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**STAFF REPORT
INFORMATION ONLY**

Operating Budget Monitoring Report – September 30, 2022

Date: December 5, 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 nine-month period ended on September 30, 2022.

For the period ended on September 30, 2022, TPL is reporting a net favourable budget variance of \$1.126 million, mainly due to the impact of COVID-19 on library operations.

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

FINANCIAL IMPACT

For the nine-month period ended on September 30, 2022, TPL is reporting a net favourable operating budget variance of \$1.126 million, or 0.7% of the budget, comprised of a favourable expenditure variance of \$0.564 million, mainly due to the impact of COVID-19 on library operations, and a favourable revenue variance of \$0.562 million mainly related to supplementary grants from the TPL Foundation and others to fund the costs of specific library initiatives.

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 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 September 30, 2022, TPL is reporting a net favourable budget variance of \$1.126 million, or 0.7%, as shown in Table 1 below:

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

Expense / Revenue Category	Year-to-Date				12 Months ending December 31			
	Actuals	Budget	Variance to Budget favourable / (unfavourable)		Projected Actuals	Full Year Budget	Variance to Budget favourable / (unfavourable)	
			\$ Millions	%			\$ Millions	%
1 Staffing Costs	116.804	117.134	0.330	0.3%	162.869	163.142	0.274	0.2%
2 Materials and Supplies and Other	3.040	2.113	(0.927)	(43.9%)	4.757	3.113	(1.644)	(52.8%)
3 Library Materials	16.119	16.086	(0.033)	(0.2%)	21.492	21.448	(0.045)	(0.2%)
4 Equipment, Services and Rent	26.656	27.850	1.194	4.3%	38.975	39.838	0.864	2.2%
5 Contributions & Transfers to Reserves	0.400	0.400	-	0.0%	0.764	0.764	-	0.0%
6 Total Gross Expenditures	163.019	163.583	0.564	0.3%	228.856	228.305	(0.551)	(0.2%)
7 Grants	4.424	4.286	0.138	3.2%	5.949	5.714	0.234	4.1%
8 Fines, Fees and Room Rentals	1.282	2.068	(0.786)	(38.0%)	1.520	2.932	(1.413)	(48.2%)
9 Grants from TPL Foundation and others	2.326	1.125	1.201	106.8%	3.101	1.500	1.601	0.0%
10 Contributions & Transfers from Reserves	-	-	-	0.0%	6.278	6.278	-	0.0%
11 Other Revenues	1.793	1.784	0.009	0.5%	2.224	2.096	0.128	6.1%
12 Total Revenues	9.824	9.262	0.562	6.1%	19.071	18.520	0.551	3.0%
13 Net Expenditures	153.195	154.320	1.126	0.7%	209.785	209.785	0.000	0.0%

The year-to-date net favourable expenditure variance of \$0.564 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 favourable revenue variance of \$0.562 million is comprised of a favourable revenue variance of \$1.201 million from supplementary grants from the TPL Foundation and others to fund the costs of specific library initiatives partially offset by lower revenue of \$0.786 million from public printing and venues rental related to the impact of COVID-19.

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.

CONTACT

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SIGNATURE

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