Budget Analysis And Review Committee (BARC)

BARC Report

to

ALA Council, Executive Board, Membership

and

The Planning and Budget Assembly

Ann M. Martin – BARC Chair

Midwinter Meeting - Atlanta, GA
Saturday - January 21, 2017
Sunday - January 22, 2017
BARC Report Topics

Budget Update

- Fiscal Year 2017 Budget
  - BARC Discussed and Approved Final Ceiling Adjustments
- Fiscal Year 2017 First Quarter Results
  - Three Months Ending 11-30-16

Other Activities

- Response to Council Resolution on Spectrum
- ALA Financial Learning Series
Budget Orientation

- **Current ALA Fiscal Year 2017**
  - Sept 1, 2016 – August 31, 2017
- **Midwinter finances involve 3 fiscal years**
  - FY 2016 – year end closing
  - FY 2017 – first quarter report (Sept-Nov)
  - FY 2018 – planning & budget assumptions
Fiscal Year 20xx
Total ALA Budgetary Ceiling

Net Assets
(Unexpended balance remaining from fiscal year closing)

+ 

Revenue
(Anticipated in upcoming fiscal year)

= 

Budgetary Ceiling
## FY2017 Total Budgetary Ceilings

<table>
<thead>
<tr>
<th></th>
<th>AC Orlando</th>
<th>Fall BARC</th>
<th>($) change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$30,120,362</td>
<td>$29,587,223</td>
<td>($533,139)</td>
</tr>
<tr>
<td>Division Fund</td>
<td>28,349,272</td>
<td>28,702,106</td>
<td>352,834</td>
</tr>
<tr>
<td>Round Tables</td>
<td>2,090,736</td>
<td>2,210,882</td>
<td>120,146</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>4,475,827</td>
<td>5,393,710</td>
<td>917,883</td>
</tr>
<tr>
<td>Long-Term Investment</td>
<td>367,018</td>
<td>847,358</td>
<td>480,340</td>
</tr>
<tr>
<td><strong>Total ALA Budgetary Ceiling</strong></td>
<td><strong>$65,403,215</strong></td>
<td><strong>$66,741,279</strong></td>
<td><strong>$1,338,064</strong></td>
</tr>
</tbody>
</table>
FY 2017

Total ALA - 1st Quarter Highlights

- Still a financially sound and strong organization
- Revenue less than budget primarily due to lower Grants & Awards ($500,345) due to timing
- Net operating expenses better than budget by $309,074
- Significant expenses savings by the Divisions ($623,268)
## Total ALA

### Revenues/Expenses/Net Revenue

**1st Quarter Highlights**

<table>
<thead>
<tr>
<th></th>
<th>Nov 2016</th>
<th>Nov 2015</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 8,309,982</td>
<td>$10,253,620</td>
<td>$ 9,437,625</td>
<td>$(1,127,643)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 9,726,141</td>
<td>$11,846,287</td>
<td>$11,162,858</td>
<td>$ 1,436,717</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(1,416,158)</td>
<td>$(1,592,667)</td>
<td>$(1,725,234)</td>
<td>$ 309,074</td>
</tr>
</tbody>
</table>
Revenues of $4.5 million were under budget by $341,561 (7.0%), primarily in Publishing ($234,332) and Advocacy & Member Relations ($68,887)
• Revenue in Booklists was less than budget by $96,029
• Expenses were under budget by $349,918, primarily in Publishing ($271,112) and Member Programs and Services ($130,134)
## General Fund

### Revenues/Expenses/Net Revenue

#### 1st Quarter Highlights

<table>
<thead>
<tr>
<th></th>
<th>Nov 2016</th>
<th>Nov 2015</th>
<th>Budget</th>
<th>Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$4,538,020</td>
<td>$4,997,231</td>
<td>$4,879,582</td>
<td>$(341,562)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$5,637,651</td>
<td>$5,948,358</td>
<td>$5,987,571</td>
<td>$349,920</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$(1,099,631)</td>
<td>$(951,127)</td>
<td>$(1,107,989)</td>
<td>$8,358</td>
</tr>
</tbody>
</table>
FY 2017
Divisions 1st Quarter Highlights

- Division revenue less than budget due to lower book sales and registration fees in AASL, lower advertising in ACRL and miscellaneous in UFL
- Division expenses less than budget due to activities in PLA and ALCTS
- Net expenses were less (better) than budget at ($183,403)
## 1st Quarter Highlights

<table>
<thead>
<tr>
<th></th>
<th>Nov-16</th>
<th>Nov-15</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 2,664,174</td>
<td>$ 3,391,121</td>
<td>$ 2,841,225</td>
<td>$(177,051)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 2,847,577</td>
<td>$ 3,689,130</td>
<td>$ 3,470,845</td>
<td>$ 623,268</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(183,403)</td>
<td>$(298,009)</td>
<td>$(629,620)</td>
<td>$ 446,217</td>
</tr>
</tbody>
</table>
FY 2017

Round Tables 1st Quarter Highlights

- Revenues less than budget as a result of a change in the misapplication of discounts on book sales in EMIERT due to an accounting change
- Expenses less than budget as budgeted Midwinter Meeting related expenses have not yet realized/incurred
- Net revenue was $43,132
# Round Tables

## Revenues/Expenses/Net Revenue

### 1st Quarter Highlights

<table>
<thead>
<tr>
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<th>Nov 2015</th>
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<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$67,891</td>
<td>$68,489</td>
<td>$97,673</td>
<td>$(29,782)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$24,759</td>
<td>$54,500</td>
<td>$60,838</td>
<td>$36,079</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$43,132</td>
<td>$13,989</td>
<td>$36,835</td>
<td>$6,297</td>
</tr>
</tbody>
</table>
Council Referral on Spectrum

- BARC asked staff to review the Spectrum program’s current marketing and recruitment activities on an association wide basis.
- Recognized the good work of the TFEDI* and their 57 recommendations to advance diversity efforts at all levels.
- The Executive Director has committed $10,000 to ODLOS in the FY17 budget to begin implementing the recommendations.
- To fully address the issue a long term plan will be developed with the collaboration of ODLOS and...
Topics of Webcasts

- Budget Planning for a Pre-Conference or a One Time Event
- Organizational Structure
- Budget Cycle and Process
- The Operating Agreement
- The Long-Term Investment Fund
- Round Tables Financial Orientation
Online ALA Financial Information

Treasurer’s Page
- Offers Reports, Resources and Links to the Six Webcasts
  - http://www.ala.org/aboutala/treasurerspage

ALA Online Learning Offerings by Unit
- Brief Descriptions of Units’ Learning Programs
  - http://ala.org/onlinelearning/unit

ALA Online Learning Webcasts
- links to the page for the six webcasts
  - http://ala.org/onlinelearning/unit/finance
  - http://ala.org/onlinelearning/unit/governance
- ALA YouTube Channel - Financial Learning Series Playlist
  - http://www.youtube.com/user/AmLibraryAssociation#playlist
Thank you for your commitment to ALA

Ann M. Martin
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