



STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – June 30, 2025

Date: September 29, 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 six-month period ended on June 30, 2025.

For the period ended June 30, 2025, TPL is reporting a net operating budget deficit of \$0.769 million, or (0.6%) of the year-to-date net budget, mainly the result of greater-than-budgeted expenditures related to staffing and benefit costs. TPL is forecasting a year-end net operating budget deficit of \$1.694 million, or (0.7%), of the 2025 net budget, mainly due to expected increasing salaries and benefit expenditures in excess of budgeted amounts over the remainder of the year. The year-to-date financial results and the year-end forecast include estimated impacts from the new collective agreement with CUPE Local 4948. In addition, through the six-month variance report to City Council, the City will process a budget adjustment to increase the TPL 2025 operating budget to account for the estimated 2025 financial impacts from the ratified collective agreement.

For the remainder of the year factors that could impact the variance and future

forecasts are the actual experience of the collective agreement changes combined with the rollout of expanded Sunday hours upcoming in October, as well as ongoing uncertain trade and economic conditions. With respect to trade conditions and tariffs, to date no impacts resulting from tariffs have been realized on the operating budget, although TPL continues to monitor potential impacts as market conditions continue to fluctuate.

TPL will seek to mitigate the forecasted deficit to the extent possible through increased monitoring of expenditures and variances and prudent cost management, while maintaining existing service levels and services.

FINANCIAL IMPACT

For the six-month period ended on June 30, 2025, TPL is reporting a net operating budget deficit of \$0.769 million, or (0.6%) of the net budget, comprised of an unfavourable expenditure variance of \$1.351 million and a favourable revenue variance of \$0.581 million (both excluding initiatives funded by the TPL Foundation). These results include the financial impacts from the new collective agreement.

TPL is currently forecasting a year-end net operating budget deficit of \$1.694 million, or (0.7%), of the 2025 net budget. These figures also include the current and estimated 2025 financial impacts from the new collective agreement.

Through the City's six-month variance reporting to City Council, a budget adjustment will be processed to increase TPL's operating budget by \$7.409 million net to account for the estimated 2025 financial impacts from the new collective agreement, including cost of living adjustments (COLA) for 2025 and other adjustments that have a 2025 impact. This amount is consistent with what was estimated upon ratification by the Board in April of this year.

Lastly, TPL has not experienced financial impacts from tariffs, nor are any impacts anticipated or included within the year-end forecast at this time.

The Director, Finance & Chief Financial Officer has reviewed this financial impact statement 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 May 26, 2025, the Board received the report titled [Operating Budget Monitoring Report – April 30, 2025](#), which reported a year-to-date net operating budget deficit of \$0.499 million, and a year end forecast of a net operating budget deficit of \$0.936 million.

At a special meeting on April 8, 2025, the Board adopted the report titled [Ratification of the Memorandum of Settlement between Toronto Public Library Board and the Toronto Public Library Workers Union, CUPE Local 4948](#), which outlined, amongst other items, the financial implications of the Memorandum of Settlement and the estimated funds necessary to implement the new collective agreement between the TPL Board and the TPL Workers Union CUPE Local 4948.

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

TPL's revised 2025 operating budget is \$254.544 million net (\$276.312 million gross), which is comprised of:

- Council-approved 2025 operating budget of \$247.135 million net (\$268.903 million gross);
- An in-year adjustment of \$7.409 million net to account for the estimated 2025 financial impacts from the new collective agreement.

Budget monitoring reports are usually reported to the Board quarterly or aligned to the City's variance reporting cycles to Council.

COMMENTS

For the period ended on June 30, 2025, TPL is reporting a net operating budget deficit of \$0.769 million, or (0.6%). Year-to-date financial results by expenditure/revenue category is summarized in Table 1 below:

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

Expenditure/Revenue Category	YEAR TO DATE			
	Actuals	Budget	Variance to Budget	
	\$ M	\$ M	\$ M	%
1 Staffing Costs	96.906	95.533	(1.373)	(1.4%)
2 Materials and Supplies	1.315	0.990	(0.325)	(32.8%)
3 Library Materials	11.542	11.541	(0.001)	(0.0%)
4 Equipment, Services and Rent	21.727	21.850	0.122	0.6%
5 Contributions & Transfers to Reserves	(0.113)	0.087	0.200	228.6%
6 Other Expenses	(0.026)	-	0.026	0.0%
Subtotal Expenditures (excl. initiatives funded by TPL Foundation and others)	131.352	130.002	(1.351)	(1.0%)
8 Grants	2.857	2.857	-	0.0%
9 Fines, Fees and Room Rentals	1.542	1.299	0.243	18.7%
10 Contributions & Transfers from Reserves	-	-	-	0.0%
11 Other Revenues	1.496	1.157	0.338	29.2%
Subtotal Revenues (excl. grants from TPL Foundation and others)	5.894	5.313	0.581	10.9%
Net Expenditures (excl. initiatives funded by TPL Foundation and others)	125.458	124.688	(0.769)	(0.6%)
14 Library initiatives funded by TPL Foundation	2.212	1.165	(1.046)	(89.8%)
15 Grants from TPL Foundation	2.212	1.165	1.046	89.8%
Net Expenditures - initiatives funded by TPL Foundation and others	-	-	-	0.0%
17 Total Net Expenditures	125.458	124.688	(0.769)	(0.6%)

Higher than planned salaries and benefit costs continued to be experienced in the second quarter of the year, resulting in a year-to-date gross expenditure variance of \$1.351 million. This has been driven by timing differences of planned budget and actual spending related to salaries and benefits, further

impacted by retroactive adjustments processed as part of the implementation of the new collective agreement.

The gross expenditures overspending is partially offset by a favourable year-to-date revenue variance of \$0.581 million. This is primarily due to higher than planned investment income, service fees, room rentals and print revenues. The continued increase in revenues from room rentals and printing demonstrates the trajectory of 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 \$1.694 million, or (0.7%), of the 2025 net operating budget. The main drivers of the forecasted deficit are higher than planned salaries and benefit costs. The continued implementation of the new collective agreement, along with the rollout of the expanded Sunday service, are variables that could have an impact on future financial results and forecasts. TPL intends to maintain current service levels while implementing increased monitoring of expenses and variances, and continuing with prudent cost management practices, as a means to mitigate and manage the forecasted minor operating deficit.

Several 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 detailed through future monitoring reports.

CONCLUSION

The financial results presented in this report has been forwarded to the City of Toronto for inclusion in the consolidated financial results to June 30, 2025, to be presented to the Executive Committee on September 29, 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

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SIGNATURE

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