



2017-2018 ALA CD #13.2  
2017-2018 Annual Conference

### Treasurer’s Report at the Information Session to the ALA Executive Board, ALA Council and the Planning and Budget Assembly

Susan Hildreth – ALA Treasurer

Saturday – June 23, 2018  
Sunday – June 24, 2018  
Annual Conference – New Orleans LA

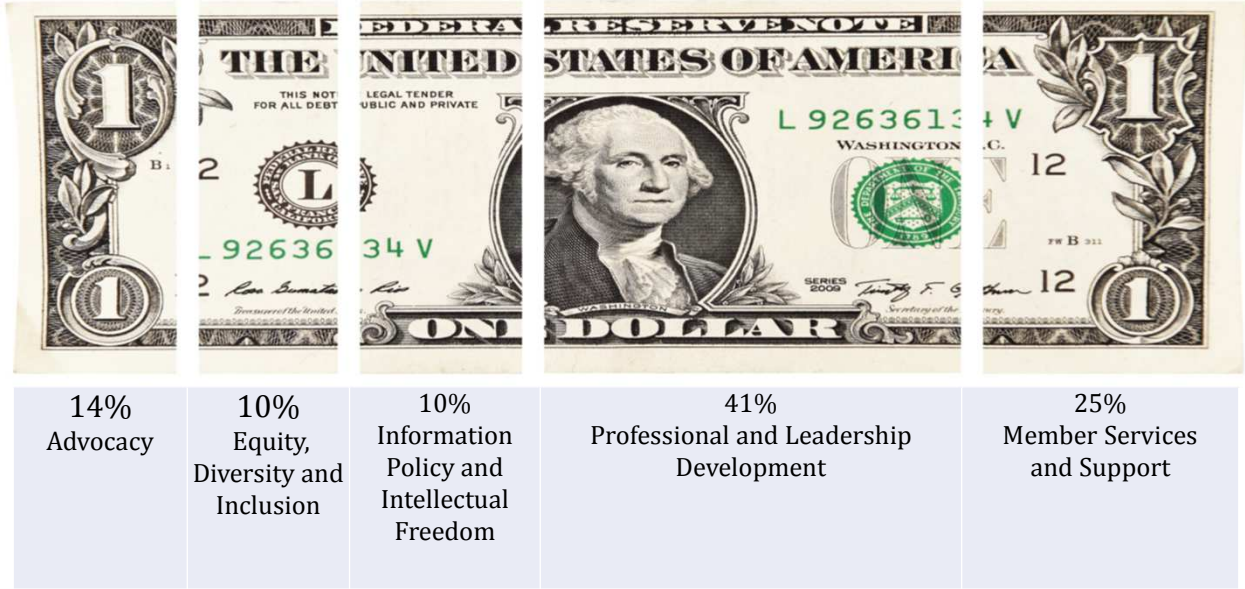
## Sources of ALA Revenue



16%	26%	34%	10%	3%	11%
Dues	Meetings & Conferences	Publishing	Grants	Interest	Other

Based on the approved 2018 budget

# Where Does Your ALA Dollar Go?

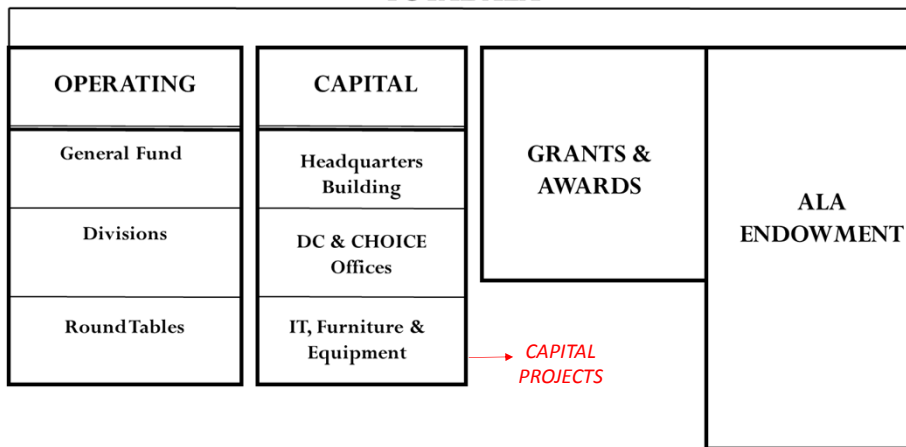


Based on the approved 2018 budget

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# ALA Operating Structure

TOTAL ALA

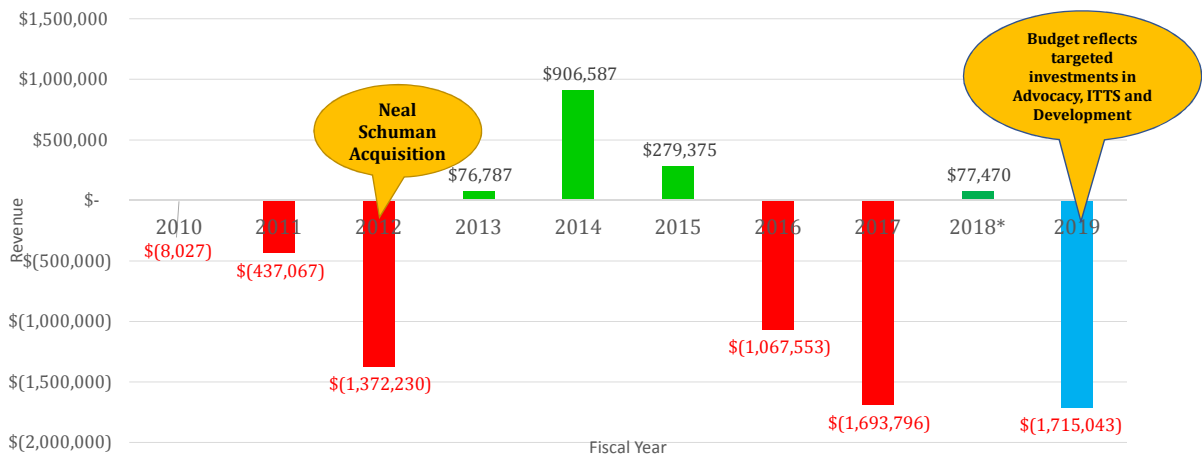


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# A Modern Association for a Modern Profession

*It Begins with the FY19 Budget*

## ALA General Fund Net Revenues (Expenses)



\*FY18 Management Projection  
Source: ALA Audited Financial Statements

# FY 2019 Preliminary Budget

*To Be Presented to Council at this Annual Conference  
in New Orleans*

## FY19 Preliminary Budget Details

*(The Numbers Behind Our Plan for FY19)*

**TOTAL ALA**

\$46.7M			
<b>OPERATING</b>	<b>CAPITAL</b>	<b>GRANTS &amp; AWARDS</b> \$3.9M	<b>ALA ENDOWMENT</b> \$.6M
General Fund \$28.4M	Headquarters Building		
Divisions \$13.4M	DC & CHOICE Offices		
Round Tables \$0.4M	IT, Furniture & Equipment	→ <b>CAPITAL PROJECTS \$TBD</b>	

- General Fund FY19 Revenue Budget of \$28.4M
- General Fund FY19 Expense Budget of \$30.1M
- Budgeted FY19 Net Expense of (\$1.7 M)
- Support from Net Assets of \$1.7 M
- General Fund Net Revenue of \$0

## Key Supplemental Investment Areas in FY19

- Development - \$177,000
- Advocacy - \$410,000
- Information Technology- \$1.36M

## Key Supplemental Investment Areas in FY19

### **Development (\$177K)**

- Enhance fundraising capacity
  - ✓ Reallocate existing staff positions to support 2.5 additional FTE
  - ✓ Major gifts director, prospect researcher and support

#### *Benefits to the Association*

- ✓ Will increase staff capacity resulting in stronger donor engagement
- ✓ Will result in additional donor dollars
- ✓ More effective donor stewardship through CRM (customer relationship management) system will lead to more successful fundraising

## Key Supplemental Investment Areas in FY19

### **Advocacy (\$410K)**

Support 21<sup>st</sup> century advocacy efforts

- ✓ CRM (customer relationship management) system for advocacy information
- ✓ Support for enhanced outreach and engagement

#### *Benefits to the Association*

- ✓ Provides more strategic focus on policy issues and targeted outreach
- ✓ Supports a year-round strategy for Advocacy, with enhanced capacity for mobilization efforts and campaigns
- ✓ Initiates a “Fly-In” event early in budget season for strategic legislative contacts to jump-start annual budget campaign
- ✓ Revitalizes National Legislative Day
- ✓ Creates more impactful legislative advocates, both key local players and broader grassroots networks

## Key Supplemental Investment Areas in FY19

### **Information Technology (\$1.36M)**

Investment will strengthen IT infrastructure and services

- ✓ First year of three-year planned investment for capacity and customer service

#### *Benefits to the Association*

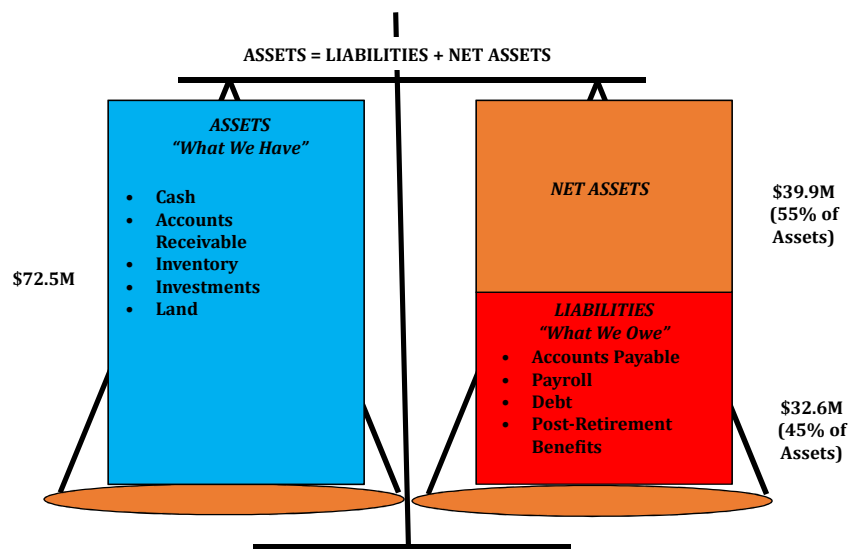
- ✓ Will improve experience of the 8 million+ annual visitors to ALA’s web site
- ✓ Enhanced opportunities for members and staff to working more efficiently and collaboratively, for a more effective Association
- ✓ Will provide the profession with the ability to quickly coordinate advocacy campaigns, reach out to funders/policy makers and initiate policy initiatives
- ✓ Dashboard will improve reporting capabilities, save staff time and inform more effective decision making

# How Do We Support These Investments?

## Funding Options and Strategies Available to Use

- Working Capital (ALA Cash)
- Bank Financing
- Leveraging ALA Real Estate
- Using the Association's Net Assets
- Endowment Fund

## ALA's Balance Sheet as of FYE 2017



*Net Assets is the difference between what we have and what we owe*

## A Need to Transition

- Keeping with Policy -

### Budgetary Ceiling Components

- Unexpended Net Assets for the Divisions and Roundtables
- + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments
- = Budgetary Ceiling

### Annual Estimates of Income Components

- Unexpended net assets for total ALA
- + Budgeted revenues for the upcoming fiscal year for the
  - General Fund
  - Divisions
  - Roundtables
  - Grants & Awards
  - Long-Term Investments
- = Annual Estimates of Income

## ALA Fiscal Year 2019 Budgetary Ceiling

As part of ALA's annual budget process, a budgetary ceiling is calculated and presented to the Budget Analysis and Review Committee (BARC) for approval. The budgetary ceiling document captures and presents all available resources, or sources of funds, that can be expended during the subsequent fiscal year. Sources include a starting amount represented by any accumulated Net Asset Balances, where applicable, built up over previous fiscal years. Additionally, these Net Asset balances are supplemented by budgeted revenues as well as any inter-fund transfers. The total of these sources represents the ceiling, or maximum available resources from all sources. BARC is charged with reviewing and approving the individual fund ceilings and Total All Funds ceiling presented in the bottom row below.

	General Fund*	Divisions	Round Tables	Grants & Awards	Long-term Investment	Total ALA Funds
A) Net Asset Balance (projected at end of FY 2017)	Not Applicable	13,263,800	1,780,316	Not Applicable	Not Applicable	15,044,116
FY 2019 Budgeted Revenues (before transfers)	27,749,958	13,412,220	398,284	3,907,243	1,032,138	46,499,843
FY 2019 Budgeted Revenue Transfers:						
Interest & dividend transfer to\from General Fund	603,295				(603,295)	0
Spectrum interest & dividends					232,393	232,393
Life Member Dues	74,000	11,940			(85,940)	0
Continuing Members	(2,400)	2,400				0
B) Total Revenues (budgeted plus transfers)	28,353,253	13,426,560	398,284	3,907,243	575,296	46,660,636
A+B) = TOTAL ALA BUDGETARY CEILING (for approval)	28,353,253	26,690,360	2,178,600	3,907,243	575,296	61,704,752



## ALA Fiscal Year 2019 Annual Estimates of Income

Per Article IX, Finances, Section 1 of ALA's Bylaws: Annual estimates of income shall be based upon the unexpended balance remaining from the previous year plus anticipated revenues for the next budget year. BARC is charged with reviewing and approving the Annual Estimates of Income.

Annual Estimate of Income	Total ALA
ALA Net Assets (projected at end of FY 2018)	\$ 37,643,998
FY 2019 Budgeted Revenues	
General Fund	28,353,253
Divisions	13,426,560
Roundtables	398,284
Grants & Awards	3,907,243
Endowment	575,296
Total	46,660,636
<b>FY 2019 Annual Estimates of Income</b>	<b>\$ 84,304,634</b>

Memo Only		
Estimates of Income by Fund	Divisions	Round Tables
Available Net Asset Balance (projected at end of FY 2018)	\$ 13,263,800	\$ 1,895,316
FY 2019 Budgeted Revenues	13,426,560	398,284
FY 2019 Annual Estimates of Income	\$ 26,690,360	\$ 2,293,600

## Will Request Council Approval

FY19 Annual Estimates of Income of  
\$84,304,634