

2005-2006 EBD #4.5
2005-06 BARC #22.1

TO: Finance and Audit Committee
Budget Analysis and Review Committee

RE: Annual Conference Financial Performance Scenarios

ACTION REQUESTED/INFORMATION/REPORT:

Management has prepared several scenarios depicting the possible impact on net revenue due to lower attendance at the ALA Annual Conference.

ACTION REQUESTED BY:

Information item.

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DATE: October 14, 2005

BACKGROUND

Assuming that registration may not reach budget for the Annual Conference, a 5%, 10% and 20% attendance reduction scenario has been developed in order to estimate the impact on budgeted net revenue.

A 5%, 10% and 20% decrease in registration and exhibit booth space could result in a \$232,000, \$464,000 and \$929,000 loss, respectively, to the Association.

If the Annual Conference were cancelled altogether, the net loss totals \$2,529,000.

Attachment

Annual Conference
Financial Performance Scenarios

	Annual Conference FY 2006 Budget	Annual Conference Scenarios								
		Sunk cost - Cancel Annual Conf.	Variance	Scenario I Projections 95% Exhibits 95% Registration	Variance Exhibits Registration	Scenario II Projections 90% Exhibits 90% Registration	Variance Exhibits Registration	Scenario III Projections 80% Exhibits 80% Registration		
Revenue										
Exhibits	2,803,750	0		2,663,563	(140,188)	2,523,375	(280,375)	2,243,000	(560,750)	
Registration	1,842,000	0		1,749,900	(92,100)	1,657,800	(184,200)	1,473,600	(368,400)	
Advertising	240,000			240,000		240,000		240,000		
Donations	172,750			172,750		172,750		172,750		
Commissions	253,300			253,300		253,300		253,300		
Other	242,460	0		242,460	0	242,460	0	242,460	0	
Total	5,554,260	0		5,321,973	(232,288)	5,089,685	(464,575)	4,625,110	(929,150)	
Expenses										
	3,024,659	0		3,024,659		3,024,659		3,024,659		
Contribution	2,529,601	0	(2,529,601)	2,297,314	(232,288)	2,065,026	(464,575)	1,600,451	(929,150)	
Overhead Expense	1,216,383	0		1,165,512		1,114,641		1,012,899		
Total	4,241,042	0		4,190,171		4,139,300		4,037,558		
Net(Loss)	1,313,218	0	(1,313,218)	1,131,802	(181,416)	950,385	(362,833)	587,552	(725,666)	
Registrants:										
Exhibitors	6,500			6,175		5,850		5,200		
Attendees	10,400			9,880		9,360		8,320		
Complimentary Reg	5,100			4,845		4,590		4,080		
Total	22,000			20,900		19,800		17,600		