

Operating Budget Monitoring Report – April 30, 2025

Date: May 26, 2025

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, 2025.

For the period ended April 30, 2025, TPL is reporting a net operating budget deficit of \$0.499 million, or (0.7%) of the year-to-date net budget, mainly due to higher than planned year-to-date spending in staffing and benefit costs. At this time TPL is forecasting a year-end net operating budget deficit of \$0.936 million or (0.4%) of 2025 net budget, mainly due to continued increasing benefit costs. The year-end forecast will be updated as part of the six-month monitoring report to include financial adjustments from the City as a result of the recently ratified collective agreement with CUPE Local 4948. These impacts have not been included in the year to date or year-end figures as TPL and the City continue to make the necessary amendments agreed to through this new agreement. In addition, TPL continues to monitor potential financial impacts resulting from tariffs, current trade conditions and the uncertain economic conditions this has created. To date no impacts have been realized on the

operating budget, although TPL continues to monitor potential impacts as market conditions continue to fluctuate.

These financial results will be forwarded to the City of Toronto for inclusion in the consolidated financial results to April 30, 2025, to be presented to the Executive Committee on July 16, 2025.

FINANCIAL IMPACT

For the four-month period ended on April 30, 2025, TPL is reporting a net operating budget deficit of \$0.499 million, or (0.7%) of the net budget, comprised of an unfavourable expenditure variance of \$0.989 million and a favourable revenue variance of \$0.489 million. TPL is currently forecasting a year-end net operating budget deficit of \$0.936 million, or (0.4%). These figures do not include the financial implications resulting from the new collective agreement with Local 4948 as TPL and the City continue to make the necessary amendments agreed to through this new agreement. The year to date and year-end figures will be updated with these impacts as part of the six-month monitoring reports. Furthermore, no impacts from tariffs have been realized or have been included within the year-end forecast at this time.

The Director, Finance & CFO has reviewed this financial impact section and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

The 2025 operating budget will support several of TPL's strategic plan objectives across all priorities including social connection civic engagement and democracy; shared community spaces; learning and growth; and awareness and availability. The 2025 budget provides resources needed to advance actions identified within TPL's strategic plan to achieve the objectives and outcomes identified within each of the priority areas.

EQUITY IMPACT STATEMENT

TPL's 2025 operating budget 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.

DECISION HISTORY

At its meeting on February 24, 2025, the Board adopted the report titled [2025 Operating Budget – Adoption](#), which included the 2025 operating budget that was adopted by City Council at its meeting on February 11, 2025.

ISSUE BACKGROUND

City Council's approved 2025 operating budget is \$247.135 million net (\$268.903 million gross).

Budget monitoring reports are usually reported to the Board quarterly, or aligned to the City's variance reporting cycles to Council. The initial reporting cycle for 2025 is for the period ended April 30, 2025, or the first four-months of the 2025 fiscal year. The consolidated financial results across all City Agencies, Boards and Divisions is planned to be reported to the City's Executive Committee meeting on July 16, 2025. TPL's financial results will be forwarded to the City for consolidation into these financial results.

COMMENTS

For the period ended on April 30, 2025, TPL is reporting a net operating budget deficit of \$0.499 million, or (0.7%). Year to date financial results by expenditure/revenue category is outlined in Table 1 below:

TABLE 1: Operating Budget Monitoring for the period ending April 30, 2025

Expenditure/Revenue Category	YEAR TO DATE			
	Actuals \$ M	Budget \$ M	Variance to Budget fav / (unfav)	
			\$ M	%
1 Staffing Costs	56.385	55.489	(0.896)	(1.6%)
2 Materials and Supplies	0.840	0.564	(0.276)	(48.9%)
3 Library Materials	7.695	7.694	-	0.0%
4 Equipment, Services and Rent	15.126	15.184	0.059	0.4%
5 Contributions & Transfers to Reserves	(0.056)	0.077	0.133	172.5%
6 Other Expenses	0.008	-	(0.008)	0.0%
Subtotal Expenditures (excl. initiatives funded by TPL Foundation and others)				
7	79.998	79.009	(0.989)	(1.3%)
8 Grants	1.905	1.905	-	0.0%
9 Fines, Fees and Room Rentals	0.826	0.636	0.190	29.9%
10 Contributions & Transfers from Reserves	-	-	-	0.0%
11 Other Revenues	0.938	0.639	0.299	46.8%
Subtotal Revenues (excl. grants from TPL Foundation and others)				
12	3.669	3.180	0.489	15.4%
Net Expenditures (excl. initiatives funded by TPL Foundation and others)				
13	76.328	75.829	(0.499)	(0.7%)
14 Library initiatives funded by TPL Foundation	1.123	0.828	(0.296)	(35.8%)
15 Grants from TPL Foundation	1.123	0.828	0.296	35.8%
Net Expenditures - Initiatives funded by TPL Foundation and others				
16	-	-	-	0.0%
17 Total Net Expenditures	76.328	75.829	(0.499)	(0.7%)

The year to date net operating budget deficit of \$0.499 million results from over spending gross expenditures by \$0.989 million, primarily due to higher than planned year to date spending on employee salaries and benefits in the amount of \$0.896 million. The main factors for this year to date overspending is a timing difference between planned budget and spending related to salaries and the ongoing trend of increasing benefits costs.

The gross expenditures overspending is partially offset by a favourable year to date revenue variance of \$0.489 million. This is primarily due to higher than

planned investment income, service fees, room rentals and print revenues, demonstrating TPL's ongoing recovery from the pandemic and cyber-security incident.

2025 Year-End Forecast

TPL is currently forecasting a year-end net operating budget deficit of \$0.936 million or (0.4%), resulting mainly from the continued year-over-year trend of increasing benefits costs. TPL and the City are continuing to make amendments resulting from the new collective agreement with Local 4948. The financial impacts from this new agreement are not included in the year to date or year-end forecasted figures within this report. These financial adjustments will be included in the six-month monitoring report and the year to date and year-end figures will be updated at that time.

Several other external economic factors, such as inflationary pressures, a competitive labour market, and trade and tariff uncertainty, could have significant impacts on the costs and availability of goods and services for the remainder of the year. With respect to tariff impacts, the City has implemented tariff impact reporting measures for Divisions and Agencies to track impacts on both the operating and capital budgets. To date, TPL has not reported or realized any impacts from tariffs and have not included any future impacts in the year-end forecast. Impacts from tariffs will continue to be monitored and any realized or anticipated impacts will be reported through future monitoring reports.

CONCLUSION

The financial results presented in this report will be forwarded to the City of Toronto for inclusion in the consolidated financial results to April 30, 2025, to be presented to the Executive Committee on July 16, 2025. Expenditures and revenues will continue to be closely monitored and TPL will work with the City to ensure any operating deficits, if realized, are covered, similar to prior years.

CONTACT

Marco Cuoco; Director, Finance & CFO; Tel: 416-397-5946; Email: mcuoco@tpl.ca

SIGNATURE

Vickery Bowles
City Librarian