total contract expenses. If costs are anticipated to exceed revenue, the Commission recognizes the performance obligation immediately. Occasionally, warranties are offered on work completed and, in those cases, warranties would have a separate performance obligation and would be satisfied as the warranty period is incurred.

iv) **Other revenues**

Rental income is where the Commission enters into lease agreements as a lessor in relation to locomotives, freight cars, land & buildings. This income comes from operating leases where revenue is recognized on a monthly basis over the lease term as the customer receives and consumes the benefits of the rental service.

Hotel revenue consists of room, laundry service, sundry and promotional item sales revenue. Room revenue is recorded as deferred revenue until the hotel stay occurs at which point the performance obligation is satisfied and classified as earned revenue. All other hotel revenue is recognized as revenues when the customer purchases the goods and service, where control of the goods has transferred.

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

v) **Contributions**

The Commission follows the deferral method of accounting for contributions as follows:

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions related to operating expenditures are recognized as revenue when the related expenditures are incurred.

Deferred capital contributions relate to funds received for the acquisition of capital assets. These deferred capital contributions are recognized as revenue over the same period as the amortization of the related capital asset.

Employee Future Benefits

Pension Plans – Commission employees are members of the Public Service Pension Plan (PSPP) and the Retirement Compensation Arrangement (RCA). The Commission accounts for its participation in the PSPP and RCA, which are multi-employer defined benefit pension plans, as defined contribution plans.

The Province of Ontario, who is the sole sponsor of the PSPP and RCA, determines the Commission's annual payments to the Plans and is responsible for ensuring that the pension funds are financially viable. Any surplus or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of the Commission. Therefore, the Commission's contributions are accounted for as if the plans were defined contribution plans with contributions being expensed in the period they come due.

Non-Pension Benefit Plans - The Commission offers non-pension post retirement benefits such as group life, health care and long-term disability to employees through defined benefit plans. The costs associated with these future benefits are actuarially determined using the accrued benefit method prorated on service and best estimate assumptions. In addition, as a Schedule 2 employer under the Workplace Safety and Insurance Board (WSIB), the Commission recognizes workers compensation benefits on an accrual basis using actuarially determined costs.

Expenses consist of current service costs, interest and adjustments arising from plan amendments, changes in assumptions and net actuarial gains or losses. These expenses are recorded in the year in which employees render services to the Commission.

2. Significant Accounting Policies (continued)

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the Consolidated Statement of Financial Position date. Revenues and expenses are translated at the rates of exchange in effect at the transaction date. Realized and unrealized gains and losses are included in the determination of excess of revenue over expenses.

Effective April 1, 2021, the Commission made an irrevocable election to recognize any unrealized exchange gains and losses arising from all financial assets or liabilities directly in the Consolidated Statement of Operations and Changes in Net Asset.

Accounting Estimates

The preparation of the consolidated 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 reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management estimates relate to the useful lives of capital assets, valuation allowances for accounts receivable and inventory, liability for contaminated sites, asset retirement obligations and obligations for non-pension post-employment benefits. By their nature, these estimates are subject to measurement uncertainty.

Financial Instruments

The Commission classifies its financial instruments as either fair value or amortized cost. The accounting policy for each category is as follows:

Fair value

This category includes cash and restricted cash which is initially recognized at cost and subsequently carried at fair value.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Amortized cost

This category includes accounts receivable, accounts payable and accrued liabilities and long-term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for contributions, which are initially recognized at fair value.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Consolidated Statement of Operations and Changes in Net Asset.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Liabilities for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Commission is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

3. Restricted Cash

	<u>2025</u>	<u>2024</u>
Cash - Externally restricted (Note 6)	<u>\$ 2,000</u>	<u>\$ 2,000</u>

4. Capital Assets

			2025		2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Rail Services					
Land	\$ 2,594	\$ 157	\$ 2,437	\$ 1,740	
Transportation Infrastructure	723,365	216,161	507,204	470,155	
Buildings	113,949	40,009	73,940	54,769	
Equipment	52,423	26,239	26,184	22,057	
Rolling Stock	111,710	62,725	48,985	47,691	
Under construction (i)	163,544	-	163,544	74,539	
Motor Coach Services					
Land	160	-	160	160	
Buildings	12,447	1,686	10,761	4,893	
Rolling Stock	26,126	15,094	11,032	13,390	
Equipment	867	556	311	314	
Under construction (ii)	3,438	-	3,438	2,808	
	\$ 1,210,623	\$ 362,627	\$ 847,996	\$ 692,516	

- (i) Rail Services – under construction costs include transportation infrastructure upgrades at \$16,111 which are roughly 68% complete, building repairs at \$14,668 which are 77% complete by year-end, equipment \$74,663 which is roughly 65% complete at year-end, rolling stock which includes the build of a new trainset for the Northlander at \$58,013, which is roughly 78% at year-end and other at \$89 near completion.
- (ii) Motor Coach Services – under construction costs include the purchase of motor coaches \$3,377 which are 95% complete by year-end and building repairs \$61 that are 90% complete by year-end.

5. Employee Future Benefits

Pension Plan

The PSPP and RCA are contributory defined benefit plans. PSPP members receive benefits based on length of service and the average annualized earnings during the five consecutive years that provide the highest earnings prior to retirement, termination or death. The PSPP is funded by contributions from participating employers and members, and by the investment earnings from the Public Service Pension Fund. Contributions from members and employers are remitted to the Ontario Pension Board (OPB). The portion of these contributions that exceeds Income Tax Act (Canada) limits is transferred to the RCA.

The Commission's full time employees participate in the PSPP which is a defined benefit pension plans for employees of the Province and many provincial agencies. The Commission's annual payments are \$7,198 (2024 - \$5,831) and have been included in labour and fringe benefit expenses.

Non-Pension Benefits Plans

The Commission provides three non-pension benefit plans to its employees where all benefit obligations and expenses are determined by independent actuaries, in accordance with accepted actuarial practices and Canadian public sector accounting standards, using management's best estimates. The discount rates used to determine the accrued benefit obligations were determined based on the Ontario provincial bond yields matched against the duration of the benefits.

The Commission conducts an actuarial valuation of the post-employment benefits, such as group life and health care, triennially. The last valuation was completed for the year ended March 31, 2024 using data from April 1, 2023.

The Commission conducts an actuarial valuation of the post-employment benefits, Long Term Disability and continuation of benefits, annually with results as of March 31, 2025.

The Commission conducts an actuarial valuation of the workers compensation benefits triennially, which is administered by the Workplace Safety & Insurance Board (WSIB). The last valuation was completed for the year ended March 31, 2024.

Information about the Commission's non-pension benefit plans is presented in the following tables.

5. Employee Future Benefits (continued):

Reconciliation of Accrued Benefit Obligation to Accrued Benefit Liability

	<u>2025</u>	<u>2024</u>
Accrued benefit obligation , end of year	\$ 59,914	\$ 58,645
Unamortized net actuarial gain	21,929	23,647
	<hr/>	<hr/>
Accrued benefit liability , end of year	\$ 81,843	\$ 82,292
	<hr/>	<hr/>
Accrued benefit liability , beginning of year	\$ 82,292	\$ 85,935
Benefit expense	4,160	1,363
Benefits paid	(4,609)	(5,006)
	<hr/>	<hr/>
Accrued benefit liability , end of year	\$ 81,843	\$ 82,292
	<hr/>	<hr/>

Components of Net Periodic Non-Pension Benefit Expense

	<u>2025</u>	<u>2024</u>
Current service cost	\$ 2,021	\$ 2,336
Interest on accrued benefit obligation	2,436	2,452
Amortization and immediate recognition of net actuarial gains	(297)	(3,425)
	<hr/>	<hr/>
	\$ 4,160	\$ 1,363
	<hr/>	<hr/>

Weighted Average Assumptions

	<u>2025</u>	<u>2024</u>
Discount rate – post-retirement benefits	4.00%	4.20%
Discount rate – post-employment benefits	3.60%	4.20%
Discount rate - WSIB	3.80%	4.20%
Rate of compensation increase	2.00%	2.00%
Medical cost increases	5.60%	5.60%
Dental cost increases	5.00%	5.00%
Vision care cost increases	0.00%	0.00%

6. Deferred Contributions

Deferred contributions are restricted funds received from the Province to be used only on specified future expenditures. As of March 31, 2025 the balance represents funds from the Ministry of Transportation (MTO) to be used as a self-insurance reserve based on approval by MTO in the event of a future derailment.

	<u>2025</u>	<u>2024</u>
Ministry of Transportation	\$ 2,000	\$ 2,000

7. Deferred Capital Contributions

Deferred capital contributions represent the unamortized capital contributions received from the Government to fund the acquisition of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Consolidated Statement of Operations and Changes in Net Asset using rates similar to those used to amortize the related assets acquired.

The changes in the unamortized deferred capital contributions balance are as follows:

	<u>2025</u>	<u>2024</u>
Balance , beginning of year	\$ 626,002	\$ 549,436
Contributions from the Province (Note 11)	189,062	102,676
Contributions from Transportation Canada (Note 11)	912	-
Contributions from Insurance proceeds	504	-
Amortization to revenue	(27,178)	(25,303)
Retirements, transfers and adjustments	(3,356)	(807)
 Balance , end of year	 \$ 785,946	 \$ 626,002

8. Long-term Debt

	2025	2024
Loan from Ontario Financing Authority, bearing interest at 4.90% per annum, repayable in blended monthly payments of \$13 for 25 years beginning February 1, 2006.	\$ 809	\$ 926
Less: current portion	123	117
Long-term debt	\$ 686	\$ 809

Interest on long-term debt was \$43 (2024 - \$48).

Principal payments required in the next five years and thereafter are as follows:

2025-2026	\$ 123
2026-2027	129
2027-2028	135
2028-2029	142
2029-2030	149
Thereafter	131
	\$ 809

9. Asset Retirement Obligation

The Commission's financial statements include an asset retirement obligation for owned and leased buildings, fuel tanks, and a waste disposal site. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 3% (2024 - 4.1%). The estimated total undiscounted future expenditures are \$2,627 (2024 - \$2,869), which are to be incurred over a period of 10 years. A reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation liability is below:

	2025	2024
Asset retirement obligation , beginning of the year	\$ 2,890	\$ 2,881
Increase due to accretion expense	86	112
Change in estimate	40	190
Other revisions	(43)	(293)
Asset retirement obligation , end of year	\$ 2,973	\$ 2,890

10. Contaminated sites

The liability for contaminated sites is comprised of costs expected to be incurred on a former transloading property and former telecommunications sites, identified in the prior years. The estimated costs have been determined by management with the assistance of consulting engineering firms and historical experience with remediation activities. The former telecommunication sites liability includes all costs anticipated to be incurred on these properties and there are no anticipated recoveries expected. The undiscounted liability is \$715 and has been estimated using a net present value technique with a discount rate of 3.6% for 2025 (2024 – 4.0%).

Based on information received throughout the year from consulting reports, estimates for the former transloading property have been updated to take into account when remediation work may begin, which is scheduled in late 2027 with annual monitoring subsequently. The undiscounted liability is \$3,500 and has been estimated using a net present value technique with a discount rate of 3.6% for 2025 (2024 – 0%).

The Commission owns several legacy properties and right of ways in Cobalt where potential contamination exist however it is known that one site does contain contamination that exceeds the acceptable threshold. Phase 1 and 2 Environmental Site Assessments (ESA), have been complete, mapping out contaminated areas. The Commission is currently outlining the scope of work for the remedial plan which will be done within the upcoming year. At this time, until the remedial plan is completed and details regarding timeframe and estimations are finalized, no reasonable estimate of remediation can be made therefore no liability has been accrued.

	<u>2025</u>	<u>2024</u>
Former transloading property	\$ 3,207	\$ 3,500
Former telecommunications sites	<u>592</u>	<u>571</u>
Contaminated sites liability	\$ 3,799	\$ 4,071

11. Government Contributions

Under the terms of a Memorandum of Understanding with the Minister of Transportation, the Commission receives both operational and capital funding from the Province of Ontario.

Details of Government contributions received during the year are as follows:

	2025	2024
Ministry of Transportation:		
Operational contributions	\$ 89,161	\$ 59,582
Capital contributions	189,062	102,676
Total Ministry of Transportation contributions	\$ 278,223	\$ 162,258
Ministry of Northern Development - Northern Ontario		
Heritage Fund Corporation – operating	\$ -	\$ 35
Transport Canada		
Operational contributions– Rail operations	\$ 89	185
Capital contributions - Rail operations	912	-
Total government contributions	\$ 279,224	\$ 162,478
In summary:		
Operational contributions	\$ 89,250	\$ 59,802
Capital contributions (Note 7)	189,974	102,676
Total government contributions	\$ 279,224	\$ 162,478

12. Segmented Information Disclosures

The Commission is a diversified Crown agency of the Province of Ontario that provides a wide range of services to its customers in Northern Ontario such as rail freight and passenger services, motor coach services, and remanufacturing and repair services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Rail Services

Rail services relates to providing logistics and transportation solutions and the shipment of large quantities of products to and from Northern Ontario.

Polar Bear Services

Polar Bear Services relates to providing passenger transportation and shipping solutions between Cochrane and Moosonee.

Motor Coach Services

Motor coach services provides shipping solutions and passenger transportation to connect communities throughout Northern Ontario and into Manitoba.

Remanufacturing and Repair Services

The Remanufacturing and Repair team is responsible for the repair and rehabilitation of railway rolling stock from customers spanning North America.

Northlander

This relates to operational costs incurred for the planning and design of the future Northlander passenger train service from Timmins to Toronto.

Administration

This relates to the expenses for the operations of the Commission itself and cannot be directly attributed to specific segments. It also includes some rental of properties to external customers in order to reduce overall costs.

12. Segmented Information Disclosures (continued), (Note 20)

	Rail Services	Polar Bear Services	Northlander	Motor Coach Services	Remanufacturing and Repair	Administration (note i)	Government Operating Contributions	2025 Total
Revenues	\$ 63,345	\$ 9,380	\$ -	\$ 17,673	\$ 35,835	\$ 1,536	\$ -	\$ 127,769
Government contributions	-	-	-	-	-	-	89,250	89,250
	63,345	9,380	-	17,673	35,835	1,536	89,250	217,019
Expenses								
Labour and fringe benefits	33,148	17,880	1,655	12,949	15,614	18,294	-	99,540
Materials and parts	16,594	5,300	-	5,566	15,501	992	-	43,953
Services	12,412	3,598	508	4,068	757	2,614	-	23,957
Administration and Other	4,344	832	53	3,486	1,563	2,712	-	12,990
Supplies and equipment	2,763	1,829	-	781	956	348	-	6,677
	69,261	29,439	2,216	26,850	34,391	24,960	-	187,117
Excess (deficiency) revenues over expenses before items below:	(5,916)	(20,059)	(2,216)	(9,177)	1,444	(23,424)	89,250	29,902
Derailments (note ii)	2,929	-	-	-	-	-	-	2,929
Inventory write-off (note ii)	2	-	-	-	-	-	-	2
Information technology costs	-	-	-	-	-	8,468	-	8,468
Interest on long-term debt	-	-	-	43	-	-	-	43
Gain on sale of capital assets	86	-	-	(86)	-	-	-	-
Foreign exchange gain (note ii)	(451)	-	-	-	-	-	-	(451)
Contaminated Sites adjustment	(272)	-	-	-	-	-	-	(272)
Third-Party construction costs	-	-	2,500	-	-	-	-	2,500
Asset retirement obligation accretion	86	-	-	-	-	-	-	86
Employee future benefits (note i)	558	511	44	305	392	2,350	-	4,160
Excess (deficiency) before amortization	(8,854)	(20,570)	(4,760)	(9,439)	1,052	(34,242)	89,250	12,437
Amortization of deferred capital contributions	13,659	9,996	31	2,705	-	787	-	27,178
Amortization of capital assets	(16,753)	(10,410)	(31)	(2,778)	-	(899)	-	(30,871)
Excess (deficiency) of revenues over expenses	\$ (11,948)	\$ (20,984)	\$ (4,760)	\$ (9,512)	\$ 1,052	\$ (34,354)	\$ 89,250	\$ 8,744

note i) Administration employee future benefits include \$1,980 in long-term disability expenses for the entire organization.

note ii) Expenses have been grouped with Administration and Other expenses on Consolidated Statement of Operations and Changes in Net Asset (Note 16)

Ontario Northland Transportation Commission
Notes to Consolidated Financial Statements
(dollars in thousands)

Year ended March 31, 2025

12. Segmented Information Disclosures (continued), (Note 20)

	Rail Services	Polar Bear Services	Northlander	Motor Coach Services	Remanufacturing and Repair	Administration (note i)	Government Operating Contributions	2024 Total
Revenues	\$ 59,041	\$ 8,975	\$ -	\$ 17,387	\$ 21,546	\$ 1,535	\$ -	\$ 108,484
Government Contributions	-	-	-	-	-	-	59,802	59,802
	59,041	8,975	-	17,387	21,546	1,535	59,802	168,286
Expenses								
Labour and fringe benefits	29,065	16,218	313	10,910	12,880	13,465	-	82,851
Materials and parts	16,389	4,711	-	4,586	9,547	747	-	35,980
Services	9,672	2,150	12	3,141	338	3,150	-	18,463
Administration and Other	1,138	1,523	79	3,011	1,545	2,253	-	9,549
Supplies and equipment	2,667	1,576	-	739	102	309	-	5,393
	58,931	26,178	404	22,387	24,412	19,924	-	152,236
Excess (deficiency) revenues over expenses before items below:	110	(17,203)	(404)	(5,000)	(2,866)	(18,389)	59,802	16,050
Derailments (note ii)	43	-	-	-	-	-	-	43
Inventory write-off (note ii)	1	-	-	-	-	-	-	1
Information technology costs	-	-	-	-	-	4,836	-	4,836
Interest on long-term debt	-	-	-	48	-	-	-	48
Gain on sale of capital assets	(510)	-	-	(202)	-	(1)	-	(713)
Foreign exchange gain (note ii)	(561)	-	-	-	-	-	-	(561)
Asset retirement obligation accretion	112	-	-	-	-	-	-	112
Employee future benefits (note i)	16	8	-	6	4	1,329	-	1,363
Excess (deficiency) before amortization	1,009	(17,211)	(404)	(4,852)	(2,870)	(24,553)	59,802	10,921
Amortization of deferred capital contributions	10,568	11,361	-	2,562	-	812	-	25,303
Amortization of capital assets	(14,021)	(11,906)	-	(2,624)	-	(924)	-	(29,475)
	\$ (2,444)	\$ (17,756)	\$ (404)	\$ (4,914)	\$ (2,870)	\$ (24,665)	\$ 59,802	\$ 6,749

note i) Administration employee future benefits includes \$1,323 in long-term disability expenses for the entire organization.

note ii) Expenses have been grouped with Administration and Other expenses on Consolidated Statement of Operations and Changes in Net Asset (Note 16)

13. Contingencies

In the normal course of its operations, various statements of claim have been issued against the Commission claiming damages for personal injury, property damages, environmental actions and employment-related issues. Damages, that have not already been accrued, cannot be estimated at this time and in any event the Commission is of the opinion that these claims are unfounded or covered by insurance after application of a \$2,000 deductible. Should any loss result, it would be charged to the Consolidated Statement of Operations and Changes in Net Asset when the amount is ascertained.

14. Commitments

i) The Commission is also obligated to certain job guarantee agreements with a significant number of its unionized employees. To the extent of any actual claims under these agreements, the Commission would maintain provisions for such items. Due to the nature of these agreements, the exposure for future payments may be material. However, such exposure would be based on certain actions of the Commission that have not occurred and as such no provision has been made as at the year-end date.

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

2026	\$625
2027	\$533
2028	\$515
2029	\$508
2030 and thereafter	\$508

iii) The Commission has also committed approximately \$168 million for various capital asset additions/projects over the next three fiscal years.

15. Economic Dependence

i. Customers:

The Rail Services Division derives 67% (2024 – 72%) of its revenue from four major customers.

ii. Province:

The Commission generates revenues from rail and motor coach services as well as remanufacturing and repair services. In addition, the Commission receives operating and capital grants from the Provincial government. The ability to continue to offer and grow its services and meet its obligations are dependent on the ongoing grants it receives from the Province of Ontario.

16. Administration and Other Expenses

	2025	2024
Insurance, property taxes and bank charges	\$ 3,550	\$ 3,377
Marketing, software and licensing	2,989	2,901
Travel, training and other expenses (i)	8,659	2,754
Administration and Other Expenses	\$ 15,198	\$ 9,032

- (i) Other expenses include derailment expenses \$2,929 (2024 – \$43) and bad debt expense \$2,955 (2024 - \$300).

17. Related Party Disclosures (See note 11)

The Commission receives government funding from the Province of Ontario to support its investment in capital infrastructure to be used in the delivery of current and future transportation services and an annual operating subsidy to further support delivery of transportation services.

All related party transactions were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

During the normal course of operations, the Commission provides passenger car refurbishment services to Metrolinx, an Agency of the Province of Ontario. The Consolidated Statement of Financial Position includes an accounts receivable balance of \$1,671 (2024 - \$1,991) and a deferred revenue balance of \$16,399 (2024 - \$33,283) and on the Consolidated Statement of Operations and Changes in Net Asset includes revenue of \$30,804 (2024- \$16,800), all related to the Metrolinx contract.

The Commission has entered into the following major agreements with refurbishment revenues as follows:

- Metrolinx Bi-level II Cab Refurbishment contract, expiring on February 21, 2027, with a contract value of \$115,127.
- Metrolinx F59 Locomotive Overhaul contract, expiring December 31, 2026, with a contract value of \$18,935.
- Metrolinx Agreement in Principle for the refurbishment of 121 bi-level III and IV cars with an approximate contract value of \$350,000.

18. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category.

	2025		
	Fair Value	Amortized Cost	Total
Cash	\$ 13,995	\$ -	\$ 13,995
Restricted cash	2,000	-	2,000
Accounts receivable	-	42,521	42,521
Payable and accrued liabilities	-	54,202	54,202
Long-term debt	-	809	809
	\$ 15,995	\$ 97,532	\$113,527
	2024		
	Fair Value	Amortized Cost	Total
Cash	\$ 28,827	\$ -	\$ 28,827
Restricted cash	2,000	-	2,000
Accounts receivable	-	33,691	33,691
Payable and accrued liabilities	-	45,220	45,220
Long-term debt	-	926	926
	\$ 30,827	\$ 79,837	\$110,664

The Commission's financial assets carried at fair value, which include cash and restricted cash are classified as Level 1. There were no transfers between Level 1, 2 and 3 for the years ended March 31, 2025 and 2024.

The following explains the difference between Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Ontario Northland Transportation Commission

Notes to Consolidated Financial Statements

(dollars in thousands)

Year ended March 31, 2025

19. Financial Instrument Risks

Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its cash and accounts receivable. The Commission holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Commission's cash accounts are insured up to \$400,000 (2024 - \$400,000).

Accounts receivable are due from customers and government, which includes The Province of Ontario and any Agency of Province. Credit risk is mitigated by financial approval processes before a customer is granted credit. The Commission measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Commission's historical experience regarding collections. The amounts outstanding at year end were as follows:

March 31, 2025		Past Due			
	Total	Current	1-30 days	31-60 days	over 61 days
Government receivables	\$ 23,096	\$ 23,096	\$ -	\$ -	\$ -
Customer receivables	22,379	11,994	3,394	1,234	5,757
Gross receivables	45,475	35,090	3,394	1,234	5,757
Less: impairment allowances	(2,954)	-	-	-	(2,954)
Net receivables	\$ 42,521	\$ 35,090	\$ 3,394	\$ 1,234	\$ 2,803

March 31, 2024		Past Due			
	Total	Current	1-30 days	31-60 days	over 61 days
Government receivables	\$ 18,069	\$ 18,069	\$ -	\$ -	\$ -
Customer receivables	15,922	8,846	2,990	1,074	3,012
Gross receivables	33,991	26,915	2,990	1,074	3,012
Less: impairment allowances	(300)	-	-	-	(300)
Net receivables	\$ 33,691	\$ 26,915	\$ 2,990	\$ 1,074	\$ 2,712

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

19. Financial Instrument Risks (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Currency risk

Currency risk relates to the Commission operating in different currencies and converting non-Canadian earnings at different points in time when adverse changes in foreign currency rates occur. The Commission maintains a USD bank account to receive USD from customers and to pay USD to suppliers and other carriers. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Commission is exposed to this risk through its interest bearing long-term debt.

The Commission's long-term debt as described in Note 8 would not be impacted as the inherent rate of the debt has been fixed.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Commission is not exposed to this risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet all cash outflow obligations as they come due. The Commission mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and regular reports to the Province of Ontario.

19. Financial Instrument Risk Management (continued)

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

	2025			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Payable and accrued liabilities	\$ 54,202	\$ -	\$ -	\$ -
Long-term debt	61	62	686	-
Total	\$ 54,263	\$ 62	\$ 686	\$ -

	2024			
	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Payable and accrued liabilities	\$ 45,220	\$ -	\$ -	\$ -
Long-term debt	58	59	679	130
Total	\$ 45,278	\$ 59	\$ 679	\$ 130

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

20. Comparative Figures

Prior year's figures have been reclassified where necessary to conform to the current year's financial statement presentation.

Glossary

Acronym	What it stands for
AAD	Agencies and Appointments Directive
AI	Artificial Intelligence
ALOD	Annual Letter of Direction
EAM	Enterprise Asset Management
ERM	Enterprise Risk Management
ERP	Enterprise Resource Plan
FTE	Full-Time Equivalents
LTIF	Lost Time Injury Frequency Rate (LTIF)
MaaS	Mobility as a Service
MAP	Modernization Action Plan
MTO	Ministry of Transportation
PBX	Polar Bear Express
RRC	Remanufacturing and Repair Centre
RTM	Revenue Ton Miles