



STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – December 31, 2022

Date: February 27, 2023
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 for the year ending December 31, 2022.

For the year ending December 31, 2022, Toronto Public Library (TPL) is essentially on budget, reporting a net favourable budget variance of \$0.016 million, comprised of a favourable revenue variance of \$0.760 million and an unfavourable expenditure variance of \$0.744 million.

FINANCIAL IMPACT

For the year ending December 31, 2022, TPL is reporting a net favourable budget variance of \$0.016 million, comprised of a favourable revenue variance of \$0.760 million and an unfavourable expenditure variance of \$0.744 million.

These operating results should be considered draft until the external audit of the financial statements is completed. Once finalized, the favourable variance will be returned to the City.

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 year ending December 31 2022, TPL is essentially on budget and is reporting a favourable net expenditure variance of \$0.016 million, as shown in Table 1 below:

TABLE 1: Operating Budget Monitoring for the period ending December 31, 2022

Expenditure/Revenue Category	Actuals	Budget	Variance to Budget fav / (unfav)	
	\$ M	\$ M	\$ M	%
1 Staffing Costs	162.246	163.014	0.768	0.5%
2 Materials and Supplies	3.937	3.110	(0.827)	(26.6%)
3 Library Materials	21.453	21.448	(0.006)	(0.0%)
4 Equipment, Services and Rent	37.632	38.683	1.051	2.7%
5 Contributions & Transfers to Reserves	0.543	0.547	0.004	0.7%
6 Other Expenses	0.171	0.003	(0.168)	(5600.0%)
7 subtotal	225.983	226.805	0.822	0.4%
8 Library initiatives funded by TPL Foundation and others	3.066	1.500	(1.566)	(104.4%)
9 Total Gross Expenditures	229.049	228.305	(0.744)	(0.3%)
10 Grants	5.942	5.714	0.227	4.0%
11 Fines, Fees and Room Rentals	2.047	2.932	(0.886)	(30.2%)
12 Contributions & Transfers from Reserves	5.857	6.278	(0.421)	(6.7%)
13 Other Revenues	2.369	2.096	0.273	13.0%
14 subtotal	16.214	17.020	(0.806)	(4.7%)
15 Grants from TPL Foundation and others	3.066	1.500	1.566	104.4%
16 Total Revenues	19.280	18.520	0.760	4.1%
17 Net Expenditures	209.769	209.785	0.016	0.0%

The favourable revenue variance of \$0.760 million is comprised of a favourable revenue variance of \$1.566 million from supplementary grants from the TPL Foundation and others to fund the costs of specific library initiatives partially offset by lower revenue of \$0.886 million from public printing and venues rental related to the impact of COVID-19.

The unfavourable expenditure variance of \$0.744 million is mainly due to greater-than-budgeted spending for specific library initiatives that is fully funded by grants from TPL Foundation and others.

Excluding the TPL Foundation-funded initiatives, TPL has a favourable expenditure variance of \$0.822 million 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.

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SIGNATURE

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