

REPORT

Oakville Public Library Board

Meeting Date: September 18, 2024

FROM: Oakville Public Library

DATE: September 9, 2024

SUBJECT: Comprehensive Financial Report at June 30, 2024

RECOMMENDATION:

That the Comprehensive Financial Progress Report as of June 30, 2024, be received for information.

KEY FACTS:

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

- At June 30, 2024, the Oakville Public Library (OPL) is projecting an operating surplus of \$213,066 (June 30, 2023 projection - \$142,864).
- The Development Reserve fund is projecting a year-end balance of \$61,512 (June 30, 2023 projection - \$161,322)
- The HIP Trust is projecting a year-end balance of \$62,639 (June 30, 2023 projection - \$58,776)
- 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 – June 30, 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 September 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 30-Jun	Funds Remaining	2024 Projected Year-End Actuals	Projected Year-End Variance	% Budget Remaining
EXPENSES						
PERSONNEL SERVICES & BENEFITS	9,677,500	4,453,351	5,224,149	9,407,544	269,956	2.8%
MATERIALS & SUPPLIES	1,650,900	855,217	795,683	1,641,779	9,121	0.6%
CAPITAL OUT OF OPERATIONS	20,200	8,718	11,482	26,029	(5,829)	-28.9%
PURCHASED SERVICES	1,258,100	514,820	743,280	1,299,176	(41,076)	-3.3%
PAYMENTS & GRANTS	12,500	5,358	7,142	12,499	1	0.0%
INTERNAL EXPENSES & TRANSFERS	339,700	152,304	187,396	320,903	18,797	5.5%
Total EXPENSES	12,958,900	5,989,768	6,969,132	12,707,930	250,970	1.9%
REVENUES						
EXTERNAL REVENUES	(400,300)	(176,422)	(223,878)	(380,596)	(19,704)	4.9%
INTERNAL RECOVERY & FUND TRSFs	(378,800)	-	(378,800)	(360,600)	(18,200)	4.8%
Total REVENUES	(779,100)	(176,422)	(602,678)	(741,196)	(37,904)	4.9%
Total Oakville Public Library	12,179,800	5,813,346	6,366,454	11,966,734	213,066	1.7%

The OPL is projecting a surplus of approximately \$213,100 based on actual results to June 30th 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 Programming sections of the OPL. Almost all the vacant full-time roles are now filled.

The projected overage of approximately \$41,100 in purchased services is primarily in contracted maintenance services and repairs and maintenance for the branch facilities, primarily for Central Branch due to the age of the building.

Internal expenses and transfers are projecting savings primarily for a lower transfer to the Development reserve than budgeted for book sales.

External revenues are anticipated to be lower than budgeted by approximately \$19,700. The shortfall is primarily in budgeted HIP revenue while Information Oakville focuses its efforts on the Halton Newcomer InfoPods project funded by a grant from Immigration, Refugees, and Citizenship Canada (IRCC). 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 30-Jun	Funds Remaining	2024 Projected Year-end Actuals	Projected Year-end Variance	%
Oakville Public Library						
Administrative Services	742,400	471,423	270,977	782,515	(40,115)	-5.4%
Customer Experience	7,084,100	3,412,019	3,672,081	7,132,873	(48,773)	-0.7%
Innovation and Integration	4,353,300	1,929,904	2,423,396	4,051,346	301,954	6.9%
Total Oakville Public Library	12,179,800	5,813,346	6,366,454	11,966,734	213,066	1.7%

Administrative Services

A deficit of \$40,115 is projected for Administrative Services. The savings are primarily due to estimated overages in personnel services and benefits, as well as estimated higher professional fees costs for 2024.

Customer Experience

A deficit of \$48,773 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 and repairs and maintenance are also estimated to be over budget by approximately \$61,000 for the branches due to the increased maintenance costs, primarily at the older Central branch location. Photocopier revenue is projected to come in at a surplus which is offsetting some of the increased costs.

Innovation and Integration

A surplus of \$301,954 is projected for Innovation and Integration and is primarily for salaries and benefits. The OPL has assessed each vacant position to ensure optimal service delivery and has now filled all the full-time vacancies.

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 beginning in July. 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 January 1, 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 June 30, 2024, total donation revenue received is \$37,882. 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
	June 30	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	37,882	100,000
TOTAL REVENUE to RESERVES	37,882	300,000
CLOSING BALANCE before interest	226,228	52,746
Interest		8,766
CLOSING BALANCE including interest	226,228	61,512

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 \$2,360 for the year. Service fee revenue is projected at approximately \$8,000. 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 \$172,860. 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 \$62,639.

	Library Trust 69/690	Dec 31st Balance Projection
BALANCE AS AT JAN 1, 2024	54,197	54,197
Revenues		
Interest transfer	1,414	2,360
IRCC Grant	59,153	110,000
Service fees	3,960	8,000
Recovery from Halton Region		52,500
Total Revenue	64,527	172,860
Expenditures		
HIP Training, software, consulting, etc.		2,000
IRCC Grant expenses	11,959	23,918
Transfer to OPL Operations	47,194	138,500
Total Expenditures	59,153	164,418
BALANCE AS AT JUNE 30, 2024	59,571	62,639

Capital Variances

The total capital budget for open projects is \$22,751,800. Year-to-date in 2024, \$3,531,656 has been spent or committed on those projects, bringing the total life-to-date expenditure to \$3,643,753.

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, which will conclude before the end of 2024. 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.

The DCH – Library project is underway as shown by the outstanding commitment of approximately \$3.2 million for the architect’s design work.

	Life-to-Date Budget	2024 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	33,708	0	33,708	5,006,392
71102106 Incubator Libraries (Location TBD)	66,300	0	0	7,204	59,096
71102206 OPL Website Maintenance and Improvements	90,400	10,961	10,761	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	32,418	40,629	73,047	1,953
71102302 Scheduling Software Needs Review	30,200	9,922	0	10,122	20,078
71102303 Libraries Capital Replacements	25,200	0	0	200	25,000
71102304 Library Furniture and Equipment	132,600	4,394	7,997	57,287	75,313
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
71102406 DCH - Library	5,587,100	205,670	3,175,196	3,380,866	2,206,234
Total Oakville Public Library	22,751,800	297,073	3,234,583	3,643,753	19,108,047

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