

Operating Budget Monitoring Report – June 30, 2019

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| Date: | September 23, 2019 |
| 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 six-month period ended on June 30, 2019, as well as projected expenditures to December 31, 2019.

As of June 30, 2019, TPL is reporting a net unfavourable variance of \$0.415 million comprised of an unfavourable expenditure variance of \$1.607 million partially offset a favourable revenue variance of \$1.193 million. TPL's Council-approved 2019 operating budget is \$188.093 million net (\$207.314 million gross) and is projected to be fully spent by year end.

FINANCIAL IMPACT

As of June 30, 2019, TPL is reporting a net unfavourable variance of \$0.415 million consisting of an unfavourable expenditure variance of \$1.607 million partially offset by a favourable revenue variance of \$1.193 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 [2019 operating budget](#) was \$187.659 million net (\$206.880 million gross). Throughout 2019, the City made minor adjustments which resulted in a revised 2019 operating budget of \$188.093 million net (\$207.314 million gross) comprised of an increase of \$0.434 million net related to the insurance allocation algorithm and insurance reserve fund.

COMMENTS

For the six-month period ended on June 30, 2019, TPL is reporting a net unfavourable variance of \$0.415 million consisting of an unfavourable expenditure variance of \$1.607 million partially offset by a favourable revenue variance of \$1.193 million as shown in Table 1 below:

TABLE 1
TORONTO PUBLIC LIBRARY
Operating Budget Monitoring Report
For the Period Ended June 30, 2019
(\$Millions)

| Expense/Revenue Category | Year-to-Date | | | 12 Months ending December 31 | | |
|---------------------------------|----------------|----------------|-----------------------|------------------------------|----------------|-----------------------|
| | 2019 Actual | 2019 Budget | Variance Fav/ (unfav) | 2019 Projected | 2019 Budget | Variance Fav/ (unfav) |
| Staffing Costs | 76.224 | 75.848 | (0.376) | 151.633 | 151.633 | - |
| Materials and Supplies | 1.123 | 0.974 | (0.149) | 2.158 | 2.158 | - |
| Library Materials | 10.216 | 10.207 | (0.009) | 20.415 | 20.415 | - |
| Equipment, Services and Rent | 15.283 | 14.248 | (1.035) | 32.113 | 29.941 | (2.172) |
| Contributions & Transfers | - | - | - | 3.164 | 3.164 | - |
| Other | 0.040 | 0.002 | (0.038) | 0.004 | 0.004 | - |
| Total Gross Expenditures | 102.885 | 101.278 | (1.607) | 209.486 | 207.314 | (2.172) |
| Grants | 2.939 | 2.845 | 0.094 | 5.678 | 5.678 | - |
| Fines, Fees and Room Rentals | 2.459 | 2.739 | (0.280) | 5.775 | 5.775 | - |
| Contributions & Transfers | 2.100 | 2.100 | - | 5.482 | 5.482 | - |
| Other | 2.501 | 1.123 | 1.378 | 4.458 | 2.286 | 2.172 |
| Total Revenues | 9.999 | 8.807 | 1.193 | 21.393 | 19.221 | 2.172 |
| Net Expenditures | 92.886 | 92.472 | (0.415) | 188.093 | 188.093 | - |

Note: Totals may not add due to rounding

The year-to-date unfavourable expenditure variance of \$1.607 million is mainly attributable to: increased expenditures in equipment, services and rent related to specific library initiatives, which are fully funded by grants from TPL Foundation and others; increased spending on branch security due to requirements for increase in security during regular branch hours in order to ensure the safety of customers and

staff; and additional spending on infrastructure maintenance as a result of urgent repairs to building components and systems.

The year-to-date favourable revenue variance of \$1.193 million is mainly attributable to supplementary grant revenues of \$1.362 million from the TPL Foundation and others to fund the costs of specific library initiatives, partially offset by lower than budgeted fines revenue. The decreasing fines revenues is a result of branch closures and the continued growth in the usage of e-materials and introduction of additional methods for patrons to be notified of pending fines and to pay their fines in a timely manner.

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

CONTACT

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SIGNATURE

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