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STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – April 30, 2024

Date: May 27, 2024

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, 2024.

For the period ended April 30, 2024, TPL is reporting a net budget overspending of \$0.061 million, mainly due to overspending in staffing costs during the recovery phase of the cybersecurity attack offset by greater-than-budgeted revenues. At this time, the projection is to be on budget for year-end 2024.

These financial results will be forwarded to the City of Toronto for inclusion in the consolidated financial results to April 30, 2024, to be presented to the Executive Committee on July 16, 2024.

FINANCIAL IMPACT

For the four-month period ended on April 30, 2024, TPL is reporting a net unfavourable operating budget variance of \$0.061 million, or 0.1% of the budget, comprised of an unfavourable expenditure variance of \$0.264 million and a favourable revenue variance of \$0.202 million.

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.

The operating budget monitoring report is a public-facing reporting and tracking tool that demonstrates openness and accountability and is a key performance indicator to support the Financial Stewardship strategic objective within TPL's [Strategic Plan](#).

EQUITY IMPACT STATEMENT

TPL's 2024 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, training and employment opportunities, as well as opportunities for civic engagement and community participation.

DECISION HISTORY

At its meeting on February 26, 2024, the Board adopted the [Council-approved 2024 Operating Budget](#).

ISSUE BACKGROUND

TPL's Council-approved [2024 Operating Budget](#) is \$230.714 million net (\$252.293 million gross).

Budget monitoring reports are usually reported to the Board quarterly and when the city requires a financial report outside of quarter-ends.

The City has commenced a four-month variance report instead of a Q1 report and a report of consolidated financial results to April 30, 2024 is planned for the City's Executive Committee meeting on July 16, 2024. TPL's financial results will be forwarded to the City for consolidation into that report.

COMMENTS

For the period ended on April 30, 2024, TPL is reporting a net unfavourable budget variance of \$0.061 million, or 0.1%, as shown in Table 1 below:

TABLE 1: Operating Budget Monitoring for the period ending April 30, 2024

Expenditure/Revenue Category	YEAR TO DATE			
	Actuals \$ M	Budget \$ M	Variance to Budget fav / (unfav)	
			\$ M	%
1 Staffing Costs	54.094	53.799	(0.295)	(0.5%)
2 Materials and Supplies	0.638	0.524	(0.114)	(21.8%)
3 Library Materials	7.328	7.328	-	0.0%
4 Equipment, Services and Rent	13.432	13.641	0.209	1.5%
5 Contributions & Transfers to Reserves	0.077	0.077	-	0.0%
6 Other Expenses	0.063	-	(0.063)	0.0%
Subtotal Expenditures (excl. initiatives funded by TPL Foundation and others)				
7	75.633	75.369	(0.264)	(0.4%)
8 Grants	1.905	1.905	-	0.0%
9 Fines, Fees and Room Rentals	0.388	0.523	(0.136)	(26.0%)
10 Contributions & Transfers from Reserves	-	-	-	0.0%
11 Other Revenues	0.977	0.639	0.338	52.9%
Subtotal Revenues (excl. grants from TPL Foundation and others)				
12	3.270	3.067	0.202	6.6%
Net Expenditures (excl. initiatives funded by TPL Foundation and others)				
13	72.363	72.302	(0.061)	(0.1%)
14 Library initiatives funded by TPL Foundation	1.012	0.856	(0.157)	(18.3%)
15 Grants from TPL Foundation	1.012	0.856	0.157	18.3%
Net Expenditures - Initiatives funded by TPL Foundation and others				
16	-	(0.000)	-	0.0%
17 Total Net Expenditures	72.363	72.302	(0.061)	(0.1%)

The year-to-date unfavourable net expenditure variance of \$0.264 million is mainly due to overspending on employee remuneration and benefits during the recovery phase of the cybersecurity attack. This was partially offset by underspending on equipment, services and rent due to timing of expenditures.

The year-to-date favourable net revenue variance of \$0.202 million is comprised of a favourable revenue variance of \$0.338 million from other revenues, mainly investment income. It is partially offset by an unfavourable revenue variance of \$0.136 million from fines, fees and room rentals mainly due to the impact of the

cybersecurity attack on library operations including collection of fines for lost materials.

Many external economic factors impact the costs and availability of goods and services. These include increasing inflationary pressures, a very competitive labour market, and the continuing increase in the price of vehicle gasoline. 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 2024 year-end.

These financial results will be forwarded to the City of Toronto for inclusion in the consolidated financial results to April 30, 2024 to be presented to the Executive Committee on July 16, 2024.

CONTACT

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SIGNATURE

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