



2017-2018 ALA CD #13.3
2017-2018 Annual
Conference

Treasurer's Report to Council

Fiscal Year 2019

- Annual Estimates of Income -

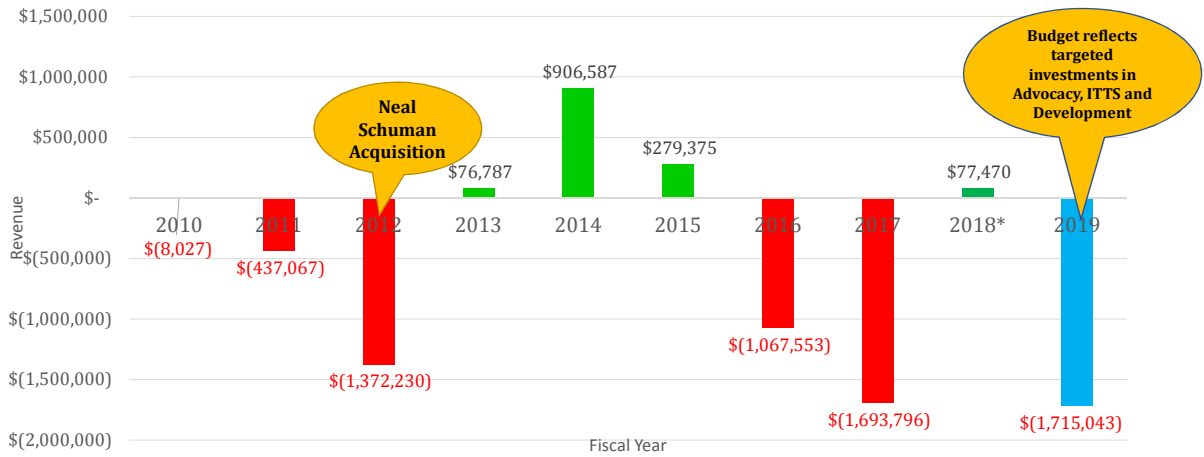
Susan Hildreth – ALA Treasurer

Monday – June 25, 2018
Annual Conference – New Orleans LA

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

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FY 2019 Preliminary Budget

*Reviewed by BARC and
the Executive Board at their
2018 Spring Meetings*

ALA Programmatic Priorities – *Aligned with the FY 2019 Budget*

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

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Strategic Directions

- Strategic Framework aligned with FY 2019 Budget

- **Advocacy**
Advocate for the public value of librarians, libraries and information services
- **Equity, Diversity and Inclusion**
The ALA recognizes that equity, diversity and inclusion impact all aspects of work among members of the Association, the field of librarianship, and the communities served by libraries.
- **Professional and Leadership Development**
Promote the professional and leadership development of librarians and library workers which is essential to high-quality professional practice and the future of libraries and information services
- **Information Policy**
Focus at every level on a diverse set of policy areas that includes:
 - > intellectual freedom
 - > privacy
 - > civil liberties
 - > telecommunications
 - > funding for education and research programs
 - > funding for libraries
 - > copyright and licensing
 - > government information
 - > literacy

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FY19 Preliminary Budget Details

(The Numbers Behind Our Plan for FY19)

TOTAL ALA

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

- 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

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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 21st 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

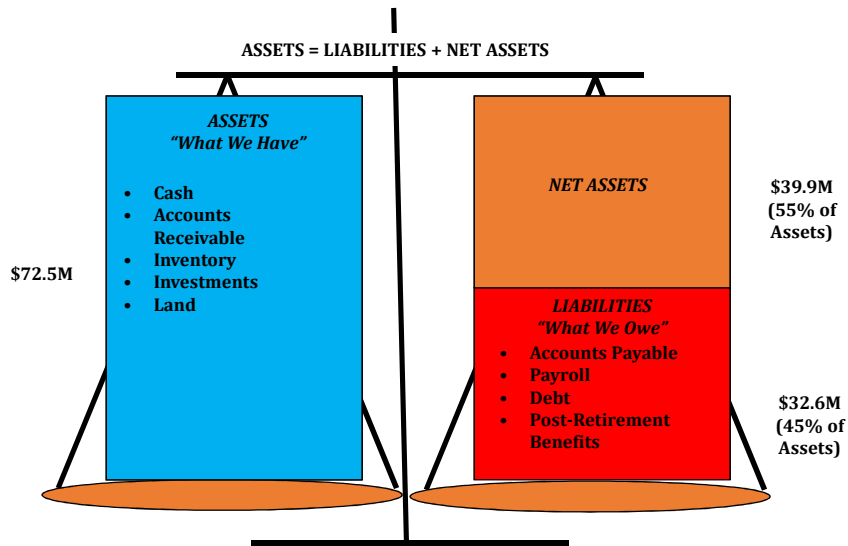
- ✓ Will improve experience of the 8 million+ annual visitors to ALA's web site
- ✓ Enhanced opportunities for members and staff to working more efficiently and collaboratively, for a more effective Association
- ✓ Will provide the profession with the ability to quickly coordinate advocacy campaigns, 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
FY 2019 Annual Estimates of Income	\$ 84,304,634

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

General Fund Annual Estimate of Income

Budgeted FY 2019 Revenues

Dues	\$5,491,800
Material Sales	4,778,601
Subscriptions	2,811,434
Advertising	4,401,058
Meetings/Conferences	8,094,740
Miscellaneous	<u>2,775,620</u>

Total Annual Estimate of Income (2019) \$28,353,253

REQUEST OF COUNCIL

Approval of Fiscal Year 2019
Budgetary Ceiling of
\$84,304,634

Mark Your Ballot

FY19 Annual Estimates of Income

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Thank You

Divisions Annual Estimate of Income

Estimated Beginning -		
Net Asset Balance <small>(Ending FY18 Projection)</small>	\$	13,263,800
Budgeted FY 2019 Revenue		13,410,740
Other Revenue Transfers*		<u>15,820</u>
Total Annual Estimate of Income (2019)		\$26,690,360

*Life and Continuing Member Dues

Round Tables Annual Estimate of Income

Estimated Beginning -		
Net Asset Balance <small>(Ending FY18 Projection)</small>	\$	1,895,316
Budgeted FY 2019 Revenue		<u>398,284</u>
Total Annual Estimate of Income (2019)		\$2,293,600

Grants and Awards Annual Estimate of Income

Non-Government	\$2,803,018
Government	635,765
Contributions	<u>468,460</u>
 Total Annual Estimate of Income (2019)	 \$3,907,243

Long-Term Investment Annual Estimate of Income

Budgeted FY 2019 Revenue	\$1,032,138
 Budgeted FY 2019 Revenue & Transfers	
Interest/Dividend Transfer to GF	\$(603,295)
Spectrum Interest/Dividends	\$232,393
Life Member Dues	<u>\$(85,940)</u>
Total LT Investment Distribution	\$575,296
 Total Annual Estimate of Income (2019)	 \$575,296