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STAFF REPORT
INFORMATION ONLY

Operating Budget Monitoring Report – March 31, 2022

Date:	May 24, 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 three-month period ended on March 31, 2022.

As of March 31, 2022, TPL is reporting a net favourable budget variance of $0.605 million, mainly due to higher than expected staff vacancies and the continuing impact of COVID-19 on library operations.

There is still much uncertainty around COVID-19 and how it will impact TPL operations and budget. A year-end forecast will be presented to the Board along with the operating budget monitoring report for the period ending June 30, 2022.

FINANCIAL IMPACT

For the three-month period ended on March 31, 2022, TPL is reporting a net favourable operating budget variance of $0.605 million comprised of a favourable expenditure variance of $0.458 million and a favourable revenue variance of $0.147 million, mainly due to higher than expected staff vacancies and the continuing impact of COVID-19 on library operations.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

ISSUE BACKGROUND

TPL's Council-approved 2022 operating budget is $209.785 million net ($228.305 million gross). Budget monitoring reports are usually reported to the Board quarterly.

COMMENTS

For the three-month period ended on March 31, 2022, TPL is reporting a net favourable budget variance of $0.605 million as shown in Table 1 below:

TABLE 1: Operating Budget Monitoring for the period ended on March 31, 2022

	Expense/Revenue Category	Year-to-Date				Full Year Budget
		Actuals	Budget	Variance to Budget fav / (unfav)		
		$ M	$ M	$ M	%	$ M
1	Staffing Costs	34.287	35.110	0.823	*2.3%*	163.142
2	Materials and Supplies and Other	1.443	0.433	(1.011)	*(233.6%)*	3.113
3	Library Materials	5.381	5.362	(0.019)	*(0.4%)*	21.448
4	Equipment, Services and Rent	8.622	8.886	0.265	*3.0%*	39.838
5	Contributions & Transfers to Reserves	-	0.400	0.400	*100.0%*	0.764
6	**Total Gross Expenditures**	**49.733**	**50.191**	**0.458**	***0.9%***	**228.305**
7	Grants	1.703	1.429	0.274	*19.2%*	5.714
8	Fines, Fees and Room Rentals	0.292	0.478	(0.186)	*(39.0%)*	2.932
9	Grants from TPL Foundation	0.499	0.375	0.124	*33.1%*	1.500
10	Contributions & Transfers from Reserves	-	-	-	*0.0%*	6.278
11	Other Revenues	0.473	0.538	(0.065)	*(12.1%)*	2.096
12	**Total Revenues**	**2.966**	**2.819**	**0.147**	***5.2%***	**18.520**
13	**Net Expenditures**	**46.767**	**47.372**	**0.605**	***1.3%***	**209.785**

The year-to-date favourable net expenditure variance of $0.458 million is mainly due to underspending in:

- employee remuneration and benefits due to higher than budgeted staff vacancies;
- services and rent, mostly utility costs, due to the temporary branch closures as impacted by COVID-19; and
- the delayed transfer to TPL's asset replacement reserve held by the City;

The expenditure underspending is partially offset by increased health and safety spending in materials and supplies, mostly related to COVID-19, which include PPE and rapid antigen testing kits.

The year-to-date favourable net revenue variance of $0.147 million is mainly due to greater than budgeted revenues from supplementary grants funded by TPL Foundation and others to fund the costs of specific library initiatives, partially offset by lower than budgeted revenues in room booking and venue rentals.

There is still much uncertainty around COVID-19 and how it will impact TPL operations and budget. A year-end forecast will be presented to the Board along with the operating budget monitoring report for the period ending June 30, 2022.

CONTACT

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SIGNATURE

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