

Operating Budget Monitoring Report – May 31, 2020

Date:	June 22, 2020
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library (TPL) Board with a summary of the gross and net operating expenditures of TPL for the five-month period ended on May 31, 2020. As of May 31, 2020, TPL is reporting a net favourable variance of \$2.126 million related to the impact of COVID-19 and branch closures since March 13, 2020.

For the balance of the year, revenues and expenditures will be significantly impacted by COVID-19, though it is difficult to estimate the impact at this time. One major factor will be the process and timing for reopening branches and restoring service.

FINANCIAL IMPACT

As of May 31, 2020, TPL is reporting a net favourable variance of \$2.126 million comprised of a favourable expenditure variance of \$2.350 million partially offset by an unfavourable revenue variance of \$0.224 million. The net favourable variance is related to the impact of COVID-19 and branch closures since March 13, 2020.

For the balance of the year, revenues and expenditures will be significantly impacted by COVID-19, though it is difficult to estimate the impact at this time. One major factor will be the process and timing for reopening branches and restoring service.

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

ISSUE BACKGROUND

TPL's revised 2020 operating budget is \$196.695 million net (\$217.334 million gross), which is comprised of the Council-approved [2020 operating budget](#) of \$195.180 million net (\$215.819 million gross) and the cost of living adjustment of the recently ratified collective agreement between the TPL Board and the TPL Workers Union, Local 4948 CUPE, subject to Council approval for the TPL budget adjustment.

COMMENTS

For the five-month period ended on May 31, 2020, TPL is reporting a net favourable variance of \$2.126 million comprised of a favourable expenditure variance of \$2.350 million partially offset by an unfavourable revenue variance of \$0.224 million as shown in Table 1 below:

TABLE 1: Operating Budget Monitoring for the period ending May 31, 2020

Expense/Revenue Category	Year-to-Date				Full Year Budget
	Actuals	Budget	Variance to Budget fav / (unfav)		
	\$ M	\$ M	\$ M	%	\$ M
1 Staffing Costs	59.125	60.914	1.789	2.9%	156.893
2 Materials and Supplies and Other	0.748	0.648	(0.099)	(15.3%)	2.122
3 Library Materials	8.719	8.719	-	0.0%	20.924
4 Equipment, Services and Rent	12.823	13.483	0.660	4.9%	34.177
5 Contributions & Transfers to Reserves	-	-	-	0.0%	3.218
6 Total Gross Expenditures	81.414	83.764	2.350	2.8%	217.334
7 Grants	2.381	2.374	0.007	0.3%	5.678
8 Fines, Fees and Room Rentals	1.180	2.135	(0.955)	(44.7%)	5.939
9 Grants from TPL Foundation and others	1.027	0.250	0.777	0.0%	1.000
10 Contributions & Transfers from Reserves	1.792	1.792	-	0.0%	5.708
11 Other Revenues	0.869	0.923	(0.053)	(5.7%)	2.314
12 Total Revenues	7.250	7.474	(0.224)	(3.0%)	20.640
13 Net Expenditures	74.164	76.290	2.126	2.8%	196.695

Totals may not add due to rounding

The year-to-date favourable net expenditure variance of \$2.126 million is mainly attributable to a favourable gross expenditure variance of \$2.350 million. This is primarily due to reduced spending in employee remuneration and benefits (approximately \$1.4 million below budget), utilities (approximately \$0.4 million below budget), guard services (approximately \$0.3 million below budget), and library

programming (approximately \$0.2 million below budget) and is directly attributable to the Ontario state of emergency declaration and closure of all library branches due to COVID-19.

The below-budget expenditures variance is partially offset by an unfavourable revenue variance of \$0.224 million mainly attributable to lower revenue of \$1.001 million, resulting from decreased fines and fees and venue and community room rental revenue related to branch closures that is partially offset by a favourable revenue variance of \$0.777 million resulting from supplementary grant revenues funded by the TPL Foundation to fund the costs of specific library initiatives.

CONTACT

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SIGNATURE

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