REPORT FOR ACTION

Toronto Parking Authority - Financial Performance for the Year Ended December 31, 2022 (UNAUDITED)

Date: February 16, 2023
To: Board of Directors of Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

Toronto Parking Authority's (TPA) net income for the year ended December 31, 2022 was $31.4 million; $17.0 million higher to plan. Total revenue was $129.2 million; $8.9 million higher to plan as parking revenues improved to 76.2 percent versus pre-pandemic levels (2019). Costs were $97.7 million; $8.2 million lower to plan primarily due to a deliberate management strategy of conserving expenditures including staffing level management reflecting the uncertainty of the recovery in the first half of 2022. The December 31, 2022 Audited Financial statements will be presented at the May 2023 Board meeting.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, receive this report for information.

FINANCIAL IMPACT

There are no financial impacts from this report.

DECISION HISTORY

N/A

COMMENTS

Performance Tables

Table 1: *2022 Q4 Results*

For the Period October 1 to December 31, 2022

$000's	Actual	Budget	Change	
Off-Street revenue	19,195	15,793	3,402	21.5%
On-Street revenue	12,773	11,659	1,114	9.6%
Bike Share revenue	1,427	1,250	177	14.2%
Total parking & user revenue	**$ 33,395**	**$ 28,702**	**$ 4,693**	**16.4%**
Other revenue	629	418	211	50.5%
Total revenue	**34,024**	**29,120**	**4,904**	**16.8%**
Direct expenses - operating	(14,167)	(13,934)	(233)	-1.7%
Administration	(4,630)	(4,529)	(101)	-2.2%
Municipal property tax	(4,367)	(5,920)	1,553	26.2%
Amortization of property and equipment	(2,249)	(2,295)	46	2.0%
Total operating expenses	**(25,413)**	**(26,678)**	**1,265**	**4.7%**
Operating income	**8,611**	**2,442**	**6,169**	**252.6%**
Finance income	1,352	213	1,139	534.7%
Finance cost	(36)	(100)	64	64.0%
Finance income	**1,316**	**113**	**1,203**	**1064.6%**
Net income and comprehensive income	**$ 9,927**	**$ 2,555**	**$ 7,372**	**288.5%**

Table 2: *2022 Full Year Results*

For the Twelve Months Ending December 31, 2022

$000's	Actual	Budget	Change	
Off-Street revenue	71,712	63,865	7,847	**12.3%**
On-Street revenue	44,700	45,793	(1,093)	-2.4%
Bike Share revenue	7,632	8,118	(486)	-6.0%
Total parking & user revenue	**124,044**	**117,776**	**6,268**	**5.3%**
Other revenue	1,988	1,673	315	18.8%
Total revenue	**126,032**	**119,449**	**6,583**	**5.5%**
Direct expenses -operating	(52,345)	(55,468)	3,123	5.6%
Administration	(15,301)	(18,096)	2,795	15.4%
Municipal property tax	(21,072)	(22,771)	1,699	7.5%
Amortization of property and equipment	(8,779)	(9,161)	382	4.2%
Total operating expenses	**(97,497)**	**(105,496)**	**7,999**	**7.6%**
Operating income	**28,535**	**13,953**	**14,582**	**104.5%**
Finance income	3,149	852	2,297	269.6%
Finance cost	(239)	(404)	165	40.8%
Finance income	**2,910**	**448**	**2,462**	**549.6%**
Net income and comprehensive income	**$ 31,445**	**$ 14,401**	**$ 17,044**	**118.4%**

Highlights:

Fourth Quarter (Q4) revenue was $34.0 million and Full Year revenue was $126.0 million; $4.9 million and $6.6 million, respectively, higher than plan. Parking revenue for the year finished at 76.2 percent of pre-covid levels: with Q4 at 79.4 percent, Third Quarter (Q3) at 82.9 percent, Second Quarter (Q2) at 78 percent and First Quarter (Q1) at 63 percent versus the same periods in 2019.

2022 Operating expenses were lower than plan by $8.0 million, due to targeted costs savings including headcount, consulting and maintenance in the first half of 2022.

Finance income for 2022 is higher than plan due to the higher interest rates on cash reserves.

Q4 net income is $9.9 million and 2022 Full Year net income is $31.4 million; $7.4 million and $17.0 million, respectively, higher than plan due to the increase in parking revenue and targeted costs savings in the first half of 2022.

Table 3: *2022 Parking Operations Full Year Results (Excluding Bike Share)*

For the Twelve Months Ending December 31, 2022				
$000's	**Actual**	**Budget**	**Change**	
Off-Street revenue	71,712	63,864	7,848	**12.3%**
On-Street revenue	44,700	45,793	(1,093)	**-2.4%**
Total parking & user revenue	**116,412**	**109,657**	**6,755**	**6.2%**
Other revenue	1,987	1,673	314	**18.8%**
Total revenue	**118,399**	**111,330**	**7,069**	**6.3%**
Direct expenses -operating	(41,553)	(45,235)	3,682	8.1%
Administration	(15,301)	(18,096)	2,795	15.4%
Municipal property tax	(21,072)	(22,771)	1,699	7.5%
Amortization of property and equipment	(8,231)	(8,986)	755	8.4%
Total operating expenses	**(86,157)**	**(95,088)**	**8,931**	**9.4%**
Operating income	**32,242**	**16,242**	**16,000**	**98.5%**
Finance income	3,149	852	2,297	269.6%
Finance cost	(239)	(404)	165	40.8%
Finance income	**2,910**	**448**	**2,462**	**549.6%**
Net income and comprehensive income	**$ 35,152**	**$ 16,690**	**$ 18,462**	**110.6%**

Table 4: *2022 Bike Share Operations Full Year Results*

For the Twelve Months Ending December 31, 2022				
$000's	**Actual**	**Budget**	**Change**	
Bike Share revenue	**7,632**	**8,118**	**(486)**	**-6.0%**
Salaries and benefits	(786)	(619)	(167)	-27.0%
Operating expenses	(10,553)	(9,788)	(765)	-7.8%
Loss from operations	**(3,707)**	**(2,289)**	**(1,418)**	**61.9%**

Table 5: *2022 Operating Expenses*

(Total TPA Excluding Bike Share)

$000's	2022 Q4 YTD Actual	2022 Q4 YTD Budget	2021 Q4 YTD Actual	2022 Actual vs Budget		2022 Actual vs 2021 Actual	
Salaries, wages and benefits	$ 24,997	$ 29,264	$ 21,413	$ 4,267	14.6%	$ (3,584)	-16.7%
Municipal taxes	20,659	22,072	20,094	1,414	6.4%	(565)	-2.8%
Maintenance	3,678	5,604	3,138	1,926	34.4%	(540)	-17.2%
Utilities	2,055	2,970	2,075	915	30.8%	20	1.0%
Rent	5,226	5,498	4,341	271	4.9%	(885)	-20.4%
Depreciation	7,845	8,731	8,169	887	10.2%	324	4.0%
Payment processing & system fees	8,998	6,374	8,149	(2,624)	-41.2%	(849)	-10.4%
Software licensing	2,125	2,055	1,681	(71)	-3.4%	(445)	-26.5%
Security	3,143	2,711	2,067	(432)	-15.9%	(1,076)	-52.1%
Insurance	1,033	1,000	932	(33)	-3.3%	(101)	-10.9%
Legal and audit	263	915	459	651	71.2%	196	42.6%
Other general and administration	6,135	7,894	5,609	1,760	22.3%	(525)	-9.4%
Total operating expenses	**$ 86,157**	**$ 95,088**	**$ 78,127**	**$ 8,931**	**9.4%**	**$ (8,030)**	**-10.3%**

Note: Above parking operating expenses include on-street, off-street and admin expenses, excluding Bike Share

Highlights:

Major cost favourability versus plan tracing to salaries, wages and benefits ($4.3 million); maintenance ($1.9 million); general and administration expenses underspend ($1.3 million);

CONTACT

Rose-Ann Lee, Chief Financial Officer, Toronto Parking Authority, (647) 202-9440, Rose-Ann.Lee@toronto.ca

SIGNATURE

W. Scott Collier, President
Toronto Parking Authority