19.

STAFF REPORT
INFORMATION ONLY

Operating Budget Monitoring Report – September 30, 2011

Date:	November 21, 2011
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 expenditures of the Library for the nine months ending on September 30, 2011.

As of September 30, 2011, Toronto Public Library (TPL) reports a favourable net expenditure variance of $250,574 consisting of an unfavourable expenditure variance of $1,445,805 and a favourable revenue variance of $1,696,379.

The projected year-end favourable operating variance of $150,212 reflects higher than budget expenditures in salaries, materials, services and rents offset by a combination of savings in other areas and higher than budget funding from external grants and other revenues.

FINANCIAL IMPACT

Net expenditures for the nine-month period ending September 30, 2011 were under-spent by $250,574, which represents 0.2% of the budget. Expenditures and revenues are monitored on an ongoing basis to ensure that spending is within the approved budget.

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

ISSUE BACKGROUND

TPL's 2011 operating budget of $183,874.5 million gross and $170,441.7 million net was approved by Council on February 23, 2011.

During 2011, the 2011 operating budget was adjusted to reflect approved cost-of-living increases of $339,700 and an increase of $16,500 for corporate insurance costs, resulting in a 2011 adjusted budget of $184,230,740 gross and $170,797,940 net.

Funding of the Library's 2011 operating budget consists of $170.8 million or 93% from the City of Toronto, $5.7 million or 3% from the Province of Ontario, $5.8 million or 3% is generated from fines, fees and rentals of facilities, and $1.9 million or 1% includes $1.0 million funding for collections from Development Charges and revenue from the sale of library materials, etc.

The 2011 operating budget expenditures consist of $139.1 million or 75% of the budget for salaries and benefits, $17.1 million or 10% of the budget for library materials, $15.8 million or 9% of the budget to maintain library buildings, $6.5 million or 3.5% of the budget for information technology data communications, equipment, maintenance and licenses, and $5.7 million or 3.1% of the budget for library operation services, supplies and programs expenses.

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

COMMENTS

As of September 30, 2011, TPL has a favourable net expenditure variance of $250,574, partially due to timing, and it consists of an unfavourable expenditure variance of $1,445,805 and a favourable revenue variance of $1,696,379.

Most of the unfavourable year-to-date expenditure variances in salaries, materials, services and rents are related to specific program enhancements funded from external grants and donations.

A favourable revenue variance of $1,696,379 is mostly due to higher than budget funding from external grants and donations, which are generally made for specific purposes and will be fully offset by related expenditures.

A projected 2011 year-end surplus of $150,212 is due mainly to a favourable microform printer maintenance contract, under-expenditure in staff training, and a one-time reimbursement of expenditures incurred by the Library to support the 200 Wellesley Street fire emergency.

A TPL request to City Council to fund the costs of the Library's Voluntary Separation Program (VSP) was approved by the Library Board at its October 18, 2011 meeting as a tool to assist TPL in achieving staff reductions to meet required 2012 budget savings. At its meeting on November 1, 2011, the City's Executive Committee adopted a recommendation for the City to fund the cost of the Library's VSP from the 2011 year-end surplus. Council approval is expected at the end of November 2011.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
Email: lhughsam@torontopubliclibrary.ca

SIGNATURE

_____

Jane Pyper
City Librarian

ATTACHMENTS:

Attachment 1: Operating Budget Monitoring Report for the Period Ending September 30, 2011