



To: Toronto Public Library Board – December 13, 2004

From: City Librarian

Subject: **Operating Budget Monitoring Report – October 31, 2004**

Purpose:

To provide the Toronto Public Library Board with a summary of gross and net expenditures of the Library for the ten-month period ending October 31, 2004.

Funding Implications and Impact Statement:

Net expenditures for the ten-month period ending October 31, 2004 were under spent by \$1,952,000.

The Library is currently projecting a net operating surplus of \$957,000 for the full year which the Library Board has approved requesting City Council to apply the surplus toward the pending arbitration ruling on wage rate and job classification harmonization.

Recommendation:

It is recommended that the Toronto Public Library Board receive the *Operating Budget Monitoring Report – October 31, 2004* for information.

Comments:

For the ten-month period ending October 31, 2004, the Library is experiencing a favourable net expenditure variance to budget of \$1,952,000. Expenditures and revenues are monitored on an on-going basis to ensure that spending is within the approved budget.

The year-to-date favourable net expenditures variance to budget of \$1,952,000 is the result of a favourable gross expenditure variance of \$1,254,800, and a favourable revenue variance of \$697,200.

The favourable gross expenditure variance of \$1,254,800 is mainly caused by under-expenditures in Staffing Costs of \$1,562,600. The under-expenditure in Staffing Costs is attributable to the full-year hiring freeze imposed by the City, the late operating budget approval at the end of April 2004, which included a decrease to the 2004 gapping target, and higher than anticipated savings from the closure of Runnymede, Beaches, and Malvern branches for all or part of 2004. Vacant positions are being filled under the guidelines of the hiring freeze in order to avoid negatively impacting service levels.

The favourable Revenue variance of \$697,200 is mainly due to unbudgeted external grant funding, which is offset by related expenditures.

Year-end projections indicate a net operating surplus of \$957,000 at the end of the year. At its November 15, 2004 Board meeting, the Board adopted the recommendation to forward a request to City Council recommending that the projected 2004 net operating surplus of \$957,000 be used toward funding the pending arbitration ruling on the Library's wage rate and job classification harmonization.

Conclusion:

Expenditures and revenues are monitored on an on-going basis to ensure that spending is within the approved budget.

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List of Attachments:

Attachment 1: Operating Budget Monitoring Report for the Period Ending October 31, 2004