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## STAFF REPORT INFORMATION ONLY

### Operating Budget Monitoring Report - September 30, 2025

**Date:** December 1, 2025

**To:** Toronto Public Library Board

**From:** 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 of Toronto Public Library (TPL) for the nine months ended on September 30, 2025, and a forecast for year-end.

For the period ended September 30, 2025, TPL is reporting a net operating budget deficit of \$1.374 million, or (0.7%) of the year-to-date net budget, mainly the result of higher than anticipated expenditures related to salaries and benefits. TPL is forecasting a year-end net operating budget deficit of \$1.663 million, or (0.7%) of the 2025 net budget, mainly due to the continuation of salaries and benefit expenditures in excess of budgeted amounts over the remainder of the year.

Factors that impact budget to actuals variances over the remainder of the year include the actual experience of the financial impacts of changes driven by the collective agreement ratified earlier this year combined with the

implementation of expanded Sunday hours implemented in October, as well as ongoing uncertainty from trade and economic conditions.

## **FINANCIAL IMPACT**

For the nine months ended on September 30, 2025, TPL is reporting a net unfavourable operating budget variance of \$1.374 million, or (0.7%) of the net budget. This is comprised of an unfavourable gross expenditure variance of \$2.099 million and is partially offset by a favourable revenue variance of \$0.725 million (both excluding initiatives funded by the TPL Foundation). TPL is currently forecasting a year-end net operating budget deficit of \$1.663 million, or (0.7%) of the 2025 budget.

While TPL has not experienced, and is not expected to experience, direct financial impacts from tariffs, trade and economic conditions continue to create uncertain financial conditions. TPL will continue to monitor this and report back on any impacts through future budget monitoring reports.

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

## **ALIGNMENT WITH STRATEGIC PLAN**

The 2025 operating budget will support many of TPL's 2025-2029 strategic plan objectives across all priorities including Social Connection Civic Engagement & Democracy; Shared Community Spaces; Learning & Growth; and Awareness & Availability.

Targeted budget enhancements approved within TPL's 2025 operating budget drive progress on key initiatives identified within TPL's 2025-2029 strategic plan, notably Open Hours, to enable the outcomes identified in each strategic objective.

## **EQUITY IMPACT STATEMENT**

TPL's 2025 operating budget provides affordable, accessible and resilient digital supports as a public service and advances equity across the city. The budget will have a positive impact on many equity-deserving groups, including youth, seniors, newcomers, low-income families and individuals. Access to library

resources and programs increase access to learning opportunities, City information, training and employment opportunities, as well as creating opportunities for civic engagement and community participation.

## DECISION HISTORY

At its meeting on September 25, 2025, the Board received the report titled [Operating Budget Monitoring Report – June 30, 2025](#), which reported a year-to-date net operating budget deficit of \$0.769 million, and a year-end forecast of a net operating budget deficit of \$1.694 million.

At its meeting on May 26, 2025, the Board received the report titled [Operating Budget Monitoring Report – April 30, 2025](#), which reported a year-to-date net operating budget deficit of \$0.499 million, and a year-end forecast of a net operating budget deficit of \$0.936 million.

At a special meeting on April 8, 2025, the Board adopted the report titled [Ratification of the Memorandum of Settlement between Toronto Public Library Board and the Toronto Public Library Workers Union, CUPE Local 4948](#), which outlined, amongst other items, the financial implications of the Memorandum of Settlement and the estimated funds necessary to implement the new collective agreement between the TPL Board and the TPL Workers Union CUPE Local 4948.

At its meeting on February 24, 2025, the Board adopted the report titled [2025 Operating Budget – Adoption](#), which included the 2025 operating budget that was adopted by City Council at its meeting on February 11, 2025.

## ISSUE BACKGROUND

TPL's 2025 operating budget is \$254.544 million net (\$273.301 million gross), and is comprised of:

- Council-approved 2025 operating budget of \$247.135 million net (\$268.903 million gross);
- An in-year adjustment of \$7.409 million net to account for the estimated 2025 financial impacts from the new collective agreement; and
- An in-year adjustment to realign recoveries from capital from a revenue to a contra expense. This adjustment reduced gross expenditures and

revenues by \$3.011 million, resulting in a net \$0 impact on TPL's 2025 operating budget.

Budget monitoring reports are reported to the Board quarterly and are aligned to the City of Toronto's variance reporting cycles to Council.

## COMMENTS

For the period ended on September 30, 2025, TPL is reporting a net operating budget deficit of \$1.374 million, or (0.7%). Year to date financial results by expenditure and revenue category is summarized in Table 1 below:

**TABLE 1: Operating Budget Monitoring for the period ending September 30, 2025**

Expenditure/Revenue Category	YEAR TO DATE			
	Actuals	Budget	Variance to Budget	
			\$ M	%
1 Staffing Costs	143.066	141.495	(1.571)	(1.1%)
2 Materials and Supplies	1.917	1.497	(0.420)	(28.1%)
3 Library Materials	17.313	17.312	(0.001)	(0.0%)
4 Equipment, Services and Rent	32.360	31.945	(0.415)	(1.3%)
5 Contributions & Transfers to Reserves	(0.169)	0.131	0.300	228.6%
6 Other Expenses	(0.007)	-	0.007	0.0%
<b>Subtotal Expenditures (excl. initiatives funded by TPL)</b>	<b>194.480</b>	<b>192.381</b>	<b>(2.099)</b>	<b>(1.1%)</b>
<b>7 Foundation and others</b>	<b>194.480</b>	<b>192.381</b>	<b>(2.099)</b>	<b>(1.1%)</b>
8 Grants	4.286	4.286	-	0.0%
9 Fines, Fees and Room Rentals	2.573	2.532	0.041	1.6%
10 Contributions & Transfers from Reserves	-	-	-	0.0%
11 Other Revenues	2.273	1.589	0.684	43.0%
<b>Subtotal Revenues (excl. grants from TPL Foundation and others)</b>	<b>9.132</b>	<b>8.407</b>	<b>0.725</b>	<b>8.6%</b>
<b>Net Expenditures (excl. initiatives funded by TPL Foundation and others)</b>	<b>185.348</b>	<b>183.974</b>	<b>(1.374)</b>	<b>(0.7%)</b>
14 Library initiatives funded by TPL Foundation	3.240	1.746	(1.494)	(85.6%)
15 Grants from TPL Foundation	3.240	1.746	1.494	85.6%
<b>Net Expenditures - initiatives funded by TPL Foundation and others</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>17 Total Net Expenditures</b>	<b>185.348</b>	<b>183.974</b>	<b>(1.374)</b>	<b>(0.7%)</b>

Higher than anticipated salaries and benefit costs continue to be experienced in the third quarter of the year, resulting in a year-to-date gross expenditure variance of \$2.099 million. This is driven by inflationary pressures and staffing levels required to meet service demands and service levels. Year-to-date variances are further impacted by retroactive adjustments processed from the implementation of the new collective agreement. Budget adjustments will be made to account for these impacts through the 2026 budget submission.

The gross expenditures overspending is partially offset by favourable year-to-date revenue variance of \$0.725 million, mainly driven by greater than expected investment income and other unplanned revenues.

## **2025 Year-End Forecast**

TPL is forecasting a year-end net operating budget deficit \$1.667 million, or (0.7%) of the 2025 net operating budget, primarily the result of higher than anticipated salaries and benefit expenditures driven by inflationary pressures and staffing requirements to meet service levels, expectations and demand. The implementation of the newly ratified collective agreement, along with the rollout of the expanded Sunday service hours are variables that could have an impact on the year-end financial results. TPL implemented increased monitoring of expenses and variances over the past quarter, while prudent cost management practices have been ongoing throughout the year. These actions will allow TPL to maintain current service levels while strengthening expense monitoring to continue to mitigate and manage the forecasted minor operating budget deficit.

## **CONCLUSION**

The financial results presented in this report have been forwarded to the City of Toronto for inclusion in the consolidated financial results to September 30, 2025, to be presented to the Executive Committee on December 9, 2025. Expenditures and revenues will continue to be closely monitored. The City will cover the TPL operating deficit, if realized, similar to other City agencies and boards and consistent with prior years.

## CONTACT

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## SIGNATURE

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