

**Report to / Rapport au:**

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

**March 7, 2017 / 7 mars 2017**

**Submitted by / Soumis par:**

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**SUBJECT: Fourth Quarter 2016 Financial Statements**

**OBJET: Rapport financier du 4<sup>e</sup> trimestre 2016**

#### **REPORT RECOMMENDATION**

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

#### **RECOMMANDATION DU RAPPORT**

**Que le conseil de la Bibliothèque publique d'Ottawa prenne connaissance des rapports financiers du 4<sup>e</sup> trimestre de 2016.**

#### **BACKGROUND**

At the end of the 2016 fiscal year, the Ottawa Public Library has closed its financial books with a \$107,925 surplus. Total expenditures for the year were under-spent by 0.6 percent or \$256,844, and were offset by 2016 revenues which were below target by 4.1 percent or \$148,919. The reported surplus is 0.3 percent less than the total Library planned budget for 2016. The surplus amount will be returned to the Ottawa Public Library (OPL) reserve fund according to municipal financial practices. As in prior years, the implementation of a hiring freeze and detailed stewardship of spending requirements resulted in a positive outcome for the OPL in 2016.

## DISCUSSION

### Financial Reports:

#### 1. Operating Financial Report Q4 ending December 31, 2016: Appendix A

- a. At year end, total revenues are under budget by 4.1 percent or \$148,919.

The implementation of an online booking system for meeting rooms, and adjustments made to improve their availability, impacted short term rental revenues. These revenues exceeded the budget target by 26.4 percent representing a 10.4 percent increase from 2015.

The amount of library fees and donations received in 2016 collectively outperformed expectations totaling \$306,839. This is a 4.4 percent increase from 2015 when the same revenue items totaled \$293,447.

However, remaining revenue lines including fines, lease revenue, and other miscellaneous revenues did not meet planned expectations resulting in the overall revenue deficit of \$148,919` .

- b. Total expenditures were under budget by 0.6 percent or \$256,844. Under-spent compensation and purchased services combined of \$905,514 were offset by total over-expenditures in materials and supplies of \$543,457.
- c. In 2016, the Provincial Library Operating, Pay Equity and First Nations Salary Supplement Grant of \$1,380,656 was received in December 2016. The amount received is consistent with 2015.
- d. At year end, the OPL had a surplus of 0.3 percent or \$107,925. The 2016 surplus is the result of the hiring freeze, RFID implementation, higher than planned investment in library materials content, materials and supplies for branch furniture and technology, and program facility costs.

**2. Report on External Funds, Q4, ending December 31, 2016: Appendix B**

Total revenue raised and spent from external sources in 2016 was \$607,517. Outstanding contributions made by the Friends of the Ottawa Public Library Association (FOPLA) made possible numerous branch furniture and shelving improvements. Grants from the Provincial Ministry of Tourism, Culture, and Sport expanded the breadth of OPL programming and improved wireless connectivity for library customers. Citizenship and Immigration Canada, through the Immigrant Settlement & Adaptation Program (ISAP) provided for the continued focus on newcomer services offered by the Library. Proceeds from Community Foundation of Ottawa (CFO) were used to further expand the library collection and revitalize public facing furniture and equipment, as were general donations.

**3. Report on Contract Expenditures, October 1 to December 31, 2016: Appendix C**

In accordance with the Acquisitions 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, 2016 to December 31, 2016. Contracts awarded based on capital authority delegated to the Chief Executive Officer (CEO) are also included in Appendix C. The Board approves all contracts greater than \$500,000, with the exception of those capital projects approved as part of the budget process. Capital expenditures in Appendix C encompass purchases required for the Central Library Development Project, RFID implementation, licensing and maintenance, and security contracts for 2016.

**4. Library Board Operating Report, Q4, ending December 31, 2016: Appendix D**

At year end, the Board's operating budget was 58.7% spent. This is primarily the result of under spending in professional services, and conferences and conventions categories.

**5. Capital Financial Report, Q4, ending December 31, 2016: Appendix E**

Appendix E is the report on capital account status as of the end of Q4 2016. The total balance reported for capital accounts indicates a balance of \$29.9M. Please note that \$25.8M of the balance 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 \$4.1M.

## **6. Trust Funds Report, Q4, ending December 31, 2016: Appendix F**

The City of Ottawa, on behalf of the OPL, holds 14 trust funds. These are funds raised in the community to be held in trust for specific projects and/or library facilities and materials. As well, the OPL receives funds from the CFO which is an external agency managing a series of community trust funds. Some of these funds have specific instructions to support expenditure categories such as library materials, furniture, or age appropriate programming. The 2016 trust fund activity is outlined in Appendix F.

### **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 impacts 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, Q4, ending December 31, 2016
2. Appendix B – External Funds Raised, Q4, ending December 31, 2016
3. Appendix C - Report on Contract Expenditures, July 1 to December 31, 2016
4. Appendix D - Library Board Operating Report, Q4, ending December 31, 2016
5. Appendix E - Capital Report, Q4, ending December 31, 2016
6. Appendix F - Trust Funds Report, Q4, ending December 31, 2016

### **DISPOSITION**

There are no dispositions associated with this report.