



STAFF REPORT INFORMATION ONLY

Operating Budget Monitoring Report – December 31, 2016

Date:	March 20, 2017
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 year ending on December 31, 2016.

As of December 31, 2016, TPL is reporting a favourable net expenditure of \$0.246 million comprised of a favourable revenue variance of \$2.681 million partially offset by an unfavourable expenditure variance of \$2.434 million.

FINANCIAL IMPACT

For the year ending December 31, 2016, TPL is reporting a favourable net expenditure of \$0.246 million comprised of a favourable revenue variance of \$2.681 million partially offset by an unfavourable expenditure variance of \$2.434 million. The \$0.246 million surplus will be returned to the City.

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

ISSUE BACKGROUND

TPL's Council-approved 2016 operating budget is \$177.175 million net (\$194.768 million gross), which includes in-year Council-approved adjustments. Operating results are usually reported to the Toronto Public Library Board and the City on a quarterly basis.

COMMENTS

For the year ending December 31, 2016, TPL is reporting a favourable net expenditure of \$0.246 million comprised of a favourable revenue variance of \$2.681 million partially offset by an unfavourable expenditure variance of \$2.434 million as shown in Attachment 1.

The unfavourable expenditure variance of \$2.434 million is mainly attributable to an unfavourable variance of \$3.284 million in equipment, services and rent expenditures, partially offset by favourable variance of \$1.057 million in staffing costs.

The unfavourable variance in equipment, services and rent is primarily due to enhanced spending (\$2.498 million) on specific library initiatives funded by the TPL Foundation and increased spending (\$1.002 million) in infrastructure maintenance as a result of ageing buildings. These maintenance expenditures included urgent repairs to HVAC, security systems, elevators, and furniture. There were also over-expenditures (\$0.550 million) in utilities due to the extended and steady above-average temperatures over the summer resulting in increased electricity usage.

Offsetting these over-expenditures are under-expenditures in rent costs at Eglinton Square Branch due to the closure of the branch for renovations effective June 2016 (\$0.182 million) and in data communications (\$0.379 million) due to a delay in the planned implementation of increased data-line speeds in branches as a result of a supplier issue.

The favorable variance in staffing costs (\$1.057 million) is attributed to a high level of retirements and the implementation of an organizational restructuring, and the associated staff movement.

The favorable revenue variance of \$2.681 million is mainly attributable to increased revenue from the TPL Foundation (\$2.498 million) to enhance specific library initiatives and greater than budgeted revenues in fines and printing (\$0.339 million).

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

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Operating Budget Monitoring Report – Year Ending December 31, 2016

TORONTO PUBLIC LIBRARY
Operating Budget Monitoring Report
For the Year Ending December 31, 2016
(\$ Millions)

Expense/Revenue Category	2015	2016	2016 Budget	Variance	
	Actual	Actual		fav / (unfav)	
	\$	\$	\$	\$	%
Staffing Costs	141.816	144.378	145.435	1.057	0.0
Materials and Supplies	2.333	2.263	2.132	(0.132)	(0.1)
Library Materials	18.619	19.339	19.271	(0.069)	(0.0)
Equipment, Services and Rent	25.594	28.939	25.655	(3.284)	(0.1)
Contributions & Transfers	2.271	2.271	2.271	0.000	0.0
Other	0.125	0.012	0.004	(0.008)	(1.9)
Total Expenditures	190.757	197.202	194.768	(2.434)	(0.0)
Grants	5.827	5.813	5.678	(0.135)	(0.0)
Fines, Fees and Room Rentals	5.324	5.246	4.907	(0.339)	(0.1)
Contributions & Transfers	3.725	4.429	5.034	0.605	0.1
Other	3.702	4.785	1.973	(2.812)	(1.4)
Total Revenues	18.578	20.274	17.593	(2.681)	(0.2)
Net Expenditures	172.179	176.928	177.175	0.246	0.0

* Totals may not add due to rounding