

Operating Budget Monitoring Report – September 30, 2017

Date:	November 20, 2017
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 nine-month period ending on September 30, 2017, as well as projected expenditures to December 31, 2017.

As of September 30, 2017, TPL is reporting a favourable net expenditure variance of \$0.026 million comprised of a favourable revenue variance of \$1.302 million and an unfavourable expenditure variance of \$1.276 million. TPL’s Council-approved 2017 operating budget is \$179.108 million net (\$199.103 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, 2017, TPL is reporting a favourable net expenditure of \$0.026 million comprised of a favourable revenue variance of \$1.302 million and an unfavourable expenditure variance of \$1.276 million. The operating budget is expected to be fully spent by year end.

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

DECISION HISTORY

At its meeting on April 18, 2017, the Board considered the [Extended North York Central Library Closure and 2017 Budget and 2017-2026 Capital Plan Adjustments](#) report that included a recommendation to request Council approval for an acceleration of \$4.000 million cash flows to 2017 from 2018 (\$1.272 million gross) and 2019 (\$2.728 million gross) for the NYCL Phase 1 project, fully funded by a contribution from the operating budget resulting from cost savings generated from the extended branch closure.

At its meeting on July 4, 2017, City Council adopted this recommendation and TPL's 2017 operating and capital budgets have been adjusted accordingly

ISSUE BACKGROUND

TPL's initial Council-approved [2017 operating budget](#) is \$179.052 million net (\$199.047 million gross). Throughout 2017, the City made minor adjustments that resulted in a revised 2017 operating budget of \$179.108 million net (\$199.103 million gross). 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, 2017, TPL is reporting a favourable net expenditure variance of \$0.026 million comprised of a favourable revenue variance of \$1.302 million and an unfavourable expenditure variance of \$1.276 million as shown in Appendix A.

The unfavourable expenditure variance of \$1.276 million is mainly attributable to: increased expenditures in materials and supplies, and equipment, services and rent due to the enhancement of specific library initiatives that are funded by and fully offset with grant revenue from the TPL Foundation; and over-expenditures in utility costs as the result of colder than normal temperatures through the winter and spring seasons.

The favourable revenue variance of \$1.302 million is mainly attributable to supplementary revenue from the TPL Foundation to enhance specific library initiatives as discussed above.

The full-year forecast, as shown in Appendix A, shows the budget fully spent.

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;
E-mail: lhughsam@torontopubliclibrary.ca

SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Appendix A: Operating Budget Monitoring Report Nine-month period ending
September 30, 2017

TORONTO PUBLIC LIBRARY
Operating Budget Monitoring Report
For the Period Ending September 30, 2017
(\$Millions)

Expense/Revenue Category	Year-to-Date			12 Months ending December 31		
	2017 Actual \$	2017 Budget \$	Variance Fav/ (unfav) \$	2017	2017 Budget \$	Variance Fav/ (unfav) \$
				Forecast \$		
Staffing Costs	110.054	110.047	(0.007)	143.365	143.626	0.262
Materials and Supplies	1.584	1.503	(0.081)	2.108	2.169	0.061
Library Materials	14.817	14.814	(0.003)	19.756	19.752	(0.004)
Equipment, Services and Rent	20.950	19.911	(1.039)	28.532	27.115	(1.418)
Contributions & Transfers	3.949	3.949	-	6.327	6.327	-
Other	0.150	0.003	(0.146)	0.199	0.004	(0.195)
Gross Expenditures	151.503	150.227	(1.276)	200.287	198.993	(1.294)
Grants	4.317	4.259	(0.058)	5.754	5.678	(0.075)
Fines, Fees and Room Rentals	3.892	3.714	(0.178)	5.152	4.952	(0.200)
Contributions & Transfers	4.540	4.540	-	7.085	7.085	-
Other	2.677	1.610	(1.066)	3.189	2.170	(1.019)
Total Revenues	15.425	14.123	1.302	21.179	19.885	1.294
Net Expenditures	136.078	136.104	0.026	179.108	179.108	(0.000)

Note: Totals may not add due to rounding