Budget Analysis And Review Committee (BARC)

Budget Analysis and Review Committee (BARC) Report
to
The ALA Council, Executive Board, Membership
and
The Planning and Budget Assembly

Ann M. Martin – BARC Chair

Annual Conference - Orlando, FL
Saturday – June 25, 2016
Sunday – June 26, 2016
BARC Report Topics

Budget Update
- Fiscal Year 2016 YTD Results
  - Eight Months Ending 4-30-16
- Fiscal Year 2017 Budget
  - BARC Discussed and Approved Final Budgetary Ceiling Adjustments

Other Activities
- ALA Financial Learning Series
Budget Orientation

- Current ALA Fiscal Year 2016
  - Sept 1, 2015 – August 31, 2016
- Annual Conference finances involve 3 fiscal years
  - FY 2016 – Eight month report (September - April)
  - FY 2017 – Adjust/finalize after review of the FY 2016 projections
  - FY 2018 – Preliminary discussions
The Association is still a financially strong and sound organization.

Eight month results are typical for this time of year.
### Total ALA

#### Revenues/Expenses/Net Revenue

**Eight Month Results**

<table>
<thead>
<tr>
<th></th>
<th>Apr-16</th>
<th>Apr-15</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 32,331,346</td>
<td>$ 30,933,591</td>
<td>$ 32,389,771</td>
<td>$(58,425)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 33,290,926</td>
<td>$ 30,661,065</td>
<td>$ 33,777,030</td>
<td>$ 486,104</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(959,580)</td>
<td>$ 272,526</td>
<td>$(1,387,259)</td>
<td>$ 427,679</td>
</tr>
</tbody>
</table>
Revenue was lower by ($1.2 million) primarily from:
- Results from the Midwinter Meeting
- Lower online sales and higher book returns and credits in ALA Editions
- Lower royalties and subscription revenue in Booklists

Expenses are generally on budget with expense savings of $457,153
# General Fund

## Revenues/Expenses/Net Revenue

### Eight Month Results

<table>
<thead>
<tr>
<th></th>
<th>April 2016</th>
<th>April 2015</th>
<th>Budget</th>
<th>Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$15,425,705</td>
<td>$15,784,749</td>
<td>$16,669,654</td>
<td>$(1,243,949)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$17,501,130</td>
<td>$16,800,014</td>
<td>$17,958,283</td>
<td>$457,153</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$(2,075,425)</td>
<td>$(1,015,265)</td>
<td>$(1,288,629)</td>
<td>$(1,701,105)</td>
</tr>
</tbody>
</table>
FY 2016

Divisions - YTD Highlights

- Division revenue more than budget by $182,426 primarily in PLA and ALSC
- Division expenses less than budget due by $652,471 primarily in Choice, AASL and ALSC
- Net expenses were less/better than budget at $767,738 by $834,896
### Divisions

**Revenues/Expenses/Net Revenue**

*Eight Month Results*

<table>
<thead>
<tr>
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<th>April -15</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$11,751,594</td>
<td>$10,022,738</td>
<td>$11,569,168</td>
<td>$182,425</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$10,983,856</td>
<td>$9,793,961</td>
<td>$11,636,327</td>
<td>$652,471</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$ 767,738</td>
<td>$ 228,777</td>
<td>$(67,159)</td>
<td>$834,896</td>
</tr>
</tbody>
</table>
FY 2016

Round Tables YTD Results

- Revenues less than budget across the board with the exception of EMIERT
- Expenses less than budget as budgeted Midwinter Meeting related expenses have not yet realized/incurred
- Net revenue was $122,711
<table>
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<tr>
<th></th>
<th>April 2016</th>
<th>April 2015</th>
<th>Budget</th>
<th>Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$253,780</td>
<td>$247,818</td>
<td>$257,652</td>
<td>$(3,873)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$131,069</td>
<td>$76,342</td>
<td>$175,485</td>
<td>$44,416</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>$122,711</td>
<td>$171,476</td>
<td>$82,168</td>
<td>$40,543</td>
</tr>
</tbody>
</table>
Fiscal Year 20xx
Total ALA Budgetary Ceiling

Net Assets
(Unexpended balance remaining from fiscal year closing)

+ 

Revenue
(Anticipated in upcoming fiscal year)

= 

Budgetary Ceiling
Background and purpose: As part of ALA’s annual budget process, a budgetary ceiling is calculated and presented to the Budget Analysis and Review Committee (BARC) for approval. The budgetary ceiling document captures and presents all available resources, or sources of funds, that can be expended during the subsequent fiscal year. Sources include a starting amount represented by any accumulated Net Asset Balances built up over previous fiscal years. Additionally, these Net Asset balances are supplemented by budgeted revenues as well as any inter-fund transfers. The total of these sources represents the ceiling, or maximum available resources from all sources. BARC is charged with reviewing and approving the individual fund ceilings and Total All Funds ceiling presented in the top row below.

<table>
<thead>
<tr>
<th><strong>A+B) TOTAL ALA BUDGETARY CEILING (for approval)</strong></th>
<th>General Fund*</th>
<th>Divisions</th>
<th>Round Tables</th>
<th>Grants &amp; Awards</th>
<th>Long-term Investment</th>
<th>TOTAL ALL FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30,120,362</td>
<td>28,349,272</td>
<td>2,090,736</td>
<td>4,475,827</td>
<td>367,018</td>
<td>65,403,215</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>A) Net Asset Balance (projected at end of FY 2016)</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>16,410,960</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2017 Budgeted Revenues (before transfers)</strong></td>
<td>29,074,333</td>
<td>13,572,615</td>
<td>441,093</td>
<td>4,475,827</td>
<td>1,215,657</td>
<td>48,779,525</td>
</tr>
<tr>
<td><strong>FY 2017 Budgeted Revenue Transfers:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest &amp; dividend transfer to General Fund and other</td>
<td>1,046,029</td>
<td>15,340</td>
<td></td>
<td></td>
<td>(848,639)</td>
<td>0</td>
</tr>
<tr>
<td><strong>B) Total Revenues (budgeted plus transfers)</strong></td>
<td>30,120,362</td>
<td>13,587,955</td>
<td>441,093</td>
<td>4,475,827</td>
<td>367,018</td>
<td>48,992,255</td>
</tr>
</tbody>
</table>

* As per ALA Operating Practice, the General Fund’s Net Asset Balance, if any, is not considered for the calculation as each fiscal year’s budget is approved with revenues balancing expenses.
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](http://www.ala.org/aboutala/treasurerspage)

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

- ALA YouTube Channel - Financial Learning Series Playlist
  - [http://www.youtube.com/user/AmLibraryAssociation#g/c/4234E31B4C2F3EE9](http://www.youtube.com/user/AmLibraryAssociation#g/c/4234E31B4C2F3EE9)
Online ALA Financial Information

ALA Online Learning Webcasts

- links to the page for the six webcasts
  - http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnorgstructure
  - http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnoa
  - http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnbudgetcycle
  - http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnfund
  - http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnroundtables
  - http://www.ala.org/aboutala/budget-planning-pre-conferences-and-other-one-time-events
Thank You!

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annmartin5@icloud.com