



STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – June 30, 2022

Date: September 19, 2022

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with a summary of the gross and net operating expenditures of Toronto Public Library (TPL) for the six-month period ended on June 30, 2022.

For the period ended on June 30, 2022, TPL is reporting a net favourable budget variance of \$1.105 million, mainly due to the impact of COVID-19 on library operations.

Due to uncertainty around COVID-19 and other external economic factors, the spending projection is to be on budget for year-end 2022.

FINANCIAL IMPACT

For the six-month period ended on June 30, 2022, TPL is reporting a net favourable operating budget variance of \$1.105 million, or 1.1% of the budget, comprised of a favourable expenditure variance of \$1.198 million and an unfavourable revenue variance of \$0.092 million, mainly due to the impact of COVID-19 on library operations.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

The operating budget supports TPL's strategic plan by supporting digital literacy and inclusion, enhancing access to information, technology and e-learning and transforming library operations for 21st century service excellence.

EQUITY IMPACT STATEMENT

TPL's 2022 budget supports an inclusive economic recovery as part of the City's recovery initiatives; provides affordable, accessible and resilient digital supports as a public service; and advances equity in the city and workplace. The budget will have a positive impact on many equity-deserving groups, including newcomers and low-income families and individuals. Access to library resources and programs can increase access to learning opportunities, City information, training and employment opportunities, as well as opportunities for civic engagement and community participation.

ISSUE BACKGROUND

TPL's Council-approved [2022 operating budget](#) is \$209.785 million net (\$228.305 million gross).

Operating budget monitoring reports are usually reported to the Board on a quarterly basis and also when a financial report is required by the City outside of quarter-ends.

COMMENTS

For the period ended on June 30, 2022, TPL is reporting a net favourable budget variance of \$1.105 million, or 1.1%, as shown in Table 1 below:

TABLE 1: Operating Budget Monitoring for the period ending June 30, 2022

Expense/Revenue Category	Year-to-Date				Full Year Budget	
	Actuals	Budget	Variance to Budget fav / (unfav)			
	\$ M	\$ M	\$ M	%		
1 Staffing Costs	77.934	79.266	1.332	1.7%	163.142	
2 Materials and Supplies and Other	2.166	1.246	(0.920)	(73.9%)	3.113	
3 Library Materials	10.743	10.724	(0.019)	(0.2%)	21.448	
4 Equipment, Services and Rent	17.711	18.516	0.805	4.3%	39.838	
5 Contributions & Transfers to Reserves	0.400	0.400	-	0.0%	0.764	
6 Total Gross Expenditures	108.954	110.152	1.198	1.1%	228.305	
7 Grants	2.975	2.857	0.118	4.1%	5.714	
8 Fines, Fees and Room Rentals	0.710	1.235	(0.525)	(42.5%)	2.932	
9 Grants from TPL Foundation and others	1.439	0.750	0.689	91.9%	1.500	
10 Contributions & Transfers from Reserves	-	-	-	0.0%	6.278	
11 Other Revenues	0.991	1.366	(0.375)	(27.5%)	2.096	
12 Total Revenues	6.116	6.209	(0.092)	(1.5%)	18.520	
13 Net Expenditures	102.838	103.943	1.105	1.1%	209.785	

The year-to-date net favourable expenditure variance of \$1.198 million is mainly due to:

- underspending in:
 - employee remuneration and benefits due to higher than budgeted staff vacancies; and
 - services and rents, primarily related to utility costs and library programming due to the temporary branch closures in early 2022, as impacted by COVID-19; and
- partially offset by overspending in materials and supplies, mostly related to health and safety, including janitorial supplies, PPE and rapid antigen testing kits.

The year-to-date net unfavourable revenue variance of \$0.092 million is comprised of: lower revenue of \$0.525 million from public printing and venues rental related to the impact of COVID-19; lower other revenues of \$0.375 million due to timing of receipt of

donations; and a favourable revenue variance of \$0.689 million from supplementary grants from the TPL Foundation and others to fund the costs of specific library initiatives.

The impact of COVID-19 on library operations, inflationary pressures and supply chain disruptions will continue to present challenges for the rest of the year and the spending projection is to be on budget for the 2022 year-end.

Because of the upcoming municipal election on October 24, 2022, there will be no Council to approve any staff reports during the transition months. As a result, this year's Operating Variance and Capital Variance Reports for the six-month period ended on June 30, 2022 will be internal reports to the City.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
Email: lhughsam@tpl.ca

Howard Balter; Manager, Budget & Financial Reporting; Tel: 416-393-7003;
Email: hbalter@tpl.ca

SIGNATURE

Vickery Bowles
City Librarian