



**STAFF REPORT
INFORMATION ONLY**

19.

Operating Budget Monitoring Report – September 30, 2010

Date:	November 22, 2010
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 on September 30, 2010.

As of September 30, 2010, Toronto Public Library (TPL) reports a favourable net expenditure variance of \$73,060, consisting of an unfavourable expenditure variance of \$1,166,701 and a favourable revenue variance of \$1,239,761.

The projected year-end favourable operating variance of \$32,626 reflects higher than budget expenditures in supplies and services offset by a combination of savings in other areas and higher than budget funding from external grants and other revenues.

FINANCIAL IMPACT

Net expenditures for the nine-month period ending September 30, 2010 were under-spent by \$73,060 which represents 0.1% of the budget. Expenditures and revenues are monitored on an ongoing basis to ensure that spending is within the approved budget.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

ISSUE BACKGROUND

At its special meeting of April 15 and 16, 2010, City Council approved the Library's 2010 operating budget of \$180,581,060 gross and \$167,093,290 net.

At its July 6, 7 and 8, 2010, Council approved one-time funding of \$2,418,230 gross and zero net for a special payout for eligible employees who transferred to the Illness or Injury Plan. The annual corporate distribution of projected 2010 insurance costs added a

further \$6,265 gross and debt to the 2010 approved budget. After adjustments, the Library's 2010 approved operating budget is \$183,005,555 gross and \$167,099,555 net.

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

COMMENTS

As of September 30, 2010, TPL has a favourable net expenditure variance of \$73,060, consisting of an unfavourable expenditure variance of \$1,166,701 and a favourable revenue variance of \$1,239,761.

Most of the unfavourable year-to-date expenditure variances in materials, supplies, equipment, services and rents are offset by funding from external grants and donations.

A favourable revenue variance of \$1,239,761 is mostly due to higher than budget funding from external grants and donations for designated library programs.

In spite of increasing demand, the Library expects to finish its 2010 operations within budget.

2010 Unallocated Budget Reduction

As part of the 2010 operating budget approval, Council included a \$443,200 unallocated budget reduction for the Library at its special meeting of April 14, 2010.

As of September 30, 2010, under-expenditures in employee benefits are funding the unallocated budget reduction, and current projections are that the situation will continue to year-end with no service impact.

CONTACT

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SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS:

Attachment 1: Operating Budget Monitoring Report for the Period Ending September 30, 2010