Budget Analysis And Review Committee
(BARC)

report
to
ALA Council, Executive Board, Membership
and
The Planning and Budget Assembly

Rhea Lawson – BARC Chair
BARC Report Topics

Budget Update

- Fiscal Year 2018 final Budget
  - BARC Discussed and Approved budgetary Ceiling Adjustments
- Fiscal Year 2018 Four month Results
  - Three Months Ending 12-31-17

Other Activities

- Discussion on Council Resolution submission process
- ALA Financial Learning Series reminder
Budget Orientation

- ALA’s Current Fiscal Year 2018
  - Started Sept 1, 2017 – Ends August 31, 2018

- Midwinter Meeting Discussions on ALA finances cover 3 different fiscal years
  - FY 2017 – year end closing
  - FY 2018 – four month financial report (September - December)
  - FY 2019 – 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
## FY2018 Total Budgetary Ceilings

<table>
<thead>
<tr>
<th></th>
<th>AC Chicago</th>
<th>Fall BARC</th>
<th>($) Change</th>
<th>(%) Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td>$ 29,792,027</td>
<td>$ 28,852,513</td>
<td>$(939,514)</td>
<td>(3.2%)</td>
</tr>
<tr>
<td><strong>Division Fund</strong></td>
<td>$ 28,875,232</td>
<td>$ 29,425,594</td>
<td>$ 550,362</td>
<td>1.9%</td>
</tr>
<tr>
<td><strong>Round Tables</strong></td>
<td>$ 2,206,967</td>
<td>$ 2,209,469</td>
<td>$ 2,502</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Grants &amp; Awards</strong></td>
<td>$ 4,551,555</td>
<td>$ 6,055,953</td>
<td>$ 1,504,398</td>
<td>33.1%</td>
</tr>
<tr>
<td><strong>Long-Term Investment</strong></td>
<td>$ 1,249,209</td>
<td>$ 1,249,209</td>
<td>$ 0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total ALA Budgetary Ceiling</strong></td>
<td>$ 66,674,990</td>
<td>$ 67,792,738</td>
<td>$ 1,117,748</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

- Development Office grant proposals - $1,000,000
- Public Programs grant proposal Kellogg Racial Healing GSC - $611,184
- PLA grant proposals - $474,000
- PLA grant proposal – NNLM U of I Healthy Communities - $180,833
- PLA grant proposal – IMLS Inclusive Internships - $80,890
Fiscal Year 2018
Total ALA Budgetary Ceiling

$14,906,005
(Unexpended balance remaining from fiscal year closing) + $52,886,733 (Anticipated in upcoming fiscal year) = $67,792,739

Budgetary Ceiling
Current fiscal year results

Four Months Ending 12-31-17
ALAs financial performance:

- **FY 2018 Total ALA – Four Months Ending 12/31/17**

**Actual** vs **Budget**

- **Total Revenues**
  - Actual: $14.1 million
  - Budget: $14.1 million

- **Total Expenses**
  - Actual: $15.4 million
  - Budget: $14.5 million

- **Net Revenue (Expenses)**
  - Actual: $-1.3 million
  - Budget: $-540,494

### Key Points:

- ALA is still a financially sound and strong organization with net assets of $40.2 million.
- Revenues were on budget at $14.1 million.
- Expenses were under budget by $497,313 at $15.4 million.
- Net operating (expenses) were $1.3 million and better than budget by $540,494.
**Total ALA**

Revenues/Expenses/Net Revenue

*Four Months Ending 12/31/17*

<table>
<thead>
<tr>
<th></th>
<th>FY18 Actuals</th>
<th>FY18 Budget</th>
<th>Budget Variance</th>
<th>FY17 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$14,139,452</td>
<td>$14,096,271</td>
<td>$43,181</td>
<td>$11,352,467</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$15,449,856</td>
<td>$15,947,169</td>
<td>$497,313</td>
<td>$13,571,627</td>
</tr>
<tr>
<td>Net Revenue (Expenses)</td>
<td>$(1,310,404)</td>
<td>$(1,850,898)</td>
<td>$540,494</td>
<td>$(2,219,161)</td>
</tr>
</tbody>
</table>
FY 2018 General Fund
- Four Months Ending 12/31/17 -

- All revenue categories, primarily Publishing Services, were under budget by $297,437 (-4.5%) at $6.3 million
- Expenses were slightly less than budget by $119,445 (-1.5%) at $7.8 million
- The result was net (expenses) of $1.4 million, which is more than the budgeted net expense of $1.3 million by $192,986 (-15.3%)
## General Fund

### Revenues/Expenses/Net Revenue

- **Four Months Ending 12/31/17**

<table>
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<tr>
<th></th>
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<th>Budget Variance</th>
<th>FY17 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 6,361,136</td>
<td>$ 6,645,074</td>
<td>$(283,938)</td>
<td>$ 5,902,785</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 7,817,196</td>
<td>$ 7,908,148</td>
<td>$ 90,952</td>
<td>$ 7,793,647</td>
</tr>
<tr>
<td><strong>Net Revenue (Expenses)</strong></td>
<td>$(1,456,060)</td>
<td>$(1,263,074)</td>
<td>$(192,986)</td>
<td>$(1,890,662)</td>
</tr>
</tbody>
</table>
FY 2018 Divisions
- Four Months Ending 12/31/17 -

- Division revenue of $4.9 million was less than budget by $153,852 primarily from lower registration fees related to the AASL conference ($182,388) and lower overall dues ($93,876)
- Division expenses of $5.2 million were less than budget by $239,033 evenly spread across all categories
- Net expenses were less (better) than budget at ($433,667) by $85,181
## Divisions
### Revenues/Expenses/Net Revenue

**Four Months Ending 12/31/17**

<table>
<thead>
<tr>
<th></th>
<th>FY18 Actuals</th>
<th>FY18 Budget</th>
<th>Budget Variance</th>
<th>FY16 Actuals*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 4,845,210</td>
<td>$ 4,999,062</td>
<td>$(153,852)</td>
<td>$ 4,540,859</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 5,193,696</td>
<td>$ 5,432,729</td>
<td>$ 239,033</td>
<td>$ 4,976,504</td>
</tr>
<tr>
<td><strong>Net Revenue (Expenses)</strong></td>
<td>$(348,486)</td>
<td>$(433,667)</td>
<td>$ 85,181</td>
<td>$(435,645)</td>
</tr>
</tbody>
</table>

*FY16 actuals used to compare like years with two national division conferences being held.
FY 2018 Round Tables
- Four Months Ending 12/31/17 -

- Revenues were less than budget by 1.2% at $133,172
- Expenses were less than budget across the board by $111,332 at $16,023 primarily in EMIERT ($57,253)
- Net revenue was $117,149
## Round Tables
### Revenues/Expenses/Net Revenue

- **Four Months Ending 12/31/17** -

<table>
<thead>
<tr>
<th></th>
<th>FY18 Actuals</th>
<th>FY18 Budget</th>
<th>Variance</th>
<th>FY17 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$133,172</td>
<td>$134,764</td>
<td>($1,592)</td>
<td>$133,474</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$16,023</td>
<td>$127,355</td>
<td>$111,332</td>
<td>$29,056</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$117,149</td>
<td>$7,409</td>
<td>$109,740</td>
<td>$104,418</td>
</tr>
</tbody>
</table>
Review - The Council Referral Process

• Referrals from Council to BARC are vitally important to the workings of the body
• The process should be as straightforward and inclusive as possible
• BARC discussed the current process at its fall meeting and assigned a number of committee members with the task of reviewing the process
• A preliminary process was reviewed at this meeting and additional refinements will be made
• The Chair will report back to Council on its findings and any suggested recommendations.
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#g/c/4234E31B4C2F3EE9
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