

AUDITED FINANCIAL STATEMENTS

**MISSOURI LIBRARY ASSOCIATION
BALLWIN, MISSOURI**

**FOR THE YEARS ENDED
DECEMBER 31, 2017 (AUDITED)
AND 2016 (REVIEWED)**



**BEARD-BOEHMER & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI**

**MISSOURI LIBRARY ASSOCIATION
BALLWIN, MISSOURI
TABLE OF CONTENTS**

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities:	
For the year ended December 31, 2017 (AUDITED)	4
For the year ended December 31, 2016 (REVIEWED).....	5
Statement of Functional Expenses:	
For the year ended December 31, 2017 (AUDITED)	6
For the year ended December 31, 2016 (REVIEWED).....	7
Statement of Cash Flows	8
NOTES TO FINANCIAL STATEMENTS	9 - 11

July 13, 2018

INDEPENDENT AUDITORS' REPORT

Board of Directors
Missouri Library Association
Ballwin, MO

We have audited the accompanying financial statements of Missouri Library Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missouri Library Association as of December 31, 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**MISSOURI LIBRARY ASSOCIATION
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

Other Matters

The financial statements for the year ended December 31, 2016 were reviewed by us. We were not aware of any material modification needed for the financial statements to be in conformity with generally accepted accounting principles in our report dated June 9, 2017. A review consists principally of inquiries of Organization 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 on the financial statements for the year ended December 31, 2016.

Beard-Boehmer & Associates, PC

Beard-Boehmer & Associates, PC
Columbia, MO

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017 (AUDITED) AND 2016 (REVIEWED)**

	<u>2017</u> <u>(AUDITED)</u>	<u>2016</u> <u>(REVIEWED)</u>
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 165,430	\$ 152,784
Investments	23,115	22,799
Accounts receivable	<u>1,480</u>	<u>769</u>
TOTAL ASSETS	<u>\$ 190,025</u>	<u>\$ 176,352</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Deferred revenue	\$ <u>4,710</u>	\$ <u>4,416</u>
TOTAL LIABILITIES	<u>\$ 4,710</u>	<u>\$ 4,416</u>
NET ASSETS		
Unrestricted	\$ 145,829	\$ 135,203
Temporarily restricted	<u>39,486</u>	<u>36,733</u>
TOTAL NET ASSETS	<u>\$ 185,315</u>	<u>\$ 171,936</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 190,025</u>	<u>\$ 176,352</u>

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

**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017 (AUDITED)
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016 (REVIEWED))**

	2017 (AUDITED)			2016 (REVIEWED)
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUES				
Conference and exhibits	\$ 74,324	\$ -	\$ 74,324	\$ 80,949
Membership dues	45,236	-	45,236	47,173
Contributions and grants	-	4,724	4,724	3,514
Jobline	3,120	-	3,120	3,600
Legislative	2,530	-	2,530	3,210
Investment return	422	35	457	283
Net assets released from restrictions:				
Restrictions satisfied by payments	<u>2,006</u>	<u>(2,006)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES . . .	<u>\$ 127,638</u>	<u>\$ 2,753</u>	<u>\$ 130,391</u>	<u>\$ 138,729</u>
EXPENSES				
Program services	\$ 106,980	\$ -	\$ 106,980	\$ 117,008
Management and general	<u>10,032</u>	<u>-</u>	<u>10,032</u>	<u>10,225</u>
TOTAL EXPENSES	<u>\$ 117,012</u>	<u>\$ -</u>	<u>\$ 117,012</u>	<u>\$ 127,233</u>
CHANGE IN NET ASSETS	<u>\$ 10,626</u>	<u>\$ 2,753</u>	<u>\$ 13,379</u>	<u>\$ 11,496</u>
NET ASSETS, BEGINNING OF YEAR . .	<u>\$ 135,203</u>	<u>\$ 36,733</u>	<u>\$ 171,936</u>	<u>\$ 160,440</u>
NET ASSETS, END OF YEAR	<u><u>\$ 145,829</u></u>	<u><u>\$ 39,486</u></u>	<u><u>\$ 185,315</u></u>	<u><u>\$ 171,936</u></u>

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**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016 (REVIEWED)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Conference and exhibits	\$ 80,949	\$ -	\$ 80,949
Membership dues	47,173	-	47,173
Contributions and grants	-	3,514	3,514
Jobline	3,600	-	3,600
Legislative	3,210	-	3,210
Investment return	248	35	283
Net assets released from restrictions:			
Restrictions satisfied by payments	3,031	(3,031)	-
TOTAL SUPPORT AND REVENUES	\$ 138,211	\$ 518	\$ 138,729
EXPENSES			
Program services	\$ 117,008	\$ -	\$ 117,008
Management and general	10,225	-	10,225
TOTAL EXPENSES	\$ 127,233	\$ -	\$ 127,233
CHANGE IN NET ASSETS	\$ 10,978	\$ 518	\$ 11,496
NET ASSETS, BEGINNING OF YEAR	\$ 124,225	\$ 36,215	\$ 160,440
NET ASSETS, END OF YEAR	\$ 135,203	\$ 36,733	\$ 171,936

**THE ACCOMPANYING NOTES
TO THESE FINANCIAL STATEMENTS
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**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017 (AUDITED)
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016 (REVIEWED))**

Expenses	2017 (AUDITED)					2016 (REVIEWED)	
	Program Services			Total Program	Management and General	Total	Total
	Conference	Legislative	Membership				
ACRL Councilor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
ALA Councilor	1,110	30	1,560	2,700	300	3,000	3,000
Annual conference	38,282	-	-	38,282	-	38,282	46,248
Archivist	55	1	78	134	15	149	-
Board retreat	-	-	-	-	1,294	1,294	150
Donations	-	-	-	-	100	100	100
Dues	56	2	78	136	15	151	151
Emerging leader	370	10	520	900	100	1,000	1,000
Insurance	1,187	32	1,668	2,887	321	3,208	3,208
Legislative expenses	-	12,463	-	12,463	-	12,463	12,457
Membership committee	-	-	-	-	-	-	286
Miscellaneous	806	22	1,133	1,961	218	2,179	2,298
Picture book	-	-	-	-	389	389	498
Presentation academy	-	-	-	-	-	-	29
Printing	-	-	-	-	-	-	28
Professional fees	18,993	513	26,693	46,199	5,133	51,332	51,413
Promotion	-	-	-	-	-	-	860
Robert's Rules of order	15	-	20	35	4	39	-
Scholarships	-	-	-	-	2,000	2,000	2,000
Schmidt luncheon	-	-	-	-	-	-	1,031
Supplies and equipment	40	1	57	98	11	109	68
TechSoup and GoToMeeting	118	3	166	287	32	319	-
Travel	369	10	519	898	100	998	1,408
Total expenses	\$ 61,401	\$ 13,087	\$ 32,492	\$ 106,980	\$ 10,032	\$ 117,012	\$ 127,233

**THE ACCOMPANYING NOTES
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**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016 (REVIEWED)**

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

**THE ACCOMPANYING NOTES
TO THESE FINANCIAL STATEMENTS
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**MISSOURI LIBRARY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 (AUDITED) AND 2016 (REVIEWED)**

	<u>2017</u> <u>(AUDITED)</u>	<u>2016</u> <u>(REVIEWED)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 13,379	\$ 11,496
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gains) losses on investments	84	366
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(711)	11
(Increase) decrease in prepaid expenses	-	841
Increase (decrease) in deferred revenue	294	1,410
Total Adjustments	<u>\$ (333)</u>	<u>\$ 2,628</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 13,046</u>	<u>\$ 14,124</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Reinvestment of interest and dividends	<u>\$ (400)</u>	<u>\$ (507)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (400)</u>	<u>\$ (507)</u>
CHANGE IN CASH	\$ 12,646	\$ 13,617
CASH, BEGINNING OF YEAR	<u>\$ 152,784</u>	<u>\$ 139,167</u>
CASH, END OF YEAR	<u><u>\$ 165,430</u></u>	<u><u>\$ 152,784</u></u>

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

**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 (AUDITED) AND 2016 (REVIEWED)**

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, 2017 and 2016. 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 (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 (AUDITED) AND 2016 (REVIEWED)**

NOTE 2: CASH AND CASH EQUIVALENTS

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

	2017 (AUDITED)	2016 (REVIEWED)
Checking – Operating	\$ 54,538	\$ 44,748
Money Market – Board	71,408	71,304
Money Market – Schmidt Fund	10,146	8,403
Money Market – Bohley Fund	29,338	28,329
Total Cash and cash equivalents	<u>\$ 165,430</u>	<u>\$ 152,784</u>

NOTE 3: INVESTMENTS

Investments are composed of the following at December 31:

	2017 (AUDITED)	2016 (REVIEWED)
Mutual fund	\$ 23,115	\$ 22,799
Total Investments	<u>\$ 23,115</u>	<u>\$ 22,799</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, 2017 (AUDITED):

	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 fund	\$ 23,115	\$ -	\$ -	\$ 23,115
Total Marketable Securities	<u>\$ 23,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,115</u>

As of December 31, 2016 (REVIEWED):

Marketable Securities				
Mutual fund	\$ 22,799	\$ -	\$ -	\$ 22,799
Total Marketable Securities	<u>\$ 22,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,799</u>

**MISSOURI LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 (AUDITED) AND 2016 (REVIEWED)**

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

	2017 (AUDITED)	2016 (REVIEWED)
Trading gains (losses) on marketable securities		
Unrealized gains (losses)	\$ (84)	\$ (366)
Realized gains (losses)	-	-
Total trading gains (losses) on marketable securities	<u>\$ (84)</u>	<u>\$ (366)</u>

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, 2017 and 2016.

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:

	2017 (AUDITED)	2016 (REVIEWED)
Interest income	\$ 141	\$ 142
Dividend income	400	507
Unrealized gain (loss) on investments	(84)	(366)
Total Investment return	<u>\$ 457</u>	<u>\$ 283</u>

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

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

	2017 (AUDITED)	2016 (REVIEWED)
Bohley Scholarship	\$ 29,339	\$ 28,329
Schmidt Scholarship	10,147	8,404
Total restrictions with payment restrictions	<u>\$ 39,486</u>	<u>\$ 36,733</u>

NOTE 6: SUBSEQUENT EVENTS

In February 2018, Missouri Library Association received \$825,836. Per the distribution instructions, these funds are to be used for the purpose of promoting library services related to computer and internet access services to library patrons.

Management has evaluated subsequent events through July 13, 2018, the date on which the financial statements were available to be issued.