



**STAFF REPORT
INFORMATION ONLY**

16.

**Operating Budget Monitoring Report – September 30,
2007**

Date:	November 12, 2007
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with a summary of gross and net expenditures of the Library for the nine months ending September 30, 2007.

As a result of the first nine months of operations in 2007, Toronto Public Library (TPL) reports a favourable net expenditure variance of \$100,200, which represents 0.1% of the 2007 approved budget.

FINANCIAL IMPACT

Net expenditures for the nine-month period ending September 30, 2007 were under-spent by \$100,200, which represents 0.1% of the 2007 budget. Expenditures and revenues are monitored on an ongoing basis to ensure that spending is within the approved budget and in accordance with service level reductions and cost containment measures approved by the Board.

The Director, Finance and Treasurer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

At its meeting of April 20 and 23, 2007 and subsequent budget adjustment instructions, City Council approved the Library's 2007 Net Operating Budget of \$149,678,279.

Operating results are reported to the Toronto Public Library Board on a quarterly basis.

COMMENTS

As of September 30, 2007, Toronto Public Library (TPL) had a favourable net expenditure variance of \$100,200 resulting from an unfavourable expenditure variance of \$816,500 and a favourable revenue variance of \$916,700. The net favourable variance reflects year-long spending restrictions implemented in 2007 and additional cost containment measures put in place at the end of July.

The \$816,500 unfavourable variance of gross expenditure is mainly due to salary over-expenditures required to meet growing service demands and a high level of sick leave payouts reflective of an aging workforce. Higher than budget external grants and donations provided for specific purposes will fully offset related over-expenditures in salaries, supplies and services.

The year-to-date favourable revenue variance of \$916,700 consists of favourable variances in revenues from fines, facility rentals and higher than budget funding from external grants and donations for designated library programs.

In response to a request from the City, at its July 25, 2007 meeting, the Library Board approved cost containment measures, which included a hiring freeze, Sunday closures, a reduction in library materials and curtailment of discretionary expenditures, intended to generate a year-end surplus of \$1.235 million. As at September 30, 2007, the projected surplus was reduced to approximately \$1.039 million due to the high cost of sick leave payouts for retiring employees. The projected surplus will be further reduced due to a recent arbitration ruling requiring reinstatement of full Sunday service. The amount of the additional reduction cannot be determined at this time.

CONTACT

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SIGNATURE

Josephine Bryant
City Librarian

ATTACHMENTS

Attachment 1: Operating Budget Monitoring Report for the Period Ending September 30, 2007