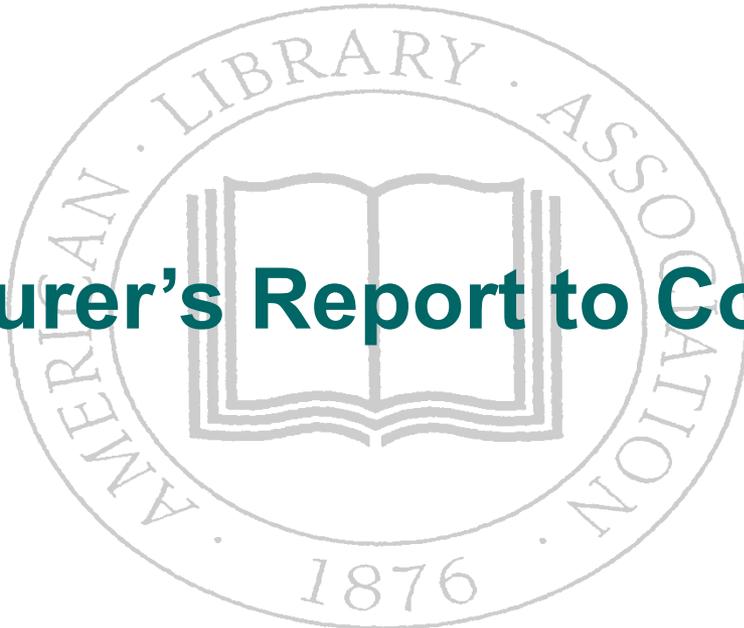


American Library Association

2011-12 ALA CD #13.0
2012 Midwinter Meeting



Treasurer's Report to Council

Presented by:

Jim Neal - Treasurer

Monday - January 23, 2012

Audited Financial Statements

FY 2011 Actual Results

Consolidated Summary of Operations

Revenues & Expenses

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Revenue	\$46,581,620	\$52,489,065	(\$5,907,445)
Expenses*	<u>\$46,741,997</u>	<u>\$50,212,751</u>	<u>(\$3,470,754)</u>
Income from Operations	(\$ 160,377)	\$ 2,276,314	(\$2,436,691)

*Does not include Postretirement benefit costs of \$1,587,263 (FY11) and \$1,725,247 (FY10) respectively.

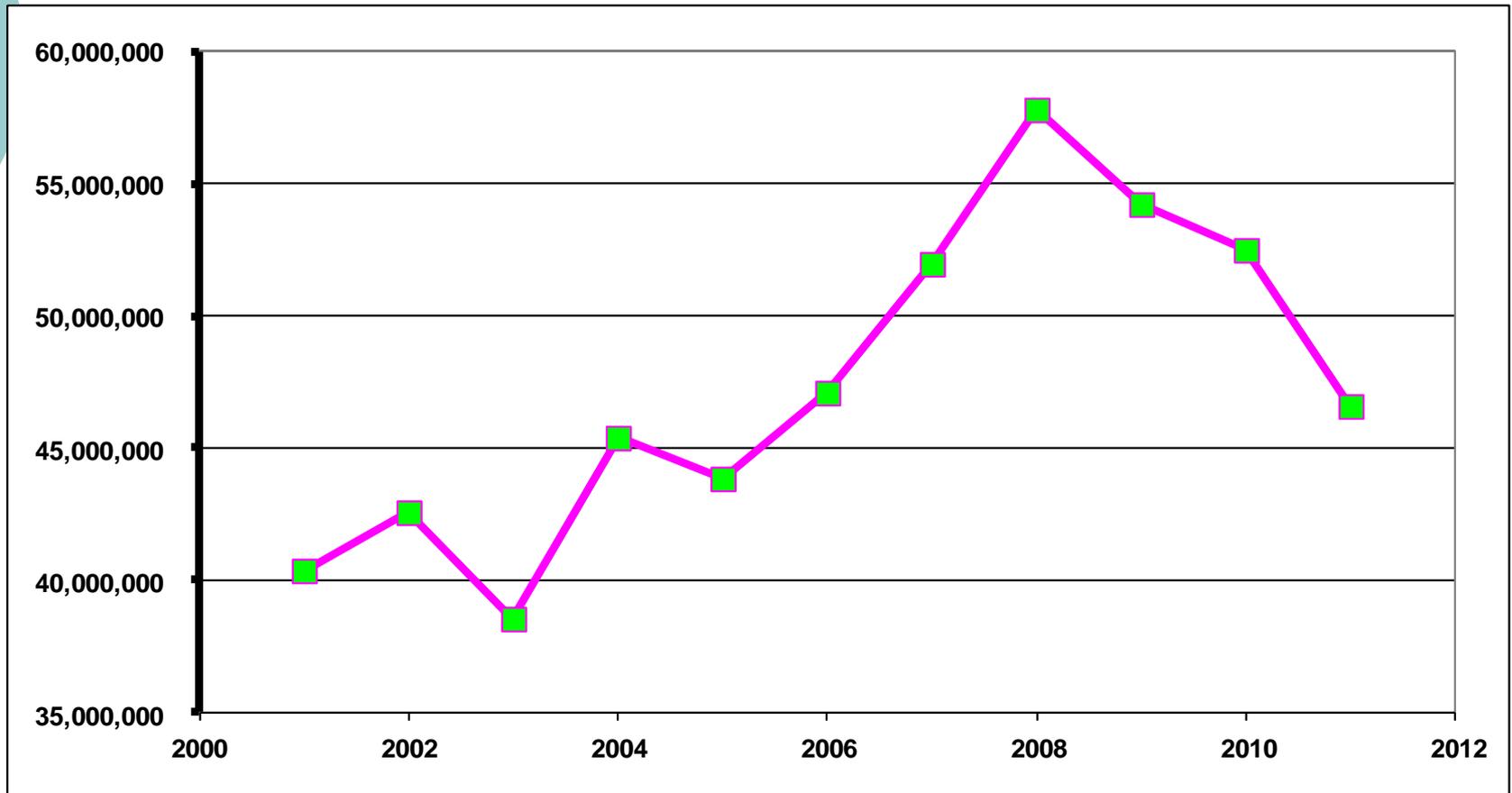
ALA Total Revenues

\$46,581,620

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			\$	%
	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>Change</u>
Dues	\$ 8,656,789	\$ 8,820,157	\$ (163,368)	-1.9%
Publishing	\$ 15,615,132	\$ 15,068,981	\$ 546,151	3.6%
Meetings & Conferences	\$ 10,021,000	\$ 12,674,350	\$ (2,653,350)	-20.9%
Graphics	\$ 1,271,473	\$ 1,459,906	\$ (188,433)	-12.9%
Interest & Dividends	\$ 1,535,283	\$ 1,773,379	\$ (238,096)	-13.4%
Grants & Awards	\$ 5,352,123	\$ 8,547,760	\$ (3,195,637)	-37.4%
Contributions	\$ 1,449,608	\$ 1,510,754	\$ (61,146)	-4.0%
Miscellaneous	<u>\$ 2,680,212</u>	<u>\$ 2,633,778</u>	<u>\$ 46,434</u>	1.8%
Total	\$ 46,581,620	\$ 52,489,065	\$ (5,907,445)	-11.3%

Total ALA Revenues: 2001 - 2011



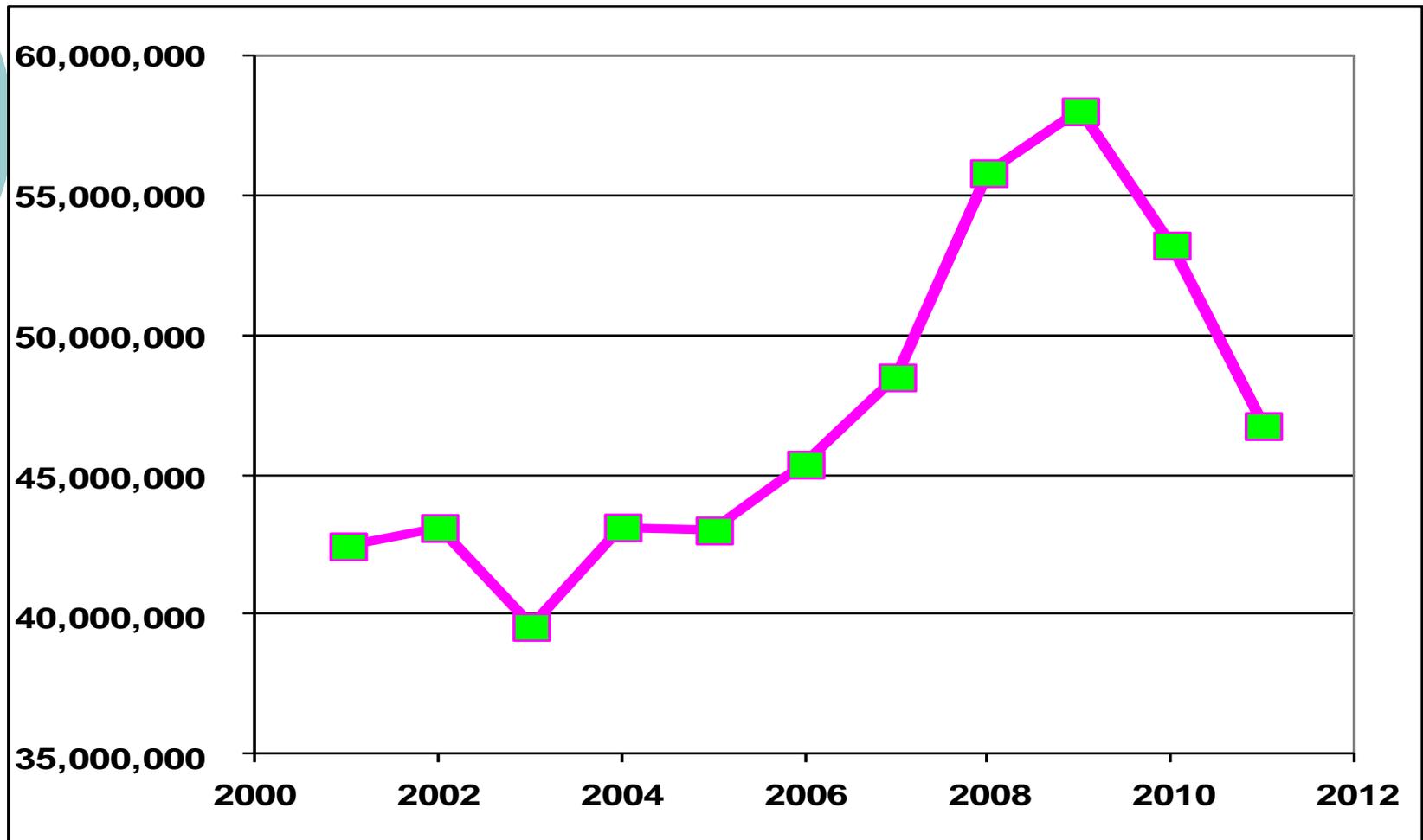
Total ALA Expenses

\$46,748,995

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	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>Change</u>
Payroll	\$ 20,938,781	\$ 21,162,124	\$ (223,343)	-1.1%
Outside Services	\$ 6,702,313	\$ 7,295,343	\$ (593,030)	-8.1%
Travel	\$ 1,731,608	\$ 2,529,826	\$ (798,218)	-31.6%
Meetings & Conferences	\$ 6,258,656	\$ 6,821,535	\$ (562,879)	-8.3%
Publications	\$ 4,736,784	\$ 4,760,810	\$ (24,026)	-0.5%
Operating	<u>\$ 6,373,855</u>	<u>\$ 7,643,113</u>	<u>\$ (1,269,258)</u>	-16.6%
Total	\$ 46,748,995	\$ 50,212,751	\$ (3,463,756)	-6.9%

Total ALA Expenses: 2001 - 2011



Consolidated Statement of Position

Assets & Liabilities

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Assets	\$69,542,806	\$67,197,811	\$2,344,995
Liabilities	<u>\$39,425,613</u>	<u>\$37,549,953</u>	<u>\$1,875,660</u>
Net Assets	\$30,117,193	\$29,647,858	\$ 469,335

Total ALA Assets

\$69,542,806

	<u>2011</u>	<u>2010</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Cash & Investments	\$ 18,088,304	\$ 17,578,601	\$ 509,703	2.9%
Accounts Receivables	\$ 2,847,129	\$ 3,498,195	\$ (651,066)	-18.6%
Inventory	\$ 1,214,071	\$ 1,248,792	\$ (34,721)	-2.8%
Prepaid Expenses	\$ 659,748	\$ 849,190	\$ (189,442)	-22.3%
Grants Receivable	\$ 802,385	\$ 859,910	\$ (57,525)	-6.7%
Property & Equipment	\$ 14,620,551	\$ 14,352,580	\$ 267,971	1.9%
Long-Term Investments	<u>\$ 31,310,618</u>	<u>\$ 28,810,543</u>	<u>\$ 2,500,075</u>	8.7%
Total	\$ 69,542,806	\$ 67,197,811	\$ 2,344,995	3.5%

Total ALA Liabilities

\$39,425,613

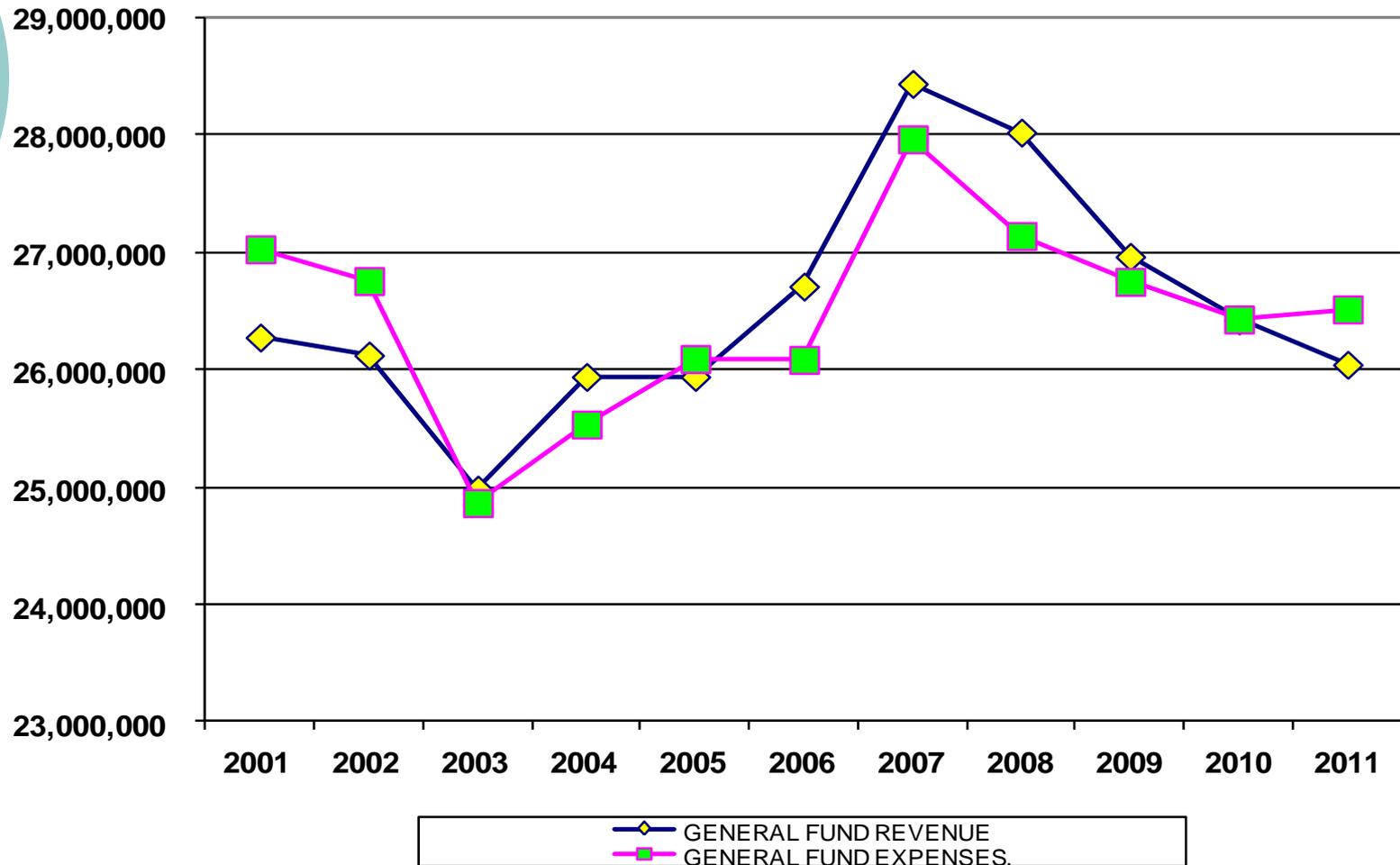
			\$	%
	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>Change</u>
Accounts Payable	\$ 3,256,913	\$ 3,075,434	\$ 181,479	5.9%
Accrued Liabilities	\$ 1,564,819	\$ 1,678,358	\$ (113,539)	-6.8%
Deferred Revenue	\$ 12,875,606	\$ 11,517,775	\$ 1,357,831	11.8%
Current LTD	\$ 215,945	\$ 294,925	\$ (78,980)	-26.8%
Capital Lease	\$ 351,774	\$ 557,719	\$ 205,945)	-36.9%
Accrued Post Retirement	\$ 16,980,883	\$ 16,029,217	\$ 951,666	5.9%
Long-Term Debt	<u>\$ 4,179,673</u>	<u>\$ 4,396,525</u>	<u>\$ (216,852)</u>	<u>-4.9%</u>
Total	\$ 39,425,613	\$ 37,549,953	\$ 1,875,660	5.0%

General Fund Summary

Revenues & Expenses

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Revenues	\$26,047,168	\$26,425,901	(\$ 378,733)
Expenses	<u>\$26,484,235</u>	<u>\$26,433,928</u>	<u>\$ 50,307</u>
Net Revenue	(\$ 437,067)	(\$ 8,027)	(\$ 429,040)

General Fund Revenues and Expenses



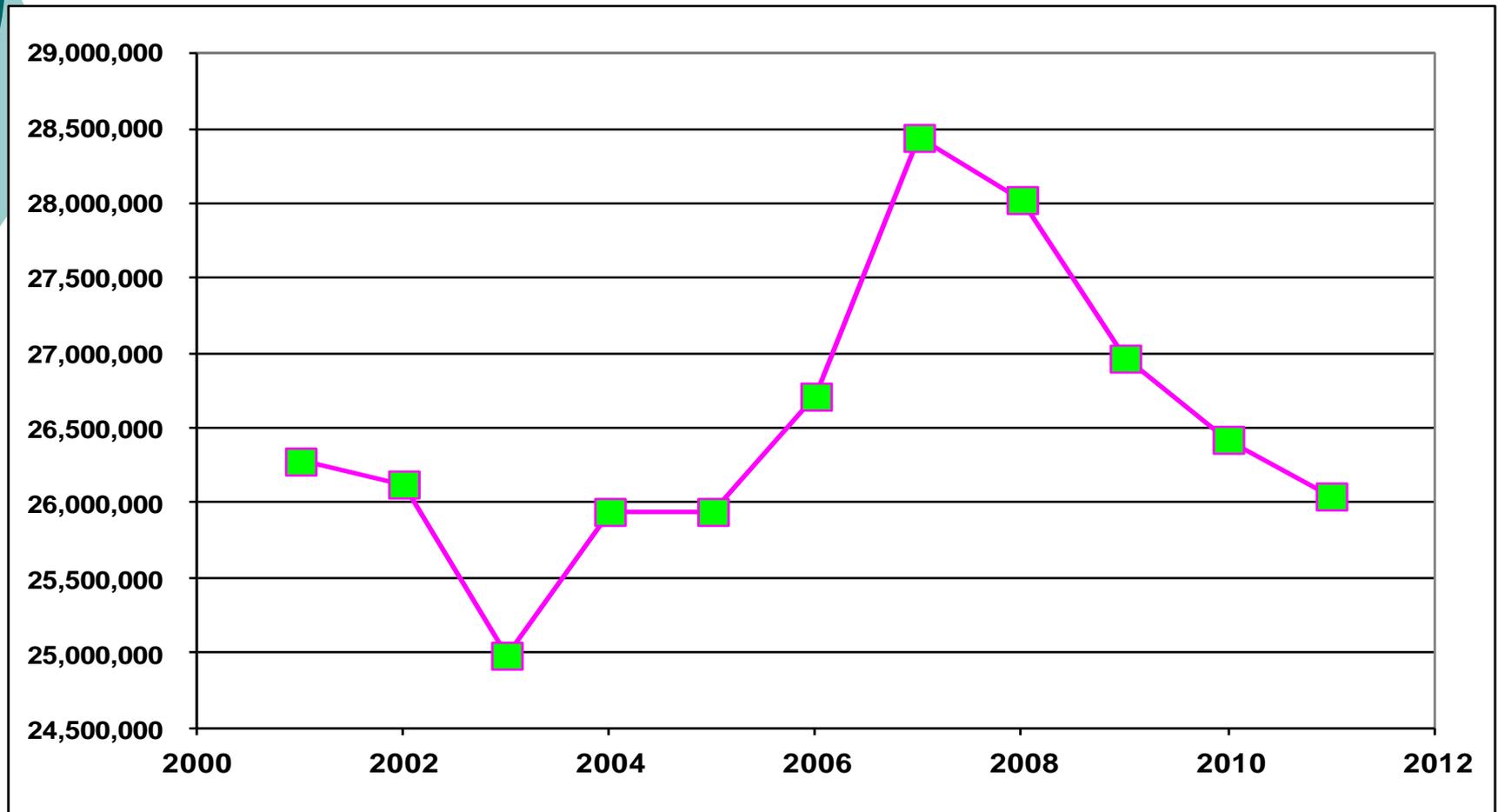
General Fund Revenues

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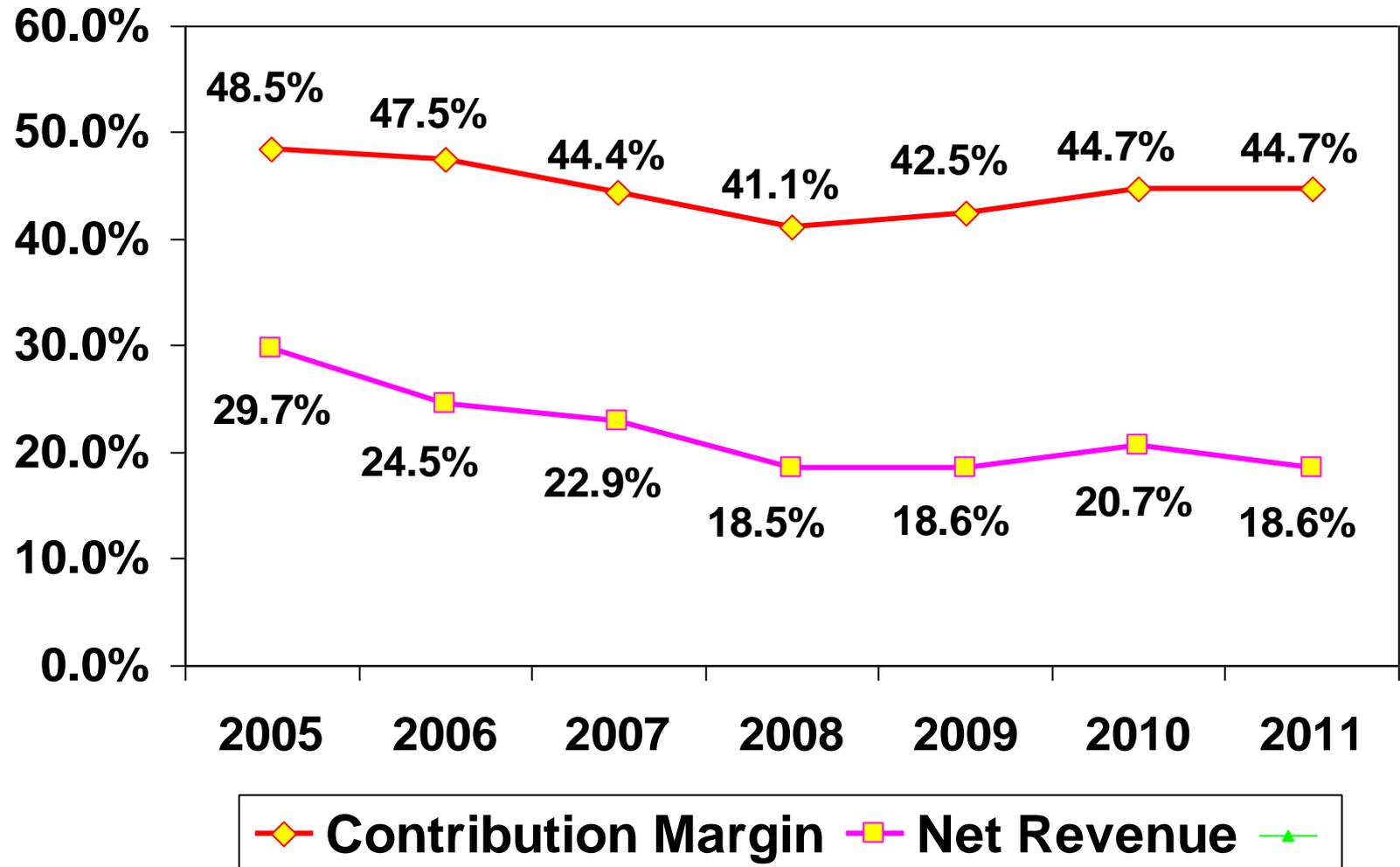
\$26,047,168

	<u>2011</u>	<u>2010</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Dues	\$ 5,829,512	\$ 5,899,585	\$ (70,073)	-1.2%
Publishing	\$ 9,990,757	\$ 9,385,579	\$ 605,178	6.4%
Meetings & Conferences	\$ 6,357,200	\$ 6,989,771	\$ (632,571)	-9.0%
Graphics	\$ 1,271,473	\$ 1,459,906	\$ (188,433)	-12.9%
Interest & Dividends	\$ 851,496	\$ 917,247	\$ (65,751)	-7.2%
Contributions	\$ 274,129	\$ 312,429	\$ (38,300)	-12.3%
Miscellaneous	<u>\$ 1,472,601</u>	<u>\$ 1,461,384</u>	<u>\$ 11,217</u>	0.8%
Total	\$ 26,047,168	\$ 26,425,901	\$ (378,733)	-1.4%

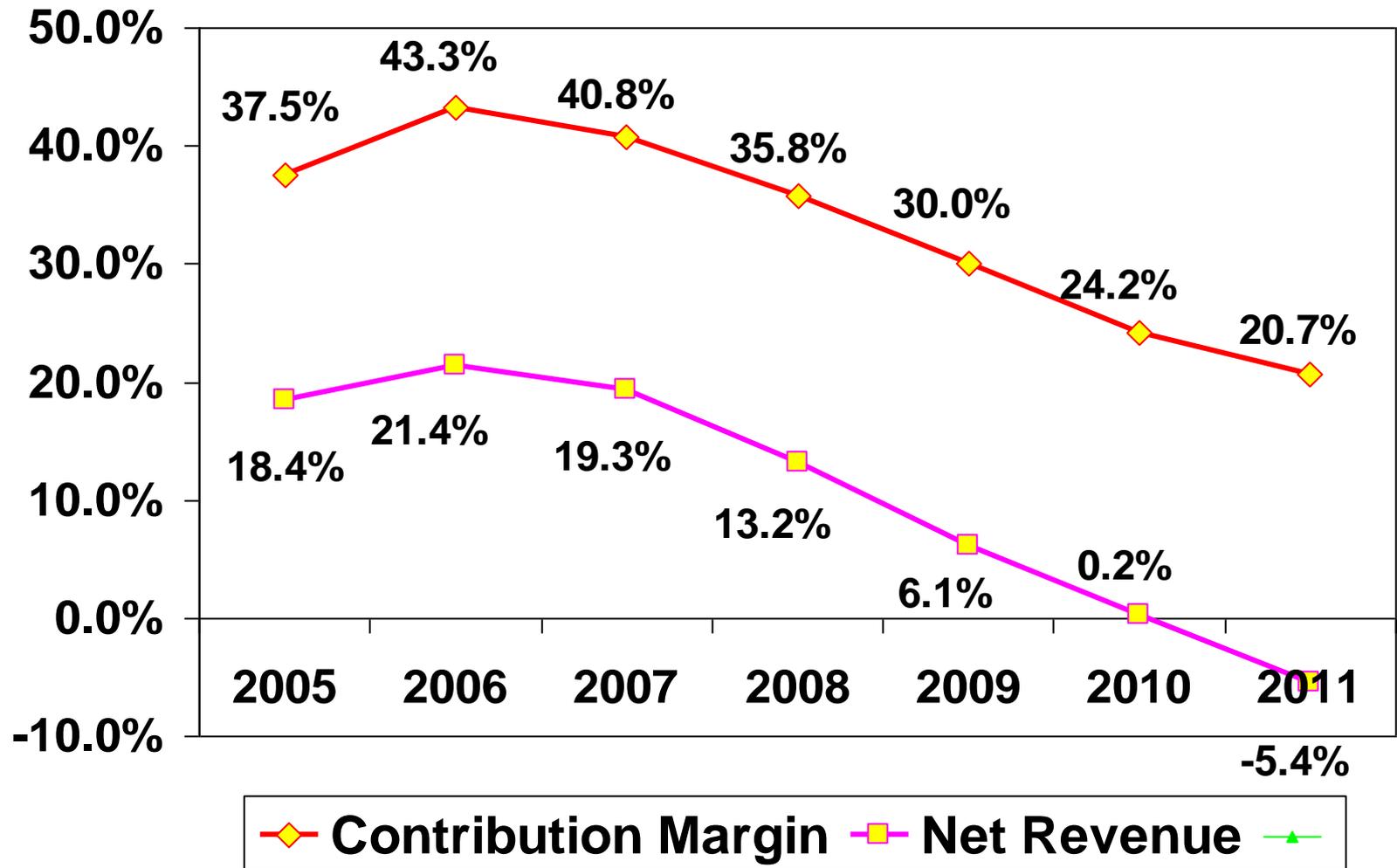
General Fund Revenues: 2001 - 2011



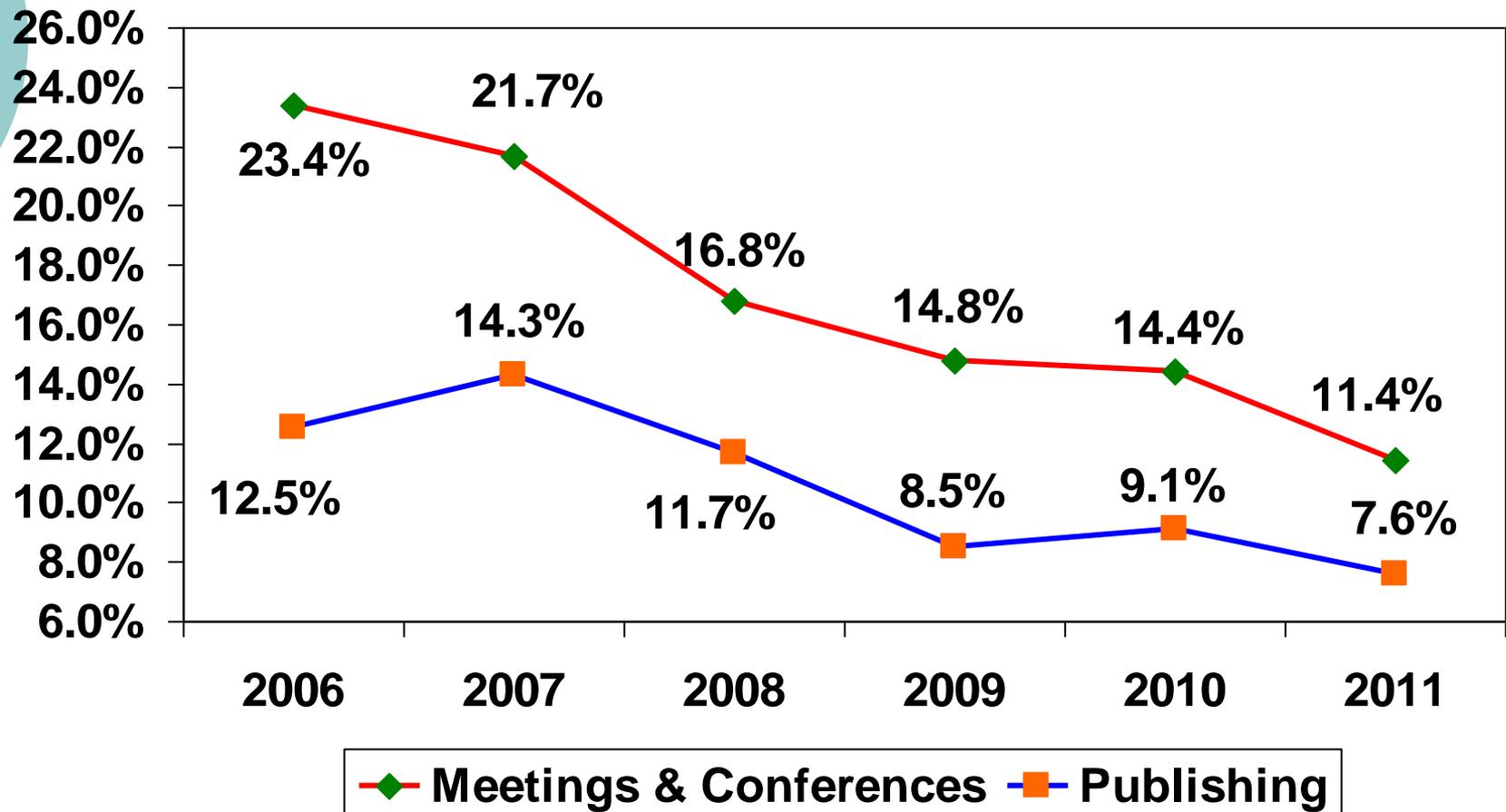
Annual Conference Contribution Margin and Net Revenue



Midwinter Meeting Contribution Margin and Net Revenue



Revenue Producing Units Net Margins



Member Support Services

- Supported by Overhead -

	2011	2010	\$ Change	% Change
Communications	\$2,805,913	\$2,995,312	(\$189,399)	-6.3%
Member Offices & Support	\$4,171,478	\$4,355,518	(\$183,399)	-4.2%
Executive Office & Governance	\$1,506,321	\$1,619,043	(\$112,722)	-7.0%
General & Administrative*	<u>\$882,892</u>	<u>\$678,739</u>	<u>\$204,153</u>	<u>30.1%</u>
Total	\$9,366,604	\$9,648,612	(\$282,008)	-2.9%

*Includes overhead recovery of \$7,024,506 and \$7,363,317 respectively, which reduces expenses.

General Fund Expenses

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\$26,484,235

	<u>2011</u>	<u>2010</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Payroll	\$ 14,049,935	\$ 14,590,555	\$ (540,620)	-3.7%
Outside Services	\$ 3,692,949	\$ 3,551,994	\$ 140,955	4.0%
Travel	\$ 961,876	\$ 949,077	\$ 12,799	1.3%
Meet & Conferences	\$ 2,976,411	\$ 3,080,887	\$ (104,476)	-3.4%
Publications	\$ 2,907,461	\$ 2,887,965	\$ 19,496	0.7%
Operating	\$ 1,701,934	\$ 941,283	\$ 760,651	80.8%
Transfers	<u>\$ 193,669</u>	<u>\$ 432,167</u>	<u>\$ (238,498)</u>	<u>-55.2%</u>
Total	\$ 26,484,235	\$ 26,433,928	\$ 50,307	0.2%

General Fund Expenses: 2001 - 2011



FY 2011 General Fund Budget Mid Year Adjustments

	<u>Budget</u>	<u>Projections</u>	<u>Variance</u>
Revenue	\$26,822,213	\$26,380,213	(\$ 442,000)
Expenses	<u>\$26,822,213</u>	<u>\$27,271,213</u>	<u>(\$ 449,000)</u>
Net Revenue	\$ 0	(\$ 891,000)	(\$ 891,000)

Adjusted Expenses

Projected Expense Reductions →	Personnel	(\$128,000)	
	Publishing & Conf	(\$170,000)	
	Building & Tech	(\$131,000)	
	Govern & Comm	(\$ 38,000)	
	Offset*	(\$270,000)	(\$ 737,000)
			<u>(\$ 154,000)</u>
Use of Board Reserves**			<u>\$ 154,000</u>
			<u>\$ 0</u>

*BCBS Refund (\$220,000) and use of BCBS Reserve (\$50,000). ** Received Board approval to use \$154,000 – \$375,000 of NAB.

Division Summary

Revenues & Expenses

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Revenue	\$13,680,235	\$15,756,676	(\$2,076,442)
Expenses	<u>\$13,648,279</u>	<u>\$14,419,008</u>	<u>(\$ 770,730)</u>
Net Revenue	\$ 31,956	\$ 1,337,668	(\$1,305,712)

Division Results - Revenues

	<u>2011</u>	<u>2010</u>	\$	%	
			<u>Change</u>	<u>Change</u>	<u>Mix</u>
Dues	\$ 2,650,905	\$ 2,743,929	(\$ 93,024)	-3.4%	19.4%
Publishing	\$ 5,400,863	\$ 5,446,612	(\$ 45,949)	-0.8%	39.5%
Meetings and Conferences	\$ 3,592,348	\$ 5,577,159	(\$1,984,811)	-35.6%	26.3%
Contributions	\$ 839,179	\$ 820,277	\$ 18,902	2.3%	6.1%
Miscellaneous	\$ 1,196,940	\$ 1,168,499	\$ 28,441	2.4%	8.7%
Total	<u>\$ 13,680,235</u>	<u>\$ 15,756,676</u>	<u>(\$2,076,441)</u>	<u>-13.2%</u>	<u>100.0%</u>

Division Results - Expenses

	<u>2011</u>	<u>2010</u>	<u>\$</u>	<u>%</u>	
			<u>Change</u>	<u>Change</u>	<u>Mix</u>
Payroll	\$ 5,280,221	\$ 5,239,333	\$ 40,888	0.8%	38.7%
Outside Services	\$ 1,309,206	\$ 1,470,697	(\$ 161,491)	-11.0%	9.6%
Travel	\$ 415,387	\$ 699,677	(\$ 284,290)	-40.6%	3.0%
Meetings and Conferences	\$ 2,007,018	\$ 1,958,522	\$ 48,496	2.5%	14.7%
Publications	\$ 1,619,005	\$ 1,609,486	\$ 9,519	0.6%	11.9%
Operating	\$ 1,076,712	\$ 1,224,095	(\$ 147,383)	-12.0%	7.9%
Interunit Transfers	\$ 343,426	\$ 271,619	\$ 71,907	26.5%	2.5%
Overhead	\$ 1,597,304	\$ 1,945,679	(\$ 348,375)	-17.9%	11.7%
Total	\$ 13,648,279	\$ 14,419,008	(\$ 770,729)	-5.3%	100.0%

General Fund Investment in the Divisions – 2010*

<u>Unit</u>	<u>Indirect Costs*</u>	<u>Overhead Paid</u>	<u>Small Division Support</u>	<u>General Fund Investment</u>
PLA	\$ 737,658.43	\$ 88,188		\$ 649,470
ACRL	\$ 1,209,350.49	\$ 585,157		\$ 624,193
CHOICE	\$ 648,180.47	\$ 393,450		\$ 254,730
AASL	\$ 674,527.70	\$ 92,028		\$ 582,500
ASCLA	\$ 102,386.44	\$ 2,358	\$ 40,362	\$ 140,390
ALCTS	\$ 292,614.27	\$ 37,623		\$ 254,991
LAMA	\$ 223,619.22	\$ 13,474		\$ 210,145
RUSA	\$ 271,495.48	\$ 19,856		\$ 251,639
ALTA	\$ 151,844.95	\$ 5,525	\$ 95,358	\$ 241,678
LITA	\$ 260,981.23	\$ 45,034		\$ 215,947
ALSC	\$ 620,012.67	\$ 107,721		\$ 512,292
YALSA	\$ 395,971.54	\$ 45,542	\$ -	\$ 350,430
Total	\$ 5,588,642.89	\$ 1,435,956	\$ 135,720	\$ 4,288,407

*Results determined from the 2010 Indirect Cost study. The 2011 study currently underway.

Roundtables Summary

Revenues & Expenses

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Revenue	\$ 322,261	\$ 405,180	\$ (74,521)
Expenses	<u>\$ 185,815</u>	<u>\$ 242,095</u>	<u>\$ (44,651)</u>
Net Revenue	\$ 132,446	\$ 163,086	\$ (29,870)

Endowment Fund (Net Assets)

Beginning Balance : 9-1-10	\$31,216,549
Interest/Div	\$ 683,787
Contributions	\$ 302,008
Realized Gain/Loss	\$ 363,602
Unrealized Gain/Loss	\$ 1,559,024
Other	<u>\$ 7,596</u>
Total Revenue	\$ 2,916,017
Total Expenses	\$ 839,403
Transfers Out	<u>(\$ 17,459)</u>
Change in Net Assets	\$ 2,059,155
Ending Balance: 8-31-11	\$33,275,704

FY 2012 Final Budget

*Necessary Adjustments in View
of the FY 2011 Results*

Total ALA FY12 Budget Adjustments

Since Annual Conference in New Orleans

	<u>AC New Orleans</u>	<u>Fall Meeting</u>	<u>Variance</u>
General Fund	\$27,820,693	\$27,072,978	(\$747,619)
Divisions	27,711,126	27,501,907	(209,219)
Round Tables	1,414,769	1,419,469	4,700
Grants & Awards	5,102,748	5,319,332	216,584
Long Term Investments	<u>583,371</u>	<u>913,602</u>	<u>330,231</u>
Subtotal	\$62,632,707	\$62,227,288	(405,419)
Technology Reserve Fund	<u>\$279,969</u>	<u>\$279,969</u>	<u>0</u>
Total ALA FY12			
FY12 Budgetary Ceiling	<u>\$62,912,676</u>	<u>\$62,507,257</u>	<u>(405,419)</u>

FY12 General Fund Budget Adjustments

Since Annual Conference in New Orleans

Budgeted FY 2012 Revenues

	<u>New Orleans</u>	<u>Fall Meeting</u>	<u>Variance</u>
Dues	\$5,852,775	\$5,754,291	(\$98,484)
Material Sales	5,477,060	5,224,408	(252,652)
Subscriptions	2,653,558	2,370,142	(283,416)
Advertising	3,931,211	3,866,211	(65,000)
Meet/Conferences	7,394,187	7,157,539	(236,648)
Miscellaneous	<u>2,511,902</u>	<u>2,700,387</u>	<u>188,485</u>
Total Revenue	\$27,820,693	\$27,072,978	(\$747,715)
Total Budgeted Revenues	<u>\$27,820,693</u>	<u>\$27,072,978</u>	<u>(\$747,715)</u>

Issues for the FY 2013 Budget

- Library budgets still lagging the economic recovery
- Political environment in Washington not as supportive as one would like
- Financial issues at state and local levels continue
- One less division national conference
- Need to leverage assets to support strategic priorities

Future Issues for ALA Budget Planning

- Invest in strategic priorities – the 2015 plan
- Invest in technology – new systems and services
- Expand the migration of electronic publishing distribution and business models
- Sustain and grow membership, particularly organizational and divisional
- Impact of new spending/payout policy for the endowment
- Market penetration and diversification
- New product and services development

New Business Development

Areas of Current Activity and Exploration:

- Electronic Publishing
- Expanded Publishing Program
- Continuing Education Online
- International Community
- Public/Library Users
- Mergers and Acquisitions
- Planned Giving



Neal-Schuman Publishing Update on the Acquisition

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- Due Diligence
- Valuation
- Business Plan
- Purchase Price/Financing
- Internal Consultation
- External Consultation
- Next Steps



Are there any Questions?

Treasurer's Report to Council

Programmatic Priorities

ALA Council Document #13.0

Programmatic Priorities

Council Action Needed

Motion

The ALA Council approves the following programmatic priorities in line with the ALA Ahead to 2015 strategic plan and as a guide in the preparation of the FY 2013 budget:

- Diversity
- Equitable Access to Information and Library Services
- Education and Lifelong Learning
- Intellectual Freedom
- Advocacy for Libraries and the Profession
- Literacy
- Organizational Excellence

Thank You for Your Attention