

**MISSOURI LIBRARY ASSOCIATION
BALLWIN, MISSOURI
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June 9, 2017

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Missouri Library Association
Ballwin, MO

We have reviewed the accompanying financial statements of Missouri Library Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 152,784	\$ 139,167
Investments	22,799	22,658
Accounts receivable	769	780
Prepaid expenses	<u>-</u>	<u>841</u>
TOTAL ASSETS	<u>\$ 176,352</u>	<u>\$ 163,446</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Deferred revenue	\$ <u>4,416</u>	\$ <u>3,006</u>
TOTAL LIABILITIES	<u>\$ 4,416</u>	<u>\$ 3,006</u>
NET ASSETS		
Unrestricted	\$ 135,203	\$ 124,225
Temporarily restricted	<u>36,733</u>	<u>36,215</u>
TOTAL NET ASSETS	<u>\$ 171,936</u>	<u>\$ 160,440</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 176,352</u>	<u>\$ 163,446</u>

**SEE ACCOMPANYING NOTES
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)**

	<u>2016</u>			<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
SUPPORT AND REVENUES				
Conference and exhibits	\$ 80,949	\$ -	\$ 80,949	\$ 92,097
Membership dues	47,173	-	47,173	46,698
Contributions and grants	-	3,514	3,514	2,423
Jobline	3,600	-	3,600	3,040
Legislative	3,210	-	3,210	3,105
Investment return	248	35	283	382
Net assets released from restrictions:				
Restrictions satisfied by payments	<u>3,031</u>	<u>(3,031)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES . . .	<u>\$ 138,211</u>	<u>\$ 518</u>	<u>\$ 138,729</u>	<u>\$ 147,745</u>
EXPENSES AND LOSSES				
Program services	\$ 117,008	\$ -	\$ 117,008	\$ 146,860
Management and general	<u>10,225</u>	<u>-</u>	<u>10,225</u>	<u>9,135</u>
TOTAL EXPENSES AND LOSSES	<u>\$ 127,233</u>	<u>\$ -</u>	<u>\$ 127,233</u>	<u>\$ 155,995</u>
CHANGE IN NET ASSETS	<u>\$ 10,978</u>	<u>\$ 518</u>	<u>\$ 11,496</u>	<u>\$ (8,250)</u>
NET ASSETS, BEGINNING OF YEAR . .	<u>\$ 124,225</u>	<u>\$ 36,215</u>	<u>\$ 160,440</u>	<u>\$ 168,690</u>
NET ASSETS, END OF YEAR	<u>\$ 135,203</u>	<u>\$ 36,733</u>	<u>\$ 171,936</u>	<u>\$ 160,440</u>

**SEE ACCOMPANYING NOTES
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Conference and exhibits	\$ 92,097	\$ -	\$ 92,097
Membership dues	46,698	-	46,698
Contributions and grants	-	2,423	2,423
Jobline	3,040	-	3,040
Legislative	3,105	-	3,105
Investment return	348	34	382
Net assets released from restrictions:			
Restrictions satisfied by payments	2,000	(2,000)	-
TOTAL SUPPORT AND REVENUES	\$ 147,288	\$ 457	\$ 147,745
EXPENSES AND LOSSES			
Program services	\$ 146,860	\$ -	\$ 146,860
Management and general	9,135	-	9,135
TOTAL EXPENSES AND LOSSES	\$ 155,995	\$ -	\$ 155,995
CHANGE IN NET ASSETS	\$ (8,707)	\$ 457	\$ (8,250)
NET ASSETS, BEGINNING OF YEAR	\$ 132,932	\$ 35,758	\$ 168,690
NET ASSETS, END OF YEAR	\$ 124,225	\$ 36,215	\$ 160,440

**SEE ACCOMPANYING NOTES
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)**

	2016					2015	
	Program Services			Total Program	Management and General	Total	Total
	Conference	Legislative	Membership				
Expenses							
ACRL Councilor	\$ 370	\$ 10	\$ 520	\$ 900	\$ 100	\$ 1,000	\$ 1,000
ALA Councilor	1,110	30	1,560	2,700	300	3,000	3,000
Annual conference	46,248	-	-	46,248	-	46,248	75,200
Board retreat	-	-	-	-	150	150	198
Donations	-	-	-	-	100	100	100
Dues	56	2	78	136	15	151	151
Emerging leader	370	10	520	900	100	1,000	866
Insurance	1,187	32	1,668	2,887	321	3,208	3,208
Legislative expenses	-	12,457	-	12,457	-	12,457	13,257
Membership committee	-	-	286	286	-	286	-
Miscellaneous	851	23	1,195	2,069	229	2,298	2,303
Picture book	-	-	-	-	498	498	347
Presentation academy	11	-	15	26	3	29	-
Printing	10	-	15	25	3	28	176
Professional fees	19,023	514	26,735	46,272	5,141	51,413	54,010
Promotion	318	9	447	774	86	860	-
Scholarships	-	-	-	-	2,000	2,000	1,000
Schmidt luncheon	-	-	-	-	1,031	1,031	1,000
Supplies and equipment	25	1	35	61	7	68	-
Travel	521	14	732	1,267	141	1,408	179
Total expenses	<u>\$ 70,100</u>	<u>\$ 13,102</u>	<u>\$ 33,806</u>	<u>\$ 117,008</u>	<u>\$ 10,225</u>	<u>\$ 127,233</u>	<u>\$ 155,995</u>

**SEE ACCOMPANYING NOTES
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Expenses	Program Services			Total Program	Management and General	Total
	Conference	Legislative	Membership			
ACRL Councilor	\$ 370	\$ 10	\$ 520	\$ 900	\$ 100	\$ 1,000
ALA Counselor	1,110	30	1,560	2,700	300	3,000
Annual conference	75,200	-	-	75,200	-	75,200
Board retreat	-	-	-	-	198	198
Donations	-	-	-	-	100	100
Dues	56	2	78	136	15	151
Emerging leader	320	9	450	779	87	866
Insurance	1,187	32	1,668	2,887	321	3,208
Legislative expenses	-	13,257	-	13,257	-	13,257
Miscellaneous	852	23	1,198	2,073	230	2,303
Picture book	-	-	-	-	347	347
Printing	65	2	91	158	18	176
Professional fees	19,984	540	28,085	48,609	5,401	54,010
Scholarships	-	-	-	-	1,000	1,000
Schmidt luncheon	-	-	-	-	1,000	1,000
Travel	66	2	93	161	18	179
Total expenses	\$ 99,210	\$ 13,907	\$ 33,743	\$ 146,860	\$ 9,135	\$ 155,995

**SEE ACCOMPANYING NOTES
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 11,496	\$ (8,250)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gains) losses on investments	366	312
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	11	288
(Increase) decrease in prepaid expenses	841	1,159
Increase (decrease) in deferred revenue	<u>1,410</u>	<u>(1,187)</u>
Total Adjustments	\$ <u>2,628</u>	\$ <u>572</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>14,124</u>	\$ <u>(7,678)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Reinvestment of interest and dividends	\$ <u>(507)</u>	\$ <u>(553)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ <u>(507)</u>	\$ <u>(553)</u>
CHANGE IN CASH	\$ 13,617	\$ (8,231)
CASH, BEGINNING OF YEAR	\$ <u>139,167</u>	\$ <u>147,398</u>
CASH, END OF YEAR	\$ <u><u>152,784</u></u>	\$ <u><u>139,167</u></u>

**SEE ACCOMPANYING NOTES
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2016 and 2015. 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 and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those amounts.

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.

**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed of the following at December 31:

	<u>2016</u>	<u>2015</u>
Checking – Operating	\$ 44,748	\$ 31,755
Money Market – Board	71,304	71,197
Money Market – Schmidt Fund	8,403	7,639
Money Market – Bohley Fund	28,329	28,576
Total Cash and cash equivalents	<u>\$ 152,784</u>	<u>\$ 139,167</u>

NOTE 3: INVESTMENTS

Investments are composed of the following at December 31:

	<u>2016</u>	<u>2015</u>
Mutual fund	\$ 22,799	\$ 22,658
Total Investments	<u>\$ 22,799</u>	<u>\$ 22,658</u>

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at a fair value on a recurring basis

The following are the major categories of assets and liabilities measured at fair values on a recurring basis as of December 31, 2016:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Marketable Securities				
Mutual Funds	\$ 22,799	\$ -	\$ -	\$ 22,799
Total Marketable Securities	<u>\$ 22,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,799</u>

As of December 31, 2015:

Marketable Securities				
Mutual Funds	\$ 22,658	\$ -	\$ -	\$ 22,658
Total Marketable Securities	<u>\$ 22,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,658</u>

The following are changes in fair values for items measured at fair value for the year ended December 31:

	<u>2016</u>	<u>2015</u>
Trading gains (losses) on marketable securities		
Unrealized gains (losses)	\$ (366)	\$ (312)
Total trading gains (losses) on marketable securities	<u>\$ (366)</u>	<u>\$ (312)</u>

**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments

Due to their short-term nature, the carrying value of cash, investments in certificates of deposits, short-term receivables, and short-term payables approximate their fair value at December 31, 2016 and 2015.

Since the market value of the investments fluctuates every year, the Organization 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 Organization and its beneficiaries by taking a conservative investment approach.

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

	<u>2016</u>	<u>2015</u>
Interest income	\$ 142	\$ 141
Dividend income	507	553
Unrealized gain (loss) on investments	<u>(366)</u>	<u>(312)</u>
Total Investment return	<u>\$ 283</u>	<u>\$ 382</u>

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2016</u>	<u>2015</u>
Bohley Scholarship	\$ 28,329	\$ 28,576
Schmidt Scholarship	<u>8,404</u>	<u>7,639</u>
Total restrictions with payment restrictions	<u>\$ 36,733</u>	<u>\$ 36,215</u>

NOTE 6: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2017, the date on which the financial statements were available to be issued.