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To: Toronto Public Library Board – May 9, 2005

From: City Librarian

Subject: **Operating Budget Monitoring Report – March 31, 2005**

Purpose:

To provide the Toronto Public Library Board with a summary of gross and net expenditures of the Library for the three-month period ending March 31, 2005.

Funding Implications and Impact Statement:

Net expenditures for the three-month period ending March 31, 2005 were under-spent by \$421,000.

Recommendation:

It is recommended that the Toronto Public Library Board receive the *Operating Budget Monitoring Report – March 31, 2005* for information.

Comments:

For the three-month period ending March 31, 2005, the Library is experiencing a favourable net expenditure variance to budget of \$421,000. This variance is mainly due to timing as some expenditures are delayed until budget approval, which occurred at the end of February 2005.

The year-to-date favourable net expenditures variance to budget of \$421,000 is the result of a favourable gross expenditure variance of \$155,000 and a favourable revenue variance of \$266,000.

The favourable gross expenditure variance of \$155,000 is mainly caused by under-expenditures in Staffing Costs. The under-expenditure in Staffing Costs is due to operating budget approval at the end of February 2005, partially offset by over-expenditures which are fully funded by external grants.

As part of the 2005 operating budget approval, the Library was informed that its gapping target would be increased from 3 percent to 3.5 percent, a net increase of approximately \$550,000. This increased gapping has not yet been allocated to the Library, but when it is, the staffing budget will decrease, thus eliminating the staffing cost under-expenditure in the first quarter.

The favourable Revenue variance of \$266,000 is mainly due to the unbudgeted funding from external grants & donations for various library programs, which will be fully offset by related expenditures.

Conclusion:

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

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Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Operating Budget Monitoring Report - Summary – For the Period Ending
March 31, 2005