

Results of Operations
February - FY 2006 Financials



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February FY 2006 Financials

Executive Summary

The February close results represent six months of activity, which were electronically issued to unit managers on March 20. This commentary highlights actual revenue and expense results as compared to the approved budget including highlights of key financial indicators.

Highlights

- ° *Total ALA (all combined funds) revenue of \$19,878,636 is \$8,358 less than budget. The General Fund revenue of \$12,037,827 is \$315,861, 3% less than budget due to lower Publishing sales, primarily related to the timing of book sales and membership dues. Division revenues are 2%, \$145,555 more than budget and Grants and Awards are \$134,997 more than budget year-to-date. Long-Term Investment interest and dividends exceed budget by \$45,735, reaching \$332,722.*
- ° *Total ALA expenses of \$19,582,212 are 11%, \$2,398,824 less than budget. The General Fund expenses of \$12,237,706 are \$1,482,929, 11% less than budget. Divisions are \$867,262 less than budget. Grants and Awards are \$134,997 more than budget.*
- ° *Cash and short-term investments are \$19,715,691 compared to \$16,776,076 last year. The Long-Term Investment Fund is \$26,121,855 as compared to the \$24.3 million balance at August 2005.*
- ° *Total assets are \$9,921,095, 19% more than February 2005 reaching \$61,786,678 due to the purchase of 1615 New Hampshire in Washington, DC.*
- ° *Total liabilities are \$6,229,108, 23% more than February 2005, totaling \$33,638,414.*
- ° *Total ALA net assets are \$3,691,987, 15% more than February last year, totaling \$28,148,264.*

February FY 2006 Financials
Executive Summary – continued

- ° *Based on 2nd quarter performance, revenue is expected to be \$400,000, 1.5% less than budget in the General Fund. Areas to monitor throughout the year include dues income and advertising sales in American Libraries. Expenses are projected to be \$500,000 less than budget for the year. The General Fund should end the year with revenues exceeding expenses of \$100,000. The net revenue is a result of prepaying the CIPA/CDA loans both principle and interest in FY 2005.*

OPERATING FUND

General Fund

Total revenues of \$12,037,827 are \$315,861, 3% less than budget. Revenues are 3.3% or \$382,263 greater than FY 2005 at this time.

Publishing revenues are less than the budget by \$59,139 due primarily to ALA Editions, Graphics, ALA Techsource and Book Links. Note: The Publishing net revenue for February year-to-date is more than budget by \$345,667, reaching \$961,778. Dues income is less than budget by 6%, or \$154,977, totaling \$2,612,519 however, the February renewals are showing strong activity. Dues are conservatively projected to be \$250,000 less than budget.

Total expenses of \$12,237,706 are \$1,482,929 or 11% less than budget. Member Programs and Services expenses are \$543,434 less than budget due primarily to Annual Conference (\$147,783) and Midwinter (\$323,344). Note: Communication expenses are \$56,887 less than budget and Publishing is \$404,806 less than budget. Business Expenses are \$183,871 less than budget due to timing of audit fees and insurance. Executive Board and Council committee expenses were \$142,375 less than budget. Salary savings for the year total \$769,218, of which savings for the year were budgeted at \$611,009. Salary savings may reach \$1.0 million for the year. However, savings will be offset by professional services, which are projected to be \$200,000 over budget. Transportation and lodging expenses are \$118,120 less than budget and telephone and postage expenses were \$158,756 less than budget.

See General Fund projection (next page).

February FY 2006 Financials
Executive Summary – continued

General Fund Year-End Projections

	Variance to Budget () = less than budget
<u>Revenue</u>	
Dues	(\$231,000)
Publishing	(\$119,000)
Mail list	<u>(\$ 50,000)</u>
	(\$400,000)
<u>Expense</u>	
Salary	(\$1,000,000)
Attrition	\$ 600,000
Professional Services	\$ 200,000
Benefits	\$ 100,000
Operating	<u>(\$ 400,000)</u>
Total Expenses	(\$ 500,000)
Net Revenue	\$ 100,000

The General Fund should end the year with revenues exceeding expenses of \$100,000. The net revenue is a result of prepaying the CIPA/CDA loans both principle and interest.

Round Tables

The Round Tables revenues of \$128,832 are \$15,283 less than budget due primarily to lower donations and registration fees. Expenses of \$49,357 are less than budget by \$83,761 due primarily to lower conference equipment and meal function expense.

Plant Fund

Depreciation expense of \$172,631 is \$66,283 under budget. The Plant Fund transfer is \$585,952, \$190,448 under budget, and is now being recorded monthly as a credit to the Plant Fund with an offsetting charge to the General Fund.

February FY 2006 Financials
Executive Summary – continued

MEMBER PROGRAMS & SERVICES

MPS overall expects to end the year on or slightly better than budget. A strong AASL National Conference in the fall, followed by what is expected to be a record PLA National Conference in March, provide a significant boost. YALSA continues to turn in a strong performance following 18 months without a small division subsidy. While expenses from the 2006 Midwinter Meeting are still being paid, Conference Services expects it hit its net revenue target. HRDR reported a strong Midwinter Placement Center. Salary/related savings are running behind FY2005's level as positions, which had been open for an extended period, are being filled. In some areas, particularly ITTS, contractual services are currently being used in lieu of filling positions.

PUBLISHING SERVICES

Total Revenues are \$59,139 less than budget. Total Expenses are \$404,806 less than budget. Net Revenues are \$345,667 more than budget. Net advertising revenues in *American Libraries* are \$63,643 less than budget but classified ads are \$48,871 more than budget. Expense savings in salary are offset by expenses for consultants in Professional Services. Marketing expenses have just been delayed because of open positions but will probably exceed budget by year-end in efforts to re-build sales and launch Booklist Online. Expect revenues to improve slightly and expenses to increase with a year-end that is close to budget at the Contribution Margin level.

GRANTS AND AWARDS (RESTRICTED FUND)

Revenues and expenses of \$1,386,421 are \$134,997 more than the budget due to timing of several grants, most notably IMLS Spectrum/New Voices New Vision, \$141,233, NEH-We the People, \$302,149 more than budget and Library Champions, \$79,177, less than budget. Note: Grants and Awards generated 4% or \$57,087 under the FY 2005 actual.

February FY 2006 Financials
Executive Summary – continued

SALARIES

General Fund salaries through February are \$769,218 less than budget. This is \$158,209 more than the total years 5.5% salary attrition budget of \$611,009. In addition, temporary help is under budget by \$4,678 and overtime is under budget by \$3,863 year-to-date. Excess salary savings including temporary help and overtime is \$777,759, which is \$166,750 more than the projected year-end goal. Note: Professional services are over budget by \$217,580 year to date.

	FY 2006 February 2006	FY 2005 February 2005
Total General Fund Salaries	\$11,109,310	\$10,684,260
February YTD Budget	\$5,490,794	\$5,285,675
Actual Salaries-February YTD	4,721,576	4,765,396
Salary Savings To Date	\$769,218	\$520,279
Total Projected Salary Savings: 5.5% Attrition (FY 2006)	611,009	534,214
Salary Savings Remaining To Be Achieved	(158,209)	13,935
Wages-Temporary Help		
Budget	31,736	30,514
Actual	27,058	74,957
Variance (over) under Budget	4,678	(44,443)
Overtime Wages		
Budget	51,104	43,374
Actual	47,241	48,590
Variance (over) under Budget	3,863	(5,216)
Salary Savings Required Including Wages & Overtime	(\$166,750)	\$63,594

American Library Association
Schedule 1 - Statement of Revenues and Expenses - Total ALA

	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
GENERAL FUND	11,655,564	12,037,827	12,353,688	(315,861)	-3%	27,548,309	27,548,309	0.00%
DIVISIONS	4,369,325	5,992,834	5,847,279	145,555	2%	13,614,348	13,614,348	0.00%
ROUND TABLES	95,520	128,832	144,115	(15,283)	-11%	350,553	350,553	0.00%
PLANT FUND	0	0	0	0	-	0	0	-
GRANTS AND AWARDS (RESTRICTED FUND)	1,443,508	1,386,421	1,251,424	134,997	11%	2,796,052	2,796,052	0.00%
LONGTERM INVESTMENT FUND (ENDOWMENT FUND)	294,501	332,722	290,488	42,234	15%	580,989	580,989	0.00%
TOTAL REVENUES	17,858,418	19,878,636	19,886,994	(8,358)	-0%	44,890,251	44,890,251	0.00%
GENERAL FUND	12,305,113	12,237,706	13,720,635	1,482,929	11%	27,478,609	27,478,609	0.00%
DIVISIONS	4,814,109	5,765,600	6,632,862	867,262	13%	13,688,470	13,688,470	0.00%
ROUND TABLES	56,749	49,356	133,118	83,762	63%	344,390	344,390	0.00%
PLANT FUND	162,995	9,015	2	(9,013)	-	0	0	-
GRANTS AND AWARDS (RESTRICTED FUND)	1,443,508	1,386,421	1,251,424	(134,997)	-11%	2,796,052	2,796,052	0.00%
LONGTERM INVESTMENT FUND (ENDOWMENT FUND)	116,239	134,114	242,995	108,881	45%	528,782	528,782	0.00%
TOTAL EXPENSES	18,898,713	19,582,212	21,981,036	2,398,824	11%	44,836,303	44,836,303	0.00%
EXCESS OF REVENUES OVER EXPENSES	(1,040,295)	296,424	(2,094,042)	2,390,466	114%	53,948	53,948	-0.00%
POST-RETIREMENT BENEFITS	0	0	0	0	-	-	-	-
NET REALIZED/UNREALIZED GAINS-BOND FUND	(200,957)	(164,227)	0	(164,227)	-	-	-	-
NET REALIZED/UNREALIZED GAINS-LT INVEST	1,787,675	1,127,680	400,080	727,600	182%	800,179	800,179	0.00%
NET CONTRIBUTIONS/WITHDRAWALS-LT INVEST	280,949	90,699	(30,854)	121,553	394%	(58,715)	(58,715)	-0.00%
NET REVENUES-TOTAL ALA	827,372	1,350,576	(1,724,816)	3,075,392	178%	795,412	795,412	0.00%

FOR ADDITIONAL DETAIL SEE SCHEDULES 7 AND 8.

03/27/2006

American Library Association

Schedule 1 – Commentary: Statement of Revenues and Expenses – Total ALA

February FY 2006 Financials

ROUND TABLES

The Round Tables revenues of \$128,832 are \$15,283 less than budget due to dues income, registration fees and donations. Expenses of \$49,357 are less than budget by \$83,762 due to conference related expenses and printing costs.

PLANT FUND

Depreciation expense of \$172,631 is \$66,283 under budget. The Plant Fund transfer is \$585,852, \$190,448 under budget, and is now being recorded monthly as a credit to the Plant Fund with an offsetting charge to the General Fund.

GRANTS AND
AWARDS

Revenues and expenses of \$1,386,421 are \$134,997 more than the budget due to timing of several grants, most notably IMLS Spectrum/New Voices New Vision, \$141,233, NEH-We the People, \$302,149 more than budget and Library Champions, \$79,177, less than budget.

LONG-TERM
INVESTMENTS

Endowment Fund revenues of \$332,722 consisting of interest and dividend income are \$45,735 more than the budget of \$290,488. Net realized/unrealized gains are \$1,113,996 as compared to budgeted gains of \$400,080. On a stand-alone basis, the Gulf Investment portfolio has realized gains of \$167,463 and unrealized losses of \$114,563. The Credit Suisse portfolio has year-to-date realized losses of \$34,517 and unrealized losses of \$114,683. The NFJ portfolio has year-to-date realized gains of \$72,389 and unrealized gains of \$41,420. The Lazard International portfolio has year-to-date realized gains of \$157,022 and unrealized gains of \$163,519. The Marsico portfolio has realized gains of \$31,772 and unrealized gains of \$191,156. The Alliance portfolio has realized gains of \$184,157 and unrealized gains of \$235,338. The EMA-Heitman portfolio has realized gains of \$46,103 and unrealized gains of \$80,286. Ariel has unrealized gains of \$7,107.

	Realized	Unrealized	Net
	-----	-----	-----
Gulf Investments	167,463	(114,536)	52,927
Credit Suisse	(34,517)	(114,683)	(149,200)
NFJ/Lord Abbett	72,389	41,420	113,809
Lazard Intl	157,022	163,519	320,541
Marsico/Seneca	31,772	191,156	222,928
Alliance/Laurel	184,157	235,338	419,495
Ema-Heitman	46,103	80,286	126,389
Ariel	0	7,107	7,107
	-----	-----	-----
TOTAL	\$624,389	\$489,607	\$1,113,996
	=====	=====	=====

Net contributions/withdrawals consists of donations and other revenues, offset by life member dues transfers. The resulting figure in effect represents the net capital addition (reduction) made to the Endowment Fund. At February 28, 2006, the net contribution of \$90,699 is \$121,553 more than the budgeted net withdrawal of \$30,854. Expenditures totaling \$134,133 are \$108,862 less than budget.

The current annualized yield on Endowment Fund investments is as follows:

	GULF	CREDIT SUISSE	NFJ/ LORD ABBETT	LAZARD INTL	MARSICO/ SENECA	ALLIANCE/ LAUREL	EMA HEITMAN	ARIEL	TOTAL	%	YIELD
CASH	226,429	141,476	225,901	120,960	197,505	232,997	21,430	240,686	1,407,382	5%	3.25%
GOVERNMENT SECURITIES		4,878,862							4,878,862	19%	4.72%
CORPORATE SECURITIES		1,786,399							1,786,399	7%	5.22%
EQUITIES	3,662,472		1,899,431	3,504,554	3,136,694	4,465,947	1,380,113		18,049,212	69%	1.63%
TOTAL	3,888,901	6,806,737	2,125,332	3,625,514	3,334,199	4,698,944	1,401,543	240,686	26,121,855	100%	
WEIGHTED AVERAGE COMPUTATION	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Composite: 2.54%

American Library Association
Schedule 2A - Statement of Revenues and Expenses - General Fund

	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
REVENUES:								
PUBLISHING SERVICES	6,119,287	6,260,316	6,319,455	(59,139)	-1%	12,445,896	12,445,896	0.0%
MEMBERSHIP PROGRAMS & SERVICES	2,507,802	2,767,089	2,742,422	24,667	1%	8,499,223	8,499,223	0.0%
COMMUNICATIONS	2,592,040	2,650,204	2,779,213	(129,009)	-5%	5,578,000	5,578,000	0.0%
INTEREST INCOME	285,459	283,659	370,096	(86,437)	-23%	740,190	740,190	0.0%
MAIL LIST SALES	145,876	66,649	142,502	(75,853)	-53%	285,000	285,000	0.0%
EXECUTIVE OFFICE (NOTE 1)	5,100	9,910	0	9,910	-	0	0	-
TOTAL REVENUES	11,655,564	12,037,827	12,353,688	(315,861)	-3%	27,548,309	27,548,309	0.0%
EXPENSES:								
PUBLISHING SERVICES	4,788,897	5,298,538	5,703,344	404,806	7%	11,327,027	11,327,027	0.0%
MEMBERSHIP PROGRAMS & SERVICES	3,727,112	4,002,606	4,546,040	543,434	12%	10,343,524	10,343,524	0.0%
COMMUNICATIONS	1,363,619	1,369,624	1,426,511	56,887	4%	2,741,839	2,741,839	0.0%
EXECUTIVE OFFICE (NOTE 1)	2,842,583	2,301,136	2,519,134	217,998	9%	5,008,434	5,008,434	0.0%
FINANCE AND ACCOUNTING	571,664	581,952	626,682	44,730	7%	1,264,140	1,264,140	0.0%
OVERHEAD RECOVERED	(2,003,040)	(2,763,431)	(2,636,978)	126,453	5%	(6,299,725)	(6,299,725)	-0.0%
BUSINESS EXPENSE (NOTE 2)	437,172	171,276	359,126	187,850	52%	718,245	718,245	0.0%
GENERAL ADMINISTRATION-OTHER (NOTE 3)	369,262	332,297	135,618	(196,679)	-145%	432,396	432,396	0.0%
SUBSCRIPTION EQUIVALENT	207,844	308,374	264,758	(43,616)	-16%	389,038	389,038	0.0%
PLANT FUND TRANSFER	0	635,334	776,400	141,066	18%	1,553,691	1,553,691	0.0%
TOTAL EXPENSES	12,305,113	12,237,706	13,720,635	1,482,929	11%	27,478,609	27,478,609	0.0%
EXCESS OF REVENUES OVER EXPENSES	(649,549)	(199,879)	(1,366,947)	1,167,068	85%	69,700	69,700	0.0%
POST-RETIREMENT BENEFITS	0	0	0	0	-	0	0	-
NET REALIZED/UNREALIZED GAINS-BOND FUND	(200,957)	(164,227)	0	(164,227)	-	-	-	-
NET REVENUES	(850,506)	(364,106)	(1,366,947)	1,002,841	73%	69,700	69,700	0.0%

NOTE 1: EXECUTIVE OFFICE INCLUDES THE EXECUTIVE OFFICE, EXECUTIVE BOARD, COUNCIL
INTERNATIONAL RELATIONS, OPERATIONS SUPPORT, AWARDS,
THE DEVELOPMENT OFFICE, AND HUMAN RESOURCES.

NOTE 2: BUSINESS EXPENSE INCLUDES LEGAL FEES, AUDIT FEES, BANK SERVICE FEES, INSURANCE,
TELEPHONE, DEPRECIATION, MAINTENANCE AGREEMENTS AND OTHER MINOR ACCOUNTS.

NOTE 3: GENERAL ADMINISTRATION-OTHER INCLUDES NET BENEFIT EXPENSE, THE EXECUTIVE DIRECTOR'S
CONTINGENCY AND OTHER MINOR EXPENSES.

FOR ADDITIONAL DETAIL SEE SCHEDULES 9 AND 10.
03/27/2006

AMERICAN LIBRARY ASSOCIATION
SUPPORTING STATEMENT OF REVENUES AND EXPENSES-EXECUTIVE OFFICE

SECTION II
SCHEDULE 2.1

UNIT	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
REVENUES								
101 COUNCIL	0	0	0	0	-	0	0	-
102 EXECUTIVE BOARD	0	2,000	0	2,000	-	0	0	-
103 EXECUTIVE OFFICE (9098)	0	0	0	0	-	0	0	-
114 DEVELOPMENT OFFICE	788	493	0	493	-	0	0	-
150 WASHINGTON OFFICE	0	402	0	402	-	0	0	-
151 OITP	0	0	0	0	-	0	0	-
152 OGR	100	0	0	0	-	0	0	-
591 DONATIONS (9111,9140,9100)	4,212	7,015	0	7,015	-	0	0	-
	5,100	9,910	0	9,910	-	0	0	-
EXPENSES								
101 COUNCIL	63,395	45,736	69,879	24,143	35%	127,272	127,272	0.0%
102 EXECUTIVE BOARD	109,626	97,999	216,231	118,232	55%	386,311	386,311	0.0%
103 EXECUTIVE OFFICE	302,393	323,099	327,656	4,557	1%	661,514	661,514	0.0%
114 DEVELOPMENT OFFICE	164,490	170,204	192,489	22,285	12%	388,880	388,880	0.0%
150 WASHINGTON OFFICE	593,626	444,868	479,540	34,672	7%	933,308	933,308	0.0%
151 OITP	232,845	245,788	205,085	(40,703)	-20%	414,231	414,231	0.0%
152 OGR	406,345	357,969	390,622	32,653	8%	809,577	809,577	0.0%
230 AWARDS PROGRAMS	1,042	534	623	89	-	7,571	7,571	0.0%
- OPERATIONS SUPPORT	680,133	333,687	351,286	17,599	5%	703,506	703,506	0.0%
506 HUMAN RESOURCES	289,200	281,252	285,723	4,471	2%	576,264	576,264	0.0%
592 GENERAL FUND ALLOCAT (9152)	(512)		0	0	-	0	0	-
	2,842,583	2,301,136	2,519,134	217,998	9%	5,008,434	5,008,434	0.0%

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AMERICAN LIBRARY ASSOCIATION
SUPPORTING STATEMENT OF EXPENSES-STAFF SUPPORT SERVICES

SECTION II
SCHEDULE 2.3

EXPENSES	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
UNIT								
501 STAFF SUPPORT/OFFICE SERVICES	238,855	270,729	252,563	(18,166)	-7%	504,044	504,044	0.0%
509 DISTRIBUTION CENTER	176,004	176,358	185,241	8,883	5%	371,502	371,502	0.0%
509 IUT/DISTRIBUTION	(84,104)	(83,272)	(80,000)	3,272	4%	(160,000)	(160,000)	-0.0%
510 REPROGRAPHICS CENTER	103,952	92,642	123,482	30,840	25%	247,960	247,960	0.0%
510 IUT/REPROGRAPHICS	(116,979)	(122,770)	(130,000)	(7,230)	-6%	(260,000)	(260,000)	-0.0%
511 BUILDING MAINTENANCE	362,405	0	0	0	-	0	0	-
TOTAL EXPENSES	680,133	333,687	351,286	17,599	5%	703,506	703,506	0.0%

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American Library Association
Schedule 2A – Commentary: Statement of Revenues and Expenses – General Fund
February FY 2006 Financials

INTEREST
INCOME

Year-to-date interest on short-term investments is \$283,659, \$86,437 less than the budget of \$370,096. The actual average invested balance for the six months ending February 28, 2006 was \$14,823,407 with a yield of 3.83%. In comparison, at February 28, 2005 the actual average invested balance was \$15,550,415 with a yield of 3.67%. As of February 28, 2006 the net realized/unrealized gain <loss> on the investment managed by Neuberger Berman was a net loss of \$164,227, as compared to the \$335,211 cumulative loss at August 31, 2005. The net year-to-date loss is comprised of \$111,330 of realized losses and \$52,897 of unrealized losses. According to the Association's investment policy, any realized and unrealized gains and losses at year-end becomes a component of the appropriated fund balance and as such is carried forward in the fund balance to subsequent fiscal years.

FOR THE MONTH OF FEBRUARY, 2006							
INVESTMENT TYPE	AVG VALUE	MARKET VALUE	%	%	YIELD	INTEREST INCOME (MONTH)	INTEREST INCOME (YTD)
Money Market Funds		164,795	1%	1%	3.92%	702	4,640
Government Securities		8,352,351	73%	42%	4.07%	25,233	152,095
Corporate Bonds		2,958,266	26%	15%	5.18%	11,769	72,013
							0
Subtotal-Bond Fund	11,449,968	11,475,412	100%	58%	4.43%	37,704	228,747
Certificates of Deposit	0	0		0%			0
Institutional Fund	94,073	94,214		0%	3.92%	282	1,665
Money Market Funds	0	0		0%		0	0
Cash in Bank	7,600,460	8,132,648		41%	4.16%	11,670	46,499
Other-DC Security Deposit	13,417	13,417		0%			6,748
Endowment Transfer							0
Total Cash and Investments	19,157,917	19,715,691		100%		49,656	283,659
Readers Digest Interest		0				0	0
Net Cash and Investments		19,715,691				49,656	283,659
		=====				=====	=====

On an overall basis, the bond portfolio yield is 4.43%. The Readers Digest grants require that interest earned on unspent funds are credited to the grant balances.

MAIL LIST RENTAL

Mail list sales are 53%, \$75,853 less than budget. Mail list sales are projected to be \$50,000 less than budget as more electronic mail lists, as compared to mailing labels, are requested.

GOVERNANCE

This section tracks expenses associated with support of the governance function (Executive Board, Council, President, President-Elect) of the Association.

Council Administration [11-101-0000]: To date, adjusted expenditures are \$11,800 or approximately 33% of the FY06 Council administrative budget of \$35,675. No unusual expenses are anticipated for FY06.

Executive Board Administration [11-102-0000]: To date, expenditures are \$9,400 or approximately 19% of a total budget of \$48,295. There are currently no anticipated expenses that will bring this line over budget in this fiscal year.

Strategic Planning Activities [11-102-0104] To date there have been no expenditures in this project line.

Fall Board Meeting [11-102-0118]: Expenses for the Fall Executive Board meeting total \$25,685 or 92% of the total budget of \$27,908. This project line will close at or slightly under budget for FY06.

Spring Board Meeting [11-102-0115]: Only \$800 in expenses have currently been posted for the Executive Board Spring meeting, to be held in Chicago April 6-9, 2006. Expenses for this meeting should be within budget.

President: [11-102-0100] (Support) The February performance report shows approximately \$54,275 or 82% remaining from a total budget of \$66,475. A total of approximately \$12,850 in outstanding charges is to be applied to this budget line. Based on these outstanding debits, approximately \$41,425 or 62% remains in the Presidential Support budget. President Gorman has pledged a voluntary reduction of 3% to his presidential expenditures.

[11-102-0103] (Initiatives) To date, President Gorman has spent \$18,700 of his Presidential Initiatives budget of \$97,000, leaving a remaining budget of \$78,260 or 81%. A total of approximately \$37,300 in estimated charges is to be applied to this budget. These charges are estimated costs associated with a webcast to be presented via the College of DuPage in early June and with a Forum on International Library Education to be held at the ALA Annual Conference. Based on these outstanding debits, approximately \$41,000 or 42% remains in the Presidential Initiative budget.

President-Elect: [11-102-0101] (Support) The February performance report shows \$36,700 or approximately 66% remaining from a total budget of \$55,260. Approximately \$3,150 in charges as well as a \$315 credit are to be applied to this budget. Based on these outstanding debits and credits, \$33,620 or 61% of the President-elect Support budget remains.

[11-102-0113] (Advisory Committee) To date, expenditures to support President-elect Advisory Committee activities total approximately \$10,400 or 63% of the total budget of \$16,470. Approximately \$300 in outstanding charges is to be applied to this budget. Based on these outstanding debits, approximately \$5,700 or 35% of the President-elect Advisory Committee budget remains.

Executive Office [11-103-0000]: \$323,000 or approximately 49% of the FY06 Executive Office administrative budget of \$654,064 has been spent to date. No unusual expenses are anticipated for FY06.

HUMAN RESOURCES

Human Resources is over budget on certain line items but not over budget as a unit. Transportation, lodging and meals and recruitment advertising are related to recruitment of vacant positions are all over budget.

If the recruitment activity continues, recruitment advertising may be over budget. The above budget overages will be offset in these areas.

Benefits - Health benefits are running over budget; \$693,661 budgeted versus \$1,047,648 actual for February. It is expected that health insurance will run \$150,000-\$300,000 over budget. This overage is due to the co-pay arrangement for health care. Unemployment compensation is \$36,791 less than the budget with six months to go; the recent turnover can cause increases to the benefit rate.

Orientation Training & Leadership Development - Monies were expended for professional services related to the incoming committee chair training scheduled for June 22, 2006. The committee chair training will absorb the \$5,401 balance in June 2006.

WASHINGTON OFFICE

Washington Office Administration is \$6,788 under budget in expenditures for the month of February and is 6.99% under budget for year to date expenses. Expenditures thus far in the fiscal year have been within the planned budget. Construction of an alcove on the second floor to restrict access by unauthorized persons has been completed. Total cost of this construction, including installation of a security key was \$6,769, the cost of which has been covered by the General Fund.

OGR is \$25,078 under budget for the month of February and is 8.36% under budget for the year to date expenses. Expenditures that were originally planned for February were made in previous months, thus contributing to the lower actual monthly expenditure. Additionally, OGR received another reimbursement in February for the cost incurred in the filing of the amicus brief with the Supreme Court in the case of Psihoyos v.

National Geographic. We are also expecting a salary savings due to the Flex-time reduction of working hours for the Director of OGR. OGR is expected to be within budget at the end of the fiscal year.

OITP is \$2,128 under budget for the month of February and \$40,703 or 19.85% over budget on year to date expenditures. Again, the over budget amount for year to date expenditures is associated with payment of contracted professional services earlier in the fiscal year. It has always been the intention that the cost of these expenditures be offset by the savings in OITP salary and benefit reductions and the expected savings to be realized in the first six months of this fiscal year. All other operational expenditures for OITP have remained within budget.

OVERHEAD

At February 28, 2006, total overhead recovery of \$2,763,431, is \$126,453 more than the budget of \$2,636,978. The overhead recovery is more than budget in Public Programs, AASL, Booklist and Annual Conference, offset by less budget recoveries in ALA Editions, Midwinter, LITA and ALCTS.

BUSINESS
EXPENSE

Expenses totalling \$175,255, are 51%, \$183,871 under budget due primarily to timing of the audit, depreciation and bank fees.

GENERAL
ADMINISTRATION

This category consists of employee benefits expense, the Executive Director's Contingency Fund and several other accounts. The majority of the \$196,679 variance to budget relates to expenses in the employee benefits area and the Executive Director's Contingency Fund (due to the timing of budget vs. actual). While total benefits expense actually incurred is \$2,106,067 as compared to the budget of \$1,855,120, the variance is increased by lower than budgeted benefit charges to ALA units, \$1,731,169 actual as compared to the budget of \$1,855,120. In addition, FICA taxes are \$36,751 under budget and health insurance is \$353,987 over budget.

American Library Association

Schedule 2B - Statement of Revenues and Expenses – Communications & Marketing Department

REVENUES	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
UNIT								
100 MANAGING DIRECTOR	18,450	11,085	8,050	3,035	38%	35,000	35,000	0.0%
104 LIBRARY	0	0	0	0	-	0	0	-
109 ORS	0	0	0	0	-	0	0	-
111 INTERNATIONAL RELATIONS	12,261	15,500	0	15,500	-	0	0	-
113 PIO	7,150	5,000	3,000	2,000	67%	6,000	6,000	0.0%
115 PUBLIC PROGRAMS	2,800	0	0	0	-	0	0	-
250 CUSTOMER SERVICE	0	0	0	0	-	0	0	-
251 CHAPTER RELATIONS	5,980	6,100	667	5,433	815%	2,000	2,000	0.0%
591 MEMBERSHIP DEVELOPMENT	2,545,399	2,612,519	2,767,496	(154,977)	-6%	5,535,000	5,535,000	0.0%
EXPENSES	2,592,040	2,650,204	2,779,213	(129,009)	-5%	5,578,000	5,578,000	0.0%
100 MANAGING DIRECTOR	299,982	244,563	315,031	70,468	22%	577,417	577,417	0.0%
104 LIBRARY	181,042	177,985	183,328	5,343	3%	299,717	299,717	0.0%
109 ORS	71,843	100,944	93,284	(7,660)	-8%	188,393	188,393	0.0%
111 INTERNATIONAL RELATIONS	108,055	111,680	106,300	(5,380)	-5%	198,364	198,364	0.0%
113 PIO	317,134	316,872	317,446	574	0%	639,249	639,249	0.0%
115 PUBLIC PROGRAMS	63,369	70,148	65,487	(4,661)	-7%	137,390	137,390	0.0%
250 CUSTOMER SERVICE	286,412	316,388	299,908	(16,480)	-5%	606,495	606,495	0.0%
251 CHAPTER RELATIONS	35,782	31,044	45,727	14,683	32%	94,814	94,814	0.0%
	1,363,619	1,369,624	1,426,511	56,887	4%	2,741,839	2,741,839	0.0%

NET REVENUES:								
=====								
100 MANAGING DIRECTOR	(281,532)	(233,478)	(306,981)	73,503	24%	(542,417)	(542,417)	-0.0%
104 LIBRARY	(181,042)	(177,985)	(183,328)	5,343	3%	(299,717)	(299,717)	-0.0%
109 ORS	(71,843)	(100,944)	(93,284)	(7,660)	-8%	(188,393)	(188,393)	-0.0%
111 INTERNATIONAL RELATIONS	(95,794)	(96,180)	(106,300)	10,120	10%	(198,364)	(198,364)	-0.0%
113 PIO	(309,984)	(311,872)	(314,446)	2,574	1%	(633,249)	(633,249)	-0.0%
115 PUBLIC PROGRAMS	(60,569)	(70,148)	(65,487)	(4,661)	-7%	(137,390)	(137,390)	-
250 CUSTOMER SERVICE	(286,412)	(316,388)	(299,908)	(16,480)	-5%	(606,495)	(606,495)	-0.0%
251 CHAPTER RELATIONS	(29,802)	(24,944)	(45,060)	20,116	45%	(92,814)	(92,814)	-0.0%
591 MEMBERSHIP DEVELOPMENT	2,545,399	2,612,519	2,767,496	(154,977)	-6%	5,535,000	5,535,000	0.0%
TOTAL NET REVENUES	1,228,421	1,280,580	1,352,702	(72,122)	-5%	2,836,161	2,836,161	0.0%
=====								

03/27/2006

American Library Association

Schedule 2B – Commentary: Statement of Revenues and Expenses – Communications & Marketing

February FY 2006 Financials

Public Information Office (PIO)

PIO actual is \$316,872 against a \$317,446 budget. This represents a \$574 variance under budget. Expect to continue to spend the full amount of the PIO budget.

Campaign for America's Libraries (\$300k budget) actual is \$108,000. Expenses in the next few months will close that gap and expect the Campaign to spend its entire budget this year.

Office for Research and Statistics (ORS)

This is a summary at the mid-year point of FY2006.

The ORS expenditures are off by 8% due to incentive awards. The ORS budget is approximately 8% under budget, which is normal for the mid-year period.

Additional savings to the ORS budget will occur at the close of the Fiscal Year through expense recovery transfers from ORS Admin to NCES-ALS, and LHRT, LRRT and Standards Committee for staff overtime.

ALA is benefiting from overhead charged to the NCES-ALS project, and the IMLS Networks study. The total overhead recovered in FY2006 is \$12,807.

Baber award will not be made in 2006 (no worthy applicants), and the Fyan award will be made in the full amount (\$10,000).

Salary expenditures)

The ORS salary and benefits accounts are over-expended by 12% due to incentive awards. No anticipated salary savings in FY06, and the salary attrition factor will be covered through revenue brought into ORS by expense transfers from NCES-ALS and the IMLS Networks grant, LHRT, LRRT and the Standards Committee overtime expenses.

Staff Development

Anticipate fully spending down the staff development account 5031 to attend and present a paper at the Depository Library Conference in April 2006 (Seattle, WA) and for software training for staff.

Program Awards

Project design is underway for the 2006 study, a research project on linguistically isolated individuals using public libraries; the 2005 study of public library funding is complete and ORS staff will investigate a pay-per-print model to distribute the report.

ORS is applying for the World Book Award to fund a research project on linguistically isolated individuals using public libraries. If not funded by the World Book Award, ORS will fund this research from the 5306 account.

Awards

Baber award will not be made in 2006 (no worthy applicants), and the Fyan award will be made in the full amount (\$10,000). The Baber and Fyan spending accounts have insufficient funds to make awards unless funds are transferred from principal to spending. The 2006 Fyan Award will be paid from principal, and both the Baber and Fyan awards will be suspended until 2008 or longer due to insufficient funds.

Salary Survey Project

The FY06 surveys are in development. The last invoice to UIUC for FY05 work has been processed for payment. An outstanding invoice from 2003 was paid. A duplicate payment on the final invoice for the 2005 survey was made due to a record keeping issue. This is being resolved.

Revenue

No revenue for this reporting period. At the end of the fiscal year ALA will benefit from overhead charged to the NCES-ALS project and the IMLS Networks study. The total overhead recovered in FY2006 is \$12,807.

HQ Library

The Library, at the end of February, was 3%, or \$5,343 underspent. The largest negative variance was in Professional Services, or contractual arrangements for Library support functions.

For Professional Services, there were larger than anticipated price increases in two electronic reference tools, and four months worth of OPAC support fees were charged in September. Thus, the variance will remain through the year, but will not increase, as all the subscription fees are paid.

Operating Supplies is underspent, which is likely a timing issue, in terms of when the various update volumes are shipped.

It should be pointed out that about 90% of the Library budget is committed--for salaries, subscription payments, or services fees, making any significant in course adjustments difficult, if not impossible.

Dues/Membership

Personal and Organizational Dues continue to be off budget, but ahead of last year's actual revenue. Total membership is 67,457, a 2% increase over last year. YTD is 37,749, a 7.4% increase over last year.

After 6 months, changes to the process for Personal member dues renewals shows a sustained 10% improvement over last year to our renewal rate. New personal member enrollment is ahead of last year by 13%, owing to a better than average PLA and solid returns on direct mail marketing. Reinstatement numbers to date are lower for the same month, and expect to see it lower in March as well. A reinstatement campaign by telemarketing will proceed in April.

As agreed, drops are accelerated by one month. Drops total 2,029 members in Feb. September 2005 drop was 982 (an 8% improvement over Sept 2004 paid thru). An additional 1,047 members who had an October 2005 paid thru date were dropped. The October 2004 drop was 1,046 -

there was zero variance. This one-time adjustment to the drop schedule shows a 20% increase YTD to the drop rate and a 102% increase for Feb 2006 over Feb 2005. The total membership is still up 2%, as noted above.

Organizational member renewals continue to be off. There is an increase in New Org members. There is scheduled to be an April and May 3-part reinstatement postcard campaign targeted to lapsed Orgs as well as a new Org member mailing.

Corporate Members are slightly ahead from last year.

The 9093 line is ahead of budget, but additional expenses for direct mail are set for late summer, as usual.

The 9095 line is behind budget, owing to an unexpected charge to the 5100 line (temp employees) that needs researching.

International Relations Office (IRO)

IRO is \$15,500 over budget in revenue due to a donation that was presented to IFLA to support an international information literacy program that was part of the World Summit on the Information Society. Net revenue/expenses are \$10,120 or 9% under budget. Expect to end year on budget.

Chapter Relations Office (CRO)

CRO is \$5,433 over budget in revenue due to Worldbook grant funds for a Leadership Toolkit. Through February net revenue/expenses are \$20,116 or 45% under budget due to delays in expenses incurred by temporary employee and grant. Expect to end year on budget.

Member and Customer Services

Currently over budget by \$16,480, in large part due to IUT/Telephone, and registration services. Currently reviewing the backup as to why the telephone charges are far above what is currently budgeted. Will be billing PLA for registration services in March and should see income on this line item in the near future. Anticipate bringing the budget in line in the upcoming months.

American Library Association
Schedule 3 - Statement of Revenues and Expenses - Publishing Services

	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
REVENUES:								
=====								
ALA EDITIONS	1,496,999	1,435,422	1,633,761	(198,339)	-12%	3,204,958	3,204,958	0.0%
BOOKLIST	2,425,914	2,722,856	2,422,003	300,853	12%	4,765,512	4,765,512	0.0%
BOOKLINKS	378,167	326,204	338,206	(12,002)	-4%	682,782	682,782	0.0%
AMERICAN LIBRARIES	581,009	596,675	617,722	(21,047)	-3%	1,280,906	1,280,906	0.0%
ALA TECHSOURCE	228,557	182,566	241,263	(58,697)	-24%	482,738	482,738	0.0%
PRODUCTS AND PROMOTIONS (GRAPHICS)	1,008,641	996,593	1,066,500	(69,907)	-7%	2,029,000	2,029,000	0.0%
TOTAL REVENUES	6,119,287	6,260,316	6,319,455	(59,139)	-1%	12,445,896	12,445,896	0.0%
EXPENSES:								
=====								
ALA EDITIONS	1,219,211	1,241,591	1,461,966	220,375	15%	3,014,406	3,014,406	0.0%
BOOKLIST	1,622,764	2,002,492	1,964,079	(38,413)	-2%	3,896,780	3,896,780	0.0%
BOOKLINKS	348,301	328,056	378,192	50,136	13%	738,231	738,231	0.0%
AMERICAN LIBRARIES	788,853	905,049	882,480	(22,569)	-3%	1,669,944	1,669,944	0.0%
SUBSCRIPTION EQUIVALENT	(207,844)	(308,374)	(264,758)	43,616	16%	(389,038)	(389,038)	-0.0%
ALA TECHSOURCE	191,454	182,239	232,613	50,374	22%	466,924	466,924	0.0%
PRODUCTS AND PROMOTIONS (GRAPHICS)	733,909	942,528	1,013,950	71,422	7%	1,958,285	1,958,285	0.0%
MARKETING	0	32,984	0	(32,984)	-	0	0	-
MARKETING ALLOCATION	0	0	0	0	-	0	0	-
UNALLOCATED SUPPORT UNITS	92,249	(28,027)	34,822	62,849	180%	(28,505)	(28,505)	-0.0%
TOTAL EXPENSES	4,788,897	5,298,538	5,703,344	404,806	7%	11,327,027	11,327,027	0.0%
NET REVENUES	1,330,390	961,778	616,111	345,667	56%	1,118,869	1,118,869	0.0%
=====								

*****	*****	*****	*****	*****	*****	*****	*****	*****
NET REVENUES								
=====								
ALA EDITIONS	277,788	193,831	171,795	22,036	13%	190,552	190,552	0.0%
BOOKLIST	803,150	720,364	457,924	262,440	57%	868,732	868,732	0.0%
BOOKLINKS	29,866	(1,852)	(39,986)	38,134	95%	(55,449)	(55,449)	0.0%
AMERICAN LIBRARIES	0	0	0	0	-	0	0	-
ALA TECHSOURCE	37,103	327	8,650	(8,323)	-96%	15,814	15,814	0.0%
PRODUCTS AND PROMOTIONS (GRAPHICS)	274,732	54,065	52,550	1,515	3%	70,715	70,715	0.0%
MARKETING	0	(32,984)	0	(32,984)	-	0	0	-
UNALLOCATED SUPPORT UNITS	(92,249)	28,027	(34,822)	62,849	180%	28,505	28,505	0.0%
TOTAL NET REVENUES	1,330,390	961,778	616,111	345,667	56%	1,118,869	1,118,869	0.0%
=====								

FOR ADDITIONAL DETAIL SEE SCHEDULES 9 AND 10.

03/27/2006

American Library Association
Schedule 3 – Commentary: Statement of Revenues and Expenses - Publishing
February FY06 Financials

PUBLISHING

ALA Editions. Total Revenues are \$198,339 less than budget. A total of 13 books have been published. On budget YTD but year end will see a shortfall of 4 titles (27 versus 31). However, high revenue titles published ahead of schedule should offset the shortfall. Revenue shortfall is driven primarily by shortfall in backlist sales due to drop off in AACR2 and Information Power sales. Total Expenses are \$220,375 less than budget. Editorial is \$47,069 less than budget primarily because of an open position. Production expenses are \$76,576 less than budget primarily because of timing differences in recording production expenses. Marketing expense are \$105,243 less than budget, due primarily to timing differences in charges for the spring catalog. General Overhead is \$36,910 less than budget because of less than budget Total Revenues. Net Revenues are \$22,036 more than budget.

Year-end Forecast	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$3,104,958	\$3,204,958	(\$100,000)
Direct Expenses	\$2,262,520	\$2,312,520	\$50,000
Contribution Margin	\$842,438	\$892,438	(\$50,000)
Overhead	\$679,986	\$701,886	\$21,900
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	\$162,452	\$190,552	(\$28,100)

Booklist magazine. Total Revenues for the magazine are \$340,027 more than budget. Subscription revenues are \$83,131 more than budget. Net Advertising revenues are \$268,093 more than budget. Royalty revenue is \$12,131 less than budget. Total expenses are \$38,413 more than budget. Editorial expenses are \$2,636 less than budget. Production expenses are \$29,072 more than budget because of variances in recording postage expenses that will correct over time. Marketing expenses are \$67,360 less than budget because of delays in direct mail subscription and publicity campaigns. General Overhead is \$83,061 more than budget because of more than budget revenues. Net Revenues are \$262,440 more than budget.

Ancillary Products. Total Revenues are \$15,697 less than budget primarily because titles were delayed to focus attention on the Booklist Online launch. Book sales are \$21,005 less than budget. Mailing List rentals are \$950 less than budget. Misc. Sales (review copy sales) revenue is \$4,404 more than budget. Editorial expenses are \$923 more than budget. Production expenses are \$2,804 less than budget. Marketing expenses are \$10,549 more than budget in part because salary entries belonging in Book Links were charged here. General Overhead is \$3,437 less than budget because of less than budget revenues. Net revenues are \$22,810 less than budget.

Year-end Forecast	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$5,065,512	\$4,765,512	\$300,000
Direct Expenses	\$2,725,693	\$2,650,693	(\$75,000)
Contribution Margin	\$2,339,819	\$2,114,819	\$225,000
Overhead	\$1,109,347	\$1,043,647	(\$65,700)
Taxes	\$202,440	\$202,440	\$0
Net Revenue(Loss)	\$1,028,032	\$868,732	\$159,300

Book Links. Total Revenues are \$12,002 less than budget. Subscription Revenues are \$2,880 less than budget. Net advertising revenues are \$4,217 less than budget. Total Expenses are \$50,136 less than budget. Production expenses are \$20,690 less than budget in part because of savings on 4-color printing at the new printer. Paper and Postage are also less than budget, but most likely because of recording discrepancies. Marketing expense is \$23,299 less than budget because of delayed direct mail promotions. Net revenues are \$38,134 more than budget.

Year-end Forecast	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$657,782	\$682,782	(\$25,000)
Direct Expenses	\$550,582	\$575,582	\$25,000
Contribution Margin	\$107,200	\$107,200	\$0
Overhead	\$149,529	\$149,529	\$0
Taxes	\$13,120	\$13,120	\$0
Net Revenue(Loss)	(\$55,449)	(\$55,449)	\$0

American Libraries. Total Revenues are \$21,047 less than budget. Subscription revenues are \$1,947 less than budget. Net advertising revenues are \$63,643 less than budget. Classified ad revenues are \$48,871 more than budget. Ad sales will continue to decline and classified ads will continue to increase. Royalties are \$4,495 less than budget. Direct Expenses are \$22,569 more than budget due in part to postage expenses that will adjust to budget over time. The Subscription Equivalent is \$43,616 more than budget.

Year-end Forecast	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$1,180,906	\$1,280,906	(\$100,000)
Direct Expenses	\$1,364,426	\$1,389,426	\$25,000
Subscription Equivalent	(\$442,138)	(\$389,038)	\$53,100
Contribution Margin	\$258,618	\$280,518	(\$21,900)
Overhead	\$258,618	\$280,518	\$21,900
Taxes	\$0	\$0	\$0
Net Revenue (Loss)	\$0	\$0	\$0

ALA TechSource. Total revenues are \$58,697 less than budget. Because of open positions, no marketing of any sort has been initiated until recently. Likewise no ad sales took place. Total expenses are \$50,374 less than budget. Production expenses are \$22,332 less than budget. Marketing expenses are \$22,508 less than budget because of delayed implementation. Net Revenues are \$8,323 less than budget. New subscription development plans should increase year-end prospects.

Year-end Forecast	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$457,738	\$482,738	(\$25,000)
Direct Expenses	\$361,204	\$361,204	\$0
Contribution Margin	\$96,534	\$121,534	(\$25,000)
Overhead	\$100,245	\$105,720	\$5,475
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	(\$3,711)	\$15,814	(\$19,525)

ALA Graphics. Total Revenues are \$69,907 less than budget primarily because the product development position was vacant until January. Total Direct Expenses are \$71,422 less than budget primarily because of timing differences in recording expenses for the spring catalog. Net Revenues are \$1,515 more than budget.

Year-end Forecast	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$1,979,000	\$2,029,000	(\$50,000)
Direct Expenses	\$1,513,934	\$1,513,934	\$0
Contribution Margin	\$465,066	\$515,066	(\$50,000)
Overhead	\$433,401	\$444,351	\$10,950
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	\$31,665	\$70,715	(\$39,050)

Production Services: Expense recovery for all projects is \$62,849 better than budget almost exclusively because of misdirected allocations of salaries that will be corrected in subsequent reports.

Year-end Forecast	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$0	\$0	\$0
Direct Expenses	(\$28,505)	(\$28,505)	\$0
Contribution Margin	\$28,505	\$28,505	\$0
Overhead	\$0	\$0	\$0
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	\$28,505	\$28,505	\$0

Department Summary. Total Revenues are \$59,139 less than budget. Total Expenses are \$404,806 less than budget. Net Revenues are \$345,667 more than budget. Net advertising revenues in American Libraries are \$63,643 less than budget but classified ads are \$48,871 more than budget. Expense savings in salary are offset by expenses for consultants in Professional Services. Marketing expenses have just been delayed because of open positions but will probably exceed budget by year-end in efforts to re-build sales and launch Booklist Online. Expect revenues to improve slightly and expenses to increase with a year-end that is close to budget at the Contribution Margin level.

Direct Expenses	\$8,749,854	\$8,774,854	\$25,000
Subscription Equivalent	(\$442,138)	(\$389,038)	\$53,100
Contribution Margin	\$4,019,675	\$4,060,080	(\$40,405)
Overhead	\$2,699,699	\$2,725,651	\$25,952
Taxes	\$215,560	\$215,560	\$0
Net Revenue(Loss)	\$1,104,416	\$1,118,869	(\$14,453)

American Library Association

Schedule 4 - Statement of Revenues and Expenses - Member Programs & Services

	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
REVENUES:								
=====								
CONFERENCE-ANNUAL	41,519	57,549	0	57,549	-	5,554,260	5,554,260	0.0%
CONFERENCE-MIDWINTER	2,261,562	2,499,933	2,513,675	(13,742)	-1%	2,545,675	2,545,675	0.0%
OFHRD&R	20,415	32,510	26,754	5,756	22%	53,500	53,500	0.0%
OLOS	493	6,503	1,050	5,453	519%	2,100	2,100	0.0%
OIF	126,754	112,636	129,136	(16,500)	-13%	250,950	250,950	0.0%
OA	50,522	55,428	56,163	(735)	-1%	61,163	61,163	0.0%
DIVERSITY	6,537	2,530	8,144	(5,614)	-69%	16,575	16,575	0.0%
SENIOR AED/MISC AWARDS	0	0	7,500	(7,500)	-	15,000	15,000	0.0%
TOTAL REVENUES	2,507,802	2,767,089	2,742,422	24,667	1%	8,499,223	8,499,223	0.0%
EXPENSES:								
=====								
CONFERENCE-ANNUAL	358,760	307,459	455,242	147,783	32%	4,241,042	4,241,042	0.0%
CONFERENCE-MIDWINTER	1,598,619	1,892,242	2,215,586	323,344	15%	2,261,764	2,261,764	0.0%
ITTS	926,496	872,642	878,012	5,370	1%	1,767,393	1,767,393	0.0%
OFHRD&R	153,847	140,322	170,419	30,097	18%	343,673	343,673	0.0%
OLOS	121,238	139,702	154,402	14,700	10%	311,700	311,700	0.0%
OIF	275,785	325,875	285,510	(40,365)	-14%	637,420	637,420	0.0%
OA	127,340	151,293	176,408	25,115	14%	349,888	349,888	0.0%
DIVERSITY	77,491	77,917	98,138	20,221	21%	199,820	199,820	0.0%
SENIOR AED	87,536	95,154	112,323	17,169	15%	230,824	230,824	0.0%
TOTAL EXPENSES	3,727,112	4,002,606	4,546,040	543,434	12%	10,343,524	10,343,524	0.0%
NET REVENUES	(1,219,310)	(1,235,517)	(1,803,618)	568,101	31%	(1,844,301)	(1,844,301)	-0.0%
=====								

NET REVENUES:								
=====								
CONFERENCE-ANNUAL	(317,241)	(249,910)	(455,242)	205,332	45%	1,313,218	1,313,218	0.0%
CONFERENCE-MIDWINTER	662,943	607,691	298,089	309,602	104%	283,911	283,911	0.0%
ITTS	(926,496)	(872,642)	(878,012)	5,370	1%	(1,767,393)	(1,767,393)	-0.0%
OFHRD&R	(133,432)	(107,812)	(143,665)	35,853	25%	(290,173)	(290,173)	-0.0%
OLOS	(120,745)	(133,199)	(153,352)	20,153	13%	(309,600)	(309,600)	-0.0%
OIF	(149,031)	(213,239)	(156,374)	(56,865)	-36%	(386,470)	(386,470)	-0.0%
OA	(76,818)	(95,865)	(120,245)	24,380	20%	(288,725)	(288,725)	-0.0%
DIVERSITY	(70,954)	(75,387)	(89,994)	14,607	16%	(183,245)	(183,245)	-0.0%
AED	(87,536)	(95,154)	(104,823)	9,669	9%	(215,824)	(215,824)	0.0%
TOTAL NET REVENUES	(1,219,310)	(1,235,517)	(1,803,618)	568,101	31%	(1,844,301)	(1,844,301)	-0.0%
=====								

FOR ADDITIONAL DETAIL SEE SCHEDULES 9 AND 10.
03/27/2006

American Library Association
Schedule 4 – Statement of Revenues and Expenses – Member Programs & Services
February FY 2006 Financials

MPS overall expects to end the year on or slightly better than budget. A strong AASL National Conference in the fall, followed by what is expected to be a record PLA National Conference in March, provide a significant boost. YALSA continues to turn in a strong performance following 18 months without a small division subsidy. While expenses from the 2006 Midwinter Meeting are still being paid, Conference Services expects it hit its net revenue target. HRDR reported a strong Midwinter Placement Center. Salary/related savings are running behind FY2005's level as positions, which had been open for an extended period are being filled. In some areas, particularly ITTS, contractual services are currently being used in lieu of filling positions.

MPS General Fund:

Conference Services: Midwinter Meeting

***(note that commentary is based on latter figures)**

Total Revenues Budgeted/Actual/Remaining:	\$2,513,675	\$2,499,933	\$ 45,742
Total Direct Expenses Budgeted/Actual/Remaining:	\$1,658,083	\$1,344,756	\$ 359,505
Contribution Margin Budgeted/Actual/Remaining:	\$ 855,592	\$1,155,177	\$ 313,763
Overhead Budgeted/Actual/Remaining:	\$ 557,503	\$ 547,486	\$ 10,017
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ 298,089	\$ 607,691	\$ 309,602

While bills are still being processed, the 2006 Midwinter Meeting appears to be on track to meet, or slightly exceed, its net revenue target. February revenues numbers are close to the final total, with only commission revenue still outstanding. Advertising revenue is down slightly – about \$6,000 (\$214,199 in actual revenue, against a budget of \$220,000). Registration fees were over budget, less a matter of total number of attendees than of the distribution of attendees across various registration rates. There were more full conference registrations in San Antonio, fewer “exhibits only.” Full-conference registrations in San Antonio accounted for 66% of the total, as opposed to 58% in Boston (2005). Total registration revenue is \$724,729, against a budget of \$690,950. Exhibits revenue appears to be marginally over budget, but accounts are still being reconciled. The 2006 Midwinter Meeting exhibits were very strong – and exhibits-favorable weather (rain) on Saturday and Sunday helped keep the floor traffic good. The attendance at the Friday-evening Exhibits Opening Reception was strong, as attendees have become accustomed to the “new” schedule. (Note, exhibitors pay an additional \$.50/square foot (on an overhead exempt basis) to subsidize the Friday evening reception, along with the Monday morning breakfast and the Technical Showcases.) Conference Services figure indicate that exhibits revenue was \$1,355,225, against a budget of \$1,341,875; February financials show actual revenues of \$1,321,305. Donations/honoraria were slightly under budget, due to the last-minute loss of a key sponsorship. Donations were \$74,500, against a budget of \$95,000. At this point, total revenues for the 2006 Midwinter Meeting are \$2,499,933, against a budget of \$2,513,675.

Expenses are still being processed and some disputed charges are still being resolved. Transportation costs are over budget, due to more staff attendance than budgeted – and late reservations (which increases cost/ticket). Audiovisual costs are over budget about \$17,000, primarily due to labor costs; the Internet charges are also showing the impact of labor costs.

Conference Services: Annual Conference

Total Revenues Budgeted/Actual/Remaining:	\$ 0	\$ 57,549	\$5,496,711
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 455,242	\$ 294,855	\$2,729,804
Contribution Margin Budgeted/Actual/Remaining:	\$ (455,242)	\$ (237,306)	\$2,766,907
Overhead Budgeted/Actual/Remaining:	\$ 0	\$ 12,604	\$1,203,779
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (455,242)	\$ (249,910)	\$ 205,332

Registration for the 2006 Annual Conference in New Orleans is on track with registration for Orlando. Exhibit sales are on track. A "wait and see" attitude still prevails to some extent.

ITTS

Total Revenues Budgeted/Actual/Remaining:	\$0	\$0	\$0
Total Expenses Budgeted/Actual/Remaining:	\$ 878,012	\$ 872,642	\$ 894,751
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ 878,012	\$ (872,642)	\$ 5,370

Professional services were high due to consultants hired for training, but were offset by salary savings from two open positions. Software maintenance costs were slightly lower due to timing issues.

Office for Accreditation

Total Revenues Budgeted/Actual/Remaining:	\$ 56,163	\$ 55,428	\$ 5,736
Total Expenses Budgeted/Actual/Remaining:	\$ 176,408	\$ 151,293	\$ 198,595
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$(120,245)	\$ (95,865)	\$ 24,380

Office for Accreditation is under budget, primarily due to salary/related savings during the first five months of the year. Vacant positions have now been filled. OA expects to end FY2006 with approximately \$22,000 in savings.

Office for Diversity

Total Revenues Budgeted/Actual/Remaining:	\$ 8,144	\$ 2,530	\$ 14,045
Total Expenses Budgeted/Actual/Remaining:	\$ 98,138	\$ 77,917	\$ 121,903
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (89,994)	\$ (75,387)	\$ 14,607

OFD remains behind on overall expenses as Annual Conference approaches. Revenues are off as the Diversity Leadership Conference was postponed to 2007, but payment is expected for facilitation services to two library institutions.

Office for Human Resource Development & Recruitment

Total Revenues Budgeted/Actual/Remaining:	\$ 26,754	\$ 32,510	\$ 20,990
Total Expenses Budgeted/Actual/Remaining:	\$ 170,419	\$ 140,322	\$ 203,351
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (143,665)	\$ (107,812)	\$ 35,853

HRDR is running ahead of budget on revenues, primarily related to Midwinter Placement activity. Most HRDR expenses are in line with expectations. Staff Development is ahead of budget, but will slow down during the remainder of the fiscal year. HRDR has also had salary savings, but is in the process of filling that position.

Office for Intellectual Freedom

Total Revenues Budgeted/Actual/Remaining:	\$ 129,136	\$ 112,636	\$ 138,314
Total Expenses Budgeted/Actual/Remaining:	\$ 285,510	\$ 325,875	\$ 311,545
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (156,374)	\$ (213,240)	\$ (56,866)

OIF is over budget on a net basis. Part of this is structural – reimbursements which are received late in the fiscal year. At this point, Banned Books Week is running behind budget. This may be largely timing as activity related to the Fall 2005 BBW is over and new BBW materials have not yet been released. While Newsletter on Intellectual Freedom is behind on revenue, it is also behind on expenses and breaking even on a net revenue basis.

Office for Literacy and Outreach Services

Total Revenues Budgeted/Actual/Remaining:	\$ 1,050	\$ 6,503	\$ (4,403)
Total Expenses Budgeted/Actual/Remaining:	\$ 154,402	\$ 139,702	\$ 171,998
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (153,352)	\$ (133,199)	\$ 20,153

OLOS is under budget primarily due to salary/related savings from an unfilled part-time position. Recruitment is under way for that position.

SAED Office – Member Programs & Services

Total Revenues Budgeted/ Actual/Remaining:	\$ 7,500	\$ 0	\$ 15,000
Total Expenses Budgeted/Actual/Remaining:	\$ 112,323	\$ 95,154	\$ 135,670
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (104,823)	\$ (95,154)	\$ 9,669

The SAED budget is slightly under budget at this point; most expense lines will catch up during the latter part of the year. Projected revenue will not materialize due to preconferences delayed to FY2007; related expenses are also not being incurred.

American Library Association
Schedule 5 - Statement of Revenues and Expenses - Divisions

			YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
REVENUES										
=====										
401	PLA		414,494	399,959	485,103	(85,144)	-18%	3,758,955	3,758,955	0.0%
403	ACRL		735,150	839,946	826,306	13,640	2%	1,864,611	1,864,611	0.0%
404	CHOICE		1,383,551	1,342,595	1,399,246	(56,651)	-4%	2,732,504	2,732,504	0.0%
405	AASL		327,725	1,873,774	1,617,874	255,900	16%	1,836,928	1,836,928	0.0%
406	ASCLA		25,015	33,381	29,875	3,506	12%	69,555	69,555	0.0%
407	ALCTS		182,022	194,096	246,734	(52,638)	-21%	578,060	578,060	0.0%
409	LAMA		260,024	154,795	174,120	(19,325)	-11%	375,633	375,633	0.0%
410	RUSA		168,606	187,032	167,826	19,206	11%	422,606	422,606	0.0%
411	ALTA		34,067	34,728	41,220	(6,492)	-16%	111,955	111,955	0.0%
412	LITA		312,134	317,204	333,931	(16,727)	-5%	573,752	573,752	0.0%
413	ALSC		427,118	462,970	378,878	84,092	22%	870,099	870,099	0.0%
414	YALSA		99,419	152,354	146,166	6,188	4%	419,690	419,690	0.0%
TOTAL REVENUES			4,369,325	5,992,834	5,847,279	145,555	2%	13,614,348	13,614,348	0.0%
EXPENSES										
=====										
401	PLA		802,984	1,188,089	1,283,591	95,502	7%	3,516,341	3,516,341	0.0%
403	ACRL		899,873	804,536	1,099,044	294,508	27%	2,379,833	2,379,833	0.0%
404	CHOICE		1,134,320	1,249,868	1,273,412	23,544	2%	2,602,315	2,602,315	0.0%
405	AASL		542,187	1,108,677	1,394,959	286,282	21%	1,867,664	1,867,664	0.0%
406	ASCLA		50,488	49,772	56,744	6,972	12%	64,079	64,079	0.0%
407	ALCTS		189,651	195,130	242,035	46,905	19%	558,886	558,886	0.0%
409	LAMA		245,324	135,577	167,493	31,916	19%	365,624	365,624	0.0%
410	RUSA		158,705	125,350	155,930	30,580	20%	360,035	360,035	0.0%
411	ALTA		78,858	80,822	84,088	3,266	4%	101,597	101,597	0.0%
412	LITA		237,293	253,716	317,892	64,176	20%	569,680	569,680	0.0%
413	ALSC		355,652	422,059	377,994	(44,065)	-12%	900,815	900,815	0.0%
414	YALSA		118,774	152,004	179,680	27,676	15%	401,601	401,601	0.0%
TOTAL EXPENSES			4,814,109	5,765,600	6,632,862	867,262	13%	13,688,470	13,688,470	0.0%
NET REVENUES			(444,784)	227,234	(785,583)	1,012,817	129%	(74,122)	(74,122)	0.0%
=====										

FOR ADDITIONAL DETAIL SEE SCHEDULE 11.

03/27/2006

AMERICAN LIBRARY ASSOCIATION
STATEMENT OF REVENUES AND EXPENSES-DIVISIONS

SECTION II
SCHEDULE 5
PAGE 2

NET REVENUES =====	YEAR TO DATE ACTUAL FEBRUARY 28, 2005	YEAR TO DATE ACTUAL FEBRUARY 28, 2006	YEAR TO DATE BUDGET FEBRUARY 28, 2006	VARIANCE	%	2006 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
401 PLA	(388,490)	(788,130)	(798,488)	10,358	1%	242,614	242,614	-0.0%
403 ACRL	(164,723)	35,410	(272,738)	308,148	113%	(515,222)	(515,222)	-0.0%
404 CHOICE	249,231	92,727	125,834	(33,107)	-26%	130,189	130,189	0.0%
405 AASL	(214,462)	765,097	222,915	542,182	243%	(30,736)	(30,736)	0.0%
406 ASCLA	(25,473)	(16,391)	(26,869)	10,478	39%	5,476	5,476	0.0%
407 ALCTS	(7,629)	(1,034)	4,699	(5,733)	-122%	19,174	19,174	-0.0%
409 LAMA	14,700	19,218	6,627	12,591	190%	10,009	10,009	0.0%
410 RUSA	9,901	61,682	11,896	49,786	419%	62,571	62,571	0.0%
411 ALTA	(44,791)	(46,094)	(42,868)	(3,226)	-8%	10,358	10,358	0.0%
412 LITA	74,841	63,488	16,039	47,449	296%	4,072	4,072	0.0%
413 ALSC	71,466	40,911	884	40,027	4528%	(30,716)	(30,716)	0.0%
414 YALSA	(19,355)	350	(33,514)	33,864	101%	18,089	18,089	0.0%
416 LITA/LAMA NAT'L CONF	0	0	0	0	-	-	-	-
 TOTAL NET REVENUES	 (444,784)	 227,234	 (785,583)	 1,012,817	 129%	 (74,122)	 (74,122)	 0.0%
=====	=====	=====	=====	=====	=====	=====	=====	=====

FOR ADDITIONAL DETAIL SEE SCHEDULE 11.

03/27/2006

American Library Association
Schedule 5 – Statement of Revenues and Expenses – Divisions
February FY 2006 Financials

Unit Summaries – Divisions

American Association of School Librarians (AASL)

Total Revenues Budgeted/Actual/Remaining:	\$ 1,617,874	\$ 1,873,774	\$ 36,846
Total <u>Direct</u> Expenses Budgeted/Actual/Remaining:	\$ 1,126,451	\$ 773,743	\$ 823,758
Contribution Margin Budgeted/Actual/Remaining:	\$ 491,423	\$ 1,100,031	\$ 860,604
Overhead Budgeted/Actual/Remaining:	\$ 266,944	\$ 333,379	\$ 65,467
Tax Budgeted/Actual/Remaining:	\$ 1,564	\$ 1,564	\$ 696
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u>	\$ 222,915	\$ 765,098	\$ 542,183
Beginning/Ending Net Asset Balance	\$ 1,029,943	\$ 1,795,040	

AASL is still working on a complete reconciliation of revenues and expenses from the October national conference. In broad strokes, the bills are paid and the revenues have been recognized. Conference will probably come out about \$300,000 over budget in revenues. Some revenues are in the wrong "bucket," but once the reconciliation is done, most of these revenues will be tracked back to especially strong exhibit sales. Sponsorships were also more than double the previous conference. On the expense side, AASL has had two positions open for almost the entire first half of the year, resulting in significant salary and benefit savings. Membership numbers for January stand at 10,342 – most probably AASL's high for the year – and revenues are slightly over budget. Several publication and CE related projects continue to flounder but the underperformance in revenue is balanced by less than budgeted expenditures. Journal advertising sales also continue to be sluggish. Based on the timing of the fall conference, there is little anticipation of much variation in results during the second half of the year.

Association for Library Collections & Technical Services (ALCTS)

Total Revenues Budgeted/Actual/Remaining:	\$ 246,734	\$ 194,096	\$ 383,964
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 223,148	\$ 183,902	\$ 324,480
Contribution Margin Budgeted/Actual/Remaining:	\$ 23,586	\$ 10,194	\$ 59,484
Overhead Budgeted/Actual/Remaining:	\$ 18,807	\$ 11,148	\$ 39,196
Tax Budgeted/Actual/Remaining:	\$ 80	\$ 80	\$ 80
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ 4,699	\$ (1,033)	\$ (5,732)
Beginning/Ending Net Asset Balance:	\$ 155,462	\$ 154,428	

Revenue is below budget due to lower than expected subscription income (running \$5,000 below) and a much lower CE attendance than budgeted. CE revenue is running \$30,000 below budget and will not recover to even approach budget levels. Royalty revenue will be posted in March not February. Book sales, although less than January, are good. Since ALCTS didn't have a current history of book sales, it is very difficult to assess the sales so far. The appearance of several more publications in the spring and the carry over from previously published works should continue to boost the books sales line. Dues revenue continues close to budget for the year, although down slightly -- \$3,700 below budget. It's still strong for the monthly actual, running only \$700 below the budgeted amount, which was aggressive.

Direct expenses have now moved to be considerably under budget (under by \$40,000). Total expenses are \$47,000 under budget. The cost of publications was the biggest non-Midwinter expense in February. Revenue will catch up, offsetting these expenses. No surprises.

Overhead charges are now below budget by \$7,000 and will not recover to budget levels. Overhead will likely be about 2/3 of budget for the year, or roughly where ALCTS was in FY05 – mid-\$30,000s.

It is too early to assess the impact of New Orleans on pre-conference revenue, which for ALCTS adds considerable net revenue to the budget. Two indicators should be mentioned: dues revenue continues to cover the office expenses and *LRTS* subscription revenue continues to cover production (barely). Advertising revenue for *LRTS* has not been received yet. Sponsorship revenue from Midwinter wasn't posted, but will be in March. Some *LRTS* expenses process in March showed up in the February report. The combination of these items partially resulted in the net loss for the first six months. Despite being off under budget on total revenue, the CE project showed a positive net compared to a negative net for FY04. The ALCTS web course continues to produce strong net revenue.

Association for Library Service to Children (ALSC)

Total Revenues Budgeted/Actual/Remaining:	\$ 378,878	\$ 462,970	\$ 407,129
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 343,790	\$ 379,222	\$ 449,259
Contribution Margin Budgeted/Actual/Remaining:	\$ 35,088	\$ 83,748	\$ (42,130)
Overhead Budgeted/Actual/Remaining:	\$ 34,107	\$ 42,740	\$ 29,304
Tax Budgeted/Actual/Remaining:	\$ 97	\$ 97	\$ 193
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ 884	\$ 40,911	\$ 40,027
Beginning/Ending Net Asset Balance:	\$ 1,026,753	\$ 1,067,664	

Halfway through the fiscal year, ALSC is showing a gain in net asset balance. Awards seals net revenue is running ahead of budget by about \$9,000. There has been \$2,400 revenue collected for Friends of ALSC – unbudgeted. *Children and Libraries* has had a net loss of \$2,156 so far in FY2006, but advertising and subscription revenues are ahead of budget by about \$13,000. Net revenue for the ALSC/PLA Every Child Ready to Read project is ahead of budget by about \$21,000. Costs for the ALSC Institute (FY2007) have not yet been incurred, although \$3,250 in expenses was budgeted for the first half of FY06. The first-ever Pre-Midwinter Institute netted \$5,500 -- \$5,000 over budget. Dues revenue is ahead of budget, Royalties are ahead of budget by about \$9,000. Sales of non-serial publications are behind budget by about \$6,000 and printing costs for those publications are about \$2,000 ahead of budget. Administrative costs are about \$22,000 over budget.

Association for Library Trustees & Advocates (ALTA)

Total Revenues Budgeted/Actual/Remaining:	\$ 41,220	\$ 34,728	\$ 77,227
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 84,064	\$ 80,817	\$ 16,488
Contribution Margin Budgeted/Actual/Remaining:	\$ (42,844)	\$ (46,089)	\$ 60,739
Overhead Budgeted/Actual/Remaining:	\$ 24	\$ 5	\$ 4,287
Tax Budgeted/Actual/Remaining:	\$ 0	\$ 0	\$ 0
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (42,868)	\$ (46,094)	\$ (3,226)
Beginning/Ending Net Asset Balance:	\$ (3,987)	\$ (50,081)	

Due are below budget, but on track the FY2005. Membership is likely to finish very near the total for FY2005. The ALTA Gala in New Orleans has the potential to generate significant revenue for ALTA, due to a strong expectation of vendor support. A year-end profit-loss of 1,000 -3,000 will be determined by final membership numbers, cost controls and special event income.

Association of College and Research Libraries (ACRL):

Total Revenues Budgeted /Actual/Remaining:	\$826,306	\$839,946	\$1,024,665
Total Direct Expenses Budgeted /Actual/Remaining:	\$1,062,324	\$768,076	\$1,472,978
Contribution Margin Budgeted /Actual/Remaining:	\$(236,018)	\$71,870	\$(448,526)
Overhead Budgeted /Actual/Remaining:	\$36,720	\$36,460	\$74,201
Tax Budgeted /Actual/Remaining:	\$0	\$0	\$28,118
Net Revenue (Expense) Budgeted /Actual/ Variance :	\$(272,738)	\$35,410	\$308,148
Beginning / Ending Net Asset Balance:	\$2,659,626	\$2,695,035	

ACRL's revenues of \$839,946 are 2% above projections. Membership dues revenues are slightly behind budget, though membership remains at a near-record high of 13,180, up 2% from February 2005. Following a number of new releases late in FY 2005, non-periodical publications sales are running ahead of budget this year, but these revenues are being offset by higher cost of sales charges that might be partially due to a misallocation by PBD; this is being investigated. Classified ad revenues for *C&RL News* are running more than 20% ahead of budget for the year-to-date, while a recent downturn has brought product ad revenues to just above budget, eliminating a lead seen in earlier reports. Total expenses are \$804,536 and are 27% below budget, due to timing issues largely stemming from Midwinter Meeting expenses that have not been billed yet, the delay of some projects, and an unfilled staff position.

ACRL/CHOICE

Total Revenues Budgeted /Actual/Remaining:	\$1,399,246	\$1,342,595	\$1,389,909
Total Direct Expenses Budgeted /Actual/Remaining:	\$1,099,530	\$1,082,459	\$1,179,047
Contribution Margin Budgeted /Actual/Remaining:	\$299,716	\$260,136	\$210,862
Overhead Budgeted /Actual/Remaining:	\$153,450	\$146,977	\$152,232
Tax Budgeted /Actual/Remaining:	\$20,432	\$20,432	\$21,168
Net Revenue (Expense) Budgeted /Actual/ Variance :	\$125,834	\$92,727	\$(33,107)
Beginning / Ending Net Asset Balance:	\$1,770,193	\$1,862,920	

CHOICE revenues were \$1,342,595. This was \$56,651 (4%) below budget and \$40,956 (3%) less than last year. Total expenses were \$1,249,868. This is \$23,544 (2%) less than budget but \$115,548 (10%) more than last year. Net revenues were \$92,727, which is \$33,107 (26%) below budget and \$156,504 (63%) less than last year. Through January, CHOICE subscriptions are \$12,960 (2%) better than budget. Net ad revenues are \$11,162 (3%) less than budgeted, but \$10,857 (3%) better than last year. Licensing revenues are \$72,899 (35%) less than budget and \$66,284 (33%) less than last year, largely due to timing issues.

Association of Specialized & Cooperative Library Agencies (ASCLA)

Total Revenues Budgeted /Actual/Remaining:	\$29,875	\$33,381	\$36,174
Total Direct Expenses Budgeted /Actual/Remaining:	\$56,264	\$48,742	\$13,097
Contribution Margin Budgeted /Actual/Remaining:	\$(26,389)	\$(15,361)	\$23,077
Overhead Budgeted /Actual/Remaining:	\$ 480	\$ 1,030	\$ 1,210
Tax Budgeted /Actual/Remaining:	\$		
Net Revenue (Expense) Budgeted /Actual/Variance:	\$(26,869)	\$(16,391)	\$10,478
Beginning / Ending Net Asset Balance:	\$64,884	\$48,493	

Revenues are over budget because of publication sales. (A new book was published in July.) Membership revenue is close to last year's actual, but slightly under budget. Expenses are under budget because membership recruitment efforts have been delayed.

Library Administration & Management Association (LAMA)

Total Revenues Budgeted/Actual/Remaining:	\$174,120	\$154,795	\$220,838
Total Direct Expenses Budgeted/Actual/Remaining:	\$160,197	\$129,522	\$216,260
Contribution Margin Budgeted/Actual/Remaining:	\$ 13,923	\$ 25,273	\$ 4,578
Overhead Budgeted/Actual/Remaining:	\$ 7,272	\$ 6,031	\$ 13,763
Tax Budgeted/Actual/Remaining:	\$ 24	\$ 24	\$ 24
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ 6,627	\$ 19,218	\$ 12,591
Beginning/End Net Asset Balance:	\$108,653	\$127,871	

LAMA had an expected net expense in February, when expenses for the Midwinter Meeting were posted. Overall for the first half of FY2006, revenue is 11% below budget and expense is 19% below budget. It is anticipated for the remainder of the year that revenue will continue below budget, so it will be important to hold down expenses. The underperformance of the regional institute program is of great concern, and it is hoped that the launch of at least one on-line CE course later this year, along with strong registrations for the pre-conferences in New Orleans will help to make up the lost revenue. We anticipate ending the fiscal year with the budgeted net revenue of about \$8,000.

Library & Information Technology Association (LITA)

Total Revenues Budgeted/Actual/Remaining:	\$ 333,931	\$ 317,204	\$ 256,548
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 273,410	\$ 221,566	\$ 287,010
Contribution Margin Budgeted/Actual/Remaining:	\$ 60,521	\$ 95,638	\$ (30,462)
Overhead Budgeted/Actual/Remaining:	\$ 44,184	\$ 31,852	\$ 28,652
Tax Budgeted/Actual/Remaining:	\$ 298	\$ 298	\$ 302
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ 16,039	\$ 63,488	\$ 47,449
Beginning/Ending Net Asset Balance:	\$ 447,783	\$ 511,271	

Although revenues are 5% below budget, expenses are 18% lower. The annual LITA National Forum was very successful as were the Pre-Midwinter Workshops. Book sales and advertising are less than planned. The drop in membership due to the LITA dues increase (FY2005) appears to be leveling.

Public Library Association (PLA)

Total Revenues Budgeted/Actual/Remaining:	\$ 485,103	\$ 399,959	\$ 3,358,996
Total Direct Expenses Budgeted/Actual/Remaining:	\$1,261,972	\$1,167,877	\$ 1,744,580
Contribution Margin Budgeted/Actual/Remaining:	\$ (776,869)	\$ (767,918)	\$(1,614,416)
Overhead Budgeted/Actual/Remaining:	\$ 20,729	\$ 19,322	\$ 582,782
Tax Budgeted/Actual/Remaining:	\$ 890	\$ 890	\$ 890
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (788,129)	\$ (798,488)	\$ 10,359
Beginning/Ending Net Asset Balance:	\$ 950,404	\$ 162,275	

PLA is performing as expected. Conference revenues will not post until March. However, the PLA National Conference looks to be the largest to date. At this writing (before the start of the conference), advance registration is \$185,000 ahead of budget. Registration increases over the 2004 National Conference came in the following areas: State Chapter members – 479 (due to additional marketing to surrounding states); PLA members – 486; ALA members – 104; students – 73. There are 405 one-day registrations; however, for the 2004 conference, one-day registrations were only available on-site, not in advance. The exhibit hall is sold out and will exceed budget. Due to increase registration, expenses will increase for temp personnel, AV, buses, printing, catering and security. At this time, the net impact is not predicted.

PLA still has 3.5 unfilled positions, resulting in salary savings which are somewhat offset by the need to contract out for professional services. Two searches this fall were not successful; the searches have been reopened and PLA hopes to have the positions filled by May.

Donations will exceed budget and help reduce expenses. The ALA Development Office just secured an unexpected \$15,000 donation which will help underwrite the conference keynote speaker.

PLA has redesigned its magazine – *Public Libraries*. Advertising appears to be slightly on the up-tick.

Reference & User Services Association (RUSA)

Total Revenues Budgeted /Actual/Remaining:	\$167,826	\$187,032	\$235,574
Total Direct Expenses Budgeted /Actual/Remaining:	\$149,471	\$118,715	\$227,583
Contribution Margin Budgeted /Actual/Remaining:	\$ 18,355	\$ 68,317	\$ 7,991
Overhead Budgeted /Actual/Remaining:	\$ 6,061	\$ 6,237	\$ 6,706
Tax Budgeted /Actual/Remaining:	\$ 398	\$ 398	\$ 396
Net Revenue (Expense) Budgeted /Actual/ <u>Variance</u> :	\$ 11,896	\$ 61,682	\$ 49,786
Beginning / Ending Net Asset Balance:	\$341,367	\$403,049	

Revenues are over budget. Dues, Web CE sales and donations are ahead of budget, but advertising and subscriptions are lagging. Expenses are under budget because salaries and benefits spent on the LC grant have been transferred to that project. (The LC project was for revising the standards and guidelines of service for the LC Network of Libraries for the Blind and Physically Handicapped.)

Young Adult Library Services Association (YALSA)

Total Revenues Budgeted/Actual/Remaining:	\$ 146,166	\$ 152,354	\$ 267,336
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 172,994	\$ 144,361	\$ 236,200
Contribution Margin Budgeted/Actual/Remaining:	\$ (26,828)	\$ 7,993	\$ 31,136
Overhead Budgeted/Actual/Remaining:	\$ 6,486	\$ 7,443	\$ 13,197
Tax Budgeted/Actual/Remaining:	\$ 200	\$ 200	\$ 200
Net Revenue (Expense) Budgeted/Actual/ <u>Variance</u> :	\$ (33,514)	\$ 350	\$ 33,864
Beginning/Ending Net Asset Balance:	\$ 414,103	\$ 414,453	

YALSA's net asset balance remains flat – as it did during YALSA's initial year without a “small division subsidy.” Membership remains a reliable revenue source, with dues revenue well ahead of budget.

FILE NAME: FEB 06
MONTHLY FINANCIAL STATEMENTS
RDS 09/01/05
03/27/2006

American Library Association
Schedule 6 - Balance Sheet - Assets, Liabilities, Net Assets

	ACTUAL FEBRUARY 28, 2005	ACTUAL FEBRUARY 28, 2006	VARIANCE	%
ASSETS	51,865,583	61,757,907	9,892,324	19%
LIABILITIES	27,409,306	33,638,414	6,229,108	23%
NET ASSETS	24,456,277	28,119,493	3,663,216	15%
TOTAL LIABILITIES AND NET ASSETS	51,865,583	61,757,907	9,892,324	19%

FOR ADDITIONAL DETAIL SEE SCHEDULE 12

03/27/2006

American Library Association
Schedule 6 – Commentary: Balance Sheet - Total ALA
February FY 2006 Financials

ASSETS At February 28, 2006, total assets of \$61,786,678 are \$9,921,095 more than the total at February 28, 2005. This is a result of increases in long-term investments (D), property, plant and equipment (E), cash and short-term investments (A), and net accounts receivable (B) and offset by a decrease in inventories (C).

A. Cash and Short-Term Investments: Cash and short-term investments of \$19,715,691 at February 28, 2006 are \$2,939,615 higher than at February 28, 2005.

	<u>YTD</u> <u>AVG. BALANCE</u>	<u>YTD</u> <u>INTEREST INCOME</u>	<u>YTD</u> <u>YIELD</u>
FY 2005	\$15,550,415	\$285,459	3.67%
FY 2006	\$14,823,407	\$283,659	3.83%

See Schedule 2 explanation for additional investment information.

B. Net Accounts Receivable: Net accounts receivable of \$4,717,115 at February 28, 2006 are \$828,048 higher than the balance of \$3,889,067 at February 28, 2005. The increase is the result of a higher balance in iMIS billings, mainly conference related sales offset by a lower reserve for bad debts. At February 28, 2006, total trade receivables were \$3,210,804 as compared to \$2,175,713 in FY 2005. Reserves for bad debt decreased \$202,889.

C. Inventories: While net inventories decreased by \$106,856, the gross inventory balance decreased by \$73,601 to \$1,672,027 at February 28, 2006 from \$1,745,627 at February 28, 2005. ALA Editions finished goods has a \$93,102 decrease and Graphics has a \$10,877 increase. ALA Editions work-in-progress has an increase of \$45,706. On a net basis, the reserves have increased \$33,256 at February 28, 2006.

D. Endowment Investments: Long-term endowment investments of \$26,121,855 at February 28, 2006 are \$4,866,243 higher than at February 28, 2005, primarily as a result of market conditions.

E. Property, Plant and Equipment: Property, plant and equipment, net of depreciation of \$8,584,164 at February 28, 2006 is \$795,280 higher than at February 28, 2005 mainly as a result of the purchase of the DC property.

LIABILITIES

At February 28, 2006, total liabilities of \$33,638,414 are \$6,229,108 higher than total liabilities at February 28, 2005 primarily due to increases in (B) deferred revenues – grants and awards, (D) deferred revenues – membership dues, (A) deferred revenues meetings and conferences, (C) accounts payable and (E) deferred revenues – subscriptions.

A. Deferred Revenues - Meetings and Conferences: At February 28, 2006, deferred revenues for meetings and conferences totaled \$6,783,381 as compared to \$4,296,305 at February 28, 2005. At February 28, 2006 deferred revenues consisted of Annual Conference, \$2,658,135, PLA National Conference (March 2006), \$3,040,831, Midwinter, \$458,925 and ACRL National Conference (April 2007), \$218,366. At February 28, 2005, Annual Conference deposits were \$1,892,334, PLA National Conference, \$449,210, ACRL deposits are \$1,455,742, and AASL (October 2005) deposits are \$383,477.

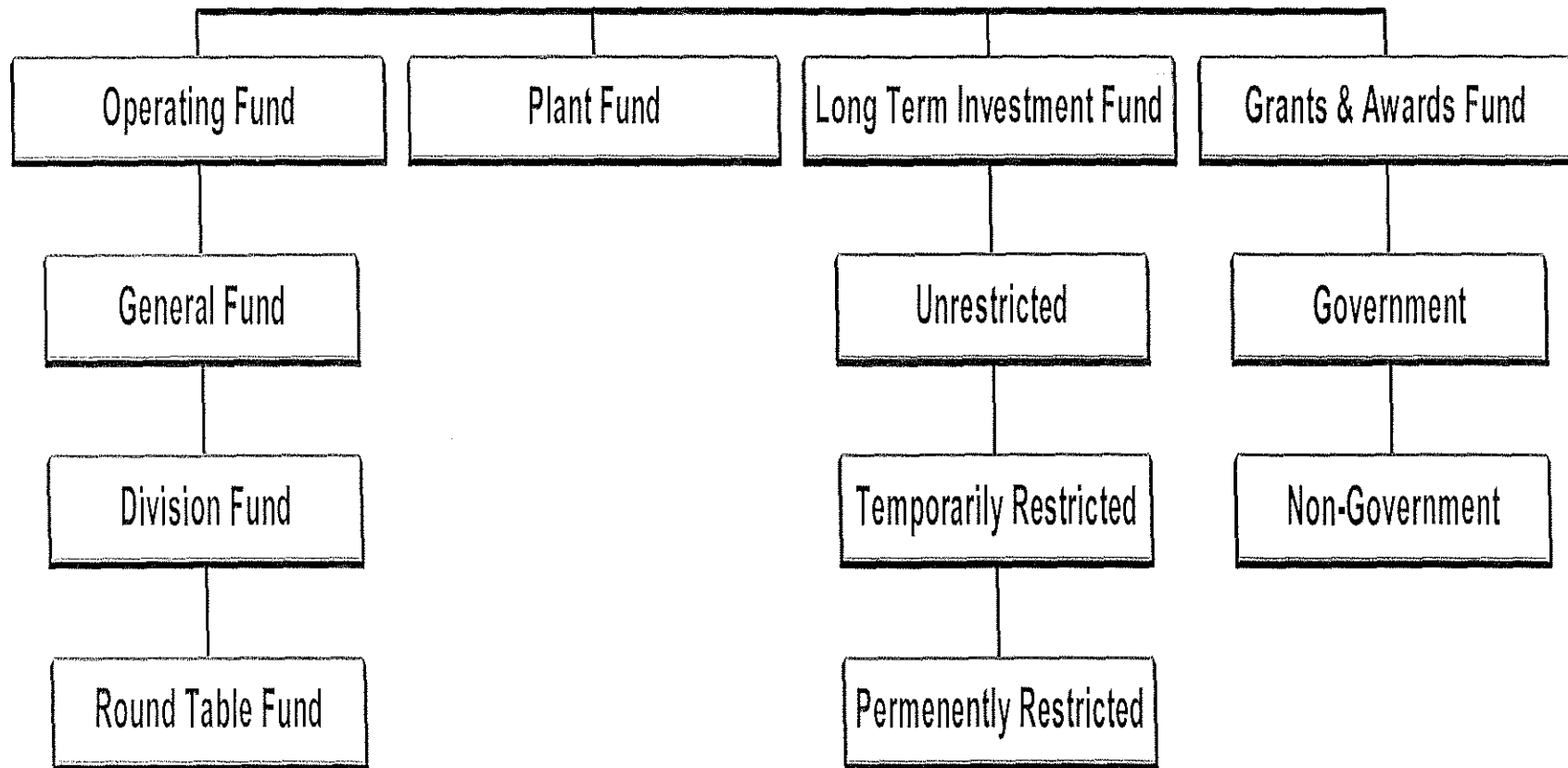
B. Deferred Revenues – Grants: Deferred revenues for Grants and Awards at February 28, 2006 are \$3,125,100 as compared to \$2,181,330 at February 28, 2005. In February 2006, the following grants had significant deferred revenues, Frankenstein exhibit, \$38,177, Nextbook, \$29,809, MacArthur Credibility, \$19,718, Library Champions, \$75,800, 21st Century Fund, \$237,906, Literacy Network Database, \$243,659, and the Scholarship Bash, \$394,122. In February 2005, major grants included MacArthur III, \$15,852, the Scholarship Bash, \$273,257, Library Champions, \$69,726, CIPA Defense Fund, \$19,962, 21st Century Fund, \$276,369, Nextbook, \$90,951, MacArthur Credibility, \$120,527, Edlinc, \$25,846, and Literacy Network Database, \$376,364.

C. Accounts Payable: At February 28, 2006, accounts payable totaled \$13,099,797 as compared to \$10,604,873 at February 28, 2005. The increase of \$2,494,924 reflects the accrual of payroll related expenses, mainly for post-retirement benefits.

C. Deferred Revenues - Membership Dues: Deferred revenues for membership dues at February 28, 2006 are \$4,331,802 as compared to \$4,114,579 at February 28, 2005

E. Deferred Revenues – Subscriptions: Deferred revenues for subscriptions at February 28, 2006 are \$3,123,333 as compared to \$3,037,218 at February 28, 2005. The increase of \$217,223 is mainly an increase in American Libraries, (\$9,308), Booklist (\$3,963), ROC (\$31,877), Book Links (\$49,385), and LTR (\$6,797) offset by a decrease in CHOICE (\$11,787).

ALA Fund Structure



American Library Association Organizational Chart

Council/Executive Board Executive Director Development Office Human Resources International Relations Governance

Senior Associate
Executive Director
Member Programs & Services

~Conference Services

~Divisions:
AASL ALCTS ALSC
ALTA ACRL ASCLA
LAMA LITA PLA
RUSA YALSA

~Information Technology

~Offices:
Accreditation
Diversity
Human Resource Development
& Recruitment
Intellectual Freedom
Literacy & Outreach Services

Associate
Executive Director
Communications & Marketing

~Chapter Relations

~Customer Service

~Library

~Public Information Office

~Public Programs

~Research & Statistics

Associate
Executive Director
Finance

~Accounting

~Budget

~Payroll

~Accounts Receivable

~Accounts Payable

~Finance

~Operations & Staff Support

Associate
Executive Director
Publishing Services

~ALA Editions

~American Libraries

~Booklist

~Production Services

~Graphics

~ALA TechSource

Associate
Executive Director
Washington Office

~Government Relations

~Office for
Information
Technology Policy