Budget Analysis And Review Committee
(BARC)

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

Maggie Farrell – BARC Chair
Discussion Topics

- BARC Overview
- ALA Financial Information
- Financial Learning Series
- Budgetary Ceiling
- 1st Quarter Results (11-30-18)
- Investment Plan Update
BARC Overview

• BARC Responsibilities
• Council Resolution Consideration
• BARC “Partners”
  ✓ Treasurer
  ✓ Finance and Audit Committee
  ✓ Endowment Trustees
  ✓ Council
BARC’s Budget and Financial Review Cycle

ALA’s Current Fiscal Year 2019 Covers the Period
- Starting September 1, 2018 – Ending August 31, 2019

Budget Review and Development is on a Continuous Loop* and Covers Three Fiscal Years
- Fall Meeting will discuss/review Fiscal Year 2018 – Preliminary Year End Results
- Fall Meeting will discuss/review and finalize upcoming Fiscal Year 2019 budget
- Midwinter Meeting will discuss/review Fiscal Year 2018 – Final Year End Results
- Midwinter Meeting will discuss/review Fiscal Year 2019 – 1st Quarter Results
- Midwinter Meeting will discuss/review budget assumptions for Fiscal Year 2020
- Spring Meeting will discuss/review Fiscal Year 2019 – 2nd Quarter Results
- Spring Meeting will discuss/review/develop in detail Fiscal Year 2020 budget
- Annual Conference will discuss/review Fiscal Year 2019 8/9 month results
- Annual Conference will discuss/review Fiscal Year 2019 Year End Projections

*The Association’s Five-Year Plan is updated as needed and reviewed throughout the year.
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
Financial Learning Series

- 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
Budgetary Ceiling

Now Known as the Annual Estimates of Income
Made a Transition
Keeping with Policy

Budgetary Ceiling Components
• Unexpended Net Assets for the Divisions and Roundtables
• + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments

• = Budgetary Ceiling

Annual Estimates of Income Components
• Unexpended net assets for total ALA
• + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments

• = Annual Estimates of Income
Fiscal Year 20xx
Annual Estimate of Income

Net Assets
(Unexpended balance for total ALA remaining from fiscal year closing)

+ 
Revenue
(Anticipated in upcoming fiscal year)

= 
Budgetary Ceiling
### Changes Since Annual Conference

#### Annual Estimate of Income @ AC

<table>
<thead>
<tr>
<th>Description</th>
<th>Total ALA</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALA Net Assets (projected at end of FY 2018)</td>
<td>$ 37,643,998</td>
</tr>
<tr>
<td>FY 2019 Budgeted Revenues</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$ 28,353,253</td>
</tr>
<tr>
<td>Divisions</td>
<td>$ 13,426,560</td>
</tr>
<tr>
<td>Roundtables</td>
<td>$ 398,284</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>$ 3,907,243</td>
</tr>
<tr>
<td>Endowment</td>
<td>$ 575,296</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 46,660,636</td>
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<tr>
<td>FY 2019 Annual Estimates of Income</td>
<td>$ 84,304,634</td>
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</tbody>
</table>

#### Annual Estimate of Income @ Fall Meeting

<table>
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<tr>
<th>Description</th>
<th>Total ALA</th>
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</thead>
<tbody>
<tr>
<td>ALA Net Assets (projected at end of FY 2018)</td>
<td>$ 37,643,998</td>
</tr>
<tr>
<td>FY 2019 Budgeted Revenues</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$ 28,138,527</td>
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<tr>
<td>Divisions</td>
<td>$ 13,375,007</td>
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<tr>
<td>Roundtables</td>
<td>$ 408,286</td>
</tr>
<tr>
<td>Grants &amp; Awards</td>
<td>$ 4,908,021</td>
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<tr>
<td>Endowment</td>
<td>$ 579,632</td>
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<tr>
<td><strong>Total</strong></td>
<td>$ 47,409,473</td>
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<tr>
<td>FY 2019 Annual Estimates of Income</td>
<td>$ 85,053,471</td>
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</tbody>
</table>
Current Fiscal Year Results

Three Months Ending 11-30-18
1st Quarter Financial Results @ 11-30-18
Total ALA

- Actual: $11,010,723
  - Total Revenues: $9,089,541
  - Total Expenses: $1,921,182
  - Net Revenue (Expenses): $(1,921,182)
- Budget: $11,109,816
  - Total Revenues: $8,843,397
  - Total Expenses: $(2,266,419)
- Variance:
  - Actual: $(1,921,182)
  - Budget: $(2,266,419)
  - Net Revenue (Expenses): $(2,266,419)
  - Revenue Variance: $246,144
  - Expense Variance: $345,237
  - Net Revenue Variance: $99,093
1st Quarter Financial Results @ 11-30-18
General Fund

- Actual:
  - Total Revenues: $4,539,852
  - Total Expenses: $(1,417,879)
  - Net Revenue (Expenses): $(2,063,711)

- Budget:
  - Total Revenues: $5,957,731
  - Total Expenses: $4,713,960
  - Net Revenue (Expenses): $(1,243,771)

- Variance:
  - Total Revenues: $6,197,666
  - Total Expenses: $(1,483,706)
  - Net Revenue (Expenses): $239,935

Note: Values in parentheses indicate a deficit.
1st Quarter Financial Results @ 11-30-18

Divisions

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$2,704,382</td>
<td>$2,698,331</td>
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<tr>
<td>Total Expenses</td>
<td>$(525,420)</td>
<td>$(663,587)</td>
<td>$6,051</td>
</tr>
<tr>
<td>Net Revenue (Expenses)</td>
<td>$(132,116)</td>
<td>$(138,167)</td>
<td></td>
</tr>
</tbody>
</table>
1st Quarter Financial Results @ 11-30-18
Roundtables

- Actual Total Revenues: $177,824
- Budget Total Expenses: $117,469
- Net Revenue (Expenses): $60,355
- Budget Variance: $8,414
- Actual Variance: $32,377

$109,055
Investment Plan Update
The Strategy

Improve Mission Capabilities by Investing in 3 Key Areas

While Streamlining Organizational Structure to Focus Existing Resources on Mission and Growth

Information Technology

Advocacy

Development

Re-allocation of Resources from Non-mission Critical Uses
• Occupancy
• Administrative and Support

Simultaneously, the Association is embarking on several studies to answer key questions re. governance, membership model, and org structure
Invest $8.8MM in initiatives and infrastructure to improve mission capabilities and financial sustainability of Association

NOTE: $6.8M in proposed IT Investments includes initiatives to enhance Advocacy and Development. See page 18 for list of IT investments FY19-23
FY19 Investment Status

• Development
  FY19 Investment - $238,000
  Investment Status – On track with hiring 2.5 new staff positions by 3/19 and some marketing/fundraising efforts

• Advocacy
  FY19 Investment - $410,000
  Investment Status – Q1 was slow due to the ramp up for the new legislative session. Most expenditures expected in Q2 and Q3

• ITTS
  FY19 Investment - $1.4M, subject to revision based on the expected recommendations from IT consultants Delcor.
  Investment Status - Membership Dues/Donations and the Store e-learning e-commerce systems feature functional by 2/19