



STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – December 31, 2018

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|--------------|------------------------------|
| Date: | March 25, 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 for the year ending on December 31, 2018. TPL's Council-approved 2018 operating budget is \$182.393 million net (\$201.717 million gross).

For the year ending December 31, 2018, TPL is reporting a favourable net expenditure variance of \$0.059 million, which will be returned to the City, comprised of a favourable revenue variance of \$2.609 million and an unfavourable expenditure variance of \$2.550 million.

FINANCIAL IMPACT

For the year ending December 31, 2018, TPL is reporting a favourable net expenditure variance of \$0.059 million comprised of a favourable revenue variance of \$2.609 million and an unfavourable expenditure variance of \$2.550 million. The surplus of \$0.059 million will be returned to the City.

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

ISSUE BACKGROUND

TPL's initial Council-approved [2018 operating budget](#) was \$182.283 million net (\$201.607 million gross). Throughout 2018, the City made minor adjustments; comprised primarily of an increase of \$0.112 million net related to the increase in minimum wage included in Bill 148, which resulted in a revised final 2018 operating budget of \$182.393 million net (\$201.717 million gross).

COMMENTS

For the year ending December 31, 2018, TPL is reporting a favourable net expenditure variance of \$0.059 million comprised of a favourable revenue variance of \$2.609 million and an unfavourable expenditure variance of \$2.550 million as shown in Table 1 below:

Table 1
TORONTO PUBLIC LIBRARY
Operating Budget Monitoring Report
For the Year Ending December 31, 2018
(\$ Millions)

| Expense/Revenue Category | 2017 | 2018 | 2018 | Variance | |
|------------------------------|----------------|----------------|----------------|----------------|--------------|
| | Actual | Actual | Budget | fav/(unfav) | |
| | \$ | \$ | \$ | \$ | % |
| Staffing Costs | 142.542 | 145.555 | 146.723 | 1.168 | 0.8 |
| Materials and Supplies | 2.147 | 2.050 | 2.186 | 0.136 | 6.2 |
| Library Materials | 19.761 | 19.974 | 19.766 | (0.208) | (1.1) |
| Equipment, Services and Rent | 30.089 | 32.030 | 28.411 | (3.619) | (12.7) |
| Contributions & Transfers | 6.327 | 4.582 | 4.626 | 0.044 | 1.0 |
| Other | 0.156 | 0.075 | 0.004 | (0.071) | (1,784.1) |
| Gross Expenditures | 201.022 | 204.267 | 201.717 | (2.550) | (1.3) |
| Grants | 5.804 | 5.974 | 5.678 | 0.295 | 5.2 |
| Fines, Fees and Room Rentals | 5.299 | 5.332 | 5.447 | (0.115) | (2.1) |
| Contributions & Transfers | 7.085 | 5.936 | 5.936 | - | - |
| Other | 3.796 | 4.691 | 2.262 | 2.429 | 107.4 |
| Total Revenues | 21.983 | 21.933 | 19.324 | 2.609 | 13.5 |
| Net Expenditures | 179.038 | 182.334 | 182.393 | 0.059 | 0.0 |

The unfavourable expenditure variance of \$2.550 million is mainly attributable to an unfavourable variance in equipment, services and rent of \$3.619 million offset by a favourable variance in staffing costs of \$1.168 million.

The unfavourable variance of \$3.619 million in equipment, services and rent is primarily due to enhanced spending (\$2.704 million) on specific library initiatives funded by the TPL Foundation and greater than budgeted expenditures in various other areas, including security costs (\$0.540 million).

Branch security costs were higher than budget due to the requirement for an increase in security personnel, including paid-duty Toronto Police Services officers, in certain branches

during regular branch hours in response to specific incidents and to ensure the safety of patrons and staff.

The favorable variance in staffing costs (\$1.168 million) is mainly attributed to lower than budgeted expenditures in benefits due to reduced claims experience.

The favourable revenue variance of \$2.609 million is mainly attributable to supplementary revenue from the TPL Foundation (\$2.704 million) to enhance specific library initiatives as discussed above, but is offset by lower than budgeted revenues related to fines (\$0.169 million) as a result of the continued growth in the usage of e-materials and customer knowledge regarding renewals and late due notices.

These operating results should be considered draft until the external audit of the financial statements is complete.

CONTACT

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SIGNATURE

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