REPORT FOR ACTION

Toronto Parking Authority - 2024 May 31 Year-to-Date Financial Performance

Date: June 11, 2024
To: Audit and Risk Management Committee of the Board of Directors of Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

Toronto Parking Authority's (TPA) net income for the five months ended May 31st, 2024 was $17.4 million + $7.8 million vs plan.

Total revenue was $64.9 million; $5.4 million higher to plan as parking revenue reached a post-pandemic high of 98.1 percent (versus 2019). Transactions improved to 86 percent vs 2019 and comparable to plan. Costs were $43.7 million; $1.0 million lower than plan driven by favourability on municipal taxes and prudent management of expenses.

Financing income was $2.0 million +$0.5 million vs plan due to higher cash balance than plan. This is expected to decrease throughout the year as capital is deployed.

Amortization of property and equipment was $5.7 million, $0.9 million lower than plan as assets were in service later than planned.

Forecasting full year net income to range between $38 million to $40 million; +$6 to $8 million better than plan based on the current trajectory and no unexpected adverse financial impacts.

TPA will deliver 100% of TPA led capital spend of adjusted Board approved budget. Total capex tracking at 68.5% vs. Plan.

Available cash was $65.9 million at end of May and expected to decrease as capital funded by TPA is deployed and income distribution is paid at end of year under the new income sharing framework.

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: *2024 May YTD Results*

For the Five Months Ending May 31, 2024 $000's	2024 Actual	2024 Budget	2023 Actuals	2024 Actual vs 2024 Budget		2024 Actual vs 2023 Actuals	
Off-Street revenue	34,895	33,379	32,850	1,516	5%	2,045	6%
On-Street revenue	25,541	21,606	19,900	3,935	18%	5,641	28%
Bike Share revenue	3,951	3,951	3,052	(1)	0%	899	29%
Total parking & user revenue	**64,387**	**58,937**	**55,801**	**5,450**	**9%**	**8,585**	**15%**
Other Revenue	495	570	494	(75)	-13%	1	0%
Total Revenue	**64,882**	**59,507**	**56,295**	**5,375**	**9%**	**8,586**	**15%**
Direct expenses - operating	(25,812)	(26,441)	(22,654)	629	2%	(3,158)	-14%
Contribution Margin	**39,070**	**33,065**	**33,641**	**6,005**	**18%**	**5,429**	**16%**
Municipal property tax	(9,213)	(9,668)	(8,955)	455	5%	(258)	-3%
Indirect Expenses	(8,684)	(8,587)	(7,089)	(97)	-1%	(1,594)	-22%
EBITDA	**21,173**	**14,811**	**17,596**	**6,363**	**43%**	**3,577**	**20%**
Finance Income	1,970	1,443	2,374	526	36%	(404)	-17%
Amortization of property and equipment	(5,735)	(6,647)	(3,734)	912	14%	(2,001)	-54%
Net income	**17,408**	**9,607**	**16,237**	**7,801**	**81%**	**1,171**	**7%**

Highlights:

Net Income

Net income at $17.4 million; + 7.8 million better than plan due to:

Revenue

Total revenue was $64.9 million, +$5.4 million vs plan with $4.0 million due to price increases and $1.4 million from increased transaction volume.

Bike Share strong ridership growth and mix support achievement of Plan. Management is anticipating above plan performance in Q2 as E-Bike transactions accelerate margin expansion.

Expenses

Total operating expense was $43.7 million; $1.0 million lower than plan, primarily due to favourability on municipal taxes and the prudent management of expenses.

Financing Income

Financing income was $2.0 million; +0.5 million vs plan due to higher cash balance than plan. Finance income is expected to decrease month over month as cash is used to pay for TPA funded capital projects and annual income distribution.

Amortization of property

Amortization of property and equipment was $5.7 million; $0.9 million lower than plan as assets were in service later than planned.

Table 2: *2024 Off-Street May YTD Results*

For the Five Months Ending May 31, 2024

$000's	2024 Actual	2024 Budget	2023 Actuals	2024 Actual vs 2024 Budget		2024 Actual vs 2023 Actuals	
Off-Street parking revenue	34,895	33,379	32,850	1,516	5%	2,045	6%
Other Revenue	495	570	494	(75)	-13%	1	0%
Total Revenue	**35,390**	**33,949**	**33,344**	**1,441**	**4%**	**2,046**	**6%**
Direct expenses - operating	(14,843)	(15,464)	(13,690)	621	4%	(1,153)	-8%
Contribution Margin	**20,547**	**18,486**	**19,654**	**2,062**	**11%**	**893**	**5%**

Off-Street contribution margin was $20.5 million; +$2.1 million vs plan driven primarily from price impact of $1.4 million while achieving planned volumes.

Off-Street Transaction Trend:

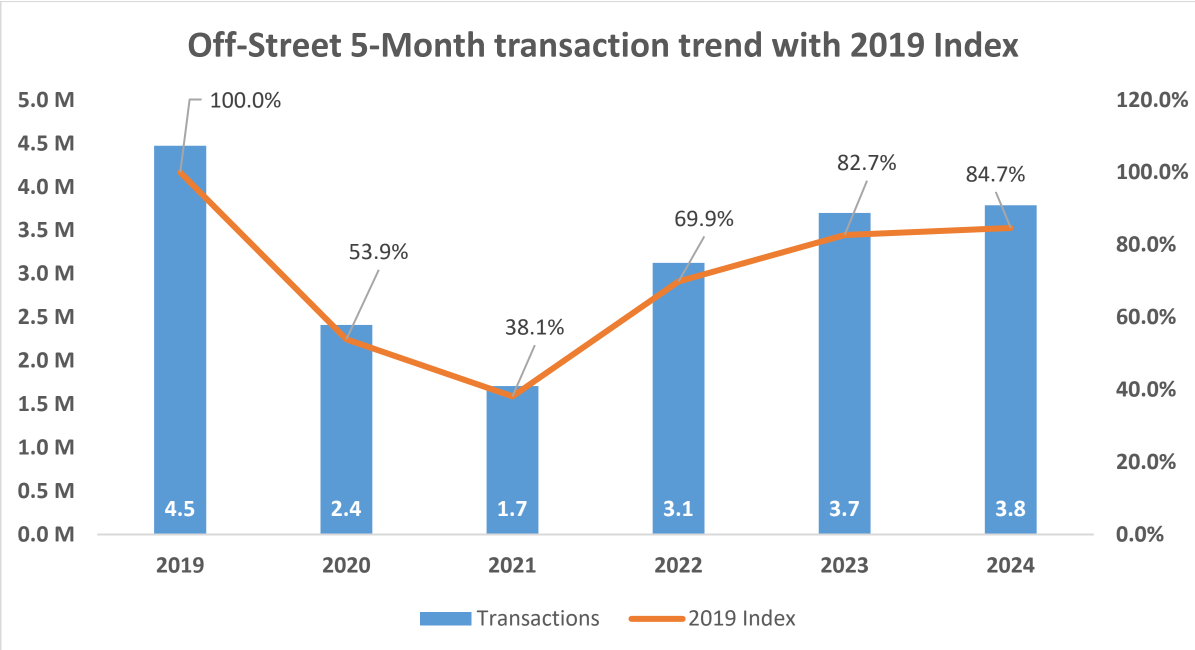


Table 3: *2024 On-Street May YTD Results*

For the Five Months Ending May 31, 2024

$000's	2024 Actual	2024 Budget	2023 Actuals	2024 Actual vs 2024 Budget		2024 Actual vs 2023 Actuals	
On-Street parking revenue	**25,541**	**21,606**	**19,900**	**3,935**	**18%**	**5,641**	**28%**
Direct expenses - operating	(5,050)	(5,073)	(3,851)	23	0%	(1,199)	-31%
Contribution Margin	**20,491**	**16,533**	**16,049**	**3,958**	**24%**	**4,442**	**28%**

On-Street contribution margin was $20.5 million; +$4.0 million vs plan driven by $4.0 million from price impact and achieving planned volumes.

On-Street Transactions Trend:

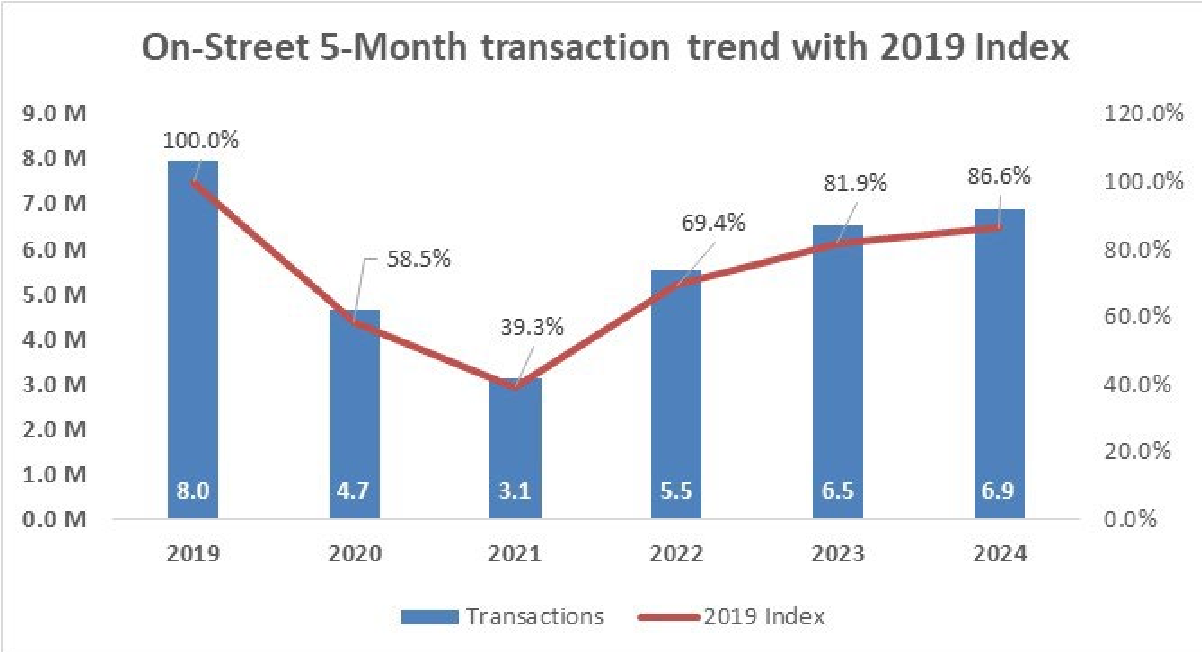


Table 4: *Total EV May YTD Results*

For the Five Months Ending May 31, 2024			
$000's	Off-Street	On-Street	Combined EV
Charging Revenue	119	56	175
Associated Parking Revenue	178	2	179
Total Revenue	**297**	**57**	**354**
Direct expenses - operating	**(190)**	**(60)**	**(250)**
Contribution	**107**	**(2)**	**105**

Total EV contribution margin was $0.1 million with associated margin of 29.5%.

Revenue was $0.4 million associated with charging and associated parking revenue. Off-Street EV benefited from associated parking revenue. Majority of On-Street EV charging locations do not have associated parking fees.

Expenses was $0.3 million supporting variable and fixed direct cost. Off-street higher primarily due to investments in warranty on assets.

YTD sessions was thirty-four thousand sessions. Utilization per port for Off-Street chargers was 5.8% vs. 20.4% On-Street.

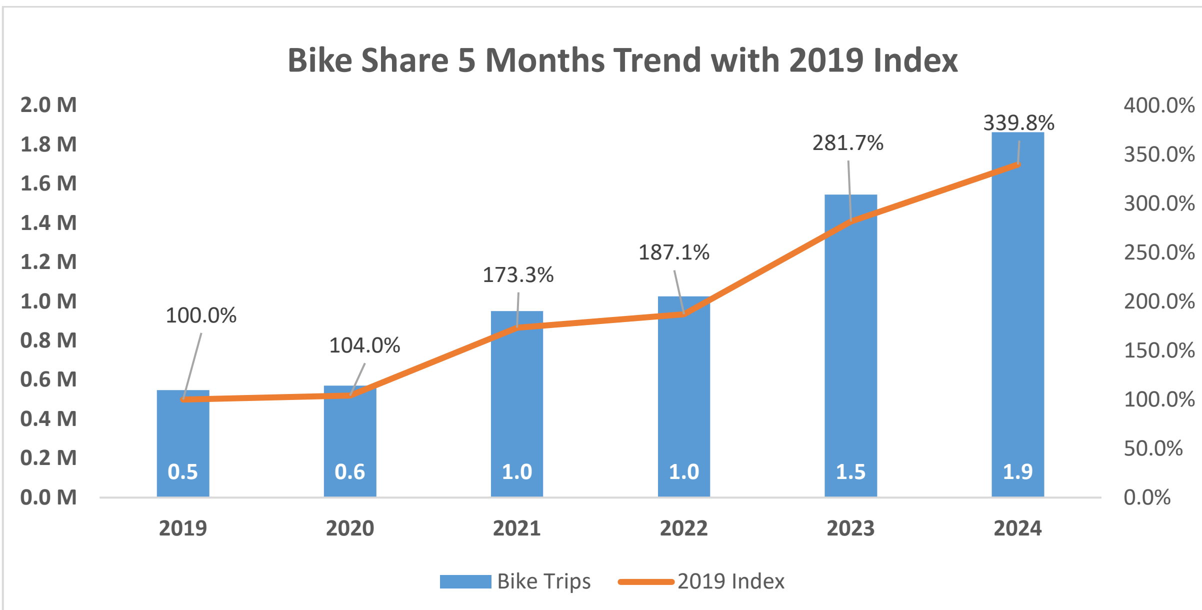
Table 5: *2024 Bike Share May YTD Results*

For the Five Months Ending May 31, 2024

$000's	**2024 Actual**	**2024 Budget**	**2023 Actuals**	**2024 Actual vs 2024 Budget**		**2024 Actual vs 2023 Actuals**	
Total Revenue	**3,951**	**3,951**	**3,052**	**(1)**	**0%**	**899**	**29%**
Direct expenses - operating	(5,919)	(5,905)	(5,113)	(14)	0%	(806)	-16%
Contribution Margin	**(1,968)**	**(1,953)**	**(2,061)**	**(15)**	**-1%**	**93**	**5%**

Bike Share contribution margin loss was $2.0 million which is comparable to plan.

Bike Share Ridership Trend:



Ridership is forecasted to reach 6.2 million trips by end of 2024.

Table 5: *2024 Capital Spend May YTD Results*

For the Four Months Ending May 31st, 2024

$000's	**2024 Revised Capital Budget**	**Actuals**	**Committed**	**Spent & Committed**	**% Spent and Committed**
Acquisitions	20,102	9	19,831	19,840	98.7%
EV On-Street	2,108	409	532	941	44.6%
Health and Safety	1,201	-	224	224	18.6%
City Led	**23,411**	**418**	**20,587**	**21,005**	**89.7%**
Acquisition Outfit	3,500	107	1,111	1,218	34.8%
Bike Share	3,647	94	4,530	4,624	126.8%
EV Off-Street	4,807	438	2,208	2,645	55.0%
Service Improvements and Growth	15,299	41	904	946	6.2%
State of Good Repair	20,656	5,165	13,169	18,334	88.8%
Health and Safety	10	20	78	98	-
TPA Led	**47,919**	**5,865**	**22,001**	**27,866**	**58.2%**
Grand Total	**71,330**	**6,283**	**42,588**	**48,871**	**68.5%**

As at May 31st, 2024 capital spend was $6.3 million mainly spent on state of good repair for Car Park 43 (2 Church), Car Park 68 (30 St. Andrew) and Car Park 58 (9 Bedford).

TPA will deliver 100% of TPA led capital spend of adjusted Board approved budget. Total capex tracking at 68.5% vs. Plan.

CONTACT

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SIGNATURE

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