

Operating Budget Monitoring Report – March 31, 2014

Date:	April 28, 2014
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 gross and net operating expenditures of Toronto Public Library (TPL) for the three months ending on March 31, 2014.

As of March 31, 2014, TPL spending is essentially on budget, reporting a small favourable net expenditure variance of \$0.010 million consisting of a favourable revenue variance of \$0.112 million offset by an unfavourable expenditure variance of \$0.102 million. The cost of specific library programs funded from grants and the TPL Foundation is reflected as over-expenditures in materials and supplies, and equipment, services and rent.

Expenditures and revenues are monitored on an ongoing basis to ensure that spending is within the available budget.

FINANCIAL IMPACT

As a result of the first three months of operations in 2014, spending is on budget, reporting a small favourable net expenditure variance of \$0.010 million consisting of a favourable revenue variance of \$0.112 million offset by an unfavourable expenditure variance of \$0.102 million.

The year-end projection is for the budget to be fully spent.

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

ISSUE BACKGROUND

TPL's 2014 operating budget is \$184.170 million gross and \$167.587 million net, as adopted by the Board at its meeting of February 10, 2014.

Operating results are usually reported to the Toronto Public Library Board on a quarterly basis.

COMMENTS

As of March 31, 2014, TPL spending is on budget.

Additional grants of \$0.046 million and funding from the TPL Foundation of \$0.217 million, included in other revenues, offset expenditures for specific library programs reflected in materials and supplies, and equipment, services and rent. There is also an unfavourable variance of \$0.038 million in the cost of utilities, included in equipment, services and rent, due to the extreme weather experienced in the winter months.

Fines revenue is \$0.176 million below budget and reflects a downward trend, due to several factors including:

- increased borrowing of e-material which incurs no fines;
- higher cost of fines which encourage customers to be more diligent in returning material more promptly; and
- more options available to customers to manage their accounts when borrowing materials, including pre date-due e-mail notification.

The shortfall in fines revenue is offset by savings in staffing costs resulting from benefits under-spending and gapping due to staff movement.

Expenditures and revenues are monitored on an ongoing basis to ensure that spending is within the available budget.

The year-end projection is for the budget to be fully spent.

CONTACT

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SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: Operating Budget Monitoring Report for the Period Ending March 31, 2014