BUDGET ANALYSIS AND REVIEW COMMITTEE

BARC Report to ALA Council and
The Planning and Budget Assembly
- 1st Quarter FY 2014 -

Patricia Wand – BARC Chair

Midwinter Meeting
Saturday - January 25, 2014
Sunday – January 26, 2014
Philadelphia, PA
Budget Orientation

- ALA Fiscal Year: Sept 1 – August 31
- Midwinter: three fiscal years
  - FY 2013 – year end closing
  - FY 2014 – first quarter report (Sept-Nov)
  - FY 2015 – planning & budget assumptions
BARC Report

Budget Update
- Fiscal Year 2014 Budget Adjustments
  - Annual Conference vs. Fall Meeting
- Fiscal Year 2014 First Quarter Results
  - Three Months Ending 11-30-13

Other Activities
- ALA Financial Learning Series
### FY2014 Total ALA Budgetary Ceilings Adjustments
Since Annual Conference in Chicago

<table>
<thead>
<tr>
<th>Fund</th>
<th>Annual Conference</th>
<th>Fall Meeting</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$28,821,439</td>
<td>$28,821,439</td>
<td>-</td>
</tr>
<tr>
<td>Divisions</td>
<td>$27,395,489</td>
<td>$27,511,647</td>
<td>$116,158</td>
</tr>
<tr>
<td>Roundtables</td>
<td>$1,659,369</td>
<td>$1,680,369</td>
<td>$21,000</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>$4,578,354</td>
<td>$4,853,993</td>
<td>$275,639</td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>$1,148,898</td>
<td>$1,148,898</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Budgetary Ceiling</strong></td>
<td><strong>$63,603,549</strong></td>
<td><strong>$64,016,346</strong></td>
<td><strong>$412,797</strong></td>
</tr>
</tbody>
</table>
Three Month Highlights
- Fiscal Year 2014 -

- Total ALA Revenue - $9.5 million
  - Less than budget by $1.7 million
- Total ALA Expenses - $10.4 million
  - Less than budget by $1.7 million
- Excess Expenses Over Revenues – ($877,467)
  - This is the typical Revenue/Expense/Net pattern for this time period. The budget was for a loss of ($885,879)
- Cash and Investments - $17.3 million
  - More than last year by $1.3 million at $16.0 million
- Endowment Fund - $37.1 million
  - More than last year by $4.6 million at $32.5 million
Three Month Highlights
- Fiscal Year 2014 -

General Fund Revenue - $4.9 million
- Less than budget by $732,320
- Dues income @ $1.3 million is less than budget by $61,681
- Publishing revenue @ $3.1 million less than budget by $738,762
  *lower online sales in ALA Editions/TechSource
  *lower sales related to library promotions in Products & Promotions
  *lower royalties in Booklist

General Fund Expenses - $5.8 million
- Less than budget by $318,300
General Fund Expenses Over Revenues

- Net Revenue Loss of ($960,006)
- Budgeted net revenue loss of ($545,985)
- Actual loss is more than the budgeted loss by $414,021
## Three Month Highlights

- **General Fund Revenues/Expenses/Net Revenue**

<table>
<thead>
<tr>
<th></th>
<th>Nov-12</th>
<th>Nov-13</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$4,854,435</td>
<td>$4,845,685</td>
<td>$5,878,005</td>
<td>$(732,320)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$6,209,875</td>
<td>$5,805,690</td>
<td>$6,123,990</td>
<td>$310,300</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(1,355,440)</td>
<td>$(960,006)</td>
<td>$(545,985)</td>
<td>$(414,021)</td>
</tr>
</tbody>
</table>
Three Month Highlights

Division Revenue - $3.6 million
  - Less than budget by $206,579
  - More than the first quarter in FY13 by $1.1 million
    *The AASL conference held in 10/13
  - Dues income @ $678,481 is less than budget by $3,480

Division Expenses - $3.6 million
  - Less than budget by $610,412
  - More than the first quarter in FY13 by $656,338
## Three Month Highlights

- **Divisions Revenues/Expenses/Net Revenue** -

<table>
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<tr>
<th></th>
<th>Nov-12</th>
<th>Nov-13</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$2,571,984</td>
<td>$3,640,788</td>
<td>$3,847,367</td>
<td>($206,579)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$2,987,924</td>
<td>$3,644,262</td>
<td>$4,254,674</td>
<td>$610,412</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(415,940)</td>
<td>$(3,474)</td>
<td>$(407,307)</td>
<td>$403,833</td>
</tr>
</tbody>
</table>
Three Month Highlights

- Roundtables Revenue - $60,628
  - Less than budget by $6,013
  - More than the first quarter in FY13 by $617

- Roundtables Expenses - $19,714
  - Less than budget by $26,327
  - Less than the first quarter in FY13 by $5,489
Issues

- Usually given five months into the fiscal year
- Participants have varied knowledge levels about ALA finances

Solution

- Developed five webcasts* covering basic financial topics – more to come as needed

Benefits

- Can be accessed and reviewed at any time
- Can submit questions
- Topics can be added or expanded upon as needed

*Operating Agreement, Long-Term Investments (Endowment), Budget Cycle/Process, Organizational Structure and Roundtable Information
ALA Financial Learning Series

Topics of the Current Webcasts

- Organizational Structure
- Budget Cycle and Process
- The Operating Agreement
- The Long-Term Investment Fund
- Round Tables Financial Orientation
Online ALA Financial Information

ALA Website
ALA Online Learning Offerings by Unit:

http://ala.org/onlinelearning/unit (Generic Text about Finance/Governance Offerings)

ALA Online Learning by Unit:

http://ala.org/onlinelearning/unit/finance (links to the page for each of the five events)

http://ala.org/onlinelearning/unit/governance (links to the page for each of the five events)

1. http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnorgstructure

Treasurer’s Page

http://www.ala.org/aboutala/governance/financialdata/treasurerspage
(links to the page for each of the five events)

ALA YouTube Channel

Financial Learning Series Playlist

http://www.youtube.com/user/AmLibraryAssociation#g/c/4234E31B4C2F3EE9
(links to each of the 5 recordings)
Thank You for your continuing support