

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-2015-0074

SUBJECT: Second Quarter 2015 Financial Statements

OBJET: Rapport financier du 2^e trimestre 2015

REPORT RECOMMENDATION

That the Ottawa Public Library Board receive the 2015 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^e trimestre de 2015.

BACKGROUND

As of the second quarter 2015, the Ottawa Public Library (OPL) is showing an over expenditure of 4.7% and total revenues falling short of the second quarter target by 15.4%. Revenue results are comparable to those of the same period in 2014 while expenditures are 6.4% higher than the same period in 2014 at 54.7%. A 3.9% or \$1,630,000 deficit at 2015 fiscal year end is being projected. This is largely due to

retroactive payments made to, placement of, or new salary scales for all employees as a result of the Pay Equity Tribunal decision in the second quarter. Several points to note include: one, this is a Q2 report leaving one half of the year to make course corrections; two, OPL has instituted a spending and hiring freeze (similar to that of the City) and finally, that 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 Q2 ending June 30, 2015: Appendix A

- a. At the second quarter, the Library's net expenditures are over budget at 54.7%. For the same period in 2014, net expenditures were at 48.3%.
- b. Total gross expenditures are over budget at 56.5%.
- c. Total gross revenues are under budget at the end of the first quarter at 15.4%.

2. Forecast Report for Q2, 2015: Appendix B

- a. Based on second quarter results, net expenditures are forecasted to be over budget by 3.9%. This is a result of pay equity costs in Q2 of \$1.6M.
- b. After second quarter results, revenues are forecasted to be under budget by 2.4% or \$89,330 by year end. This is an impact largely associated with a continually expanding e-book service stream. This is slightly offset by facilities rentals including meeting room revenues, which are performing better than experienced in the same period in 2014.
- c. Total Gross Expenditures are forecasted at year end to be over budget by 3.9%.

3. Report on External Funds Raised for Q2, 2015: Appendix C

Total revenue raised to-date through fundraising initiatives in the first quarter is \$214,617. The breakdown is as follows: \$111,560 from the Friends of the Ottawa Public Library Association (FOPLA), \$68,721 for general donations, \$7,384 from Early Literacy donations, and \$26,952 from Immigrant Settlement and Adaptation Program (ISAP) grants.

4. Report on Contract Expenditures Q2, 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 \$500,000 awarded for the period of April 2, 2015 to June 30, 2015.

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

At the end of Q2 the Board's operating budget is 22.4% spent. At the same point in 2014 the Board was at a 19.7% expenditure level.

6. Capital Financial Report for Second Quarter, ending Jun 30, 2015: Appendix F

Attached in Appendix F is the report on capital account status as of the end of Q2, 2015. The number of open and active capital accounts has been reduced as a result of continued efforts to repurpose older capital authorities. Accounts have been closed through the annual 2015 Works In Process review. Further closures were approved through the 2015 budget process and have been utilized to pursue planning for the Central Library Project and to offset the additional costs related to the Pay Equity Tribunal decision in March, 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 Second Quarter, 2015
2. Appendix B – Forecast Report for Second Quarter, 2015
3. Appendix C - Report on External Funds Raised, Second Quarter, 2015
4. Appendix D - Report on Contract Expenditures, Second Quarter, 2015
5. Appendix E - Library Board Operating Budget, Second Quarter, 2015
6. Appendix F - Report on Capital Accounts, Second Quarter, 2015

DISPOSITION

There are no future actions associated with this report.