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To: Toronto Public Library Board – September 15, 2003

From: City Librarian

Subject: **Operating Budget Monitoring Report – July 31, 2003**

Purpose:

To provide to the Toronto Public Library Board a summary of gross and net expenditures of the Library for the seven-month period ending July 31, 2003.

Funding Implications and Impact Statement:

Net expenditures for the seven-month period ending July 31, 2003 exceeded budget by \$380,000. Revenues and expenditures are being closely monitored and appropriate actions will be taken to ensure that spending is within the annual budget as approved by Council.

Recommendation:

It is recommended that the Toronto Public Library Board receive for information the *Operating Budget Monitoring Report – July 31, 2003*.

Comments:

For the seven-month period ending July 31, 2003, the Library is experiencing an unfavourable net expenditure variance to budget of \$380,000, which represents 0.3% of the annual budget. The continued monitoring of expenditures and revenue will ensure that the budget is balanced at year-end.

The year-to-date unfavourable net expenditure variance to budget of \$380,000 is the result of an unfavourable gross expenditure variance of \$388,000, partially offset by a favourable revenue variance of \$8,000.

The unfavourable gross expenditure variance is caused mainly by over-expenditures in Staffing Costs, partially offset by under-expenditures in Materials & Supplies and Services & Rent.

The unfavourable Staffing Cost variance of \$654,000 is mainly due to over-expenditures on benefits and unbudgeted staffing costs for the Leading to Reading program which are offset by funding from the Toronto Public Library Foundation and included in Other Revenue. Monitoring and expenditure controls are in place to ensure that the budget is met.

The favourable variance of \$95,000 in Materials and Supplies is mainly due to the timing of expenditures against the amount budgeted. Services and Rent indicate a \$217,000 favourable variance due to timing, which consists mainly of unexpended costs relating to information technology, partially offset by over-expenditures in snow removal costs resulting from the unseasonably severe winter weather.

The favourable Revenue variance of \$8,000 is mainly due to unbudgeted funding from the Toronto Public Library Foundation for the Leading to Reading program, partially offset by shortfalls in grant revenues and fines & fees.

Conclusion:

Expenditures and revenues will continue to be monitored and appropriate actions taken to ensure that spending is within the approved budget.

Contact:

Larry Hughsam, Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
E-mail: lhughsam@tpl.toronto.on.ca

Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Operating Budget Monitoring Report for the Period Ending July 31, 2003