



To: Toronto Public Library Board – May 12, 2003

From: City Librarian

Subject: **Operating Budget Monitoring Report – March 31, 2003**

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, 2003.

Funding Implications and Impact Statement:

Expenditures for the three-month period ending March 31, 2003 were overspent by \$50,000. 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 – March 31, 2003*.

Comments:

For the three-month period ending March 31, 2003, the Library is experiencing a small unfavourable variance to budget of \$50,000. It is still relatively early in the year, and strict monitoring and controls over spending will be used to manage expenditures to ensure the budget is met.

Background:

The Library incurred an unfavourable gross expenditure variance of \$26,000 in the three-month period ending March 31, 2003 and an underachievement in revenues of \$24,000, resulting in an unfavourable net expenditure variance of \$50,000.

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

The unfavourable Staffing Cost variance of \$91,000 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 has now been determined, expenditures on staffing will be managed to meet budget.

The favourable variances of \$60,000 in Materials and Supplies and \$48,000 in Services and Rent are mainly due to the timing of expenditures against the amount budgeted, partially offset by over-expenditures in heating and snow removal costs resulting from the unseasonably severe winter weather.

The unfavourable Revenue variance of \$24,000 is mainly due to timing.

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.

Contact:

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City Librarian

List of Attachments:

Attachment 1: Operating Budget Monitoring Report for the Period Ending March 31, 2003