

TO: ALA Executive Board
Budget Analysis and Review Committee (BARC)

ACTION REQUESTED:

Approval of the *Preliminary FY 2008 ALA Budget*.

ACTION REQUESTED BY:

Keith Michael Fiels, Executive Director
Gregory L. Calloway, AED, Finance
Sandra Lee, Director, Planning & Budgeting

DATE: April 4, 2007

DRAFT MOTION:

To forward the Preliminary FY 2008 Budget proposal (EBD #4.17) to the Budget Analysis and Review Committee (BARC) for further analysis and review. The Board affirms the strategic directions of this budget and requests that BARC report back on its analysis at the 2007 Annual Conference.

Budget Alignment with ALA Programmatic Priorities

The Executive Board recommended and Council has approved the ALA programmatic priorities that constitute the framework for setting operating priorities carried out by the Departments, Units and Divisions of the Association. In support of the ALA goals and objectives, the budget supports these priorities and the implementation of the ALA *Ahead to 2010* plan. The ALA Programmatic Priorities were approved by Council at the Seattle Midwinter Meeting, January 2007, and are as follows:

- Diversity
- Equitable Access to Information and Library Services
- Education and Lifelong Learning
- Intellectual Freedom
- Advocacy for Libraries and the Profession
- Literacy
- Organizational Excellence

Broad Institutional Strategies

Broad institutional strategies guide the allocation of ALA staff, financial, technological and member resources and are as follows:

- Promote ALA's mission & vision
- Establish and support a network of relationships that promote ALA's mission and priorities and facilitate the delivery of ALA's message and educational programs
- Influence legislation and regulation where possible
- Develop and promote technical standards and guidelines which strengthen library services and the profession
- Anticipate and respond to environmental factors which present opportunities or threats to the organization
- Build on the Association's membership strength and financial health
- Manage the Association's resources efficiently and effectively
- Focus on member needs, satisfaction, retention and recruitment

ALA's financial value proposition is *"To develop and deploy the financial resources that support the strategic plan and deliver programs responsive to member needs and the improvement of library service."*

Within the goals and objectives identified in the *ALA Ahead to 2010* strategic plan, the FY 2008 budget includes over \$500,000 in 2010 program initiatives.

Key Funding Initiatives Included in FY 2008 Budget:

1. Supporting the expansion of advocacy at the Federal, state and local level, including establishment of a new Office for Library Advocacy
2. Expanding publishing and distribution of print and digital publications
3. Funding research and development for new products and services
4. Expanding continuing education opportunities in multiple formats
5. Funding an increased Capital Budget for technology, building and improvements of \$1,986,878
6. Funding a 3.5% compensation increase
7. Continuing phase-in of electronic balloting
8. Transferring interest and dividends from the Endowment Fund to the General Fund in accordance with Policy 8.5.1 (\$191,000)
9. Offering an Annual Conference (Anaheim), Midwinter Meeting (Philadelphia) and Division National Conferences of AASL (October 25 – 28, 2007, Reno) and PLA (March 25 – 29, 2008, Minneapolis)
10. Implementing departmental staff reorganizations (Finance/Support Services, Publishing, PIO)
11. Providing additional technology supporting social networking and other priority enhancements to the ALA web site

American Library Association

Total ALA Preliminary FY 2008 Budget Overview

The proposed total ALA budget submitted for your review includes the General Fund, Divisions, Round Tables, Plant Fund, Grants and Awards, Long Term Investment Fund and Capital Budget request.

The ALA-APA budget is separately transmitted, however, some key initiatives are included as they relate to the ALA *Ahead to 2010* Strategic Plan.

Current Macro Economic Conditions

US Factors

- Volatility, risk and uncertainty continue to describe conditions in the U.S. economy, as well as the global economy to which we are closely tied.
- The Bureau of Economic Analysis indicated that the fourth quarter of 2006 real GDP growth was 2.2%. This is well below the originally projected at 3.5%.
- As long as overall demand remains resilient for goods other than housing, autos, construction supplies and retail outlets specializing in building supplies, projections for 2008 are for slow to moderate growth.
- There are a number of variables that can upset the prospects for potential positive growth. These include corporate sector profit growth and capital investing, housing, consumer spending and geopolitical events. Corporate America has experienced 19 consecutive quarters of double-digit corporate profit growth. Current projections estimate a decline to the mid/high single digit level. Business outlays for equipment fell unexpectedly in the fourth quarter by 2.4%, on top of a 6% drop in January. The January decline was the largest drop in three years. If capital spending continues to stall there will not be a catalyst to spark a new upswing in production.
- The multi-year US housing boom is over and the slowdown, which began last spring, has been the principle source of the current economic slowdown. The ever-increasing appreciation in home values and building starts is now in retreat. Raising interest rates are impacting adjustable rate mortgages, which are resulting in growing default rates among borrowers.

International Factors

China and other emerging markets -- Russia, Turkey, Mexico, Philippines etc. - have injected a great deal of uncertainty to the global economy and the financial markets in general. Investors have been ignoring the traditional spreads between high and lower quality stocks. As a result, investors are chasing higher returns at the expense of reasonable levels of risk. The spread between the risk classes is now very narrow. On February 27, 2007 China caused a ripple through the world markets on the rumor of a government tax policy shift of corporate profits that

lead to the largest one day drop in stock prices since march 2003. The Shanghai index shed 8.8%. Because China is a major purchaser of US Treasury debt, any kind of economic breakdown/slowdown could affect the direction of rates in the US. It is also a further indication that what happens in other parts of the world can and does impact the US economy.

Inflation Impact on GNP

Core inflation accelerated in January to 2.3% on an annual basis and is expected to do so again in February. The Fed's goal is 1% - 2%.

After years of the economy growing at a rate of around 3% per year the general consensus heading into 2007 was a growth rate of 2.7%. The latest economic news is now pushing that figure down to about 2.2%. The only real positive news related to an economic slowdown would be the resultant change in monetary policy (easier), probably ending in a rate cut.

Library Economic Landscape

Use of and demand for library services increased for all library types in 2006, the most recent year for which data exists "Demand for service is significantly outpacing libraries capacity to make necessary upgrades, purchases and repairs," states Professor John Bertot, author of the report, *Public Libraries and the Internet 2006*.

Overall, library funding appears to be increasing. Even though inflation and personnel costs have been modest, flat funding for some libraries represents a reduction in spending for technology enhancements and electronic and print resources, and directly affects the quality of library services.

State funding for school libraries and library media specialists, as exemplified in California, has been decreasing for years. Tightened budgets and staff reductions impact the quality of learning and the ability of citizens to be full contributors in society.

ALA Ahead to 2010

The best fiscal practice any organization can adopt is to forecast the cost of program/product/service offerings and plan adequate incremental revenue resources to support the offerings. Just as, if not more importantly, these program offerings should be tied directly to the organization's strategic plan. Last, the program offerings must be anticipated, with sufficient staff and financial resources to ensure quality and member/customer satisfaction. At ALA, the budget planning process, which has evolved over the past 15 years, recognizes the necessity to balance programmatic support with adequate revenue resources.

Council formally approved the *ALA Ahead 2010* Strategic Plan at the 2005 Chicago Annual Conference. The various units within ALA have positioned their FY 2008 budget activity to address the expanded key action areas, the ALA Ahead to 2010 Goals, as well as, the ALA Organizational Goals. The FY 2008 ALA budget aligns with ALA's programmatic priorities, including business plan implementation. The Executive Board recommended and Council approved the expanded key action areas that constitute the framework for setting operating priorities carried out by the departments, units and divisions of the Association.

Alongside the programs/services discussions involving a wide cross section of members, a financial plan was developed in 2006. Thanks to the vision, efforts and guidance of the Budget Analysis and Review Committee and the Finance & Audit Committee, along with coordination of other ALA member committees such as the Membership Committee, ALA management has been able for the first time to incorporate revenue projections into longer term resource planning.

The financial plan identified four strategic resources necessary to fund the current operations and the future programs/services the membership requires. The four strategies are:

1. Approve a dues increase.
2. Pursue foundation and corporate support of ALA's mission.
3. Reallocate existing operating expenses and increase efficiency.
4. Invest in and develop net revenue generating product/service offerings that support member priorities.

These four factors are the primary components of the revenue side of the 2010 financial plan, which was first conceived and approved during the FY 2007 budget process. A year later key revenue and expenditure factors are as follows

Positive

- ALA membership approved a 3-year dues increase schedule. The impact in the FY 2008 budget is expected to yield an additional \$189,000.
- Relationships with corporate foundations such as Ford, Gates and Dollar General are supporting multi-unit activities.
- Opportunities to reallocate and outsource certain functions are expected to produce greater efficiencies.

Negative

- While the inflationary process is somewhat modest and remains a primary focus of concern for the Federal Reserve, 2 – 3% inflation is expected. Recognizing this, revenues in the ALA budget provide for salary and benefit increases, technology increases and operating increases related to technology implementation, while other operating expenses such as travel and professional services remain flat.
- Previous investment in new online products have been slow to show projected revenue gains (i.e. JobList Online, Booklist Online).
- Salary and benefits cost exceed earlier projections due to the level of new hires and increased need for staffing upgrades.

Key Fiscal Resources

The financial model developed last year projected revenue resources from FY 2007 through FY 2010. The revenue resources components consist of Publishing Net Revenue, Conference Net Revenue, Dues Income and Interest Income. In addition, overhead recovery from grants, divisions and General Fund net revenue departments were also modeled. Based on last year's projections, \$10,011,000 in resources were projected, which included year one of the approved dues increase.

The preliminary General Fund FY 2008 Budget consists of revenue resources totaling \$10,837,000, which is \$185,000 less than the FY 2008 projections prepared last year. However, this is approximately \$400,000 more than current year-end projections for FY2007. Several factors contribute to the difference.

- 1) The expected impact of the dues increase has been reduced based on retention data, FY 2006 results, and the lower FY 2007 projections.
- 2) Publishing net revenues are \$245,000 lower due to the lower sales related primarily to Booklist Online.

Overall, the financial model is proving to be very useful as a tool to balance expense growth with revenue sources

Base operating expenses once again are held flat while increases for salaries, benefits and investment in technology has been provided. The table below shows the total ALA and General Fund revenue trend. Also note the net revenue trend over the last six years.

	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006
Revenues						
General Fund	\$26,280,000	\$26,127,000	\$24,984,000	\$25,944,354	\$26,598,599	\$26,713,644
Total ALA	\$40,357,000	\$42,562,000	\$38,537,000	\$42,140,561	\$41,786,753	\$44,260,758
Net Revenues (revenue minus expense)						
General Fund	(\$1,059,000)	(\$634,000)	\$120,000	\$78,847	\$501,746	\$624,253
Total ALA	(\$2,094,000)	(\$547,000)	(\$31,000)	\$94,885	\$236,240	\$1,070,310

Key Use of Fiscal Resources

The FY 2008 budget is consistent with the ALA *Ahead to 2010* plan. All six goal areas in ALA *Ahead to 2010* are addressed in the FY 2008 proposed budget. A brief sample of the strategies supported follows.

Goal Area I: Advocacy/Value of the Profession is a primary focus for the Association's resources in FY 2008.

Goal Area I: Advocacy/Value of the Profession

Goal Statement: ALA and its members are the leading advocates for libraries and the library profession.

In support of the goal, the FY 2008 Budget establishes the initial phase of the Office for Library Advocacy. In addition, it supports expanded advocacy efforts through the Washington Office, the Office for Intellectual Freedom and the Office for Research, as well as other units.

Overall, the association's advocacy objectives are:

1. Increase support for research and evaluation to provide evidence regarding the value and impact of libraries.
2. Increase public awareness of the value and impact of libraries of all types.
3. Increase public awareness of the value and impact of librarians and library staff.

4. Mobilize, support and sustain grassroots advocacy for libraries and library funding at local, state, and federal levels.
5. Increase collaboration on securing legislation favorable to libraries.
6. Increase public awareness of the importance of intellectual freedom and privacy, and the role of libraries in a democracy.

In response, the Advocacy Vision Plan reviewed by the Public Awareness Committee and its Advocacy subcommittees states the following goals/objectives/strategies.

Goals

- To increase support for local advocates attempting to improve libraries of all types.
- To increase outreach and assistance to local chapters
- To increase collaboration among divisions and members
- To increase resources and further institutionalize ALA advocacy efforts
- To increase visibility of ALA and position it as a leader in advocacy

Objectives

- To develop ALA's capacity to support local and state-level advocacy
- To strengthen relationships with advocacy collaborators (e.g., Chapter Relations Office, ALTA, Washington Office, FOLUSA)
- To identify subject experts (consultants, writers, trainers) and create long-term relationships with them
- To develop new advocacy resources in four categories: training, materials and resources, and specialized "courses," and an advocacy network
- To work in consultation with member advocates for guidance, approval and evaluation

Strategies

- Create an Office for Library Advocacy and increase resources available for advocacy efforts.
- Fund the Advocacy Institute and other specific, outcome-based advocacy training as an ongoing activity of the office.
- Utilize resources of the Chapter Relations Office, Washington Office, Office for Intellectual Freedom, divisions and others to create a more unified advocacy effort.
- Fund the "I Love Libraries" advocacy website for the public as an ongoing activity of the office.

In addition, resources have been provided to the Office for Intellectual Freedom in order to plan, organize, and stage a national conference on privacy as an American value, calling on privacy experts in the areas of librarianship, law, and public policy to discuss the erosion of privacy and steps needed to preserve privacy as an American value. Further, additional funds to provide support for federal lobbying activities have been added to the Office of Government Relations. Also included in the budget is Gates Foundation funding for research in support of library advocacy.

Other advocacy related 2010 projects of the Association:

-Repeat (2nd year) a national survey to establish and track trend data in the school library media field. (AASL)

Objective 1

- Year two of the extended Campaign for America's Libraries. (PIO) Objective
- Through ALSC national initiatives (Kids!@ your library, El día de los niños/el día de los libros), provide librarians with tools they can use in their own communities to increase public awareness. (ALSC) Objective 2
- In cooperation with the ALA Committee on Rural, Native and Tribal Libraries of All Kinds and the OLOS Subcommittee on Library Service to American Indians, develop an advocacy toolkit (similar to the highly successful rural library advocacy kit developed in FY 2007) specifically focused on tribal libraries. (OLOS) Objective 3

While Goal I is a major focus, Goals II – VI are also supported by new initiatives. The following are examples of projects planned in FY 2008, which relate to Goals II thru VI of the ALA *Ahead 2010* Plan.

Goal Area II: Education

Goal Statement: Through its leadership, ALA ensures the highest quality graduate and continuing education opportunities for librarians and staff.

- Review ALA Standards for Accreditation in accordance with a 5-year schedule. (OA) Objective 1
- Plan a YA Literature Symposium, to be offered for the first time in Fall 2008 (FY 2009). (YALSA) Objective 2
- Develop additional continuing education opportunities, including a certification program through ALA-APA, a Leadership Institute, new e-courses, and additional regional institutes. (YALSA) Objective 2
- Continue and expand the Empowerment Conference. (CONF) Objective 2

Goal Area III: Public Policy and Standards

Goal Statement: ALA plays a key role in formulation of national and international policies and standards that affect library and information services.

- Build on ACRL information literacy competency standards to develop discipline-based standards; begin review/revision of the standards. (ACRL) Objective 1
- Continue establishment of ACLTS as a voice on public policy issues in areas of interest, e.g. digital preservation, government information and scholarly communication. (ALCTS) Objective 4

Goal Area IV: Building the Profession

Goal Statement: ALA is a leader in recruiting and developing a highly qualified and diverse library work force.

- Launch a mentoring program. (LAMA) Objective 1
- Integrate Emerging Leaders program into ongoing operations to ensure sustainability. (HRDR) Objective 1
- Improve JobLIST Online Career Center/Placement Center integration to support increased career development opportunities for librarians and library staff. (HRDR) Objective 4

Goal Area V: Membership

Goal Statement: Members receive outstanding value for their ALA membership.

- Implement a “MyALA” website as a “landing page” for a member logging into the website; the individualized “MyALA” page will bring together relevant information from ALA/ALA Divisions in a custom view, e.g. display relevant information from each member’s division blogs and wikis, current news from AL, CE events for which the member is registered, updates from colleagues modifying their information on the social network, new information from the member’s committees and other workgroups, conference registration status, etc. (ITTS) Objective 2
- Implement a social networking website as a series of services running of information for a members’s (opt-in) profile in order to connect a member to colleagues with similar interests, mentors/mentees, colleagues with similar job responsibilities, colleagues from previous employers or alumni of the same educational institution, experts in various specialties, other taking a similar CE course, colleagues within a geographical area, colleagues working on similar projects, colleagues on relevant committees/task forces, etc. (ITTS) Objective 3
- Complete first revision cycle of *Resources for College Libraries*. (ACRL/CHOICE) Objective 4

Goal Area VI: Organizational Excellence

Goal Statement: ALA is an inclusive, effectively governed, well-managed, and financially strong organization.

- With ALA Accounting, begin research toward the implementation of a new financial system. (ITTS) Objective 3

-In coordination with ALA HR, beginning planning to implement a new Payroll/HR System to gain additional functionality and software support for HR. (ITTS) Objective 3

-Perform a workflow and needs analysis to determine the current effectiveness of the association management system, to determine the future path (e.g. upgrade, replacement). (ITTS) Objective 3

-Implement ALTA's restructuring plan. (ALTA) Objective 6

Other uses of resources:

- Meeting the ongoing technology demand.

The ongoing investment to meet member needs is a key component of the financial planning process. Of the total \$2,281,040 capital budget, the technology portion of the capital budget totals \$1,566,398.

Trends in digital communication, particularly mass customization which allows a user to decide what information is received and how it is displayed, are dramatically impacting website design. Personalization of content via the development of "My ALA" is included in the technology budget. In addition, the huge phenomenon surrounding social networking websites is receiving considerable attention as exemplified by Google's \$1.65 billion purchase of YouTube. Recognizing the visibility to be gained primarily by ALA members, ALA will launch its social networking site on a completely "opt in" basis. ALA's planned social networking site will provide the opportunity to connect members with other members and with ALA. It will also allow a member to conveniently receive information on publications, continuing education and other services in their specific areas of interest.

The other technology investments include:

- Knowledge Management – request/response system
- Content Management redesign
- Credit card encryption
- Microsoft Office 2007 upgrade

- Membership Marketing

The FY 2008 Budget funds the staffing of a marketing specialist to implement the membership business plan and explore member service options.

- Emerging Leaders

Recognizing the potential to build a participative member base, funding for the Emerging Leaders program, initiated by President Leslie Burger, will become a permanent addition to the HRDR operating budget. FY 2008 costs for planning and facilitating have been estimated at \$23,350.

- Staff Compensation

The FY 2008 compensation plan consists of a 3% adjustment to base and .5% individual incentive. The total impact is budgeted at \$522,000.

Strategy for Research and Product Development

Over the past five years, the General Fund budget has included a \$50,000 growth fund as a placeholder to develop new net revenue generating projects. As an example, the monies were used to explore and develop the online job list, explore use of participatory technologies, and conduct research for a magazine targeted to the general public about libraries. Clearly the funds have been small. In the FY2007 budget, the growth fund has been increased to \$100,000 and this level is maintained in the FY 2008 budget.

The funds will be expended in FY 2008 to support the following initiatives:

Planned Giving	\$20,000
Membership Marketing	25,000
Magazine for the Public	55,000

Key Internal Developments

- Completion of JobList online – the online jobs project between ACRL and *American Libraries*
- Completion of the online database project between Choice and Booklist
- Year 3 – Publishing’s implementation of the “content centric” business plan
- Further utilizing the Association Management System (iMIS) as a tool to develop cross marketing opportunities including membership recruitment
- Continued exploration and business plan development for a magazine about libraries targeted to the general public

Preliminary Total ALA Budget

The Total ALA FY 2008 revenues including the General Fund, Divisions, Round Tables, Plant Fund, Grants and Awards and the Long-Term Investments are \$52,506,208 as compared to the FY 2007 budget of \$48,717,482. Two division national conferences in FY 2008 and the dues increase account for the difference in revenue. The total ALA FY 2008 expenses are \$49,768,609 as compared to the FY 2007 expenses of \$48,780,667. The total ALA budget reflects revenues exceeding expenses by \$2,737,599.

FY 2008 General Fund budgeted revenues of \$29,433,649 are \$226,191 less than the FY 2007 budgeted revenues of \$29,659,840. The General Fund expenses are budgeted at \$29,433,649, which represents a \$226,191 decrease from FY 2007 budgeted expenses of \$29,959,840.

The preliminary Division fund budgeted revenues are \$16,335,292 and the Division fund budgeted expenses are \$14,974,164 resulting in a net expense of \$1,361,128.

The FY 2008 budget includes two division national conferences by PLA and AASL.

The FY 2008 Grants and Awards budget is \$4,371,734, which is \$96,513 less than FY 2007 budget. Grants and Awards include ongoing projects and projects with a positive indication from the funding source. There may be other grants included as pending proposals are approved.

The Long Term Investment fund is budgeted to increase net assets by \$1,366,129. The potential transfer, from the Endowment Fund to the General Fund based on the 3.5%, would be \$291,393. However, the historical average is around \$190,000; therefore, a budgeted transfer of \$191,393 is included in the budget in accordance with Policy 8.5.1.

The Division net assets at the end of FY 2008 are projected to be over \$9,310,850.

Following are revenue and expense summaries for each of the ALA funds for FY 2008.

General Fund

Revenues

The General Fund revenues for FY 2008 are budgeted at \$29,433,649 consisting of:

- Dues income, which is budgeted at \$5,856,332, represents an increase of \$186,347 compared to the FY 2007 budget of \$5,669,985. The FY 2008 dues budget compared to the FY 2007 projection of \$5,469,985 is budgeted to increase \$386,347.
- Sale of materials, which includes sale of books, is budgeted to slightly increase \$45,489 or 0.9% for a total of \$5,344,407. A total of 30 frontlist titles are projected for release. Book sales are budgeted to decrease \$111,618 to \$2,855,040. The decreased revenue is due to decreased revenue per title. The average list price will be increased on frontlist sales, with the average price per title targeted at \$44, compared to \$52 in FY 2007.
- Other sales include mail list rental, *Booklist* review copy sales, and non-catalog product sales at the ALA Store, and are projected to be \$598,050 as compared to \$622,575 in FY 2007 with a decrease of \$24,525.
- Subscriptions are projected to decrease by 9.1% or \$289,435 totaling \$2,903,877 as compared to \$3,193,312 in FY 2007, primarily due to revenues reduction from Booklist Online, from \$291,000 in FY 2007 to \$56,000 in FY 2008. Advertising income is projected to decrease to \$4,621,718, which is \$204,804, or 4.2% less than the FY 2007 approved budget.
- The FY 2008 advertising income decrease is mainly from Booklist Online and American Libraries.
- Revenues for meetings and conferences, registration fees and exhibits, space rental and meal functions are budgeted at \$7,584,175, which is \$74,810, or 1.0% decrease from FY 2007. The FY 2008 budget reflects revenues for exhibits sales at \$4,513,250 and registration fees at \$3,033,175. There is no change in exhibit fees of \$19.50 per square foot for Annual Conference booth space and there is a slight increase in exhibit fees of 25 cents from \$14.25 to \$14.50 per square foot for the Midwinter Meeting. Registration fees will increase \$5 for Annual Conference; there is no increase for Midwinter Meeting registration.

- Miscellaneous income, which includes donations, interest dividends and royalties, is \$2,525,090 as compared to FY 2007 of \$2,389,543, which reflects an increase of \$135,547 or 5.7%, mainly due to an increase of \$130,000 in donations from Annual Conference.

Expenses

- Expenses for the General Fund including \$135,432 of taxes are budgeted at \$29,433,649.
- Payroll and related expenses of \$14,820,991 represent 50.4% of the total expense budget, compared to 47.2% last year. Salaries are budgeted to increase \$834,156. Included in the payroll related is a 3.0% adjustment to base salary and a .5% individual incentive.
- In addition to the projected salary increase, an additional 3.968 FTEs are recommended – 1 FTE-Advocacy Office Director for the Office for Library Advocacy, .5 FTE-Marketing Specialist for Member Development, 1 FTE-Chief Usability Officer for ITTS, 1 FTE-Conference Assistant for Conference Services. Partial FTEs recommended are: 0.056 FTE added to Library to bring the Reference Librarian position from .944 FTE to 1.0 FTE; 0.1 FTE added to the Publishing Department to bring the total FTEs for the Publishing Department from 66.9 FTEs to 67.0 FTEs; 0.142 FTE added to Staff Support Services to bring the Lounge Attendant from .858 FTE to 1.0 FTE; 0.17 FTE added to Distribution to bring the distribution clerk from .83 FTE to 1.0 FTE. There are two FTE transfers recommended: 1 FTE is transferred from PIO to the new Office for Library Advocacy and 1 FTE is transferred from the Building Maintenance unit to OIF. The total salary improvement that is budgeted is \$495,000. Salary savings (attrition) is budgeted at the same rate as FY 2007 at 5.0% of salaries or \$608,437.
- Outside Services are increased by 3.1% or \$99,236 for a total budget of \$3,296,731. The primary increase is due to the added \$85,000 expenses to be incurred in the preliminary project stage of Website development that is not qualified for capitalization.
- Travel and related expenses are increased by 4.9% or \$61,066 for a total of \$1,310,463. Travel includes Annual (Anaheim) and Midwinter (Philadelphia) attendance. The per diem has been increased from \$40/day to \$50/day, reflecting accumulated inflation.
- Meetings and Conferences expenses are increased by 2.2% or \$68,414. The Conference equipment, including AV and computer rental, budget of \$1,055,543 is increased by \$67,845 compared to \$987,698 in FY 2007. The meal function expense is also increased by \$40,000 due to exhibitor lounge coffee, sodas and party food; however, this expense is offset by the additional revenues charged to exhibitors. The facilities rent expense is reduced by \$80,000 to \$80,000 as compared to \$160,000 FY 2007; this decrease is due to the dates change requested by Philadelphia Convention and Visitors Bureau.
- Publication related expenses are \$4,042,610 and is 8.4% or \$370,535 less than FY 2007.
- Operating Expenses are decreased by \$65,949 or 1.4% due to decreases in postage and insurance expenses. Operating expenses include \$94,000 subscription equivalent for organizational members to receive the *Library Worklife* newsletter offered by the ALA-APA.

- Overhead recovery for the General Fund is expected to be \$2,269,091 as compared to \$1,634,026 in FY 2007, which represents a \$635,065 increase. The primary increase is due to two division national conferences in FY 2008, compared to one in FY 2007. At this time, the overhead rate remains at 21.5% and will be adjusted based on the FY 2006 Indirect Cost Study, which will be presented at the spring meeting to the Finance & Audit Committee, resulted in an increase in the applicable rate from 21.5% to 22.6%.
- Taxes for unrelated business income tax (UBIT) are budgeted at \$135,432 compared to \$239,952 in FY 2007.

Division Fund

- By the end of FY 2007 the division fund net assets are budgeted to reach \$8,348,722. At the end of FY 2008, the division fund net assets are expected to increase to \$9,310,850. The increase in net assets relates primarily to a net revenue of \$1,336,900 from the PLA National Conference. The net assets transfers to the Long Term Investment, proposed by PLA, AASL, RUSA and ALSC total \$399,000 as compared to \$250,000 in FY 2007.
- There are two FTE requests from Divisions: 1 FTE-Program Coordinator for ACRL and 1 FTE-Membership Marketing Specialist for ALSC.
- Revenues for the year for the Divisions are budgeted at \$16,335,292, which represents a \$4,160,689 or 34.2% increase. The increase is due to two division national conferences (PLA and AASL) held in FY 2008 compared with one FY 2007 national conference held by ACRL. Dues income for divisions is budgeted at \$2,783,607, which represents a 7.1% or \$183,393 increase year to year.
- Sales of materials is budgeted at \$471,781, which represents a 2.0% or \$9,546 decrease from FY 2007. Other sales of materials increased to \$1,367,535, an increase of \$150,828 or 12.4% mainly due to sales from PLA/ALSC Preschool Literacy Project of \$96,000, and sale of materials promoting standards/guidelines of \$45,000 from AASL.
- Subscription sales are budgeted at \$2,077,041, which represents an increase of 1.8% or \$36,917. Advertising income is budgeted at \$1,728,626, an increase of 17.7% or \$259,711 from FY 2007.
- Meetings and conferences is projected to be \$5,928,030, which represents a 104.3% increase of \$3,025,828 compared to FY 2007 due to two division national conferences. Miscellaneous sales are budgeted to increase by 35.1% or \$513,561 to \$1,977,172.
- Total expenses including overhead and taxes for the divisions are budgeted at \$14,974,164, which represents a 9.4% or \$1,284,946 increase from the FY 2007 budget. Support to the small divisions total \$135,923 compared to \$132,458 in FY 2007, which represents a 2.6% increase.

Round Tables

Budget requests for FY 2008 Round Tables revenue is \$340,479 compared to \$357,461 in FY 2007. Dues account for \$170,014 or 49.9% of total revenue, and sales and meeting functions contribute \$2,200 and \$42,175 respectively to revenues. Other sales of \$72,800 are primarily related to the sale of the Coretta Scott King seals, which are now included in EMIERT. Subscription, advertising, and miscellaneous revenues are \$11,790, \$8,500, and \$33,000 respectively.

Expenses for the FY 2008 are \$330,137 resulting in net revenue of \$10,342. The total Round Tables net assets is budgeted at \$613,489 by the end of FY 2008. Each of the Round Tables is reporting positive net assets by the end of FY 2008.

Plant Fund

The Plant Fund budget consists of 40 and 50 East Huron buildings and the Washington building. At this point the budgeted does not reflect rental income for 7th floor of Huron Plaza. Expenses have been adjusted for cleaning services, insurance, real estate taxes, accounting and administrative services. The result is a transfer from the General Fund of \$1,703,849 to cover all building related expenses. There are no immediate plans to relocate staff. Options to rent the 8,900 square feet of space continue to be explored. Development of a long-term utilization study has been postponed; however, renovations to the space continue.

Long Term Investments

The Long Term Investment is budgeted to fund:
Other Scholarships and Awards - \$109,950 and Spectrum Scholarships - \$180,000, for a total budget of \$289,950.

Divisions requested transfers of \$399,000 include: PLA, \$250,000; AASL, \$50,000; RUSA, \$50,000, and ALSC, \$49,000 to the Long Term Investment Fund.

Grants and Awards

The preliminary budget reflects approved grants in the amount of \$4,371,734, which will be adjusted as pending proposals are approved. Overhead recovered from grants of \$428,958 will offset expenses in the General Fund.

Capital Budget

The proposed capital budget for FY 2008 totals \$2,281,040. The capital budget continues to maintain ALA's property, which includes improvements to the 40 and 50 East Huron buildings. The office/furniture and building improvement portion of the budget totals \$614,642 adding \$55,121 to the depreciation budget. The computer and technology related budget totals \$1,566,398, which results in \$145,866 of depreciation to the operating budget. There is a capital contingency of \$100,000 for unexpected contingencies.

The efforts to reduce future costs by the use of technology are expected to impact the delivery of member services. Movement in this direction is inevitable. As such, there is a serious need to examine our current utilization and perform a future workflow study, which will require a significant amount of time. A three-year reinvestment in the membership management system and related modules, and perhaps an accounting software package, will easily exceed \$3.0 million.

AMERICAN LIBRARY ASSOCIATION
 FY 2008 BUDGETARY CEILING - TOTAL ALA

	General Fund	Divisions	Round Tables	Plant Fund	Grants & Awards	Long Term Investment	Total All Funds	GENERAL FAS 106 RESERVE
Projected Net Asset Balance at end of FY 2007 (Available for Budgetary Ceiling)	759,000	8,348,722	603,147	0	0	0	8,951,869	
Projected Net Asset Balance at end of FY 2007-Operating Reserve (not available for budgetary ceiling)						31,484,137	32,243,137	(14,173,000)
Projected Net Asset Balance at end of FY 2007-Board Designated Reserve (Not Available for Budgetary Ceiling)	685,000					0	685,000	
Total Operating and Board Designated Reserve (not available for budgetary ceiling)	1,444,000					31,484,137	32,928,137	
FY 2008 Budgeted Revenues	29,195,951	16,310,242	340,479	0	4,371,734	1,158,597	51,377,003	
Revenue Transfer:	191,363							
Interest & Dividend trf to G.F.						(191,363)		
Spectrum Interest/Dividends						99,654	99,654	
Spectrum Capital Gain	51,000	20,385	0	0	0	99,654	99,654	
Life Member Dues	(4,665)	4,665	0	0	0	(71,385)		
Continuing Members						0	0	
Total Revenues including Capital Gain Transfer	29,433,649	16,335,292	340,479	0	4,371,734	1,095,157	51,576,311	0
TOTAL ALA BUDGETARY CEILING	29,433,649	24,684,014	943,626	0	4,371,734	1,095,157	60,528,180	0
FY 2008 Budgeted Expenses	14,820,991	5,225,966	2,170	0	611,894	0	20,661,021	
Salary and Benefits	12,772,886	9,884,121	327,967	1,703,849	3,759,840	483,925	28,932,588	
Other	0	0	0	0	0	0	0	
Spectrum Scholarship Expenses	1,703,849	0	0	(1,703,849)	0	175,000	1,300,000	
Plant Fund Transfer	135,923	(135,923)	0	0	0	0	0	
Support To Small Divisions						0	0	
Total Expenses	29,433,649	14,974,164	330,137	0	4,371,734	658,925	49,768,609	1,300,000
FY 2008 Projected Net Revenues (Expenses)	0	1,361,128	10,342	0	0	436,232	1,807,702	(1,300,000)
Capital Gain	0	1,361,128	10,342	0	0	929,897	929,897	
FY 2008 Projected Change in Net Assets		(399,000)	0	0	0	1,366,129	2,737,599	(1,300,000)
Net Assets Transfer	759,000					399,000	0	
Projected Operating Reserve (memo only)	685,000							
Projected Board Designated Reserve (memo only)	1,444,000	9,310,850	613,489	0	0	33,249,266	44,617,605	(15,473,000)
Budgeted Net Asset at end of FY 2008								

AMERICAN LIBRARY ASSOCIATION
FY 2008 BUDGET - TOTAL ALA BUDGET

Spring Presentation: FY 2008 Budget Request	General Fund	Divisions	Round Tables	Plant Fund	Grants & Awards	Long Term Investment	Total All Funds	GE/EAS 106 RESERVE
Revenues	29,195,951	16,310,242	340,479	0	4,371,734	1,158,597	51,377,003	0
Revenue Transfers:								
Interest & Dividend trf to G.F.	191,363	0	0	0	0	(191,363)	0	0
Spectrum Interest/Dividends	0	0	0	0	0	99,654	99,654	0
Spectrum Capital Gain	51,000	20,385	0	0	0	99,654	99,654	0
Life Member Dues	(4,665)	4,665	0	0	0	(71,385)	0	0
Continuing Members						0	0	0
Total Revenues	29,433,649	16,335,292	340,479	0	4,371,734	1,095,157	51,576,311	0
Expenses								
Plant Fund Transfer-Operating	27,729,800	14,974,164	330,137	1,703,849	4,371,734	658,925	49,768,609	1,300,000
Total Expenses	29,433,649	14,974,164	330,137	0	4,371,734	658,925	49,768,609	1,300,000
Net Revenues (Expenses)	0	1,361,128	10,342	0	0	436,232	1,807,702	(1,300,000)
Long Term Investment - Unrealized Gain	0	0	0	0	0	929,897	929,897	0
Total Excess (Deficiency) of Revenue over Exp.	0	1,361,128	10,342	0	0	1,366,129	2,737,599	(1,300,000)
FY 2007 Approved Budget								
Revenues	29,331,059	12,149,073	357,461	0	4,468,247	1,336,864	47,642,704	0
Revenue Transfers:								
Interest & Dividend trf to G.F.	281,446	0	0	0	0	(281,446)	0	0
Spectrum Interest/Dividends	0	0	0	0	0	94,217	94,217	0
Spectrum Capital Gain	52,000	20,865	0	0	0	94,217	94,217	0
Life Member Dues	(4,665)	4,665	0	0	0	(72,865)	0	0
Continuing Members						0	0	0
Total Revenues	29,659,840	12,174,603	357,461	0	4,468,247	1,170,987	47,831,138	0
Expenses								
Plant Fund Transfer-Operating	27,977,193	13,689,218	341,491	1,682,647	4,468,247	621,871	48,780,667	1,900,000
Total Expenses	29,659,840	13,689,218	341,491	0	4,468,247	621,871	48,780,667	1,900,000
Net Revenues (Expenses)	0	(1,514,615)	15,970	0	0	549,116	(949,529)	(1,900,000)
Long Term Investment - Unrealized Gain	0	0	0	0	0	886,344	886,344	0
Total Excess (Deficiency) of Revenue over Exp.	0	(1,514,615)	15,970	0	0	1,435,460	(63,185)	(1,900,000)

American Library Association

FY 2008		GENERAL		DIVISION		ROUND		PLANT		GRANTS &		LONG-TERM		FY 2008	
Rev./	Budget Request	FUND	FUND	FUND	FUND	TABLES	TABLES	FUND	FUND	AWARDS	INVESTMENT	REQUEST	BUDGET	REQUEST	TOTAL
Exp.															
Acct. #	Description														
	Subtotal-Dues	5,856,332	2,783,607	170,014	0	0	0	0	0	0	(71,385)	8,735,568	8,735,568		
	Subtotal-Sales-Net.	5,344,407	474,781	2,200	0	0	0	0	0	0	0	5,818,388	5,818,388		
	Subtotal-Other Sales	598,050	1,367,535	72,800	0	24,000	0	0	0	0	3,500	2,065,385	2,065,385		
	Subtotal-Subscriptions	2,903,877	2,077,041	11,790	0	0	0	0	0	0	0	4,992,708	4,992,708		
	Subtotal-Advertising	4,621,718	1,726,626	8,500	0	0	0	0	0	0	0	6,358,844	6,358,844		
	Subtotal-Meetings & Conf.	7,584,175	5,928,030	42,175	0	98,000	0	0	0	0	0	13,652,380	13,652,380		
	Subtotal-Grants & Awards	0	1,500	0	0	3,774,749	0	0	0	0	0	3,776,219	3,776,219		
	Subtotal-Misc.	2,525,090	1,977,172	33,000	0	475,015	0	0	0	0	2,092,939	7,103,216	7,103,216		
	Total Revenues	29,433,649	16,335,292	340,479	0	4,371,734	0	0	0	0	2,025,054	52,506,208	52,506,208		
	Payroll & Related Exp.	14,820,991	5,225,966	2,170	0	611,894	0	0	0	0	12,500	20,673,521	20,673,521		
	Outside Services	3,296,731	1,437,163	7,107	85,228	845,269	0	0	0	0	275,015	5,946,513	5,946,513		
	Travel and Related Expenses	1,310,463	870,629	1,650	0	236,975	0	0	0	0	1,200	2,420,917	2,420,917		
	Meetings & Conferences	3,184,259	2,168,560	163,625	0	383,757	0	0	0	0	315,725	6,215,926	6,215,926		
	Publication Related Expenses	4,042,610	1,710,368	96,847	0	126,923	0	0	0	0	6,875	5,983,623	5,983,623		
	Operating Expenses	4,506,779	1,286,782	25,225	788,912	1,658,960	0	0	0	0	44,250	8,310,908	8,310,908		
	Total IUTs	(1,434,297)	506,095	16,135	829,709	78,998	0	0	0	0	3,360	0	0		
	Total Direct Expenses	29,727,536	13,205,563	312,759	1,703,849	3,942,776	0	0	0	0	658,925	49,551,408	49,551,408		
	Contribution Margin	(293,887)	3,129,729	27,720	-1,703,849	428,958	0	0	0	0	1,366,129	2,954,800	2,954,800		
	IUT-General Overhead	(2,269,091)	1,822,755	17,378	0	428,958	0	0	0	0	0	0	0		
	Total Expenses Excl. Alloc	27,458,445	15,028,318	330,137	1,703,849	4,371,734	0	0	0	0	658,925	49,551,408	49,551,408		
	IUT-Allocations	1,839,772	(135,923)	0	-1,703,849	0	0	0	0	0	0	0	0		
	Total Exp. Incl. OH & Alloc.	29,298,217	14,892,395	330,137	0	4,371,734	0	0	0	0	658,925	49,551,408	49,551,408		
	Net Rev/(Exp) Before Taxes	135,432	1,442,897	10,342	0	0	0	0	0	0	1,366,129	2,954,800	2,954,800		
	Taxes/Income	135,432	81,769	0	0	0	0	0	0	0	0	217,201	217,201		
	Total Expenses Incl. Taxes	29,433,649	14,974,164	330,137	0	4,371,734	0	0	0	0	658,925	49,768,609	49,768,609		
	Net Rev/(Exp) After Taxes	0	1,361,128	10,342	0	0	0	0	0	0	1,366,129	2,737,599	2,737,599		

TOTAL ALA

American Library Association

Rev./Exp.	FY 2008 Budget Request	GENERAL FUND	DIVISION FUND	ROUND TABLES	PLANT FUND	GRANTS & AWARDS	LONG-TERM INVESTMENT	FY 2008 BUDGET REQUEST TOTAL
Acct. # Description								
4000 Dues/Personal	4,440,337	2,609,914	155,236	0	0	0	0	7,205,487
4001 Dues/Organizational	1,232,910	148,742	8,238	0	0	0	0	1,389,890
4002 Dues-Special	135,750	100	3,500	0	0	0	0	139,350
4003 Dues Life-Members-Current	52,000	19,335	3,040	0	0	-71,385	0	2,990
4004 Dues-Cont. Members & Div Trfr	-4,665	5,516	0	0	0	0	0	851
Subtotal-Dues	5,856,332	2,783,607	170,014	0	0	-71,385	0	8,738,568
4100 Sales/Books	5,701,542	513,364	2,200	0	0	0	0	6,217,106
4601 Returns/Credits	-357,135	-41,583	0	0	0	0	0	-398,718
4620 Contra/Fulfillment Charges	0	0	0	0	0	0	0	0
Subtotal-Sales-Net	5,344,407	471,781	2,200	0	0	0	0	5,818,388
4101 Sales/Ramphlets	4,000	50,500	200	0	0	0	0	54,700
4102 Sales/Audiovisual	0	320	0	0	0	0	0	320
4103 Sales/On-line	180,000	308,085	0	0	0	0	0	488,085
4104 Sales/Rental-Mail Lists	281,000	19,720	0	0	0	0	0	300,720
4105 Sales/Posters	9,000	0	0	0	0	0	0	9,000
4108 Sales/ALA Store	40,000	0	0	0	0	0	0	40,000
4109 Sales/Miscellaneous	84,050	988,910	72,600	0	24,000	3,500	0	1,173,060
Subtotal-Other Sales	598,050	1,367,535	72,800	0	24,000	3,500	0	2,065,885
4110 Subscriptions	2,903,877	2,077,041	11,790	0	0	0	0	4,992,708
Subtotal-Subscriptions	2,903,877	2,077,041	11,790	0	0	0	0	4,992,708
4140 Advertising/Gross	4,693,700	1,762,350	8,500	0	0	0	0	6,464,550
4142 Advertising/Classified	318,000	352,620	0	0	0	0	0	670,620
4611 Comm/Sales Rep.	-134,187	-131,382	0	0	0	0	0	-265,569
4612 Comm/Adv. Agency	-255,795	-254,962	0	0	0	0	0	-510,757
Subtotal-Advertising	4,621,718	1,728,626	8,500	0	0	0	0	6,358,844
4200 Registration Fees	3,033,175	3,213,055	13,250	0	93,000	0	0	6,352,480
4210 Exhibit Space Rent	4,513,250	2,409,500	0	0	0	0	0	6,922,750
4220 Meal Functions	37,750	305,475	28,925	0	5,000	0	0	377,150
Subtotal-Meetings & Conf.	7,584,175	5,928,030	42,175	0	98,000	0	0	13,652,380
4300 Grants & Awards	0	1,500	0	0	3,774,719	0	0	3,776,219
Subtotal-Grants & Awards	0	1,500	0	0	3,774,719	0	0	3,776,219
4400 Donations/Honoraria	354,050	758,500	31,000	0	475,015	319,200	0	1,977,765
4420 Interest/Dividends	841,363	0	0	0	0	738,188	0	1,579,551
4421 Royalties	1,009,152	748,039	500	0	0	3,000	0	1,760,691
4423 L-T Invest. Gain/Unrealized	0	0	0	0	0	1,029,551	0	1,029,551
4429 Overhd-exempt Rev./Division	124,500	116,483	0	0	0	3,000	0	243,983
4430 Misc. Fees	36,000	249,000	0	0	0	0	0	285,000
Subtotal-Misc.	2,525,090	1,977,172	33,000	0	475,015	2,052,939	0	7,103,216
Total Revenues	29,433,649	16,335,292	340,479	0	4,371,734	2,025,054	0	52,506,208

TO ALA

American Library Association

Rev./Exp.	FY 2008 Budget Request	GENERAL FUND	DIVISION FUND	ROUND TABLES	PLANT FUND	GRANTS & AWARDS	LONG-TERM INVESTMENT	FY 2008 BUDGET REQUEST	
								TOTAL	TOTAL
Acct. # Description									
5000 Salaries & Wages	12,168,638	4,097,752	0	0	0	454,482	10,000	16,730,872	16,730,872
5001 Temp Employees-In-House	82,563	3,400	0	0	0	39,130	0	125,093	125,093
5002 Overtime/Wages	96,397	17,448	100	0	0	0	0	113,945	113,945
5005 Attrition Factor	-608,437	0	0	0	0	0	0	-608,437	-608,437
5009 Accrued Vacation	0	1,070	0	0	0	0	0	1,070	1,070
5010 Employee Benefits	2,916,924	1,040,729	15	0	0	118,282	2,500	4,078,450	4,078,450
5015 Tuition/Reimbursement	35,000	0	0	0	0	0	0	35,000	35,000
5016 Prof Memberships	129,906	65,567	2,055	0	0	0	0	197,528	197,528
Payroll & Related Exp.	14,820,991	5,225,966	2,170	0	0	611,894	12,500	20,573,521	20,573,521
5100 Temp Employee/Outside	153,050	87,825	0	0	0	3,000	0	243,875	243,875
5110 Professional Services	1,785,665	1,139,768	5,000	28,340	0	836,439	10,000	3,805,212	3,805,212
5120 Legal Fees	230,000	0	0	0	0	0	0	230,000	230,000
5121 Audit/Tax Fees	120,000	0	0	0	0	0	0	120,000	120,000
5122 Bank Service Fees	321,484	158,445	1,257	28,488	0	390	264,740	774,804	774,804
5140 Repairs/Maintenance	557,142	27,525	0	28,400	0	0	0	613,067	613,067
5150 Messenger Service	123,865	19,150	550	0	0	4,400	75	148,040	148,040
5151 Duplication/Outside	5,525	4,450	300	0	0	1,040	200	11,515	11,515
Outside Services	3,296,731	1,437,163	7,107	85,228	0	845,269	275,015	5,946,513	5,946,513
5210 Transportation	489,975	231,693	950	0	0	62,855	0	785,473	785,473
5212 Lodging & Meals	651,324	401,665	600	0	0	21,270	0	1,074,859	1,074,859
5214 Entertainment	86,800	206,500	0	0	0	44,000	0	337,300	337,300
5216 Business Meetings	82,364	30,771	100	0	0	108,850	1,200	223,285	223,285
Travel and Related Expenses	1,310,463	870,629	1,650	0	0	236,975	1,200	2,420,917	2,420,917
5300 Facilities Rent	527,400	139,890	4,500	0	0	26,650	0	698,440	698,440
Conference/Equipment Rental	169,693	432,815	37,650	0	0	7,000	0	647,158	647,158
5301 Meal Functions	375,920	660,032	71,100	0	0	49,470	4,200	1,160,722	1,160,722
5303 Exhibits	352,690	33,100	2,000	0	0	19,075	0	456,865	456,865
5304 Speaker/Guest Expenses	15,650	100,952	17,920	0	0	10,352	10,200	149,074	149,074
5305 Speaker/Guest Honorarium	51,200	243,550	6,075	0	0	0	11,200	312,025	312,025
5306 Awards	35,950	197,550	15,300	0	0	126,100	289,950	664,850	664,850
5307 Security Services	275,070	32,000	0	0	0	0	0	307,070	307,070
5308 Special Transportation	356,336	12,600	0	0	0	76,985	0	445,921	445,921
Audio Visual Equip/Rental & Labor	689,850	0	0	0	0	34,000	0	723,850	723,850
Computer Rental/Internet Connection	196,000	0	0	0	0	0	0	196,000	196,000
5310 Program Allocation	138,500	266,071	15,080	0	0	34,125	175	453,951	453,951
Meetings & Conferences	3,184,259	2,168,560	163,625	0	0	383,757	315,725	6,215,926	6,215,926
TOTAL ALA									

American Library Association

Rev./Exp.	FY 2008 Budget Request	GENERAL FUND		DIVISION FUND		ROUND TABLES		PLANT FUND		GRANTS & AWARDS		LONG-TERM INVESTMENT		FY 2008 BUDGET REQUEST TOTAL		
		FUND		FUND		FUND		FUND								
Acct. #	Description															
5400	Editorial/Proofreading-O/S	202,845		53,485		500				550				550		257,380
5401	Typesetting/Comprn-O/S	39,504		31,830		1,250				500				500		73,084
5402	Printing-O/S	1,427,127		923,016		65,937				73,100			2,200			2,491,380
5403	Blinding-O/S	114,244		565												114,809
5404	Design Service-O/S	300,440		101,925		400				23,975			2,675			429,415
5406	Review Service	96,370		50												96,420
5410	Mail Service-O/S	193,695		169,227		8,690				700						372,312
5411	Advertising/Space	155,168		79,390		1,750				14,998			1,500			252,826
5412	Advertising/Direct	9,500		14,000												23,500
5413	Mail List Rental	73,300		10,900		270										84,470
5414	Supplies/Production	546,157		112,786		520							500			669,963
5415	Pre-Press/Photo Services	76,946		8,845		160				100						86,051
5416	Adv Production Cost	0		300												300
5420	Copyright Fees	3,870		3,965		370										8,205
5430	Video Manufacturing Cost	72,980		32,145						8,000						113,125
5431	Video Production Cost	0		700						5,000						5,700
5432	Capitalized Production Costs	21,400		8,000												29,400
5433	Order Processing/Fulfillment	627,644		148,673												776,317
5480	Cost of Sales	663,331		40,291		17,000										720,622
5490	Inventory Adjustment	-646,590		-31,725												-678,315
5499	Inventory Reserve Adjustment	64,659		2,000												66,659
	Publication Related Expenses	4,042,610		1,710,368		96,847				126,923			6,875			5,983,623
5030	Staff Recruitment/Relocation	30,000		7,100												37,100
5031	Staff Development	258,612		91,955												350,567
5500	Supplies/Operating	330,044		235,023		3,355				10,725			1,000			580,144
5501	Equipment/Software-Minor	58,556		137,000												195,556
5502	Ref Mats/Periodicals	68,200		36,070												104,270
5510	Insurance	129,513		5,200					63,772							198,485
5520	Equipment Rental/Lease	389,475		46,255						2,500						438,230
5521	Space Rent	1,506		81,640					5,778							88,924
5522	Telephone & Fax/O/S	208,366		24,903		475				100			385			234,229
5523	Postage & E-Mail/O/S	1,498,293		270,211		7,817							430			1,778,026
5525	Utilities	263,414		10,000					19,634							293,048
5530	Depr/Furn & Equipment	867,921		171,788												1,039,709
5531	Depr/Buidling	0		1,206					433,615							434,821
5532	Amortization/Equip Lease	0		0												0
5540	Royalty Expense	443,232		63,679												506,911
5541	Collection Expense	0		0												0
5543	Bad Debt Expense	98,358		35,040												133,398
5544	Interest Expense	0		0					116,759							116,759
5545	Taxes/Property	0		717					97,874							98,591
5550	Promotion	55,600		33,000		900				42,209			7,400			139,109

Rev./Exp. Acct. #	Description	FY 2008		GENERAL FUND	DIVISION FUND	ROUND TABLES	PLANT FUND	GRANTS & AWARDS	LONG-TERM INVESTMENT	FY 2008	
		Budget Request	Exp.							BUDGET REQUEST	TOTAL
5560	Organization Support/Contrib.	35,598	-45,564	7,120	0	330,450	35,064				362,668
5599	Misc.	-229,906	204,899	5,558	51,480	1,271,701	-29				1,303,663
	Operating Expenses	4,506,779	1,286,782	25,225	788,912	1,658,960	44,250				8,310,908
5900	IUT-Marketing	-71,025	9,500	0	0	61,525	0				0
5901	IUT-Prod. Serv./Adm. Fee	-48,010	41,789	1,221	0	5,000	0				0
5902	IUT-IUTS	-29,635	26,870	2,645	0	120	0				0
5903	IUT-Subscription Processing	-25,738	25,738	0	0	0	0				0
5904	IUT-FAX on Demand	0	0	0	0	0	0				0
5905	IUT-Telephone	-26,180	23,045	380	0	2,425	330				0
5906	IUT-Order Billing	-2,127	2,027	100	0	0	0				0
5908	IUT-Maint.	-829,709	0	829,709	0	0	0				0
5909	IUT-Dist. Center	-59,669	43,993	2,150	0	11,606	1,920				0
5910	IUT-Repro.	-119,672	99,604	9,564	0	9,397	1,110				0
	IUT-Copy Editing/Proofreading										
5912		-44,111	44,111	0	0	0	0				0
5913	IUT-Composition/Alteration	-146,804	146,804	0	0	0	0				0
5940	IUT-Registration/Processing	-11,311	11,311	0	0	0	0				0
5941	IUT-CHOICE	0	0	0	0	0	0				0
5942	IUT-Advertising	-35,232	7,157	75	0	28,000	0				0
5999	IUT-Misc.	14,926	24,149	0	0	-39,075	0				0
	Total IUTs	-1,434,297	506,095	16,135	829,709	78,998	3,360				0
	Total Direct Expenses	29,727,536	13,205,563	312,759	1,703,849	3,942,776	658,925				49,551,408
	Contribution Margin	-293,887	3,129,729	27,720	-1,703,849	428,958	1,366,129				2,954,800
5911	IUT-General Overhead	-2,269,091	1,822,755	17,378	0	428,958	0				0
	Total Expenses Excl. Alloc.	27,458,445	15,028,318	330,137	1,703,849	4,371,734	658,925				49,551,408
5998	IUT-Allocations	1,839,772	-135,923	0	-1,703,849	0	0				0
	Total Exp. Incl. OH & Alloc.	29,298,217	14,892,395	330,137	0	4,371,734	658,925				49,551,408
	Net Rev/(Exp) Before Taxes	135,432	1,442,897	10,342	0	0	1,366,129				2,954,800
5600	Taxes/Income	135,432	81,769	0	0	0	0				217,201
	Total Expenses Incl. Taxes	29,433,649	14,974,164	330,137	0	4,371,734	658,925				49,768,609
	Net Rev/(Exp) After Taxes	0	1,361,128	10,342	0	0	1,366,129				2,737,599

TOTAL ALA

