REPORT FOR ACTION

Toronto Parking Authority - 2020 Audited Financial Statements

Date: April 26, 2021
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

This report presents the audited financial statements for the year ended December 31, 2020 to the Board of Directors of Toronto Parking Authority (TPA) for approval and provides highlights of the 2020 financial results.

KPMG LLP has substantially completed their audit of Toronto Parking Authority's financial statements for the year ended December 31, 2020. A draft of these financial statements along with a copy of KPMG's year end report to the Board of Directors is provided in Attachments 1 and 2. KPMG Audit Partner, Kevin Travers, will be attending the May 12, 2021 Board meeting to provide an update on the status of their work, as well as a summary on significant accounting and financial reporting matters dealt with during the audit process.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority approve the audited financial statements for the year ended December 31, 2020.

FINANCIAL IMPACT

Due to the impact of the COVID-19 pandemic on operations, Toronto Parking Authority is not issuing an annual distribution to the City of Toronto for the 2020 financial year.

DECISION HISTORY

Audited financial statements for Toronto Parking Authority are required to be submitted on an annual basis to the Board of Directors, the City of Toronto (City) Audit Committee and City Council.

Pursuant to City of Toronto Municipal Code Chapter 179, *Parking Authority*, the City's external auditor shall be the auditor of the Parking Authority, and all books, documents, transactions, minutes and accounts of the Parking Authority shall, at all times, be open to his or her inspection.

The City's Auditor General conducts a competitive process to select an external auditor and City Council adopted the recommendation at its meeting on June 29, 2020 to appoint KPMG LLP, as the Auditor for the City from 2020-2024.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.AU5.7

COMMENTS

Summary of 2020 Financial Results

Total 2020 net income for the year, decreased -81.4 percent or $(61.6) million over the prior year to $14.0 million as the impact of the pandemic significantly impacted parking transaction volume. Off-street and on-street transaction volumes fell -47.0 and -43.5 percent respectively, compared to 2019.

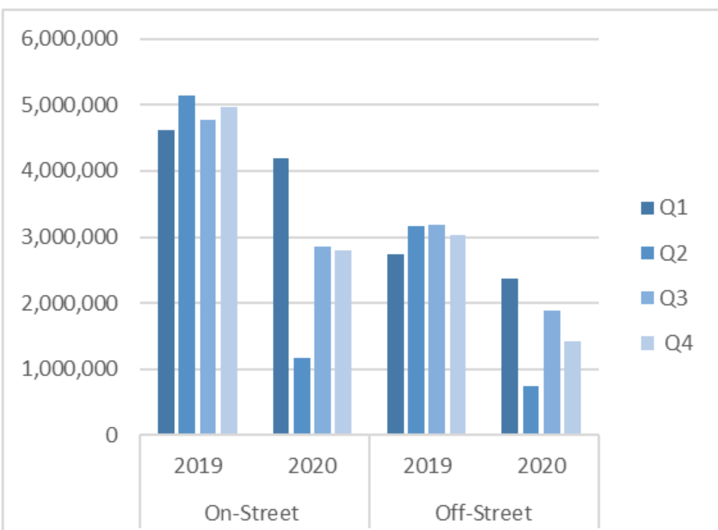
Combined operating and administration expenses decreased $(8.8) million or -9.5 percent over the prior year. As all facilities remained accessible to the public throughout the year, operating savings came through direct variable operating expenses which reduce along with lower transaction volume and through adjusted operating service levels to meet cash flow management objectives.

As the COVID-19 pandemic continues to evolve, creating significant revenue and cash flow uncertainty, TPA will continue to proceed cautiously to meet its self-funding mandate, performing only critical activities while investing in the delivery of key strategic initiatives to ensure both employee and customer safety and TPA’s long-run financial sustainability.

2020 Parking Results:

$000's	2020 Actual	2019 Actual	2020 Actual vs 2019 Actual	
Off-street	49,940	92,003	(42,063)	**-45.7%**
On-street	34,262	60,704	(26,442)	**-43.6%**
Parking revenue	**84,202**	**152,707**	**(68,505)**	**-44.9%**
Operating expenses - direct	62,824	74,365	11,541	15.5%
Administrative expenses	13,984	11,483	(2,501)	-21.8%
Income from operations	**7,394**	**66,859**	**(59,465)**	**-88.9%**
Operating Margin %	**8.8%**	**43.8%**		
Other income	8,222	4,826	3,396	70.4%
Net income before one-time gains	**15,616**	**71,685**	**(56,069)**	**-78.2%**
Gain on the sale of assets	70	7,082	(7,012)	-99.0%
Net income	**15,686**	**78,767**	**(63,081)**	**-80.1%**

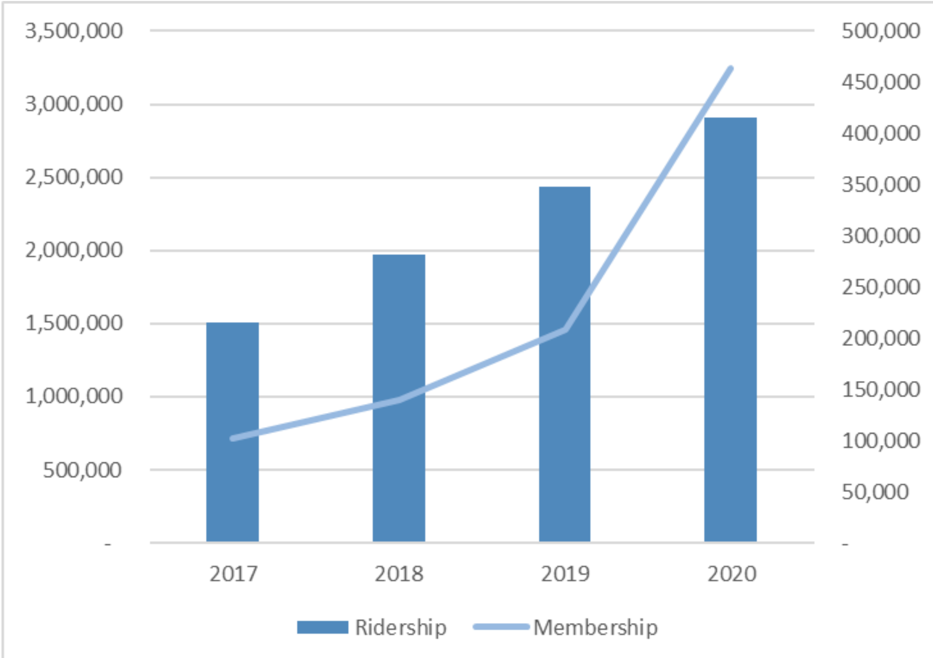
Parking Transaction Volume:



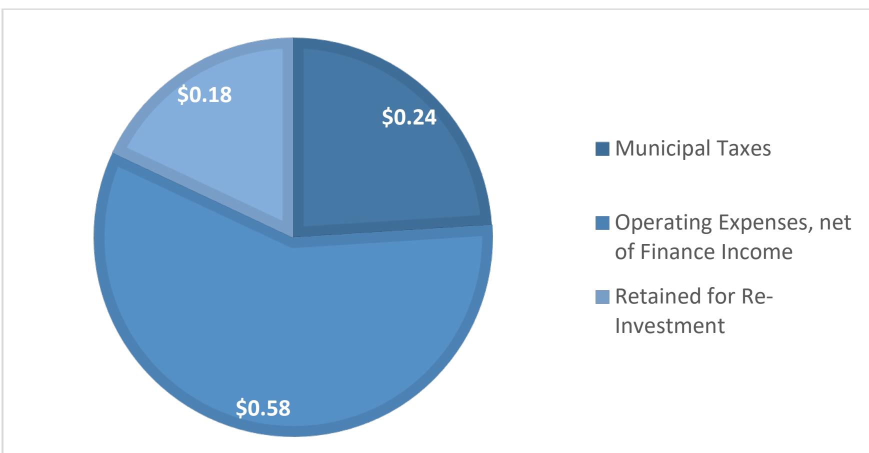
2020 Bike Share Results:

$000's	2020 Actual	2019 Actual (Recast)	2020 Actual vs 2019 Actual	
Ridership revenue	5,510	3,502	2,008	57.3%
Advertising and other revenue	194	469	(275)	-58.6%
Bike Share revenue	**5,704**	**3,971**	**1,733**	**43.6%**
Operating expenses - direct	7,359	7,120	(239)	-3.4%
Net loss	**(1,655)**	**(3,149)**	**1,494**	**47.4%**

Bike Share Ridership and Membership:



How each Green P Dollar of 2020 Revenue is Spent:



CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Attachment 1 - Toronto Parking Authority Audit Findings Report for the Year Ended December 31, 2020

Attachment 2 - Toronto Parking Authority Draft 2020 Audited Financial Statements