

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:

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File Number: OPLB-2015-0045

SUBJECT: First Quarter 2015 Financial Statements

OBJET: Rapport financier du 1^e trimestre 2015

REPORT RECOMMENDATION

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

RECOMMANDATION DU RAPPORT

Que le Conseil d'administration de la Bibliothèque publique d'Ottawa prenne connaissance des rapports financiers du 1^{re} trimestre de 2015.

BACKGROUND

As of the first quarter 2015, the Ottawa Public Library (OPL) is performing at slightly less than break-even with net expenditures under spent by 0.7% and total revenues falling short of the first quarter target by 13.3%. Results are comparable to those of the same period in 2014. It should be noted that after only one quarter of accumulated data

for the fiscal year, forecasting year-end performance results is not necessarily a reliable exercise. Accordingly, the City does not provide forecast reports for the first quarter of each year.

Two factors will affect the Library's year-end results in 2015:

- 1) Revenues from fees and fines continuing to trend downwards; and,
- 2) Retroactive payments and placement of employees on new salary scales as a result of the Pay Equity Tribunal decision. This payout will occur by the beginning of June.

DISCUSSION

Financial Reports:

1. Operating Financial Report for Q1 ending March 31, 2014: Appendix A

- a. At the first quarter, the Library's net expenditures are under budget at 24.3%. For the same period in 2014, net expenditures were at 23.4%.
- b. Total gross expenditures are over budget at 25.4%.
- c. Total gross revenues are under budget at the end of the first quarter at 11.7%.

2. Forecast Report for Q1, 2015: Appendix B

- a. Based on the first quarter results, net expenditures are forecasted to be over budget by 4.6%. This is a result of anticipated pay equity costs in Q2 of \$2.3M.
- b. At the first quarter, revenues are forecasted to be under budget by 4.3% or \$162,000 by year end. This is an impact largely associated with an expanding e-book service stream.
- c. Total Gross Expenditures are forecasted at year end to be over budget by 5.4% at year end.

3. Report on External Funds Raised for Q1, 2015: Appendix C

Total revenue raised to-date through fundraising initiatives in the first quarter is \$180,570. The breakdown is as follows: \$113,904 from the Friends of the Ottawa Public Library, and \$66,665 for general donations.

4. Report on Contract Expenditures (January 1 to March 31, 2015): Appendix D

In accordance with the Acquisitions of Goods and Services Procedure, Appendix D contains a list of contracts valued at more than \$15,000 and less than \$150,000, awarded for the period of January 1, 2015 to March 31, 2015. New to this reporting cycle, is the addition of contracts associated with 2014 or newer capital projects for which the CEO received delegated spending authority beyond \$150,000 during the 2014 or 2015 budget process. The Board approves contracts in excess of \$150,000, save and except those 2014 and 2015 capital project expenditures for which the CEO has received delegated spending authority.

5. Library Board Operating Report for the First Quarter, 2015: Appendix E

At the end of Q1 the Board's operating budget is 9.5% spent.

6. Capital Financial Report for First Quarter, ending March 31, 2014, Appendix F

Attached in Appendix F is the report on capital account status as of the end of Q1, 2015.

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 First Quarter, ending March 31, 2015
2. Appendix B – Report on External Funds Raised for Fourth Quarter
3. Appendix C - Report on Contract Expenditures (October 1 to December 31, 2014)
4. Appendix D - Library Board operation report for the Fourth Quarter
5. Appendix E - Capital Financial Report for Fourth Quarter, ending December 31, 2014
6. Appendix F - Report on Ottawa Public Library Trust Funds as at December 31, 2014

DISPOSITION

There are no future actions associated with this report.