

TO: ALA Executive Board and Council

DATE: January 21, 2024

RE: Joint Meeting report for the Budget, Analysis, and Review Committee (BARC) and the Finance and Audit Subcommittee (F&A) to the Executive Board

ACTION REQUESTED/INFORMATION/REPORT:

- Approval of ALA FY2024 Budget Objectives & Programmatic Priorities

ACTION REQUESTED BY:

BARC and F&A

CONTACT PERSON:

Tamika Barnes, BARC Chair, tbarnes24@gsu.edu, 770.274.5084

Peter Hepburn, ALA Treasurer and F&A Chair, peter.hepburn@canyons.edu, 661.362.3758

DRAFT OF MOTIONS:

1. That the ALA Executive Board approve the FY25 Budget Objectives & Programmatic Priorities as presented in EBD #3.12

BACKGROUND:

Members of the ALA Budget Analysis and Review Committee (BARC) and the Finance and Audit Subcommittee (F&A) held a joint meeting on Thursday, January 11, 2024, to discuss and review several financial issues. We are pleased to report to the Executive Board on our activities. Below is a list of the primary topics discussed:

- FY 2024 Year-to-Date Financial Results *EBD #3.11*
- FY 2023
- FY 2025 Budget Objectives *EBD #3.12*
- Executive Director Report *EBD #12.2*
- Endowment Trustees' Report *EBD #13.1*
- Operating Agreement Implementation update

After the adjournment of the joint session, F&A continued in closed session. The topics discussed were as follows:

- PAG appointments, *CBD #11.0*
- Audit report status update

DETAILED ACTION ITEMS:

FY25 Budget Objectives and Programmatic Priorities *EBD #3.12*

BARC members were presented with the FY25 Budget Objectives and Programmatic Priorities. The presentation nodded to the Budget Assumptions and Tactical Goals (EBD #3.13) underpinning the objectives. The Budget Objectives remained largely unchanged from the previous fiscal year, reflecting the continued importance of the budgetary efforts undertaken the year before but with some revision based on a more cautious outlook for the budget. BARC voted to approve the FY25 Budget Objectives and Programmatic Priorities. F&A concurred with the action.

DETAILED INFORMATIONAL ITEMS:

ALA FY2023 Final Results

ALA CFO Dina Tsourdinis provided a brief overview of the presented the final, unaudited numbers for FY23. The association realized an operating surplus of \$1.8M and non-operating activities revenues (such as post-retirement benefits and realized and unrealized gains from the investment funds) that were \$3.5M to the positive. F&A will receive the audited report and a more in-depth look at the numbers at its February 2 meeting with the auditors. The Executive Board should expect to receive the report and approve it shortly thereafter.

ALA FY2024 Year to Date Results, *EBD #3.11*

ALA CFO Dina Tsourdinis also provided a brief overview of the results from September and October 2024. As of October 31, 2023, there was a deficit of \$991k, which represents a negative variance from budget of \$128k. By comparison to FY2022, the last two-conference year, revenues are higher, but expenses are higher still, resulting in an unfavorable variance of \$240k from the same point in FY2022. Only the divisions and round tables performed favorably against budget in the first two months of this fiscal year, and that is the result of careful monitoring and management of expenses.

In addition, the loan balance continues to trend lower as ALA pays down its debt. There is no current balance owing on the line of credit. Short term investments were also down as of October 31, but that is typical for that point in the calendar year.

Operating Agreement Implementation Work Group report

ALA Treasurer Peter Hepburn updated BARC and F&A on the timeline for the selection and implementation of an overhead model following the dissolution of the work group that he had formerly co-chaired with ALA CFO Dina Tsourdinis. All revenue generating units will use more current data to explore four models before submitting preferences this summer. Hepburn and Tsourdinis will bring recommendations forward to the Executive Board in October 2024.

ACKNOWLEDGMENT

BARC and F&A thank the Finance Office for their continued support and commend them for making strides in catching the reporting of results up to the present day. The following finance staff contributed to a successful meeting: Dina Tsourdinis, Denise Moritz, Keith Brown, Brad Geene, Mike Larson, and Irina Devora. Thanks also to Holly Robison from the Governance Office for ensuring smooth online proceedings.

Respectfully submitted:

BARC Tamika Barnes, Chair
Ana Elisa de Campos Salles
George Gottschalk
Peter Hepburn
Katy O'Neill
Kevin Reynolds
Deb Sica
Sophia Sotilleo

F&A Peter Hepburn, Chair
Tamika Barnes
Sara Dallas
Karen G. Schneider
Steven Yates