

REPORT

Oakville Public Library Board

Meeting Date: May 16, 2024

FROM: Oakville Public Library

DATE: May 7, 2024

SUBJECT: Comprehensive Financial Report at March 31, 2024

RECOMMENDATION:

That the Comprehensive Financial Progress Report as of March 31, 2024, be received for information.

KEY FACTS:

The following are key points for consideration with respect to this report:

- At March 31, 2024, the Oakville Public Library (OPL) is project an operating surplus of \$91,186 (March 31, 2023 projection - \$207,758).
- The Development Reserve fund is projecting a year-end balance of \$62,443 (March 31, 2023 projection - \$215,850)
- The HIP Trust is projecting a year-end balance of \$57,917 (March 31, 2023 projection - \$60,628)
- The Board is provided with detailed quarterly financial reports on operating, capital and reserve funds.

BACKGROUND:

This report provides an update on the OPL financial activities from January 1 – March 31, 2024 and covers all financial matters including: operating and capital expenditures and reserve and trust fund balances. Staff monitor the operating activities monthly to ensure revenue targets are met and potential expenditure overruns are identified early and, where applicable, corrective action is taken. The next financial progress report to the Board will be for the period ending June 30, 2024.

COMMENT/OPTIONS:

Operating Variance Analysis and Projection to Year-end

The following table illustrates the OPL’s variances year-to-date and projection to year-end by expense and revenue type:

	2024 Net Approved Budget	2024 Net Expenditures 31-Mar	Funds Remaining	2024 Projected Year-End Actuals	Projected Year-End Variance	% Budget Remaining
EXPENSES						
PERSONNEL SERVICES & BENEFITS	9,677,500	2,174,527	7,502,973	9,538,727	138,773	1.4%
MATERIALS & SUPPLIES	1,650,900	479,912	1,170,988	1,642,784	8,116	0.5%
CAPITAL OUT OF OPERATIONS	20,200	947	19,253	19,534	666	3.3%
PURCHASED SERVICES	1,258,100	300,386	957,714	1,305,521	(47,421)	-3.8%
PAYMENTS & GRANTS	12,500	3,094	9,406	12,434	66	0.5%
INTERNAL EXPENSES & TRANSFERS	339,700	62,130	277,570	337,918	1,782	0.5%
Total EXPENSES	12,958,900	3,020,996	9,937,904	12,856,918	101,982	0.8%
REVENUES						
EXTERNAL REVENUES	(400,300)	(134,578)	(265,722)	(407,704)	7,404	-1.8%
INTERNAL RECOVERY & FUND TRSFs	(378,800)	-	(378,800)	(360,600)	(18,200)	4.8%
Total REVENUES	(779,100)	(134,578)	(644,522)	(768,304)	(10,796)	1.4%
Total Oakville Public Library	12,179,800	2,886,418	9,293,382	12,088,614	91,186	0.7%

The OPL is projecting a surplus of approximately \$91,200 based on actual results to March 31st and projected spending to year-end. Driving the surplus is anticipated savings in personnel costs and benefits. Vacancies in full-time positions are primarily in the Collections and Technology sections of the OPL. Staff are actively working to fill the vacancies during this year.

The projected overage of approximately \$47,400 in Purchased services is primarily in contracted maintenance services for the branch facilities. As well, there is a carpet replacement projected at the Clearview branch. Revenues are on track to be higher than budgeted for materials replacement, which will go back into the collections. Finally, internal recovery and fund transfers are showing \$18,200 of deficit as the transfer from the OPL Development reserve for the Fund Development Coordinator position is not projected for 2024 due to the vacancy in that position from January to mid-April of this year.

The following table illustrates the OPL variances to date and projection year-to-date by program area:

	2024 Net Approved Budget	2024 Actuals as of 31-Mar	Funds Remaining	2024 Projected Year-end Actuals	Projected Year-end Variance	%
Oakville Public Library						
Administrative Services	742,400	220,345	522,055	757,519	(15,119)	-2.0%
Customer Experience	7,084,100	1,682,829	5,401,271	7,211,867	(127,767)	-1.8%
Innovation and Integration	4,353,300	983,243	3,370,057	4,119,229	234,071	5.4%
Total Oakville Public Library	12,179,800	2,886,418	9,293,382	12,088,616	91,184	0.7%

Administrative Services

A deficit of \$15,119 is projected for Administrative Services. This is primarily due to estimated overages in personnel services and benefits for part-time staffing, offset by vacancies in other service areas.

Customer Experience

A deficit of \$127,767 is projected for the Customer Experience service area. A budget of \$100,000 for estimated staffing vacancies is included in this section but is projected to be realized in the Innovation and Integration section. Contracted maintenance costs are also estimated to be over budget by approximately \$22,000 for the branches. Facility Services is monitoring and will work to minimize these costs as the year progresses.

Innovation and Integration

A surplus of \$234,071 is projected for Innovation and Integration. The Collections Operations section continues to have some vacancies that they are looking to fill during 2024. The OPL has assessed each vacant position to ensure optimal service delivery and is now working to fill those positions.

Library Development Reserve

Included in the Innovation and Integration program is administration of the Library Development Fund. For 2024, a budget of \$100,000 is designated for development funded programs and initiatives, and \$30,000 for adult fiction collections from the Jack and Joan Wood Estate fund. \$18,200 is budgeted to be transferred to operating to partially fund the Fund Development Coordinator position, however it is not projected to be transferred into operating in 2024 due to the vacancy in the position for a part of the year. A transfer of \$92,100 is also budgeted to fund the new

full-time Customer Information Specialist position at Glen Abbey, that will be moved to the new Sixteen Mile Library in 2025 and funded from operating then. Thus, the total budgeted transfer to operating from the development reserve is \$240,300 but is projected to be \$222,100.

The transfer of \$213,500 budgeted for the OPL Newspaper Digitization and Local History Portal project is also budgeted as a transfer out of the Development Fund reserve.

The table below illustrates the unaudited balance of the library’s development reserve fund as of March 31, 2024. As illustrated in the table, the opening balance of the reserve fund was \$188,346.

Total donation revenue is targeted for \$100,000 for 2024 and includes individual and major giving, budgeted transfers from the OCF funds, corporate giving, special events and third-party fundraising events and book sales. To March 31, 2024, total donation revenue received is \$13,468. The Fund Development Coordinator position (vacant from December 2023 to April 15, 2024) has been filled and the team is currently completing orientation, reviewing 2023 initiatives and goals to plan for the remainder of 2024. Friendly Finds sales in branches have continued at 8 locations across Oakville. The Friends of the Oakville Public Library will be holding 4 book sales in 2024 as well as participating in community events across Oakville.

	2024	2024
	Actuals to	Projection
	March 31	to Year-end
OPENING BALANCE	188,346	188,346
EXPENDITURES:		
Transfer to Operating		222,100
Transfer for OPL Newspaper Digitization Project		213,500
Total Commitments to Operating Fund		435,600
TOTAL EXPENDITURES from RESERVE		435,600
REVENUES:		
Transfer from OCF		200,000
Donations, Special Events, Grants	13,468	100,000
TOTAL REVENUE to RESERVES	13,468	300,000
CLOSING BALANCE before interest	201,814	52,746
Interest		9,697
CLOSING BALANCE including interest	201,814	62,443

Halton Information Providers (HIP) Trust Fund

OPL is part of the Halton Information Providers (HIP) coalition as well as the managing partner of the HIP Trust Fund. As is detailed in the chart below, the opening balance of the fund was \$54,197 at January 1, 2024.

Halton Region contributes \$52,500 toward management of the program, as it does annually. Interest is also earned on the Trust balance and estimated at \$4,720 for the year. Service fee revenue is projected at approximately \$5,000. The Information Oakville staff are now focusing on the evaluation and community feedback consultations with the Halton Newcomer InfoPods initiative funded by Immigration, Refugees, and Citizenship Canada (IRCC). 2025 is the last year of a successful five-year grant. The HIP joint venture partners will undertake the development of a new strategic plan, including a new budget.

It is projected that the total expenditures for HIP will be \$175,244. These expenditures include a transfer of \$138,500 to the OPL for management of HIP. Expenditures are also budgeted for training, software as a service costs and consulting fees to assist in revenue growth. Thus, the projected ending balance is \$57,917.

	Library Trust 69/690	Dec 31st Balance Projection
BALANCE AS AT JAN 1, 2024	54,197	54,197
Revenues		
Interest transfer	1,180	4,720
IRCC Grant	29,181	116,724
Service fees	466	5,000
Recovery from Halton Region		52,500
Total Revenue	30,827	178,944
Expenditures		
HIP Training, software, consulting, etc.		2,000
IRCC Grant expenses	29,181	34,724
Transfer to OPL Operations	-	138,500
Total Expenditures	29,181	175,224
BALANCE AS AT MARCH 31, 2024	55,843	57,917

Capital Variances

The total capital budget for open projects is \$19,772,700. Year-to-date in 2024, \$215,443 has been spent or committed on those projects, bringing the total life-to-date expenditure to \$1,613,398.

Projects that are anticipated to be closed during the second quarter of 2024 are the Vehicle for Materials Handling which has been put into service in the first quarter of this year. As well, the Sixteen Mile Library Portable Relocation will also close as deficiency work has been addressed at that site. The Library Master Plan project will close before the end of 2024.

Projects for the New Branch Library – Trafalgar Corridor North and Palermo (Land Purchase) as well as the Incubator Libraries are waiting on direction from the Parks, Recreation and Library Master Plan . All other projects are either underway or will be during the year, including the OPL Newspaper Digitization and Local History Portal which was approved in the 2024 budget.

	Life-to-Date Budget	2023 Year-to-Date Actuals	Outstanding Commitment	Life-to-Date Actuals and Commitments	Remaining Approved Budget
Oakville Public Library					
71101811 New Branch Library - Trafalgar Corridor North	5,040,100	24,600	0	24,600	5,015,500
71102104 Vehicle for Materials Handling	80,000	87,140	0	87,140	(7,140)
71102106 Incubator Libraries (Location TBD)	66,300	0	0	7,204	59,096
71102205 Sixteen Mile Library Portable Relocation	2,527,500	2,123	0	1,287,981	1,239,519
71102206 OPL Website Maintenance and Improvements	90,400	200	21,522	65,119	25,281
71102210 New Branch Library - Palermo (Land Purchase)	8,125,100	0	0	0	8,125,100
71102211 Library Master Plan Update	75,000	0	73,047	73,047	1,953
71102302 Scheduling Software Needs Review	30,200	4,961	0	5,161	25,039
71102303 Libraries Capital Replacements	25,200	0	0	200	25,000
71102304 Library Furniture and Equipment	132,600	1,850	0	46,746	85,854
71102305 Sixteen Mile Library Collections	3,266,300	0	0	16,200	3,250,100
71102404 OPL Newspaper Digitization and Local History Portal	313,500	0	0	0	313,500
Total Oakville Public Library	19,772,200	120,874	94,569	1,613,398	18,158,802

Prepared by:
Belinda Wiersma CPA CA, Senior Financial Analyst

Submitted by:
Tara Wong CEO OPL