



STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – June 30, 2018

Date:	August 16, 2018
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 six-month period ending on June 30, 2018, as well as projected expenditures to December 31, 2018.

As of June 30, 2018, TPL is reporting a favourable net expenditure variance of \$0.254 million comprised of a favourable revenue variance of \$0.990 million partially offset by an unfavourable expenditure variance of \$0.737 million. TPL's Council-approved 2018 operating budget is \$182.283 million net (\$201.607 million gross) and is projected to be fully spent by year-end.

Operating expenditures are monitored and managed on an on-going basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

As of June 30, 2018, TPL is reporting a favourable net expenditure variance of \$0.254 million comprised of a favourable revenue variance of \$0.990 million partially offset by an unfavourable expenditure variance of \$0.737 million. The operating budget is expected to be fully spent by year-end.

The Director, Finance & Treasurer has reviewed this financial impact and is in agreement with it.

DECISION HISTORY

At its meeting on May 28, 2018, the Board considered the [2018-2027 Capital Budget and Plan Adjustment for North York Central Project](#) report that included a recommendation to request Council approval to increase the budget for the NYCL Phase 1 project by \$2.500 million to be funded by \$2.250 million of additional operating savings related to the extended branch closure and \$0.250 million of development charges.

At its meeting on June 26-28, 2018, City Council adopted this recommendation and TPL's 2018 operating and capital budgets have been adjusted accordingly.

ISSUE BACKGROUND

TPL's Council-approved [2018 operating budget](#) is \$182.283 million net (\$201.607 million gross). Operating results are usually reported to the Toronto Public Library Board and the City on a quarterly basis.

COMMENTS

For the six-month period ending June 30, 2018, TPL is reporting a favourable net expenditure variance of \$0.254 million, comprised of a favourable revenue variance of \$0.990 million partially offset by an unfavourable expenditure variance of \$0.737 million as detailed in Table 1.

Table 1
TORONTO PUBLIC LIBRARY
Operating Budget Monitoring Report
For the Period Ending June 30, 2018
(\$Millions)

Expense/Revenue Category	Year-to-Date			12 Months ending December 31		
	2018 Actual	2018 Budget	Variance Fav/ (unfav)	2018 Projected	2018 Budget	Variance Fav/ (unfav)
Staffing Costs	72.473	72.884	0.411	146.884	146.611	(0.273)
Materials and Supplies	0.972	0.858	(0.114)	2.194	2.186	(0.007)
Library Materials	9.883	9.879	(0.004)	19.766	19.766	-
Equipment, Services and Rent	14.368	13.361	(1.006)	29.194	28.413	(0.781)
Contributions & Transfers	0.003	-	(0.003)	4.626	4.626	-
Other	0.022	0.002	(0.021)	0.004	0.004	-
Gross Expenditures	97.721	96.984	(0.737)	202.669	201.607	(1.062)
Grants	3.036	2.838	0.198	5.844	5.678	0.166
Fines, Fees and Room Rentals	2.506	2.684	(0.178)	5.448	5.447	0.001
Contributions & Transfers	2.729	2.729	-	5.936	5.936	-
Other	1.985	1.015	0.970	3.157	2.262	0.895
Total Revenues	10.256	9.266	0.990	20.386	19.324	1.062
Net Expenditures	87.465	87.718	0.254	182.283	182.283	(0.000)

Note: Totals may not add due to rounding

The favourable revenue variance of \$0.990 million is mainly attributable to supplementary revenue from the TPL Foundation and others to enhance specific library initiatives, which is

partially offset by an unfavourable revenue variance in lower than expected venue rental revenue resulting from temporary branch closures.

The unfavourable expenditure variance of \$0.737 million is mainly attributable to increased expenditures related to specific library programs funded by revenues from the TPL Foundation, which is partially offset by staffing cost savings related to benefit claims. Though there are increased expenditures in materials and supplies, and equipment, services and rent due to enhanced specific library initiatives, these are funded by revenue from the TPL Foundation.

TPL is projecting the operating budget to be fully spent by year-end. Expenditures and revenues are closely monitored throughout the year in order to manage any budget pressures.

CONTACT

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SIGNATURE

A handwritten signature in black ink that reads "Vickery Bowles." The signature is written in a cursive style with a large, looped 'V' and 'B'.

Vickery Bowles
City Librarian