

**Report to / Rapport au:**

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

**September 6, 2016 / 6 septembre 2016**

**Submitted by / Soumis par:**

**Matthew Pritz Manager, Finance and Business Services / Chef de Service,  
Services des affaires et entreprises**

*Contact Person / Personne Ressource :*

*Brenda Gorton, Financial Services / Services financières  
613-580-2424 x24351, [brenda.gorton@ottawa.ca](mailto:brenda.gorton@ottawa.ca)*

**File Number: OPLB-2016-0184**

**SUBJECT: Second Quarter 2016 Financial Statements**

**OBJET: Rapport financier du 2<sup>e</sup> trimestre 2016**

**REPORT RECOMMENDATION**

**That the Ottawa Public Library Board receive the 2016 second quarter financial reports.**

**RECOMMANDATION DU RAPPORT**

**Que le Conseil d'administration de la Bibliothèque publique d'Ottawa prenne connaissance des rapports financiers du 2<sup>e</sup> trimestre de 2016.**

**BACKGROUND**

As of the end of the second quarter 2016, Ottawa Public Library (OPL) expenditures are under budget by 0.8% or \$355,622. In the same period, revenues are 18.9% under budget or \$679,995. Revenue results are comparable to those of the same period in 2015 while expenditures are 5.5% lower than the same period in 2015. A 0.3% or

\$118,100 surplus is currently forecasted for fiscal year-end 2016. For the purposes of the financial appendices summarized in this report, target expenditures and revenues are at 50%, or half of the fiscal year.

## **DISCUSSION**

### **Financial Reports:**

#### **1. Operating Financial Report (without External Funds Raised), Second Quarter, 2016: Appendix A**

- a. At the second quarter, the Library's net expenditures are under budget at 49.2%. For the same period in 2015, net expenditures were at 54.7%.
- b. Total gross expenditures are over budget at 50.8% as a result of less than targeted revenue performance. For the same period in 2015, gross expenditures were at 56.5%.
- c. Total gross revenues are under budget at the end of the second quarter at 31.1%, slightly less than the same period in 2015 when revenue was at 34.6%. It should be noted that the Provincial Libraries Operating and Pay Equity grant represents 38.4% of all planned Library revenues and is received in the fourth quarter of each year. An additional variance is accounted for by the loss of lease revenue for garage repairs at 191 Laurier Ave. which is estimated at \$138,000.

#### **2. Forecast Report, Second Quarter, 2016: Appendix B**

- a. Based on results through the second quarter, net expenditures are forecasted to be under budget by 0.6%. This is partly due to a continued hiring freeze implemented by management and in order to mitigate workforce adjustments related to Radio Frequency Identification (RFID) implementation.
- b. After second quarter, revenues are forecasted to be under budget by 3.7% or \$133,710 by year-end after the receipt of annual Provincial funding mentioned earlier in this report.
- c. Total Gross Expenditures are forecasted at year-end to be under budget by 0.3% or \$118,100.

**3. External Funds Raised Financial Report, Second Quarter, 2016: Appendix C**

Total revenue raised to-date through fundraising initiatives is \$519,172. The breakdown is as follows: \$198,445 from the Ministry of Tourism, Culture and Sport's (MTCS) Library Capacity Building Fund; \$182,642 from the Friends of the Ottawa Public Library Association (FOPLA); \$75,047 from general donations; \$59,613 from the Community Foundation of Ottawa; and \$3,425 from federally-sponsored Immigrant Settlement and Adaptation Program (ISAP) grants.

**4. Report on Contract Expenditures, Second Quarter, 2016: Appendix D**

In accordance with the Acquisitions of Goods and Services Procedure, Appendix D contains a list of contracts valued at more than \$25,000 and less than \$500,000 awarded for the period of January through June 2016.

**5. Library Board Operating Budget, Second Quarter, 2016: Appendix E**

At the end of Q2 the Board's operating budget is 19.5% spent. At the same point in 2015 the Board was at a 19.7% expenditure level. Expenditures related to Board policy are expected before year-end.

**6. Capital Report, Second Quarter, 2016: Appendix F**

Attached in Appendix F is the report on capital account status as of the end of Q2, 2016. While the overall total balance reported for capital accounts indicates a \$32.712M balance, please note that \$25.811M is a legacy authority to debenture from 2009 for the New Central Library - account # 905708. This account does not contain actual funding and further approval by Ottawa City Council will be required in order to exercise the authority.

Further, two accounts closed through the annual Works-In-Process (WIPS) review, received by the Board in May 2016 and subsequently approved by Council in June 2016, remain on the report but are currently locked with a cumulative balance of \$41,961. The actual balance of capital funds available after making these adjustments is \$6.859M.

**7. Ottawa Public Library Reserve Account update as of June 30, 2016**

At the end of the second quarter 2016, the Library reserve account balance stands at \$3.491M. This amount reflects technical adjustments to the funding source for RFID capital accounts in 2015 and 2016 as approved by Ottawa City Council in June 2016.

## **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 OPL core value of Accountability, and is a fundamental citizen expectation of good governance and management for a public organization.

## **SUPPORTING DOCUMENTATION**

- Appendix A Operating Financial Report (without External Funds Raised), Second Quarter, 2016
- Appendix B Forecast Report, Second Quarter, 2016
- Appendix C External Funds Raised Financial Report, Second Quarter, 2016
- Appendix D Report on Contract Expenditures, Second Quarter, 2016
- Appendix E Library Board Operating Budget, Second Quarter, 2016
- Appendix F Capital Report, Second Quarter, 2016

## **DISPOSITION**

There are no future actions associated with this report.