



## WINNEFOX LIBRARY SYSTEM

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winnefox

### MEMORANDUM

**DATE:** May 19, 2020  
**TO:** Winnefox Library System Board of Trustees  
**FROM:** Jeff Gilderson-Duwe, Director  
**RE:** Revised 2020 Winnefox Program Budget

We are submitting a revised 2020 Winnefox Program Budget for the board's consideration at its May 27, 2020 regular meeting. The reasons for revising the 2020 program budget stem from issues we encountered during the financial audit of the 2018 program budget.

Each autumn, Winnefox submits a board-approved program budget for the coming year to the Wisconsin Department of Public Instruction (WI DPI) Division for Libraries and Technology (DLT) as part of its Annual System Plan. Then, as part of Winnefox's Annual Report to the WI DPI-DLT, we submit a record of actual program expenditures.

Winnefox's financial accounting system has not traditionally organized expenditures by program, but instead by operational unit (i.e., Winnefox, WALs, and WCTS). This means that the amounts in the program budgets have been derived manually, and that some of those amounts were determined using educated guesswork. Although the program budgets in the past presented a good representation of planned and actual revenues and spending, it was not the case that every figure could be tied to actual transactions in our financial accounting system.

In performing the audit of 2018 financial records, the auditor (Clifton Larson Allen, or CLA) followed the state guide to audit the budget numbers from the state annual report. The auditors were unable to match the program expenditures submitted to the state in the 2018 Annual Report with transactions in our QuickBooks accounting system. The auditor was most concerned that we could not demonstrate with data from QuickBooks that we had met the state's requirement of keeping spending on Administration below 20% of total expenditures.

To ensure that we would not have the same problem with the 2019 audit of the annual report, we took the following steps:

- Created a new chart of financial accounts in QuickBooks that assigns expenditures not only to Winnefox's operational units (i.e., Winnefox, WALs, and WCTS), but also allocates them to the appropriate program(s);
- Re-coded all 2019 expenditures to place them into the right "buckets;" i.e., Winnefox operational unit(s) and program(s);
- Beginning with the 2019 program budget as approved by the board on September 26, 2018, created a revised version in which every amount may be traced to actual transaction records in the QuickBooks system.
- Sought and received approval from the Board of the proposed revised 2019 program budget at its November 20, 2019 meeting.

Now, to complete this transition to reliance on the program budget for all financial reporting, we ask the Board to consider approval of a revised 2020 program budget. If the board approves this revised 2020 program budget, we will submit it to WI DPI-DLT and plan to use it as the basis for our 2020 Annual Report budget. We believe that the work we have done to improve our financial records will enable Winnefox to submit a 2020 Annual Report that will be on time, and with a program budget that will be fully traceable by auditors.

PUBLIC LIBRARY SYSTEM 2020  
ANNUAL PROGRAM BUDGET

| Program   | 2020<br>Public Library<br>System Aid | System Aid<br>Carryover and<br>Interest Earned | Other State and<br>Federal Library<br>Program Funds | All Other Income | Total     |
|---|--------------------------------------|--|---|------------------|-----------|
| <b>Technology, Reference, and Interlibrary Loan*</b>            |                                      |  |   |                  |           |
| 1. WALS   | 81,226                               |  |   | 705,025          |           |
| 2. Technology Support   | 172,863                              |  |   | 25,855           |           |
| 3. ILL/Reference  | 106,402                              |  |   | 0                |           |
| 4. Electronic Resources   | 36,000                               |  |   | 0                |           |
| <b>Program Total</b>  | 396,491                              | 0  | 0   | 730,880          | 1,127,371 |
| <b>Continuing Education and Consulting Service*</b>             |                                      |  |   |                  |           |
| 1. CE   | 107,599                              |  | 14,000  |                  |           |
| 2. Consulting   | 53,180                               |  |   |                  |           |
| <b>Program Total</b>  | 160,779                              | 0  | 14,000  | 0                | 174,779   |
| <b>Delivery Services</b>  | 150,552                              |  |   | 4,534            | 155,086   |
| <b>Library Services to Special Users</b>                        | 1,878                                |  |   |                  | 1,878     |
| <b>Library Collection Development</b>                           |                                      |  |   |                  |           |
| <b>Direct Payment to Members for Nonresident Access</b>         |                                      |  |   |                  |           |
| <b>Direct Nonresident Access Payments Across System Borders</b> |                                      |  |   |                  |           |
| <b>Library Services to Youth</b>                                | 2,970                                |  |   |                  | 2,970     |
| <b>Public Information</b>                                       | 9,925                                |  |   | 8,000            | 17,925    |
| <b>Administration</b>   | 188,629                              | 30,000   | 5,730   | 89,320           | 313,679   |
| <b>Subtotal</b>   | 353,954                              | 30,000   | 5,730   | 101,854          | 491,538   |
| <b>Other System Programs</b>                                    |                                      |  |   |                  |           |
| 1. County Planning  | 33,668                               |  |   |                  | 33,668    |
| 2. WCTS   |                                      |  |   | 191,269          | 191,269   |
| <b>Program Total</b>  | 33,668                               | 0  | 0   | 191,269          | 224,937   |
| <b>Grand Totals</b>   | 944,892                              | 30,000   | 19,730  | 1,024,002        | 2,018,624 |

\* These programs may be divided into subprograms at the discretion of the system. If choosing not to use subprograms, enter amounts on line 1. Line 4 is reserved for the amounts budgeted for electronic resources (see Program Budget Guidelines).