

**Mountain Plains Library Association  
Lakewood, Colorado**

**Financial review**

**June 2017**

**Stephen Sweeney & Laura DeBaun**

## Introduction

The last committee financial review was performed in the Spring of 2016. MPLA financial records were audited by the firm Wilson Downing Group in March 2015. In early 2017, President Mickey Coalwell appointed Stephen Sweeney (Colorado) and Laura DeBaun (Kansas) to take on the review of the financial records for 2016. President Coalwell also served on the committee in an advisory capacity. After email correspondence, an agreement was reached that the review would happen electronically.

Executive Secretary Judy Zelenski distributed MPLA's 2016 financial documents via email. Following this, a short Zoom meeting was held on April 18, 2017, to establish deadlines and responsibilities among the committee. Stephen and Laura have reviewed all documents shared by Judy, and no questions were raised. What follows is a summary document of the findings of the study.

## Report

In March 2015 the Wilson Downing Group LLC conducted an audit of the Association, with a favorable finding that the provided records fairly represented "in all material respects, the assets, liabilities, and net assets" of the Association." This unmodified finding is the best that an audit firm can bestow as a reflection of the organization's finances. The one mark that stood out in the notes of the audit were that using cash basis accounting is unusual for a non-profit organization; not incorrect, just unusual.

## Membership

Membership revenues continue to slip, dropping from 684 total members in 2005 to 484 as of the end of calendar year 2016. This continues to reflect a downward trend in non-profit membership organizations across the board. Membership in the Association is cyclical, likely reflective of other membership-based Associations. This also points to membership as a hard-and-fast number is something of a moving target. For example, memberships lapse on December 31 with a 3 month grace period; approximately 120 new members come into the Association each year (10 new members each from 12 state conferences); Judy Z suggests that the number most reflective of current membership are those provided to the Board in the June/July timeline. Institutional memberships remain steadier than individual memberships; the end of 2015 showed 29 members where the end of 2016 showed 27 institutional members.

## Fundraising

Two fundraising efforts on the part of the Association bear mention. The Association has an established relationship with the retail food chain Kroger. The purchase of Grocery Cards provides a source of income by way of a small return on purchases made in participating stores at no additional cost to the shopper. \$1,788.79 was realized as income to MPLA in 2016, an almost four percent increase in income over the previous year. In 2015, the Association created a relationship with Amazon Smile. This program allows shoppers to choose a "charitable organization" for a 0.5% return to the organization of the purchase price at no cost to the shopper. This too has the potential to garner increased revenue for the Association. In 2016, the Association realized \$67.67 in income from this program. That represents a 100% increase over 2015, in large part because that is the year that the program commenced.

### Joint Conferences

MPLA teams with member state Associations to host joint conferences. This has presented planning and implementation challenges, as well as sources of revenue. Accurately predicting conference revenue in future years presents a unique challenge, given low library travel budgets and professional development funds. Many states are also hiring conference planners; considering the going rate of a conference planner, this cuts into profits for the state Association as well as MPLA.

### Leadership Institute

The Leadership Institute was held in 2016 at the YMCA of the Rockies in Estes Park, Colorado. The Leadership Institute Committee has been diligent in soliciting donations and sponsorships for the Institute. \$5,000.00 was raised in sponsorships for the 2016 Institute. Sponsorships and other funds collection for the Institute affects the cash position of the Association. These funds can give the image that pre-Institute years are flush, while the Institute year ends up looking much more lean. For 2016, a new staff position was added; the Leadership Institute Coordinator is now a year-round, standing position rather than an event-based contract position. The Board recently voted to approve the 2018 Leadership Institute at the same venue as 2014 and 2016.

### Communications

Communications methods were last considered for Board and committee work in 2015, and the collaborative online meeting platform Zoom was chosen to fit the need. This did present a new cost to the Association from 2015 going forward; as expected however, the cost of telephone services declined 11% from 2015 to 2016.

### ICT and its place in MPLA

Judy provides most equipment, repairs, and supplies at her own expense. She readily admits that she uses them personally as well as for MPLA work. Some of these technology components that she provides are: Computer, Printer/scanner, External 1TB back-up drive, MS Office Pro Plus including Publisher and Outlook, Adobe Creative Suite including Photoshop and Acrobat, Kaspersky Total Security, QuickBooks Pro 2016, Computer repairs as needed, and some supplies (paper, envelopes, labels) which she often searches for at thrift stores.

The exceptions to the above comment on technology are the following: MPLA buys one set of ink for her printer every other year; in January 2015 and with board approval, MPLA purchased a webcam; MPLA pays half of the Zelenski annual DSL cost for internet access; In September 2008 at the suggestion of the accounting review committee and with board approval, MPLA bought a computer monitor. The computer monitor lasted until early 2017, and Judy has requested the ability to purchase her own monitor. In thinking about succession planning, she proposes the ease of not having to ship a monitor.

### Succession Planning

Judy is not planning to leave the position as Executive Secretary any time soon and would like to stay as long as she feels she can do a great job, as long as it's fun, and as long as the board is willing. In thinking about the future, however, it is important to consider steps that have been taken to ensure the smoothest possible transition. To that end: Judy has all MPLA electronic files backed up on external hard drive; she is working with Roy on a plan to have all MPLA documents available through Google cloud; she has a detailed written manual of Executive Secretary procedures.

Further, in consideration of succession planning, she has taken many other steps. Following Dan Chaney's death, the need was realized to have extra administrators for our various projects/platforms. Progress in that arena looks like this: Roy and Judy both have admin credentials for ModX Manager; Mickey and Judy both have admin credentials for our PayPal account; Roy and Judy have admin credentials for MemberClicks; The current President, Past-President, and Executive Secretary have login access to all bank accounts; President Coalwell is working to add multiple Administrators for our MPLA Facebook page; and MPLA By-laws, Manual of Procedure, Board reports and documents, and information for programs and projects are on website. Older print materials are in MPLA Archives at Denver Public Library.

### Summary

MPLA is very fortunate to have Judy at the Executive Secretary helm. There are three primary legal duties of a Board member to an organization: the duty of care, the duty of loyalty, and the duty of obedience. While recognizing that Judy does not hold an Executive Board position, she continues to exemplify these duties to the Association through her dedication to the Association. She is very thorough and exacting.

### Recommendations and Considerations

Laura and Stephen offer the following recommendations and questions for consideration to further secure the financial health of the Association:

- Select a Certified Public Accounting Firm to perform the audit of 2017 accounting to be performed early in 2018. Judy recommends continuing with the Wilson Downing group to do this audit.
- Continue to consider membership promotions; engage State Representatives to pursue membership opportunities for individuals and institutions; market the ten free memberships that come from each of the twelve state conferences;
- Commend Judy Zelenski for meticulous efforts at keeping Association finances on track;
- Continue to promote AmazonSmile and Kroger kickback programs;
- Continue to evaluate the communication platform used by MPLA (Zoom);
- To provide a regular schedule of membership statistics, which would include distinguishing paid memberships from free memberships. Judy has agreed to do this.

Respectfully Submitted,

*Stephen Sweeney & Laura DeBaun*

### Supporting Material Attached

- MPLA Income & Expense Prev Year Comparison January through December 2016
- MPLA Income & Expense – Year End 2016
- Balance Sheet 12-31-2016
- Complete Form 990 (with all supporting schedules)