

**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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**SUBJECT: 2019 Fourth Quarter Financial Status Report**

**OBJET: Rapport financier du 4<sup>e</sup> trimestre 2019**

**REPORT RECOMMENDATION**

**That the Ottawa Public Library Board receive the 2019 fourth quarter financial reports.**

**RECOMMANDATION DU RAPPORT**

**Que le Conseil d'administration de la Bibliothèque publique d'Ottawa prenne connaissance des rapports financiers du 4<sup>e</sup> trimestre de 2019.**

**BACKGROUND**

Quarterly operating and capital status reports are presented to the Ottawa Public Library Board in keeping with Board policy 010 OPLB CEO Reporting and Board Monitoring. The purpose of this report is to present fourth quarter results for the 2019 fiscal year.

The reports presented in financial status updates to the Board vary depending on the quarter. Table 1 identifies all reports produced for financial status reporting to the

Board. The table also clarifies in which quarter of the year each report will be presented in election and non-election years.

**Table 1 – Financial Status Report Content**

Financial Report Name	Non-Election Year	Election Year
Operating Financial Report	Q1, Q2, Q4	Q1, Q2, Q3, Q4
Year-End Forecast Report	Q2	Q2, Q3
External Funds Report	Q1, Q2, Q4	Q1, Q2, Q3, Q4
Trust Funds Report	Q1, Q2, Q4	Q1, Q2, Q3, Q4
Library Board Operating Report	Q1, Q2, Q4	Q1, Q2, Q3, Q4
Contract Expenditures Report	Q2, Q4	Q2, Q4
Capital Financial Report	Q1, Q2, Q4	Q1, Q2, Q3, Q4
Capital Works in Progress Report	Q1	Q1

At the closing of the 2019 fiscal year OPL closed its financial books with a \$256,724 surplus. This surplus represents an expenditure of 99 percent of the planned OPL operating budget for 2019. According to *City of Ottawa By-Law 2003-142 s.5(d)*, the Ottawa Public Library Reserve Fund shall be operated, managed and maintained by the City Treasurer from: operating surpluses of the Ottawa Public Library.

## DISCUSSION

The following are explanatory notes for each of the appended financial reports.

### 1. Appendix A – 2019 Q4 Operating Financial Report

- a. At year end, total revenues achieved 91.4 percent of the planned budget. This represents a shortfall in revenues of \$243,734 for the fiscal year. Meeting room rentals exceeded planned revenues by \$29,311, unplanned donation revenues contributed \$27,796, and other miscellaneous revenues generated \$29,707 more than the anticipated amount. These gains were more than offset by less than planned revenues from combined fines and fees

of \$285,236, and the loss of lease revenue of \$45,640 resulting from a legacy matter related to the sale of the Main branch.

- b. Total expenditures were under budget by one percent or \$500,458. As in Appendix A, multiple underspent categories including salaries and wages, purchased services, materials and supplies, fixed assets, recoveries and program facility costs all contributed to the total under-expenditure. Specifically, salaries and wages were in a surplus position as new Full-Time Equivalent (FTE) positions approved by the Board and Council in March 2019 were successfully staffed towards the end of the year.
- c. The Provincial operating grant of \$1,380,328 was received in December 2019. The amount received was in-line with the planned amount of \$1,380,000.
- d. At year end, OPL had a surplus of one percent or \$256,724. The 2019 surplus result is a combination of reasonable revenue performance and fiscally responsible spending throughout the year.

## **2. Appendix B – 2019 Q4 External Funds Report**

- a. Total revenue received from external sources in 2019 was \$427,827. The breakdown is as follows: \$340,074 from the Friends of the Ottawa Public Library Association (FOPLA); \$43,779 from and general donations; and \$43,974 from the Ottawa Community Foundation (OCF). Funds were used to further expand the library collection and fund programs for children, older adults, and newcomers to Canada.

## **3. Appendix C – 2019 Q4 Capital Expenditures Report**

- a. In accordance with the Acquisition of Goods and Services Procedure, Appendix C contains a list of contracts valued at more than \$15,000 and less than \$500,000 awarded for the period of July 1, 2019 to December 31, 2019. Contracts awarded based on capital authority delegated to the Chief Executive Officer (CEO) are also included. The Board approves all contracts greater than \$500,000, as part of the annual budget process. Capital

expenditures in Appendix C include purchases required for various departmental initiatives.

**4. Appendix D – 2019 Q4 Library Board Operating Report**

- a. At year end, the Board's operating budget was 34.7 percent spent. The under-expenditure is primarily the result of under spending in Professional Services, and Conferences and Conventions categories. Taken in context of total available budget, this is a consistent result when compared to 2018. Other expense categories such as parking, miscellaneous supplies, business expense, and freight and courier services were all less than 60 percent spent as at December 31, 2019.

**5. Appendix E – 2019 Q4 Capital Status Report**

- a. Attached in Appendix E is the report on capital account status as of the end of 2019. Remaining capital balances are at \$12,491,668 with more than seventy percent of that amount residing in capital growth accounts for facilities and library materials. Three capital accounts (two related to the Rosemount branch Revitalization, and one related to the Bookmobile) are currently in a deficit.

**6. Appendix F – 2019 Q4 Trust Funds Report**

- a. On behalf of OPL, the City of Ottawa holds and manages 13 trust funds of varying value. Seven of the trust funds are invested principle amounts from which OPL can spend interest revenue. The remaining funds also earn interest and are the result of fundraising. These account balances are entirely available to spend. The Ottawa Community Foundation (OCF) manages eight trust funds for OPL. Each year, OCF provides interest revenue to OPL to support library needs including library materials, furniture, age-specific programming, and programming for newcomers to Canada residing in Ottawa. In 2019, interest revenue from OCF available for library expenditure is \$100,501.  
In total, OPL trust funds managed by the City generated \$12,400 in interest and revenue in 2019. OPL has a balance of \$597,809 available to spend from trust funds in 2020.

## **CONSULTATION**

There were no internal or 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 Integrity and is a fundamental citizen expectation of good governance and stewardship of public funds.

## **SUPPORTING DOCUMENTATION**

Appendix A – 2019 Q4 Operating Financial Report

Appendix B – 2019 Q4 External Funds Report

Appendix C – 2019 Q4 Capital Expenditures Report

Appendix D – 2019 Q4 Library Board Operating Report

Appendix E – 2019 Q4 Capital Status Report

Appendix F – 2019 Q4 Trust Funds Report

**DISPOSITION**

The next quarterly financial status report will be brought forward to the Board in May 2020 for information purposes. The report will encompass the financial results from January through March 2020.