

MICHIGAN LIBRARY ASSOCIATION
LANSING, MICHIGAN
REPORT FOR THE YEAR ENDED JUNE 30, 2020

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FINANCIAL STATEMENTS

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April 16, 2021

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Michigan Library Association

We have reviewed the accompanying financial statements of Michigan Library Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020, and the related statement of activities; functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink that reads "Lewis & Knopf, P.C." in a cursive, professional style.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

MICHIGAN LIBRARY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	\$625,779
Investments	350,298
Accounts Receivable	6,704
Prepaid Expenses	11,863
Total Current Assets	\$994,644
<u>NONCURRENT ASSETS</u>	
Fixed Assets	22,410
Less: Accumulated Depreciation	22,410
Total Noncurrent Assets	\$0
<u>TOTAL ASSETS</u>	\$994,644
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts Payable	\$23,286
Accrued Payroll	2,303
Accrued Vacation	9,001
Deferred Revenue	253,034
Total Current Liabilities	\$287,624
<u>NET ASSETS</u>	
<u>NET ASSETS</u>	
Without Donor Restrictions	626,558
With Donor Restrictions	
Purpose Restrictions	55,462
Perpetual in Nature	25,000
Total With Donor Restrictions	\$80,462
Total Net Assets	\$707,020
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$994,644

See accompanying notes and independent accountant's review report.

MICHIGAN LIBRARY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>			
Membership Dues	\$387,265	\$0	\$387,265
Continuing Education	272,976	0	272,976
Miscellaneous	118,548	825	119,373
Net Assets Released From Restrictions	2,425	(2,425)	0
Total Support and Revenues	<u>\$781,214</u>	<u>(\$1,600)</u>	<u>\$779,614</u>
<u>EXPENSES</u>			
Program Services	549,551	0	549,551
Support Services			
Management and General	116,346	0	116,346
Fundraising	3,473	0	3,473
Total Support Services	<u>\$119,819</u>	<u>\$0</u>	<u>\$119,819</u>
Total Expenses	<u>\$669,370</u>	<u>\$0</u>	<u>\$669,370</u>
<u>CHANGE IN NET ASSETS</u>	\$111,844	(\$1,600)	\$110,244
<u>NET ASSETS - BEGINNING</u>	<u>514,714</u>	<u>82,062</u>	<u>596,776</u>
<u>NET ASSETS - ENDING</u>	<u>\$626,558</u>	<u>\$80,462</u>	<u>\$707,020</u>

See accompanying notes and independent accountant's review report.

MICHIGAN LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

EXPENSES	Program Services					Supporting Services			Grand Total
	Advocacy	Communications and Marketing	Membership	Professional Development	Total	Management and General	Fundraising	Total	
Salaries	\$60,793	\$20,264	\$26,054	\$110,007	\$217,118	\$69,478	\$2,894	\$72,372	\$289,490
Payroll Taxes	4,781	1,594	2,049	8,652	17,076	5,468	\$223	5,691	22,767
Employee Benefits	7,470	2,490	3,201	13,516	26,677	8,537	\$356	8,893	35,570
Staff Development	3,263	690	3,227	9,123	16,303	227	0	227	16,530
Travel	354	54	102	731	1,241	1,455	0	1,455	2,696
Occupancy	4,809	1,605	2,076	8,950	17,440	5,507	0	5,507	22,947
Utilities	1,673	557	717	3,131	6,078	1,880	0	1,880	7,958
Office Expenses	2,083	1,144	6,170	5,887	15,284	7,652	0	7,652	22,936
Consulting Fees	50,718	0	0	0	50,718	0	0	0	50,718
Printing and Publications	0	628	805	0	1,433	4,092	0	4,092	5,525
Professional Fees	4,760	1,616	2,133	8,899	17,408	7,914	0	7,914	25,322
Insurance	533	184	242	1,026	1,985	602	0	602	2,587
Technology	2,040	1,216	1,304	4,070	8,630	2,610	0	2,610	11,240
Board and Committee Expenses	0	0	0	92	92	574	0	574	666
Awards and Grants	0	0	5,311	0	5,311	0	0	0	5,311
Annual Conference	0	0	0	130,284	130,284	0	0	0	130,284
Workshops	0	0	0	16,125	16,125	0	0	0	16,125
Miscellaneous Expenses	0	145	0	0	145	290	0	290	435
Total Expenses Before Depreciation	\$143,277	\$32,187	\$53,391	\$320,493	\$549,348	\$116,286	\$3,473	\$119,759	\$669,107
Depreciation Expense	42	24	42	95	203	60	0	60	263
TOTAL EXPENSES	\$143,319	\$32,211	\$53,433	\$320,588	\$549,551	\$116,346	\$3,473	\$119,819	\$669,370

See accompanying notes and independent accountant's review report.

MICHIGAN LIBRARY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$110,244
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities	
Depreciation	263
Change in	
Accounts Receivable	(1,276)
Prepaid Expenses	23,914
Accounts Payable	16,452
Accrued Payroll	(8,232)
Accrued Vacation	(8,059)
Deferred Revenue	<u>(56,597)</u>
Net Cash Provided By Operating Activities	<u>\$76,709</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(874,485)
Maturity of Investments	<u>945,000</u>
Net Cash Used by Investing Activities	<u>\$70,515</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

\$147,224

Cash and Cash Equivalents at Beginning of Year

478,555CASH AND CASH EQUIVALENTS AT END OF YEAR\$625,779

MICHIGAN LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) NATURE OF ACTIVITIES

Michigan Library Association (the Association) was incorporated in 1968 as a nonprofit corporation dedicated to the support of its members, to the advancement of librarianship, and to the promotion of quality library service for all Michigan citizens. Michigan Library Association's membership is comprised of nearly 1,650 individual and institutional members from public, academic, private, and special libraries. The Association also endeavors to enhance the educational opportunities of the general public by conducting continuing education programs and promoting expansion of library resources and facilities.

Michigan Library Association operates under an elected Board of Directors and an Executive Director. The majority of the Association's revenue is from membership dues and continuing education revenues.

B) BASIS OF ACCOUNTING

The accounting policies of Michigan Library Association conform to U.S. generally accepted accounting principles (GAAP) as applicable to nonprofit entities as noted below. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing nonprofit accounting and financial reporting principles. The financial statements of the Michigan Library Association have been prepared on the accrual basis of accounting.

Accordingly, the Association reports its financial position and activities in two classes of net assets (net assets without donor restrictions and net assets with donor restrictions based upon the existence or absence of donor-imposed restrictions. Contributions received are recorded as without donor restriction, or with donor restriction support, depending on the existence and/or nature of any donor restrictions.

C) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of petty cash, checking, and money market savings accounts. Cash equivalents consist of certificates of deposit with original maturity dates of 90 days or less. For the statement of cash flow purposes, the Association considers all highly liquid short-term investments as cash.

D) INVESTMENTS

Investments consist of certificates of deposit with original maturity dates of greater than 90 days. Investments are recorded at fair value. Net investment return or loss is included in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

E) CONCENTRATION RISKS

The Association has cash with financial institutions in the amount of \$53,854 that is not federally insured due to either the type of financial instruments purchased or having greater than Federal Deposit Insurance Corporation (FDIC) limits on deposit at a particular bank.

The Association is required by accounting principles generally accepted in the United States of America to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments, which potentially subject the Association to concentrations of credit risk, consist of the cash and investments defined above.

The Association places its cash and investments with high credit-quality financial institutions. Although such investments and cash balances exceeded the federally insured limits at certain times during the year and at year-end, they are, in the opinion of management, subject to minimal risk.

E) INCOME TAXES

Michigan Library Association is a nonprofit corporation and has been granted exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. The Association is not classified as a private foundation.

MICHIGAN LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) FIXED ASSETS

Fixed assets acquired by the Association greater than \$2,500 are capitalized and stated at cost, if purchased, or at fair value, if donated. The cost of normal maintenance that does not add to the value of assets or materially extend the asset lives is not capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 10 years.

G) ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H) REVENUE RECOGNITION

Revenue is recognized when earned. Program service fees, membership dues, fees and auxiliary payments received in advance are deferred to the period the related services are performed or expenditures are incurred. Gifts and contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are recognized when the conditions on which they depend have been substantially met.

I) DEFERRED REVENUE

The annual membership dues are billed in advance to finance operations for the upcoming fiscal year. Those dues collected prior to their due date are recorded as deferred revenue and will be recognized as revenue in the subsequent fiscal year. Annual conference and other miscellaneous revenue collected in advance are also deferred.

J) CONTRIBUTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases those net asset classes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions with donor-imposed restrictions that are met in the same year as the gifts are received are reported as revenue of net assets without donor restrictions class.

K) FUNCTIONAL EXPENSES

The cost of providing program and other activities have been reported in the statement of activities. The statement of functional expenses presents the natural classification of expenses that are allocated to program or supporting functions of the Association. Certain costs of the Association have been allocated to program service and supporting service activities. Payroll and related expenses have been allocated based upon time percentages determined from the Association's time study results. Most other costs are either charged directly or are allocated to program service and supporting service activities based on management's estimation of activity as a result of the time study.

MICHIGAN LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K) FINANCIAL STATEMENT PRESENTATION

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing body has not designated, from net assets without donor restrictions, net assets for an endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or grantor) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates the resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished (See Note 5).

2) LIQUIDITY AND AVAILABILITY

The following reflects the Association’s financial assets as of June 30, 2020 and are reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following at June 30, 2020:

	<u>2020</u>
Total Current Assets	\$ 994,644
Less Excludable items	
Prepaid Expenses	<u>(11,863)</u>
Total Financial Assets at June 30, 2020	982,781
Contractual or Donor-Imposed Restrictions	
Less Purpose Restricted Funds	(55,462)
Less Perpetual Funds	(5,000)
Less Public Library Endowment Perpetual Funds	<u>(20,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 902,319</u>

The Association structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Association invests cash in excess of daily requirements in short-term investments (certificates of deposits). The Association does not maintain any available lines of credit.

MICHIGAN LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

3) FIXED ASSETS

The following is a summary of the changes in fixed assets for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Equipment and Furniture	\$ 22,410	\$ 0	\$ 0	\$ 22,410
Less Accumulated Depreciation	(22,147)	(263)	0	(22,410)
<u>NET FIXED ASSETS</u>	<u>\$ 263</u>	<u>\$ (263)</u>	<u>\$ 0</u>	<u>\$ 0</u>

4) NON-CANCELABLE OPERATING LEASE

The Association leases office facilities from 3410 Belle Chase Way, LLC under a non-cancelable operating lease which expires June 30, 2024. Monthly rent under this lease agreement is \$1,842 until June 30, 2021. Future minimum lease payments at June 30, 2020, under this agreement, are as follows:

Year Ending June 30,	
2021	\$ 22,104
2022	22,764
2023	23,448
2024	24,156
<u>TOTAL</u>	<u>\$ 92,472</u>

Gross rental expenses for the year ended June 30, 2020 was \$21,456.

5) DEFERRED REVENUE

Deferred revenue for the year ended June 30, 2020 consist of the following:

	2020
Advance Membership Dues	\$ 234,819
Advance Annual Conference	18,215
<u>TOTAL DEFERRED REVENUE</u>	<u>\$ 253,034</u>

6) NET ASSETS WITH DONOR RESTRICTIONS

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as assets released from restrictions.

MICHIGAN LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

6) NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions are available for the following purposes at June 30, 2020:

Public Library Fund	\$ 1,156
MLA Temporarily Restricted Fund	1,000
Education Fund	16,450
Advocacy Fund	11,847
Intellectual Freedom Fund	2,537
Michigan Academic Library Council	17,788
W.H. Kaiser Memorial – Income	4,684
W.H. Kaiser Memorial – Endowment	5,000
Public Library Endowment	20,000
 <u>NET ASSETS WITH DONOR RESTRICTIONS</u>	 \$ 80,462

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows:

Education Fund	\$ 2,210
Advocacy Fund	175
Intellectual Freedom Fund	40
 <u>NET ASSETS WITH DONOR RESTRICTIONS</u>	 \$ 2,425

7) ENDOWMENTS

Endowments consist of funds established for a variety of purposes and may include both donor-restricted funds and funds internally designated to function as endowments. Net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of these restrictions.

The Association has interpreted the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) as permitting the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2020 there were no such donor stipulations. As a result of this interpretation, the Association retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Association in a manner consistent with the standard of prudence prescribed by the UPMIFA. The Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Association and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Association.
7. The investment policies of the Association.

MICHIGAN LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

7) ENDOWMENTS (Continued)

As of June 30, 2020, the Association has the following endowment net asset composition by type of fund:

	With Donor Restrictions		
	Accumulated Investment Gains	Original Gift in Perpetuity by Donor	Total
Donor-Restricted Endowment Funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 0	\$ 25,000	\$ 25,000
Accumulated Investment Gains	4,684	0	4,684
<u>Endowment Net Assets, June 30, 2020</u>	\$ 4,684	\$ 25,000	\$ 29,684

Return Objective and Risk Parameters

The Association's investment and spending practices for the endowment attempt to provide a predictable stream of funding to programs supported while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under the policy, the endowment assets are invested in a manner that is intended to assume a moderate level of acceptable investment risk and in accordance with policy guidelines. These investments consist of certificates of deposit.

8) RETIREMENT PLAN

Description of the Plan - The Association has established a simplified employee pension plan. This plan is a defined contribution retirement plan under IRS Code 403(b) covers substantially all employees over age 21. Employees become eligible for the 403(b) plan after completing six months of service.

Funding Policy - The obligation to contribute to and maintain the plan for employees was established by the Board of Directors. No contribution is required from the employees.

Annual Retirement Expense - For the year ended June 30, 2020, the Association's contribution rate for plan was 5% of each participating employee's gross wages. Total retirement expense for the year under the 403(b) plan was \$13,480.

9) PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Association entered into a loan (the "PPP Loan") with PNC Bank (the "Lender") evidencing an unsecured promissory note in the amount of \$64,200 (the "PPP Note") pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Subject to the terms of the PPP Note, the PPP Loan bears interest at a fixed rate of 1% per year, with the first six months of interest deferred, and payable over a term of two years. The PPP Loan is unsecured and guaranteed by the Small Business Administration (SBA).

The PPP Loan may be used for payroll costs, costs related to certain group health care benefits and insurance premiums, rent payments, utility payments, and also interest payments on any debt obligation that were entered into before February 15, 2020. PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP, with such forgiveness to be determined, subject to limitations, based on the use of the loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities.

MICHIGAN LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

9) PAYCHECK PROTECTION PROGRAM LOAN (Continued)

By analogy to International Accounting Standard (IAS) 20, *Accounting for Government Grants and Disclosure of Government Assistance*, the Association has recorded the PPP loan as a government grant. Pursuant to IAS 20, the loan is recognized as income when the entity meets the terms of the loan by incurring eligible expenses. The Association incurred eligible expenses of \$64,200 during the eligible period and, therefore, has recognized \$64,200 of income included in miscellaneous revenue on the statement of activities for the year ended June 30, 2020. The Association applied for and was granted full forgiveness of \$64,200 in principal and \$562 in interest on March 4, 2021.

10) ECONOMIC INJURY DISASTER LOAN

The Association received \$5,000 in the form of an Economic Injury Disaster Loan (EIDL) Grant under the Small Business Administration's loan assistance program. The amount came as an advance and does not need to be repaid. The advance is considered an unrestricted contribution and is included in miscellaneous support and revenue on the statement of activities for the year ended June 30, 2020.

11) COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization ("W.H.O.") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the W.H.O. classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As discussed in Note 9, the Association obtained a PPP loan in April 2020 which helped mitigate the affect COVID-19 had on the financial position as of June 30, 2020. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Association's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation and the impact on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Association is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020-21 fiscal year.

12) SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the accountant's review report, the date on which the financial statements were available to be issued.

The Association applied for and was granted full forgiveness of the PPP Loan of \$64,200 in principal and \$562 in interest on March 4, 2021.

Although the Association cannot estimate the length or gravity of the impact of the COVID-19 outbreak discussed in Note 11 at this time, if the pandemic continues, it may have an adverse effect on the Association's results of future operations, financial position, and liquidity in fiscal year 2020-21.

SUPPLEMENTAL INFORMATION

MICHIGAN LIBRARY ASSOCIATION
BUDGETARY COMPARISON SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
<u>REVENUES</u>			
<u>Membership Dues</u>			
Individual and Student	\$82,100	\$84,134	(\$2,034)
Academic Libraries	30,500	30,449	51
Cooperatives	9,500	9,567	(67)
Public Libraries	259,000	258,983	17
Special Libraries	3,500	3,704	(204)
School Libraries	235	236	(1)
Strategic Partners	190	192	(2)
Total Membership Dues	<u>\$385,025</u>	<u>\$387,265</u>	<u>(\$2,240)</u>
<u>Continuing Education</u>			
Annual Conference	228,800	228,826	(26)
Workshops	3,000	5,000	(2,000)
Leadership Academy	39,050	39,050	0
Webinar	0	100	(100)
Total Continuing Education	<u>\$270,850</u>	<u>\$272,976</u>	<u>(\$2,126)</u>
<u>Miscellaneous</u>			
Interest Return, Net	8,500	16,910	(8,410)
Advertising (Multiview)	450	442	8
Miscellaneous	50	187	(137)
Grants	23,750	20,375	3,375
SBA Grants	64,200	69,200	(5,000)
Affinity Programs	7,000	7,864	(864)
Donations	1,500	4,395	(2,895)
Total Miscellaneous	<u>\$105,450</u>	<u>\$119,373</u>	<u>(\$13,923)</u>
Net Assets Released from Restriction	<u>0</u>	<u>1,600</u>	<u>1,600</u>
<u>TOTAL REVENUES</u>	<u>\$761,325</u>	<u>\$781,214</u>	<u>(\$16,689)</u>
<u>EXPENSES</u>			
<u>Advocacy</u>			
Lobbyist	48,000	48,000	0
ALA Legislative Day	0	413	(413)
Public Relations	2,750	2,305	445
Legal Fees	6,000	3,938	2,062
Total Advocacy	<u>\$56,750</u>	<u>\$54,656</u>	<u>\$2,094</u>

See independent accountant's review report.

MICHIGAN LIBRARY ASSOCIATION
BUDGETARY COMPARISON SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

<u>EXPENSES</u> (Continued)	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<u>Board and Committees</u>			
Board Expenses	\$700	\$574	\$126
Strategic Pl.	4,450	2,401	2,049
Committee/Task Force	400	459	(59)
ALA Councilor Expense	2,000	0	2,000
Librarian Awards	300	300	0
Awards	1,000	970	30
Scholarship	4,250	4,041	209
Total Board and Committees	\$13,100	\$8,745	\$4,355
<u>Membership & Promotion</u>			
Newsletters/Annual Report	1,150	743	407
Affinity Programs	4,150	4,092	58
Printing/Public Membership	500	0	500
Travel Membership	1,000	0	1,000
Membership Mailings	500	805	(305)
Total Membership & Promotion	\$7,300	\$5,640	\$1,660
<u>Professional Development</u>			
Annual Conference	130,300	130,284	16
Spring Institute	2,000	3,541	(1,541)
Leadership Academy	24,000	18,197	5,803
Workshops	2,000	2,832	(832)
Webinars	500	1,483	(983)
Consulting Services/Tech Asst	0	12	(12)
Total Professional Development	\$158,800	\$156,349	\$2,451
<u>Facilities</u>			
Depreciation	1,000	263	737
Insurance	3,000	2,587	413
Rent/Storage	23,000	22,947	53
Utilities	2,600	1,786	814
Telephone	6,000	6,172	(172)
Web Hosting	1,150	662	488
Cloud Hosting	1,350	1,270	80
Software Maintenance	13,000	9,308	3,692
Total Facilities	\$51,100	\$44,995	\$6,105

See independent accountant's review report.

MICHIGAN LIBRARY ASSOCIATION
BUDGETARY COMPARISON SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
<u>EXPENSES (Continued)</u>			
<u>Admin Support Services</u>			
Accounting and Payroll Services	\$8,000	\$4,338	\$3,662
Audit	6,350	13,130	(6,780)
Contracted Services	1,000	4,665	(3,665)
Legal Fees	2,000	1,176	824
Printer/Copier Lease	0	100	(100)
Dues and Fees	4,400	4,811	(411)
Office Supplies	5,000	7,106	(2,106)
Postage	700	260	440
Postage Meter	160	27	133
Printing Copies	2,000	1,357	643
Bank Charges	6,000	4,822	1,178
Staff Admin Travel	3,000	2,696	304
Staff Development	7,500	6,380	1,120
Loan/Interest Payment	500	0	500
Miscellaneous	500	290	210
Total Admin Support Services	<u>\$47,110</u>	<u>\$51,158</u>	<u>(\$4,048)</u>
<u>Personnel</u>			
Salaries	321,250	289,490	31,760
Payroll Taxes	25,900	22,767	3,133
Employee Insurances	16,650	22,090	(5,440)
Retirement Contributions	14,150	13,480	670
Total Personnel	<u>\$377,950</u>	<u>\$347,827</u>	<u>\$30,123</u>
<u>TOTAL EXPENSES</u>	<u>\$712,110</u>	<u>\$669,370</u>	<u>\$42,740</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$49,215</u>	<u>\$111,844</u>	<u>(\$59,429)</u>

See independent accountant's review report.

MICHIGAN LIBRARY ASSOCIATION
SCHEDULE OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	With Donor Restrictions									Without Donor Restrictions	Total
	Public Library	MLA Temporarily Restricted	Education	Advocacy	Intellectual Freedom	Academic Library Council	W.H. Kaiser Memorial	Public Library Endowment	Total with Donor Restrictions		
<u>REVENUES</u>											
Contributions	\$0	\$0	\$60	\$220	\$10	\$535	\$0	\$0	\$825	\$3,570	\$4,395
Other	0	0	0	0	0	0	0	0	0	775,219	775,219
Net Assets Released											
From Restrictions	0	0	(2,210)	(175)	(40)	0	0	0	(2,425)	2,425	0
Total Revenues	\$0	\$0	(\$2,150)	\$45	(\$30)	\$535	\$0	\$0	(\$1,600)	\$781,214	\$779,614
<u>EXPENSES</u>	0	0	0	0	0	0	0	0	0	669,370	669,370
<u>CHANGE IN NET ASSETS</u>	\$0	\$0	(\$2,150)	\$45	(\$30)	\$535	\$0	\$0	(\$1,600)	\$111,844	\$110,244
<u>NET ASSETS - BEGINNING</u>	1,156	1,000	18,600	11,802	2,567	17,253	9,684	20,000	82,062	514,714	596,776
<u>NET ASSETS - ENDING</u>	\$1,156	\$1,000	\$16,450	\$11,847	\$2,537	\$17,788	\$9,684	\$20,000	\$80,462	\$626,558	\$707,020

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