
**MISSOURI LIBRARY ASSOCIATION
COLUMBIA, MISSOURI
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ACCOUNTANTS' REVIEW REPORT

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June 3, 2009

Board of Directors
Missouri Library Association
Columbia, Missouri

We have reviewed the accompanying statement of financial position of Missouri Library Association (a nonprofit organization) as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Missouri Library Association.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the 2008 financial statements in order for them to be in conformity with generally accepted accounting principles.

The financial statements for the year ended December 31, 2007, were audited by us, and we expressed an unqualified opinion on them in our report dated May 27, 2009, we have not performed any auditing procedures since that date.

MEMBER

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Casey and Company, LLC
Certified Public Accountants
Columbia, MO

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008 (UNAUDITED) AND 2007 (AUDITED)**

	<u>2008</u> <u>(UNAUDITED)</u>	<u>2007</u> <u>(AUDITED)</u>
<u>ASSETS</u>		
ASSETS:		
Cash and cash equivalents	\$ 8,851	\$ 5,116
Investments	98,264	89,992
Accounts receivable	800	1,325
Prepaid expenses	1,861	1,073
Fixed assets, net of accumulated depreciation	<u>1,212</u>	<u>1,535</u>
TOTAL ASSETS	\$ <u>110,988</u>	\$ <u>99,041</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable	\$ 9,640	\$ 416
Accrued vacation	4,891	4,783
Deferred revenue	<u>8,174</u>	<u>9,590</u>
TOTAL LIABILITIES	\$ <u>22,705</u>	\$ <u>14,789</u>
NET ASSETS		
Unrestricted	\$ 61,478	\$ 53,853
Temporarily restricted	<u>26,805</u>	<u>30,399</u>
TOTAL NET ASSETS	\$ <u>88,283</u>	\$ <u>84,252</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>110,988</u>	\$ <u>99,041</u>

**THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT**

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007 (AUDITED))**

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	2008 (UNAUDITED)			2007 (AUDITED)
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUES:				
Conference and exhibits	\$ 88,790	\$ -	\$ 88,790	\$ 92,289
Membership dues	61,890	-	61,890	59,460
Contributions	-	1,788	1,788	1,684
Advertising	350	-	350	450
Jobline	1,650	-	1,650	1,550
Miscellaneous	1,017	-	1,017	1,550
Legislative	3,395	-	3,395	4,661
Subscriptions	150	-	150	330
Investment return	8,635	-	8,635	6,356
Net assets released from restrictions:				
Restrictions satisfied by payments	5,382	(5,382)	-	-
TOTAL SUPPORT AND REVENUES	\$ 171,259	\$ (3,594)	\$ 167,665	\$ 168,330
EXPENSES:				
Program services	\$ 136,626	\$ -	\$ 136,626	\$ 142,862
Management and general	27,008	-	27,008	21,720
TOTAL EXPENSES	\$ 163,634	\$ -	\$ 163,634	\$ 164,582
INCREASE (DECREASE) IN NET ASSETS. . .	\$ 7,625	\$ (3,594)	\$ 4,031	\$ 3,748
NET ASSETS, BEGINNING OF YEAR	\$ 53,853	\$ 30,399	\$ 84,252	\$ 80,504
NET ASSETS, END OF YEAR	\$ 61,478	\$ 26,805	\$ 88,283	\$ 84,252

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**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007 (AUDITED)**

	2007 (AUDITED)		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES:			
Conference and exhibits	\$ 92,289	\$ -	\$ 92,289
Membership dues	59,460	-	59,460
Contributions	-	1,684	1,684
Advertising	450	-	450
Jobline	1,550	-	1,550
Miscellaneous	1,550	-	1,550
Legislative	4,661	-	4,661
Workshop income	-	-	-
Subscriptions	330	-	330
Investment return	6,356	-	6,356
Net assets released from restrictions:			
Restrictions satisfied by payments	2,033	(2,033)	-
TOTAL SUPPORT AND REVENUES	\$ 168,679	\$ (349)	\$ 168,330
EXPENSES:			
Program services	\$ 142,862	\$ -	\$ 142,862
Management and general	21,720	-	21,720
TOTAL EXPENSES	\$ 164,582	\$ -	\$ 164,582
INCREASE (DECREASE) IN NET ASSETS	\$ 4,097	\$ (349)	\$ 3,748
NET ASSETS, BEGINNING OF YEAR	\$ 49,756	\$ 30,748	\$ 80,504
NET ASSETS, END OF YEAR	\$ 53,853	\$ 30,399	\$ 84,252

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MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED)
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007 AUDITED)

Expense	2008 (UNAUDITED)				2007 (AUDITED) TOTAL
	PROGRAM SERVICES			MANAGEMENT AND GENERAL	
	Conference	Legislative	Membership	TOTAL PROGRAM	TOTAL
Annual conference	\$ 45,263	\$ -	\$ -	\$ 45,263	\$ 45,263
Depreciation	168	5	236	409	453
Donations	-	-	-	-	450
Dues	214	6	301	521	579
Equipment rental	1,821	49	2,559	4,429	4,922
Health insurance	2,545	53	1,219	3,817	5,302
Insurance	700	19	984	1,703	1,893
Legislative expenses	-	16,082	-	16,082	16,082
Miscellaneous	439	12	617	1,068	1,185
Payroll taxes	1,759	37	843	2,639	3,664
Picture book	-	-	-	-	1,278
Postage	1,392	38	1,956	3,386	3,761
Printing	1,239	33	1,741	3,013	3,348
Professional fees	1,653	45	2,323	4,021	4,467
Rent	2,416	65	3,396	5,877	6,531
Retirement	796	17	381	1,194	1,658
Salaries and wages	22,989	479	11,016	34,484	47,894
Scholarships	-	-	-	-	2,540
Schmidt luncheon	-	-	-	-	2,842
Supplies and small equipment	367	10	515	892	991
Telephone	956	26	1,344	2,326	2,584
Training and professional meetings	128	3	179	310	345
Travel	1,518	41	2,133	3,692	4,102
Workshop Expense	1,500	-	-	1,500	1,500
Total expenses	\$ 87,863	\$ 17,020	\$ 31,743	\$ 136,626	\$ 163,634
					\$ 164,882

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007 (AUDITED)**

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Expense	PROGRAM SERVICES			TOTAL PROGRAM	MANAGEMENT AND GENERAL	2007 (AUDITED) TOTAL
	Conference	Legislative	Membership			
Annual conference	\$ 57,747	\$ -	\$ -	\$ 57,747	\$ -	\$ 57,747
Depreciation	165	4	232	401	45	446
Donations	-	-	-	-	200	200
Dues	113	3	159	275	30	305
Equipment rental	1,801	49	2,531	4,381	486	4,867
Health insurance	2,185	46	1,047	3,278	1,275	4,553
Insurance	700	19	984	1,703	190	1,893
Legislative expenses	-	15,229	-	15,229	-	15,229
Miscellaneous	736	20	1,035	1,791	199	1,990
Payroll taxes	1,674	35	802	2,511	976	3,487
Picture book	-	-	-	-	677	677
Postage	1,273	34	1,789	3,096	345	3,441
Printing	1,080	29	1,518	2,627	292	2,919
Professional fees	1,117	30	1,570	2,717	303	3,020
Rent	2,416	65	3,396	5,877	654	6,531
Retirement	756	16	362	1,134	440	1,574
Salaries and wages	21,885	456	10,486	32,827	12,766	45,593
Scholarships	-	-	-	-	2,033	2,033
Supplies and small equipment	677	18	952	1,647	184	1,831
Telephone	743	20	1,045	1,808	201	2,009
Training and professional meetings	226	6	317	549	61	610
Travel	1,342	36	1,886	3,264	363	3,627
Workshop Expense	-	-	-	-	-	-
Total expenses	\$ 96,636	\$ 16,115	\$ 30,111	\$ 142,862	\$ 21,720	\$ 164,582

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED) AND 2007 (AUDITED)**

	2008 <u>(UNAUDITED)</u>	2007 <u>(AUDITED)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ 4,031	\$ 3,748
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	\$ 453	\$ 446
Unrealized and realized (gains) losses on investments	(5,463)	(2,735)
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	525	(645)
(Increase) decrease in prepaid expenses	(788)	-
Increase (decrease) in accounts payable	9,224	(1,635)
Increase (decrease) in accrued vacation	108	50
Increase (decrease) in deferred revenue	(1,416)	(1,005)
Total Adjustments	<u>\$ 2,643</u>	<u>\$ (5,524)</u>
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES . . .	<u>\$ 6,674</u>	<u>\$ (1,776)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	\$ 37,244	\$ 36,271
Reinvestment of interest and dividends, certificates of deposit	(40,053)	(39,516)
Capital acquisitions	(130)	(200)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (2,939)</u>	<u>\$ (3,445)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 3,735</u>	<u>\$ (5,221)</u>
CASH, BEGINNING OF YEAR	<u>5,116</u>	<u>10,337</u>
CASH, END OF YEAR	<u><u>\$ 8,851</u></u>	<u><u>\$ 5,116</u></u>

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**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 (AUDITED) AND 2007 (UNAUDITED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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A. Purpose of the Organization

The Missouri Library Association (the "Organization") provides information to the library community of the State of Missouri. Conferences, workshops, newsletters, and other publications are provided to facilitate the exchange of information and provide continuing professional education for librarians, staff, and trustees of libraries in the State of Missouri.

B. Basis of Accounting

The Missouri Library Association presents its financial statements on the accrual basis of accounting with revenues recognized when earned and expenses recognized when incurred.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

D. Accounts Receivable – All accounts receivable are considered collectable as of December 31, 2008. No allowance for doubtful accounts has been recorded

E. Income Tax Status

The Missouri Library Association qualifies as a tax exempt corporation under Section 501(c)(3) of the U.S. Internal Revenue Code, and is not a private foundation pursuant to section 509(a) of the code.

F. Contributions

All contributions are considered to be available for the general program of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donors are reported as an increase in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are received.

G. Contributed Goods and Services

Although none were received in the current year, the Organization reports amounts in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation and the amounts involved can be objectively measured.

H. Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates primarily related to accrued vacation and depreciable lives of assets. The nature of those estimates, however, is such that variances in actual results are generally immaterial.

I. Functional Expenses

The costs of providing the program and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED) AND 2007 (AUDITED)**

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NOTE 2: CASH AND INVESTMENTS

Cash and Cash Equivalents are composed of the following at December 31:

	2008 (UNAUDITED)	2007 (AUDITED)
Checking	\$ 6,511	\$ 556
Money Link, 0.15% in 2008, 1.3% in 2007	2,340	2,745
Money Link, 1.30%	-	1,815
Total Cash and Cash Equivalents	<u>\$ 8,851</u>	<u>5,116</u>

Investments are composed of the following at December 31:

	2008 (UNAUDITED)	2007 (AUDITED)
Certificate of Deposit, 3.110%, matures 01/2009	\$ 31,183	\$ -
Certificate of Deposit, 3.110%, matures 01/2009	6,893	-
Certificate of Deposit, 3.745%, matures 01/2008	-	30,570
Certificate of Deposit, 2.757%, matures 01/2008	-	6,674
Mutual fund	60,188	52,748
Total Investments	<u>\$ 98,264</u>	<u>89,992</u>

The mutual fund is composed primarily of U.S. Treasury intermediaries with a 2.03% and 3.82% dividend yield as of December 31, 2008 and 2007 respectively. Fair market value represents a cumulative increase in market value of \$6,401 and \$937 as of December 31, 2008 and 2007 respectively.

Certificates of Deposits are fully covered by the Federal Deposit Insurance Corporation (FDIC). Since the market value of the investments fluctuates every year, the Association is subject to a concentration of credit risk on most of its assets. Management believes the investment policy is prudent for the long-term welfare of the Foundation and its beneficiaries by taking a conservative, investment approach.

Investment return consists of the following for the year ending December 31:

	2008 (UNAUDITED)	2007 (AUDITED)
Interest income	\$ 1,195	\$ 1,598
Dividend income	1,977	2,023
Unrealized gain (loss) on investments	5,463	\$ 2,735
Total Investment return	<u>\$ 8,635</u>	<u>6,356</u>

NOTE 3: EQUIPMENT AND ACCUMULATED DEPRECIATION

Equipment is recorded at cost if purchased, and at fair market value on the date of the gift if received by donation.

**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 (UNAUDITED) AND 2007 (AUDITED)**

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NOTE 3: EQUIPMENT AND ACCUMULATED DEPRECIATION (CONTINUED)

Depreciation is calculated using the straight-line method over the estimated useful life of between three and ten years:

	2008 (UNAUDITED)	2007 (AUDITED)
Furniture and Fixtures	\$ 3,216	\$ 3,086
Equipment and software	5,754	5,754
Less: Accumulated Depreciation	\$ (7,758)	\$ (7,305)
Net Equipment	<u>1,212</u>	<u>1,535</u>

NOTE 4: ACCRUED VACATION

The Organization records the value of earned time off as a liability at the end of the year. The total value of such pay for the year ended December 31, 2008 and 2007 was \$4,891 and \$4,783 respectively.

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31:

	2008 (UNAUDITED)	2007 (AUDITED)
Bohley Scholarship	\$ 23,427	\$ 24,179
Schmidt Scholarship	3,378	6,220
Total restrictions with payment restrictions	<u>\$ 26,805</u>	<u>\$ 30,399</u>

NOTE 6: OPERATING LEASES

The Organization leases space in an office building in Columbia, Missouri on an annual renewable lease. The monthly payment for the space for the year ended December 31, 2008 was \$544. The lease expires June 30, 2009.

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