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American Library Association

2009-10 ALA CD #13
2010 Midwinter Meeting

Treasurer's Report to Council

The Realities of 2009 and Beyond

Presented by:
Rodney Hersberger - Treasurer

Tuesday - January 19, 2010

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Audited Financial Statements

FY09 Actual Results

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Consolidated Summary of Operations Revenues & Expenses

	<u>2009</u>	<u>2008</u>	<u>Variance</u>
Revenue	\$54,219,467	\$57,799,373	(\$ 3,579,906)
Expenses*	\$53,536,365	\$54,484,312	(\$ 947,947)
Income from Operations	\$ 683,102	\$ 3,315,061	(\$ 2,631,959)

*Does not include Postretirement benefit costs of \$1,252,038 and \$1,302,877 respectively, which have a non-cash impact on the financial statements

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ALA Total Revenues \$54,219,467

	<u>2009</u>	<u>2008</u>	<u>\$ Change</u>	<u>% Change</u>
Dues	\$8,869,640	\$ 8,844,376	\$ 25,264	0.3%
Publishing	\$14,903,622	\$16,006,614	(\$1,102,992)	- 6.9%
Meet & Conf	\$10,538,294	\$12,976,134	(\$2,437,840)	-18.8%
Graphics	\$ 1,628,552	\$ 2,025,389	(\$ 396,837)	-19.6%
Interest/Div	\$ 2,064,959	\$ 1,612,030	\$ 452,929	28.1%
Grants & Awards	\$11,734,698	\$11,804,822	(\$ 70,124)	-0.6%
Contributions	\$ 1,473,182	\$ 1,775,598	(\$ 302,416)	-17.0%
Miscellaneous	<u>\$ 3,006,520</u>	<u>\$ 2,754,410</u>	<u>\$ 252,110</u>	<u>9.2%</u>
Total	\$54,219,467	\$57,799,373	(\$ 3,579,906)	-6.2%

Total ALA Expenses

\$53,536,365

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	<u>2009</u>	<u>2008</u>	<u>\$ Change</u>	<u>% Change</u>
Payroll	\$21,067,316	\$19,903,074	\$1,124,877	5.7%
Outside Services	\$ 8,660,645	\$ 9,570,178	(\$ 909,533)	-9.5%
Travel	\$ 2,711,749	\$ 3,778,440	(\$1,066,691)	-28.2%
Meet & Confer	\$ 7,240,458	\$ 7,482,135	(\$ 241,677)	-3.2%
Publications	\$ 5,665,118	\$ 5,542,654	\$ 122,464	2.2%
Operating	\$ 8,191,079	\$ 8,207,831	(\$ 16,752)	0.2%
Total	\$53,536,365	\$54,484,312	(\$ 947,947)	-1.7%

General Fund Revenues

\$26,967,757

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	<u>2009</u>	<u>2008</u>	<u>\$ Change</u>	<u>% Change</u>
Dues	\$5,850,641	\$ 5,703,011	\$ 147,630	2.6%
Publishing	\$ 9,228,107	\$10,430,013	(\$1,201,906)	-11.5%
Meet & Conf	\$ 7,195,653	\$ 7,311,577	(\$ 115,924)	-1.6%
Graphics	\$1,628,552	\$ 2,025,389	(\$ 396,837)	-19.6%
Interest/Div	\$ 1,122,628	\$ 822,603	\$ 300,025	36.5%
Contributions	\$ 205,335	\$ 223,487	(\$ 18,152)	-8.1%
Miscellaneous	\$1,736,841	\$1,510,652	\$ 226,189	15.0%
Total	\$26,967,757	\$28,026,732	(\$1,058,975)	-3.8%

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General Fund Expenses

\$26,754,461

	<u>2009</u>	<u>2008</u>	<u>\$ Change</u>	<u>% Change</u>
Payroll	\$14,377,229	\$13,940,700	\$ 389,874	3.1%
Outside Services	\$ 3,622,057	\$ 4,310,922	(\$ 688,865)	-16.0%
Travel	\$ 893,589	\$ 1,268,360	(\$ 374,771)	-29.6%
Meet & Confer	\$ 3,206,732	\$ 3,319,885	(\$ 113,153)	-3.4%
Publications	\$ 3,174,064	\$ 3,395,080	(\$ 221,016)	-6.5%
Operating	\$ 939,101	\$ 658,784	\$ 280,317	42.6%
Transfers	\$ 541,689	\$ 452,856	\$ 88,833	19.6%
Total	\$ 26,754,461	\$27,346,587	(\$ 592,126)	-2.2%

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Consolidated Statement of Position

Assets & Liabilities

	<u>2009</u>	<u>2008</u>	<u>Variance</u>
Assets	\$67,648,504	\$67,923,868	(\$275,364)
Liabilities	\$41,121,554	\$34,728,721	\$6,392,833
Net Assets	\$26,526,950	\$33,195,147	(\$6,668,197)

Total ALA Assets

\$67,648,504

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	<u>2009</u>	<u>2008</u>	<u>\$ Change</u>	<u>% Change</u>
Cash & Inv	\$17,556,706	\$21,096,621	(\$3,539,915)	-16.8%
Accts. Rec	\$ 4,155,935	\$ 4,100,311	\$ 55,624	1.4%
Inventory	\$ 1,225,818	\$ 972,216	\$ 253,602	26.1%
Prepaid Exp	\$ 749,301	\$ 690,303	\$ 58,998	5.8%
Grants Rec.	\$ 3,328,343	\$ 857,510	\$2,470,833	288.1%
Prop. & Equip.	\$13,665,626	\$11,431,776	\$2,233,850	19.5%
LTI	<u>\$26,966,775</u>	<u>\$28,775,131</u>	<u>(\$1,808,356)</u>	<u>-6.3%</u>
Total	\$67,648,504	\$67,923,868	(\$ 275,364)	-0.4%

Total ALA Liabilities

\$41,121,554

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	<u>2009</u>	<u>2008</u>	<u>\$ Change</u>	<u>% Change</u>
Accounts Pay.	\$ 3,592,893	\$ 4,708,088	(\$ 1,115,195)	-23.7%
Accrued Lia.	\$ 1,322,454	\$ 1,275,922	\$ 46,532	3.6%
Deferred Rev.	\$15,409,648	\$13,902,248	\$ 1,507,400	10.8%
Current LTD	\$ 119,244	\$ 155,000	(\$ 35,756)	-23.1%
Capital Lease	\$ 59,160	\$ 80,779	(\$ 21,619)	-26.8%
Accrued PostRet.	\$15,917,490	\$11,731,684	\$ 4,185,806	35.7%
LTD	<u>\$ 4,700,665</u>	<u>\$ 2,875,000</u>	<u>\$ 1,825,665</u>	<u>-63.5%</u>
Total	\$41,121,554	\$34,728,721	\$ 6,392,833	18.4%

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Issues Confronting FY 2011 Budget

- Budget development currently underway
– nine months before implementation
- Library budgets typically lag the general economic recovery by 18 – 24 months
- Only one scheduled national division conference
- No compensation increase
- No budgetary inflation increase
- Anticipate revenue softness in conference revenue

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Campaign for America's Libraries

Campaign Goals and Objectives

Broad objectives

- Increase awareness, support for libraries by increasing their visibility, and communicating why libraries are both unique and valuable.
- Update the image of libraries, librarians and library staff.
- Bring renewed energy to the promotion of libraries and librarians.
- Bring library messages to a more diverse audience.

Campaign Goals and Objectives

- Develop a branded campaign that represents and is useful to all types of libraries
- Create tools, resources, materials that could be utilized by all types of libraries
- Provide an opportunity to share public relations/marketing/advocacy best practices within the library community

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Campaign Goals and Objectives

External Long Term Goals

- Increased library usage
- Positive professional recruitment impact
- Stronger commitment to funding
- More receptive public policy environment

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Campaign Participation

- Used by thousands of libraries to date
- Division campaigns: ACRL, AASL, PLA, ALSC, OLOS, ALCTS, YALSA
- 36 countries involved in the Campaign for the World's Libraries

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Investment

2006 - 2009

- Contributions from Library Champions:
- Approximately \$600,000

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Leveraging the Investment

2006 - 2009

- | | |
|---------------------------------------|-----------|
| ▪ Dollar General | \$220,000 |
| ▪ FINRA | \$100,000 |
| ▪ Carnegie Corporation
of New York | \$489,000 |
| ▪ Disney | \$ 15,000 |
| ▪ Chapters | |
| ▪ International Partners | |

Return on Investment 2006 - 2009

- **Woman's Day Magazine** → \$8 million partnership value and donated ad space
 - **National Baseball Hall of Fame** → \$2 million partnership value
 - **Univision Radio** → \$1 million over two years
 - **New York Times** → \$600,000 estimated ad value for the "I Love My Librarian" award
 - **PSA Placements** → \$3 million in donated ad space for National Library Week, Library Card Sign-up Month
- Value of Investment** → \$14.6 million

Impact 2006 - 2009

- **Woman's Day Magazine** → 34 pages of editorial coverage
→ 4 million subscribers
- **National Baseball Hall of Fame** → 1,100 libraries registered/year
- **Univision Radio** → PSA's played on 13 stations, reaching approximately 70% of the nation's Latino population
- **New York Times** → 12 ads appear in support of the "I Love My Librarian" award
→ 57 million impressions on NYTimes.com
- **PSA Placements** → \$3 million in donated ad space for National Library Week, Library Card Sign-up Month

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Advocacy

What is it, Why it's Important, ALA's role and its Impact on Libraries and Communities ?

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ALA Office for Library Advocacy

Supports the efforts of advocates trying to improve libraries of all types by developing:

- practical tools and resources
- a peer-to-peer advocacy network
- training

for advocates at the local, state and national level.

Complements work of Washington Office, Public Information Office, Chapter relations, Divisions and other ALA groups

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ALA Office for Library Advocacy

Investment: Office for Library Advocacy

- Established in 2007
- FY 2009 Budget: \$266,000
- 2 Staff Members

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ALA Office for Library Advocacy

Initiatives:

- Advocacy University
- Training programs, workshops and webinars
- Presidential Initiatives (the “library ecosystem”, front line advocacy)
- Ilovelibraries.org
- Crisis Response Team
- Capwiz advocacy network (with chapter relations)

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ALA Office for Library Advocacy

Defining ROI in advocacy resources, training:
What's at stake Financially?

ROI: Successful Referenda in 2008 (National)

- 74% of operating referenda
- 67% of building referenda
(value: \$959,970,815)

**Source: Library Journal, 03/15/09.*

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ALA Office for Library Advocacy

ROI: Florida

- House and appropriations committees zeroed out library funding, a loss of \$22 million. The only hope for reinstating funding was a 72-hour "cooling off" period before any decisions were official.
- During that 72 hours, local library advocates contact representatives, and the media.
- Based on these efforts, the state's library funding was reinstated at \$21.5 million.

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ALA Office for Library Advocacy

ROI: Ohio

- The Governor's threatened budget decrease of 30% would have amounted to a \$227.3 million loss over the next two years from the state's Public Library Fund.
- Advocates across the state rallied, starting viral campaigns, working with the media and using Capwiz to rally supporters and contact legislators. ALA works with advocates on statements from the president that help capture media attention.
- The final decrease amounted to 11%: \$144 million in funding is saved.

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Thanks for your attention

ALA Council Document #13

Programmatic Priorities

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Programmatic Priorities

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



Council Action Needed

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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 FY2011 budget:

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

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Thank You for
Your Attention