



## REPORT TO THE LIBRARY BOARD

**MEETING DATE: September 19, 2007**

Session:	Public Session
Subject:	Financial Update – Financial Statements to August 31, 2007
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Presented By:	Anne Becker
Purpose of Report:	For Receipt and Information Only <input checked="" type="checkbox"/>

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### **Recommendation:**

It is recommended that this report be received.

### **Issue:**

The purpose of this report is to provide the London Public Library financial Statements for the period ending August 31, 2007, along with explanatory notes identifying any significant variances from budget.

### **Review:**

There are no significant concerns related to the variances; nevertheless, the following explanations are provided for clarification:

### **Expenditures:**

#### *Human Resources Services:*

- Although currently underspent, a portion of these funds will be used for the November staff development day, as well as service excellence training and other staff development needs.

#### *Purchased Services and Technology Services:*

- Business Equipment repair/leases and Technology Services are reflected as being under spent due to an accounting change involving prepaid expenses as recommended by KPMG during the 2006 audit; however, it is anticipated that these lines will be expended by the end of the year.

- Insurance has been paid for the entire year (see also Reserve Fund Contributions.)

*Utilities:*

- Energy management efforts are ongoing.

*Facilities Services:*

- Rents are under budget as the Charitable Rebate for 2007 taxes has already been received.

*Collections:*

- Collections will be fully committed by the end of the year. It is critical to note that, as per past precedent, a transfer to the collections reserve may be necessary in order to accommodate timing differences between the ordering and receipt of collections materials over year end.

*Program Services:*

- Program services expense is over budget, as well as the program revenue. The net difference should meet budget by the end of the year.

*Furniture and Equipment:*

- Furniture and equipment is over budget in part due to the Central Library public service area redesign, including the purchase of shelving units and computer desks for Cyber Central.

**Revenues:**

*Provincial Grant:*

- The Provincial grant for 2007 has been received.

*Operating Revenues:*

- Investment income is over budget due to an improved cash flow and due, in part, to earlier receipt of the Provincial grant.

*Rental Revenue:*

- Typically the fourth quarter generates more rental income, therefore, rental revenue should reach target by year end or be closer to budget.

*Business Revenue:*

- The North West London Resource Centre is under budget as it is an initiative funded by the City, and the draw has not yet been made.

*Contributions from Reserves:*

- The contribution from the Reserve represents a draw from the Energy Stabilization reserve which was created to assist with the implementation of the LPL Energy Management Plan.