



2009-10 ALA CD #13.1
(2010 Annual Conference)

Treasurer's Report to Council

(Annual Estimate of Income & Budgetary Ceiling)


Presented By – Rod Hersberger
Monday June 28, 2010
Washington, DC



Areas Supported by the General Fund

- ◆ Chapter Relations Office
 - ◆ Development Office
 - ◆ International Relations Office
 - ◆ Library
 - ◆ Office of Accreditation
 - ◆ Office for Diversity
 - ◆ Office of Human Resource Development & Recruitment
 - ◆ Office for information Technology Policy
 - ◆ Office for Intellectual Freedom
 - ◆ Office for Library Advocacy
 - ◆ Office for Literacy & Outreach Services
 - ◆ Office for Research & Statistics
 - ◆ Office of the ALA Governance
 - ◆ Office of Government Relations
 - ◆ Public Information Office
 - ◆ Public Programs Office
 - ◆ Washington Office
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- A stylized silhouette of a mountain range in shades of teal, located in the bottom right corner of the slide.

Administrative Services Supported by the General Fund

- ◆ Human Resources
 - ◆ Accounting and Finance
 - ◆ Building Operations and Support Staff
 - ◆ ITTS
 - ◆ Member and Customer services
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General Fund Revenue Sources

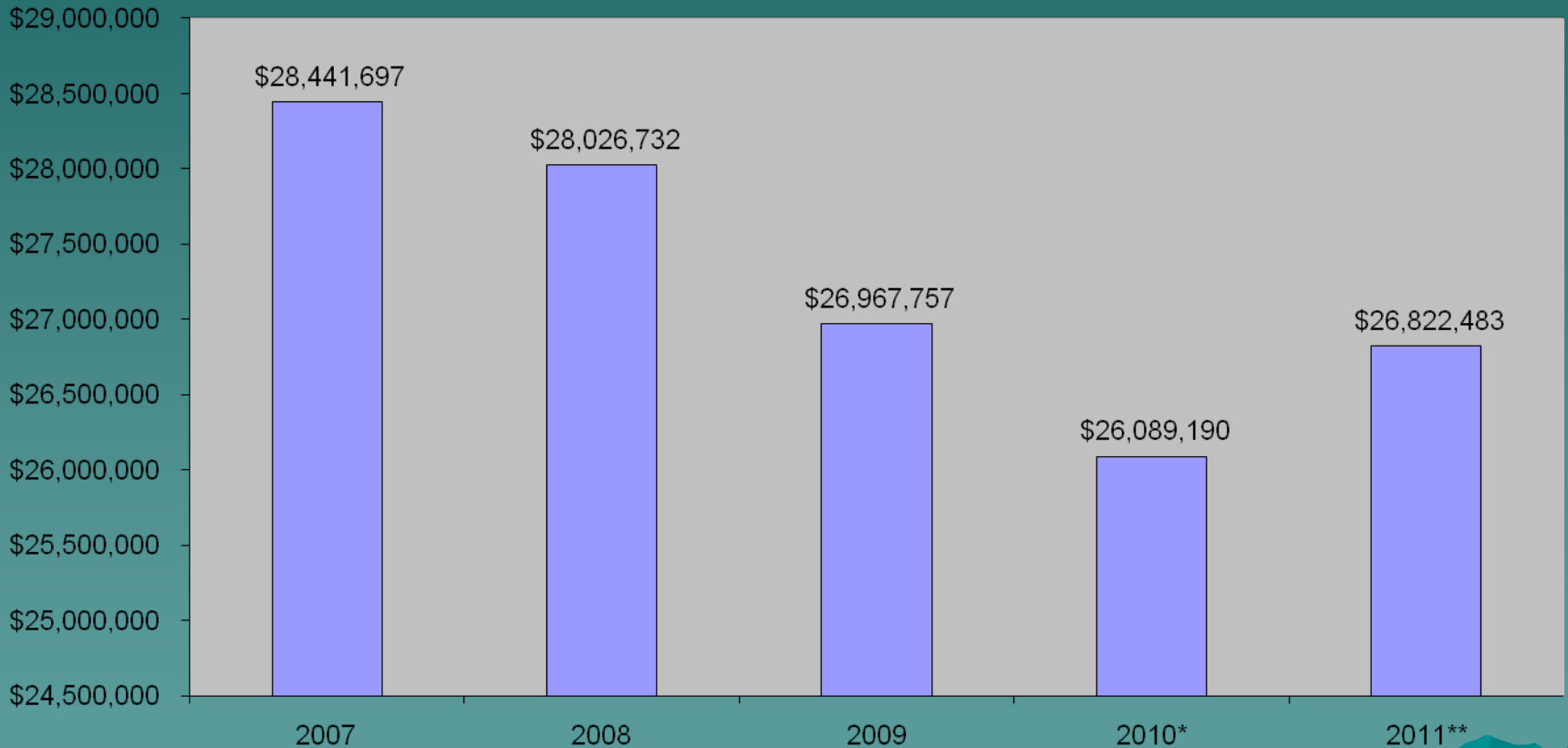
	<u>2008</u>	<u>2009</u>	<u>2010*</u>	<u>2011***</u>
Dues	\$5,703,011	\$5,850,641	\$6,078,400	\$6,287,800
Book Sales	3,247,965	2,949,570	3,395,825	3,866,152
Subscriptions	2,922,989	2,800,834	2,763,884	2,434,053
Advertising	4,259,059	3,477,703	3,814,296	3,511,532
Meet/Conf	7,311,577	7,195,653	7,570,800	6,786,950
Prod & Prom	2,025,389	1,628,552	1,983,929	1,491,982
Miscellaneous	<u>2,556,742</u>	<u>3,064,804</u>	<u>2,487,371</u>	<u>2,444,014</u>
Total	\$28,026,732	\$26,967,757	\$28,094,505	\$26,822,483
			\$26,089,190**	

*Budget

**Year End Projection

***Requested

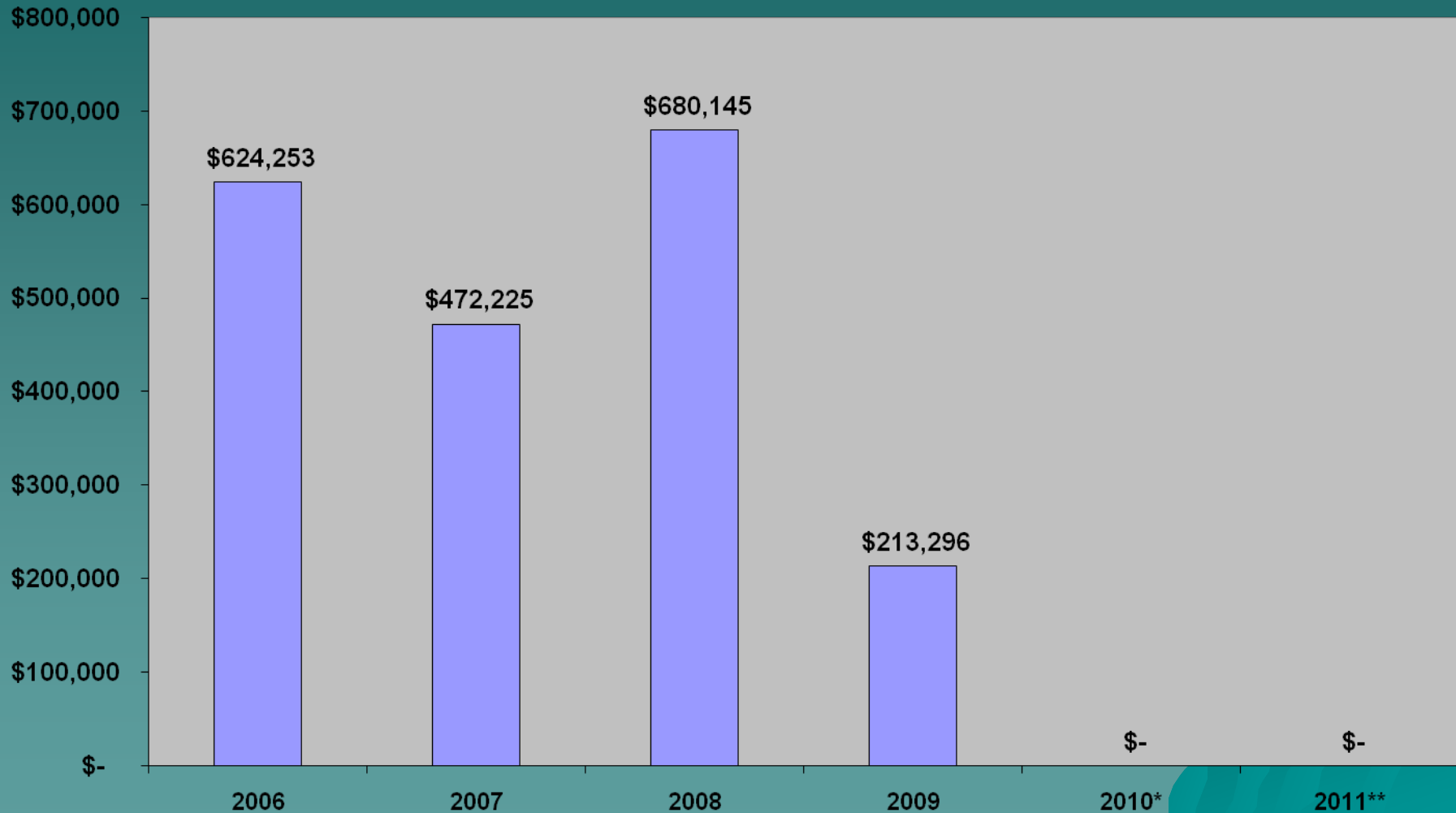
General Fund Revenue



*Projected

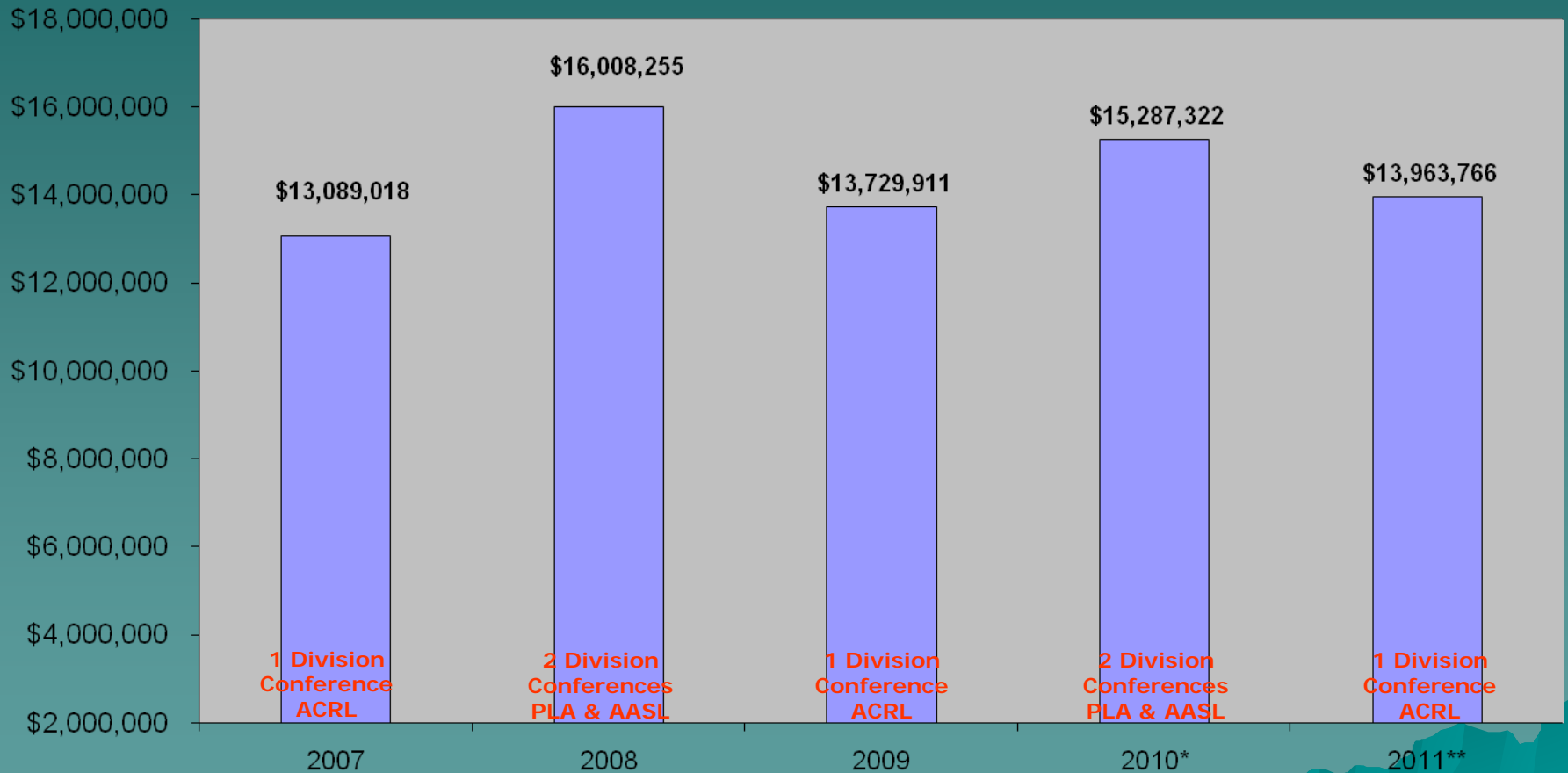
**Budget Request

General Fund Net Revenue



*Projected
**Budget Request

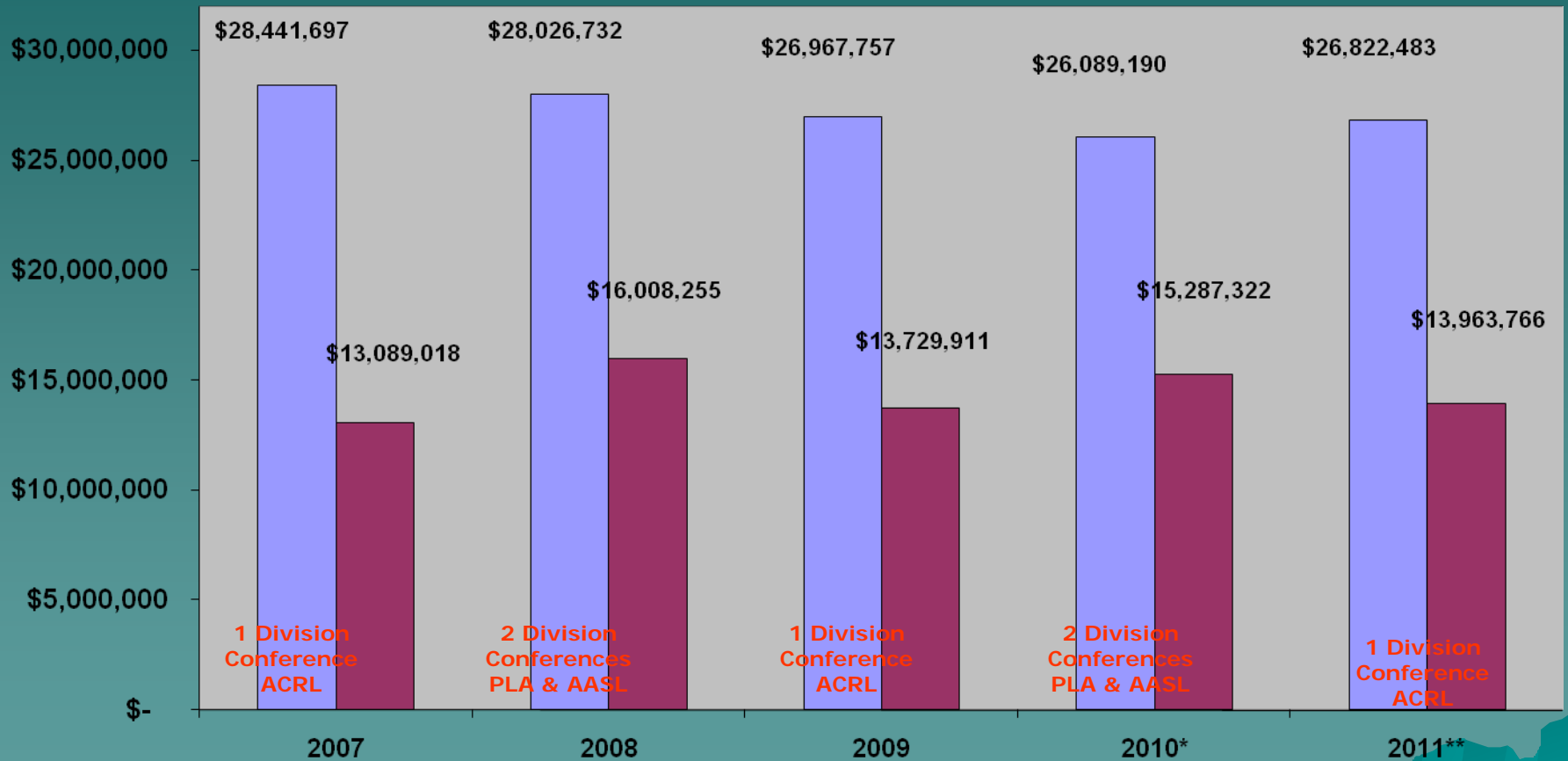
Division Revenue



*Projected

**Budget Request

General Fund and Divisions Revenues



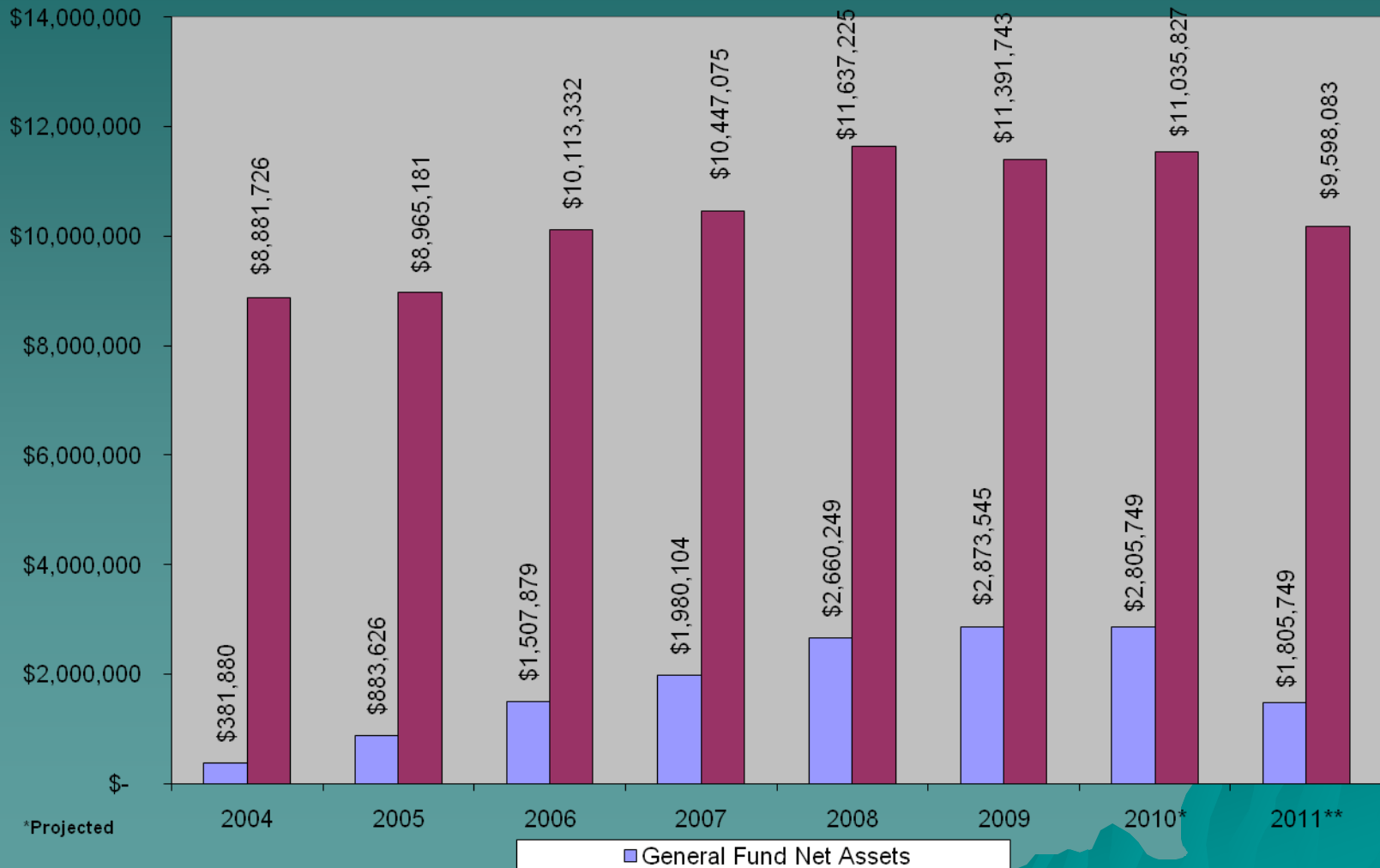
* Projected

** Budget Request

■ General Fund

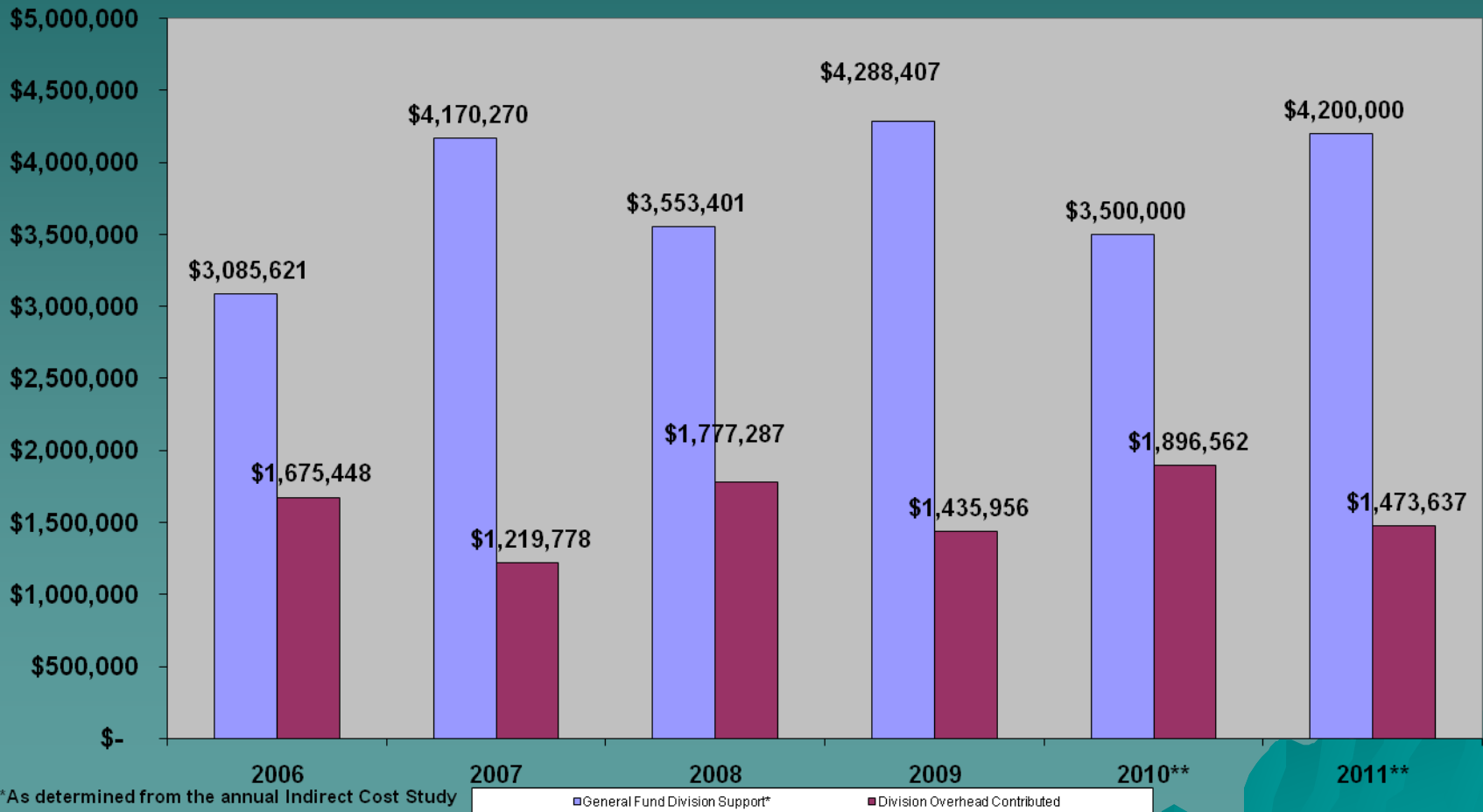
■ Divisions

General Fund & Divisions Net Asset Balances



Division Overhead & General Fund Investment/Support

(As determined from the Annual Indirect Cost Study)

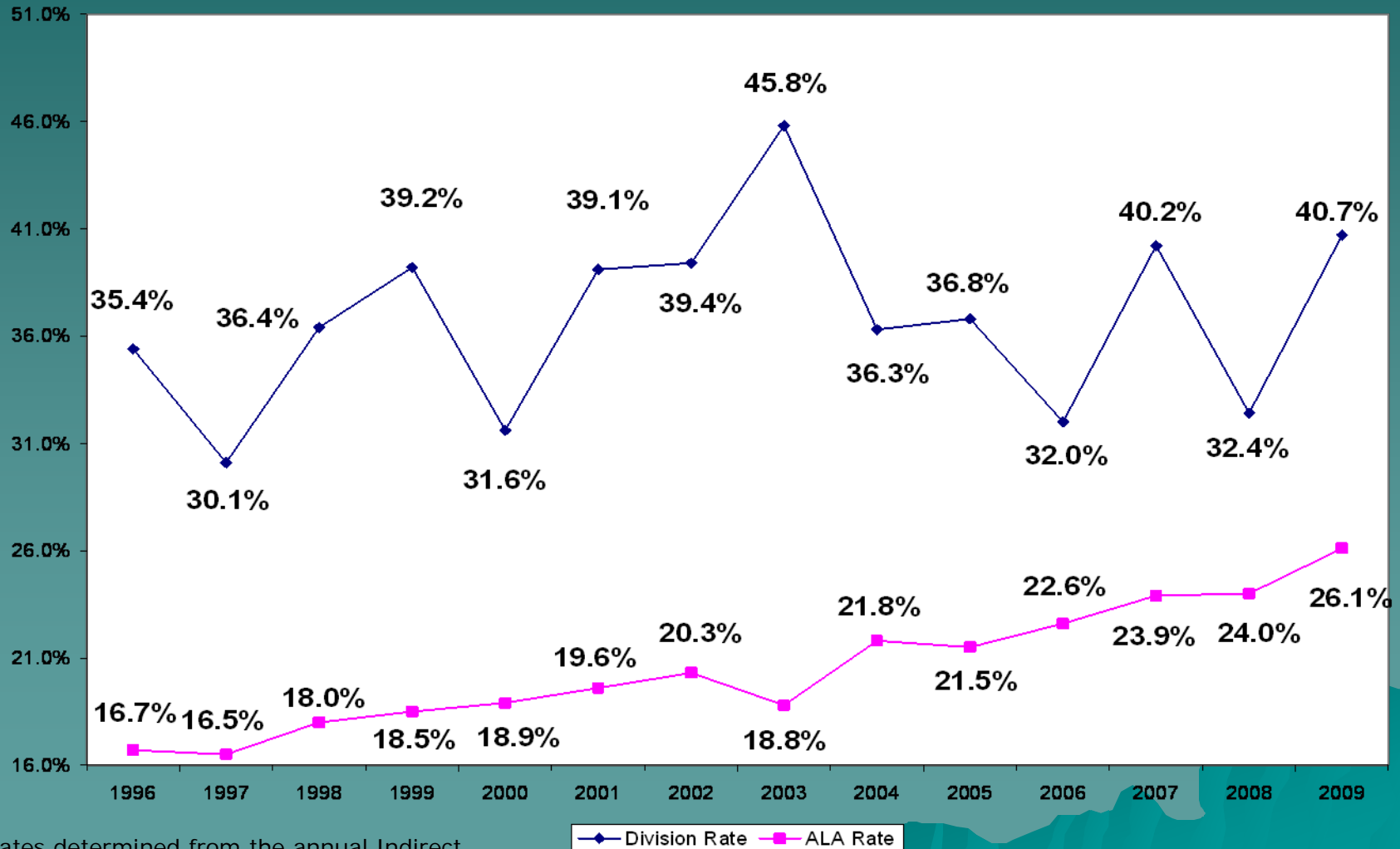


*As determined from the annual Indirect Cost Study

**Projected


Note: These figures do not represent costs that are actually paid. They are only representative of the overhead costs as determined by the Indirect Cost Study.

ALA Composite & Division Indirect Cost Rates



Rates determined from the annual Indirect Cost Study.

ALA has its Financial Strengths

- ❑ Each dues dollar is matched by more than a dollar in revenue generated by conferences, publishing and grants.
 - ❑ As a result, we can accomplish much more than we could if we were totally dependent on dues.
 - ❑ Another strength is that because ALA has four major sources of revenue, its budget is more stable than an organization dependant on one revenue source.
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- A stylized, dark teal silhouette of a mountain range is positioned in the bottom right corner of the slide, adding a decorative element to the background.

...and Weaknesses

- ❑ Because the Association has these other revenue sources, it is also vulnerable to forces operating in the “business” world and larger economy (e.g. the precipitous nation-wide drop in advertising last year).
- ❑ Budgets for state, county, city and university libraries also support ALA publishing, conference travel and even dues in some cases. These budgets are under pressure as we know all too well.

New Business Development

- ❑ Revenue weakness or even uncertainty underscore the need for new businesses and new sources of revenue for the association.
- ❑ Whether or not the economy rebounds, conference attendance and publishing revenue will remain "mature businesses".
- ❑ Over the last year, we have begun to look at ways in which we might develop new products for the library community and the public at large.
- ❑ Continuing this effort will produce results over time.

The Future?

- ❑ Working together, we have created a respected Association that is financially strong.
- ❑ As we experience the worst recession in 80 years, we need to deal with the immediate challenges of downsizing and getting through tough times.
- ❑ But we also need to continue to move forward on our strategic objectives, innovate, and support our members as they fight for libraries and library jobs.
- ❑ Through prudent management of our resources, we can leverage the Association's financial strength (to support new business development) and lay the groundwork for future success.



Fiscal Year 2011 Budget

- The Next Steps -

Details and Approval



ALA's Financial Value Proposition

“To develop and deploy the financial resources that support the strategic plan and delivery of programs that are responsive to member needs and support the improvement of library service.”



Budget Aligned with ALA Programmatic Priorities

(Key Action Areas)

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

Total ALA FY 2011 Budgetary Ceiling

Net Assets

(Unexpended balance remaining from FY 2010)

+

Revenue

(Anticipated for FY 2011)

=

Budgetary Ceiling

GENERAL FUND REVENUE PROJECTIONS

\$26,822,483

General Fund Annual Estimate of Income

Budgeted FY 2011 Revenues

Dues	\$6,287,800
Material Sales	5,358,134
Subscriptions	2,434,053
Advertising	3,511,532
Meet/Conferences	6,786,950
Miscellaneous	<u>2,444,014</u>

Total Budgetary Ceiling	<u>\$26,822,483</u>
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Division Annual Estimate of Income

Estimated Beginning -

Net Asset Balance	(Ending FY10 Projection)	\$11,035,827
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Budgeted FY 2011 Revenue	13,860,337
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Other Revenue Transfers*	<u>24,150</u>
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Total Budgetary Ceiling	<u>\$24,920,314</u>
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*Life and Continuing Member Dues

Round Tables Annual Estimate of Income

Estimated Beginning -

Net Asset Balance (Ending FY10 Projection)

\$784,810

Budgeted FY 2011 Revenue

\$363,775

Total Budgetary Ceiling

\$1,148,585

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Grants and Awards Annual Estimate of Income

Non-Government	\$1,384,686
Governments	1,711,823
Contributions	<u>523,599</u>
Total Budgetary Ceiling	<u><u>\$3,620,108</u></u>

Long-Term Investment

Annual Estimate of Income

Budgeted FY 2011 Revenue	\$548,212
Interest/Dividend Transfer*	-77,727
Spectrum Interest/Dividends	71,284
Spectrum Capital Gain	89,104
Life Member Dues	<u>-68,950</u>

Total Budgetary Ceiling	<u>\$561,923</u>
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*Per policy 8.5.1



Technology Fund

\$89,000

Total FY 2011 ALA Budgetary Ceilings

General Fund	\$26,822,483
Divisions	24,920,314
Round Tables	1,148,585
Grants & Awards	3,620,108
Long Term Investments	561,923
Technology Fund	<u>89,000</u>

Total ALA FY 2011 Budgetary Ceiling	\$57,162,413
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COUNCIL ACTION TO BE TAKEN



REQUEST OF COUNCIL

Approval of FY 2011
Budgetary Ceiling of
\$57,162,413

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Thank You for
Your Attention