

**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-2018-1104**

**SUBJECT: Third Quarter 2018 Financial Statements**

**OBJET: Rapport financier du 3<sup>e</sup> trimestre 2018**

#### **REPORT RECOMMENDATION**

**That the Ottawa Public Library Board receive the 2018 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<sup>e</sup> trimestre de 2018.**

#### **BACKGROUND**

As of the end of the third quarter, September 30, 2018, or 75 percent of the year, Ottawa Public Library (OPL) expenditures are at 74 percent; 1 percent or \$ 506,027 less than the calendarized budget. In the same period, revenues are at 44.9 percent, 30.1 percent under budget. Revenue results are 0.7 percent more than those of the same period in 2017. Expenditures are 0.1 percent higher than the same period in 2017. As a result, a 0.3 percent or \$116,125 surplus is currently forecasted for fiscal year-end 2018.

## DISCUSSION

### Financial Reports:

#### 1. Appendix A - 2018 Q3 Operating Financial Report:

- a. At the end of the third quarter, the Library's gross expenditures are under budget at 74 percent. For the same period in 2017, net expenditures were at 73.9 percent.
- b. Total net expenditures are over budget at 76.3 percent. This result is unchanged from the same period in 2017. Library supplies and equipment and service and maintenance budgets have been spent at a faster rate than the calendarized target allows and are the cause of the 1.3 percent overage as at the end of September 2018.
- c. Total gross revenues are under budget at the end of the third quarter at 44.9 percent or \$ 2,007,028, though slightly higher than the same period in 2017 when revenue was at 44.2 percent. In comparison to 2017, 2018 meeting room rentals significantly increased by 15.2 percent or \$9,812. Library fees have also increased by 1.8 percent compared to the same period in 2017. As of Q3, a total of \$15,229 has been collected from the \$1 re-stocking fee introduced on January 24, 2018, for library material holds that are never picked up. Staff will continue to monitor the impact of the fee harmonization to determine financial outcomes. These gains are offset by a 12 percent decrease or \$125,414 in library fines collected through Q3 2018, compared to the same period in 2017. The remainder of the shortfall comes from the Provincial Libraries Operating and Pay Equity Grant (PLOG) program offered by the Ontario Ministry of Tourism, Culture and Sport (MTCS) that represents approximately 37.9 percent of all planned library annual revenue. The PLOG is received in one lump sum payment in the fourth quarter of each year. As of Q3, Provincial Grants received are at \$99,657. This amount was accrued from 2017 for an innovation grant from the Province and does not account for any revenues from the 2018 PLOG.

## **2. Appendix B – 2018 Q3 Forecast Report:**

- a. Based on results through the third quarter, total gross expenditures are forecasted to be in a surplus of 0.9 percent or \$ 446,935.
- b. At the end of the fourth quarter, revenues are forecasted to be under budget by 9.1 percent. The OPL will face revenue shortfalls largely attributable to the sale of the Main branch and subsequent loss of parking garage rental revenues which are partly offset by the removal of rents paid for administrative spaces totaling \$ 220,000 per year. Overall, a \$ 330,810 shortfall in revenues is projected for fiscal year-end 2018.
- c. Total Net Expenditures are forecasted at year-end to be under budget by 0.3 percent or \$116,125 after applying the anticipated revenue shortfall.

## **3. Appendix C – 2018 Q3 External Funds Raised Financial Report:**

Total external revenue to-date is \$695,506. The breakdown is as follows: \$18,689 from Special Projects and Programs; \$513,744 including funds accrued from 2017, from the Friends of the Ottawa Public Library Association (FOPLA); \$34,875 from general donations; \$126,254 from the Community Foundation of Ottawa; and \$1,944 from the federally sponsored Immigrant Settlement and Adaptation Program (ISAP) grants carried over from 2017.

## **4. Appendix D – 2018 Q3 Library Board Operating Report:**

At the end of Q3, the Board's operating budget is 38.9 percent spent.

## **5. Appendix E – 2018 Q3 Capital Report:**

Attached in Appendix E is the report on capital account status as of the end of Q3, 2018. As at the end of Q3 remaining capital balances are at \$6.12M.

## **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 – 2018 Q3 Operating Financial Report
2. Appendix B – 2018 Q3 Forecast Report
3. Appendix C – 2018 Q3 External Funds Raised Financial Report
4. Appendix D – 2018 Q3 Library Board Operating
5. Appendix E – 2018 Q3 Capital Report