

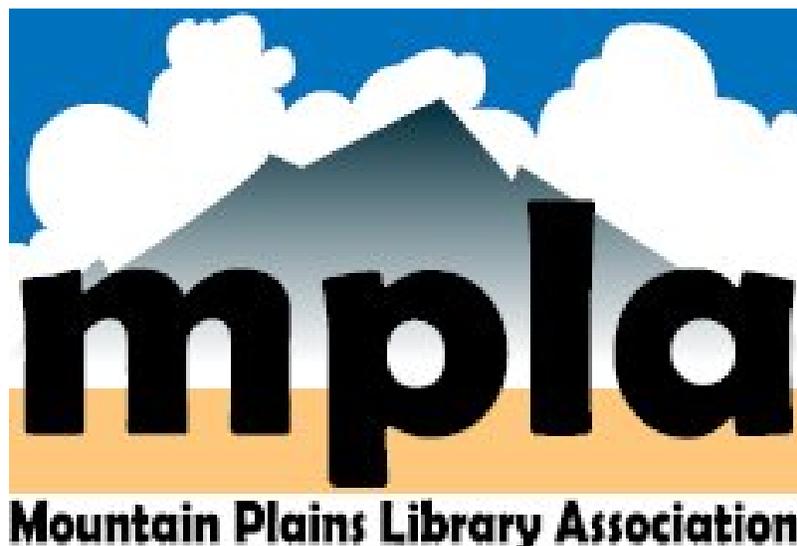
Mountain Plains Library Association

Lakewood, Colorado

Financial Review

11 April 2008

Annie Epperson & Louise Treff-Gangler



Introduction

On 11 April 2008, Louise Treff-Gangler and Annie Epperson inspected the records and recordkeeping practices of the Mountain Plains Library Association at the home of Executive Secretary Judy Zelenski, in Lakewood Colorado. This being the second time this team has performed the review, we approached the various tasks from a more informed perspective than in the past. Primarily the team talked with Judy about progress made since the 2007 review, with a focus on the recommendations from the 2007 report. We inspected documentation from three accounts all held at Firstbank of Lakewood. We decided to divide the writing of the report, with Louise working most closely with the financial procedures and Annie concentrating on follow-up from last years' report and addressing the needs of the present year. The following pages reflect our work in Judy's home and include discussion of the work that she does while managing MPLA's financial records as well as the administrative duties of the Executive Secretary.

Report

For 2007 the Annual Conference yielded income of \$ 15,796. Even with expenses of \$ 4,000, there was a net income to MPLA of \$ 11,796, up from zero in 2006. However, the Leadership Institute showed a net loss of \$ 11,269. But still there is net revenue between the two. Membership dues were over \$34,000, up from the estimated \$ 31,000. Part of this is due to Judy Zelenski's adding attributes to MemberClicks to track committee memberships, board choice selections, and renewals not made. She has taken an active role to use the information to promote membership. The new portal software planned may or may not be as productive in some of these areas, so Judy would like to continue MemberClicks for a while to see if the portal meets all her needs. Another action that resulted in an increase in the association's assets was to suggest placing \$20,000 from the Liquid Asset Account into a CD, which authorized by the President and Past President/Head of the Administrative Committee. The yield was productive and the CD was just renewed. There is still substantial money in the Liquid Asset Account of approximately \$ 64,000. Judy tries to keep as much money as possible in the liquid asset account, withdrawing funds as needed to pay expenses. She is continuing to pursue higher yield options for another portion of what is now in the Liquid Asset account.

A review of the bank statements shows that large expenses are documented, such as \$600 to OfficeMax for printing the new brochures, and \$1800 to the Doubletree Hotel for board meetings. The economy e-mail account, Outblaze.com, based in China for the Operamail account costs a mere \$29.99 per year. Itemized expenses are detailed in QuickBooks. New signature

cards will be obtained soon for the new board members of President and Past President who serves as the Chair of the Administrative Council.

In 2007 the association offered the option for members to receive their newsletters in electronic format, in order to cut the printing and mailing costs. 28% of new renewals are choosing online, but the option has not been in place long enough to assess whether there have been any savings. The cost per piece when printing smaller quantities does go up. In 2009 the Postal Service will have new requirements to use a mailing service or purchase new software at a cost of approximately \$1,000, so the association will want to look at whether to continue mailing any newsletters at all. For 2008 Judy is exploring other less expensive printers.

Judy had just turned in the 990EZ form, Return of Organizations Exempt from Income Tax, to the IRS for 2007. However, it was noted that the member dues were not split out in the income portion, so submitted a revised form. This did not affect the bottom line.

Follow-up on 2007 Report Recommendations

- While the 2007 Report indicated that Judy might benefit from training in QuickBooks, she has chosen to use print and online resources rather than enroll for formal training.
- Judy's selection of a CD for a significant proportion of reserve assets ensures a higher yield than simply holding all assets in one or two more liquid accounts.
- Investment in the new booth/display should simplify the work of Judy and state representatives. Four booths were purchased, three of which are now in active circulation. The fourth is being held in reserve as back-up. The new displays are significantly lighter and easier to ship than the old ones, which is beneficial to both Judy and the state representatives.
- MPLA now pays for half of the cost of Judy's DSL Internet access. Last year's report called for reimbursement for long distance telephone service; this is no longer an issue for the Zelenski family.

2008 Recommendations

Louise and Annie would like to recommend the following to better support the work of MPLA as performed by the Executive Secretary and to support analysis of the financial situation of the Association:

- Judy's salary was increased from \$10,000 to \$10,500, by the board. We recommend another raise in 2008 since she is doing such an excellent, efficient job.

- Judy has been relying on a handful of library books as she deepens her facility and understanding of QuickBooks, two of which are most useful. We recommend that MPLA subsidize the purchase of these two titles, “QuickBooks 2006 for Dummies” and the “QuickBooks 2006 Bible.” Pricing from Amazon indicates that these two titles could be secured for approximately \$30.
- In light of the present suspension of the Leadership Institute, securing an additional CD might be a sensible way to hold funds in reserve.
- In 2008 there will be no Leadership Institute because there is no corporate sponsor, so the \$10,000 normally budgeted to subsidize the Institute could be directed into the professional development grants or the committee to study the future of the association or some other purpose.
- Judy has been pursuing the status of MPLA in the State of Colorado. The Association has non-profit status as a 501(C)(3) organization, and a tax-exempt number, but the date of registration, and details regarding articles of incorporation are not known. The articles of incorporation are not on file with the Secretary of State at this time. A search of the MPLA Archives at Denver Public Library might or might not find these. Judy and the MPLA Board should continue to pursue establishing a clear legal record and status within the State.
- Judy uses her own computer and peripheral equipment in her work for MPLA. She also uses software that she has purchased on her own, including Quickbooks, Microsoft Word and Excel, Adobe Acrobat. We recommend that MPLA consider setting aside funds to support these resources should repair or replacement become necessary. For example, in March 2008 the power supply on Judy’s computer failed. She was able to arrange for speedy repair, including rapid shipment of a part, at her own expense. The computer in question is over five (5) years old, and will ultimately need to be replaced. More than 80% of Judy’s use of this computer is in fulfilling her responsibilities to MPLA, either as Secretary or as Newsletter Editor. MPLA could suffer unduly should the entire computer require replacement at an inopportune time.
- On a related note, MPLA might consider purchasing a flat-panel LCD monitor to replace one that recently failed Judy. As Executive Secretary, a larger screen is nice, but in her role as Newsletter Editor a large, clear screen is a real asset. The CRT monitor that Judy had for backup is more difficult on which to perform layout and editing functions.
- Judy would like to be sure that any financial decisions made by the board, any executive session, or the administrative committee be published as part of the board minutes, so that an accurate historical record can be kept.

Summary

Louise and I were pleased to undertake this review activity again this year, and anticipate that next year's formal audit will go smoothly, thanks to Judy's conscientious attention to detail and meticulous record-keeping.

Respectfully submitted,

Annie Epperson & Louise Treff-Gangler

Supporting materials attached:

1. Income & Expense Report – 2007 Final
2. Liquid Asset bank account – December 2007 statement
3. Checking bank account – December 2007 statement