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American Library Association

2010-11 ALA CD #13.0
2011 Midwinter Meeting



Treasurer's Report to Council

Presented by:

Jim Neal - Treasurer

Tuesday - January 11, 2011

Audited Financial Statements

FY 2010 Actual Results

Consolidated Summary of Operations

Revenues & Expenses

	<u>2010</u>	<u>2009</u>	<u>Variance</u>
Revenue	\$52,489,065	\$54,219,467	(\$1,730,402)
Expenses*	<u>\$50,208,833</u>	<u>\$53,536,365</u>	<u>(\$3,327,532)</u>
Income from Operations	\$ 2,280,232	\$ 683,102	\$1,597,130

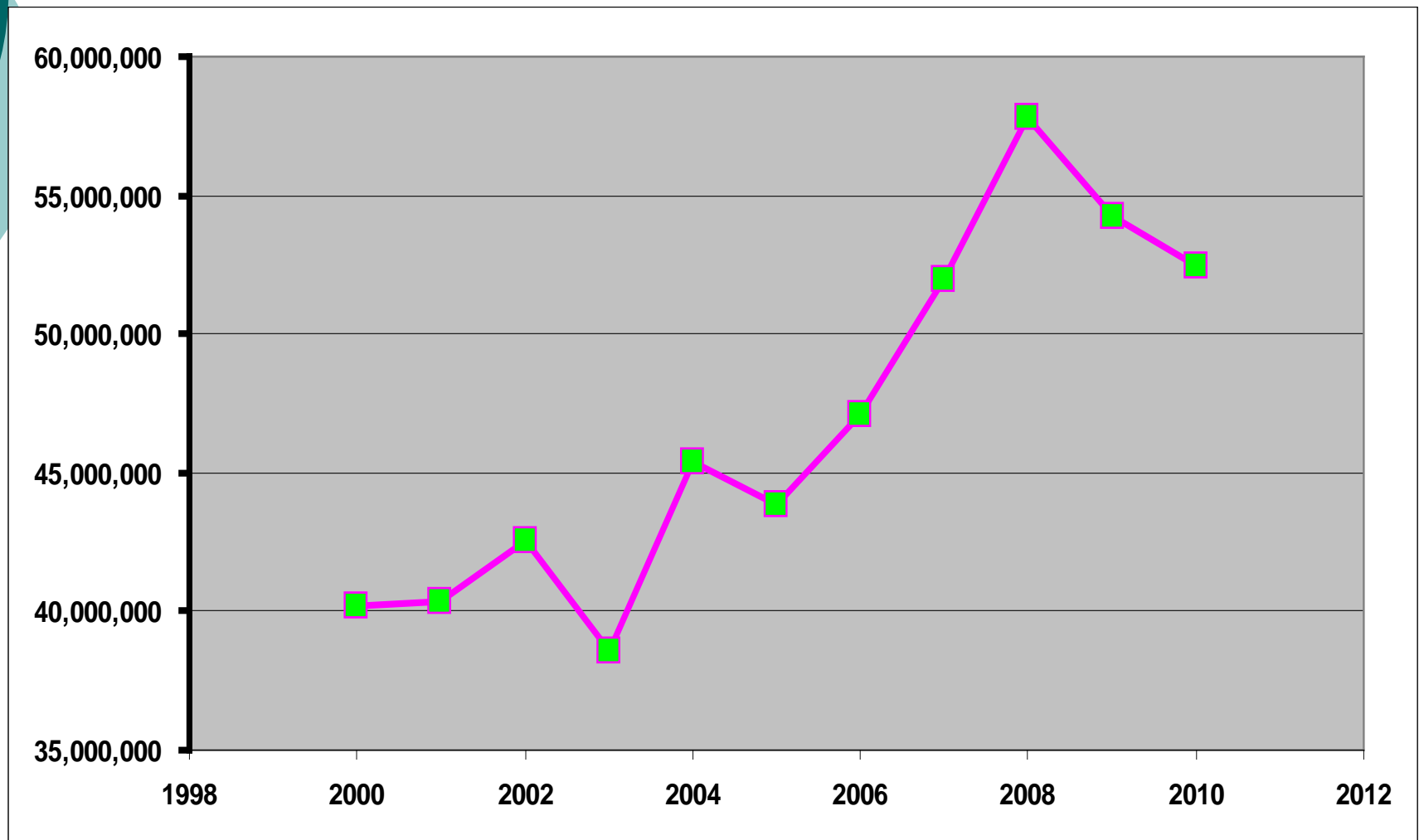
*Does not include Postretirement benefit costs of \$1,725,247 and \$1,252,038 respectively.

ALA Total Revenues

\$52,489,065

	<u>2010</u>	<u>2009</u>	<u>\$ Change</u>	<u>% Change</u>
Dues	\$ 8,820,157	\$ 8,869,640	(\$ 49,486)	-0.6%
Publishing	\$15,079,636	\$14,903,622	\$ 176,014	9.3%
Meet & Conf	\$12,674,350	\$10,538,294	\$ 2,136,056	20.3%
Graphics	\$ 1,459,906	\$ 1,628,552	(\$ 168,646)	-10.4%
Interest/Div	\$ 1,773,379	\$ 2,064,959	\$ 452,929	28.1%
Grants & Awards	\$ 8,547,760	\$11,734,698	(\$ 3,186,938)	-27.2%
Contributions	\$ 1,500,099	\$ 1,473,182	\$ 26,917	1.8%
Miscellaneous	<u>\$ 2,633,778</u>	<u>\$ 3,006,520</u>	<u>\$ 372,742</u>	<u>-12.4%</u>
Total	\$52,489,065	\$54,219,467	(\$ 1,730,402)	-3.2%

Total ALA Revenues: 2000 - 2010

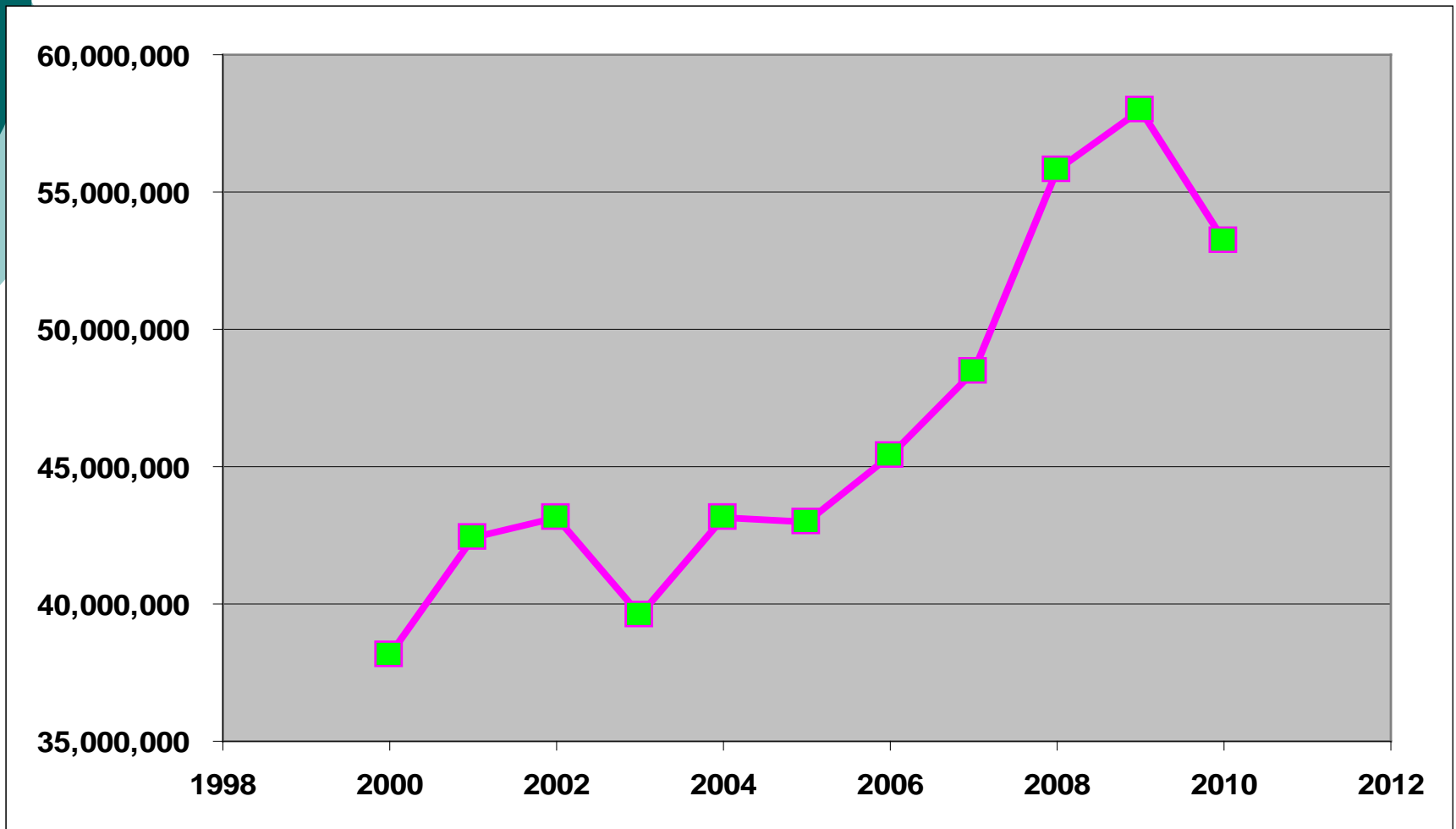


Total ALA Expenses

\$50,208,833

	<u>2009</u>	<u>2009</u>	<u>\$ Change</u>	<u>% Change</u>
Payroll	\$21,162,124	\$21,067,316	\$ 94,808	0.5%
Outside Services	\$ 7,295,343	\$ 8,660,645	(\$1,365,302)	-15.8%
Travel	\$ 2,529,826	\$ 2,711,749	(\$ 181,923)	- 6.7%
Meet & Confer	\$ 6,821,535	\$ 7,240,458	(\$ 418,923)	- 5.8%
Publications	\$ 4,760,810	\$ 5,665,118	(\$ 904,308)	-16.0%
Operating	<u>\$ 7,639,195</u>	<u>\$ 8,191,079</u>	<u>(\$ 551,884)</u>	<u>- 6.7%</u>
Total	\$50,208,833	\$53,536,365	(\$3,327,532)	- 5.2%

Total ALA Expenses: 2000 - 2010



Consolidated Statement of Position

Assets & Liabilities

	<u>2010</u>	<u>2009</u>	<u>Variance</u>
Assets	\$66,691,093	\$67,079,179	(\$ 388,086)
Liabilities	<u>\$37,027,629</u>	<u>\$40,552,229</u>	<u>(\$3,524,600)</u>
Net Assets	\$29,663,464	\$26,526,950	\$3,136,514

Total ALA Assets

\$66,691,093

	<u>2010</u>	<u>2009</u>	<u>\$ Change</u>	<u>% Change</u>
Cash & Inv	\$17,578,601	\$17,556,706	\$ 21,895	0.1%
Accts. Rec	\$ 3,498,195	\$ 3,586,610	(\$ 88,415)	- 2.5%
Inventory	\$ 1,248,792	\$ 1,225,818	\$ 22,974	1.9%
Prepaid Exp	\$ 849,190	\$ 749,301	\$ 99,889	13.3%
Grants Rec.	\$ 859,910	\$ 3,328,343	(\$2,468,433)	-74.2%
Prop. & Equip.	\$13,845,862	\$13,665,626	\$ 180,236	1.3%
LTI	<u>\$28,810,543</u>	<u>\$26,966,775</u>	<u>\$1,843,768</u>	<u>6.8%</u>
Total	\$66,691,093	\$67,079,179	(\$ 388,086)	-0.6%

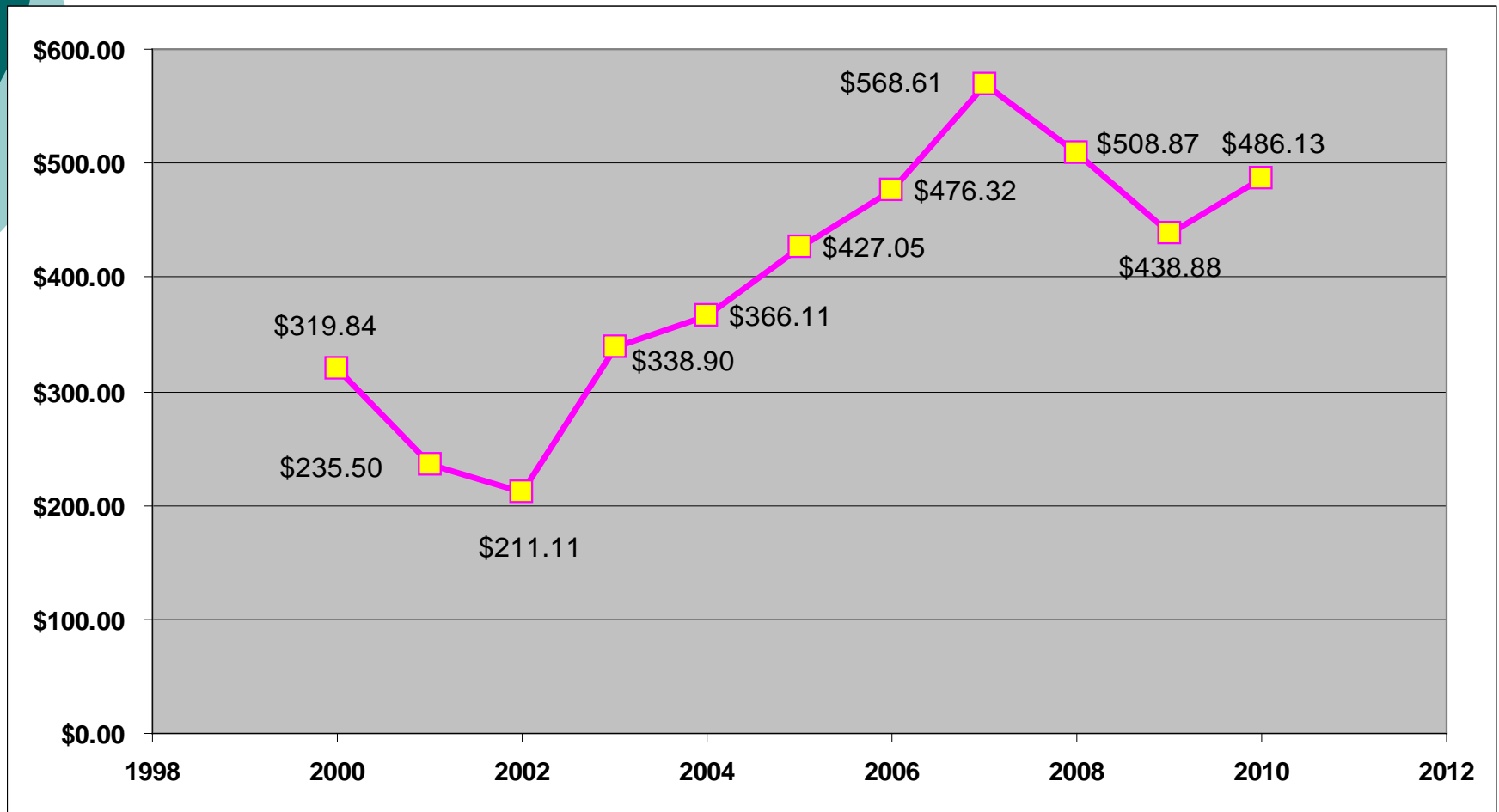
Total ALA Liabilities

\$37,027,629

	<u>2010</u>	<u>2009</u>	<u>\$ Change</u>	<u>% Change</u>
Accounts Pay.	\$ 3,075,434	\$ 3,592,893	(\$ 517,459)	-14.4%
Accrued Liabilities	\$ 1,678,358	\$ 1,322,454	\$ 370,377	28.0%
Deferred Rev.	\$11,517,775	\$14,840,323	(\$ 3,322,548)	- 22.4%
Current LTD	\$ 294,925	\$ 119,244	\$ 175,681	147.3%
Capital Lease	\$ 35,395	\$ 59,160	(\$ 23,765)	-40.2%
Accrued PostRet.	\$16,029,217	\$15,917,490	\$ 111,727	0.7%
LTD	<u>\$ 4,396,525</u>	<u>\$ 2,875,000</u>	<u>(\$ 304,140)</u>	<u>-6.5%</u>
Total	\$37,027,629	\$34,728,721	(\$ 3,524,600)	- 8.7%

Fund Balance: 2000 – 2010

(Member Equity)



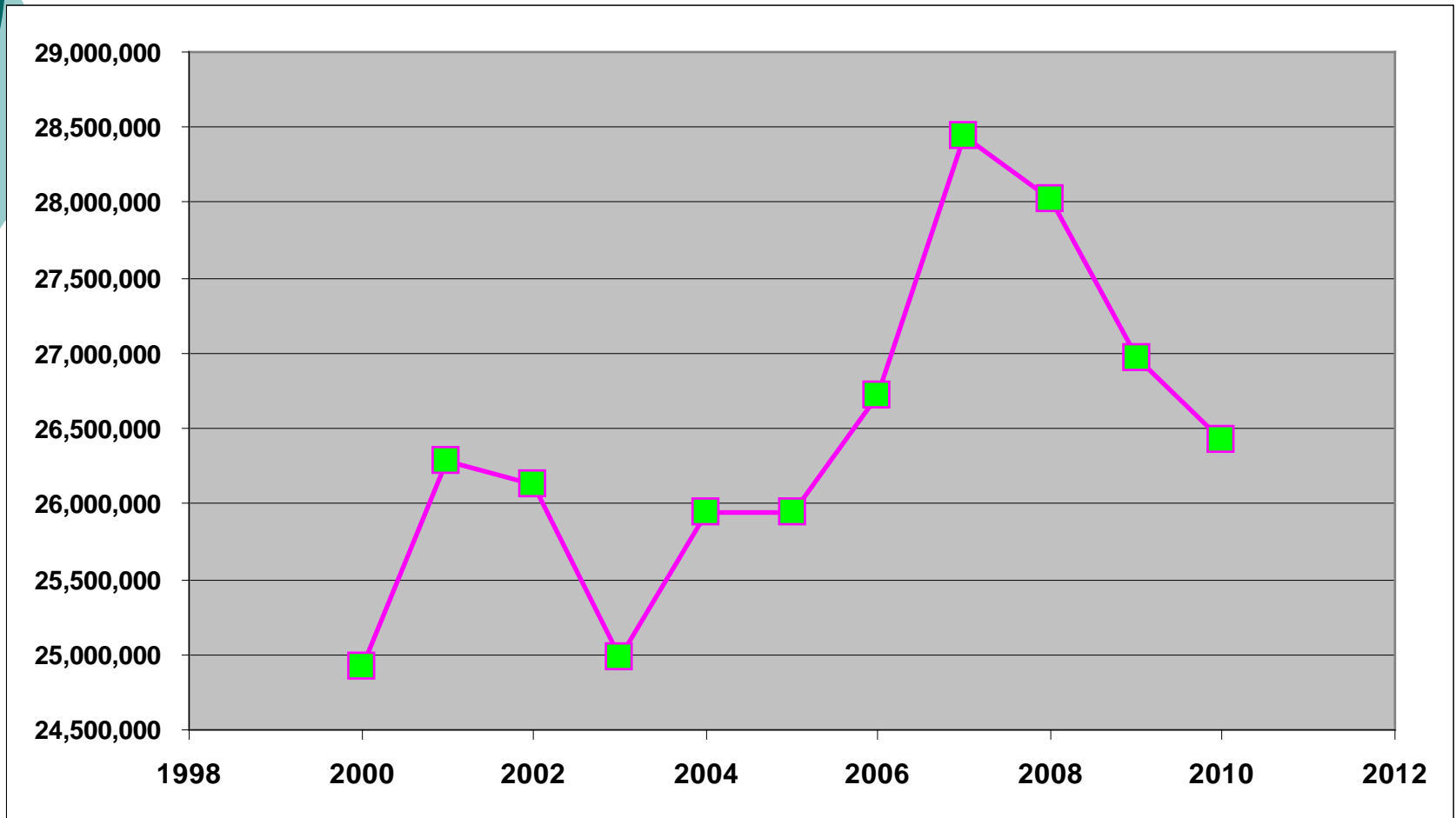
General Fund Revenues

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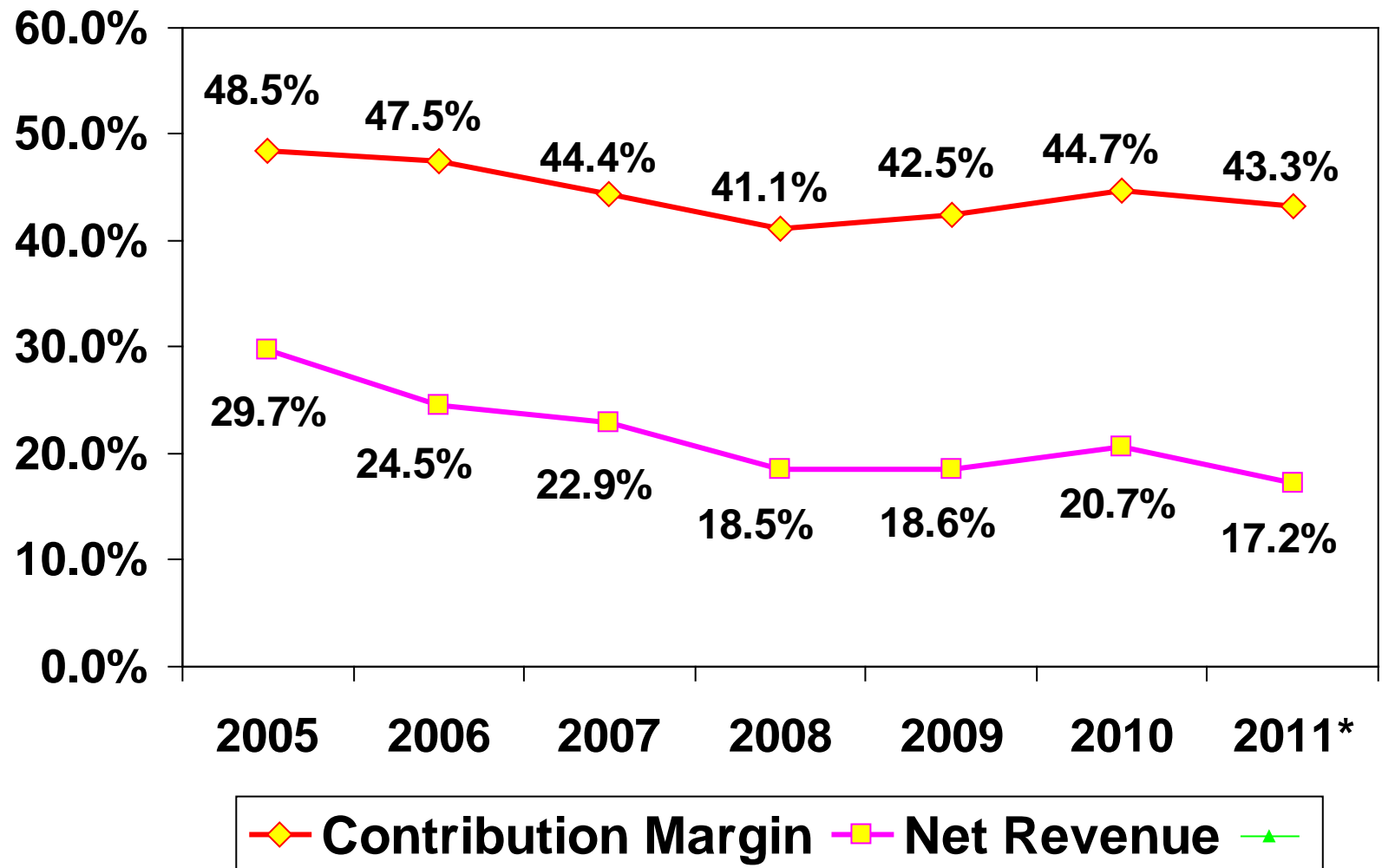
\$26,425,901

	<u>2010</u>	<u>2009</u>	<u>\$ Change</u>	<u>% Change</u>
Dues	\$5,899,585	\$ 5,850,641	\$ 48,944	0.8%
Publishing	\$ 9,385,579	\$ 9,228,107	\$ 157,472	1.7%
Meet & Conf	\$ 6,989,771	\$ 7,195,653	(\$ 295,882)	- 2.9%
Graphics	\$1,459,906	\$ 1,628,552	(\$ 168,646)	-10.4%
Interest/Div	\$ 917,247	\$ 1,122,628	(\$ 205,381)	-18.3%
Contributions	\$ 312,429	\$ 205,335	\$ 107,094	52.2%
Miscellaneous	<u>\$1,461,384</u>	<u>\$1,736,841</u>	<u>(\$ 275,457)</u>	<u>-15.9%</u>
Total	\$26,425,901	\$26,967,757	(\$ 541,856)	- 2.0%

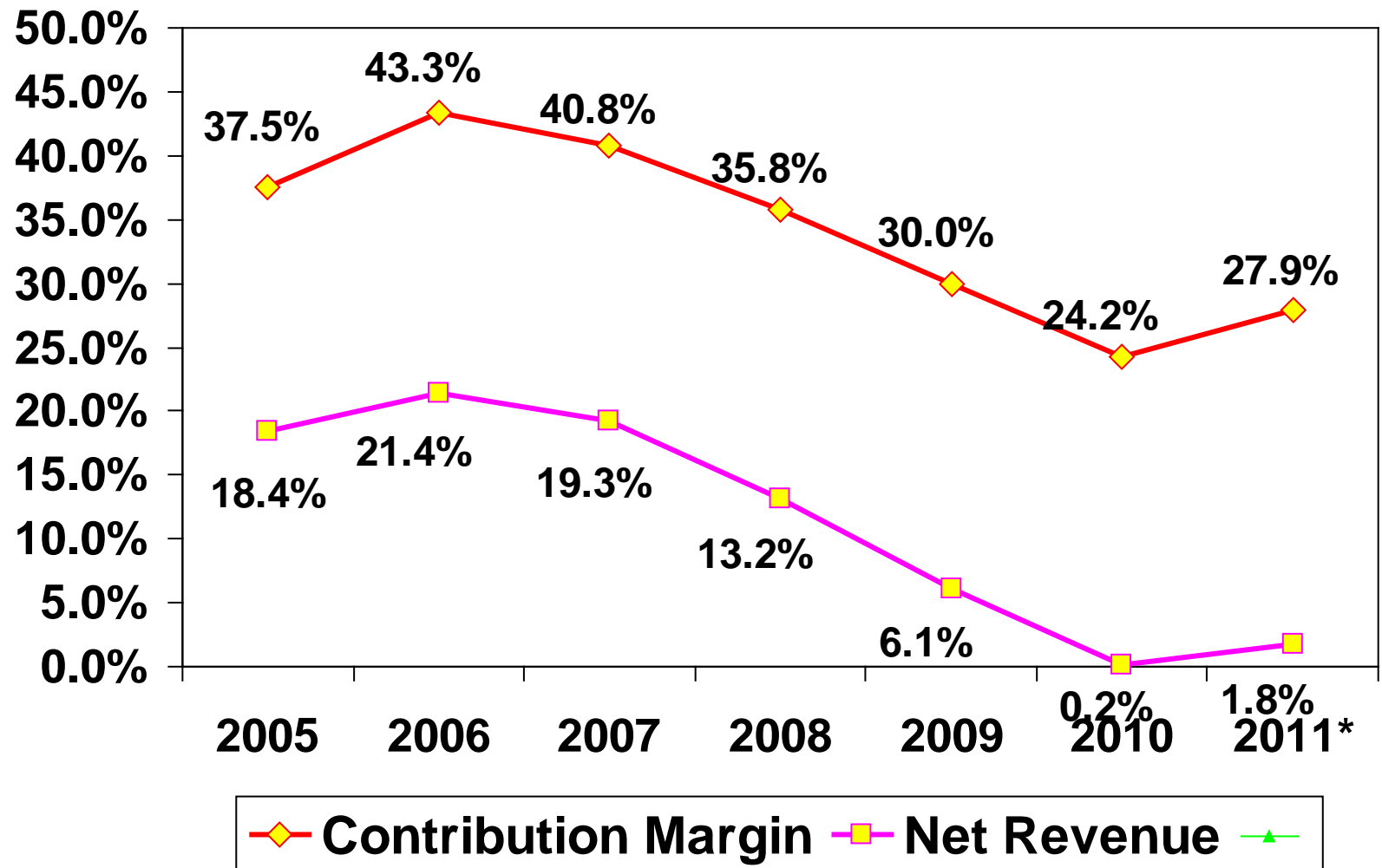
General Fund Revenues: 2000 - 2010



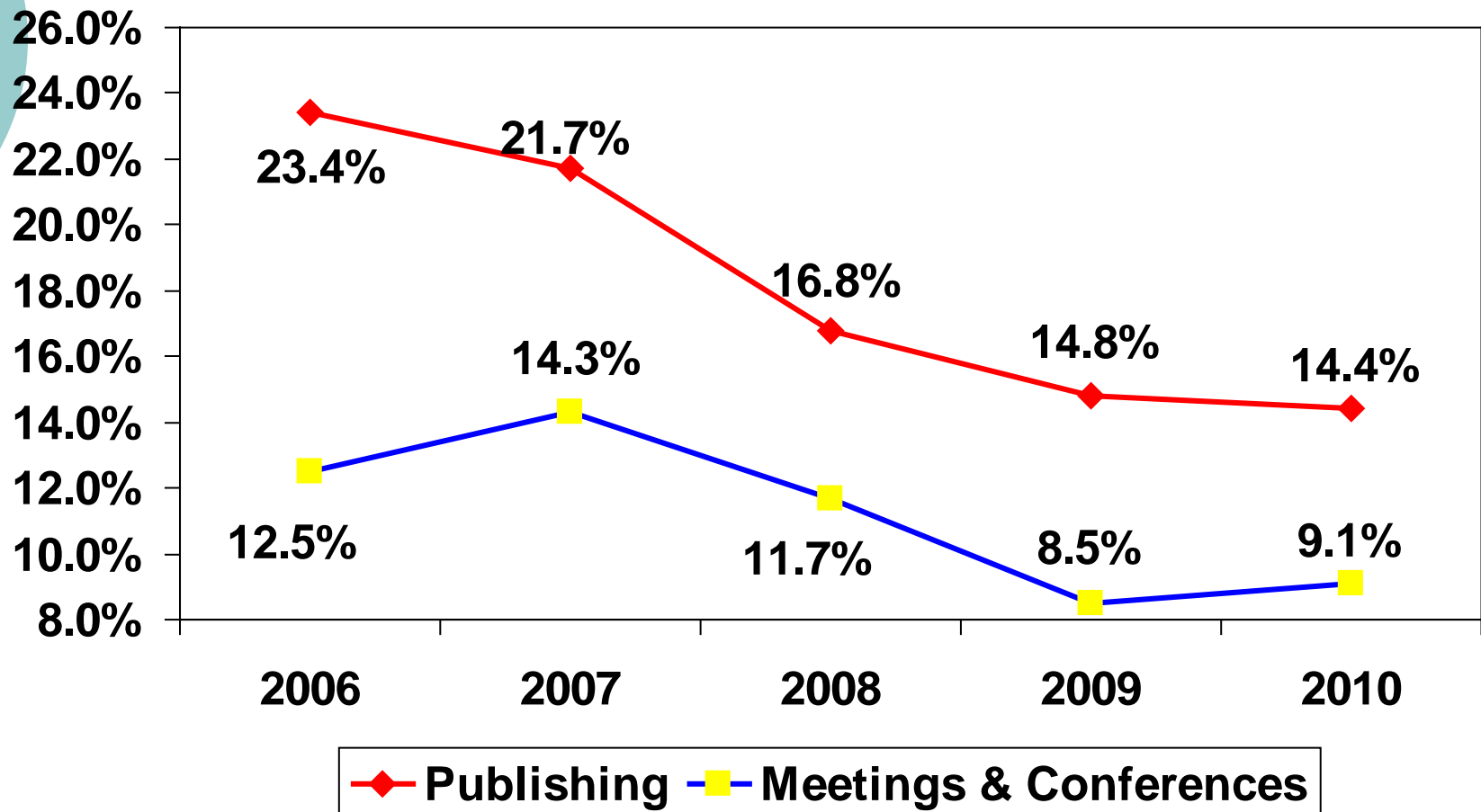
Annual Conference Contribution Margin and Net Revenue



Midwinter Meeting Contribution Margin and Net Revenue



Revenue Producing Units Net Margins



Member Support Services

- Supported by Overhead -

	2010	2009	\$ Change	% Change
Communications	\$2,995,312	\$3,061,830	(\$66,518)	-2.2%
Member Offices & Support	\$4,355,518	\$4,266,697	\$88,821	2.1%
Executive Office & Governance	\$1,619,043	\$1,552,627	\$66,416	4.3%
General & Administrative*	<u>\$678,739</u>	<u>\$790,811</u>	<u>(\$112,072)</u>	<u>-14.2%</u>
Total	\$9,648,612	\$9,671,965	(\$23,353)	-0.2%

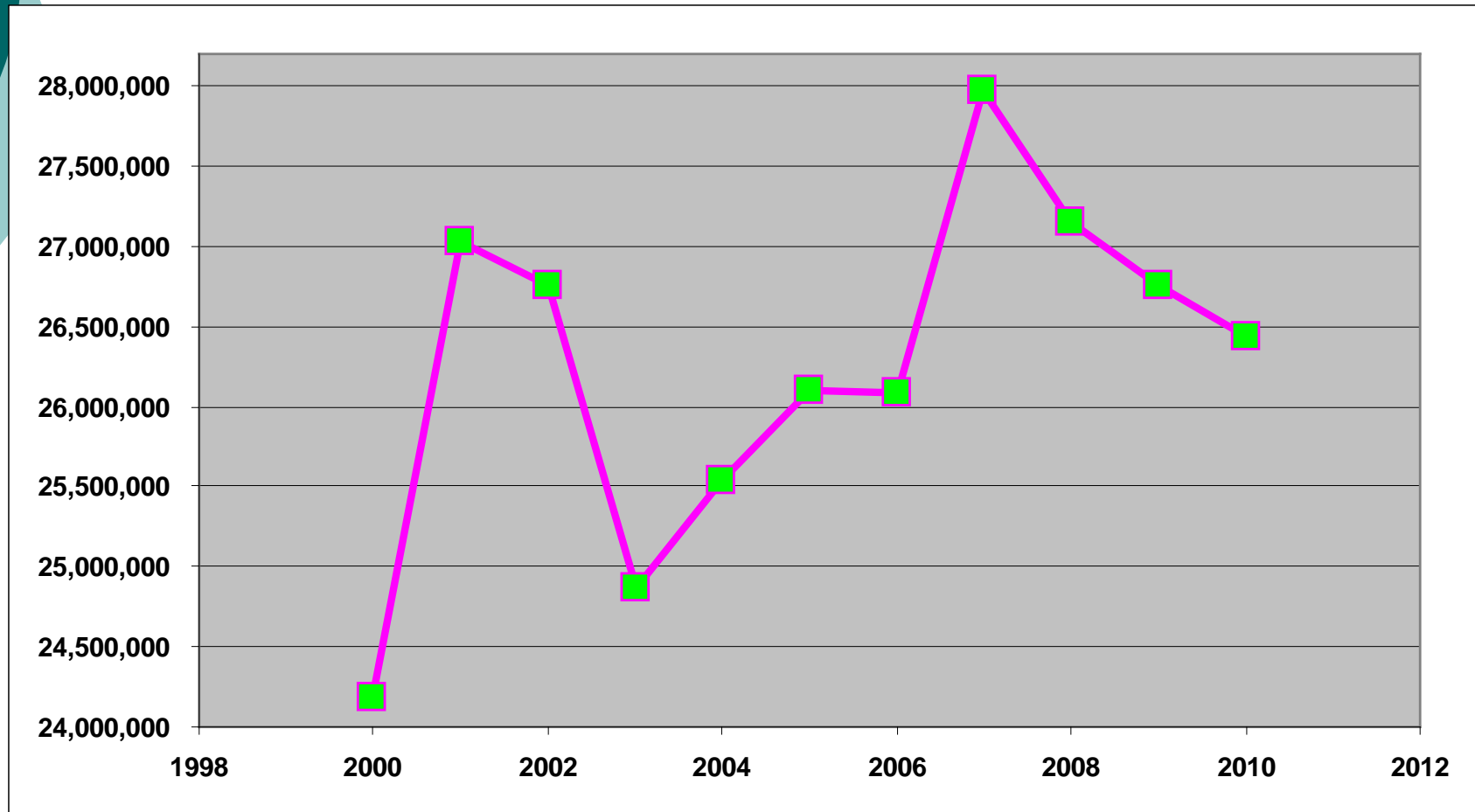
*Includes overhead recovery of \$7,363,317 and \$7,063,796 respectively, which reduces expenses.

General Fund Expenses

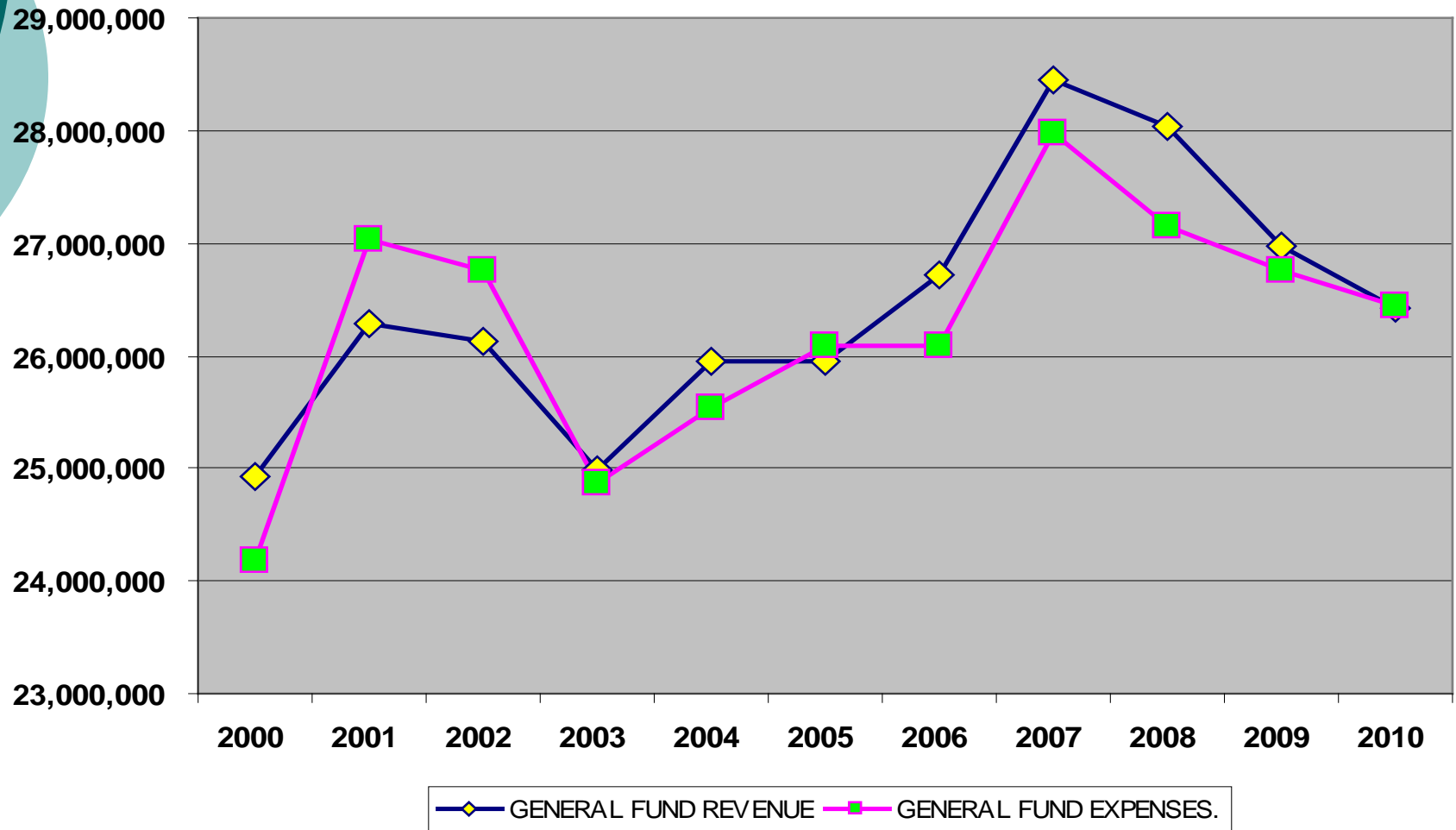
\$26,433,928

	<u>2010</u>	<u>2009</u>	<u>\$ Change</u>	<u>% Change</u>
Payroll	\$14,590,555	\$14,377,229	\$ 213,326	1.5%
Outside Services	\$ 3,551,994	\$ 3,622,057	(\$ 70,063)	- 1.9%
Travel	\$ 949,077	\$ 893,589	\$ 55,488	6.2%
Meet & Confer	\$ 3,080,887	\$ 3,206,732	(\$ 125,845)	- 3.9%
Publications	\$ 2,887,965	\$ 3,174,064	(\$ 286,099)	- 9.0%
Operating	\$ 941,283	\$ 939,101	\$ 2,182	0.2%
Transfers	<u>\$ 432,167</u>	<u>\$ 541,689</u>	<u>(\$ 109,522)</u>	<u>-20.2%</u>
Total	\$ 26,433,928	\$26,754,461	(\$ 320,533)	- 1.2%

General Fund Expenses: 2000 - 2010



General Fund Revenues and Expenses



FY 2010 General Fund Mid Year Adjustments

	<u>Budget</u>	<u>Projections</u>	<u>Variance</u>
Revenue	\$28,094,000	\$26,089,000	\$2,005,000
Expenses	<u>\$28,094,000</u>	<u>\$26,089,000</u>	<u>\$2,005,000</u>
Net Revenue	\$ 0	\$ 0	\$ 0
Projected Revenue Adjustments	Lower Publishing \$963,000 Lower Conference \$901,000 Lower Dues \$ 87,000 Other <u>\$ 54,000</u>	<u>\$ 2,005,000</u>	
Adjusted Expenses			
Projected Expense Reductions	Open Positions (\$734,000) Publishing (\$527,000) Travel (\$149,000) Furlough Savings* (\$560,000) Offset** \$365,000	<u>(\$ 1,605,000)</u>	<u>(\$ 400,000)</u>
Use of Board Reserves			<u>\$ 400,000</u>
			\$ 0

*Proposed two week furlough. **higher professional service fees, overhead and operating expenses.

General Fund Investment in the Divisions – 2009*

<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 from the 2009 Indirect Cost study. The 2010 study currently underway.

Division Results - Revenues

	<u>2010</u>	<u>2009</u>	\$	%	
			<u>Change</u>	<u>Change</u>	<u>Mix</u>
Dues	\$ 2,743,929	\$ 2,839,120	\$ (95,191)	-3.4%	17.4%
Publishing	\$ 5,446,812	\$ 5,459,134	\$ (12,322)	-0.2%	34.6%
Meetings and Conferences	\$ 5,577,159	\$ 3,274,107	\$ 2,303,052	70.3%	35.4%
Contributions	\$ 820,277	\$ 899,676	\$ (79,399)	-8.8%	5.2%
Miscellaneous	\$ 1,168,499	\$ 1,257,874	\$ (89,375)	-7.1%	7.4%
Total	<u>\$ 15,756,676</u>	<u>\$ 13,729,911</u>	<u>\$ 2,026,765</u>	<u>14.8%</u>	<u>100.0%</u>

Division Results - Expenses

	<u>2010</u>	<u>2009</u>	<u>\$</u>	<u>%</u>	
			<u>Change</u>	<u>Change</u>	<u>Mix</u>
Payroll	\$ 5,239,333	\$ 5,180,459	\$ 58,874	1.1%	36.3%
Outside Services	\$ 1,470,697	\$ 1,695,373	\$ (224,676)	-13.3%	10.2%
Travel	\$ 699,677	\$ 487,934	\$ 211,743	43.4%	4.9%
Meetings and Conferences	\$ 1,958,522	\$ 2,130,147	\$ (171,625)	-8.1%	13.6%
Publications	\$ 1,609,486	\$ 1,391,322	\$ 218,164	15.7%	11.2%
Operating	\$ 1,224,095	\$ 1,449,417	\$ (225,322)	-15.5%	8.5%
Interunit Transfers	\$ 271,519	\$ 204,785	\$ 66,734	32.6%	1.9%
Overhead	\$ 1,945,679	\$ 1,435,956	\$ 509,723	35.5%	13.5%
Total	\$ 14,419,008	\$ 13,975,393	\$ 443,615	3.2%	100.0%

Roundtables Results

	2010	2009	Change	% Change
Revenues	\$405,180	\$366,956	\$38,224	10.4%
Expenses	<u>\$242,095</u>	<u>\$332,868</u>	<u>(\$90,773)</u>	<u>(-27.3%)</u>
Net	\$163,085	\$ 34,088	\$128,997	378.42%

Endowment Fund (Net Assets)

Beginning Balance : 9-1-09	\$29,390,872
Interest/Div	\$ 856,132
Contributions	\$ 341,702
Realized Gain/Loss	\$ 1,884,587
Unrealized Gain/Loss	(\$ 708,349)
Other	<u>\$ 543</u>
Total Revenue	\$ 2,374,072
Total Expenses	<u>\$ 548,938</u>
Change in Net Assets	\$ 1,825,677
Ending Balance: 8-31-10	\$31,216,549

Issues for the FY 2012 Budget

- Library budgets generally lag economic recovery
- Political environment in Washington not supportive
- Severe financial problems at state and local levels
- Projected softness in conference revenue, though year of two division national conferences
- No operational budget increases, but need to plan for staff compensation increase
- 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
- Rethink the role of Midwinter meetings
- Migrate to electronic publishing distribution and business models
- Sustain and grow membership, particularly organizational and divisional
- New spending/payout policy for the endowment
- Market penetration and diversification
- New product and services development



Are there any Questions?
