

## **Minutes for the Board of Trustees of the Williamsburg Libraries**

Wednesday January 6, 2021, 4 pm

Virtual meeting via Zoom

Present: Pat Billingsley, Ken Borden, Bev Bullock, Joan Coryat (recorder), Fred Goodhue, Charlotte Meryman, Rob Stinson. Guest: John Palmer.

1. The meeting was called to order by Joan at 4:02 pm.
2. The Board and Bev met with John Palmer, Library Bookkeeper, to discuss potential changes to the financial reports to make them more useful and meaningful to the Board.
3. The following are high level notes from that discussion.
  - a. John will add descriptive annotations to reports where possible.
  - b. John will create a new summary report similar to the Expense Report that will include separate columns that show carryover from prior year for Greta Carey, Local Donations and State Aid.
  - c. All other reports will continue to be generated for the time being. The canned QuickBooks reports will provide detail but will not be used as primary sources for the board's monthly meetings.
  - d. Fred and Ken will meet to mark up existing reports with desired labels and send to the Board for review at January 19<sup>th</sup> board meeting. Once board agrees on revised labels, the mark upped reports will be sent to John.
  - e. No rounding changes will be made to accounting reports.
  - f. The board will create a document that includes pertinent financial information to allow all trustees including new trustees to gain an understanding of the library's funding sources, budget, state required spending, etc.
4. Meeting adjourned at 4:40 pm.

### **Documents Used:**

Agenda

Financial Report Questions and Comments with Answers (attached)

12-15-20 Financial Reports from Library Bookkeeper

GENERAL RESPONSE:

*I'm going to answer your questions individually but I'd like to make the following suggestion based on a first read-through. The canned QuickBooks reports (Profit & Loss Budget vs. Actual; Profit & Loss Prev Year Comparison) seem to provoke the most questions. But they are also the best (and easiest) way to see detail. Could we retain them for that item detail only - then I could create a simpler summary report(s) in the same format which could be used along with them or alone?*

*Also a favor: the income lines on the canned reports should show only income/budgeted income for the current year. Years ago, however, the Board asked that the money carried over from the previous year in Greta Carey, Local Donations, and State Aid be added into those income lines on these reports so they could see the total amount of money available for the year. I have been manually adding these amounts to the two reports and I would love to stop doing that. It is useful to see total available \$\$ as a comparison to total expenses, so if I created a shorter summary report(s) I could add that carried-over money on a separate line or lines so you would still be able to see this.*

GENERAL OBSERVATIONS:

- More complete labeling at the top of each report would help, as would consistent labeling of the same information across all reports so that they could be cross referenced with ease.

*I will do what I can. (Note: suggested changes may take awhile to show up on reports.)*

- It may be more useful for our non-profit organization to move away from a profit and loss reporting system. Labeling appropriations or income as profit is misleading. I figure that John is using some existing software that may not be adaptable, but other templates are available.

*Some things (such as the Gross Profit line and the report titles) I just don't see anymore so these reminders are helpful. Both detailed reports are just standard income/expense reports (Total Income - Total Expense = Net Income). Again, I'd like to show the totals in a separate summary report(s) and use these two for detail only.*

- My experience with budgeting is that when an organization develops budget figures for the next Fiscal Year they are expressed/rounded to the nearest \$10 knowing full well that appropriations and income will not always be so set forth. A thought for next year.

*The four town appropriation accounts and the two trust fund accounts show the exact amounts appropriated/allocated. Friends is a rounded estimate. School Library Program is as billed. Greta Carey, Local Donations, and State Aid budget numbers are rounded. However, as above, the exact carried-over amounts have been added to the budget and the actual lines.*

- It would be very helpful for each of the reports to have its title on the document itself, for example Board Budget to Actual could be labeled "Williamsburg Libraries, Comparison of Actual Receipts to Budget as of 9/21/20" or whatever the reporting date is.

*I'll do what I can to regularize this.*

- More extensive comments would be great as well. The checkbook is a good example of what that entails.

*I can see about reformatting the detail reports if you'd like some comments there - I do have a few reminders for myself on the budget worksheet I create each year. It would be helpful to know which items you'd like a little more information about.*

- Library Board could conduct a higher-level review of the monthly financials, relying on a much more distilled overview, similar to the one Lilly Library Director Adam Novitt provides. **See below.** The pro forma reports of our standard accounting software often cause us confusion and befuddlement. A briefer monthly report format would allow us to monitor operational budget vs expenditures much more expeditiously; if and when the need arises, we can refer to more detailed breakdowns and the Director can provide explanations for anomalies as appropriate. Of course, we would want to continue to monitor income.

How much work would it entail to create such a higher-level summary format for the Board's monthly review?

<u>Category</u>	<u>YTD Budget</u>	<u>Spent</u>	<u>Variance</u>	<u>Percent</u>	<u>Annual Budget</u>	<u>Notes</u>
Library Ops	77,315	94,642	-17,328	122%	83,000	Spent includes around \$23,000 in pre-approved expenses no included in the budget amount.
Patron Services	46,938	50,833	-3,895	108%	50,390	We're more or less done paying bills for the year, so this should come out pretty close to level.
Personnel	226,727	219,764	6,963	97%	243,400	This looks good to me.
Total	348,996	366,342	-17,346	105%	374,660	When Library Ops is corrected and we finish out the month in Patron Services we should be on target.

*This matches our Expense Report (designed by Cynthia Barker). The column categories are the same. The row categories are boiled down a little further than ours - I can do that if you'd prefer.*

EXPENSE REPORT:

- Label at top could be "Williamsburg Libraries Monthly Expense Report FY2021"

*I can do that.*

- Comparison columns for the two previous fiscal years would be helpful

*That's a good idea. If you all would like to see the two previous years' actual expenses I can add them in. I could also add them into the summary reports mentioned above. Adding extra information can make a report busy and more difficult to read though.*

- Not sure why there is a Budgeted Ex YTD and Actual Ex YTD. Very seldom do expenditures (except salaries as John notes in other reports) spread evenly at 8% across each month, so the former column is not really needed.

*I'm not trying to be snarky but the comparison of Budgeted and Actual Expenses is the point of the report. I'm happy to dispense with it (or any report) if it's not useful.*

#### PROFIT AND LOSS:

- Perhaps this could be re-labeled "Funds Received All Sources- FY2021"

*As above, I will try to title reports so the contents are clearer.*

- Column H should be re-labeled Received to Date

*Again, these are canned reports so I would like to eliminate or minimize the number of changes I have to make when I drop them into Excel. I'll see if I can do anything about it.*

- Not sure why Net Income is a needed data point (Budget minus expense)

*Net Income means what we have/hope to have at the end of the year: Total Income - Total Expense = Net Income. I think this would all be clearer on a summary report with some different wordings.*

#### BOARD BUDGET TO ACTUAL:

- Not quite sure what, but more detail in the title would help

*As above, I will try to title reports so the contents are clearer.*

- There is a notation of 9/16/20 at the top, but column H is labeled Jul20-Jun 21

*The date is the date of the report. The column heading is from the canned report format (the idea is that the report covers income and expenses up through the date of the report and compares these to the full-year budget.*

- Should there be a value in J19?

*I don't see an empty cell. I'm viewing the report in Google Sheets.*

- Not sure what total budget is: \$295,610, \$239,605, or the total income figure of \$237,978?

*Total budgeted expenses are \$239,605. I think this would all be a bit clearer on a summary report rather than on these detail reports.*

- Not sure what Total Expense H82 is.

*Our total expenses so far this year.*

CHECKBOOK:

- “Percentage of Budget Spent” column would help here even though we know each month does not equal 8% of budget.

*To the right of the Totals column? I can add this if you’d like.*

- The “General Accts.” numbers include different sources of funding but I always find it difficult to tie these numbers to those on the other financial reports.

*The “Funding: Received” number for General Accts. should equal the total of the income received so far this year for each of the five accounts. These amounts are in the first column on both of the detail reports.*

Where do the funds reside and which ones do and don’t go back into the town coffers at the end of a fiscal year; ie the Greta Carey account, etc.?

<b>Williamsburg Libraries Accounts</b>			
<b>Account Name</b>	<b>Town Account</b>	<b>Disposition at end of fiscal year?</b>	
<i>Annual Fund</i>	275 - Library Local	Remains in account	
<i>Annual Appropriations (4 accts.)</i>	610 - Library	Reverts to town	
<i>Greta Carey</i>	274 - Library Donations	Remains in account	
<i>Local Donations</i>	275 - Library Local	Remains in account	
<i>State Aid</i>	414 - Library State Aid	Remains in account	
<i>School Library</i>	275 - Library Local	Remains in account	

**Trust Funds: Kmit and Meekins**

*The Trust Fund Commission allocates an amount we can use for the fiscal year from each trust fund. We don’t technically receive that money. Any bills up to the allocated amounts are paid from the appropriate trust fund. Any unused portion of the allocated amount stays in the trust fund.*