

**TO:** Finance and Audit Committee  
Budget Analysis and Review Committee

**RE:** Annual Conference Financial Performance Scenarios

**ACTION REQUESTED/INFORMATION/REPORT:**

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

**ACTION REQUESTED BY:**

Information item.

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**BACKGROUND**

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

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

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

Attachment

**Annual Conference  
Financial Performance Scenarios**

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