

**American Library Association
Budget Analysis and Review Committee**

**Report to ALA Executive Board, Council, Membership and
Planning & Budget Assembly**

Annual Council, San Francisco, June 26, 2015

The Budget Analysis and Review Committee (BARC) Report to ALA Executive Board, Council, Membership and Planning & Budget Assembly covers: ALA Fiscal Facts, FY 2015 budget year to date (YTD) as of April 30, 2015 and recent activities of BARC.

Highlighted are several topics discussed in meetings in Chicago in April 2015 and during ALA Annual Conference, San Francisco. Specifically:

- Resolutions & referrals from Council
Addressing issues and resolutions that are referred by Council to BARC is a priority; e.g. the resolution to allow programs at Midwinter Meetings
- Loan refinancing
The current interest market is favorable to borrowers and BARC recommended to the Executive Board that ALA re-finance the loan taken in 2008 for real estate in Washington DC and Connecticut and the purchase of Neal-Shulman publishing. Loan refinance has been approved and is in process.
- Finances pertaining to Round Tables
BARC is discussing the way ALA accounts for expenses of Round Tables.
- *ALA Financial Handbook*, published February 2015.
Found on ALA Treasurer's Page:
<http://www.ala.org/aboutala/governance/financialdata/treasurerspage>
- ALA Financial Best Practices information session
Low attendance at this open-format session scheduled on Friday afternoons of Midwinter Meetings for unit leadership seems to indicate that it is no longer needed. Consensus is that information on ALA financial practices is now adequately provided through other venues. BARC has decided to discontinue the session.
- Planning and Budget Assembly
ALA President-elect and Treasurer invite PBA members to suggest topics for discussion. At 2015 Annual Conference, PBA will focus on the Strategic Plan, how it is aligned with the FY16 budget and how it is being implemented.

- Division Leaders/BARC Meeting

At 2015 Annual Conference, much of the Division Leaders and BARC joint meeting will be focused on progress and plans for improving ALA's information technology infrastructure. FY16 includes a strategic technology investment of \$250,000

This report continues with the attached slides.

Acknowledgement

BARC welcomes Mark Leon, newly appointed ALA Chief Financial Officer, and extends its thanks to ALA finance staff - Keith Brown, Latasha Bryant, Brad Geene, Joanne Lee, Denise Moritz for their support of the committee and its work on behalf of members. The chair also thanks Keith M. Fiels, Executive Director, and Mary Ghikas, Associate Executive Director, for their continued helpful input and participation.

Thank you, ALA members, for the time, talent and money you contribute to American Library Association. You make ALA the strong, vibrant organization it is today.

Respectfully submitted:

Patricia Wand, Chair
Lori Goetsch
Mario Gonzalez, Treasurer
Julius Jefferson, Jr.
Ann Martin
John Moorman
Jim Neal
Jo Ann Pinder
Janice Welburn

BUDGET ANALYSIS AND REVIEW COMMITTEE (BARC)

Report to ALA Executive Board Council Membership Planning and Budget Assembly

Patricia Wand – BARC Chair

Information Session
Annual Conference
Saturday - June 27, 2015
San Francisco, CA

1

Topics

- 1. ALA Fiscal Facts**
- 2. FY 2015 Budget**
Year to date (YTD) as of April 30, 2015
- 3. Recent Activities**
- 4. Final remarks and questions**

ALA Fiscal Facts

ALA Fiscal Year 2015
September 1, 2014 - August 31, 2015

This year BARC

- **Oversaw close of the FY 2014 budget**
- **Monitored expenditures in FY 2015 budget**
- **Advised Executive Board on allocations for FY 2016 budget**

3

ALA Budget Planning

Association budgeting process -
Must estimate *both* revenue and expenses

Revenue prediction –
Projections based on past year and forecasted trends

Expense prediction –
Based on past year, anticipated increases in base costs, salary increases, trends, etc.

4

Revenue Sources - FY14

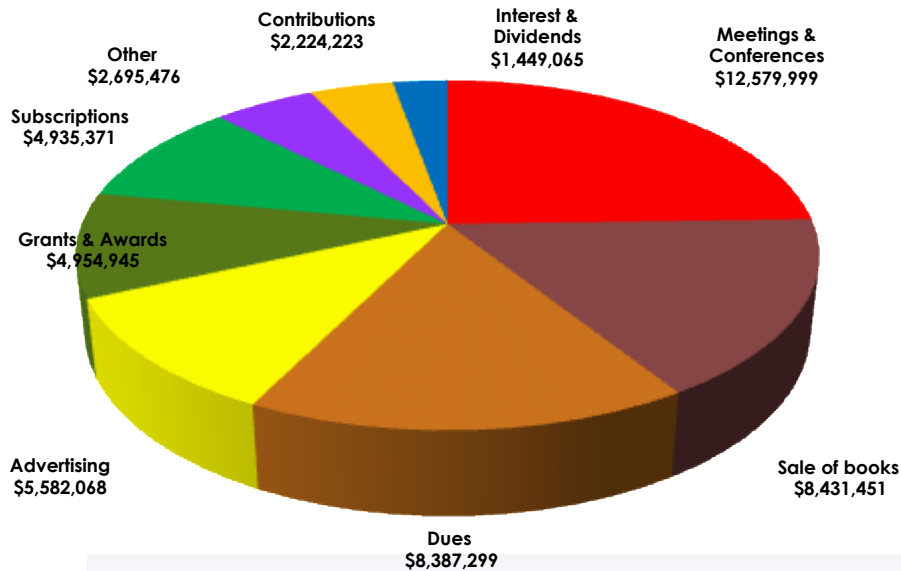
\$51.2 million

	2014	%
Meetings & Conferences*	\$ 12,579,999	24.6%
Sale of Books & Materials	\$ 8,431,451	16.5%
Dues	\$ 8,387,299	16.4%
Advertising	\$ 5,582,068	10.9%
Grants & Awards	\$ 4,954,945	9.7%
Subscriptions	\$ 4,935,371	9.6%
Other**	\$ 2,695,476	5.3%
Contributions	\$ 2,224,223	4.3%
Dividends and Interest Income		
Long-term Investments	\$ 745,498	1.5%
Short-Term Investments	\$ 703,567	1.4%
Total Revenues	<u>\$ 51,239,897</u>	<u>100.0%</u>

*Includes Annual Conference, Midwinter Meeting and national division conferences for PLA and AASL
 **Royalties, honoraria, misc. interest/dividends, misc. revenue & fees, etc.

Revenue Sources - FY14

\$51,239,897



ALA FY 2015 Budget YTD 8 months (April 30, 2015)

- **Total ALA Revenue - \$30.8 million**
More than the budget of \$29.9 million by \$870,054
- **Total ALA Expenses - \$30.7 million**
Less than the budget of \$32.4 million by \$1.7 million
- **Excess Revenues Over Expenses – \$84,637**
- **Cash and Investments - \$20.4 million**
More than YTD last year by \$893,174 at \$19.5 million
- **Endowment Fund - \$40.9 million**
More than YTD last year by \$3.6 million at \$37.4 million

7

General Fund FY 2015 YTD 8 months (April 30, 2015)

- **General Fund Revenue - \$15.8 million**
Less than budget by \$366,559
- **General Fund Expenses - \$16.8 million**
Less than budget by \$520,309
- **Excess Expenses Over Revenues – \$1.0 million**
Less than the budgeted YTD variance of (\$1.2 million) by \$153,750
Compared to a YTD variance of (\$844,414) for same time last year

8

Divisions FY 2015 YTD 8 months (April 30, 2015)

- **Division Revenue - \$10.0 million**
More than budget by \$716,351
- **Division Expenses - \$9.8 million**
Less than budget by \$996,808
- **Excess Revenues Over Expenses – \$228,777**
More than the budgeted variance of (\$1.5 million) by \$1.7 million

9

Round Tables FY 2015 YTD 8 months (April 30, 2015)

- **Roundtable Revenue - \$247,818**
More than budget by \$20,991
- **Roundtable Expenses - \$76,342**
Less than budget by \$119,075
- **Excess Revenues Over Expenses – \$171,477**
More than the budgeted gain of \$31,411 by \$140,066

10

Recent BARC Activities

- **Resolutions & referrals from Council**
- **Loan refinancing**
- **Finances pertaining to Round Tables**
- **ALA Financial Practices information**
- **Planning and Budget Assembly**
- **Division Leaders/BARC Meeting**

*Want to learn more about
ALA Finances and Financial Practices?*

**Go to ALA Treasurer's Page:
www.ala.org/aboutala/treasurerspage**

Or contact

**ALA Treasurer – Mario Gonzalez
BARC Chair – Patricia Wand
ALA Finance Office – Mark Leon**

13

*Thank you for the
time, talent and money
you contribute to
American Library Association*

14