

ALA American Library Association

5-Year Financial Plan FY 2014 Actual through FY 2023 Plan Investment Plan + Growth - Assumptions

Total ALA Revenue Assumptions

1. Publishing
FY 2021 through FY 2023: Revenue growth 3%
2. Conference - based on venue
FY 2019 - Seattle (MW); DC (Annual)
FY 2020 - Philadelphia (MW); Chicago (Annual)
FY 2021 - Indianapolis (MW); Chicago (Annual)
FY 2022 – San Antonio (MW); DC (Annual)
FY 2023 – New Orleans (MW); Chicago (Annual)
3. Membership dues
FY 2019 – \$5 proportional increase
FY 2020 – FY 2023 – 2.5% CPI dues increase
4. Divisions - consistent with prior year actuals, reflecting the see-saw pattern where odd years have one Division conference and even years have two Division conferences
5. Round Tables
FY 2020 through FY 2023 - estimated at \$400k per year based on an average for the prior six years
6. Grants
FY 2020 through FY 2023 – assumed flat from FY 2019 budget
7. **Additional Revenue Growth from Investment Plan:**
 - **Endowment revenue of \$400k from reinvestment from asset sale;**
 - **Contribution/Fundraising of \$300k from Development investments;**
 - **Purchasing “revenue” of \$100k from Corporate Purchasing program;**
 - **New Business Initiatives of \$200k**

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5-Year Financial Plan FY 2015 Actual through FY 2023 Plan SCENARIO 2 Investment Plan + Growth - Assumptions

General Fund Overhead Assumptions

1. Overhead rate is set at 26.5% for FY 2019; this same percentage is used for FY 2020 through FY 2023, for projection purposes
2. Divisions – Average overhead rate for all Divisions combined is 12% for FY 2019.
Overhead is applied as follows:
 - Dues – exempt
 - Publishing revenue (includes Online Continuing Education) – ½ of overhead rate
 - Registration fees – full overhead rate
3. Round Tables - 4% of Round Tables revenue based on the average percentage for FY 2014 through FY 2019
4. Grants – 10% of all General Fund and Division grant revenue based on the average percentage for FY 2014 through FY 2019 plus a 3% increase in the Federal Indirect Cost Rate

General Fund Expenses

This section shows overall increases in General Fund net revenues and overhead. This additional revenue would fund strategic priority initiatives; salary and benefit increases; and inflationary increases.

Beginning in FY 2017, Member and Customer Service expenses are shown separately.

For FY 2020 through FY 2023, expenses are not allocated in this model; only the overall increase is shown.

“Status Quo” scenario assumes no new expenditures in General Fund budget except:

- ***Annual COLA increases of 2%***
- ***Annual health care expense increases of 7%***
- ***Inflation of 2%***
- ***3 Year Investment Plan in IT, Advocacy, and Development***
 - o ***IT Investment Plan investments to be finalized after completion of IT Assessment underway***
- ***Occupancy Savings of \$500k starting FY 2021***
- ***Support Services Savings of \$180k in FY 2020 and \$300k FY 2021 – 23 from automation and outsourcing***

AMERICAN LIBRARY ASSOCIATION
Five-year Projections
FY 2015 Actual through FY 2023 Plan

2018-2019
EBD #14.3
BARC #14.3

ALA Investment Plan

ALAAmericanLibraryAssociation
 5 Year Plan FY 2019-2023

Key Assumptions: - Annual 2% COLA Increase in 2 Conference Years
 - Annual 7% Increase Health Care Expense
 - Inflation 2%
 - Investment Plan Cost Savings + Growth

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018 - 3rd Close	FINAL Budget 2019	Plan 2020	Plan 2021	Plan 2022	Plan 2023
TOTAL ALA										
Publishing - Gross Revenue	\$ 13,219,338	\$ 12,645,125	\$ 11,706,423	\$ 11,025,969	\$ 12,154,000	\$ 11,493,944	\$ 11,808,833	\$ 11,986,484	\$ 12,211,066	\$ 12,386,546
Conference - Gross Revenue	8,288,754	9,305,898	8,349,976	9,404,288	8,975,542	9,445,240	10,095,000	9,995,000	9,900,000	9,900,000
Membership Dues - Gross Revenue	5,459,793	5,415,745	5,515,846	5,294,533	5,369,789	5,391,800	5,485,897	5,596,349	5,710,801	5,908,253
Divisions - Gross Revenue	15,581,358	14,308,907	15,813,475	13,805,979	16,196,739	13,375,007	16,050,409	13,375,007	16,050,409	13,375,007
Round Tables - Gross Revenue	358,256	428,775	434,927	467,454	557,998	408,286	400,000	400,000	400,000	400,000
Grants - Gross Revenue	4,954,945	7,224,274	6,329,463	6,319,708	6,949,124	4,908,021	4,908,021	4,908,021	4,908,021	4,908,021
Interest Income and Investment Earnings	1,449,065	1,780,996	2,104,677	1,879,361	1,948,166	1,779,632	2,000,000	2,000,000	2,000,000	2,000,000
NEW Endowment									400,000	400,000
NEW Fundraising								300,000	300,000	300,000
NEW Purchasing								100,000	100,000	100,000
NEW Business Initiatives								200,000	200,000	200,000
Other (See Note 1 below)										
Total Gross Revenue	\$ 49,906,229	\$ 51,679,590	\$ 50,819,262	\$ 48,808,627	\$ 53,099,420	\$ 47,409,473	\$ 51,355,703	\$ 49,068,404	\$ 52,787,840	\$ 50,485,370
OVERHEAD RATE	24.2%	25.4%	25.9%	26.4%	26.4%	26.5%	26.5%	26.5%	26.5%	26.5%
GENERAL FUND										
Publishing Net Revenue (Before NS Amortization)	\$ 1,544,398	\$ 1,119,674	\$ 841,511	\$ 479,992	\$ 255,994	\$ 189,328	\$ 591,282	\$ 761,929	\$ 1,016,836	\$ 1,263,061
Conference Net Revenue	946,174	747,678	45,871	752,015	308,213	780,756	1,202,120	907,720	1,058,600	1,058,600
Membership Dues, net	5,371,098	5,327,140	5,422,789	5,195,935	5,272,729	5,291,800	5,394,897	5,504,849	5,618,801	5,816,253
Interest Income and Investment Earnings	703,567	1,087,785	1,168,625	1,333,533	1,110,410	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
NEW Endowment									400,000	400,000
NEW Fundraising								300,000	300,000	300,000
NEW Purchasing								100,000	100,000	100,000
NEW Business Initiatives								200,000	200,000	200,000
Existing Biz Growth From Investments								157,135	160,695	164,111
Other	594,721	569,870	564,475	611,335	948,062	607,543	607,543	607,543	607,543	607,543
Total Net Revenue and Income	9,159,958	8,852,148	8,043,271	8,372,810	7,895,408	8,069,427	8,995,842	9,739,176	10,662,475	11,109,568
Publishing Overhead	3,281,959	3,211,500	3,031,812	2,909,301	3,208,656	3,045,893	3,129,341	3,176,418	3,235,932	3,282,435
Conference Overhead	2,005,880	2,363,698	2,162,644	2,482,732	2,347,631	2,494,868	2,675,175	2,542,675	2,623,500	2,623,500
Division Overhead	1,915,659	1,652,971	2,034,562	1,601,847	2,158,095	1,609,286	2,164,009	1,609,286	2,164,009	1,609,286
Round Table Overhead	16,362	16,365	16,348	16,832	18,853	17,761	16,000	16,000	16,000	16,000
Grant Overhead	350,301	413,229	601,115	462,289	570,825	564,534	490,802	490,802	490,802	490,802
Total Overhead	7,570,161	7,657,763	7,846,481	7,473,001	8,304,060	7,732,342	8,475,327	7,835,181	8,530,244	8,022,023
Net Revenue and Overhead	\$ 16,730,119	\$ 16,509,911	\$ 15,889,752	\$ 15,845,811	\$ 16,199,468	\$ 15,801,769	\$ 17,471,169	\$ 17,574,358	\$ 19,192,719	\$ 19,131,590
General Fund Expenses										
Initiatives/Strategic IT Projects					121,374					
COLA/Medical Benefits/CPI							463,853	487,046	757,128	794,984
Investments IT							276,000	1,849,000		
Investments Advocacy							70,000	70,000	70,000	70,000
Investments Development							99,250	115,250	115,250	115,250
Savings Occupancy								(500,000)	(500,000)	(500,000)
Savings Support Services							(180,000)	(300,000)	(300,000)	(300,000)
Savings TBD								(200,000)	(200,000)	(200,000)
Member Programs and Services / Offices	1,737,822	1,869,398	1,955,710	1,969,129	1,887,016	1,955,189	1,955,189	1,955,189	1,955,189	1,955,189
Advocacy and Member Relations Offices	2,860,135	2,699,288	2,965,045	2,202,629	2,036,351	1,946,916	1,946,916	1,946,916	1,946,916	1,946,916
Member and Customer Service				744,816	746,850	750,791	750,791	750,791	750,791	750,791
Washington	2,097,866	2,080,437	2,163,492	2,163,986	2,129,860	2,452,241	2,452,241	2,452,241	2,452,241	2,452,241
Executive Office	2,229,687	2,531,545	2,529,502	2,722,936	2,565,843	3,251,934	3,251,934	3,251,934	3,251,934	3,251,934
ITTS	2,191,999	2,184,708	2,582,281	2,895,515	3,236,197	3,455,991	3,455,991	3,455,991	3,455,991	3,455,991
Finance	1,415,246	1,501,601	1,507,481	1,610,502	1,653,784	1,528,752	1,528,752	1,528,752	1,528,752	1,528,752
Staff Support	321,498	269,519	283,861	249,498	228,443	198,752	198,752	198,752	198,752	198,752
General Administration Expenses	2,668,613	2,584,464	2,600,517	2,620,430	2,496,274	2,671,824	2,671,824	2,671,824	2,671,824	2,671,824
Total General Fund Expenses	\$ 15,522,866	\$ 15,740,870	\$ 16,587,889	\$ 17,179,441	\$ 17,101,992	\$ 18,212,390	\$ 18,941,493	\$ 19,733,686	\$ 18,154,768	\$ 18,192,624
Net General Fund Revenue (Expense) Before NS Amortization	\$ 1,207,253	\$ 769,041	\$ (698,137)	(\$1,333,630)	(\$902,524)	(\$2,410,621)	(\$1,470,325)	(\$2,159,329)	\$1,037,951	\$938,966
Use from Net Assets						\$ 2,410,621	\$ 1,470,325	\$ 2,159,329	\$ -	\$ -
General Fund Net Revenue (Expense)						\$ -	\$ -	\$ -	\$ 1,037,951	\$ 938,966