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To the Board of Directors and Management
of Mountain Plains Library Association

We appreciate the opportunity to conduct your audit for the year ended December 31, 2017. As we have discussed with you previously, we are writing to you as we complete the audit to communicate certain internal control and governance matters.

In planning and performing our audit of the financial statements of Mountain Plains Library Association for the year ended December 31, 2017, in accordance with U.S. generally accepted auditing standards, we considered Mountain Plains Library Association's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mountain Plains Library Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Mountain Plains Library Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control matters are presented as follows:

- I. Significant deficiency
- II. Other matters

This communication is intended solely for the information and use of management, the Board of Directors and others within Mountain Plains Library Association, and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to further discuss these matters with you.

Watson Coon Ryan, LLC

I. SIGNIFICANT DEFICIENCY

Preparing modified cash basis footnotes

During our audit, we noted that Mountain Plains Library Association employs competent individuals who understand the Organization's operations and its challenges. Personnel record the day-to-day transactions in a consistent manner and the account balances are reviewed monthly. As a result, we did not propose any changes to the account balances or presentation in the Statement of Financial Position – Cash Basis and Statement of Activities and Changes in Net Assets – Cash Basis for the year ended December 31, 2017. However, Mountain Plains Library Association does not employ personnel who have the industry-specific training and knowledge necessary to prepare footnotes to the financial statements that would incorporate recent changes to required disclosures. Management has determined that the cost to employ such personnel would exceed the benefit to Mountain Plains Library Association. As such management requested us to prepare a draft of the financial statement's note disclosures.

II. OTHER MATTERS

Bank reconciliation review

We noted in the performance of our audit procedures an opportunity to improve the existing system of internal control. We recommend that the internal review that is performed two out of every three years include a process to review the bank reconciliation performed by the Executive Secretary. This review would include comparing the bank balance on the reconciliation to the bank statement and comparing the book balance on the reconciliation to the trial balance. In addition, we recommend that for a sample of checks clearing during the month reviewed to compare the cleared payee to the payee recorded in the check register provided by the Executive Secretary. We believe that this is an improvement to the existing system of internal control because Quickbooks allows the user to change the payee and amount subsequent to drafting a check. Therefore, there is a risk that a disbursement could have actually been made to a different payee and for a different amount than is recorded.