BUDGET ANALYSIS AND REVIEW COMMITTEE
BARC REPORT TO COUNCIL

Mario M. Gonzalez
BARC Chair

Annual Conference
Sunday, June 26, 2011
New Orleans, LA
BARC REPORT

- Fiscal Year 2011 Budget Update
- Mid Year Adjustments
- Fiscal Year 2012 Plan
- Budget Monitoring/Contingency Plans
FISCAL YEAR 2011 BUDGET UPDATE
- 8 month Period Ending April 30, 2011 -

- Total ALA Revenues (all combined funds)
  $27,300,659 - $481,518 less than budget (-1.7%) and $6.4 million less than last year (-18.9%)

- Total ALA Expenses (all combined funds)
  $29,729,574 - $703,892 less than budget (-2.3%) and $3.8 million less than last year (-11.2%)

- General Fund Revenues
  $14,744,758 - $503,572 less than budget (-3.3%) and $106,343 more than last year (0.7%)

- General Fund Expenses
  $17,591,730 - $513,842 more than budget (3.0%) and $696,144 more than last year (4.1%)
FISCAL YEAR 2011 STATUS
- 8 month Period Ending April 30, 2011 con't –

- Division Revenues: $641,376 less than budget (-6.7%)
  Division Expenses: $1,493,832 less than budget (-14.4%)

- Roundtable Revenues: $23,820 less than budget (-11.0%)
  Roundtable Expenses: $67,783 less than budget (-46.6%)

- Grants and Awards: $438,948 more than budget (18.1%)

- Investment Interest Dividends: $248,302 more than budget (77.2%)

- Long-Term Investment: $33,750,178 ($28.9 million in Aug. 2010)
## Mid Year Budget Adjustments

### - Revenues

<table>
<thead>
<tr>
<th></th>
<th>Annual Budget</th>
<th>Year End Projections</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td>General Fund</td>
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<td>$26,379,688</td>
<td>$442,525</td>
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<td>Divisions</td>
<td>$13,810,174</td>
<td>$13,343,900</td>
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<td>Round Tables</td>
<td>$367,115</td>
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<tr>
<td>Grants &amp; Awards</td>
<td>$3,995,660</td>
<td>$4,495,660</td>
<td>($500,000)</td>
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<tr>
<td>LTI</td>
<td>$482,351</td>
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</table>

**Total** $45,477,513 $45,054,964 $422,549
## Mid Year Budget Adjustments

### Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Annual Budget</th>
<th>Projections</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$26,822,213</td>
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<td>Divisions</td>
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<td>($500,000)</td>
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<td>LTI</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$47,136,658</strong></td>
<td><strong>$46,474,198</strong></td>
<td><strong>$662,460</strong></td>
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</table>
## General Fund Budget Adjustment Sources

### Revenue Shortfall
- General Fund: $(442,000)
- Expense Overage: $(449,000)
- **Total**: $(891,000)

### Expense Adjustments
- Personnel Related: $128,000
- Building & Technology Related: $131,000
- Governance/Committees: $38,000
- Publishing & Conferences: $170,000
- BCBS Refund: $220,000
- BCBS Reserve: $50,000
- **Total**: $737,000

- Shortfall/Board Reserves: $(154,000)
Potential Use of Reserves

$154,000 - $375,000
FISCAL YEAR 2012 PLAN
BUDGET PREPARATION PROCESS
(All General Fund Units, Divisions, and Roundtables)

- Key Functions/Alignment with ALA Priorities i.e. ALA 2015 strategic plan
- Environmental Assumptions
- Positive/Negative Trends
- Major Multiyear Unit Goals
- Service and Product Enhancements
- New Business Development Strategies
- Current Year Budget Review
- Next Fiscal Year Budget Request
BUDGET MONITORING/CONTINGENCIES

- Detailed Month-to-Month Budget Review
- October 2011 - Final FY11 Results
- February 2012 - FY12 Six-Month Analysis (Annual Projections)
- Detailed Revenue Trends Analysis
  - Publishing
  - Dues
  - Meetings and Conferences
  - Grants and Awards
  - Interest and Dividends

- Detailed Expense Reduction Strategies – if needed
Thank You for Your Attention