



## STAFF REPORT INFORMATION ONLY

### Operating Budget Monitoring Report – December 31, 2015

<b>Date:</b>	March 21, 2016
<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 Board with a summary of the gross and net operating expenditures of Toronto Public Library (TPL) for the year ending on December 31, 2015.

As of December 31, 2015, TPL spending is essentially on budget, reporting a small favourable net expenditure variance of \$0.014 million comprised of a favourable revenue variance of \$2.062 million offset by an unfavourable expenditure variance of \$2.048 million.

Grants from the Toronto Public Library Foundation and others for specific library initiatives cover the costs of salaries, materials, supplies, equipment and services, and are not included in the budget.

#### FINANCIAL IMPACT

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For the year ending on December 31, 2015, TPL spending is essentially on budget, reporting a small favourable net expenditure variance of \$0.014 million comprised of a favourable revenue variance of \$2.062 million offset by an unfavourable expenditure variance of \$2.048 million. The budget is fully spent and the \$0.014 million surplus will be returned to the City.

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

#### ISSUE BACKGROUND

TPL's 2015 approved operating budget was \$188.708 million gross and \$172.192 million net, which includes in-year Council approved adjustments.

## COMMENTS

For the year ending December 31, 2015, TPL had a favourable net expenditure variance of \$0.014 million comprised of a favourable revenue variance of \$2.062 million offset by an unfavourable expenditure variance of \$2.048 million as shown on Attachment 1.

Grants from the Toronto Public Library Foundation (\$1.875 million) and others for specific library initiatives cover the costs of salaries, materials, supplies, equipment and services, and are not included in the budget. Excluding the impact of the funding from the Foundation, which has revenues and offsetting expenditures, the favourable variances include:

- \$0.121 million net savings in salaries and benefits resulting from temporary short-term vacancies
- \$0.130 million in printing and legal costs
- \$0.100 million savings on a waste management contract
- \$0.180 million in data communications, which resulted from delays in obtaining agreements for increasing internet bandwidth at certain branches
- \$0.200 million in additional facilities rental revenues.

These favourable variances are offset by the following unfavourable variances:

- \$0.215 million over-expenditures in utilities caused mainly by the extreme temperatures in early 2015
- \$0.248 million in HVAC and elevator maintenance
- \$0.095 million related to a recent Janitorial contract award
- \$0.071 million for sorter and RFID equipment maintenance
- \$0.102 of foreign exchange loss, excluding collections, due to the weak Canadian dollar.

Overall, fines, fees and room rentals exceeded budget by \$0.320 million mainly due to facilities rental, and printing and photocopying.

During the year, expenditure controls were implemented to manage budget pressures and revenues were closely monitored.

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

## CONTACT

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## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENTS**

Attachment 1: Operating Budget Monitoring Report – Year Ending December 31, 2015