
2006 BUDGET BRIEFING NOTE – Theatres – Reduction Proposals

Issue/Background:

The St. Lawrence Centre for the Arts and the Toronto Centre for the Arts met the 2006 Operating Budget target of 2% and as such, at its meeting on January 13, 2006, the Budget Advisory Committee (BAC) passed a motion to adopt the 2006 Proposed Operating Budgets for those Theatres.

Notwithstanding, at an informal meeting on January 18, 2006 with BAC members, the 2 Theatres were asked to review their 2006 Operating Budget submissions and submit reduction proposals by February 1, 2006 for consideration by the BAC at its meeting on February 6, 2006.

Key Points:

St. Lawrence Centre for the Arts

- The St. Lawrence Centre for the Arts has reviewed its 2006 Proposed Operating Budget and has proposed to increase base budget user fees and donations revenue by \$11.0K through a further extension of summer programming at the Bluma Appel Theatre.
- As indicated in the table below, this proposal reduces the Theatre's 2006 Proposed Operating Budget from \$1,502.9K net to \$1,491.9K net, bringing this budget to 1.3% over the 2005 Approved Operating Budget.

	2006 Proposed Operating Budget (BEFORE)	Reduction Proposal	2006 Proposed Operating Budget (AFTER)
Gross Expenditure	3,745.2	-	3,745.2
Revenue	2,242.3	11.0	2,253.3
Net Expenditure	1,502.9	(11.0)	1,491.9
Approved Positions	42.2	-	42.2

Toronto Centre for the Arts

- The Toronto Centre for the Arts has reviewed its 2006 Proposed Operating Budget and has proposed the following adjustments totaling to a net reduction of \$106.9K:
 - Increase base budget user fees and donations revenue by \$486.9K; and
 - Increase base budget gross expenditure by \$380K as follows:
 - Increase salaries and benefits by \$175.8K;
 - Increase services and rents by \$204.2K.
- The new revenue estimates are based on a fundamental change in the way the Centre has budgeted for the newly proposed revenues for 2006. The change in budgeting can be justified by the Centre's 5 year track record of outperforming its budget.
- As indicated in the table below, this proposal reduces the Program's 2006 Proposed Operating Budget from \$1,383.5K net to \$1,276.6K net, bringing this budget to 8.1% below the 2005 Approved Operating Budget.

	2006 Proposed Operating Budget (BEFORE)	Reduction Proposal	2006 Proposed Operating Budget (AFTER)
Gross Expenditure	3,609.5	380.0	3,989.5
Revenue	2,226.0	486.9	2,712.9
Net Expenditure	1,383.5	(106.9)	1,276.6
Approved Positions	47.3	-	47.3

Impact on Overall Theatres 2006 Operating Budget

These reduction proposals, together with the formally-requested reduction proposal from the Hummingbird Centre for the Performing Arts in the amount of \$75K, reduce the overall Theatres 2006 Proposed Operating Budget by \$192.9K from \$3,059.6K to \$2,866.7K, which is 2% below the 2006 budget target.

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