ASSURANCE AND ADVISORY BUSINESS SERVICES

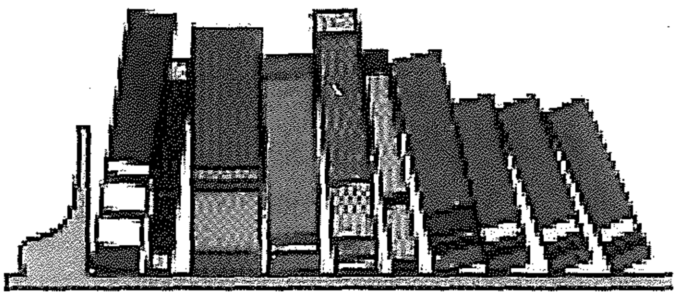
January 12, 2004

EBD #4.7.1
2003-2004

Exhibit 21

American Library Association

Presentation to the Audit Committee



ERNST & YOUNG
Quality In Everything We Do

American Library Association

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January 12, 2004

Audit Committee
American Library Association

Dear Members of the Audit Committee:

We are pleased to present the results of our audit of the financial statements of the American Library Association (the Association).

At our planning meeting with management for the 2003 audit, we presented our audit plan which included a commitment to understand and deliver on the Association's and your expectations. Our approach for the Association was designed to combine a historical perspective with a focus on the membership organization industry, as well as the Association's current and emerging business issues.

This Report to the Audit Committee summarizes our audit, the scope of our engagement, the reports issued, and various analyses and observations related to the Association's financial position and results of operations. The document also reviews the Audit Committee communications required by our professional standards.

The audit is designed to express an opinion on the historical financial statements, and accordingly, includes assessments of risks that could materially affect the current year's financial statements. However, the pace of change is blurring the distinction between the risks that affect the current year's financial results and those risks that might affect future year's financial results. Accordingly, in addition to auditing the historical financial statements, we will continue to work with you and management to understand the Association's business processes and risks, and to provide our business insights responsive to risks that might affect the Association's future results.

We continually strive to improve the quality of our audit services, as well as to meet and exceed your expectations. This report is intended solely for the information and use of the Audit Committee, Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

As always, we strive to continually improve the quality of our audit services. This meeting is a forum for you to provide feedback on ways we can continue to meet and exceed your expectations.

We appreciate this opportunity to meet with you. If you have any questions or comments, please call Ken Herlin at (312) 879-2021.

Very truly yours,

Ernst & Young LLP

Engagement Team	Ken Herlin, Coordinating Partner Katherine Kurtzman, Tax Principal Laura Morgan, Audit Senior Manager Jeff Bahr, Audit Manager Tim Lang, Audit Senior
Scope of Fiscal 2003 Audit	We have performed full scope audit procedures of the American Library Association's (Association) consolidated financial statements. The ALA Allied Professional Association's accounts are included in the consolidated financial statements. We also performed audit procedures in accordance with *Government Auditing Standards* and OMB Circular A-133 related to the Association's federal awards. We also issued a management letter with recommendations to management noted during the performance of our audit procedures.
Areas of Audit Emphasis	Investments – including unrealized gains/losses Sale of Huron Plaza Accounts receivable and deferred revenue Payables and accrued liabilities Revenue recognition Federal Award programs
Independence	With respect to the Association, we are independent accountants within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.
Report on Fiscal 2003 Audit	We have issued an unqualified opinion dated November 22, 2003 on the Association's consolidated financial statements for the years ended August 31, 2003 and 2002. In addition, we have issued a report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We have also issued a report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133. In our opinion, the Association complied, in all material respects, with the compliance requirements applicable to each of its major programs.

Required Communications

Statement of Auditing Standards No. 61 requires the auditor to ensure that the Audit Committee receives additional information regarding the scope and results of the audit that may assist the Committee in overseeing management's financial reporting and disclosure process. Below we summarize these required communications.

Area	Comments
Auditors' Responsibilities under Generally Accepted Auditing Standards (GAAS) The financial statements are the responsibility of management. Our audits were designed in accordance with GAAS, which provide for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We have a responsibility to opine on whether the financial statements are fairly stated in accordance with Generally Accepted Accounting Principles.	As a part of our audit, we obtained a sufficient understanding of internal controls to plan our audit and to determine the nature, timing and extent of testing performed. We have issued an unqualified opinion on the Association's financial statements for the year ended August 31, 2003.
Significant Accounting Policies Initial selection of and changes in significant accounting policies or their application and new accounting and reporting standards during the year must be reported.	There were no changes in significant accounting policies made during the year by the Association.
Management Judgments and Accounting Estimates The preparation of financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the statements and the possibility that future events may differ significantly from management's expectations.	Estimates and methodologies used to determine the allowance for uncollectible accounts receivable and reserve for inventory were reasonable and consistent with prior year.
Significant Audit Adjustments	One audit adjustment was recorded. There were also two adjustments passed (see page 5).
Other Information Documents Containing Audited Financial Statements	None.
Disagreements with Management on Financial Accounting and Reporting Matters	None.
Consultation with Other Accountants	We know of none.
Serious Difficulties Encountered in Performing the Audit	Certain difficulties were encountered.
Material Errors, Fraud and Illegal Acts	None identified.
Major Issues Discussed with Management Prior to Retention	There were no such major issues discussed prior to our retention.
Significant Disclosures Not Made	None.

Required Communications – (continued)

Independence	We are independent certified public accountants with respect to the Institute within the meaning of the applicable published rules and regulations of the American Institute of Certified Public Accountants. Our policies relating to financial interests generally are more strict than the requirements imposed by the AICPA and other professional bodies. We are not aware of any relationships between Ernst & Young and the Association that, in our professional judgment, may reasonably be thought to bear on our independence.

American Library Association
Summary of Unadjusted Audit Differences
Year Ended August 31, 2003

During the course of our audit, we accumulate differences between amounts recorded by the Association and amounts that we believe are required to be recorded under accounting principles generally accepted in the United States. Following is a summary of those differences.

	Recording the Adjustment Would Increase Income
Known Differences:	
Increase receivable from ITS	$ 57,784
Likely Differences:	
Overstatement of bad debt reserve	98,000
Total Unadjusted Financial Statement Differences	$155,784

Other Considerations:

In evaluating the materiality of the difference, we consider both quantitative and qualitative factors.

The total unadjusted difference represents 0.4% of operating revenues and .81% of unrestricted net assets for 2003.

Although the difference represents approximately 15% of Operating revenue, gains and other support less than operating expenses, it does not distort the trend of earnings.

345 Park Avenue
New York, NY 10154

To the Partners of
Ernst & Young LLP and the SEC Practice Section Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Ernst & Young LLP (the firm) in effect for the year ended June 30, 2001. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. In addition, the firm has agreed to comply with the membership requirements of the SEC Practice Section of the AICPA Division for CPA Firms (the Section). Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system and the Section's membership requirements based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Section and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it or with the membership requirements of the Section since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Ernst & Young LLP in effect for the year ended June 30, 2001, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards. Also, in our opinion, the firm complied during that year with the membership requirements of the Section in all material respects.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

KPMG LLP

November 29, 2001