

Operating Budget Monitoring Report – April 30, 2022

Date:	June 20, 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 four-month period ended on April 30, 2022.

For the period ended on April 30, 2022, TPL is reporting a net favourable budget variance of \$0.802 million, mainly due to the impact of COVID-19 on library operations.

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

These financial results will be forwarded to the City of Toronto who will be preparing the consolidated financial results to April 30, 2022.

FINANCIAL IMPACT

For the four-month period ended on April 30, 2022, TPL is reporting a net favourable operating budget variance of \$0.802 million, or 1.2% of the budget, comprised of a favourable expenditure variance of \$0.770 million and a favourable revenue variance of \$0.033 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.

ISSUE BACKGROUND

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

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 April 30, 2022, TPL is reporting a net favourable budget variance of \$0.802 million, or 1.2%, as shown in Table 1 below:

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

Expense/Revenue Category	Year-to-Date				Full Year Budget	
	Actuals	Budget	Variance to Budget fav / (unfav)			
	\$ M	\$ M	\$ M	%		
1 Staffing Costs	46.845	47.821	0.976	2.0%	163.142	
2 Materials and Supplies and Other	1.702	0.699	(1.003)	(143.5%)	3.113	
3 Library Materials	7.168	7.149	(0.019)	(0.3%)	21.448	
4 Equipment, Services and Rent	11.628	12.443	0.815	6.6%	39.838	
5 Contributions & Transfers to Reserves	0.400	0.400	-	0.0%	0.764	
6 Total Gross Expenditures	67.742	68.512	0.770	1.1%	228.305	
7 Grants	1.984	1.905	0.079	4.1%	5.714	
8 Fines, Fees and Room Rentals	0.401	0.717	(0.316)	(44.1%)	2.932	
9 Grants from TPL Foundation and others	0.848	0.500	0.348	69.6%	1.500	
10 Contributions & Transfers from Reserves	-	-	-	0.0%	6.278	
11 Other Revenues	0.639	0.717	(0.078)	(10.9%)	2.096	
12 Total Revenues	3.871	3.839	0.033	0.9%	18.520	
13 Net Expenditures	63.871	64.673	0.802	1.2%	209.785	

The year-to-date favourable net expenditure variance of \$0.770 million is mainly due to underspending in:

- employee remuneration and benefits due to higher than budgeted staff vacancies; and

- equipment, services and rent, mostly utility costs, due to the temporary branch closures in early 2022 as impacted by COVID-19.

Underspending was partially offset by increased spending in materials and supplies, mostly related to health and safety, including janitorial supplies, PPE and rapid antigen testing kits.

The year-to-date favourable net revenue variance of \$0.033 million is comprised of a favourable revenue variance of \$0.348 million from supplementary grants funded by TPL Foundation and others to fund the costs of specific library initiatives and is partially offset by an unfavourable revenue variance of \$0.316 million from public printing and venues related to the impact of COVID-19.

There are many external economic factors that are impacting the costs and availability of goods and services. These include the continuing impact of COVID-19 on library operations, increasing inflationary pressures, supply chain disruptions, a very competitive labour market, and the continuing increase in the price of vehicle gasoline. All of these factors will continue to present challenges for the rest of the year. At this time, the projection is to be on budget for the 2022 year end.

These financial results will be forwarded to the City of Toronto who will be presenting the consolidated financial results to April 30, 2022 to the Budget Committee meeting on June 24, 2022.

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SIGNATURE

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