

TREASURER'S REPORT

- INFORMATION SESSION -
MEMBERSHIP, COUNCIL, EXECUTIVE BOARD, PBA

- FY 2017 Budget Plan- Strategic Issues and Financial Trends

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Orlando, FL

Strategic Issues for FY17 Budget

- Continuing Challenges with Revenues and Expenses
- Uncertainty in Political Environment
- Virtual Membership Participation
- Globalization of Information Issues
- Substantial Changes in Publishing Industry
- Shifts in MLS Workforce

Financial Issues for FY17 Budget

- Primary Revenue Sources Growing Slowly
- Need To Diversify and Enhance Revenue Sources
- Technology Infrastructure Enhancements
- Continued Focus On Efficiencies
- Member Responsiveness and Engagement Highest Priority
- Keep Resources Focused On Strategic Directions

FY2017 Budget Operating Highlights

- Total operating revenues of \$49,392,255 (down 2.5% from FY16)
- Total operating expenses of \$51,884,344 (up 2.3% from FY16)
- General Fund operating revenues of \$30,120,362 (up 2.0% from FY16)
- General Fund operating expenses of \$30,120,362 (up 2.0% from FY16)

FY2017 Budget Operating Highlights

- Operating Highlights
 - A 1% compensation increase for staff, along with an additional organization incentive as a top priority for any positive year-end results
 - Publishing revenue of \$12,894,222 (flat)
 - An increase of \$291,220 in net revenue and overhead from conferences
 - An increase of \$166,000 in the ITTS operating budget
 - \$400,000 in additional investment income in support of ITTS' capital expenditures for enhancing the Technology Infrastructure
- ACRL National Conference in Baltimore, MD
- Midwinter Meeting in Atlanta, GA
- Annual Conference in Chicago, IL

New Business Development

Areas of Current Activity and Exploration:

- Electronic Publishing
- Continuing Education Online
- International Community
- Our Public/Library Users

Investment in New Technology Infrastructure – Strategic Priority

- Financial/Accounting System
- Web Content Management System
- E-Commerce System
- Hardware Upgrades
- Software Upgrades

Total ALA FY 2017 Budgetary Ceiling

General Fund	\$30,120,362
Divisions	28,349,272
Round Tables	2,090,736
Grants & Awards	4,475,827
Long Term Investments	<u>367,018</u>
Total	<u>\$65,403,215</u>

Total ALA Budgeted Revenues 2017 vs. 2016

	<u>2017 Budget</u>	<u>2016 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Dues	\$ 8,504,596	\$ 8,614,981	\$ (110,385)	-1.3%
Sales - Net	\$ 5,162,221	\$ 5,203,116	\$ (40,895)	-0.8%
Sales Other	\$ 2,572,292	\$ 2,486,279	\$ 86,013	3.5%
Subscriptions	\$ 4,831,364	\$ 4,865,065	\$ (33,701)	-0.7%
Advertising	\$ 6,037,879	\$ 5,749,590	\$ 288,289	5.0%
Meet & Conferences	\$ 11,899,816	\$ 13,691,735	\$ (1,791,919)	-13.1%
Grants & Awards	\$ 4,345,631	\$ 3,829,382	\$ 516,249	13.5%
Miscellaneous	<u>\$ 6,038,456</u>	<u>\$ 6,235,919</u>	<u>\$ (197,463)</u>	<u>-3.2%</u>
Total	\$ 49,392,255	\$ 50,676,067	\$ (1,283,812)	-2.5%

Total ALA Budgeted Expenses 2017 vs. 2016

	<u>2017 Budget</u>	<u>2016 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Payroll & Related	\$ 23,034,775	\$ 21,868,390	\$ 1,166,385	5.3%
Outside Services	\$ 7,023,228	\$ 6,977,510	\$ 45,718	0.7%
Travel & Related	\$ 2,147,676	\$ 2,325,652	\$ (177,976)	-7.7%
Meet & Conferences	\$ 7,682,215	\$ 7,547,280	\$ 134,935	1.8%
Publication Related	\$ 4,343,145	\$ 4,449,677	\$ (106,532)	-2.4%
Operating*	<u>\$ 7,653,305</u>	<u>\$ 7,557,495</u>	<u>\$ 95,810</u>	<u>1.3%</u>
Total	\$ 51,884,344	\$ 50,726,004	\$ 1,158,340	2.3%

*Includes depreciation from Technology Reserve Fund

General Fund Budgeted Revenues 2017 vs. 2016

	<u>2017 Budget</u>	<u>2016 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Dues	\$ 5,606,000	\$ 5,746,300	\$ (140,300)	-2.4%
Sales - Net	\$ 4,599,916	\$ 4,635,027	\$ (35,111)	-0.8%
Sales Other	\$ 898,165	\$ 979,165	\$ (81,000)	-8.3%
Subscriptions	\$ 3,080,701	\$ 3,147,683	\$ (66,982)	-2.1%
Advertising	\$ 4,600,156	\$ 4,411,761	\$ 188,395	4.3%
Meet & Conferences	\$ 8,321,200	\$ 8,021,525	\$ 299,675	3.7%
Miscellaneous	<u>\$ 3,014,224</u>	<u>\$ 2,594,323</u>	<u>\$ 419,901</u>	<u>16.2%</u>
Total	\$ 30,120,362	\$ 29,535,784	\$ 584,578	2.0%

General Fund Budgeted Expenses 2017 vs. 2016

	<u>2017 Budget</u>	<u>2016 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Payroll & Related	\$ 15,133,940	\$ 14,559,131	\$ 574,809	3.9%
Outside Services	\$ 4,350,249	\$ 4,291,460	\$ 58,789	1.4%
Travel & Related	\$ 1,036,762	\$ 1,044,415	\$ (7,653)	-0.7%
Meet & Conferences	\$ 4,020,723	\$ 3,980,696	\$ 40,027	1.0%
Publication Related	\$ 2,846,649	\$ 2,964,311	\$ (117,662)	-4.0%
Operating	<u>\$ 2,732,039</u>	<u>\$ 2,695,771</u>	<u>\$ 36,268</u>	<u>1.3%</u>
Total	\$ 30,120,362	\$ 29,535,784	\$ 584,578	2.0%

General Fund Revenues/Expenses 2014 - 2017

	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Revenues	\$28,266,173	\$29,024,423	\$29,535,784	\$30,120,362
Expenses	<u>\$27,659,586</u>	<u>\$28,745,048</u>	<u>\$29,535,784</u>	<u>\$30,120,362</u>
Net Revenues	<u>\$ 606,587</u>	<u>\$ 279,375</u>	<u>\$ 0</u>	<u>\$ 0</u>

Membership and Dues Revenue 2014 - 2017

	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Number of Members – All Types	54,166	55,583	59,507	59,250
Dues Revenue	\$ 5,549,793	\$5,415,745	\$ 5,661,340	\$ 5,606,000

Revenue Producing Units

Total Contribution to General Fund: 2014 – 2017

	<u>Publishing</u>	<u>Meetings & Conferences</u>	<u>Total</u>
2014	\$ 4,142,737	\$ 2,952,054	\$7,094,791
2015	\$ 3,841,505	\$ 3,111,376	\$6,465,321
2016*	\$ 4,404,663	\$ 2,981,344	\$6,907,051
2017**	\$ 4,584,054	\$ 3,272,563	\$7,538,258

Division Revenues/Expenses 2014 - 2017

	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Revenues	\$15,581,358	\$14,308,910	\$15,655,195	\$13,572,615
Expenses	<u>\$14,196,747</u>	<u>\$14,637,658</u>	<u>\$16,497,456</u>	<u>\$15,931,692</u>
Net Revenues	<u>\$ 1,384,611</u>	<u>(\$ 328,748)</u>	<u>(\$ 842,261)</u>	<u>(\$2,359,077)</u>

Roundtables Revenues/Expenses 2014 - 2017

	2014	2015	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>
Revenues	\$ 358,257	\$ 428,775	\$ 389,887	\$ 441,093
Expenses	<u>\$ 216,753</u>	<u>\$ 263,737</u>	<u>\$ 342,630</u>	<u>\$ 415,993</u>
Net Revenues	<u>\$ 141,504</u>	<u>\$ 165,038</u>	<u>\$ 47,257</u>	<u>\$ 25,100</u>

Thank You for
Your Attention