BUDGET ANALYSIS AND REVIEW COMMITTEE

BARC REPORT TO COUNCIL

Jim Neal
BARC Chair for 2009 -10

Annual Conference
Sunday, June 27, 2010
Washington, DC
BARC REPORT

- Fiscal Year 2010 Status
- Mid Year Adjustments
- Council Recommendations Referred to BARC
- Fiscal Year 2011 Plan
- Budget Preparation Process
- Budget Monitoring/Contingency Plans
- Role of BARC
FISCAL YEAR 2010 STATUS
- 8 month Period Ending April 30, 2010 -

- Total ALA (all combined funds) Revenues:
  $33,676,847  ($484,491 less than budget)

- Total ALA Expenses:
  $33,544,427  ($2,148,545 less than budget)

- General Fund Revenues:
  $14,638,415  ($871,914 less than budget)

- General Fund Expenses:
  $16,965,599  ($615,102 less than budget)
FISCAL YEAR 2010 STATUS
- 8 month Period Ending April 30, 2010 con't –

- Division Revenues: $161,290 less than budget
  Division Expenses: $1,461,338 less than budget

- Roundtable Revenues: $23,978 more than budget
  Roundtable Expenses: $91,914 less than budget

- Grants and Awards: $108,000 more than budget

- Investment Interest Dividends: $416,735 more than budget

- Long-Term Investment: $30,411,715 ($27.0 million in Aug. 2009)
## Mid Year Budget Adjustments

### Revenues

<table>
<thead>
<tr>
<th>Fund</th>
<th>Annual Budget</th>
<th>Year End Projections</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$28,094,505</td>
<td>$26,089,190</td>
<td>($2,005,315)</td>
</tr>
<tr>
<td>Divisions</td>
<td>$16,068,801</td>
<td>$15,287,322</td>
<td>($  781,479)</td>
</tr>
<tr>
<td>Round Tables</td>
<td>$  356,005</td>
<td>$  356,005</td>
<td>$             0</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>$  8,959,538</td>
<td>$  8,959,538</td>
<td>$             0</td>
</tr>
<tr>
<td>LTI</td>
<td>$   536,572</td>
<td>$   536,572</td>
<td>$             0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$54,015,421</td>
<td>$51,228,627</td>
<td>($2,786,794)</td>
</tr>
</tbody>
</table>
## Mid Year Budget Adjustments

- **Expenses**

<table>
<thead>
<tr>
<th></th>
<th>Annual Budget</th>
<th>Year End Projections</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$28,094,505</td>
<td>$26,089,190</td>
<td>$2,005,315</td>
</tr>
<tr>
<td>Divisions</td>
<td>$16,392,739</td>
<td>$15,149,750</td>
<td>$1,242,989</td>
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<tr>
<td>Round Tables</td>
<td>$375,472</td>
<td>$375,472</td>
<td>$0</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>$8,959,538</td>
<td>$8,959,538</td>
<td>$0</td>
</tr>
<tr>
<td>LTI</td>
<td>$603,482</td>
<td>$603,482</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$54,425,736</strong></td>
<td><strong>$51,177,432</strong></td>
<td><strong>$3,248,304</strong></td>
</tr>
</tbody>
</table>
## Budget Adjustment Sources

**General Fund**

### Revenue Shortfall

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publishing</td>
<td>($ 963,000)</td>
</tr>
<tr>
<td>Conferences</td>
<td>($ 900,000)</td>
</tr>
<tr>
<td>Dues</td>
<td>($ 85,000)</td>
</tr>
<tr>
<td>Other</td>
<td>($ 52,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>($2,000,000)</strong></td>
</tr>
</tbody>
</table>

### Expense Adjustments

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Week Furlough*</td>
<td>$ 560,000</td>
</tr>
<tr>
<td>Payroll</td>
<td>$ 734,000</td>
</tr>
<tr>
<td>Travel &amp; Related</td>
<td>$ 149,000</td>
</tr>
<tr>
<td>Publishing</td>
<td>$ 527,000</td>
</tr>
<tr>
<td>Professional Services</td>
<td>($ 370,000)</td>
</tr>
<tr>
<td>Use of Reserves</td>
<td>$ 400,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,000,000</strong></td>
</tr>
</tbody>
</table>

*Week 2 furlough decision pending*
REFERRED COUNCIL RECOMMENDATION?
FISCAL YEAR 2011 PLAN

- Economic Uncertainty
- ALA Planning Priorities
- Operational Realignments
- Expense Reductions
- Key Revenue Sources
- Service and Product Enhancements
- New Business Development Strategies
FISCAL YEAR 2011 PLAN
BUDGET PREPARATION PROCESS
(All General Fund Units, Divisions, and Roundtables)

- Key Functions/Alignment with ALA Priorities
- Environmental Assumptions
- Positive/Negative Trends
- Major Multiyear Unit Goals
- Fiscal Year Changes
- Fiscal Year Project Activities
- Current Year Budget Review
- Next Fiscal Year Budget Request
- Service and Product Enhancements
- New Business Development Strategies
BUDGET MONITORING/CONTINGENCIES

- Detailed Month-to-Month Budget Review
- October 2009 - Final FY09 Results (Midwinter Projections)
- April 2010 - FY10 Six-Month Analysis (Annual Projections)
- Detailed Revenue Trends Analysis
  - Publishing
  - Dues
  - Meetings and Conferences
  - Grants and Awards
  - Interest and Dividends
- Detailed Expense Reduction Strategies
ROLE OF BARC

To review the proposed budget, as forwarded by the ALA Executive Board, in the context of the ALA strategic plan, annual priorities and budget assumptions; to review the financial performance of the Association and the budget impact of potential actions of ALA Council; to make budget recommendations to the ALA Executive Board and to report to Council regarding budget analysis and process.
Thanks for Your Attention