

To: Toronto Public Library Board – June 9, 2003

From: City Librarian

Subject: **Operating Budget Monitoring Report – April 30, 2003**

Purpose:

To provide the Toronto Public Library Board with a summary of gross and net expenditures of the Library for the four-month period ending April 30, 2003.

Funding Implications and Impact Statement:

Net expenditures for the four-month period ending April 30, 2003 exceeded budget by \$193,000. Revenues and expenditures are being closely monitored and appropriate actions will be taken to ensure that spending is within the budget as approved by Council.

Recommendation:

It is recommended that the Toronto Public Library Board receive for information the *Operating Budget Monitoring Report – April 30, 2003*.

Comments:

For the four-month period ending April 30, 2003, the Library is experiencing an unfavourable net expenditure variance to budget of \$193,000, which represents less than 0.2% of the annual budget. It is still relatively early in the year, and staff are working on a detailed analysis and year-end forecast. Strict monitoring and controls over spending will be used to manage expenditures to ensure the annual budget is met.

The year-to date unfavourable net expenditures variance to budget of \$193,000 is the result of an unfavourable gross expenditure variance of \$43,000 and an unfavourable revenue variance of \$150,000.

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

The unfavourable Staffing Cost variance of \$291,000 is due to the relatively late operating budget approval at the end of February 2003, which resulted in an increase to the gapping target for 2003. As the gapping target and staffing cost budget for 2003 have now been determined, expenditures on staffing will be managed to meet budget.

The favourable variance of \$98,000 in Materials and Supplies is due to the timing of expenditures against the amount budgeted. Services and Rent indicate a \$175,000 favourable variance due to timing, which consists of unexpended costs relating to information technology, partially offset by over-expenditures in heating and snow removal costs resulting from the unseasonably severe winter weather.

The unfavourable Revenue variance of \$150,000 is due to the timing of the receipt of grant revenues and miscellaneous revenues against the amount budgeted.

Conclusion:

Expenditures and revenues are monitored on an on-going basis so that appropriate action can be taken to ensure that spending is within the approved budget.

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City Librarian

List of Attachments:

Attachment 1: Operating Budget Monitoring Report for the Period Ending April 30, 2003