

Report to / Rapport au:

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

November 8, 2016 / 8 novembre 2016

Submitted by / Soumis par:

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

Contact Person / Personne Ressource :

*Brenda Gorton, Financial Services / Services financières
613-580-2424 x24351, brenda.gorton@ottawa.ca*

File Number: OPLB-2016-0205

SUBJECT: Third Quarter 2016 Financial Statements

OBJET: Rapport financier du 3^e trimestre 2016

REPORT RECOMMENDATION

That the Ottawa Public Library Board receive the 2016 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 2016.

BACKGROUND

As of the end of the third quarter 2016, Ottawa Public Library (OPL) expenditures are under budget by 2.2% or \$987,500. In the same period, revenues are exceeding expectations by 6.6% or \$235,700. Expenditures are 5.2% lower than the same period in 2015. A 0.3% or \$124,300 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 75%, or three quarters of the fiscal year.

DISCUSSION

Financial Reports:

1. Operating Financial Report for Q3 ending September 30, 2016: Appendix A

- a. At the third quarter, the Library's net expenditures are under budget at 72.8%. For the same period in 2015, net expenditures were at 78.0%.
- b. Total gross expenditures are also under budget at 72.1% as a result of higher than anticipated revenues further explained in the next paragraph, 1.c.
- c. Total gross revenues are exceeding budget expectations at the end of the third quarter at 81.6%. The Provincial Libraries Operating and Pay Equity grant represents 38.4% of all planned Library revenues and was received in September this year, approximately two months in advance of the normal receipt time frame. For comparison to 2015, the exclusion of this grant money from Q3 calculations (Appendix A) would result in revenue performance at 49.6% or 1.7% less than the same period. Using the same comparative method, gross expenditures would remain under budget at 74.8% for the period.

2. Forecast Report for Q3 ending September 30, 2016: Appendix B

- a. Based on results through the third quarter, net expenditures are forecasted to be under budget by 1.0% or \$438,383. This remains partly due to the continued hiring freeze implemented by management in order to mitigate workforce adjustments related to Radio Frequency Identification (RFID) implementation.
- b. After third quarter, revenues are forecasted to be under budget by 8.7% or \$314,000 by year end. Nearly half of this shortfall is from the loss of lease revenues and associated costs of repairs performed to the Main parking garage.
- c. Total Gross Expenditures are forecasted at year end to be under budget by 0.3% or \$124,300.

**3. External Funds Raised Financial Report for Q3 ending September 30, 2016:
Appendix C**

Total revenue raised to-date through fundraising initiatives is \$738,040. The breakdown is as follows: \$198,445 from Special Projects and Programs, \$335,540 from the Friends of the Ottawa Public Library Association (FOPLA), \$92,780 from general donations, \$107,850 from the Community Foundation of Ottawa, and \$3,425 from the federally sponsored Immigrant Settlement and Adaptation Program (ISAP) grant.

4. OPL Board Operating Report for Q3 ending September 30, 2016: Appendix D

At the end of Q3 the Board's operating budget is 23.9% spent. At the same point in 2015 the Board was at a 21.9% expenditure level.

5. Capital Report for Third Quarter ending September 30, 2016: Appendix E

Appendix F is the report on capital account status as of the end of Q3, 2016. While the overall total balance reported for capital accounts indicates a \$31.477M 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. The actual balance of capital funds available after making this adjustment is \$5.66M.

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 Third Quarter, 2016
2. Appendix B – Forecast Report for Third Quarter, 2016
3. Appendix C – External Funds Raised Financial Report, Third Quarter, 2016
4. Appendix D – Library Board Operating Report, Third Quarter, 2016
5. Appendix E – Capital Report, Third Quarter, 2016

DISPOSITION

There are no future actions associated with this report.