

The City of Calgary's Audit Committee

Calgary Public Library Board
Debra Giles, Audit & Finance Committee Chair
Bill Ptacek, Chief Executive Officer
Elrose Klause, Controller

2017 HIGHLIGHTS

- 71% of Calgarians use the Library & 83% view it as important to their quality of life (Citizen Expectations and Perceptions Report – 2018)
- Available funding was used to meet strategic goals resulting in
 - In person visits increased by 182,280 to 6,841,884
 - Memberships increased by 121,378 to 628,236 active users
 - On line access included: 2,500,080 items electronic circulation, 8 million website sessions, 1 million computer sessions, 609,000 free WiFi sessions
 - Early literacy programs were taken to 702 daycares
 - Library open hours increased by 4,800
 - A temporary library was opened in Sage Hill
 - Room bookings (community use of library space) increased by 80%

FINANCIAL RESULTS

THE CALGARY PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus
As at December 31, 2017

| | 2017 \$ | 2016 \$ |
|--|--------------------|--------------------|
| REVENUES | | |
| City of Calgary (Schedule 2) | 47,233,447 | 44,388,883 |
| City of Calgary insurance proceeds (Schedule 2) | 29,573 | 71,719 |
| Province of Alberta (Schedule 2) | 6,867,587 | 6,891,263 |
| Federal Government (Schedule 2) | 204,638 | 246,093 |
| Fines | 1,105,944 | 1,162,207 |
| Investment and other revenue | 663,035 | 513,957 |
| Grants and sponsorships (Note 13) | 3,000,952 | 1,987,295 |
| | 59,105,176 | 55,261,417 |
| EXPENSES | | |
| Salaries and employee benefits | 38,020,325 | 36,742,207 |
| Collections | 4,080,890 | 4,168,610 |
| Building and equipment | 7,073,631 | 7,475,309 |
| General operating | 7,042,800 | 6,884,872 |
| Amortization | 6,905,471 | 6,923,018 |
| Occupancy Costs | 1,094,562 | 990,390 |
| | 64,217,679 | 63,184,406 |
| DEFICIENCY OF REVENUES OVER EXPENSES - BEFORE OTHER | (5,112,503) | (7,922,989) |
| OTHER | | |
| Write off of tangible capital assets | - | (16,722) |
| Government transfers for capital (Schedule 2) | 5,174,879 | 5,781,767 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | 62,376 | (2,157,944) |
| ACCUMULATED SURPLUS, beginning of year | 55,297,972 | 57,455,916 |
| ACCUMULATED SURPLUS, end of year | 55,360,348 | 55,297,972 |

The notes to the Financial Statements are an integral part of the Financial Statements.

MOST RECENT FINANCIAL REPORTING

- An unqualified opinion was issued
- No significant difficulties or concerns were presented by the Auditors

BOARD POLICY ON RISK MANAGEMENT

The Board adopted the following risk policy:

“The Board shall make every prudent and reasonable effort to safeguard the Library’s reputation, assets, operations, staff, volunteers, and patrons against risk. To the best of its ability, the Board will ensure risks are identified and managed to a level which permits the achievement of the Library’s strategy within the Board’s tolerance for risk.”

STRATEGY AND RISK



| Strategy 1 | Strategy 2 | Strategy 3 |
|---|---|---|
| Strengthen Neighbourhoods in a Growing City | Bring the Library into More People's Lives | Focus on Services That Make a Difference |

OUR RISK CATEGORIES

- Relevance
- Finance
- Operations
- New Central Library
- Safety/Security

HEAT MAP

| | | Likelihood | | | | |
|--------|--|-------------------------------|--------------------------------|----------------------|----------------------------|----------------------------------|
| | | Rare Every 5 years or more | Unlikely Every 2 to 4 years | Low Every 2 years | Medium Annually | High More than 1 per year |
| Impact | Catastrophic (Question Continuity as Library Exists Today) | 2b | | | 2d 2e | 2a |
| | High/Major Impact (Very Important to Board) | | 2c | 3c | 1a 1b 3e | 1c 1d 4a 4b 4c 5b |
| | Moderate Impact (Report to Board / Time to Act) | 2b 3c | 3a 3b 2e | 1e 3d | 3f 3e 4a 4b 5a | 5a 1c |
| | Low/Minor Impact (Not Important to Board) | 2d | 2a 3d | 3f | 1a 1b 1d 2c 4c | |
| | Insignificant (No or Minor Impact) | 3a 3b | 1e | | | |

| | | Conditions |
|---|---------------------|--|
| | |  Before Mitigation  After Mitigation |
| | | item - measure |
| 1 | Relevance | a Members/capita - quarterly count b Customer Satisfaction - annual survey c Community Partner Involvement in Programs - quarterly count d Service Innovation - quarterly count e Availability of Volunteers - quarterly count |
| 2 | Finance | a Fraud - instances/quarter b Funding - annual budgeted revenue c Allocation of Resources - annual review d Planned Operating Expenditures - quarterly review e Planned Capital Expenditures - quarterly review |
| 3 | Operations | a Building Visits - quarterly count b Website and catalogue sessions - quarterly count c Facility Availability - quarterly review d Relationships with Partners in Joint Facilities - quarterly review e Collection meeting community needs - annual turnover rate f Staff Engagement - annual survey |
| | New Central Library | |
| 4 | | a Construction and Commission - quarterly review b Operational Readiness - % of tasks overdue c Status of service/program development per Priority 1 Plan - % |
| | Safety / Security | |
| 5 | | a Incidents at Community Libraries - quarterly ratio of incidents per 10,000 visits b Incidents at Central Libraries - quarterly ratio of incidents per 10,000 visits |

TOP 3 CITY OF CALGARY RISKS

- Areas of Calgary that do not have access to a conveniently located community library
- Libraries in established communities not sized to meet demands of the patrons in those communities
- Operationalizing the new Central Library in an engaging and sustainable way