

Treasurer's Report to Council

- Membership Information Session -

FY 2018 YEAR-END FINANCIAL RESULTS
TO
ALA COUNCIL, EXECUTIVE BOARD AND MEMBERSHIP

Presented by:
Susan Hildreth – ALA Treasurer

Saturday - January 26, 2019
Seattle, WA

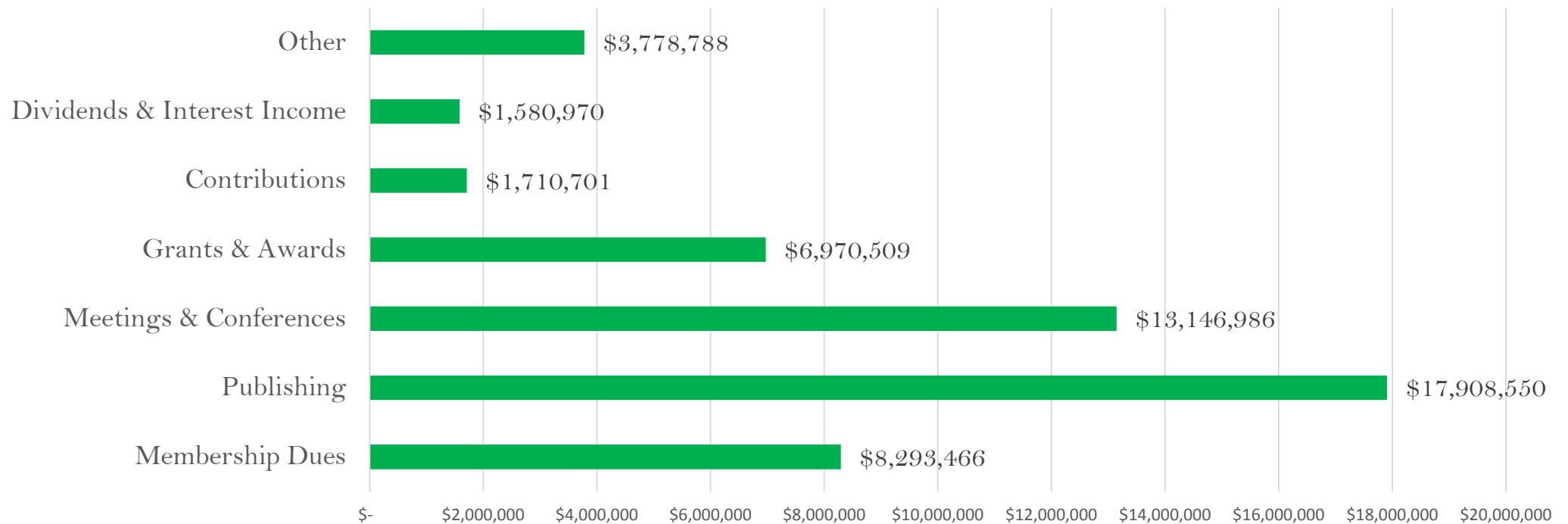
How Did We Do?

- Total ALA -

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Revenues	\$53,389,970	\$49,001,036	\$51,049,236
Total Expenses	\$49,685,838	\$41,384,365	\$53,317,179
Net Operating Revenues (Expenses)	\$3,704,132	\$7,616,761	(\$2,267,943)
Non-Operating Revenues(Expenses)	\$3,530,678	\$1,890,991	\$1,113,587
Change in Net Assets	\$7.2 million	\$9.5 million	\$ (1.2 million)

Where Does Our Revenue Come From?

- Total ALA -



General Fund Summary

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues	\$ 28,544,444	\$ 27,669,658	\$ 27,305,345
Expenses	<u>\$ 29,420,975</u>	<u>\$ 29,002,985</u>	<u>\$ 27,972,577</u>
Net Operating Expense	\$ (876,532)	\$ (1,333,327)	\$ (667,232)

General Fund Revenues

	<u>Actual 2018</u>	<u>Budget 2018</u>	<u>Variance</u>
Dues	\$ 5,455,785	\$ 5,425,600	\$ 30,185
Publishing	\$ 12,590,625	\$ 12,417,470	\$ 173,155
Meetings & Conferences	\$ 7,622,706	\$ 7,950,875	\$ (328,169)
Interest & Dividends	\$ 1,110,410	\$ 1,200,000	\$ (89,590)
Contributions	\$ 555,570	\$ 412,893	\$ 142,677
Miscellaneous	<u>\$ 1,209,348</u>	<u>\$ 1,375,075</u>	<u>\$ (165,727)</u>
Total	\$ 28,544,444	\$ 28,781,913	\$ (237,469)

Source: Internal financial reports - final close dated 10/23/18

General Fund Expenses

	Actual 2018	Budget 2018	Variance
Publishing Services	\$ 11,888,217	\$ 11,348,111	\$ (540,106)
Member Programs & Srvcs.	\$ 13,807,190	\$ 13,780,072	\$ (27,118)
Advocacy and Member Rel.	\$ 2,840,504	\$ 3,141,961	\$ 301,457
Executive Office	\$ 4,882,398	\$ 4,758,754	\$ (123,644)
Finance, Acct & Staff Support	\$ 1,878,728	\$ 1,818,411	\$ (60,317)
Overhead Recovered	\$ (6,856,394)	\$ (7,111,030)	\$ (254,636)
General Administration	\$ 1,040,333	\$ 966,880	\$ (73,453)
Total Expenses	\$ 29,420,975	\$ 28,703,159	\$ (777,817)

General Fund Net Revenue Sources – 2018

- and other support -

	<u>Revenues</u>	<u>Overhead Support</u>	<u>Total Support</u>
Interest & Earnings	\$ 1,110,410	\$ 0	\$ 1,110,410
Membership Dues - Net	\$ 5,272,729	\$ 0	\$ 5,272,729
Publishing - Net	\$ 264,796	\$ 3,208,395	\$ 3,473,191
Meetings & Conferences -Net	\$ 287,050	\$ 2,344,365	\$ 2,631,415
Other	\$ 550,570	\$ 2,748,577*	\$ 3,299,147
Total	\$ 7,485,555	\$ 8,301,337	\$ 15,786,892

Source: Internal financial reports - final close dated 10/23/18

*Overhead contribution from Divisions, Roundtables and Grants

Publishing Revenues & Expenses – 2018

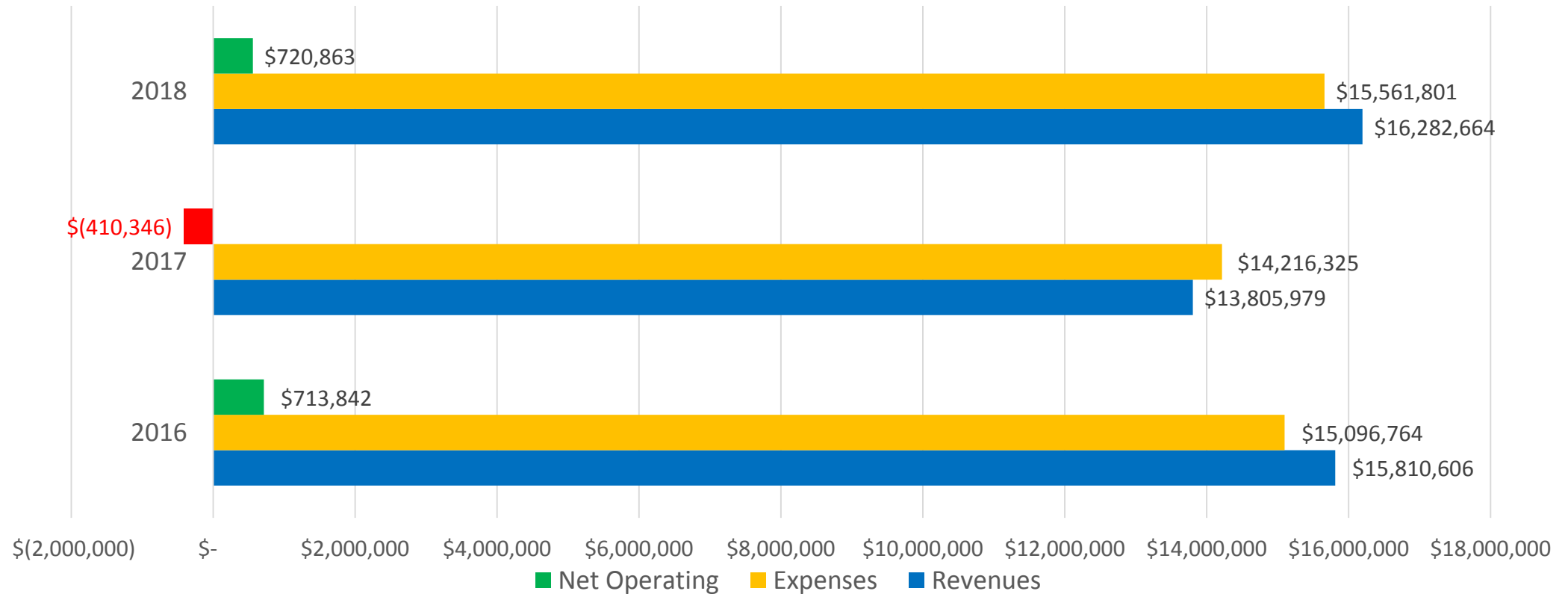
			Overhead	Net
	<u>Revenues</u>	<u>Expenses</u>	<u>Contribution</u>	<u>Revenue</u>
ALA Editions	\$ 4,001,020	\$ 4,432,548	\$ 1,056,269	\$ (431,528)
Booklist	\$ 4,704,527	\$ 3,863,078	\$ 1,241,995	\$ 841,449
American Libraries	\$ 886,141	\$ 886,141	\$ 233,941	\$ 0
Digital Resources	\$ 1,134,519	\$ 1,167,117	\$ 299,513	\$ (32,598)
Graphics	\$ 705,945	\$ 788,551	\$ 186,370	\$ (82,606)
E-Learning	\$ 720,861	\$ 687,901	\$ 190,307	\$ 32,960
Publishing - AED	\$ -	\$ 62,881	\$ 0	\$ (62,881)
Total	\$ 12,153,013	\$ 11,888,217	\$ 3,208,395	\$ 264,796

Meetings & Conferences

Revenues and Expenses - 2018

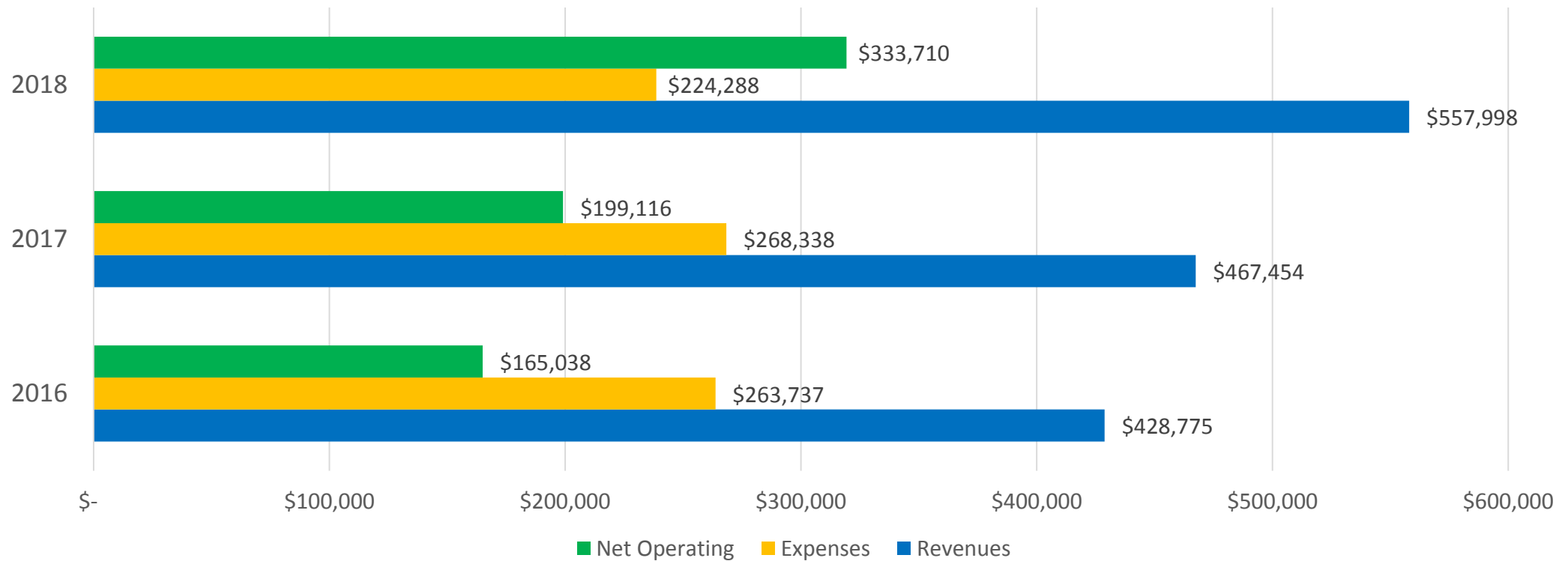
	<u>Revenues</u>	<u>Expenses</u>	<u>Overhead Contribution</u>	<u>Net Revenue</u>
Annual Conference	\$ 6,454,880	\$ 5,874,750	\$ 1,690,096	\$ 580,131
Midwinter Meeting	\$ 2,508,290	\$ 2,801,371	\$ 654,269	\$ (293,081)
Total	\$ 8,963,170	\$ 8,676,121	\$ 2,344,365	\$ 287,050

Division Revenues and Expenses— 2018



Source: Internal financial reports - final close dated 10/23/18

Roundtable Revenues and Expenses – 2018



Total ALA Assets, Liabilities & Net Assets – 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assets	\$ 82,833,952	\$ 72,522,283	\$ 75,727,502
Liabilities	<u>\$ 35,762,621</u>	<u>\$ 32,622,005</u>	<u>\$ 45,343,837</u>
Net Assets	<u>\$ 47,071,331</u>	<u>\$ 39,900,278</u>	<u>\$ 30,383,665</u>

Source: Internal financial reports - final close dated 10/23/18

Strategy to Address FY 20 and Beyond

- Continue to leverage ALA's strong balance sheet to build on first year of strategic investments designed to enhance revenue generation and streamline operating expenses:
 - Move forward in FY 20 with continued strategic investments
 - Monitor impact of investments and revise or refine strategy as needed
 - Use ALA's bank line of credit or other assets to support investments

Strategy to Address FY 20 and Beyond

- Determine most impactful use of proceeds from sale of ALA Headquarters
 - Majority of proceeds reinvested in endowment to generate revenue for association priorities
 - Small portion used to facilitate development of new headquarters facility that will promote collaboration and result in lowered operating costs and general liability
- Implement recommendations of change stream studies to take advantage of opportunities to engage members more effectively and to streamline organization
- Continue to identify and pilot “New Business Development” ideas

Thank you for your
support