Budget Analysis And Review Committee (BARC)

BARC Report to
ALA Council and
Planning and Budget Assembly

Patricia A. Wand – BARC Chair

Midwinter Meeting
Saturday - January 31, 2015
Sunday – February 1, 2015
Chicago, IL
BARC Report topics

Budget Update
- Fiscal Year 2015 Budgetary Ceiling Adjustments
  - Annual Conference vs. Fall Meeting
- Fiscal Year 2015 First Quarter Results
  - Three Months Ending 11-30-14

Other Activities
- Allowing Programs at Midwinter proposed resolution
- Financial Handbook
- ALA Financial Learning Series
Budget Orientation

- Current ALA Fiscal Year 2015
  Sept 1, 2014 – August 31, 2015

- Midwinter finances involve 3 fiscal years
  FY 2014 – year end closing
  FY 2015 – first quarter report (Sept-Nov)
  FY 2016 – 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
## FY2015

**Total ALA Budgetary Ceilings adjustments**
since 2014 Annual Conference in Las Vegas

<table>
<thead>
<tr>
<th></th>
<th>Annual Conference</th>
<th>Fall Meeting</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$29,558,008</td>
<td>$29,468,008</td>
<td>$(90,000)</td>
</tr>
<tr>
<td>Divisions</td>
<td>$26,793,577</td>
<td>$26,677,469</td>
<td>$(116,108)</td>
</tr>
<tr>
<td>Roundtables</td>
<td>$1,802,501</td>
<td>$1,803,501</td>
<td>1,000</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>$4,857,356</td>
<td>$5,159,868</td>
<td>302,512</td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>$1,066,779</td>
<td>$1,110,363</td>
<td>43,584</td>
</tr>
<tr>
<td><strong>Total Budgetary Ceiling</strong></td>
<td><strong>$64,078,221</strong></td>
<td><strong>$64,219,209</strong></td>
<td><strong>140,988</strong></td>
</tr>
</tbody>
</table>
FY 2015  Sept – Nov 2014
1st Quarter Highlights

- Total ALA Revenue - $8.8 million
  Less than budget by $618,959

- Total ALA Expenses - $9.9 million
  Less than budget by $1.1 million

- Excess Expenses Over Revenues – ($1.0 million)
  This is the typical Revenue/Expense/Net Revenue pattern for this time period. The budget reflects a loss of ($1.5 million)

- Cash and Investments - $18.8 million
  More than last year by $1.4 million at $17.3 million

- Endowment Fund - $40.8 million
  More than last year by $3.8 million at $37.1 million
FY 2015  Sept – Nov 2014

1st Quarter Highlights

• General Fund Revenue - $5.0 million
  Less than budget by $109,346
  Dues income @ $1.3 million is less than budget by $4,130
  Publishing revenue @ $3.3 million less than budget by $21,084
    *higher online sales in ALA Editions/TechSource
    *lower sales related to library promotions in Graphics
    *lower royalties in Booklist

• General Fund Expenses - $5.9 million
  More than budget by $25,427
### General Fund

#### Revenues/Expenses/Net Revenue

<table>
<thead>
<tr>
<th></th>
<th>Nov 2013</th>
<th>Nov 2014</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$4,845,685</td>
<td>$4,947,533</td>
<td>$5,056,879</td>
<td>$(109,346)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$5,805,690</td>
<td>$5,870,594</td>
<td>$5,845,167</td>
<td>$(25,427)</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(960,006)</td>
<td>$(923,061)</td>
<td>$(788,289)</td>
<td>$(134,772)</td>
</tr>
</tbody>
</table>
FY 2015   Sept – Nov 2014  

1st Quarter Highlights

Divisions

Revenue / Expenses

• Divisions Revenue - $2.8 million
  More than budget by $175,167
  Less than the first quarter in FY14 by $802,181
  *No AASL conference held in 10/14 as compared to 10/13
  Dues income @ $677,152 is more than budget by $10,871

• Divisions Expenses - $3.1 million
  Less than budget by $440,225
  Less than the first quarter in FY14 by $582,424
### FY 2015  Sept – Nov 2014  1st Quarter Highlights

#### Divisions

**Revenues/Expenses/Net Revenue**

<table>
<thead>
<tr>
<th></th>
<th>Nov 2013</th>
<th>Nov 2014</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 3,630,788</td>
<td>$ 2,838,607</td>
<td>$2,663,440</td>
<td>$175,167</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 3,644,262</td>
<td>$ 3,061,838</td>
<td>$3,502,063</td>
<td>$ 40,225</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(3,474)</td>
<td>$(223,231)</td>
<td>$(838,622)</td>
<td>$615,392</td>
</tr>
</tbody>
</table>
FY 2015 Sept – Nov 2014  1st Quarter Highlights

Round Tables
Revenues / Expenses

◆ Round Tables Revenue - $52,455
  Less than budget by $11,127
  Less than the first quarter in FY14 by $8,173

◆ Round Tables Expenses - $18,448
  Less than budget by $33,630
  Less than the first quarter in FY14 by $1,266
### FY 2015 Sept – Nov 2014  1st Quarter Highlights

#### Round Tables

**Revenues/Expenses/Net Revenue**

<table>
<thead>
<tr>
<th>Nov 2013</th>
<th>Nov 2014</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$60,628</td>
<td>$52,455</td>
<td>$63,582</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$19,714</td>
<td>$18,448</td>
<td>$52,079</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$40,914</td>
<td>$34,007</td>
<td>$11,503</td>
</tr>
</tbody>
</table>
Allowing Programs at Midwinter Meetings

BARC report on proposed resolution
Topics of Webcasts

- Organizational Structure
- Budget Cycle and Process
- The Operating Agreement
- The Long-Term Investment Fund
- Round Tables Financial Orientation
Finances Best Practices Session

• For members interested in ALA financial practices
• Participants bring varied knowledge levels about ALA financial practices.
• Offered annually on Friday afternoon, Midwinter Meeting
Online ALA Financial Information

ALA finance-related websites

Treasurer’s Page
http://www.ala.org/aboutala/governance/financialdata/treasurerspage
(offers reports, resources and links to the five webcasts)

ALA Online Learning Offerings by Unit
http://ala.org/onlinelearning/unit (Brief descriptions of units’ learning programs)

ALA Online Learning webcasts
http://ala.org/onlinelearning/unit/finance (links to the page for the five webcasts)
http://ala.org/onlinelearning/unit/governance (links to the page for the five webcasts)

ALA YouTube Channel - Financial Learning Series Playlist
http://www.youtube.com/user/AmLibraryAssociation#g/c/4234E31B4C2F3EE9
(links to the five webcasts)
Thank you for your commitment to ALA

Patricia A. Wand
Chair, BARC
patwand@mac.com