



STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – September 30, 2018

| | |
|--------------|------------------------------|
| Date: | November 19, 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 nine-month period ending on September 30, 2018, as well as projected expenditures to December 31, 2018.

As of September 30, 2018, TPL is reporting a favourable net expenditure variance of \$0.079 million comprised of a favourable revenue variance of \$1.631 million partially offset by an unfavourable expenditure variance of \$1.552 million. TPL's Council-approved 2018 operating budget is \$182.393 million net (\$201.717 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 September 30, 2018, TPL is reporting a favourable net expenditure variance of \$0.079 million comprised of a favourable revenue variance of \$1.631 million partially offset by an unfavourable expenditure variance of \$1.552 million. The operating budget is expected to be fully spent by year end.

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

ISSUE BACKGROUND

TPL's initial Council-approved [2018 operating budget](#) is \$182.283 million net (\$201.607 million gross). Throughout 2018, the City made minor adjustments that resulted in a revised 2018 operating budget of \$182.393 million net (\$201.717 million gross), comprised primarily of an increase of \$0.112 million net related to Bill 148. Operating results are usually reported to the Toronto Public Library Board and the City on a quarterly basis.

COMMENTS

For the nine-month period ending September 30, 2018, TPL is reporting a favourable net expenditure variance of \$0.079 million, comprised of a favourable revenue variance of \$1.631 million partially offset by an unfavourable expenditure variance of \$1.552 million as detailed in Table 1.

Table 1
TORONTO PUBLIC LIBRARY
Operating Budget Monitoring Report
For the Period Ending September 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 | 110.994 | 111.045 | 0.051 | 147.149 | 146.723 | (0.426) |
| Materials and Supplies | 1.603 | 1.380 | (0.223) | 2.196 | 2.186 | (0.010) |
| Library Materials | 14.832 | 14.819 | (0.014) | 19.774 | 19.766 | (0.008) |
| Equipment, Services and Rent | 21.799 | 18.849 | (2.951) | 29.631 | 28.411 | (1.220) |
| Contributions & Transfers | 0.003 | 1.627 | 1.625 | 4.626 | 4.626 | - |
| Other | 0.043 | 0.002 | (0.041) | 0.004 | 0.004 | - |
| Gross Expenditures | 149.274 | 147.722 | (1.552) | 203.380 | 201.717 | (1.663) |
| Grants | 4.486 | 4.257 | 0.229 | 5.868 | 5.678 | 0.189 |
| Fines, Fees and Room Rentals | 3.769 | 4.037 | (0.267) | 5.448 | 5.447 | 0.001 |
| Contributions & Transfers | - | - | - | 5.936 | 5.936 | - |
| Other | 3.234 | 1.565 | 1.669 | 3.734 | 2.262 | 1.472 |
| Total Revenues | 11.490 | 9.859 | 1.631 | 20.987 | 19.324 | 1.663 |
| Net Expenditures | 137.784 | 137.863 | 0.079 | 182.393 | 182.393 | - |

The year-to-date favourable revenue variance of \$1.631 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 variance in lower than expected venue rental revenue resulting from temporary branch closures.

The unfavourable expenditure variance of \$1.552 million is mainly attributable to increased expenditures related to specific library initiatives funded by revenues from the TPL Foundation. 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

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
Email: lhughsam@torontopubliclibrary.ca

SIGNATURE

Vickery Bowles
City Librarian