

Treasurer's Report

- Information Session -
Membership, Council, Executive Board, PBA

FY 18 Budget Plan - Strategic Issues and Financial Trends

Susan Hildreth – ALA Treasurer
Saturday June 24, 2017
Chicago, IL

Sources of ALA Revenue



17%
Dues

24%
Meetings &
Conferences

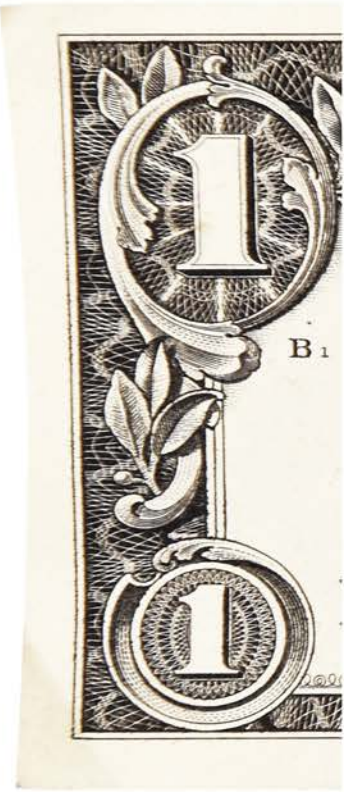
36%
Publishing

10%
Grants

4%
Interest

9%
Other

Where Does Your ALA Dollar Go?



14%
Advocacy



12%
Literacy,
Diversity
and
Equity of
Access



13%
Information
Policy and
Intellectual
Freedom



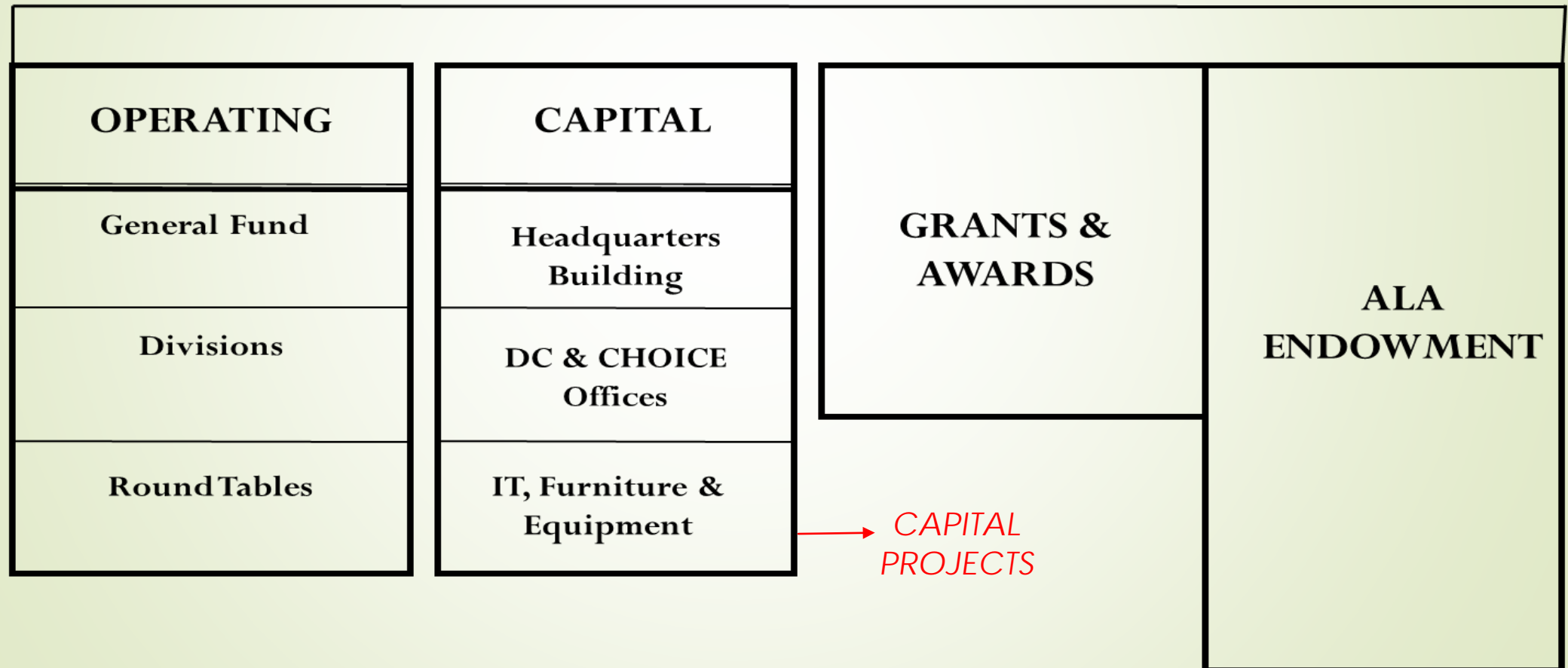
38%
Professional and
Leadership Development



23%
Member Services
and Support

ALA Operating Structure

TOTAL ALA



Strategic Issues for FY18 Budget

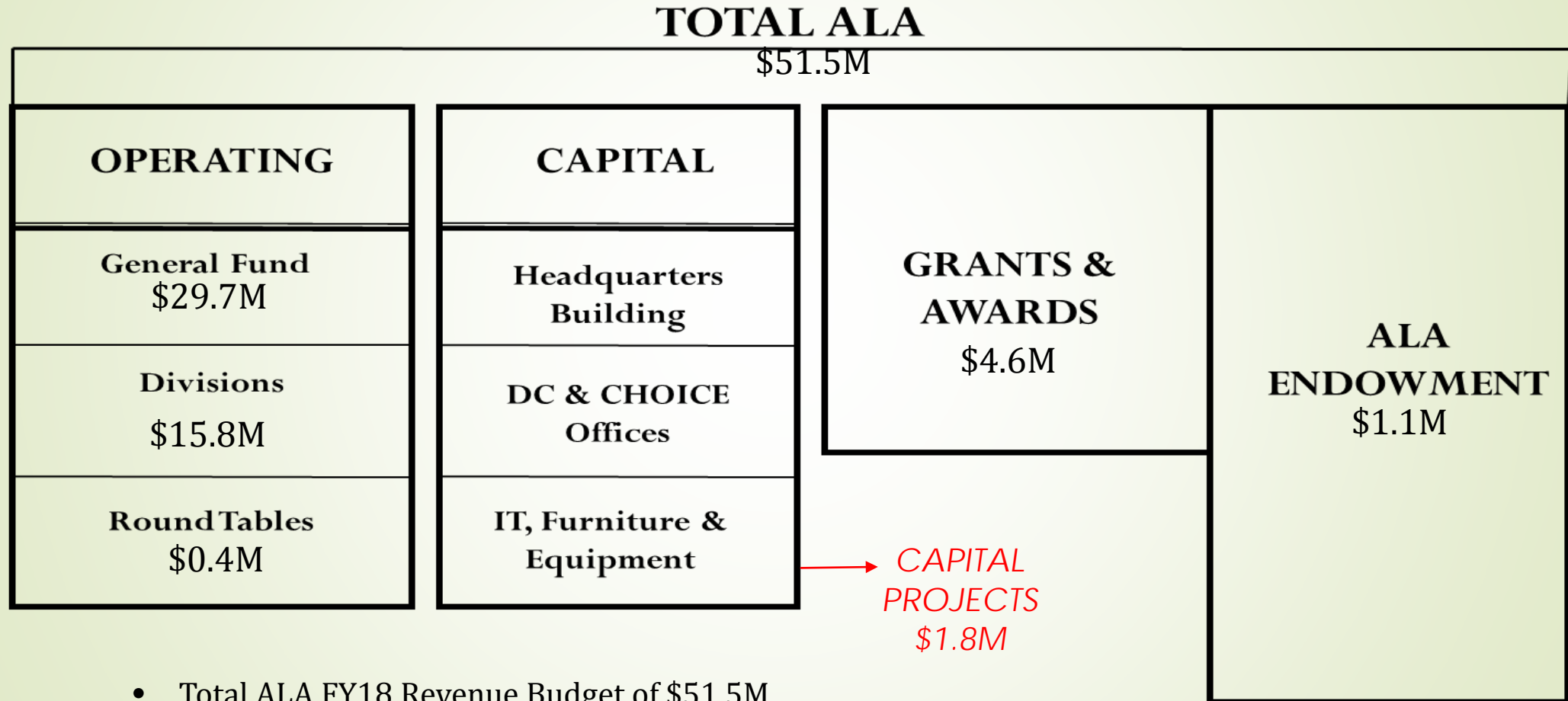
- Continuing Challenges with Revenues and Expenses
- Changes in Publishing Industry Continue to be Far Reaching
- An Unpredictable Political Environment
- Changing Demographics within the Profession
- Increased Reliance on Virtual Meetings and Working Groups
- Limitations on Travel Support Provided by Employers
- A Continued Focus on Leadership and Member Development
- Documentation of Outcome Measures Impacting Libraries and Programs

Financial Issues for FY18 Budget

- Limited Growth in ALA's Primary Revenue Sources
- Need To Diversify and Enhance Revenue Sources
- Investment by the Divisions and Round Tables on Revenue Opportunities
- Member Engagement and Responsiveness Remain as High Priority
- Continued Enhancements to Technology Infrastructure
- A Heightened Focus on Pledges and Donations

FY 2018 Preliminary Budget Details

(The Numbers Behind Our Plan for FY 2018)



- Total ALA FY18 Revenue Budget of \$51.5M
- Total ALA FY18 Expense Budget of \$52.3M
- Budgeted FY18 Net Expense of \$753k

FY2018 Budget Operating Highlights

- Total operating revenues of \$51,534,210 (up 3.0% from FY17)
- Total operating expenses of \$52,287,161 (up 0.8% from FY17)
- General Fund operating revenues of \$29,721,427 (up 0.5% from FY17)
- General Fund operating expenses of \$29,685,055 (up 0.6% from FY17)

FY2018 Budget Operating Highlights

- General Fund revenues/ expenses are flat from last year at \$29.7 million
- A 2% compensation increase for staff, along with an additional organization incentive as a top priority for any positive year-end results
- An increase in Publishing revenue of \$436,000 based on the release of the new AASL standards
- \$1.0 million in Division investment in membership, strategic priorities, capacity and revenue building
- Increases in the budgets for ODLOS, OIF, HRDR, OLA and the Center for the Future of Libraries to support the ALA strategic directions

FY2018 Budget Operating Highlights

- An increase of donations resulting in \$150,000 being allocated for use as one-time initiatives that advance ALA's Strategic Directions
- \$108,500 in additional investment for ITTS' capital expenditures to enhance Technology Infrastructure - fully-functioning e-store, "Next Gen" online learning site, ALA Connect enhancement
- PLA (Philadelphia) and AASL (Phoenix) will hold national conferences
- Midwinter Meeting in Denver, CO
- Annual Conference in New Orleans, LA

General Fund Details - Revenues

	<u>2018 Budget</u>	<u>2017 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Dues	\$5,543,600	\$5,606,000	\$(62,400)	-1.1%
Sales - Net	\$4,814,261	\$4,599,916	\$214,345	4.7%
Sales Other	\$1,007,530	\$898,165	\$109,365	12.2%
Subscriptions	\$2,979,089	\$3,080,701	\$(101,612)	-3.3%
Advertising	\$4,527,597	\$4,600,156	\$(72,559)	-1.6%
Meetings & Conferences	\$7,950,895	\$8,321,200	\$(370,305)	-4.5%
Miscellaneous	<u>\$2,898,455</u>	<u>\$2,481,085</u>	<u>\$ 417,370</u>	<u>16.8%</u>
Total	\$29,721,427	\$29,587,223	\$ 134,204	0.5%

General Fund Details - Expenses

	<u>2018 Budget</u>	<u>2017 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Payroll & Related	\$15,133,940	\$15,171,234	\$(37,294)	-0.2%
Outside Services	\$4,363,259	\$4,366,789	\$(3,530)	-0.1%
Travel & Related	\$962,538	\$1,027,061	\$(64,523)	-6.3%
Meetings & Conferences	\$3,867,804	\$4,083,398	\$(215,594)	-5.3%
Publishing Related	\$2,755,500	\$2,771,154	\$(15,654)	-0.6%
Operating Expenses	<u>\$2,602,014</u>	<u>\$2,094,532</u>	<u>\$507,482</u>	<u>24.2%</u>
Total	\$29,685,055	\$29,514,168	\$170,887	0.6%

General Fund Revenues/Expenses 2015 - 2018

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Revenues	\$ 29,024,423	\$ 27,304,643	\$ 29,587,223	\$ 29,721,427
Expenses	<u>\$ 28,745,048</u>	<u>\$ 28,372,196</u>	<u>\$ 29,514,168</u>	<u>\$ 29,685,055</u>
Net Revenues(Expenses)	<u>\$ 279,375</u>	<u>\$ (1,067,553)</u>	<u>\$ 73,055</u>	<u>\$ 36,372</u>

Membership and Dues Revenue 2015 - 2018

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Number of Members – All Types	55,583	59,507	59,250	56,000
Dues Revenue	\$5,415,745	\$ 5,592,444	\$ 5,606,000	\$ 5,643,600

Revenue Producing Units

Total Contribution to General Fund 2015 – 2018

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Publishing	\$ 3,841,505	\$ 3,503,322	\$ 4,788,138	\$ 4,688,909
Meetings & Conferences	<u>\$ 3,111,376</u>	<u>\$ 2,208,515</u>	<u>\$ 3,517,709</u>	<u>\$ 3,127,613</u>
Total Contribution	<u>\$ 6,952,881</u>	<u>\$ 5,711,837</u>	<u>\$ 8,305,847</u>	<u>\$ 7,816,522</u>

Division Revenues/Expenses 2015 - 2018

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Revenues	\$14,308,910	\$15,810,606	\$13,786,800	\$15,759,104
Expenses	<u>\$14,387,658</u>	<u>\$15,096,764</u>	<u>\$15,717,897</u>	<u>\$16,734,629</u>
Net Revenues	<u>(\$ 78,748)</u>	<u>\$ 713,842</u>	<u>(\$1,931,097)</u>	<u>(\$ 975,525)</u>

Round Tables Revenues/Expenses 2015 - 2018

	2015	2016	2017	2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Revenues	\$ 428,775	\$ 434,927	\$ 439,914	\$417,090
Expenses	<u>\$ 263,737</u>	<u>\$ 230,036</u>	<u>\$ 415,912</u>	<u>\$479,790</u>
Net Revenues	<u>\$ 165,038</u>	<u>\$ 204,891</u>	<u>\$ 24,002</u>	<u>\$(62,700)</u>

Budgetary Ceiling

- Total ALA -

Net Assets

\$14,906,005

(FY 20xx NAB*)

+

Revenue

+

\$51,768,985

=

(Budgeted revenue for FY 20xx)

=

Budgetary Ceiling

\$66,674,990

*Net Asset Balance



Total ALA FY 2018 Budgetary Ceiling

General Fund	\$29,792,027
Divisions	28,875,232
Round Tables	2,206,967
Grants & Awards	4,551,555
Long Term Investments	<u>1,249,209</u>
Total	<u>\$66,674,990</u>



Thank You