

REPORT

Oakville Public Library Board

Meeting Date: May 15, 2025

FROM: Finance Department

DATE: May 6, 2025

SUBJECT: 2024 Audited Financial Statements and External Audit Findings Report

RECOMMENDATION:

1. That the 2024 Audit Findings Report for the year ended December 31, 2024 be received for information; and
2. That the draft Financial Statements of the Oakville Public Library for the year ended December 31, 2024 be approved.

KEY FACTS:

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

- To assist the Board in their review of the financial statements, KPMG has provided their “Audit Findings Report”, outlining the key parts of their audit;
- There were no significant issues identified by KPMG as part of their audit;
- KPMG is prepared to issue an unqualified (or “clean”) opinion on the 2024 financial statements once all aspects of the audit are completed.
- The Library recorded an operating surplus of \$339,059 and a Canadian Public Sector Account Standards (PSAS) surplus of \$54,720 for 2024.
- This operating surplus is consistent with the surplus reported on the Comprehensive Financial Report presented at the February meeting.

BACKGROUND:

The Library is required to prepare annual financial statements, which must be audited by the town’s external auditors and approved by the Board of Directors. The financial statements provide the Board and the public with information on the Library’s financial position, its results of operations, and any other relevant financial information for the most recent year.

In early 2025, town finance staff, along with Library management, completed the 2024 year-end processes and prepared the financial statements (Appendix B). These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

Upon completion of the financial statements, the Library's auditors from KPMG conducted their audit to ensure that the financial statements are presented fairly.

COMMENT/OPTIONS:

- The Library continues to maintain a strong net financial asset position on the balance sheet. This means that the financial assets are greater than liabilities indicating the Library has the ability to meet its financial obligations.
- The 2024 revenue increase of \$528k over 2023 relates mainly to the increase in the operating grant from the town and agrees to the budgeted amount.
- Personnel expenses were higher than 2023 by \$680k but lower than 2024 budgeted figures by \$432k. The decrease in expenditures compared to budget relates primarily to staff vacancies that were not filled immediately, as well as new positions where the employees were not hired until later in the year.
- Material expenses were comparable to prior year but lower than budget. The decrease from budget relates entirely to the accounting treatment of the Library's collections. For budget purposes, the purchases are treated as an expense, but for accounting purposes the purchase of the books are capitalized and amortized over their useful life. In 2024, \$835k was used towards the acquisition of the collection.
- Purchased services was slightly lower than budget and the breakdown by category is detailed in the schedule within the Financial Statements. There is no one main reason, but overall actuals were higher in janitorial, repairs and maintenance, and professional fees. These overages were offset by lower courier fees, utilities, and sundry. The excess in janitorial costs relate primarily to the White Oaks and Clearview locations where the costs are set by the school board and OPL will need to adjust budgeted costs for the 2026 fiscal year. The increase in repairs and maintenance relates primarily to the required repairs to the Central Library due to the age and condition of the building. Professional fees include outside support to do position and compensation reviews, assist with negotiations, as well as indigenous consultations.

- Consistent with other years, there are differences between the Library's operational accounting records and the audited financial statements (prepared according to PSAS). This is demonstrated in the second table of Note 6 in the financial statements:

	2024	2023
Annual surplus per Financial Statements	\$ 54,720	\$ 104,733
Add:		
Amortization expense on tangible capital assets	713,401	695,723
Change in post employment benefits	12,543	4,780
Less:		
Surplus in Oakville Community Foundation Fund	(160)	(114,754)
Deficit in Development Reserve Fund	54,406	94,860
Tangible capital asset acquisitions	(834,910)	(785,342)
Total	\$ -	\$ -

- Operationally, acquisitions to the Library's collection are viewed as expenses; however, for PSAS these are added to the tangible capital assets and amortized over the life of the collection;
- Operationally, the change in post-employment benefits is not accounted for; however, these costs are required for PSAS;
- The Library has two separate areas for holding non-operational donations (Development Reserve Fund and Oakville Community Foundation funds). The income and expenses of these funds are not part of the operational results; however, they are part of the PSAS results;
- Current year operating surplus of \$339,059 was paid back to the town, this is an expense under PSAS and is included on the statement of Operations and Accumulated Surplus.

APPENDICES:

Appendix A – 2024 Audit Findings Report

Appendix B – OPL 2024 Draft Financial Statements

Prepared by:

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Submitted by:

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