The meeting was called to order at 11:05 AM. Mario introduced Mark Leon as the new Chief Financial Officer and did a brief overview of the purpose of the F & A Committee. The spring meeting minutes are reviewed and approved.

April/May Financials for 2015 – EBD #14.10/14.11

Mark Leon began the discussion by focusing on the May financials with most of the attention on the General Fund. Referring to document 14.11 overall total ALA results were on plan with a positive variance to budget of $1.9 million. Net expenses were smaller than budget due to lower incurred expenses in the Divisions and Long-Term investments. He continued by discussing the impact on the financial position of the Association. Compared to last year total assets declined by (-$810,186) while total liabilities declined by (-$3.5 million) as a result of a long-Term debt payment of $2.8 million. The result is an improvement in the Association’s Net Asset Balance of $2.7 million to $38.7 million.

Turning to the General Fund it was noted that total revenues were $795,002 less than budget at $17.2 million primarily as a result of a shortfall in Publishing and Midwinter Meeting registration. The Publishing shortfall was primarily in ALA Editions/NS ($332,074) and Booklists ($203,369). It was pointed out that the NS operation was impacted by the number of titles released during the year (4 vs.12) and a two shutdown of book shipments due to the switch over in ALA’s fulfillment house from PBD (Georgia) to Brightkey (Maryland). Total expenses were $279,434 less than the budget of $19.3 million. All expense categories were less than budget with the exception of Overhead Recovery. The result was net expenses of (-$1.8 million), which is more than the budgeted net expenses of (-$1.3 million) by $515,567.

Due to the results the staff performed a deeper analysis of the results and determined the Overhead Recovery was understated as a result of timing issues. Adjustments were made and the results were reflected on page 12 of the handout. This result was more in line with historical patterns and reflected an adjusted net expense of (-$1.8 million) compared to the budgeted net expense of (-$1.8 million) for a positive variance of $333.


K. Fiels discusses and affirms that there were no changes to the programmatic aspect of the budget. Brad Geene references document 14.12 and summarized the spring budget. The following lists the changes made after the spring meeting. The most significant changes i.e. additional expenses (-) and expense savings (+) included the following:

- Inclusion in the General fund for two standing committees ($19,630) (+)
- Budget reductions by two Divisions ($18,000) (-)
- Round Tables ($7,849) (+)
Grants and Awards related to the Public Awareness Campaign ($20,270) (+)
No change in capital budget of $1.7 million

Brad Geene also presented an updated FY16 Budgetary Ceiling schedule. The total FY16 ceiling is $67,087,027, a decrease of the ceiling amount presented at the spring meeting of -$15,725.

F & A concurs with BARC and recommends to the Executive Board approval of the FY 2016 Budgetary ceiling of $67,087,027 as highlighted in BARC #20.2 (EBD #14.13).

Pat Wand reviews discussions held in BARC regarding divisions and roundtables and the issue of the role of BARC. Specifically discussed the BARC spring meeting and looking at how we can become more expedient and effective with the process. Also discussed was the role of the liaison which it was determined should be more of a communicative and informational role as opposed to advocator. BARC is adding a webinar on how units can plan the budgets for conferences and educational seminars. Treasurer's website should be reviewed annually and revised periodically. BARC decided to discontinue scheduling Financial seminars on Friday at the Midwinter meetings.

Controller's Report – EBD #4.24

Joanne Lee highlighted the report for the YTD results as of April 30, 2015 document #4.24 as follows:
- Cash and short-term investments total $20.4 million and it is projected to generate approximate $300,000
- Loan refinancing has resulted in a lower loan balance of $6 million and an interest expense savings of approximately $342,097
- The renegotiated loan has resulted in improved liquidity ratios for Debt service cover and Cash to Debt of 3.29 and 5.72 to the requirement of 1:1
- Inventory reserves for FY15 will likely need to be increased to $80,000 - $100,000, which is lower than the earlier estimate of $200,000

Endowment Trustees Report – EBD #13.4

Rod Hersberger reviewed document #EBD 13.4. This report will be presented to the Council and the Executive Board as highlighted in exhibit 2. In addition to the overall positive results in the endowment, that now has a value of $41.1 million. He noted that the investment policy which is reviewed regularly is the foundation by which all Trustee decisions are made. Sometime was spent reviewing positive signs and potential risks to the market and portfolio. He ended the discussion by stating the positive impact the Trustees had received as a result of their continuing education efforts by meeting in New York every year. This year's meeting has led to another investment opportunity with Blackstone whom the Trustees will be meeting with again on July 14th for an individual Symposium.

Fall Meeting Plans

The date for the fall meeting is October 22.

The meeting was adjourned at 1:20 pm