

Treasurer's Report to Council

- Membership Information Session -

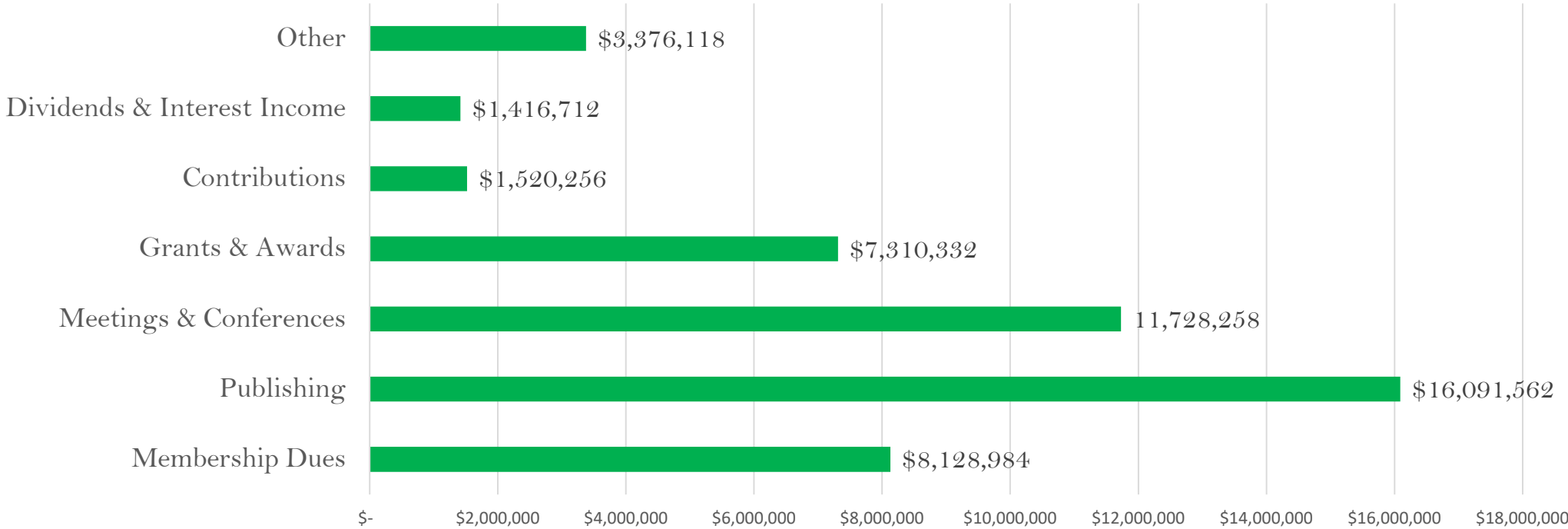
FY 2019 YEAR-END FINANCIAL RESULTS
TO
ALA COUNCIL, EXECUTIVE BOARD AND MEMBERSHIP

Presented by:
Maggie Farrell – ALA Treasurer

Saturday - January 25, 2020
Philadelphia, PA

Where Does Our Revenue Come From?

- Total ALA -



General Fund Summary

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues	\$ 27,020,473	\$ 28,544,444	\$ 27,669,658
Expenses	<u>\$ 31,099,589</u>	<u>\$ 29,420,976</u>	<u>\$ 29,002,985</u>
Net Operating Expense	\$ (4,079,116)	\$ (876,532)	\$ (1,333,327)

General Fund Revenues

	<u>Actual 2019</u>	<u>Budget 2019</u>	<u>Variance</u>
Dues	\$ 5,387,110	\$ 5,516,800	\$ (129,690)
Publishing	\$ 11,210,848	\$ 11,979,464	\$ (768,616)
Meetings & Conferences	\$ 8,240,158	\$ 8,044,740	\$ 195,418
Interest & Dividends	\$ 804,186	\$ 1,200,000	\$ (395,814)
Contributions	\$ 228,752	\$ 261,493	\$ (32,741)
Miscellaneous	<u>\$ 1,149,419</u>	<u>\$ 1,136,030</u>	<u>\$ 13,389</u>
Total	\$ 27,020,473	\$ 28,138,527	\$ (1,118,054)

Source: Internal financial reports - final close dated 11/4/19

General Fund Expenses

	Actual 2019	Budget 2019	Variance
Publishing Services	\$ 10,707,688	\$ 11,304,616	\$ 596,928
Conference Services	\$ 9,283,004	\$ 8,664,485	\$ (618,519)
ALA Offices and Member Relations	\$ 3,404,935	\$ 3,574,257	\$ 169,322
Public Policy and Advocacy (Washington Office)	\$ 2,775,003	\$ 2,748,841	\$ (26,162)
Executive Office	\$ 4,288,164	\$ 4,133,974	\$ (154,190)
IT Department	\$ 3,448,321	\$ 3,455,992	\$ 7,671
Finance, Acct & Staff Support	\$ 1,800,336	\$ 1,727,504	\$ (72,832)
Overhead Recovered	\$ (7,534,708)	\$ (7,732,342)	\$ (197,634)
General Administration	\$ 2,926,846	\$ 2,671,188	\$ (255,658)
Total Expenses	\$ 31,099,589	\$ 30,548,515	\$ (551,074)

General Fund Net Revenue Sources – 2019

- and other support -

	<u>Revenues</u>	<u>Overhead Support</u>	<u>Total Support</u>
Interest & Earnings	\$ 804,186	\$ 0	\$ 804,186
Membership Dues - Net	\$ 5,207,420	\$ 0	\$ 5,207,420
Publishing - Net	\$ 111,843	\$ 2,868,184	\$ 2,980,027
Meetings & Conferences -Net	\$ 239,576	\$ 2,503,052	\$ 2,742,628
Other	\$ 565,040	\$ 2,163,472*	\$ 2,728,512
Total	\$ 6,928,065	\$ 7,534,708	\$ 14,462,773

Source: Internal financial reports - final close dated 11/4/19

*Overhead contribution from Divisions, Roundtables and Grants

Publishing Dept. Revenues & Expenses – 2019

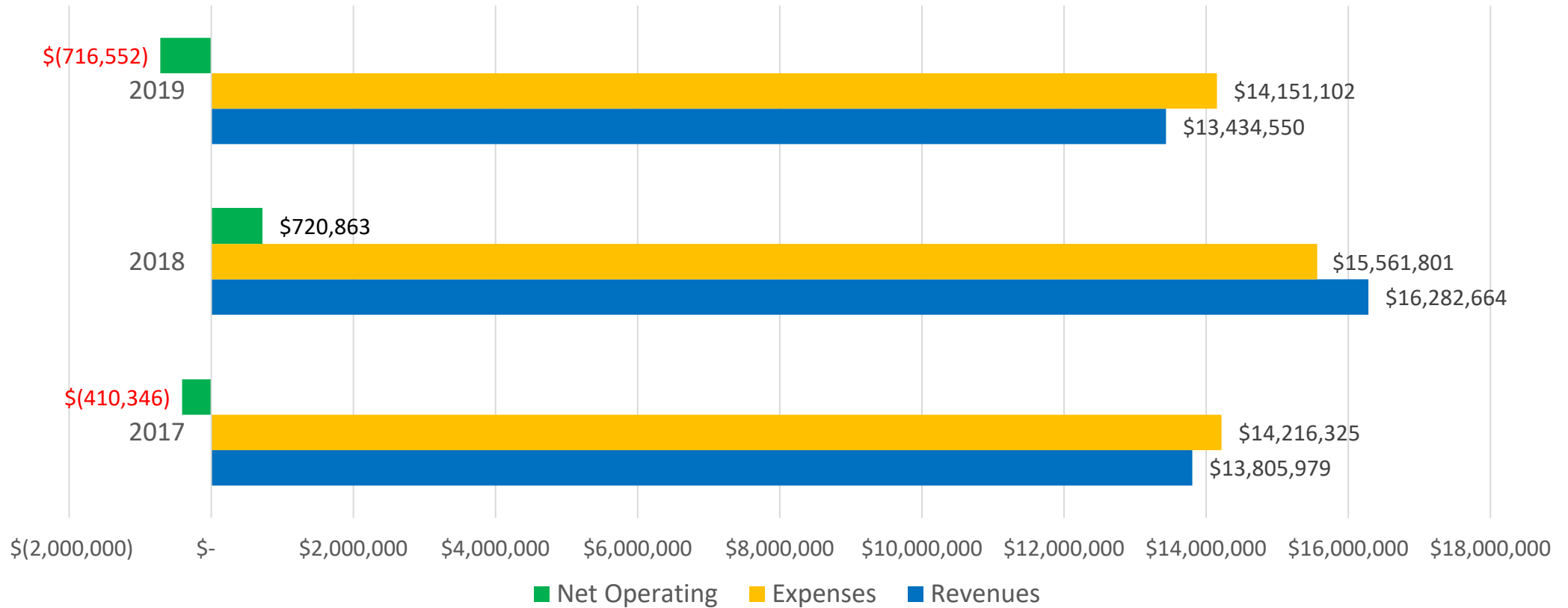
			Overhead	Net
	<u>Revenues</u>	<u>Expenses</u>	<u>Contribution</u>	<u>Revenue</u>
ALA Editions	\$ 2,913,106	\$ 2,658,734	\$ 771,857	\$ (517,485)
Booklist	\$ 4,552,325	\$ 2,477,951	\$ 1,207,490	\$ 866,884
American Libraries	\$ 910,926	\$ 669,531	\$ 241,395	\$ 0
Digital Resources	\$ 1,085,308	\$ 800,173	\$ 287,607	\$ (2,472)
Graphics	\$ 622,183	\$ 526,305	\$ 164,878	\$ (69,000)
E-Learning	\$ 735,683	\$ 468,079	\$ 194,957	\$ 72,647
Publishing - AED	\$ -	\$ 238,731	\$ 0	\$ (238,731)
Total	\$ 10,819,531	\$ 7,839,504	\$ 2,868,184	\$ 111,843

Meetings & Conferences

Revenues and Expenses - 2019

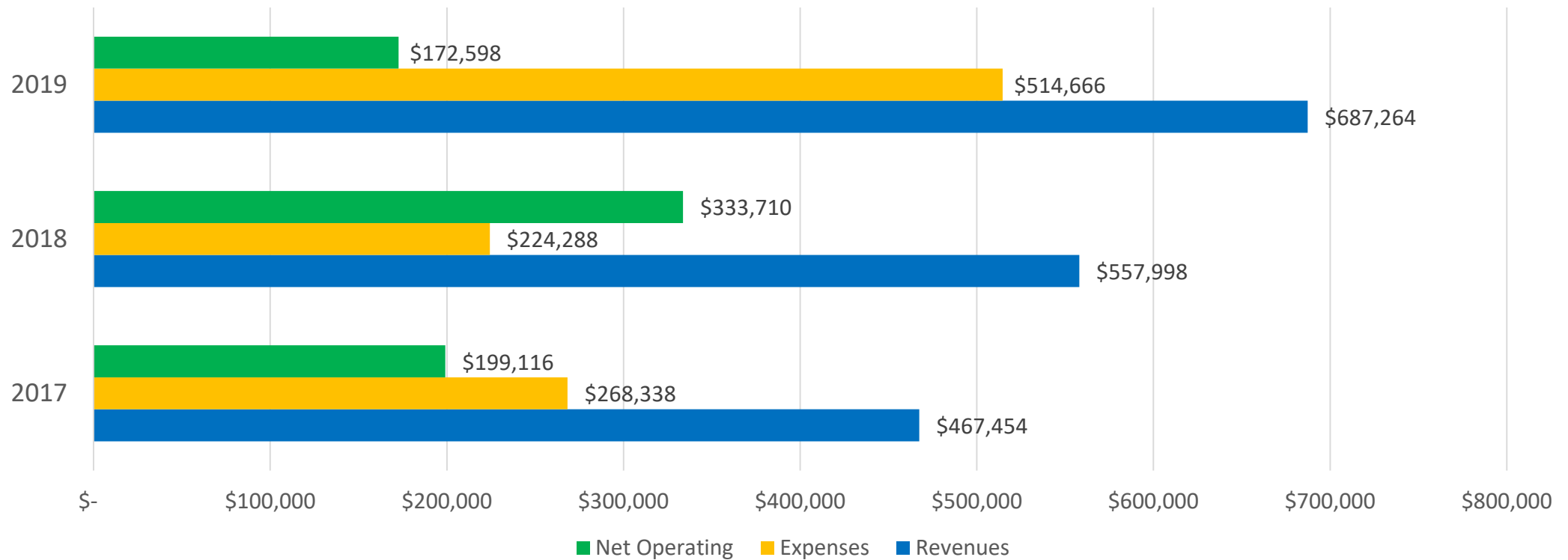
	<u>Revenues</u>	<u>Expenses</u>	<u>Overhead Contribution</u>	<u>Net Revenue</u>
Annual Conference	\$ 6,963,667	\$ 4,314,324	\$ 1,831,565	\$ 817,778
Midwinter Meeting	\$ 2,558,912	\$ 2,465,627	\$ 671,487	\$ (578,202)
Total	\$ 9,522,579	\$ 6,779,951	\$ 2,503,052	\$ 239,576

Division Revenues and Expenses— 2019



Source: Internal financial reports - final close dated 11/4/19

Round Tables Revenues and Expenses – 2019

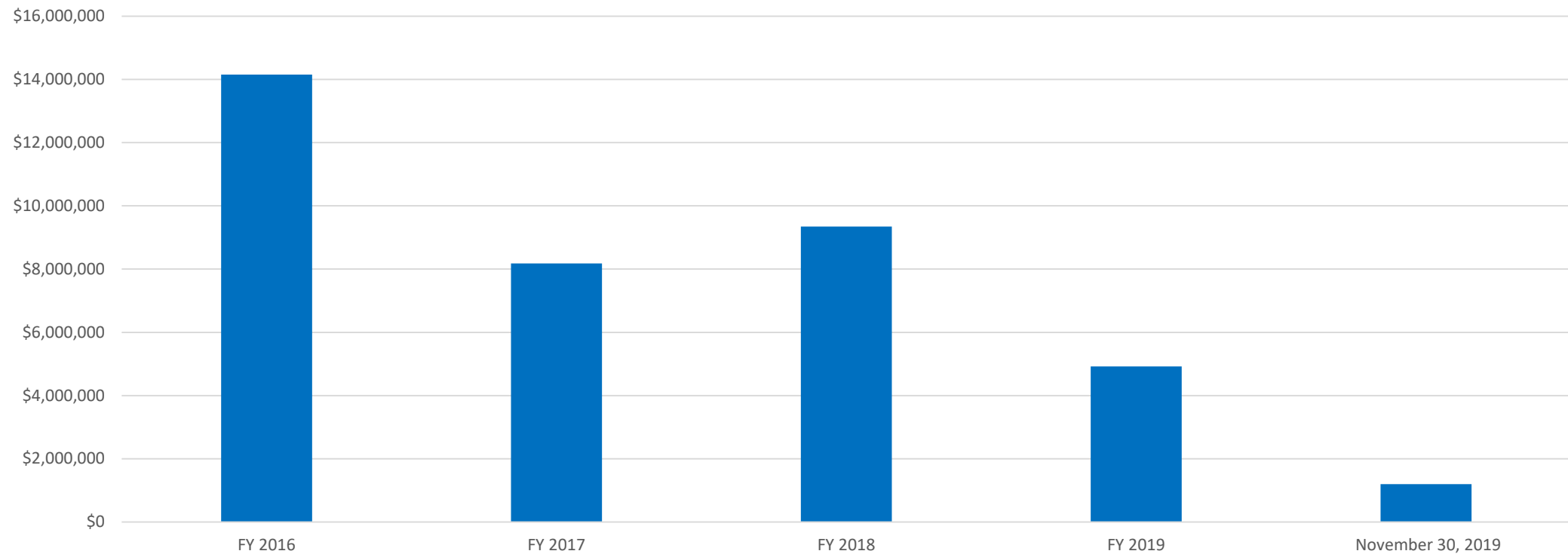


Total ALA Assets, Liabilities & Net Assets – 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets	\$ 78,454,838	\$ 82,889,476	\$ 72,522,283
Liabilities	<u>\$ 38,646,607</u>	<u>\$ 35,763,339</u>	<u>\$ 32,622,005</u>
Net Assets	<u>\$ 39,808,231</u>	<u>\$ 47,126,137</u>	<u>\$ 39,900,278</u>

American Library Association Short-term Investments

FY 2016 through November 30, 2019



Strategy to Address FY21 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 21 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 FY21 and Beyond

- Implement 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
- Participate in Moving Forward initiatives with a financial lens
- Examine operations for streamlining and cost reductions
- Continue to identify and pilot “New Business Development” ideas

Thank you for your
service on behalf of
our members