

To: Toronto Public Library Board – November 15, 2004

From: City Librarian

Subject: **Operating Budget Monitoring Report – September 30, 2004**

Purpose:

To provide the Toronto Public Library Board with a summary of gross and net expenditures of the Library for the nine-month period ending September 30, 2004.

Funding Implications and Impact Statement:

Net expenditures for the nine-month period ending September 30, 2004 were under spent by \$1,697,200.

The Library is currently projecting a net operating surplus of \$957,000 for the full year.

Recommendation:

It is recommended that the Toronto Public Library Board:

- (1) receive for information the *Operating Budget Monitoring Report – September 30, 2004*; and
- (2) 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.

Comments:

For the nine-month period ending September 30, 2004, the Library is experiencing a favourable net expenditure variance to budget of \$1,697,200. 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 \$1,697,200 is the result of a favourable gross expenditure variance of \$1,581,900, and a favourable revenue variance of \$115,300.

The favourable gross expenditure variance of \$1,581,900 is mainly caused by under-expenditures in Staffing Costs of \$1,438,300 and the timing of expenditures. The under-expenditure in Staffing Costs is due to the late operating budget approval at the end of April

2004, which included a decrease to the 2004 gapping target, and the continuation of the hiring freeze. 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 \$115,300 is mainly due to unbudgeted external grant funding, which is offset by related expenditures.

Current projections indicate a net operating surplus of \$957,000 at the end of the year. It is recommended that the Toronto Public Library Board forward a request to City Council recommending that the projected 2004 net operating surplus of \$957,000 be put 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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Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Operating Budget Monitoring Report for the Period Ending September 30, 2004