

2015-2016 ALA CD #33.1

2015-2016 Annual Meeting

Budget Analysis And Review Committee (BARC)

**Budget Analysis and Review Committee (BARC) Report
to
The ALA Council, Executive Board, Membership
and
The Planning and Budget Assembly**

Ann M. Martin – BARC Chair

**Annual Conference - Orlando, FL
Saturday – June 25, 2016
Sunday – June 26, 2016**

BARC Report Topics

Budget Update

- Fiscal Year 2016 YTD Results
 - Eight Months Ending 4-30-16
- Fiscal Year 2017 Budget
 - BARC Discussed and Approved Final Budgetary Ceiling Adjustments

Other Activities

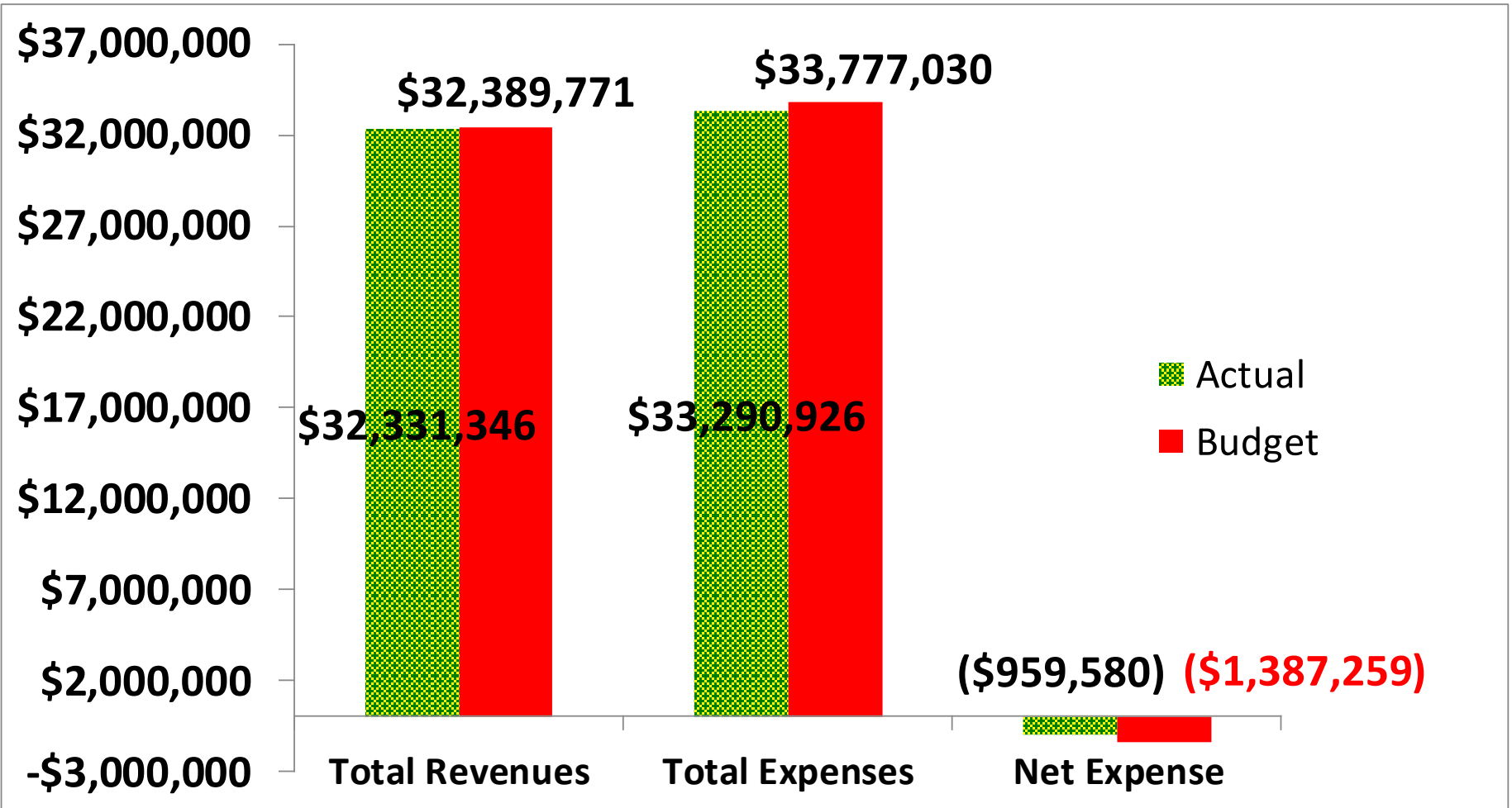
- ALA Financial Learning Series

Budget Orientation

- **Current ALA Fiscal Year 2016**
 - Sept 1, 2015 – August 31, 2016
- **Annual Conference finances involve 3 fiscal years**
 - FY 2016 – Eight month report (September - April)
 - FY 2017 – Adjust/finalize after review of the FY 2016 projections
 - FY 2018 – Preliminary discussions

FY 2016

Total ALA – YTD 4-30-16



- The Association is still a financially strong and sound organization
- Eight month results are typical for this time of year

Total ALA

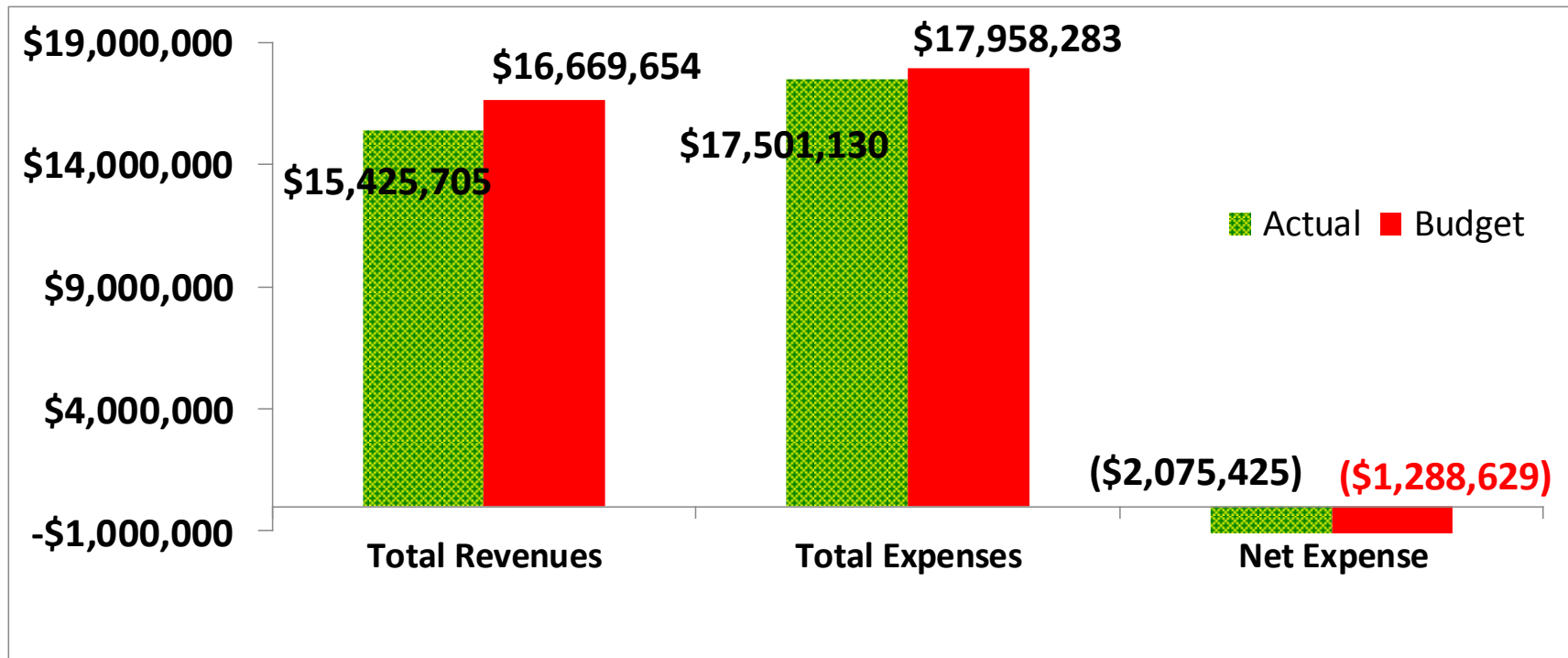
Revenues/Expenses/Net Revenue

Eight Month Results

	<u>Apr-16</u>	<u>Apr-15</u>	<u>Budget</u>	Budget <u>Variance</u>
Total Revenues	\$ 32,331,346	\$ 30,933,591	\$ 32,389,771	\$ (58,425)
Total Expenses	<u>\$ 33,290,926</u>	<u>\$ 30,661,065</u>	<u>\$ 33,777,030</u>	<u>\$ 486,104</u>
Net Revenue	\$ (959,580)	\$ 272,526	\$ (1,387,259)	\$ 427,679

FY 2016

General Fund - YTD Highlights



- Revenue was lower by (\$1.2 million) primarily from:
 - Results from the Midwinter Meeting
 - Lower online sales and higher book returns and credits in ALA Editions
 - Lower royalties and subscription revenue in Booklists
- Expenses are generally on budget with expense savings of \$457,153

General Fund

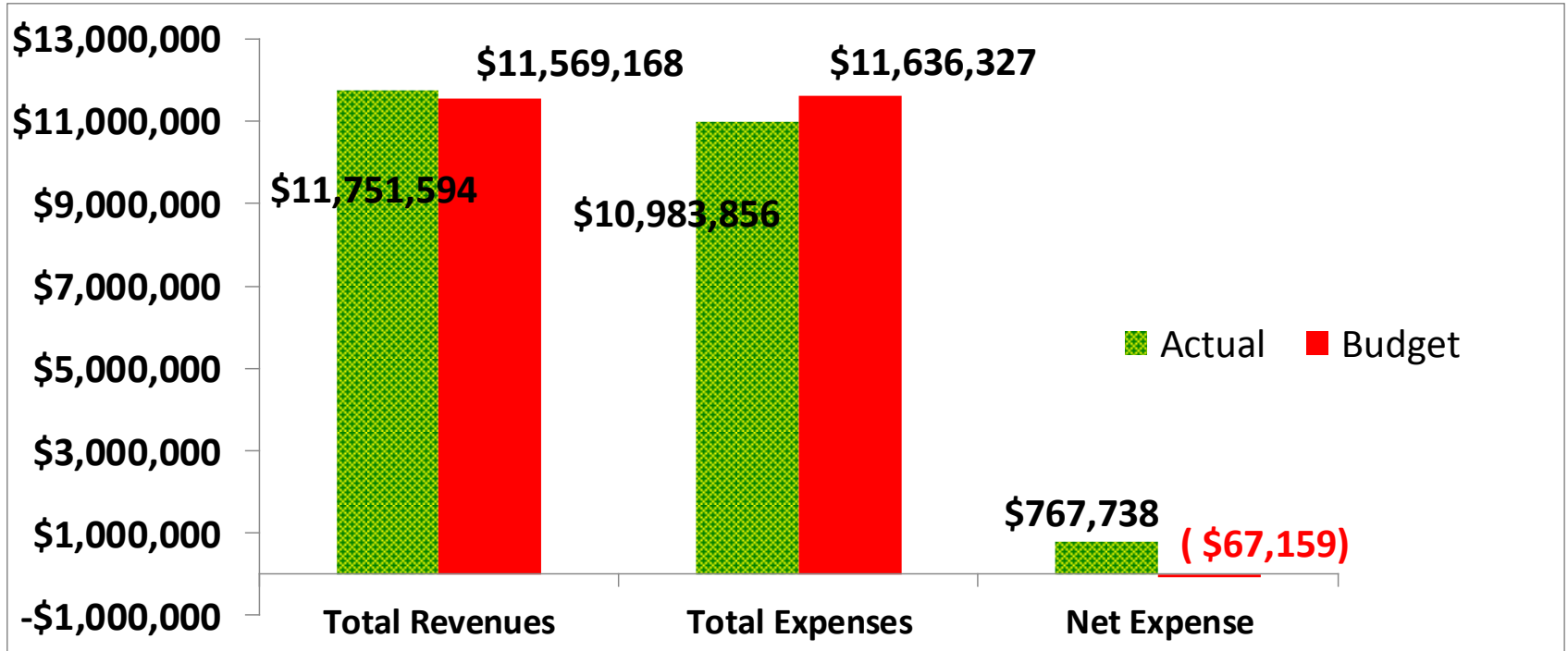
Revenues/Expenses/Net Revenue

Eight Month Results

	<u>April 2016</u>	<u>April 2015</u>	<u>Budget</u>	<u>Budget Variance</u>
Total Revenues	\$15,425,705	\$ 15,784,749	\$16,669,654	\$(1,243,949)
Total Expenses	<u>\$17,501,130</u>	<u>\$ 16,800,014</u>	<u>\$17,958,283</u>	<u>\$ 457,153</u>
Net Revenue	\$(2,075,425)	\$(1,015,265)	\$(1,288,629)	\$(1,701,105)

FY 2016

Divisions - YTD Highlights



- Division revenue more than budget by \$182,426 primarily in PLA and ALSC
- Division expenses less than budget due by \$652,471 primarily in Choice, AASL and ALSC
- Net expenses were less/better than budget at \$767,738 by \$834,896

Divisions

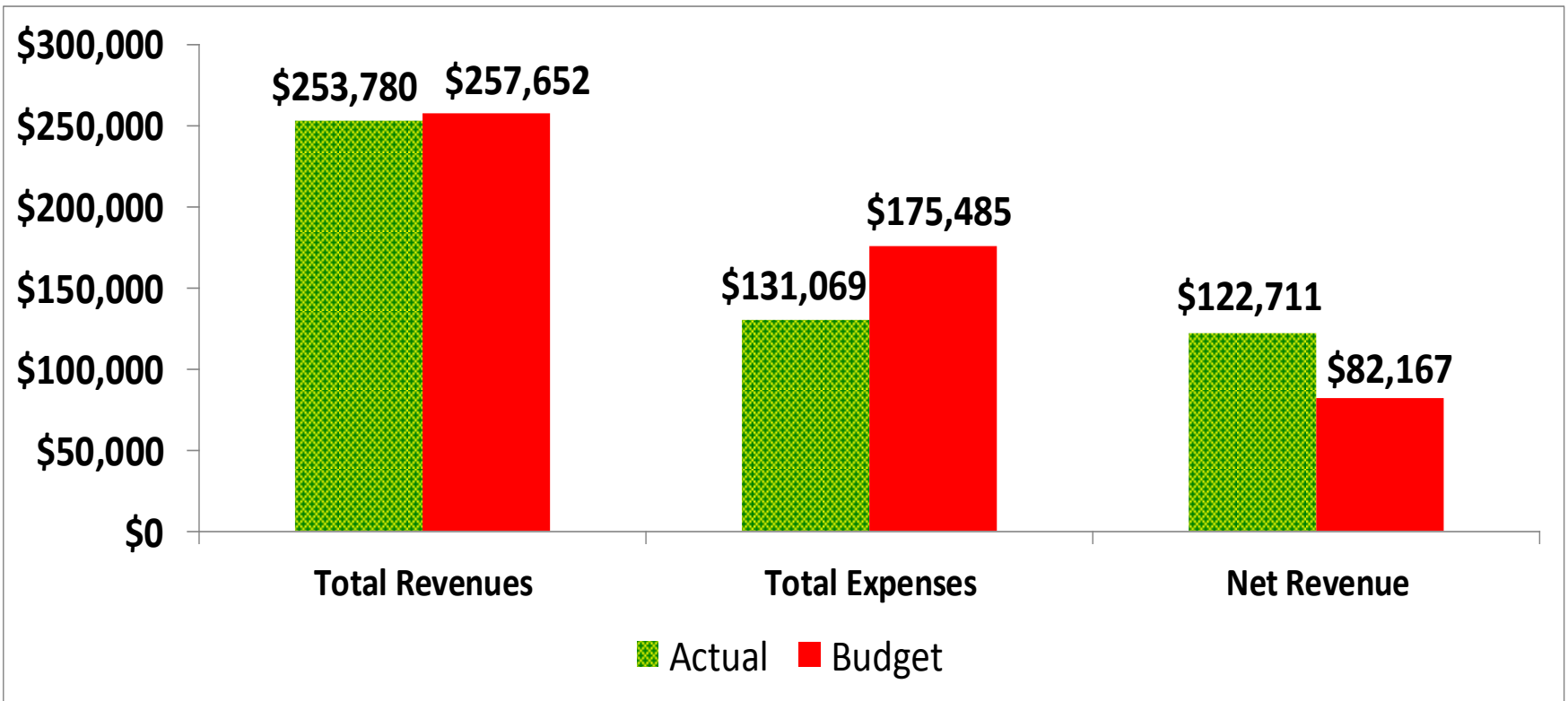
Revenues/Expenses/Net Revenue

Eight Month Results

	<u>April -16</u>	<u>April -15</u>	<u>Budget</u>	<u>Budget Variance</u>
Total Revenues	\$11,751,594	\$10,022,738	\$11,569,168	\$ 182,425
Total Expenses	<u>\$10,983,856</u>	<u>\$ 9,793,961</u>	<u>\$11,636,327</u>	<u>\$ 652,471</u>
Net Revenue	\$ 767,738	\$ 228,777	\$ (67,159)	\$ 834,896

FY 2016

Round Tables YTD Results



- Revenues less than budget across the board with the exception of EMIERT
- Expenses less than budget as budgeted Midwinter Meeting related expenses have not yet realized/incurred
- Net revenue was \$122,711

Round Tables

Revenues/Expenses/Net Revenue

Eight Month Results

	<u>April 2016</u>	<u>April 2015</u>	<u>Budget</u>	<u>Budget Variance</u>
Total Revenues	\$ 253,780	\$ 247,818	\$ 257,652	\$ (3,873)
Total Expenses	<u>\$ 131,069</u>	<u>\$ 76,342</u>	<u>\$ 175,485</u>	<u>\$ 44,416</u>
Net Revenue	\$ 122,711	\$ 171,476	\$ 82,168	\$ 40,543

Fiscal Year 20xx
Total ALA Budgetary Ceiling

Net Assets

(Unexpended balance remaining from fiscal year closing)

+

Revenue

(Anticipated in upcoming fiscal year)

=

Budgetary Ceiling

Fiscal 2017 Budgetary Ceiling

ALA Fiscal Year 2017 Budgetary Ceiling - AC Orlando

Background and purpose: As part of ALA's annual budget process, a budgetary ceiling is calculated and presented to the Budget Analysis and Review Committee (BARC) for approval. The budgetary ceiling document captures and presents all available resources, or sources of funds, that can be expended during the subsequent fiscal year. Sources include a starting amount represented by any accumulated Net Asset Balances built up over previous fiscal years. Additionally, these Net Asset balances are supplemented by budgeted revenues as well as any inter-fund transfers. The total of these sources represents the ceiling, or maximum available resources from all sources. BARC is charged with reviewing and approving the individual fund ceilings and Total All Funds ceiling presented in the top row below.

	General Fund*	Divisions	Round Tables	Grants & Awards	Long-term Investment	TOTAL ALL FUNDS
A+B) TOTAL ALA BUDGETARY CEILING (for approval)	30,120,362	28,349,272	2,090,736	4,475,827	367,018	65,403,215
A) Net Asset Balance (projected at end of FY 2016)		14,761,317	1,649,643			16,410,960
FY 2017 Budgeted Revenues (before transfers)	29,074,333	13,572,615	441,093	4,475,827	1,215,657	48,779,525
FY 2017 Budgeted Revenue Transfers:						
Interest & dividend transfer to General Fund and other	1,046,029	15,340			(848,639)	0
B) Total Revenues (budgeted plus transfers)	30,120,362	13,587,955	441,093	4,475,827	367,018	48,992,255

* As per ALA Operating Practice, the General Fund's Net Asset Balance, if any, is not considered for the calculation as each fiscal year's budget is approved with revenues balancing expenses.

ALA *Financial Learning* Series

Topics of Webcasts

- **Budget Planning for a Pre-Conference or a One Time Event**
- **Organizational Structure**
- **Budget Cycle and Process**
- **The Operating Agreement**
- **The Long-Term Investment Fund**
- **Round Tables Financial Orientation**

Online ALA *Financial Information*

Treasurer's Page

- Offers Reports, Resources and Links to the Six Webcasts
- <http://www.ala.org/aboutala/treasurerspage>

ALA Online Learning Offerings by Unit

- Brief Descriptions of Units' Learning Programs
- <http://ala.org/onlinelearning/unit>
- ALA YouTube Channel - Financial Learning Series Playlist
 - <http://www.youtube.com/user/AmLibraryAssociation#g/c/4234E31B4C2F3EE9>

Online ALA *Financial Information*

ALA Online Learning Webcasts

- links to the page for the six webcasts
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnorgstructure>
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnoa>
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnbudgetcycle>
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnfund>
 - <http://www.ala.org/aboutala/governance/financialdata/treasurerspage/learnroundtables>
 - <http://www.ala.org/aboutala/budget-planning-pre-conferences-and-other-one-time-events>

Thank You!

**Ann M. Martin
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