

**Operating Budget Monitoring Report – December 31, 2020**

<b>Date:</b>	February 22, 2021
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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The purpose of this report is to provide the Toronto Public Library Board with a summary of the gross and net operating expenditures for the year ending December 31, 2020.

For the year ending December 31, 2020, Toronto Public Library (TPL) is reporting a favourable net expenditure variance of \$1.037 million, which will be returned to the City, comprised of a favourable expenditure variance of \$4.601 million and an unfavourable revenue variance of \$3.564 million. The unusually large surplus is due to the impact of COVID-19 on library operations during the year.

**FINANCIAL IMPACT**

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For the year ending December 31, 2020, TPL is reporting a favourable net expenditure variance of \$1.037 million comprised of a favourable expenditure variance of \$4.601 million and an unfavourable revenue variance of \$3.564 million. The unusually large surplus of \$1.037 million is due to the impact of COVID-19 on library operations during the year and once finalized, will be returned to the City.

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

## COMMENTS

For the year ending December 31, 2020, TPL is reporting a favourable net expenditure variance of \$1.037 million, as shown in Table 1 below:

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

Expense/Revenue Category	2019	2020			
	Actuals	Actuals	Budget	Budget	
	\$ M	\$ M	\$ M	\$ M	%
1 Staffing Costs	151.474	150.279	156.893	6.615	4.2%
2 Materials and Supplies	2.299	2.632	2.118	(0.515)	(24.3%)
3 Library Materials	20.242	20.969	20.924	(0.044)	(0.2%)
4 Equipment, Services and Rent	32.684	35.396	34.177	(1.219)	(3.6%)
5 Contributions & Transfers to Reserves	3.189	3.218	3.218	-	0.0%
6 Other Expenses	0.061	0.240	0.004	(0.236)	(5900.0%)
<b>7 Total Gross Expenditures</b>	<b>209.948</b>	<b>212.734</b>	<b>217.334</b>	<b>4.601</b>	<b>2.1%</b>
8 Grants	5.733	5.835	5.678	0.156	2.7%
9 Fines, Fees and Room Rentals	5.247	1.169	5.939	(4.769)	(80.3%)
10 Grants from TPL Foundation and Others	2.880	2.347	1.000	1.347	134.7%
11 Contributions & Transfers from Reserves	5.483	5.662	5.708	(0.047)	(0.8%)
12 Other Revenues	2.533	2.063	2.314	(0.251)	(10.8%)
<b>13 Total Revenues</b>	<b>21.875</b>	<b>17.076</b>	<b>20.640</b>	<b>(3.564)</b>	<b>(17.3%)</b>
<b>14 Net Expenditures</b>	<b>188.073</b>	<b>195.658</b>	<b>196.695</b>	<b>1.037</b>	<b>0.5%</b>

The favourable net expenditure variance of \$4.601 million is primarily due to reduced spending in employee remuneration and benefits, utilities, and library programming and is directly attributable to the financial impact of COVID-19 throughout 2020. This was partially offset by increased health and safety spending, including increased janitorial, security, and furniture and building infrastructure costs to meet Toronto Public Health guidelines and ensure adequate social distancing within library branches, and by spending related to specific library initiatives which are fully funded by grants from the TPL Foundation.

The reduced spending in employee remuneration is due to reductions in Sunday service, extra hours, superior duties and some staff electing to take emergency leave. Significant employee benefits savings are due to temporary unavailability of specialized professional services such as dentists, chiropractors and other paramedical services as a result of Provincial lockdown measures.

The favourable expenditure variance is partially offset by an unfavourable revenue variance of \$3.564 million mainly attributable to decreased fines and fees, and venue and community room rental revenue, resulting from temporary branch closures and quarantining collections. The unfavourable revenue variance is partially offset by a favourable revenue variance of \$1.347 million resulting from supplementary grants funded by the TPL Foundation and others to fund the costs of specific library initiatives,

including the Summer Reading Club, Internet Connectivity Kit Program, Books in Hampers Initiative, etc.

These operating results should be considered draft until the external audit of the financial statements is completed.

## **CONTACT**

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## **SIGNATURE**

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Vickery Bowles  
City Librarian