

Report to / Rapport au:

**Ottawa Public Library Board
Conseil d'administration de la bibliothèque publique d'Ottawa**

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Submitted by / Soumis par:

**Monique Désormeaux, Deputy Chief Executive Officer / Directrice
générale adjointe**

Contact Person / Personne Ressource:

*Brenda Gorton, Account Manager - Financial Services Unit / Gestionnaire de comptes,
Services des finances
613-580-2424 x24351, Brenda.Gorton@ottawa.ca*

File Number: OPLB-2015-0094

SUBJECT: Third Quarter 2015 Financial Statements

OBJET: Rapport financier du 3^e trimestre 2015

REPORT RECOMMENDATION

That the Ottawa Public Library Board receive the 2015 third quarter financial reports.

RECOMMANDATION DU RAPPORT

Que le Conseil d'administration de la Bibliothèque publique d'Ottawa prenne connaissance des rapports financiers du 3^e trimestre de 2015.

BACKGROUND

At the end of Q3, the Ottawa Public Library (OPL) is showing a deficit of \$1.362M. This includes an over-expenditure of 3.0% and total revenues falling short of the third quarter target by 23.7%. Revenue results are tracking slightly ahead of those reported in the same period in 2014 at 26%, while expenditures are 6.5% higher than the same period in 2014 at 78%.

The projected deficit at 2015 fiscal year end remains at 3.9% or \$1,630M consistent with previous financial reports. This is largely due to the Pay Equity Tribunal decision in the second quarter, resulting in retroactive payments made to affected employees and the placement of employees on new salary scales.

As part of normal fiscal year-end activities, the Library reserve fund balance of \$2.199M will be applied to the actual year-end operating deficit.

DISCUSSION

Financial Reports:

1. Operating Financial Report for Q3 ending September 30, 2015: Appendix A

- a. At the third quarter, the Library's net expenditures are over budget by 3%. For the same period in 2014, net expenditures were 3.5% under budget.
- b. Total gross expenditures are over budget at 80.4% compared to the calendarized target of 75%.
- c. Total gross revenues are under budget at the end of the third quarter at 51.3% compared to 75% of the total year target. The provincial operating grant is included in year-to-date actuals as funds are received in Q4 of the Library's fiscal year.

2. Forecast Report for Q3 2015: Appendix B

- a. Based on third quarter results, net expenditures remain forecasted at 3.9% over budget. As previously stated in the Q2 financial report, this is a result of pay equity costs of \$1.6M.
- b. As of the end of the third quarter, revenues are forecasted to be over budget by 1.0% or \$36,064 by year end. This forecasted revenue result illustrates the impact of receipt of two Library Capacity Building Grants from The Ontario Ministry of Tourism, Culture and Sport. These grants, utilized for technology service offerings at library locations, slightly offset the forecasted under budget results for facilities rentals, library fines, and miscellaneous revenues.
- c. Total Gross Expenditures forecasted at year end remain over budget by 3.9%.

3. Report on External Funds Raised for Q3 2015: Appendix C

Total cumulative revenue raised to-date through fundraising initiatives is \$400,367. The breakdown is as follows: \$197,774 from the Friends of the Ottawa Public Library Association (FOPLA); \$70,608 for general donations, \$29,789 from Early Literacy donations; \$52,411 from the Community Foundation of Ottawa; and, \$49,785 from Immigrant Settlement and Adaptation Program (ISAP) grants.

4. Report on Contract Expenditures for Q3 2015: Appendix D (N/A)

In accordance with the Acquisitions of Goods and Services Procedure, the information provided in Appendix D contains a list of contracts valued at more than \$15,000 and less than \$500,000 awarded for the appropriate period. The City of Ottawa Financial Services Unit (FSU) now provides this information on a semi-annual basis at the end of Q2 and in fiscal year- end reporting. This appendix is no longer provided in the Q3 financial reporting period but remains listed in this report as a placeholder.

5. Library Board Operating Report for Q3 2015: Appendix E

At the end of Q3 the Board's operating budget is 21.9% spent. At the same point in 2014 the Board was at a 22.6% expenditure level.

6. Capital Financial Report for Q3 ending September 30, 2015: Appendix F

Attached in Appendix F is the report on capital account status as of the end of Q3, 2015. It should be noted that the appendix lists – Constance Bay Expansion with no expenditures or commitments, however, expenditures for this project have been made and will be adjusted through the Financial Services Unit (FSU) as the project approaches financial closing.

CONSULTATION

There were no public consultations performed for the purpose of this report.

LEGAL IMPLICATIONS

There are no legal implications associated with this report

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

BOARD PRIORITIES

This report falls within the Board core value of Accountability and is a fundamental citizen expectation of good governance and management for a public organization.

SUPPORTING DOCUMENTATION

1. Appendix A – Operating Financial Report for Q3 2015
2. Appendix B – Forecast Report for Q3 2015
3. Appendix C - Report on External Funds Raised for Q3 2015
4. Appendix E - Library Board Operating Budget for Q3 2015
5. Appendix F - Report on Capital Accounts for Q3 2015

DISPOSITION

There are no future actions associated with this report.