



To: Toronto Public Library Board – October 29, 2001

From: City Librarian

Subject: **Operating Budget Monitoring Report – September 30, 2001**

Purpose:

To advise the Toronto Public Library Board of the Library's financial position as at September 30, 2001.

Funding Implications and Impact Statement:

Not applicable.

Recommendation:

It is recommended that the Toronto Public Library Board receive for information the *Operating Budget Monitoring Report – September 30, 2001*.

Comments:

For the nine-month period ending September 30, 2001, the Library has a favourable variance (actual compared to budget) of \$428,000. Our continued monitoring of expenditures and revenue will ensure that the budget is balanced at year-end. This will be achieved without any reduction to library materials, a strategy contemplated earlier in the year.

The year-to-date favourable variance results mainly from higher Grants revenue and underspending in Materials and Supplies and Services and Rents expense categories. These favourable variances are partially offset by unfavourable variances in Staffing Costs, Equipment and Fines and Fees.

Staffing costs show an unfavourable variance of \$99,000 caused by the unbudgeted cost for Consumer Health Information Service (CHIS) partially offset by less than budget costs for Fringe Benefits. The CHIS costs are completely covered by corresponding unbudgeted Grant revenue.

The Materials and Supplies favourable variance is attributed mainly to the unexpended budget of patron photocopy cards which is offset by unrealized revenue in Fines and Fees.

The unfavourable Equipment variance results from the purchase of a truck for \$32,000 which was funded by a grant from the Toronto Public Library Foundation and recorded in Other Revenue. Other purchases included office equipment and book trucks.

Services and Rents have year-to-date underspending amounting to \$757,000 caused mainly by unexpended costs relating to information technology and other related costs. These timing variances are expected to reduce by year-end.

Grants revenue indicates a favourable variance of \$376,000 which cover increased staffing costs.

Fines and Fees have an unfavourable variance of \$821,000. This is caused mainly by a decrease in photocopy revenue which is being experienced by all large urban libraries and unrealized revenues related to patron photocopy cards. This revenue category is 19% higher than the same period last year.

Conclusion:

Expenditures and revenue are monitored on a regular basis so that appropriate action can be taken to ensure that spending is within the approved budget.

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List of Attachments:

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