**ALA** **American Library Association**

**EBD #3.13**

**BARC #3.13**

**Results of Operations**

**FY 2019 - Five Month Financials as of January 31, 2019**

## FY19 Five (5) Month Results (period ending Jan. 31, 2019)
## Executive Summary

The financial results represent five months of activity for FY 2019 as of January 31st, which were electronically issued to unit managers on February 22, 2019.
The following financial summaries highlight actual revenue and expense results compared to the approved budget.
The Management Group prepares a detailed analysis (Department Commentaries), which is submitted to Accounting for review and inclusion in this document.
This summary commentary represents the total ALA, the General Fund departments including: Publishing Services, Support Services, Executive Office/Governance, ALA Offices & Member Relations, as well as the Round Tables and Divisions.

**I A. TOTAL ALA (ALL COMBINED FUNDS)**
**Statement of Revenues and Expenses**
**January 31, 2019**

| TOTAL ALA (ALL COMBINED FUNDS) | 5 Month Actual January 31, 2019 | 5 Month Budget January 31, 2019 | 5 Month Variance January 31, 2019 | Prior Year Actual January 31, 2018 | Difference FY19 - FY18 |
|---|---|---|---|---|---|
| **Total Revenues** | 17,510,755 | 17,118,102 | 392,653 | 17,523,455 | (12,700) |
| **Total Expenses** | 20,613,406 | 20,767,218 | 153,812 | 19,543,409 | (1,069,997) |
| **Net Rev(Exp)** | **(3,102,651)** | **(3,649,116)** | **546,465** | **(2,019,954)** | **(1,082,697)** |

**Revenue**

For the first five months of FY 2019 (period ending January 31st,) ALA realized revenues of $17.5M, beating budget by 2%.  For the same period in FY 2018, total ALA revenues also exceeded projections by 2%.  Within Total ALA, the General Fund and Divisions lagged revenue projections by -6% and -10%, but higher income than projected from Long Term Investments (Endowment), offset the revenue variances elsewhere.  For the same period last year, revenues for the General Fund and Divisions missed projections by -3% and -4% respectively.

**Expenses**

ALA expenses for the five month period were $20.6M, which was a favorable variance from budget of 1%.  For the same period in FY2018, total ALA expenses were 2% below budget, primarily due to production (and revenue) that tracked more closely to projected activity.  Actual expenses were lower than budget for all funds, although final expenses for Seattle Midwinter were not available as of the end of January.

**Net Revenue and Expenses from Operations**

Overall, ALA realized a net expense (or excess of expenses over revenues) of $3.1M for the first 5 months of FY 2019.  This represented a smaller net expense than the budgeted $3.6M net expense by $546k (15% better than budget) for the period.  January FY 2018 results were 25% better than budget.

| REVENUES BY FUND | 5 Month Actual January 31, 2019 | 5 Month Budget January 31, 2019 | 5 Month Variance January 31, 2019 | Prior Year Actual January 31, 2018 | Difference FY19 - FY18 |
|---|---|---|---|---|---|
| General Fund | 9,754,167 | 10,393,334 | (639,167) | 8,102,046 | 1,652,121 |
| Division | 4,001,322 | 4,422,384 | (421,062) | 5,676,752 | (1,675,430) |
| Round Table | 242,035 | 164,826 | 77,209 | 165,443 | 76,592 |
| Grants and Awards | 2,644,089 | 1,827,411 | 816,678 | 2,880,965 | (236,876) |
| Long-Term Investment | 869,142 | 310,147 | 558,995 | 698,249 | 170,893 |
| **Total Revenues** | **17,510,755** | **17,118,102** | **392,653** | **17,523,455** | **(12,700)** |

| EXPENSES BY FUND | 5 Month Actual January 31, 2019 | 5 Month Budget January 31, 2019 | 5 Month Variance January 31, 2019 | Prior Year Actual January 31, 2018 | Difference FY19 - FY18 |
|---|---|---|---|---|---|
| General Fund | 11,722,822 | 12,559,564 | 836,742 | 9,928,470 | (1,794,352) |
| Division | 5,602,964 | 5,599,493 | (3,471) | 6,194,259 | 591,295 |
| Round Table | 130,510 | 160,669 | 30,159 | 41,333 | (89,177) |
| Plant Fund | 0 | 0 | 0 | 0 | |
| Grants and Awards | 2,644,089 | 1,827,411 | (816,678) | 2,880,965 | 236,876 |
| Long-Term Investment | 513,021 | 620,081 | 107,060 | 498,382 | (14,639) |
| **Total Expenses** | **20,613,406** | **20,767,218** | **153,812** | **19,543,409** | **(1,069,997)** |

| NET REVENUES(EXPENSES) | 5 Month Actual January 31, 2019 | 5 Month Budget January 31, 2019 | 5 Month Variance January 31, 2019 | Prior Year Actual January 31, 2018 | Difference FY19 - FY18 |
|---|---|---|---|---|---|
| General Fund | (1,968,655) | (2,166,230) | 197,575 | (1,826,424) | (142,231) |
| Division | (1,601,642) | (1,177,109) | (424,533) | (517,507) | (1,084,135) |
| Round Table | 111,525 | 4,157 | 107,368 | 124,110 | (12,585) |
| Plant Fund | 0 | 0 | 0 | | |
| Grants and Awards | 0 | 0 | 0 | 0 | 0 |
| Long-Term Investment | 356,121 | (309,934) | 666,055 | 199,867 | 156,254 |
| **Total Net Revenues(Expenses)** | **(3,102,651)** | **(3,649,116)** | **546,465** | **(2,019,954)** | **(1,082,697)** |

## I B. TOTAL ALA
### STATEMENT OF FINANCIAL POSITION
### As Of January 31, 2019

| TOTAL ALA | January 31, 2019 | January 31, 2018 | Change | Change % |
|---|---|---|---|---|
| **Total Assets** | $79,669,620 | $79,756,370 | ($86,750) | -0.1% |
| **Total Liabilities** | $38,559,593 | $38,820,083 | ($260,490) | -0.7% |
| **Net Assets** | $41,110,027 | $40,936,287 | $173,740 | 0.4% |

**Total Assets**

Total ALA assets as of January FY2019 were $79.7M, roughly stable from the same month in FY2018. Cash (including funds in the short-term working capital account) was $1.1M (-10.9%) lower due to the spend down (one conference) year as well as net asset decreases related to FY2019 investments. Decreases in Fixed and Intangible Assets were due to scheduled depreciation and amortization of those assets. The net increase in Long Term Investment assets from prior year was due both to Endowment performance as well as advanced funding received for the Gates Foundation Legacy grant.

**Total Liabilities**

Total ALA liabilities likewise remained stable from the same month in FY2018 at $38.6M. The largest changes included a decrease in the Post-Retirement Health Care program liability, a decrease in the outstanding balance on ALA's Chase term loan, and decreases in Deferred Conference revenues. Deferred Grant revenue liability increased with the advanced receipt of Gates Legacy funds; this liability, and related funding, will decrease as activity related to the grant occurs.

**Net Assets**

As a result of the changes described above, Total ALA Net Assets increased slightly by $174k (0.4%) from $40.9M as of January 31, 2018 to $41.1M as of January 31, 2019.

| ASSETS | January 31, 2019 | January 31, 2018 | Change | Change % |
|---|---|---|---|---|
| Cash | 1,906,258 | 3,541,272 | (1,635,014) | -46.2% |
| Short-Term Investment | 8,871,292 | 8,408,312 | 462,980 | 5.5% |
| Accounts Receivable, Net | 2,607,604 | 3,473,536 | (865,932) | -24.9% |
| Grants Receivable | 693,691 | 506,413 | 187,278 | 37.0% |
| Inventories, Net | 1,625,900 | 1,739,805 | (113,905) | -6.5% |
| Prepaid Expenses | 743,403 | 1,778,094 | (1,034,691) | -58.2% |
| APA Receivable | 0 | 41,457 | (41,457) | -100.0% |
| Total Current Assets | 16,448,149 | 19,488,889 | (3,040,740) | -15.6% |
| Goodwill | 1,000,000 | 1,000,000 | 0 | 0.0% |
| Intangible Assets, Net | 597,190 | 895,381 | (298,191) | -33.3% |
| Fixed Assets, Net | 11,205,926 | 10,924,452 | 281,474 | 2.6% |
| Long-Term Investment | 50,419,728 | 47,449,021 | 2,970,707 | 6.3% |
| Due To/From | (1,373) | (1,373) | 0 | 0.0% |
| Total Noncurrent Assets | 63,221,471 | 60,267,481 | 2,953,990 | 4.9% |
| **Total Assets** | **79,669,620** | **79,756,370** | **(86,750)** | **-0.1%** |

| LIABILITIES | January 31, 2019 | January 31, 2018 | Change | Change % |
|---|---|---|---|---|
| Current Portion, L-T Debt | 1,100,000 | 1,200,000 | (100,000) | -8.3% |
| Accounts Payable | 1,958,800 | 2,106,870 | (148,070) | -7.0% |
| Accrued Payroll | 291,398 | 251,957 | 39,441 | 15.7% |
| Deferred Membership | 4,324,532 | 4,516,450 | (191,918) | -4.2% |
| Deferred Subscriptions | 2,893,691 | 2,825,712 | 67,979 | 2.4% |
| Deferred Conferences | 4,876,187 | 8,005,199 | (3,129,012) | -39.1% |
| Grants and Awards | 14,021,584 | 5,746,977 | 8,274,607 | 144.0% |
| Total Current Liabilities | 29,466,193 | 24,653,165 | 4,813,028 | 19.5% |
| Post Retirement Benefits | 7,193,399 | 12,166,918 | (4,973,519) | -40.9% |
| Line of Credit | 1,000,000 | 0 | 1,000,000 | |
| Long-Term Debts | 900,000 | 2,000,000 | (1,100,000) | -55.0% |
| Total Noncurrent Liabilities | 9,093,400 | 14,166,918 | (5,073,518) | -35.8% |
| **Total Liabilities** | **38,559,593** | **38,820,083** | **(260,490)** | **-0.7%** |

| | | | | |
|---|---|---|---|---|
| FUND BALANCE | **41,110,027** | **40,936,287** | **173,740** | **0.4%** |

| | | | | |
|---|---|---|---|---|
| TOTAL LIAB./FUND BAL | **79,669,620** | **79,756,370** | **(86,750)** | **-0.1%** |

## II A General Fund

### Statement of Revenues and Expenses by Department

### As ( January 31, 2019

| CONTRIBUTION | Year-To-Date Actual | Year-To-Date Budget | Year-To-Date Variance | Variance % | Prior Year Actual | Change FY19 - FY18 |
|---|---|---|---|---|---|---|
| **Membership Dues Net Revenue** | 2,155,642 | 2,204,917 | (49,275) | -2% | 2,153,122 | 2,520 |
| **Publishing Contribution - Overhead** | 1,184,298 | 1,275,855 | (91,557) | -7% | 1,347,725 | (163,427) |
| **Publishing Contribution - Net Revenues** | 229,540 | 402,017 | (172,477) | -43% | 577,281 | (347,741) |
| **Conference Contribution - Overhead** | 646,513 | 674,955 | (28,442) | -4% | (247) | 646,760 |
| **Conference Contribution - Net Revenues** | (196,776) | (201,053) | 4,277 | -2% | (482,672) | 285,896 |
| **Division Overhead** | 360,101 | 445,571 | (85,470) | -19% | 695,550 | (335,449) |
| **Round Table Overhead** | 8,037 | 7,400 | 637 | 9% | 7,735 | 302 |
| **Grant Overhead** | 246,563 | 231,234 | 15,329 | 7% | 139,921 | 106,642 |
| **Interest Income** | 357,990 | 500,000 | (142,010) | -28% | 477,331 | (119,341) |
| **AOMR** | 166,898 | 148,612 | 18,286 | 12% | 155,209 | 11,689 |
| **Mail List** | 10,101 | 33,333 | (23,232) | -70% | 12,841 | (2,740) |
| **Executive Office** | 81,572 | 72,755 | 8,817 | 12% | 147,231 | (65,659) |
| **Washington Office & Advocacy** | 2,202 | 500 | 1,702 | 340% | 1,347 | 855 |
| **Total Contribution to General Fund** | **5,252,684** | **5,796,096** | **(543,412)** | **-9.4%** | **5,232,374** | **20,310** |

**CONTRIBUTION**

**Total General Fund**

As of January 31, 2019, total Contribution to the General Fund was $5.3M, which fell short of budgeted contribution of $5.8M for the period by $543k (-9.4%.) The amount realized as of January 2019 is roughly equal to contribution realized in the same period in FY2018. ***Please see the Department Commentary section for more details by unit.***

## Membership

**General Member Dues**. For the 5 month period, Member Dues revenue of $2.2M lagged slightly behind budget by 2%.

Total ALA membership as of February 2019 was 58,721 versus 58,826 members as of February 2018, roughly holding steady from last year.

## Publishing

The **Publishing department, which includes ALA Editions, Neal Schuman, TechSource, Digital Reference, Graphics, Booklist, and American Libraries**, earned total revenues of $4.5M as of January FY2019, versus budgeted total revenues of $4.8M. This resulted in total contribution from Publishing to the General Fund of $1.4M versus budgeted contribution of $1.7M, a difference of $(264k.) Operational details for the difference, primarily stemming from ALA Editions and ALA eLearning, are found in the Department Commentary.

## Conferences

**Conferences includes the financial results from the Midwinter Meeting and Annual Conference**. As January 2019, revenues from Midwinter in Seattle were $2.5M versus budgeted revenues of $2.6M. While registration revenues were stronger than budgeted, exhibitor sales revenue missed expectations. This led to $(24k) less in contribution to the General Fund. As of January, all Conference related expenses were not yet tallied.

## Divisions

**Division Overhead is the amount contributed to the General Fund based on qualifying revenues and the overhead rate established for that year.** For the 11 Divisions, overhead contributed was $(28k) less than budgeted due to lower revenues in selected Divisions. See the Divisions section for more detail.

## Interest income

Interest income earned by ALA was $358k, which was below budget by $142k, due to lower than projected cash balances related to revenue variances, investment budget spending, and ALA's spend down year.

| EXPENSES | Year-To-Date Actual | Year-To-Date Budget | Year-To-Date Variance | Variance % | Prior Year Actual | Change FY19 - FY18 |
|---|---|---|---|---|---|---|
| **AOMR** | 1,358,069 | 1,370,701 | 12,632 | 0.9% | 1,663,086 | 305,017 |
| **Washington Office** | 1,037,687 | 1,079,658 | 41,971 | 3.9% | 1,003,634 | (34,053) |
| **Executive Office** | 1,163,676 | 1,239,296 | 75,620 | 6.1% | 948,275 | (215,401) |
| **ITTS** | 1,328,061 | 1,418,708 | 90,647 | 6.4% | 1,247,081 | (80,980) |
| **Human Resources** | 381,641 | 306,314 | (75,327) | -24.6% | 405,065 | 23,424 |
| **Finance and Staff Support** | 737,811 | 713,429 | (24,382) | -3.4% | 792,994 | 55,183 |
| **General Administration** | 1,214,394 | 1,159,264 | (55,130) | -4.8% | 998,662 | (215,732) |
| **Total General Fund Expenses** | **7,221,339** | **7,287,370** | **66,031** | **0.9%** | **7,058,797** | **(162,542)** |
| | | | | | | |
| **Operating Net Revenue** | **(1,968,655)** | **(1,491,274)** | **(477,381)** | | **(1,826,423)** | **(142,232)** |

**EXPENSES**

As of January 2019, the General Fund incurred expenses of $7.2M, which was $66k (1%) less than budget. This was primarily due to later than anticipated new staff hires in the Development office and change stream consulting study implementation expenses. HR expenses were higher than anticipated due to two staff diversity events that were not originally budgeted.

**Operating Net Revenue**

For the first 5 months of FY2019, the General Fund generated an Operating Net Expense of $2M versus a budgeted next expense of $1.5M, a variance of $(477k).

**III. Department Commentary - FY18 Results (as of January 31, 2019)**

**<u>Publishing</u>**

**ALA Publishing FY19 Performance Commentary**

| ALA Publishing | YTD Budget | YTD Actual | $ and % Variance YTD Actual/Budget | Full year budget | FY19 full year projection |
|---|---|---|---|---|---|
| Total Revenues | 4,814,551 | 4,469,050 | -354,500/ -7% | 11,493,944 | 10,932,696 |
| Total Expenses | 4,522,651 | 4,327,605 | 195,046/ 4% | 11,568,899 | 11,404,479 |
| Overhead | 1,275,855 | 1,184,298 | -91,557/ -7% | 3,045,893 | 2,883,521 |

**Top takeaways:**
•Publishing growth is non-linear, with peaks supported by occasional standout products, opportunities, and timing, and valleys that may represent the more sustainable level of activity. We are working on right-sizing goals to reflect that realistic sustainability in all units for FY20 and for the ALA five-year plan.
•Several units are projecting stronger sales in the second half of FY19.
•FY20 is shaping up to be a stronger year in several units, with some significant opportunities.
•Non-fixed expenses continue to be controlled to help balance net revenue shortfalls.
•Throughout the department, we continue to focus on efforts to add and develop productive collaborations, both internal to ALA and external, and to increase the size of average orders through bulk sales and working with larger entities.
•American Libraries is having a strong year with revenues 5% ($17,684) above budget and the subscription equivalent subsidy required from the General Administration budget $75,092 less than projected.
•Booklist is slightly ahead YTD and projects ending the year around 1% under in revenue and 1% over in expenses. The revenue shortfall will be due mostly to a decline in subscription revenue. Advertising and licensing continue unpredictable and volatile, but creative approaches are helping sustain sales.
•ALA Editions/Neal-Schuman core business is 16% ($195,749) under YTD revenue projection due largely to major projects not landing as projected and some newer titles performing less well than budgeted.
•AASL Standards had a strong first few months but are projected to be $40,000 below revenue budget by the end of FY19. Standards sell well in their first year, decreasing in the second year and thereafter, and projection in advance of the second year is a challenge.
•eLearning registrations are 36% below budget and strategies to narrow the gap include increased internal collaboration and partnerships, bundled sales, as well as a longer-term examination of realistic goals. Increased competition in the space (internal and external) and less money available for professional development are major factors in the shortfall.
•RDA 3R project was delayed by late delivery of content (outside ALA control) which impacted subscription expectations (as well as related print products in ALA Editions). FY20 should be the turnaround year with the planned completion and launch bringing increased US and international opportunities and activity.
•ALA Graphics is 18% ($47,538) below budget, with several formerly strong annual revenue streams performing less well each year. Sales are expected to improve in the second half of FY19, with a strong line-up of new products and a new licensing deal. This is another unit where we are working on setting more sustainable goals.

**ALA Editions/Neal-Schuman/AASL (301)**

- Through January Editions/Neal-Schuman total revenue was down 16% against FY19 budget (-$190,995). We anticipate stronger sales in Q3 and Q4, but do not expect to be able to completely cover the current FY19 shortfall. Total expenses for the unit were running 11% ($157,892) below budget YTD.
- The AASL Standards project total revenue was running -1% (-$2,504) below budget. However, although this was nearly spot-on with the YTD projection, the trend is downward for the last several months and we anticipate FY19 revenue from the standards will be $40,000 below budget.
- Controlling expenses has helped to keep net to an overall variance of $35,608 below budget through January. The YTD and projected FY19 sales shortfall is primarily attributable to the loss of six strong sellers from the FY19 list. The RDA 3R project was delayed, thus removing three big sellers from our originally planned FY19 product line. Three other key titles have also slipped in their anticipated manuscript delivery. Fortunately, all of these titles are only delayed, not lost, and will contribute to the FY20 budget.
- We expect sales revenue to improve in Q3-Q4 because 25 titles are slated to release in the March-May time period that will all be available by Annual Conference (one of our key marketing opportunities). We have also recently introduced a new line of patron-facing, readers advisory grab-and-go genre pamphlets. There are currently six pamphlets in the product line and we will soon be adding four based on the Carnegie, Caldecott, and Newbery award winners. These products are just beginning to be introduced through a carefully designed marketing rollout that we hope will have a notable impact beginning in the summer or early in the fall. Due to the nature of these products, we expect they could have significant long-term sales potential, but do not yet have enough sales data to confirm the potential or sales projections.

**Booklist (302)**

| | BUDGET YTD | ACTUAL YTD | VARIANCE |
|---|---|---|---|
| TOTAL REVENUE | $1,993,689 | $1,994,838 | $1,149 |
| TOTAL EXPENSES | $1,572,921 | $1,544,022 | $28,899 |
| OVERHEAD | $528,328 | $528,632 | $305 |
| NET REVENUE | $420,768 | $450,816 | $30,048 |

**Significant Revenue Variances/Year-End Projections:**
•Although gross advertising is on target through January and should remain close to target at year end, the market continues to be volatile as advertisers move from print to other, typically lower-cost products. Print sales are significantly down for the period February through May and likely will continue to be down June through August. We have been able to largely offset these losses through vigorous sales of special projects, e.g., multiplatform campaigns around a theme (Middle Grade Mania in April, Graphic Novels Month in July), which is very good news for FY19. But in planning for advertising sales moving forward, we must take into account declining print sales and the need to replace those dollars with new products and services that may require substantial investment.
•The ongoing decline in print subscriptions also involves the general turning away from print products evident throughout the library world and the magazine industry, but it is more damaging as it also reflects the inability of most school libraries to afford selection tools. We are currently running about 5% less than budget in print subscription revenue and should finish the year at about the same percentage under. This rate of loss is no greater than that experienced by our competitors. It is important to recognize, however, that as print subscriptions have declined over the last 20 years, licensing revenue has increased, reflecting the fact that many libraries now access our content through vendor databases (Baker & Taylor, et al.), all of whom pay us to include our reviews in their products.
•By moving from a deferred revenue subscription model to an annual licensing model for sales of Booklist Online unlimited use access, we have increased revenue and reduced expenses. By recognizing all the money being held in a deferred account in FY19 ($33,000), and by booking total annual fees as we receive them from February forward, we will finish the year about $40,000 better than budget. And we will save $1,000 per month by bringing fulfillment in-house.
Significant Expense Variance/Year End Projections:
•With two open positions from September to March, we have realized significant salary savings thus far in the year. Those positions have now been filled, however, and the rate of savings will decrease through the rest of the year; additional job changes in the second half of the year will further affect salary savings.

**Significant Expense Variance/Year End Projections:**
•With two open positions from September to March, we have realized significant salary savings thus far in the year. Those positions have now been filled, however, and the rate of savings will decrease through the rest of the year; additional job changes in the second half of the year will further affect salary savings.
•Total expenses for the year should be within 1 percent of budget except for attrition.
**Year-End Projections, Revenue, Overhead, and Net Revenue:**
•Total revenues will finish the year $32,902 or 1 percent less than budget, due to print subscriptions.
•Total expenses will finish the year $32,497 or 1 percent over budget, largely due to salaries/attrition.
•Overhead will finish the year $13,326 or 1 percent less than budget.
•Net revenues will finish the year $65,398 or 7 percent less than budget.

**American Libraries (303) FY18 Performance Commentary**

Total revenues through January were $17,684 (5%) better than budget, led primarily by stronger than expected gross advertising sales in Special Deliveries eblasts. By contrast, eblasts had performed poorly in FY18, pointing to the unpredictable year-to-year swings of the advertising market. Classified advertising, ALA JobLIST, was $12,110 better than budget, and we expect it to end FY19 at or slightly ahead of budget. The second half of the fiscal year should see robust sales, led in part by the advertising strength of our June conference issue and commitments lined up for sponsorships of our Emerging Leaders feature, webinars, and podcasts, as well as new custom content opportunities. We continue to prospect new advertisers and build on developing relationships with current advertisers. Expenses before overhead and taxes were $62,096 (14%) below budget in large part due to open positions; unused freelance expenses because not as many assignments have been commissioned with fewer personnel; and smaller issues of the magazine. ALA's contribution through the subscription equivalent is $75,092 less than projected year-to-date—favorably helping the FY19 General Fund budget by that amount.

**RDA/Digital Reference (305)**

Subscriptions to RDA Toolkit, the primary revenue source for ALA Digital Reference, are running 9% behind budget. Two factors are largely responsible:
•Decreased revenue from LIS subscriptions. LIS pricing was significantly lowered in January 2018 based on input from LIS programs to encourage usage of RDA Toolkit in the cataloging classrooms—building future users and reliance on/familiarity with RDA—and bring in new LIS subscriptions.  While some loss of revenue was projected, we expected that to be partially offset by increased LIS subscriptions. This has not happened, and we are evaluating our efforts, including marketing and targeted outreach, to encourage better participation and to review the pricing offer.
•Delay of the completion of the RDA Toolkit redesign, known as the 3R Project. The FY19 subscription revenue projection was based on an expected surge after completion of the 3R Project, expected in FY19. The complexity of the project (only a small part of which is within ALA control) has pushed the full rollout of the site to late 2019. As a result of the delay, the uptick in subscriptions has not happened. It has become clear that users are waiting for the changes to the standard and the website to be completed before investing in new or larger subscriptions. Intense planning is underway to ensure that we maximize the launch of the new site in FY20.

**ALA Publishing eLearning Solutions (308)**

Total revenue as of January was 26% ($89,042) below budget. The primary cause of this shortfall is low eLearning registrations—sales are at $173,982, 36% ($98,530) below budget. Subscription sales for Library Technology Reports and Smart Libraries Newsletter are 11% ($8,110) behind budget. Advertising revenue will be on budget once all related IUTs are processed. Single issue sales for Library Technology Reports are 51% ($4,004) ahead and discounts (negative revenue) are 99% ($18,106) ahead of budget.

eLearning Sales are down for three primary reasons:
•Increased external competition and content overlap within ALA—including more free content from both.
•An industry-wide decline in eLearning sales.
•A "back-loaded" FY19 schedule, meaning several of our strongest-selling items will be offered in the second half of the fiscal year.
Plans to turn around the revenue include: focusing on customization opportunities; partnering with additional ALA units to deliver their eLearning; working with more big customers (library systems, state-level organizations etc.); building coherence among multiple offerings to increase revenue-per-registration; and staying focused on targeted marketing. We are projecting lower registration revenue for FY20 in an effort to "right-size" the goal.

We anticipate modest progress toward closing the current gap to finish the year at 22% ($179,425) behind total budgeted revenue. We are seeing progress since January—our February sales were $50,570 (95% of budget) and we expect an expense offset of several thousand dollars from our RUSA partnership in the February close. A bundled project beginning in March has already generated over $19,000 in revenue, far exceeding our expectation of $5,000 and outselling previous bundles by $10,000. The unit is on target to meet March sales goals.
Expenses are 4% ($7,604) below budget due to lower-than expected costs in production, printing and e-mail services, and we continue to work on expense control where possible. We anticipate that we will finish the year around 12% ($89,888) underspent on total expenses—partly due to cost-cutting measures and partly due to lower-than-budget order processing and fulfillment costs resulting from lower sales.

**ALA Graphics (313)**

Total revenues through January are $47,538 lower than budget. We anticipate ending FY19 with $76,890 (11%) less than total revenue budgeted. Factors for the shortfall include:
•A decline in number of orders (average 140 fewer orders per month compared with FY18)
•A decrease in the average order amount (currently $76.43, down from $78.78 in FY18).
•Lower AASL Standards product sales
•Less support and fewer sales for National Library Week
•An anticipated revenue shortfall due to the elimination of YALSA's Teen Read Week which normally launches in April with sales peaking in August.
Sales should improve in the second half of FY19 due to two factors:
•A strong line of more than 25 new products in the fall catalog which mails in early April and includes Library Card Sign-up Month (LCSUM) materials featuring Disney/Pixar's Toy Story, with an increased number of LCSUM products to capitalize on the growing popularity of the event and Toy Story partnership.
•A new licensing deal. Graphics is expanding its collaboration with Out of Print Clothing and in July will begin receiving additional royalties from a joint Star Wars/ALA READ licensing program.
We project saving approximately $6,000 in expenses. We have reformatted the ALA Graphics catalog from 8" x 10" to a "Slim Jim" size of 6.5" x 10" which will save us around $8,000 in postage. Order Processing/Fulfillment is running high at 21.3% as is shipping/handling at 18.5% but we anticipate these ratios dropping slightly with larger orders in the second half of FY19. We are investigating cost-cutting measures with PBD, our fulfilment vendor. Additionally, with the expected larger orders, the gap between shipping expense and recovery should decrease, as shipping/handling is projected to increase from -13.6% and be closer to FY18's year-end ratio of -14.3%.

Special note: Per an ALA management decision, we have addressed a long-time Inventory Reserve Adjustment lag and will end the year with an unbudgeted $28,000 expense for destroying and writing off obsolete inventory.

**January 2019 Year-to-Date Financial Report:**
**EXECUTIVE OFFICE**

**Departmental Overview**

Results for the first five months of FY2019 are challenging – with some indications of improvement in the remaining months of the fiscal year.
•Working with January numbers, several units have reporting "timing" issues, most of which will end up on or close to target by year-end. In some cases, this is the result of the timing of inter-unit transfers of revenues (e.g. from ALA Publishing to AASL). In other cases, it represents the time required to process Midwinter-related expenses or revenues.
•Conference Services came very close to their gross revenue target for the Midwinter Meeting (Seattle), with revenues of $2,558,164 against a YTD target of $2,577,000 – and FY2018 actual revenues of $2,457,796. Notably, the FY19 MW surpassed its registration target. On the other hand, the expenses were well ahead of budget, at $2,874,023 against a YTD budget of $2,551,847. The major factors in the expense overage were security, related to the unique structure of the WSCC, and AV support, related to the higher than usual reliance on hotel (vs. WSCC) meeting space. The Overhead contribution to the General Fund was close to budget at $642,647 (vs. the budgeted $674,955), since Overhead is based on gross revenue.
•ACRL is poised for a successful conference in April 2019. AASL has now (February) opened registration for its November 2019 (FY2020) conference.
•IT is incorporating a significant investment and expects to end the year on budget. Work to date in FY2019 includes Phase II of the new eStore and Phase I implementation of Salesforce, to track relationship information in Advocacy and Development.
•The AASL Board of Directors anticipates approving a new strategic plan for the Division at the 2019 ALA Annual Conference.
•Multiple units, including Choice, are reporting below-target performance in print advertising, making this an area to watch.
•Choice also reported an "unbudgeted write-down" in capitalized and prepaid expenses related to work on a proposed, but subsequently discontinued, discovery and evaluation service for open educational resources.
•Overall, continuing education is performing close to budget, with several units anticipating increased course volume in the coming months
•PLA reported both a sponsorship from Capital One (in the PLA Partners project) and a credit to expenses from PLA's share of Google grant funding (joint project with the ALA Washington Office). PLA continues to manage a significant volume of grants.

**ALA General Fund Units**
**Conference Services**
**-- Midwinter [NOTE: These are February results – not January.]**

| | FY19 Actual | FY19 Budget | Variance | FY18 Actual | FY19 Total Budget |
|---|---|---|---|---|---|
| Revenues | $ 2,558,164 | $ 2,577,000 | -$ 18,836 | $ 2,457,796 | $ 2,577.000 |
| Expenses | $ 2,874,023 | $ 2,551,847 | -$ 322,176 | $ 2,581,158 | $ 2,653,388 |
| Net | -$ 315,859 | $ 25,153 | -$ 341,012 | -$ 123,361 | -$76,388 |

**Conference Services: ALA Midwinter Meeting**
•The 2019 Midwinter Meeting (Seattle) showed a year-over-year improvement on the revenue side, with registration revenue 16% better than budget and exhibit space sales only -9% -- overall, these two revenue streams balanced out to a -2% variance. The largest variance (-25%) was in advertising, consistent with results being reported elsewhere for advertising.
•There were moderate variances—both under and over budget – throughout, within normal ranges. Two major expense variations need to be specifically called out. Security ended over budget by a 31%, after significant negotiation. This problem area was identified early in the MW implementation process and relates to the unique structure of the WSCC. The largest variance was not anticipated and the process of forensic post-event analysis is still in process. AV was off by a staggering 339,339% -- at $731,839 against a budget of $392,500. The major factor is a higher than anticipated number of meetings scheduled in hotel (vs. WSCC) space. Additional analysis may uncover other issues.
•Overhead contribution to the ALA General Fund was $642,647., close to the budgeted $674,955. Overhead contribution is returned to the General Fund based on gross revenues.

**Conference Services: ALA Annual Conference**
- Conference Services is still projecting an on-target performance for the Annual Conference.

**ITTS**

| YTD Budget | YTD Actual | Variance | Variance% | Remaining Current Budget |
|---|---|---|---|---|
| 1,418,708 | 1,328,061 | 90,647 | 6% | 2,127,930 |

•At the end of January 2019, ITTS expenses are 6% or $90,647 under budget.
•The Wages and Temporary Employees line is over budget by 38,264 due to two contract employees: a full time trainer to replace Pam Akins and a part time quality assurance tester for multiple systems.
•Professional services and software maintenance are under budget due to timing issues.
•Depreciation expense is high due to eCommerce expenses for Dues, Donations, eStore, and eLearning systems.
•ITTS resources are currently being used on phase II of the Dues and Donation eCommerce system, Phase II of the new eStore, the new eLearning eCommerce system, the new SalesForce implementation for tracking Advocacy Relationships and Development Tracking, the ALA Connect system, and infrastructure expansion implementations.
•While we are currently 6% under budget, we expect to end the fiscal year approximately $50,000 over budget. That variance will be primarily because of contract position expenses.

## Executive Office

The Executive Office is close to budget at -$451,711 against a YTD budget of -$456,287.

## Center for the Future of Libraries

| | YTD Actual | YTD Budget | Variance | Variance% | Remaining Budget |
|---|---|---|---|---|---|
| Total Revenues | 3,564 | 4,167 | -603 | -14% | 6,436 |
| Total Expenses | 68,773 | 85,997 | 17,224 | 20% | 121,340 |

•Net revenues for the first five months of FY 2019 were $3,561, which is 14% short of budget. Donations/Honoraria revenue from presentations is expected to perform on budget for the year but lags due to invoicing and turn-around time. The Center has confirmed projects through June that should ensure an end of year revenue slightly ahead of budget.
•Total expenses for the first five months of FY 2019 were $68,773, which is 20% under budget. Most of those savings are realized in Professional Services, Transportation, and Lodging & Meals. Professional Services will likely remain under budget as the Center and its Advisory Group re-examine certain programs. Transportation and Lodging and Meals lines will remain under budget as the Center limits non-reimbursed travel. The Center is also carrying $3,500 in expenses that will be reimbursed by the end of the year. The Center expects to finish FY 2019 under budget.

### Communications and Marketing Office

•CMO is ahead of budget at the end of 5 months. Modest budgeted revenues are lagging behind budget ($3,391 compared to a YTD budget of $6,800). Expenses are ahead of budget at $224,663 against a YTD budget of $177,062 and prior year YTD actual of $188,455. CMO is running ahead of budget in salary/related and professional services, with most other expense lines under budget.
We have expended funds that were not projected for a temporary employee to help support the office through the Midwinter Meeting, due to unplanned absence of our Communication and Outreach Project Manager. All other expenses are on track. A majority of expenses hit after the Midwinter Meeting, and those are not accounted for in this report.

### Development Office

•The operating budget for the Development Office is better than budget on a net basis. Revenue from donations/honoraria (budgeted at $55,000 for the fiscal year) is $24,500, against a YTD budget of $27,000. On the expense side, payroll/related expenses are below budget, due to hiring delays; the Development Office is, however, now fully staffed. The budget for Temporary Staff is showing an unbudgeted $18,735, though the Professional Services area is under budget. Most other expense areas are close to budget. [Note: Donations revenue generated by the Development Office is booked elsewhere.]
Direct Expenses are close to budget. Allocations to FTRF have not yet been processed ($43,818). On a net basis, OIF is currently ($261,696) against a target of ($171,675).

### International Relations Office/Chapter Relations Office

•Both IRO and CRO are running behind budget at this point (28% for IRO and 11% for CRO). Both expect to end the year on target. The FY2019 Sharjah Library Conference slightly exceed revenue expectations (by $3,500).

**WASHINGTON OFFICE FINANCIAL SUMMARY**
**January 2019**

**Washington Office Operations** is shown as $44 over budget for the month of January but 4% ($13,264) under budget for year to date expenses. The largest variance of expenditures occurred in the temporary employees line item totaling $10,302 over budget. An Administrative Assistance position was vacant longer than planned and a temporary staff was hired during the period of September through January. Though the line item reflects an overage, the amount is offset by savings in the salaries and wages line item. The AED for the Washington Office continues to travel extensively on advocacy outreach and Headquarters visits. Monthly estimates on travel and lodging expenditures are best guesses and do not always conform to a set pattern. However, other expenditures are within planned budget thus far and the Washington Office is expected to end the fiscal year within budget.

**Public Policy and Advocacy** is shown as $15,920 under budget for the month of January and 2% ($14,232) under budget on year to date expenditure. The largest line item variance was in professional services, $6,284 over budget for the year. New consultant and professional services have been engaged in increased advocacy efforts and preparations for the February Fly-In event. The estimated timing of payments for some services was a bit off from actual, but otherwise the cost of the services were within planned budget. Current estimates are that PPA will end the year within its planned budget.

In FY2019, the **Office for Library Advocacy** was moved under the supervision of the Washington Office and is now becoming familiar with the budgetary expenses of this unit. OLA is shown as being $1,301 over budget for the month of January and 0% over budget for year to date expenditures. There appear to be no extraordinary or unexpected expenses for this time period and OLA is expected to end the year within its planned budget.

### AOMR Departmental Overview and Summary – FY19 Financial Commentary – January 2019

The ALA Offices and Member Relations (AOMR) Department is made up of the following units: The AED Office (formerly MPS); Membership Development and Customer Service (MDACS); Office for Intellectual Freedom (OIF); Office for Human Resource Development & Recruitment (HRDR); Office for Diversity, Literacy & Outreach Services (ODLOS); Office for Accreditation (OA); Library and Research Center (LARC); Public Programs Office (PPO); and ALA Round Tables.
Membership Dues and Data (591-9052)

| | | | |
|---|---|---|---|
| Total Revenues Budgeted/Actual/Remaining: | $ 5,391,800 | $ 2,201,682 | $3,190,118 |
| Total Expenses Budgeted/Actual/Remaining: | $ 100,000 | $46,039 | $53,961 |
| Net Revenue (Expense) Budgeted/Actual/Variance: | $5,291,800 | $2,155,642 | $(49,274) |

Membership dues are down by about -$49,274. Some of this is due in part to processing errors related to the e-commerce system. Through the end of January, $32,393 were lost dollars due to this issue and will be credited by the vendor.

Overall total ALA membership is 58,721 compared to 58,826 in February 2018, a slight decrease of -0.18% increase.

**IV Division**

**Statement of Revenues and Expenses**

**As Of** January 31, 2019

| TOTAL DIVISIONS | Year-To-Date Actual | Year-To-Date Budget | Year-To-Date Variance | Prior Year 6 Month Actual | Change FY19-FY18 | FY17 5 Month Actual | Change FY19 v. FY17 |
|---|---|---|---|---|---|---|---|
| **Total Revenue** | 4,001,322 | 4,422,384 | (421,062) | 5,676,752 | (1,675,430) | 4,248,814 | (247,492) |
| **Total Expenses** | 5,602,964 | 5,599,493 | (3,471) | 6,194,259 | 591,295 | 5,287,457 | 315,507 |
| **Net Rev(Exp)** | (1,601,642) | (1,177,109) | (424,533) | (517,507) | (1,084,135) | (1,038,643) | (562,999) |

| **NET REVENUES** | | | | | | | |
|---|---|---|---|---|---|---|---|
| PLA | (156,177) | (346,814) | 190,637 | (344,438) | 188,261 | (107,205) | (48,972) |
| ACRL | (672,279) | (467,150) | (205,129) | (373,778) | (298,501) | (484,087) | (188,192) |
| CHOICE | (346,856) | (54,559) | (292,297) | (85,965) | (260,891) | (209,950) | (136,906) |
| AASL | (273,424) | (250,517) | (22,907) | (50,830) | (222,594) | (317,909) | 44,485 |
| ASCLA | 6,183 | (3,644) | 9,827 | 10,075 | (3,892) | (7,614) | 13,797 |
| ALCTS | 33,084 | 1,322 | 31,762 | 49,933 | (16,849) | 54,318 | (21,234) |
| LLAMA | (17,007) | (14,460) | (2,547) | 645 | (17,652) | 4,177 | (21,184) |
| RUSA | (36,271) | (18,450) | (17,821) | (10,731) | (25,540) | (45,789) | 9,518 |
| UFL | (89,545) | (8,535) | (81,010) | (30,851) | (58,694) | (79,656) | (9,889) |
| LITA | (34,880) | (20,394) | (14,486) | (22,592) | (12,288) | 4,210 | (39,090) |
| ALSC | 51,766 | (7,228) | 58,994 | 397,904 | (346,138) | 183,038 | (131,271) |
| YALSA | (66,237) | 13,319 | (79,556) | (56,878) | (9,359) | (32,175) | (34,062) |
| **TOTAL** | **(1,601,642)** | **(1,177,109)** | **(424,533)** | **(517,506)** | **(1,084,136)** | **(1,038,643)** | **(562,999)** |

## DIVISIONS

**Division Summary**

As of January 31, 2019, Divisions as a whole realized revenues (not including grants) of $4M versus a budget of $4.4M, a variance of $(421k) or 9.5%. Expenses were roughly on budget at $5.6M. As a result, net expenses for the 5 month period for Divisions as a whole were $(1.6M) versus a budget of $(1.2M). Results varied by individual Division and are explained below.

### American Association of School Librarians (AASL)

| | YTD Budget | YTD Actual | Variance b/n YTD Budget and Actual | Variance % | Remaining Current Budget |
|---|---|---|---|---|---|
| Total Revenues | 195,923 | 139,355 | -56,568 | -29% | 333,910 |
| Total Expenses before OH and tax | 443,770 | 411,605 | 32,164 | 7% | 468,648 |
| Contribution Margin | -247,250 | -272,250 | -24,403 | -10% | -134,738 |
| Tax | 171 | 171 | -0 | -0% | 239 |
| Overhead | 2,500 | 1,003 | 1,497 | 60% | -4,997 |
| Total Expenses | 446,440 | 412,779 | 33,661 | 8% | 473,884 |
| Net Revenue (Expense) | -250,517 | -273,424 | -22,907 | -9% | -139,974 |

•Total revenues posted were 29% below budget (actual $139,355 vs budget $195,923). Membership dues were 9% below budget (actual $114,762 vs budget 126,652). These numbers are before registration for the AASL National Conference opened which should contribute some increase in membership numbers by the end of the fiscal year. Early registration numbers for the conference are stronger than usual for this point in time. Those revenues are deferred to FY20.

•Total expenses were 8% below budget (actual $412,779 vs $446,440). A currently vacant staff position will remain unfilled and other expenses are being monitored to further reduce expenses in FY19. Overhead was 60% below budget (actual $1,003 vs budget $2,500).

•AASL receives funds twice a year from ALA Editions for the National School Library Standards for Learners, School Librarians, and School Libraries (2018). To date, there have been no transfer of funds to AASL in FY19 to reflect in this report. Additionally, other standards-related books are in process with two books to be available for purchase this year. Other publications will be available for workshop and bookstore sales during the AASL National Conference next November.

•The AASL Standards provide robust resources to better position and advocate for the profession. Using an Implementation Plan developed in conjunction with the Standards, AASL continues to invest in promotion, branding and extended opportunities, providing professional development, videos, and stakeholder information freely available on the AASL Standards Portal (standards.aasl.org).

•In the last five years AASL focused a number of resources the development and launch of new standards. In FY19 AASL contracted with Paul Meyer, Tecker Associates, to facilitate the work for AASL to move the association forward with a new strategic plan. At ALA Midwinter in Seattle, AASL gathered more than 50 member leaders for strategic planning followed by board meetings dedicated to refining the conversations. A new strategic plan should be on the agenda for approval by the Board of Directors at ALA Annual.

## Association for Library Collections & Technical Services (ALCTS)

| | FY19 Actual | FY19 Budget | Variance | FY18 Actual | FY19 Total Budget |
|---|---|---|---|---|---|
| Revenues | $ 203,470 | $ 193,379 | $ 10,091 | $ 225,622 | $ 480,660 |
| Expenses | $ 170,386 | $ 192,057 | $ 21,671 | $ 175,689 | $ 524,475 |
| Net | $ 33,084 | $ 1,322 | $ 42,081 | $ 49,933 | $ (43,815) |

Summary: Total revenue is or 5% over budget but 10% below FY18, due primarily to lower donation revenue. Total expense is 11% under budget and in line with FY18. YTD performance is over $75k better than budget. While some variance can be attributed to how revenue/expense was distributed month-to-month, there is no indication that any key business area – membership, online CE, conferences, publications, etc., – will finish significantly under budget. The FY19 net operating result is projected to be approximately +$50k, or nearly $100k better than budget. The FY18 operating result was +$76,365.

**Specific Budget Areas:**

**ALA Overhead**
Revenue: N/A
Expense: $13,805 actual/$12,014 budget/$14,336 FY18.
Looking ahead: Overhead should reach budget of $35,034.
**Administration/Operations**
Revenue: N/A
Expense: Personnel expenses are $107,910 actual/$115,832 budget/$117,673 FY18. The line reflects expected salary/benefit savings for the director position, which was vacant the first two weeks of September; and for the deputy director position, which was vacant until mid-October. Overall, operational expense is 6% under budget at $112,362.
Looking ahead: There will be continuing personnel saving through fiscal year end.
**Donations**
Revenue: Donations for awards/member services is 82% under budget at $1,770, and $18k lower than FY18.
Expense: N/A
Looking ahead: This variance is primarily a timing issue. Sponsor invoices are sent in May and we are expecting to reach the budgeted $23,000 in annual donations.
**Dues**
Revenue: Dues revenue (personal, organizational, life, etc.) is over budget by 10% at $84,095 actual/$76,463 budget. FY19 dues are also ahead of FY18 YTD of $78,609. Expense: N/A
Looking ahead: Based on YTD, the total dues budget for FY19 of $183,510 should be met or exceeded.
**Library Resources & Technical Services (LRTS)**
Revenue: Subscription revenue is 5% under budget and also below FY18: $7,400 actual/$7,750 budget/$8,338 FY18. Advertising revenue is zero, against a small YTD budget of $750.
Expense: Production expense is 41% over budget but in line with FY18: $15,151 actual/$10,715 budget/$14,804 FY18.
Looking ahead: While the project should end close to budget, production expenses will be monitored through year-end.

**Midwinter Meeting**
Revenue: Donation on budget, $4,500 actual/$4,000 budget.
Expense: ALCTS fest expense on budget and other exp lower than projected, $4,067 actual/$9,100 budget.
Looking ahead: Some additional MW expenses likely as final convention center and hotel bills charged to units.
**Preservation Week (April 21-27)**
Revenue: Donations are $3,175 actual/$7,000 budget/$6,915 FY18.
Expense: No expense to report yet.
Looking ahead: Invoices for remaining donations have been sent; revenue will reach budget of $10,000.
**Publications**
Revenue: Sales are well under budget at $664 actual/$3,750/budget/$1,272 FY18. Royalty revenue is zero but will be reported by ALA Editions in the spring; that budget is $3k.
Expense: Production expense is also well under budget.
Looking ahead: Four books are in production in-house and three more are scheduled to be published through ALA Editions. Final revenue should meet or exceed budget.
**Web Courses**
Revenue: Better than budget and nearly the same as last year: $61,755 actual/$49,917 budget/$61,270 FY18.
Expense: On budget at $14,354 actual/$16,253 budget/$12,992 FY18.
Looking ahead: Will likely exceed net revenue budget of $60,050.
**Webinars**
Revenue: Better than budget at $38,866 actual/$33,333 budget/$42,227 FY18. In FY18 there were 28 webinars and in FY19 24 are scheduled so far, with room to add some in August. Year over year registration numbers are almost the same: FY18, 399 individual registrants and 230 group registrants; FY19, 385 individual registrants and 220 group registrants.
Expense: In line with budget at $2,378.
Looking ahead: On target to meet net revenue budget of $53,500. Continuing education and donations revenue will help to balance the overall budget for FY18, as it did in FY17. Expenses before overhead and taxes remain under budget and close to FY17 numbers. Overall, net is positive at $44,363, which is almost $30,000 above budget.

## Association for Library Service to Children (ALSC)

Overall, net revenue for January was $51,766 which was 816% ahead of budget.
Total first quarter revenues posted 3% or $22,189 ahead of budget. Dues revenue is performing at budget at $78,860. The Youth Media Awards sponsorship was posted to ALSC's Service to Members project and expenses for the YMA, such as webcast, (normally not posted here) will be paid from this project, so expenses will be over budget for the year (but offset by the sponsorship). Physical seals sales are under budget by ($12,000) or .05% and digital licensing fees are also under budget by ($14,000) or 6%. Online CE revenue is under budget by ($2,087) or 44%. Only one course was offered during fall/winter, but four courses will be offered this spring, including two new courses. We anticipate registration revenue to pick up closer to YTD budget. The ALSC Award Preconference is scheduled this fiscal year and we'll see registration revenue post later this fiscal year. At this time (March), registration seems to be on track. National Institute registration posted $14,000 ahead of budget. Children and Libraries subscriptions are tracking ahead of budget by $705 or 26%. Ad revenue is also ahead of budget by 144% or $8,291, however, no additional ad revenue is expected for the remainder of the fiscal year, so we will likely end the year close to budget. Non-Serial Publication revenue is under budget by $1,015. ALSC is working with ALA Editions on two new products this spring: Newbery and Caldecott brochures. ALSC will receive a small royalty on sales from ALA Publishing. A 2019 Newbery and Caldecott Guidebook, also published with ALA, will be released later in the spring. ECRR toolkit sales are just below budget at ($156) or 3%.

On the expense side, total expenses, including overhead and tax posted at $690,522 which is 5% under budget. Administrative costs are over budget at ($15,922). This is mainly due to the 2% salary and benefit increase that was unbudgeted for FY19. Service to member expenses are under budget by $13,762 or 18%. Transportation, lodging and meals are under budget by $7,175 or 23%. Expenses for seals order fulfillment are under budget by $67,839 or 45%. Overhead on seals is 5% or $3,100 under budget. Online CE expenses are over budget by ($590) or 16% due to the unbudgeted expense of paying for both the Adobe Connect and Zoom webinar licenses. Webcast content is being migrated off of Adobe Connect before the license expires this year and we will only use Zoom for hosting webinars. Overhead for online CE is under budget by $246 or 42% due to registration revenue lagging behind budget. Institute expenses were about ($21,689) over budget. The variance was mainly due to budgeting organizational support through endowment funds into this project. In the end we used the endowment project to directly pay expenses. The project netted $14,217 which was 37% below budget. Children and Libraries expenses are $11,543 under budget or 42%, there are currently ad rep travel expenses to conference to distribute with other divisions and there are some duplicate printing expenses that are currently being reviewed. Non-Serial Publication expenses are over budget by ($92). Overhead is under budget by $154. Every Child Ready to Read expenses are just over budget at ($244). Expenses for Día have not yet accrued. Expenses from production services and database development will be realized in March.

**Association of College & Research Libraries (including CHOICE)**

| January 2019 | Annual Budget | Actual YTD | Budget YTD | Variance | Variance % | Prior Year YTD |
|---|---|---|---|---|---|---|
| (3000) BEGINNING NET ASSETS | 3,430,260 | 3,430,260 | 3,430,260 | 0 | 0% | 4,687,947 |
| Total Revenues | 5,063,591 | 854,585 | 870,947 | -16,362 | -2% | 806,460 |
| | | | | | | |
| Total Expenses Before OH and Taxes | 4,771,907 | 1,488,786 | 1,267,773 | -221,013 | -17% | 1,138,094 |
| Contribution Margin | 291,684 | -634,202 | -396,826 | -237,376 | -60% | 331,634 |
| Overhead | 832,259 | 37,777 | 70,024 | 32,247 | 46% | 40,926 |
| Tax | 16,877 | 300 | 300 | 0 | 0% | 1,218 |
| | | | | | | |
| TOTAL EXPENSES | 5,621,043 | 1,526,863 | 1,338,096 | -188,767 | -14% | 1,180,237 |
| | | | | | | |
| Net Rev / (Expense) From Operations | -557,452 | -672,279 | -467,150 | -205,129 | -44% | -373,778 |
| | | | | | | |
| (5950) Net Asset Balance Transfer | 450,000 | 0 | 187,500 | -187,500 | -100% | 0 |
| | | | | | | |
| Net Rev / (Expense) | -1,007,452 | -672,279 | -654,650 | -17,629 | -3% | -373,778 |
| | | | | | | |
| Ending Net Asset Balance | 2,422,808 | 2,757,981 | 2,775,610 | -17,629 | -1% | 4,314,170 |

ACRL's revenues are running 2% or $16,632 below budget and expenses are 14% or $188,767 above budget. Revenue from print advertising in C&RL News is currently $12,555 under budget but is expected to make budget by year end. Fees for licensed workshops are underbudget by $28,033 as of the end of January and we have reduced our gross revenue projections for the year in this project by 20% from $125,000 to $100,000. The ACRL 2019 Conference is the major source of revenue in FY19. While revenues will not be recognized until April 2019 we are running slightly behind budget and expect registration and exhibits revenues to come in at about 94% of budget. We expect that with some expense savings we will still make net revenue.

The expense variance can largely be attributed to timing. In the months leading up to a major conference a number of deposits must be made we do not always know in exactly which month the expense will be incurred. Total expenses just for the ACRL 2019 Conference were $102, 211 more than budgeted for January but will even out by year's end. Other expenses that were incurred earlier than budgeted include $8,000 for the ALA Policy Corps, $2,000 for deposits for Annual Conference venues, $50,000 for technical support and web operating expenses for Project Outcome, and $9,666 for scholarly communications consultants and scholarships.

## Choice Performance Comments

| | FYTD: JANUARY 2019 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| CHOICE 404 | | | | | | | | | |
| | Budget (Year) | Budget YTD | Actual YTD | Var | % Budget | Prior Year | Var | % Prior |
| Beginning Net Assets | 0 | 0 | 2,926,294 | 2,926,294 | #DIV/0! | 2,533,295 | 392,999 | 15.51% |
| TOTAL REVENUES | 2,797,719 | 1,129,329 | 926,280 | (203,049) | -18.0% | 1,162,525 | (236,245) | -20.32% |
| Total Expenses before OH/Taxes | 2,306,083 | 1,017,865 | 1,131,833 | (113,968) | -11.2% | 1,074,068 | (57,765) | -5.38% |
| Contribution Margin | 491,636 | 111,464 | (205,553) | (317,017) | -284.4% | 88,457 | (294,010) | -332.38% |
| Overhead | 369,299 | 149,435 | 122,732 | 26,703 | 17.9% | 153,453 | 30,721 | 20.02% |
| Allocations (575 Main St) | 39,815 | 16,590 | 18,570 | (1,980) | -11.9% | 20,968 | 2,398 | 11.44% |
| Tax | 0 | 0 | 0 | 0 | #DIV/0! | 0 | 0 | #DIV/0! |
| TOTAL EXPENSES | 2,715,197 | 1,183,890 | 1,273,135 | (89,245) | -7.5% | 1,248,489 | (24,646) | -1.97% |
| Net Revenue/(Expense) from Ops | 82,522 | (54,561) | (346,855) | (292,294) | -535.7% | (85,964) | (260,891) | -303.49% |
| 5950: NAB Transfer | (450,000) | (187,500) | 0 | 187,500 | -100.0% | 0 | 0 | #DIV/0! |
| 5955: Open Choice writedown | 0 | 0 | 176,324 | 176,324 | #DIV/0! | 0 | 176,324 | #DIV/0! |
| Net Revenue/(Expense) | 532,522 | 132,939 | (523,179) | (656,118) | -493.5% | (85,964) | (437,215) | 508.60% |
| Ending Net Asset Balance | 532,522 | 132,939 | 2,403,115 | 2,270,176 | 1707.7% | 2,447,331 | (44,216) | -1.81% |

Choice performance through January of 2019 is heavily influenced by two factors. On the revenue side, the January performance report fails to include January subscription revenues for Choice Reviews (project 3913). These amount to $53,899, which, when added back, bring actual CR subscriptions up to $275,179. As a result, overall subscription revenue is actually running ahead of budget by some 3.5% ($18,348) through January.
Elsewhere in revenue, royalty income lags budget by some $78K because of timing, in this case, the late arrival of almost $60K in licensing revenue from EBSCO. Licensing revenue is fairly predictable except during periods of contract renegotiation, and we expect to meet budget for the year. Similarly, webinar revenue is off against budget year-to-date, but with the benefit of foresight, and seeing that full-year bookings are already at 88% of budget, we expect to close the year at or slightly below our gross budgeted sales of $187,500.

It is in advertising, and in particular print advertising in Choice magazine, that we are experiencing significant shortfalls, as our diminished circulation and an industry-wide reassessment of ROI for space ads are now having a major impact on our business. We expect magazine ads to finish the year at least $100K below budget, marginally offset by better-than-expected revenue from our sponsored podcasts and near-budget performance of advertising in ccAdvisor and Choice Reviews. If present trends hold, however, we will probably finish the year $120K below budget for overall advertising and sponsored content.

On the expense side, the January report reflects an unbudgeted write-down of $283,295 in capitalized and prepaid expenses for work on a proposed, but subsequently discontinued, discovery and evaluation service for open educational resources. Of these, $107K is recorded under operating expenses, in lines 5000 and 5010 (salaries and benefits), and $176K appears at line 5955, reflecting the write-down of software development charges incurred during prototyping. These latter expenses affect the net asset balance but are not included in.

### Association of Specialized & Cooperative Library Agencies (ASGCLA)

| | Actual | Budgeted | Variance | FY2019 Jan |
|---|---|---|---|---|
| Total revenues | $26,363 | $38,213 | ($11,849) -31% | $35,161 |
| Total expenses | $18.568 | $42,102 | $23,534 56% | $24,020 |
| Net revenue | $7,795 | ($3,890) | $11,685 | $11,142 |

ASGCLA ended the quarter with a net revenue of $7,795. This was higher than anticipated in the budget (The FY 19 projected a slight net decrease) The FY19 net revenue through January was lower than at the same point in 2018, primarily due to the contract payment of $8,428 in 2017-2018 for the revision of the Standards for Library Services to the Blind and Physically Handicapped.

Revenues
Overall, ASGCLA's first quarter revenues were $11,849 less than budgeted. Dues is the primary source of revenue for ASGCLA. Actual dues revenue was $2,074 less than budgeted. However, it was only $264 less than January 2018. Since September, ASGCLA membership has dropped from 995 to 930, resulting in the lower than expected dues revenue. Revenues from book sales were less than hoped. Misc sales, primarily online learning income, fell short of the ambitious budget, but were higher than at the same point last year. Donations and interest income exceeded the budget.

Expenses
ASGCLA's expenses were less than half of what was budgeted through the end of January. Expenditures totaled $18,568, of the $42,102 budgeted. The largest differences are in the areas of Payroll and Related Expenses and Outside Services. Payroll and Related Expenses ended the quarter with $18,560 of the $37,940 budgeted (a difference of 51%). Professional Services, primarily the contract for Interim Executive Director, expenses totaled $9,138 compared to $3,333 budgeted. Other areas of operational expenditures were also less than budgeted, but, should approach the budgeted amounts over the course of the year.

**Library and Information Technology Association (LITA)**

| | Actual | Budgeted | Variance | FY18 Q2 Actual | Total Projected for FY19 |
|---|---|---|---|---|---|
| Total revenues | $162,587 | $195,417 | $(32,830)(-17%) | $189,728 | $329,350 |
| Overhead | $23,152 | $29,946 | $6,794 (23%) | $29,520 | $34,968 |
| Total expenses | $197,467 | $215,811 | $18,344 (8%) | $212,320 | $360,746 |
| Net revenue | ($34,880) | ($20,394) | $(14,486) (-71%) | $(22,592) | ($31,396) |

SUMMARY
The FY2018 Q2 budget (through January) is $14,486 (-71%) below where we projected due to lower Forum registration and sponsorship than anticipated. This resulted in a decrease of about $7,000 in projected overhead and registration fees paid to ALA Member and Customer Service (MaCS).
For the most part, we continue to do well at holding down expenses and are on track for where we thought we would be with other project lines at this point. December and January are generally a slow time for us, so there isn't much change from the FY2019 Q1 report.

LITA FORUM
Projected revenue from this year's Forum was down almost $18,000 due to a compressed planning timeline. The late selection of the location meant the program wasn't available until September for the November event, leading to reduced registration and less time to pursue sponsors.

ONLINE LEARNING
Revenue from online courses is up 36% ($2,095) from projections, while webinars are down 52% (-$2,807) because we held two webinars instead of the planned four. We plan to make up for this deficit in the spring by holding six webinars instead of four.

**Library Leadership and Management Association (LLAMA)**

| | FY19 Actual | FY19 Budget | Variance | FY18 Actual | FY19 Total Budget |
|---|---|---|---|---|---|
| Revenues | $ 78,312 | $ 81,896 | -$ 3,584 | $ 99,453 | $ 234,695 |
| Expenses | $ 95,318 | $ 96,356 | $ 1,037 | $ 98,808 | $ 264,320 |
| Net | -$ 17,007 | -$ 14,460 | -$ 2,547 | $ 645 | -$29,625 |

Total revenue is on pace to reach total budgeted revenue, but lower than FY2018 revenues. Dues are better than budget – and close to FY2018. With fewer webinars in the first quarter of FY2019, revenues from web CE is below budget and lower than YTD FY2018.

Total expense is at 99% of YTD budget.

The operating result (net revenue) is less than $3,000 lower than budget – but well behind FY2018 YTD results due to lower first quarter revenues. Looking ahead, web CE will track closely to budget by the 4th quarter, with 11 webinars already scheduled through April and at least 6 more planned for May-August. Also, in summer 2019 LLAMA will schedule another online course in support of the leadership/management competencies. The year-end projection if for a near break-even result.

**Reference & User Services Association (RUSA)**

With the January financials an error was discovered in how some staff expense was being allocated between RUSA and ASGCLA. RUSA staff split time with ASGCLA. The error overstated RUSA's expenses. RUSA, ASGCLA and the finance department have been working together to properly allocate the staff expenses and starting with the February financials the staff allocations should be accurate.
The figures provided in this report will reflect the adjustment for the overstated staff expenses.

Through January RUSA's Net Revenue/Expense was -$24,531 against a budget of -$18,450 for an overall negative variance of -$6,081 or -33%.

RUSA's total revenues were $103,586 against a budget of $162,949 for a negative variance of -$59,363, or -36%. Membership revenue currently encompasses approximately 65% of all RUSA revenue and it was down -$21,518 or -24%. This can be explained by RUSA budgeting for approximately 23% membership revenue growth in FY19. Year-to-date RUSA membership has remained flat. On-line education is the second largest revenue generator for RUSA and it was down YTD -$7,517 or -18%.

RUSA's total expenses were $128,117 against a budget of 181,399 for a positive variance of $53,282 or +29%. The largest expense savings occurred in Payroll & Related Expenses, which were ahead $28,938 YTD or +24%. All other RUSA direct expense accounts are also currently showing positive variances.

Attempting to project year end budget totals, RUSA revenue will in all likelihood fall below budget expectations. Expenses will continue to be monitored closely and expectations at this time are that expenses will end the year below budget. RUSA's year end budget goal of Net Revenue/Expense of -$42,567 remains realistic.

**Public Library Association (PLA)**

| | YTD Budget | YTD Actual | Variance | Variance % | Remaining Current Budget |
|---|---|---|---|---|---|
| Total Revenues | $356,417 | $335,289 | ($21,128) | -6% | $517,124 |
| Total Expenses before OH and tax | $675,476 | $484,306 | $191,170 | 28% | $1,068,016 |
| Contribution Margin | ($319,059) | ($149,017) | $170,042 | 53% | ($550,892) |
| Overhead and Tax | $27,754 | $7,160 | $20,594 | 74% | $42,472 |

| | YTD Budget | YTD Actual | Variance | Variance % |
|---|---|---|---|---|
| Net Revenue (Expense) | ($346,814) | ($156,177) | $190,636 | 55% |

| Beginning NAB | Ending NAB | Net Revenue | Increase in NAB |
|---|---|---|---|
| $3,866,402 | $3,710,225 | ($156,177) | -4.04% |

As of January 2019, PLA has an actual operating loss of $156,177, compared to a budgeted operating loss of $346,814. This significant (55%) variance is due to lower than anticipated expenses and sponsorship revenue that was not anticipated during the budgeting process.

Total revenue as of January 2019 was $335,289 against a budget of $356,417 for a 6% variance. Revenue from products and events is low; ad revenue, publication sales, and webinar sales are under budget. This is likely due to continued difficulty securing advertisers and the need for PLA to invest in creating new product lines to boost revenues. The current product line is unlikely to meet revenue targets. Project Outcome (PO) regional training is also below revenue targets but this is due to timing. However, dues are slightly ahead of budgeted revenue, and PLA benefited from better than expected registrations at a 2019 Midwinter Meeting Institute. Finally, a sponsorship from Capital One resulted in positive net revenue in the PLA Partners project.

On the expense side, at the close of January 2019 PLA budgeted to spend $675,476 and has spent $484,306, for a favorable variance of 28%. Projects under budget for expenses as of January 2019 include regional CE events like EDISJ trainings ($140 spent versus combined budget of $45,692), PO regional training ($6,459 spent versus budget of $20,468), DigitalLearn ($15,666 spent versus budget of $32,075), and the Inclusive Internship Initiative Cost Share ($103,376 spent versus budget of $143,851). Most of these variances are timing, and PLA anticipates ending FY19 near budget for expenses. PLA also benefited from a credit to expenses of $61,000, representing PLA's share of grant funding from Google for a joint project with the Washington Office.

For grant budgets, by the close of January 2019 PLA spent $893,317 compared to a budgeted amount of $762,817. Primary reasons for the grant variances are that a payment for the African Library and Information Associations and Institutions project (3176) was budgeted in FY18 but delayed and issued in early FY19, and renewal of the IMLS-funded Inclusive Internship Initiative did not occur until after the FY19 budget process was completed.

**United for Libraries (UFL)**

| | FY19 Actual | FY19 Budget | Variance | FY18 Actual | FY19 Total Budget |
|---|---|---|---|---|---|
| Revenues | $ 82,123 | $ 151,888 | -$ 69,765 | $ 92,410 | $ 419,710 |
| Expenses | $ 171,668 | $ 160,422 | -$ 11,246 | $ 123,261 | $ 386,863 |
| Net | - $ 89,545 | -$ 8,353 | -$ 81,010 | -$ 30,851 | $32,847 |

United is very close to its dues budget, at $23,137 compared to a YTD budget of $23,775. Revenues Sales/Books and Donations are lagging significant, with smaller variances elsewhere.

Expenses are moderately over budget, with some variances likely to clear up when Midwinter-related revenues and expenses are fully booked.

Alabama and Wyoming purchased statewide access to Short Takes for Trustees in March for a combined total of $5,397. Discussions are in process with three additional states. United is launching a new series of revenue-producing webinars with ALA eLearning Solutions in April, with the first focused on EDI issues for Boards of Trustees. A new corporate sponsorship task force is seeking to update and align benefits of sponsorship with the needs of current and potential sponsors, increase opportunities for increased engagement with current sponsors, and identify opportunities to develop new corporate sponsors.

**Young Adult Library Services Association (YALSA)**

YALSA is 9% behind budget on dues at the five-month mark: with $87,407 in dues revenue against a budget of $98,942. Overall, YALSA is slightly better than budget on revenue, with the primary positive difference in Sales/Misc (seals), at $81,474 against a YTD budget of $29,813. Registration (YA Symposium) is also better than budget, at $119,510 against a YTD budget of $99, 100. Other negative variances are in subscriptions, advertising and donations.

Expenses are running ahead of budget, with the largest variances in publication-related expenses and operating expenses. Overhead is at $42,098 compared to a YTD budget of $34,442.

On a project basis, the YA Symposium is close to target with net revenue of $26,188 at this point, compared to a total budgeted net of $55,139. Total expenses YTD are $100,803, compared to the budgeted $90,265. Total revenues YTD are $126,991, compared to $144,267 budgeted YTD.

V Round Table

Statement of Revenues and Expenses

As Of January 31, 2019

| TOTAL ROUNDTABLES | Year-To-Date Actual | Year-To-Date Budget | Year-To-Date Variance | Prior Year Actual | Change FY19-FY18 |
|---|---|---|---|---|---|
| **Total Revenue** | 242,035 | 164,826 | 77,209 | 165,443 | 76,592 |
| **Total Expenses** | 130,510 | 160,669 | 30,159 | 41,333 | 89,177 |
| **Net Rev(Exp)** | 111,525 | 4,157 | 107,368 | 124,110 | (12,585) |

**NET REVENUES**

| | | | | | |
|---|---|---|---|---|---|
| EMIERT | 67,338 | (4,306) | 71,644 | 46,085 | 21,253 |
| ERT | (5,748) | (2,848) | (2,900) | (1,618) | (4,130) |
| FAFLRT | 1,016 | 0 | 1,016 | 1,281 | (265) |
| FMRT | 1,585 | 125 | 1,460 | 1,203 | 382 |
| GAMERT | 2,098 | (1,217) | 3,315 | 2,333 | (235) |
| GLBTRT | 5,265 | 9,540 | (4,275) | 21,208 | (15,943) |
| GODORT | (400) | 844 | (1,244) | 4,605 | (5,005) |
| GNCRT | 706 | 62 | 644 | 0 | 706 |
| IFRT | 728 | (3,272) | 4,000 | 7,838 | (7,110) |
| IRRT | 4,474 | 917 | 3,557 | 4,637 | (163) |
| LearnRT | 8,037 | 12 | 8,025 | 3,270 | 4,767 |
| LHRT | 2,720 | (504) | 3,224 | 745 | 1,975 |
| LIRT | 6,086 | 516 | 5,570 | 9,226 | (3,140) |
| LRRT | 3,474 | 1,052 | 2,422 | 3,402 | 72 |
| LSSIRT | 1,534 | 0 | 1,534 | 1,594 | (60) |
| MAGIRT | 2,769 | 52 | 2,717 | 3,343 | (574) |
| NMRT | 3,653 | 832 | 2,821 | 6,354 | (2,701) |
| RMRT | 2,045 | 1,250 | 795 | 2,514 | (469) |
| SRRT | 2,556 | 2 | 2,554 | 3,900 | (1,344) |
| SORT | 219 | 429 | (210) | 194 | 25 |
| SustainRT | 1,370 | 671 | 699 | 1,996 | (626) |
| **TOTAL** | **111,525** | **4,157** | **107,368** | **124,110** | **(12,585)** |