

REPORT

Oakville Public Library Board

Meeting Date: November 21, 2024

FROM: Oakville Public Library

DATE: November 12, 2024

SUBJECT: Comprehensive Financial Report at September 30, 2024

RECOMMENDATION:

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

KEY FACTS:

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

- At September 30, 2024, the Oakville Public Library (OPL) is projecting an operating surplus of \$281,511 (June 30, 2024 projection - \$213,066).
- The Development Reserve fund is projecting a year-end balance of \$61,692 (September 30, 2023 projection - \$161,047)
- The HIP Trust is projecting a year-end balance of \$50,445 (September 30, 2023 projection - \$51,877)
- 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 – September 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 the final year-end report at December 31, 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-Sep	Funds Remaining	2024 Projected Year-End Actuals	Projected Year-End Variance	% Budget Remaining
EXPENSES						
PERSONNEL SERVICES & BENEFITS	9,677,500	6,872,541	2,804,959	9,327,552	349,948	3.6%
MATERIALS & SUPPLIES	1,650,900	1,206,066	444,834	1,686,615	(35,715)	-2.2%
CAPITAL OUT OF OPERATIONS	20,200	17,224	2,976	77,890	(57,690)	-285.6%
PURCHASED SERVICES	1,258,100	758,811	499,289	1,219,464	38,636	3.1%
PAYMENTS & GRANTS	12,500	8,060	4,440	13,058	(558)	-4.5%
INTERNAL EXPENSES & TRANSFERS	339,700	213,813	125,887	330,961	8,739	2.6%
Total EXPENSES	12,958,900	9,076,515	3,882,385	12,655,540	303,360	2.3%
REVENUES						
EXTERNAL REVENUES	(400,300)	(207,821)	(192,479)	(396,651)	(3,649)	0.9%
INTERNAL RECOVERY & FUND TRSFs	(378,800)	-	(378,800)	(360,600)	(18,200)	4.8%
Total REVENUES	(779,100)	(207,821)	(571,279)	(757,251)	(21,849)	2.8%
Total Oakville Public Library	12,179,800	8,868,694	3,311,106	11,898,289	281,511	2.3%

The OPL is projecting a surplus of approximately \$281,500 based on actual results to Sept 30th and projected spending to year-end. Driving the surplus is realized and anticipated savings in personnel costs and benefits. Vacancies in full-time positions are primarily in the Innovation and Integration section of the OPL, including the recently vacated Director position, anticipated to be filled in Q1 2025.

Materials and supplies are projecting to be over budget in the third quarter due to higher spending on collection resources for children's books and adult and children's electronic resources. Capital out of operations is projected to be over budget due to additional spending on branch sensors and tablets for room booking. Purchased services is projecting savings for courier services which has now been brought in-house with the courier van coming into service in early 2024. This budget has been removed for 2025.

Internal recovery and fund transfers are projecting \$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-Sep	Funds Remaining	2024 Projected Year-end Actuals	Projected Year-end Variance	%
Oakville Public Library						
Administrative Services	742,400	716,451	25,949	786,772	(44,372)	-6.0%
Customer Experience	7,084,100	5,202,836	1,881,264	6,964,147	119,953	1.7%
Innovation and Integration	4,353,300	2,949,407	1,403,893	4,147,370	205,930	4.7%
Total Oakville Public Library	12,179,800	8,868,694	3,311,106	11,898,289	281,511	2.3%

Administrative Services

A deficit of \$44,372 is projected for Administrative Services, primarily due to estimated overages in personnel services and benefits, as well as higher costs for membership dues and subscriptions.

Customer Experience

A surplus of \$119,953 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 \$36,000 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, and unbudgeted grants are offsetting the increased costs.

Innovation and Integration

A surplus of \$205,930 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. Higher spending in Collections resources is offsetting these savings.

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 at \$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 September 30, 2024, total donation revenue received is \$45,301. The Fund Development Coordinator position (vacant from December 2023 to April 15, 2024) has been 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
	30-Sep	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	45,301	100,000
TOTAL REVENUE to RESERVES	45,301	300,000
CLOSING BALANCE before interest	233,647	52,746
Interest		8,946
CLOSING BALANCE including interest	233,647	61,692

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 \$2,616 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 \$170,116. 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 \$50,445.

	Library Trust 69/690	Dec 31st Balance Projection
BALANCE AS AT JAN 1, 2024	54,197	54,197
<u>Revenues</u>		
Interest transfer		2,616
IRCC Grant	89,661	110,000
Service fees	4,426	5,000
Recovery from Halton Region		52,500
Total Revenue	94,087	170,116
<u>Expenditures</u>		
HIP Training, software, consulting, etc.	287	2,000
IRCC Grant expenses	16,683	33,367
Transfer to OPL Operations	72,977	138,500
Total Expenditures	89,948	173,867
BALANCE AS AT SEPT 30, 2024	58,335	50,445

Capital Variances

The total capital budget for open projects is \$22,751,800. Year-to-date in 2024, \$3,908,725 has been spent or committed on those projects, bringing the total life-to-date expenditure to \$4,020,822.

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 \$3.3 million for the architect's design work.

Capital Variance Report - Sept 30, 2024					
	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 Urban Core South	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	21,722	0	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	60,230	12,817	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	13,114	11,115	69,125	63,475
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	397,487	3,348,610	3,746,097	1,841,003
Total Oakville Public Library	22,751,800	536,183	3,372,542	4,020,822	18,730,978

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