

**Operating Budget Monitoring Report – September 30, 2019**

<b>Date:</b>	November 25, 2019
<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 (TPL) Board with a summary of the gross and net operating expenditures of TPL for the nine-month period ended on September 30, 2019, as well as projected net expenditures to December 31, 2019.

As of September 30, 2019, TPL is reporting a net favourable variance of \$0.034 million comprised of a favourable revenue variance of \$1.902 million partially offset by an unfavourable expenditure variance of \$1.868 million.

TPL’s Council-approved 2019 operating budget is \$188.093 million net (\$207.314 million gross) and net spending is projected to be on budget by year-end.

**FINANCIAL IMPACT**

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As of September 30, 2019, TPL is reporting a net favourable variance of \$0.034 million comprised of a favourable revenue variance of \$1.902 million partially offset by an unfavourable expenditure variance of \$1.868 million.

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

**ISSUE BACKGROUND**

TPL’s initial Council-approved [2019 operating budget](#) was \$187.659 million net (\$206.880 million gross). During 2019, the City made minor adjustments comprised of an increase of \$0.434 million net related to the insurance allocation algorithm and

insurance reserve fund, which resulted in a revised 2019 operating budget of \$188.093 million net (\$207.314 million gross).

## COMMENTS

For the nine-month period ended on September 30, 2019, TPL is reporting a net favourable variance of \$0.034 million comprised of a favourable revenue variance of \$1.902 million, partially offset by an unfavourable expenditure variance of \$1.868 million as shown in Table 1 below:

TABLE 1: Operating Budget Monitoring for the period ending September 30, 2019

Expense/Revenue Category	Year-to-Date				12 Months ending December 31			
	Actuals \$ M	Budget \$ M	Variance to Budget fav / (unfav)		Projected Actuals \$ M	Budget \$ M	Variance to Budget fav / (unfav)	
			\$ M	%			\$ M	%
1 Staffing Costs	116.090	115.909	(0.180)	(0.2%)	151.681	151.077	(0.604)	(0.4%)
2 Materials and Supplies	1.635	1.465	(0.171)	(11.7%)	2.124	2.158	0.034	1.6%
3 Library Materials	15.330	15.311	(0.019)	(0.1%)	20.440	20.415	(0.026)	(0.1%)
4 Equipment, Services and Rent	23.111	21.654	(1.457)	(6.7%)	32.493	30.471	(2.022)	(6.6%)
5 Contributions & Transfers to Reserves	-	-	-	0.0%	3.189	3.189	-	0.0%
6 Other Expenses	0.043	0.003	(0.040)	(1248.0%)	0.079	0.004	(0.075)	(1875.0%)
<b>7 Total Gross Expenditures</b>	<b>156.210</b>	<b>154.342</b>	<b>(1.868)</b>	<b>(1.2%)</b>	<b>210.007</b>	<b>207.314</b>	<b>(2.693)</b>	<b>(1.3%)</b>
8 Grants	4.305	4.262	0.043	1.0%	5.733	5.678	0.055	1.0%
9 Fines, Fees and Room Rentals	3.689	4.133	(0.443)	(10.7%)	5.295	5.775	(0.480)	(8.3%)
10 Grants from TPL Foundation and others	2.134	-	2.134	0.0%	2.845	-	2.845	0.0%
11 Contributions & Transfers from Reserves	3.149	3.149	-	0.0%	5.482	5.482	-	0.0%
12 Other Revenues	1.872	1.703	0.169	9.9%	2.559	2.286	0.273	11.9%
<b>13 Total Revenues</b>	<b>15.149</b>	<b>13.247</b>	<b>1.902</b>	<b>14.4%</b>	<b>21.914</b>	<b>19.221</b>	<b>2.693</b>	<b>14.0%</b>
<b>14 Net Expenditures</b>	<b>141.061</b>	<b>141.095</b>	<b>0.034</b>	<b>0.0%</b>	<b>188.093</b>	<b>188.093</b>	<b>0.000</b>	<b>0.0%</b>

Note: Totals may not add due to rounding

The year-to-date favourable revenue variance of \$1.902 million is mainly attributable to supplementary grant revenues of \$2.134 million from the TPL Foundation and others to fund the costs of specific library initiatives, and is partially offset by lower than budgeted fines revenue of \$0.230 million. The unfavourable variance in fines revenues is the result of the increased usage of e-materials, which are automatically returned and not subject to fines, and the introduction of additional on-line methods for patrons to manage their library records and avoid fines by renewing or returning outstanding library materials.

The year-to-date unfavourable expenditure variance of \$1.868 million is mainly attributable to increased expenditures of \$2.134 million related to specific library initiatives that are fully funded by grants from TPL Foundation and others, and greater than budgeted spending of \$0.241 million for branch security due to requirements for

increase in security during regular branch hours in order to ensure the safety of customers and staff. These over-expenditures are partially offset by a favourable expenditure variance of \$0.547 million in utilities resulting from a mild summer.

Expenditures and revenues are closely monitored throughout the year in order to manage any budget pressures. TPL is projecting that net spending will be on budget by year-end.

## **CONTACT**

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;  
Email: [lhughsam@tpl.ca](mailto:lhughsam@tpl.ca)

## **SIGNATURE**

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Vickery Bowles  
City Librarian