

REPORT

Oakville Public Library Board

Meeting Date: February 20, 2025

FROM: Oakville Public Library

DATE: February 11, 2025

SUBJECT: Comprehensive Financial Report at December 31, 2024

RECOMMENDATION:

That the Comprehensive Financial Report at December 31, 2024 be received for information.

KEY FACTS:

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

- The Library's unaudited surplus for 2024 is \$339,063 (2023 surplus was \$196,006).
- The Development Reserve Fund balance at December 31, 2024 is \$129,189 (December 31, 2023 - \$183,596).
- The Halton Information Providers (HIP) Trust has a year-end balance of \$63,862 (December 31, 2023 - \$54,197).

BACKGROUND:

This report is a comprehensive report of all 2024 financial results: operating, capital, reserve, endowment and trust funds. The results are pending completion of the library audit findings. Both the library's Audit Findings report and the consolidated financial statements for 2024 will be presented by the library's external auditors, KPMG LLP, at the April Board Meeting.

The Oakville Public Library (OPL) ended 2024 with a surplus of \$339,063 or 2.8% on a total budget of \$12.2 million. The final year-end results provided a surplus of approximately \$57,600 more than the projection of a \$281,511 surplus prepared at the end of the third quarter and is primarily for higher savings in personnel services and benefits.

COMMENT/OPTIONS:

Operating Variance Analysis:

The following table shows the library’s variances at year-end by object code:

	2024 Net Approved Budget	2024 Net Expenditures December 31	Funds Remaining	% Remaining
EXPENSES				
Personnel Services & Benefits	9,677,500	9,233,028	444,472	4.6%
Materials & Supplies	1,650,900	1,689,155	(38,255)	-2.3%
Capital out of Operations	20,200	56,673	(36,473)	-180.6%
Purchased Services	1,258,100	1,228,332	29,768	2.4%
Payments & Grants	12,500	11,378	1,122	9.0%
Internal Expenses & Transfers	339,700	335,790	3,910	1.2%
Total EXPENSES	12,958,900	12,554,356	404,544	3.1%
REVENUES				
External Revenues	(400,300)	(425,501)	25,201	-6.3%
Internal Recovery & Fund Transfers	(378,800)	(288,118)	(90,682)	23.9%
Total REVENUES	(779,100)	(713,619)	(65,481)	8.4%
Total Oakville Public Library	\$ 12,179,800	\$ 11,840,737	\$ 339,063	2.8%

*Unaudited financial results

Oakville Public Library finished the year in a surplus position of \$339,063, primarily due to savings in personnel services and benefits. Vacancies in full-time positions were the main driver of these savings. As well, the Director, Innovation and Integration position that was vacant since October will be filled in the first quarter of 2025.

Materials and supplies are over budget for higher spending on collection resources, including electronic resources and children’s books. This is offset by some savings in hydro costs at all the branches. Capital out of operations purchases are higher for the purchase of sensors, as well as the tablets needed for room booking. Purchased services savings include the unused budget for courier services which was brought in-house in early 2024. That budget is removed for 2025.

External revenues are higher than budget for unbudgeted grant revenue that was realized during the year for the Bronte BIA Book bike, the Indigenous Elder in Residence and the Civitan Club of Oakville’s grant for programming.

Internal recovery and fund transfers were under budget as development spending was lower than budget due to turnover in the Fund Development Coordinator

position and Director of Innovation and Integration positions who are both involved in helping to allocate the development spending.

The following table shows the library’s variances at year-end by program area:

	2024 Annual Budget	2024 December 31 YTD Actuals	2024 Budget Remaining (\$)	2024 Budget Remaining
Oakville Public Library				
Administrative Services	\$ 742,400	\$ 821,191	\$ (78,791)	-10.6%
Customer Experience	\$ 7,084,100	\$ 6,963,039	\$ 121,061	1.7%
Innovation and Integration	\$ 4,353,300	\$ 4,056,507	\$ 296,793	6.8%
Total Oakville Public Library	\$ 12,179,800	\$ 11,840,737	\$ 339,063	2.8%

*Unaudited financial results

Administrative Services

Administrative Services is over budget by \$78,791 due in part to higher personnel costs for non-union increases and higher spending in part-time wages in Human Resources. As well, OPL paid more in professional fees in 2024 for organizational structure consulting work, the compensation review completed by Mercer and recruitment costs for the Director, Innovation and Integration position.

Customer Experience

The savings of \$121,061 in Customer Experience is due to savings in personnel services, primarily for full-time gapping during the year. As well, savings in hydro costs, courier services and higher photocopier revenues drive the surplus. They are offset by higher spending in janitorial services, primarily at White Oaks and Clearview for higher cleaning costs at these buildings. As well, higher contracted maintenance costs, most significantly at Central Branch, also reduce the overall savings.

Innovation and Integration

The savings in Innovation and Integration of \$296,793 are also due to several staff vacancies during the year, including the Director, Innovation and Integration position from mid-October to year-end. Higher collection materials spending also reduces the surplus.

Library Development Reserve Fund

Included in the Innovation and Integration program is administration of the Library Development Fund. For 2024, the final transfer to operating from the reserve was \$140,690. \$92,100 was approved to fund the new full-time Customer Information Specialist at Glen Abbey for the year. \$31,259 funded development initiatives including spending on children’s collection materials, Story Walks, and the Bronte

Book Bike, in collaboration with the Bronte BIA. \$17,331 was transferred to operating for Fast Lane book purchases, funded from the Jack and Joan Woods endowment. \$30,000 was withdrawn in 2024 with \$12,669 being carried forward to be spent in 2025.

The table below shows the unaudited balance of the library’s development reserve fund as of December 31, 2024. As shown in the table, the opening balance of the reserve fund was \$183,596.

Total donation revenue recognized for 2024 is \$77,076 and includes individual and monthly giving, corporate donors, grants, foundations, and third-party fundraising. Friendly Finds (donated and used books for sale) at all seven branches, as well as Book Sale revenue totaled \$24,700 in 2024. The collaboration with Bronte BIA for the Book bike during the summer months and inside the RBC during the winter months was also a success. Grant funds from the Federal Recovery Fund for the Elder in Residence at the OPL were also recognized as revenue during the year, as well as funds from the Civitan Club of Oakville for specialized programming equipment.

Interest income of \$9,208 was also realized and brings the final year-end balance of the Development reserve to \$129,189.

	2024
	Actuals
	31-Dec
OPENING BALANCE	183,596
EXPENDITURES:	
Transfer to Operating	140,690
Total Commitments to Operating Fund	140,690
TOTAL EXPENDITURES from RESERVE	140,690
REVENUES:	
Donations, Special Events, Grants	77,076
TOTAL REVENUE to RESERVES	77,076
CLOSING BALANCE before interest	119,981
Interest	9,208
CLOSING BALANCE including interest	129,189

*Unaudited financial results

The library also has endowment funds with the Oakville Community Foundation (OCF). These funds will be consolidated within the 2024 financial statements and reported to the Board in April. \$30,000 was disbursed from the Jack and Joan Woods fund for Fast Lane books. Including a capital addition of \$160, gross investment earnings of \$160,318 and foundation and management fees of \$24,138, the year end balance in the OCF funds is \$1,414,439.

Oakville Community Foundation	2024 \$
Beginning balance	
Oakville Public Library Endowment Fund	\$ 1,058,696
Birkett Family Fund	\$ 34,715
Jack and Joan Wood OPL Fund	\$ 214,688
Beginning balance	\$ 1,308,099
Capital Addition	\$ 160
Gross Investment Earnings (Loss)	\$ 160,318
Distributions:	
Foundation Management Costs	\$ 15,621
Investment Management Fees	\$ 8,517
Distributions - 2024 Jack and Joan Woods	\$ 30,000
Total distributions	\$ 54,138
Ending Balance	\$ 1,414,439
Ending balance consists of:	
Oakville Public Library Endowment Fund	\$ 1,170,029
Birkett Family Fund	\$ 38,361
Jack and Joan Wood OPL Fund	\$ 206,050
Total Balance in Endowment Funds	\$ 1,414,439

Halton Information Providers (HIP) Trust

OPL is part of the 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.

The significant staff focus for 2024 continued to be on the project to develop Halton Newcomer InfoPods through a multi-year grant with Immigration, Refugees and Citizenship Canada (IRCC). The project is in its second phase which will end in March 2025. Grant funding of \$109,387 was recognized as revenue in 2024.

Halton Region contributed \$52,500 toward management of the HIP program, as it does annually. Service fee revenue was \$5,347 and interest earned on the Trust balance was \$2,767.

Expenses in 2024 were primarily related to the IRCC grant and totalled \$117,836. These expenses included a portion of labour costs, specific direct costs for software as a service, membership dues, training expenses and overhead administration costs to the town. Finally, \$42,280 was transferred to the Library from the HIP Trust

for Information Oakville staff time on HIP work in 2024. The ending balance at December 31, 2024 is \$63,862.

	2024 Actuals 31-Dec
BALANCE AS AT JAN 1, 2024	54,197
Revenues	
Interest transfer	2,767
IRCC Grant	109,387
Service fees	5,347
Recovery from Halton Region	52,500
Total Revenue	170,001
Expenditures	
HIP Training, software, consulting, etc.	220
IRCC Grant expenses	117,836
Transfer to OPL Operations	42,280
Total Expenditures	160,336
BALANCE AS AT DEC 31, 2024	63,862

*Unaudited financial results

Capital Budget

The cumulative total capital budget for open projects at December 31, 2024 was \$22,751,800 with \$4,629,772 spent or committed for these projects to year-end. During 2024, the Master Plan was completed and presented to Council in November. The recommendations from that plan will direct much of the growth and expansion to service over the next years, including location of incubator libraries.

Website maintenance and improvements continued through the year, as well as replacement of library furniture and equipment. The Scheduling software needs program is also underway and the OPL is hoping to have a solution determined in 2025. The DCH Library project for the movement of Central branch to the old Post Office location is currently in the design phase with construction funds slated for 2026.

The Sixteen Mile Library Collection funds will primarily be spent in 2025 as the branch is expected to open by the end of the year. The OPL Newspaper and Digitization project is also underway and should make significant progress in 2025.

Two capital projects were closed in 2024 with \$1,232,379 of funds returned to reserves.

Capital Variance Report - December 31, 2024						
	Life-to-Date Budget	Prior Years Actuals	2024 Year-to-Date Actuals	Outstanding Commitments	Life-to-Date Actuals and Commitment	Remaining Approved Budget
Active Projects						
71101811 New Branch Library - Trafalgar Urban Core South	5,040,100	-	33,708	-	33,708	5,006,392
71102106 Incubator Libraries (Location TBD)	66,300	7,204	-	-	7,204	59,096
71102206 OPL Website Maintenance and Improvements	90,400	43,397	21,722	-	65,119	25,281
71102210 New Branch Library - Palermo (Land Purchase)	8,125,100	-	-	-	-	8,125,100
71102211 Library Master Plan Update	75,000	-	73,047	-	73,047	1,953
71102302 Scheduling Software Needs Review	30,200	200	9,922	-	10,122	20,078
71102303 Libraries Capital Replacements	25,200	200	3,460	-	3,660	21,540
71102304 Library Furniture and Equipment	132,600	44,896	29,799	-	74,695	57,905
71102305 Sixteen Mile Library Collections	3,266,300	16,200	-	-	16,200	3,250,100
71102404 OPL Newspaper Digitization and Local History Portal	313,500	-	-	-	-	313,500
71102406 DCH - Library	5,587,100	-	803,979	3,542,038	4,346,017	1,241,083
Total Active Projects	22,751,800	112,097	975,637	3,542,038	4,629,772	18,122,028
Closed Projects in 2024						
71102104 Vehicle for Materials Handling	80,000	-	87,140	-	87,140	(7,140)
71102205 Sixteen Mile Library Portable Relocation	2,527,500	1,285,858	2,123	-	1,287,981	1,239,519
Total Closed	2,607,500	1,285,858	89,263	-	1,375,121	1,232,379

Prepared by:
Belinda Wiersma CPA, CA Senior Financial Analyst

Submitted by:
Tara Wong, CEO