

Mountain Plains Library Association
Financial Statements with
Accompanying Independent Auditor's Report
December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mountain Plains Library Association

We have audited the accompanying financial statements of Mountain Plains Library Association (a Colorado not-for-profit corporation), which comprise the statement of financial position – cash basis as of December 31, 2017, and the related statement of activities and changes in net assets – cash basis and statement of functional expense- cash basis 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 audit 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.

To the Board of Directors of
Mountain Plains Library Association

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Mountain Plains Library Association as of December 31, 2017, and its support, revenues, expenses and other changes in net assets for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Watson Coon Ryan, LLC

WATSON COON RYAN, LLC

October 5, 2018
Greenwood Village, Colorado

Mountain Plains Library Association
Statement of Financial Position - Cash Basis
December 31, 2017

ASSETS	
Cash	<u>\$ 78,510</u>
Total Assets	<u><u>\$ 78,510</u></u>
NET ASSETS	
Unrestricted net assets	<u>\$ 78,510</u>
Total Net Assets	<u><u>\$ 78,510</u></u>

The accompanying notes are an integral part of the financial statements.

Mountain Plains Library Association
Statement of Activities and Changes in Net Assets
-Cash Basis
For the year ended December 31, 2017

	Unrestricted
REVENUES AND OTHER SUPPORT	
Dues and membership	\$ 18,928
Leadership Institute	515
Conference	10,914
Other support	<u>2,037</u>
Total support and revenue	32,394
 EXPENSES	
Program services	11,163
Management and general	<u>22,477</u>
Total Expenses	<u>33,640</u>
CHANGE IN NET ASSETS	(1,246)
NET ASSETS, Beginning	<u>79,756</u>
NET ASSETS, Ending	<u><u>\$ 78,510</u></u>

The accompanying notes are an integral part of the financial statements.

Mountain Plains Library Association
Statement of Functional Expenses - Cash Basis
For the year ended December 31, 2017

	Program Expenses	Management & General	Total
Salaries and wages	\$ -	\$ 13,328	\$ 13,328
Payroll taxes	-	1,020	1,020
Professional development grants	3,595	-	3,595
Subcontractors	4,300	743	5,043
Travel expenses	-	1,980	1,980
Meeting facility	2,668	-	2,668
Member database service	-	2,565	2,565
Insurance	-	1,035	1,035
Other professional development expense	245	-	245
Other expenses	355	1,806	2,161
TOTAL EXPENSES	<u>\$ 11,163</u>	<u>\$ 22,477</u>	<u>\$ 33,640</u>

The accompanying notes are an integral part of the financial statements.

Mountain Plains Library Association
Notes to Financial Statements
December 31, 2017

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Mountain Plains Library Association (MPLA) is a twelve state association of librarians, library paraprofessionals and friends of libraries in Arizona, Colorado, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Utah and Wyoming. Its purpose is to promote the development of librarians and libraries by providing significant educational and networking opportunities. The Association meets annually in joint conferences with member states on a rotational basis, and is governed by an elected board of representatives from each member state and a number of committees. In addition to its board and its officers, a number of committees and an executive secretary carry out MPLA activities.

Basis of Accounting

The accompanying financial statements of MPLA have been prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting differs from generally accepted accounting principles primarily because MPLA recognizes revenue and support when received and expenses when paid.

Basis of Presentation

MPLA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2017 and 2016, MPLA had no temporarily or permanently restricted net assets.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to know amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Income Taxes

MPLA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and application of Colorado law. However, MPLA is subject to federal income tax on any unrelated business taxable income. MPLA had no unrelated business taxable income for the year ended December 31, 2017.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, MPLA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of MPLA and various positions related to the potential sources of unrelated business taxable income. There were no uncertain tax positions identified by management for the year ended December 31, 2017.

MPLA's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending

Mountain Plains Library Association
Notes to Financial Statements
December 31, 2017

2014, 2015, 2016 and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Property and depreciation

MPLA capitalizes all acquisitions of property and equipment in excess of \$500. Property and equipment, if any, are stated at cost. As of December 31, 2017, MPLA had no capitalized property and equipment.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Expenses are recorded according to the purpose to which they relate such as a specific program or support services. Costs that are not identifiable with a specific function have been allocated between the program and supporting service.

NOTE 3 – FUNDRAISING EXPENSES

Total fund-raising expense for the year ended December 31, 2017 was approximately \$40.

NOTE 4 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were issued.