

- *2012 Audited Financial Results*
- *and Strategic Issues*

## TREASURER'S REPORT TO COUNCIL

Presented by:  
Jim Neal - Treasurer

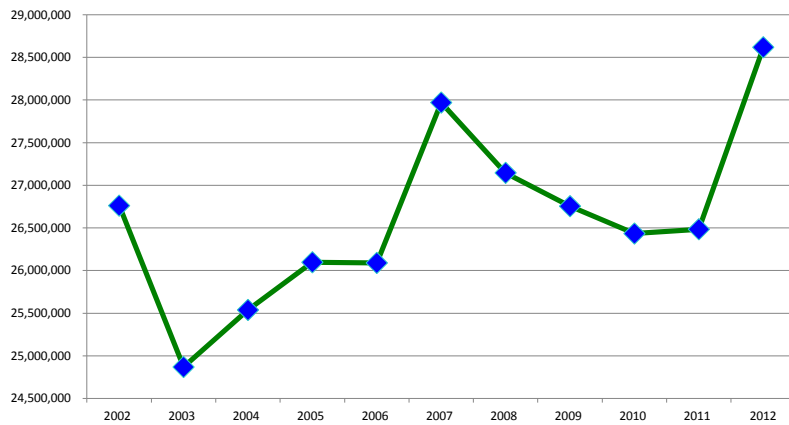
Monday - January 28, 2013

## GENERAL FUND REVENUES

\$27,245,834

	<u>2012</u>	<u>2011</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
<b>Dues</b>	\$ 5,770,610	\$ 5,829,512	\$ (58,902)	-1.0%
<b>Publishing</b>	\$ 11,203,274	\$ 9,990,757	\$ 1,212,517	12.1%
<b>Meetings &amp; Conferences</b>	\$ 6,620,033	\$ 6,357,200	\$ 262,833	4.1%
<b>Graphics</b>	\$ 1,288,498	\$ 1,271,473	\$ 17,025	1.3%
<b>Interest &amp; Dividends</b>	\$ 751,945	\$ 851,496	\$ (99,551)	-11.7%
<b>Contributions</b>	\$ 220,128	\$ 274,129	\$ (54,001)	-19.7%
<b>Miscellaneous</b>	\$ 1,391,346	\$ 1,472,601	\$ (81,255)	-5.5%
<b>Total</b>	\$ 27,245,834	\$ 26,047,168	\$ 1,198,666	4.6%

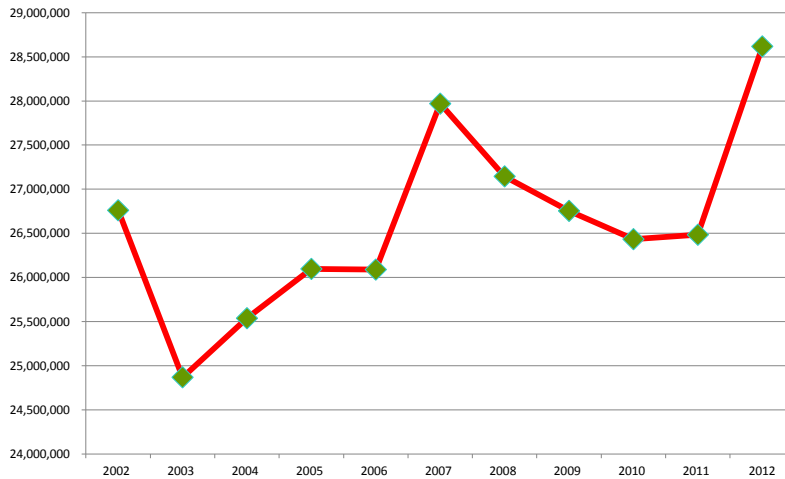
## GENERAL FUND REVENUES: 2002 - 2012



GENERAL FUND EXPENSES  
\$28,618,064

			\$	%
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Change</u>
<b>Payroll</b>	\$ 14,450,708	\$ 14,049,935	\$ 400,773	2.9%
<b>Outside Services</b>	\$ 3,905,377	\$ 3,692,949	\$ 212,428	5.8%
<b>Travel</b>	\$ 1,077,738	\$ 961,876	\$ 115,862	12.0%
<b>Meet &amp; Conferences</b>	\$ 2,983,257	\$ 2,976,411	\$ 6,846	0.2%
<b>Publications</b>	\$ 3,346,024	\$ 2,907,461	\$ 438,563	15.1%
<b>Operating</b>	\$ 2,416,351	\$ 1,701,934	\$ 714,417	42.0%
<b>Transfers</b>	\$ 438,609	\$ 193,669	\$ 244,940	126.5%
<b>Total</b>	\$ 28,618,064	\$ 26,484,235	\$ 2,133,829	8.1%

GENERAL FUND EXPENSES: 2002 - 2012



## GENERAL FUND SUMMARY REVENUES & EXPENSES

	<u>2012</u>	<u>2011</u>	<u>Variance</u>	<u>% Change</u>
Revenues	\$ 27,245,834	\$ 26,047,168	\$ 1,198,666	4.6%
Expenses	<u>\$ 28,618,064</u>	<u>\$ 26,484,235</u>	<u>\$ 2,133,830</u>	<u>8.1%</u>
Net Revenue	<span style="color: red;">\$ (1,372,230)</span>	<span style="color: red;">\$ 437,067</span>	<span style="color: red;">\$ (935,163)</span>	214.0%

## GENERAL FUND NET ASSET USAGE

Beginning Net Asset Balance	\$ 1,428,293
FY 2012 Net Loss	<span style="color: red;">\$ (1,372,230)</span>
Ending Net Asset Balance	\$ 56,063
Budgeted 2013 Net Revenue	<u>\$ 291,771</u>
Budgeted Ending Net Asset Balance	\$ 347,834

## DIVISION RESULTS - REVENUES

			\$	%
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Change</u>
<b>Dues</b>	\$ 2,675,339	\$ 2,650,905	\$ 24,434	0.9%
<b>Publishing</b>	\$ 5,318,568	\$ 5,400,863	\$ (82,295)	-1.5%
<b>Meetings and Conferences</b>	\$ 5,341,535	\$ 3,592,348	\$ 1,749,187	48.7%
<b>Contributions</b>	\$ 776,923	\$ 839,179	\$ (62,256)	-7.4%
<b>Miscellaneous</b>	<u>\$ 1,225,181</u>	<u>\$ 1,196,940</u>	<u>\$ 28,241</u>	<u>2.4%</u>
<b>Total</b>	<u>\$ 15,337,546</u>	<u>\$ 13,680,235</u>	<u>\$ 1,657,311</u>	<u>12.1%</u>

## DIVISION RESULTS - EXPENSES

			\$	%
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Change</u>
<b>Payroll</b>	\$ 5,329,751	\$ 5,280,221	\$ 49,530	0.9%
<b>Outside Services</b>	\$ 1,535,364	\$ 1,309,206	\$ 226,158	17.3%
<b>Travel</b>	\$ 764,969	\$ 415,387	\$ 349,582	84.2%
<b>Meetings and Conferences</b>	\$ 2,000,197	\$ 2,007,018	(\$ 6,821)	-0.3%
<b>Publications</b>	\$ 1,360,263	\$ 1,619,005	(\$ 258,742)	-16.0%
<b>Operating</b>	\$ 1,105,875	\$ 1,076,712	(\$ 147,383)	-12.0%
<b>Interunit Transfers</b>	\$ 217,401	\$ 343,426	(\$ 126,025)	-36.7%
<b>Overhead</b>	<u>\$ 1,982,298</u>	<u>\$ 1,597,304</u>	<u>\$ 384,994</u>	<u>24.1%</u>
<b>Total</b>	<u>\$ 14,296,118</u>	<u>\$ 13,648,279</u>	<u>\$ 647,839</u>	<u>4.8%</u>

## DIVISION SUMMARY REVENUES & EXPENSES

	<u>2012</u>	<u>2011</u>	<u>Variance</u>	<u>% Change</u>
Revenues	\$ 15,337,546	\$ 13,680,235	\$ 1,657,311	12.1%
Expenses	<u>\$ 14,296,118</u>	<u>\$ 13,648,279</u>	<u>\$ 647,839</u>	<u>4.8%</u>
Net Revenue	\$ 1,041,428	\$ 31,956	\$ 1,009,472	3,158.9%

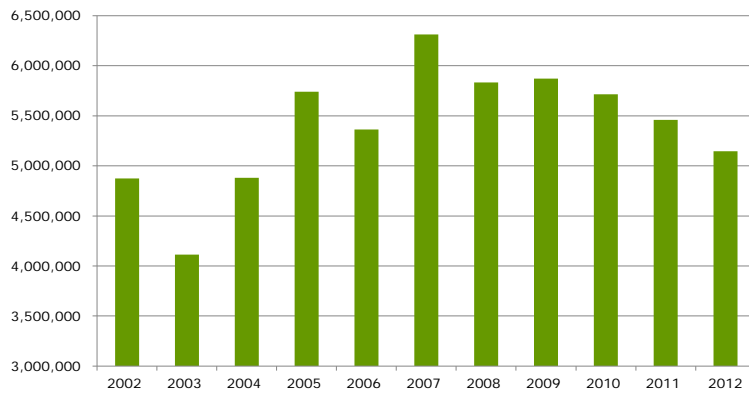
## ROUNDTABLES SUMMARY REVENUES & EXPENSES

	<u>2012</u>	<u>2011</u>	<u>Variance</u>	<u>% Change</u>
Revenues	\$ 350,582	\$ 350,139	\$ 443	0.1%
Expenses	<u>\$ 238,695</u>	<u>\$ 224,750</u>	<u>\$ 13,945</u>	<u>6.2%</u>
Net Revenue	\$ 111,887	\$ 125,389	\$ (13,502)	-10.8%

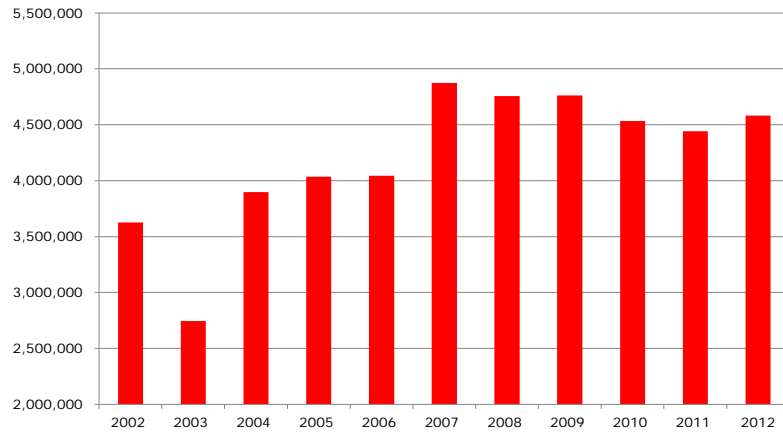
# RETHINKING OF ANNUAL CONFERENCE AND THE MIDWINTER MEETING

*Where have We Been and How  
Will We Move Forward?*

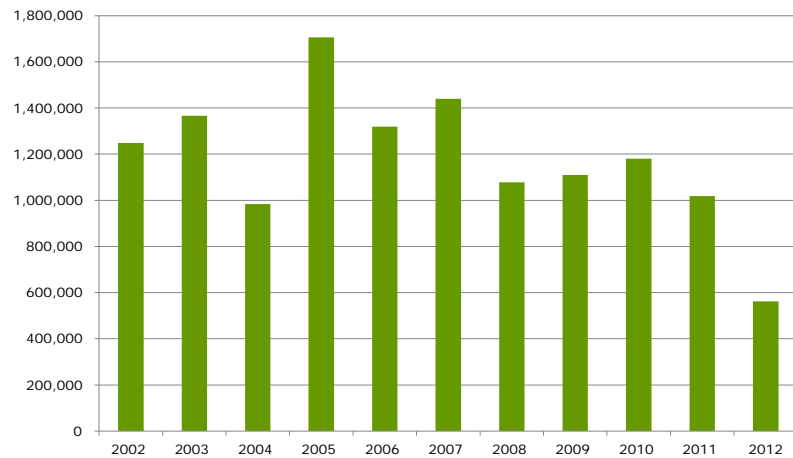
## ANNUAL CONFERENCE REVENUES



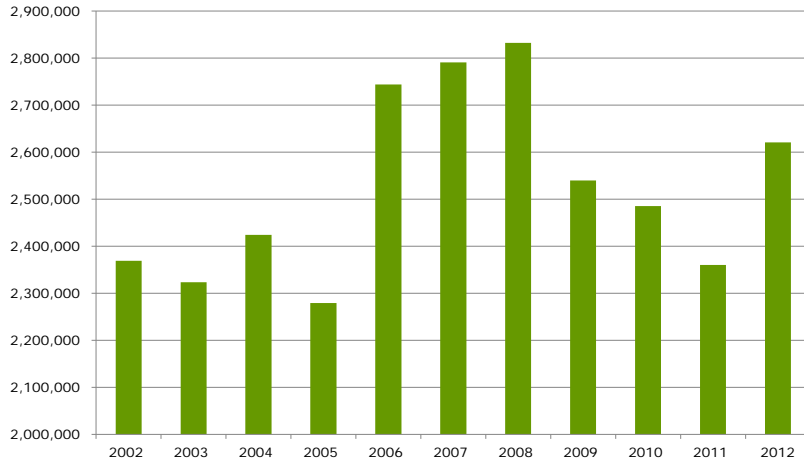
## ANNUAL CONFERENCE EXPENSES



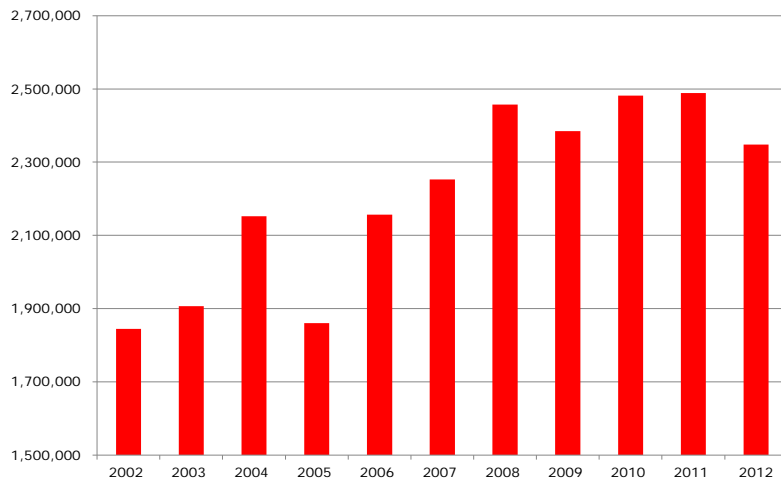
## ANNUAL CONFERENCE NET REVENUE



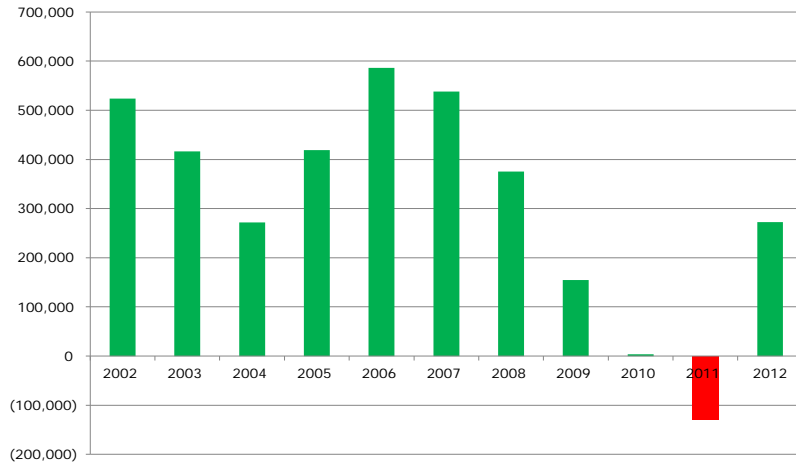
## MIDWINTER MEETING REVENUES



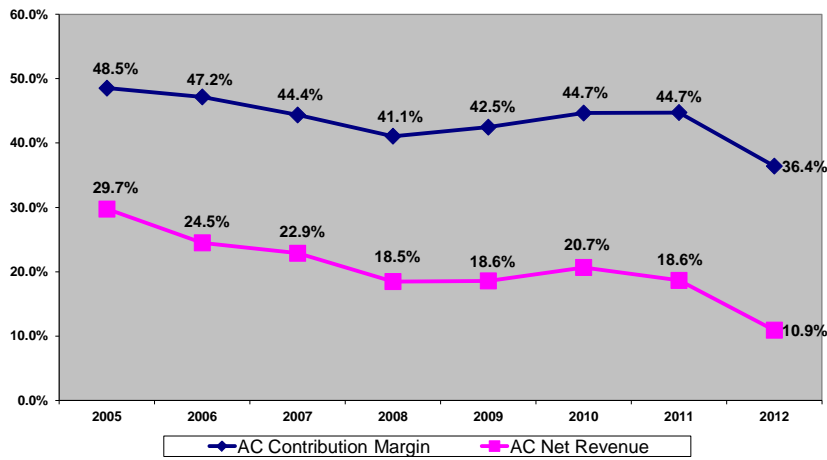
## MIDWINTER MEETING EXPENSES



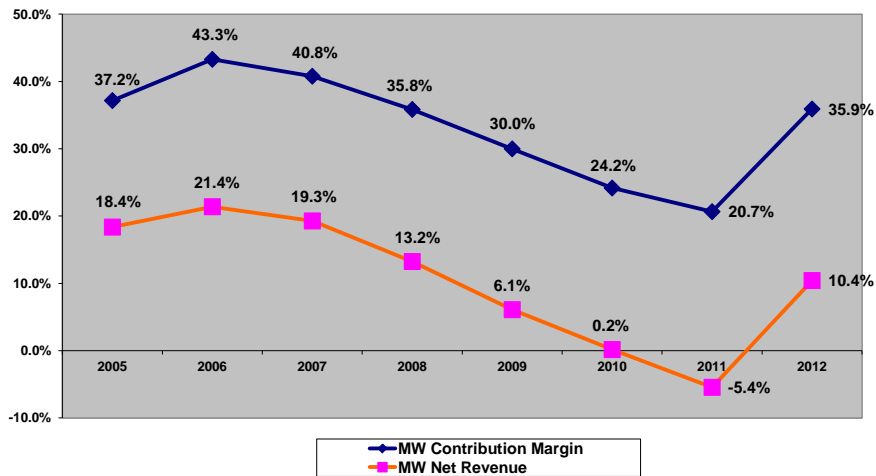
## MIDWINTER MEETING NET RESULTS



## ANNUAL CONFERENCE CONTRIBUTION AND NET REVENUE MARGINS



## MIDWINTER MEETING CONTRIBUTION MARGIN AND NET REVENUE



## MEMBER SUPPORT SERVICES

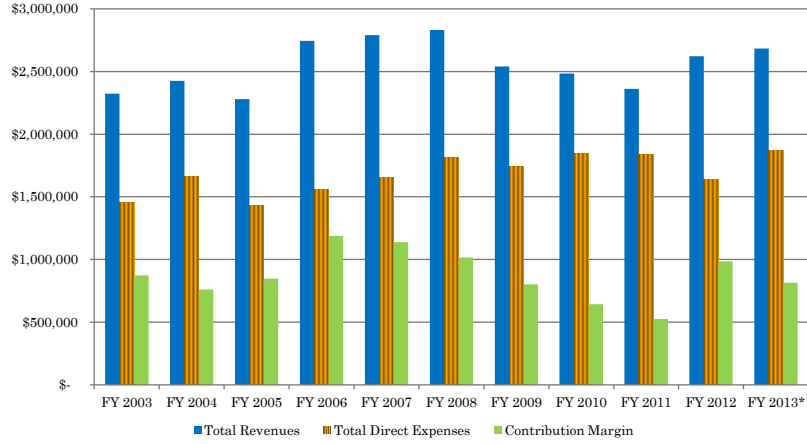
- SUPPORTED BY OVERHEAD -

	2012	2011	\$ Change	% Change
Communications	\$2,762,524	\$2,805,913	\$ (43,389)	-1.5%
Member Offices & Support	\$4,177,020	\$4,260,658	\$ (83,638)	-2.0%
Executive Office & Governance	\$1,612,867	\$1,509,027	\$ 103,840	6.9%
General & Administrative*	\$1,054,843	\$1,009,692	\$ 45,151	4.5%
<b>Total</b>	<b>\$9,607,254</b>	<b>\$9,585,290</b>	<b>\$ 21,964</b>	<b>0.2%</b>

\*Includes overhead recovery of \$7,619,154 and \$7,024,506 respectively, which reduces expenses.

# MIDWINTER MEETING CONTRIBUTION

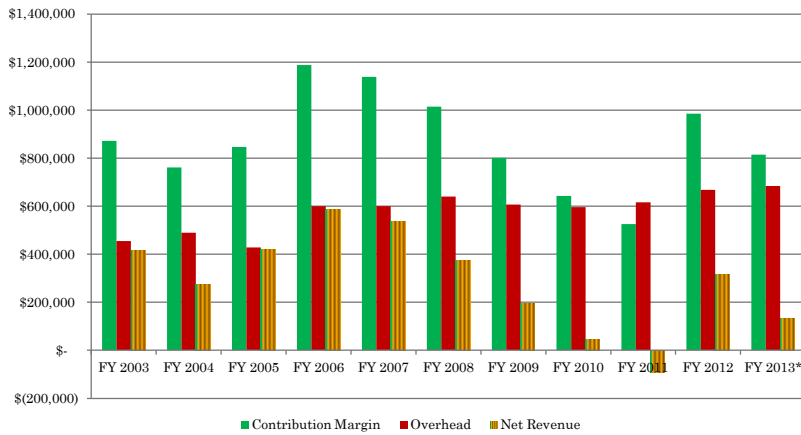
- TOTAL REVENUES, TOTAL DIRECT EXPENSES AND CONTRIBUTION MARGIN -



\*Budget

# MIDWINTER MEETING NET REVENUE

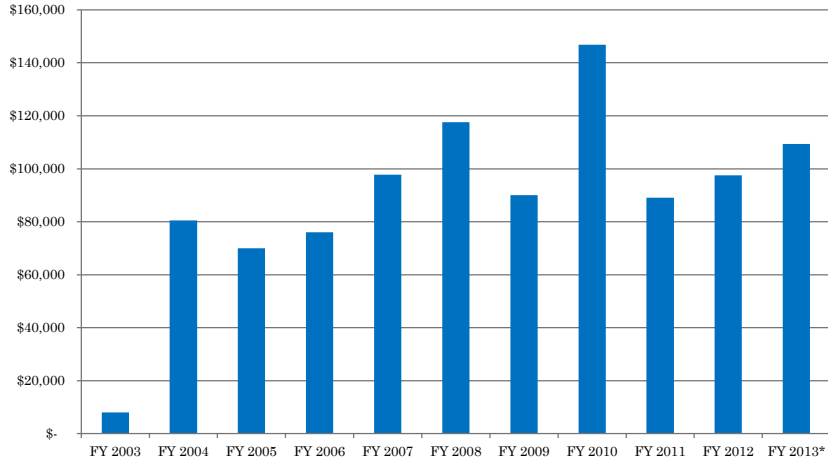
- CONTRIBUTION MARGIN, OVERHEAD AND NET REVENUE -



\*Budget

# MIDWINTER MEETING

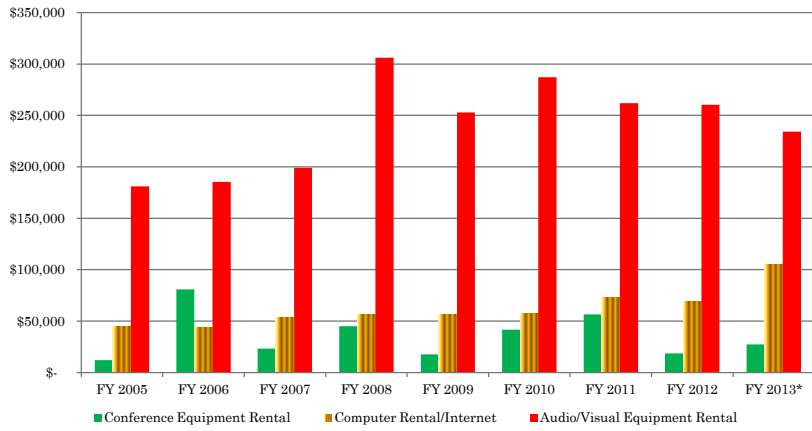
- SPECIAL TRANSPORTATION COSTS -



\*Budget

# MIDWINTER MEETING EXPENSES

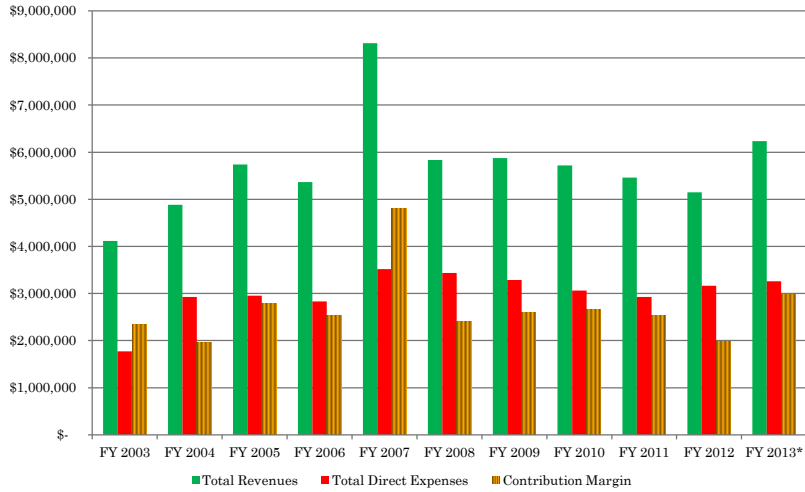
- CONFERENCE EQUIPMENT, COMPUTER/INTERNET AND AUDIO/VISUAL -



\*Budget

# ANNUAL CONFERENCE CONTRIBUTION

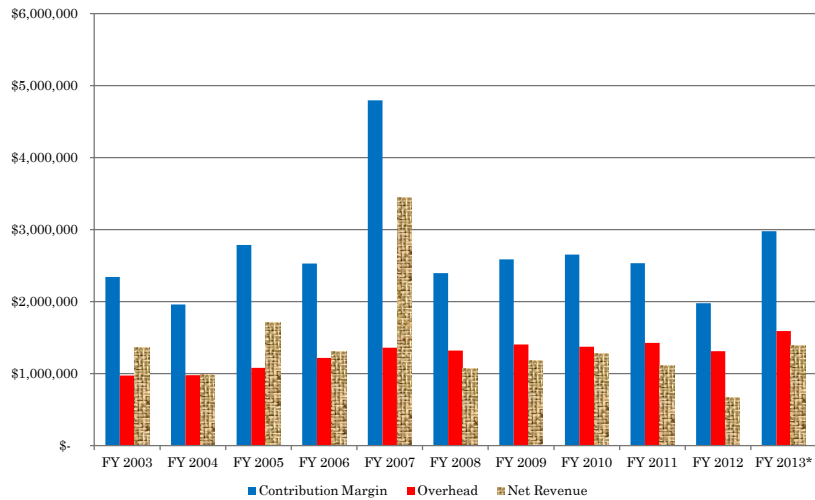
- TOTAL REVENUES, TOTAL DIRECT EXPENSES AND CONTRIBUTION MARGIN -



\*Budget

# ANNUAL CONFERENCE NET REVENUE

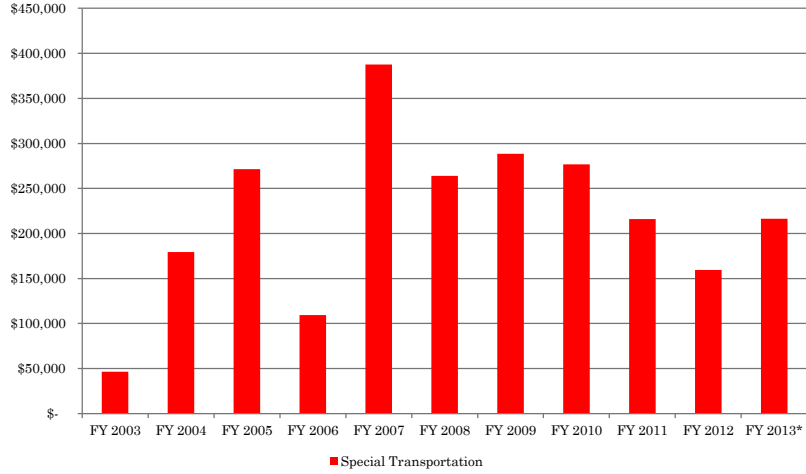
- CONTRIBUTION MARGIN, OVERHEAD AND NET REVENUE -



\*Budget

# ANNUAL CONFERENCE

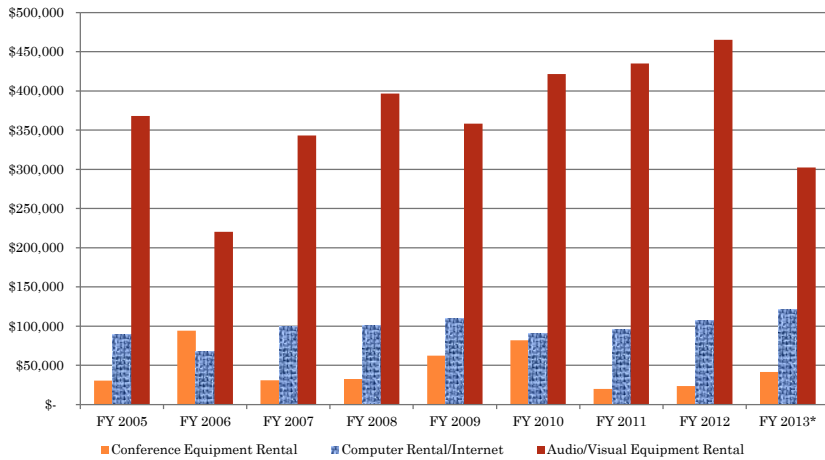
- SPECIAL TRANSPORTATION COSTS -



\*Budget

# ANNUAL CONFERENCE EXPENSES

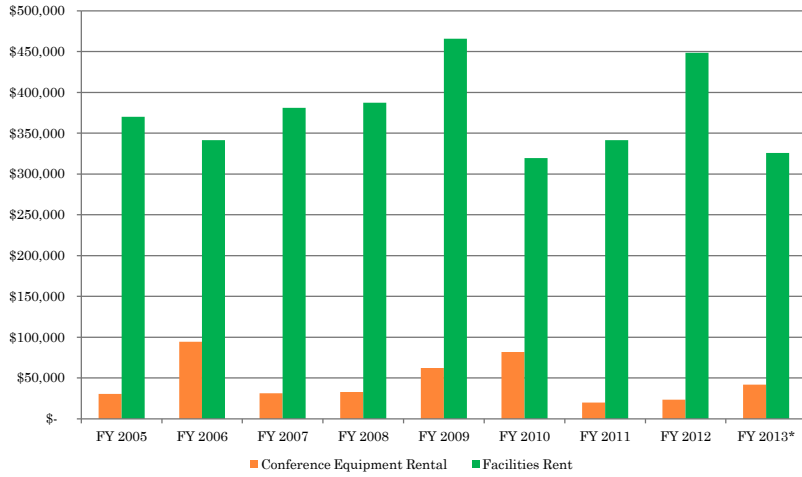
- CONFERENCE EQUIPMENT, COMPUTER/INTERNET AND AUDIO/VISUAL -



\*Budget

# ANNUAL CONFERENCE EXPENSES

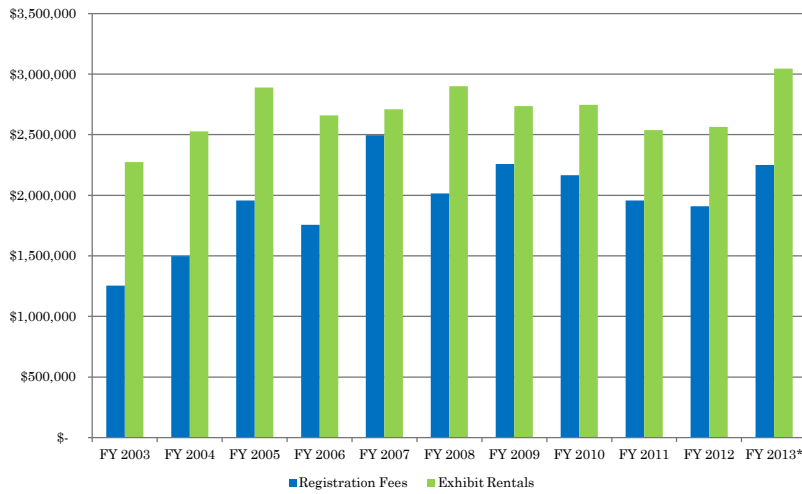
- CONFERENCE EQUIPMENT AND FACILITIES RENTAL -



\*Budget

# ANNUAL CONFERENCE REVENUE

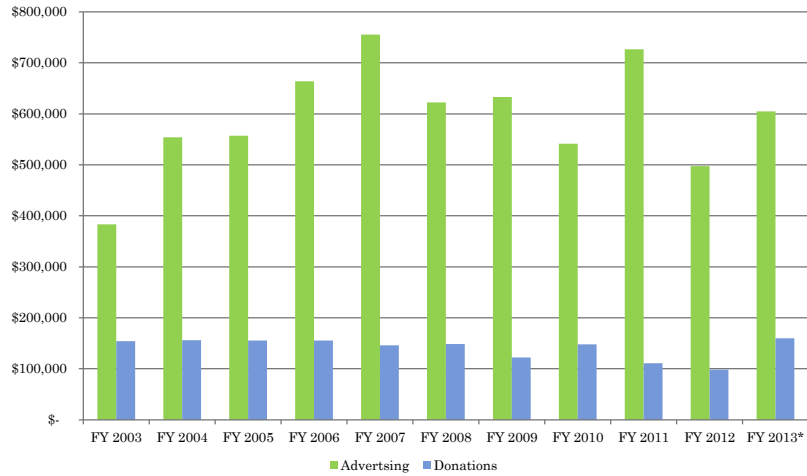
- REGISTRATION FEES AND EXHIBIT RENTAL -



\*Budget

## ANNUAL CONFERENCE REVENUE

- ADVERTISING AND DONATIONS -



\*Budget

## ALA'S PUBLISHING PROGRAM

- Creating e-books for all new Neal-Schuman publications
- Systematically creating e-book versions for selected backlist titles
- Utilizing Neal-Schuman authors in ALA publishing webinars and e-courses
- Expansion of Huron Street Press

## GLOBAL STRATEGY

- ALA is a global institution with a well deserved and growing reputation
- International member involvement has grown steadily
- International registration has increased significantly in recent years
- Since 2008 international revenues have increased by 43.7% to \$1.9 million
- Two region-specific pilot programs are in development

## GLOBAL STRATEGY (CON'T)

- Continue emphasis on attendance and participation at ALA national conferences
- Highlight the benefits of Online CE
- Partnering with Combined Book Exhibit, ALA is extending its reach at book fairs and exhibits in a variety of countries
- Broaden the marketing base for ALA's publishing suite of products
  - Books
  - Advertising
  - Online CE, Webinars etc.
- Market the value of attending Division conferences, institutes and forums

## ONLINE EDUCATION STRATEGY

- Plans for a national online training program
- Reach out to international members
- Developing pilot CE training relationships/partnerships with international associations, societies and libraries

## FY13 TOTAL ALA REVENUE BUDGET ADJUSTMENTS\*

SINCE ANNUAL CONFERENCE IN ANAHEIM, CA

	<u>Anaheim</u>	<u>Chicago</u>	<u>Variance</u>
General Fund	\$31,640,176	\$31,640,176	\$ 0
Divisions	13,529,445	13,454,651	(74,794)
Round Tables	394,664	401,704	7,040
Grants & Awards	4,711,672	6,285,991	1,574,319
Long Term Investments	<u>936,716</u>	<u>936,716</u>	<u>0</u>
Total ALA Budgeted Revenues	\$51,212,673	\$52,719,238	\$1,506,565
Total Budgetary Ceiling**	\$65,026,831	\$66,533,396	\$1,506,565

\*Includes revenue transfers

\*\*Represents ending FY12 net asset balance + FY13 projected revenues or the maximum amount that can be spent during the fiscal year.

# FY13 TOTAL ALA EXPENSE BUDGET ADJUSTMENTS

SINCE ANNUAL CONFERENCE IN ANAHEIM, CA

	<u>Anaheim</u>	<u>Chicago</u>	<u>Variance</u>
General Fund	\$31,440,176	\$31,348,405	\$ (91,771)
Divisions	15,165,377	15,214,826	49,449
Round Tables	316,125	321,073	4,948
Grants & Awards	4,711,672	6,285,991	1,574,319
Long Term Investments	<u>779,193</u>	<u>779,193</u>	<u>0</u>
 Total ALA Budgeted Expenses	 \$52,412,543	 \$53,949,488	 \$1,536,945

## FY13 BUDGET ADJUSTMENTS

- CAREFUL MANAGEMENT OF EXPENSES -

- The FY13 budget was developed with \$291,771 in net revenue in the General Fund to replenish the net asset balance.
- The General Fund FY13 budget was initially developed with a ½% reduction in expenses when compared to the FY12 budget.
- Management successfully negotiated favorable rates with healthcare providers, which will result in expense savings on the medical benefits provided to staff.
- Management has also requested that the General Fund units provide an additional \$400,000 in expense savings. This process is currently underway.
- Management is delaying the proposed 1% adjustment to base salary for staff until March 2013 after reviewing 6 month financial results and will do a similar delay to October 2013 for the 1% year-end compensation adjustment based on year-end results.

## THREE MONTH HIGHLIGHTS

- Total ALA Revenue - \$8.7 million
  - Less than budget by \$1.7 million
- Total ALA Expenses - \$10.4 million
  - Less than budget by \$1.9 million
- Cash and Investments - \$16.0 million
  - Less than last year by \$3.1 at \$19.1 million
- Endowment Fund - \$32.5 million
  - More than last year by \$1.6 million at \$30.9 million

## THREE MONTH HIGHLIGHTS

- TOTAL ALA NET REVENUE -

	<u>Nov-11</u>	<u>Nov-12</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Total					
Revenues	\$ 9,644,995	\$ 8,758,244	\$ 10,470,621	\$(1,712,377)	-16.4%
Total					
Expenses	<u>\$ 10,374,344</u>	<u>\$ 10,381,623</u>	<u>\$ 12,285,276</u>	<u>\$ 1,903,653</u>	<u>15.5%</u>
Net Revenue	\$ (729,349)	\$ (1,623,379)	\$ (1,814,655)	\$ 191,276	10.5%

## THREE MONTH HIGHLIGHTS

### ○ General Fund Revenue - \$4.8 million

- Less than budget by \$1.0 million (-17.4%)
- More than November in FY12 by \$436,715 (9.9%)
- Dues income @ \$1.4 million is less than budget by \$37,659 (2.6%)
- Publishing revenue @ \$3.1 million is less than budget by \$947,593 (-23.3%) due to lower sales of ALA Editions, Graphics and Digital Reference

### ○ General Fund Expenses - \$6.2 million

- Less than budget by \$858,417 (-12.1%)
- More than November in FY12 by \$633,703 (11.4%)

## THREE MONTH HIGHLIGHTS

- GENERAL FUND REVENUES/EXPENSES/NET REVENUE -

	<u>Nov-11</u>	<u>Nov-12</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Total Revenues	\$ 4,417,720	\$ 4,854,435	\$ 5,877,022	\$ (1,022,587)	-17.4%
Total Expenses	\$ 5,576,172	\$ 6,209,875	\$ 7,068,292	\$ 58,417	12.1%
Net Revenue	\$ (1,158,452)	\$ (1,355,440)	\$ (1,191,270)	\$ (164,170)	NA

## THREE MONTH HIGHLIGHTS

### ○ Division Revenue - \$2.6 million

- Less than budget by \$221,592 (-7.9%)
- Less than November in FY12 by \$1.2 million (-31.4%)
  - \*Due to the AASL conference held in 10/11
- Dues income @ \$677,455 is more than budget by \$4,795 (0.7%)

### ○ Division Expenses - \$3.0 million

- Less than budget by \$390,380 (-11.6%)
- Less than November in FY12 by \$646,055 (-14.1%)

## THREE MONTH HIGHLIGHTS

- DIVISIONS REVENUES/EXPENSES/NET REVENUE -

	<u>Nov-11</u>	<u>Nov-12</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
Total					
Revenues	\$ 3,746,348	\$ 2,571,984	\$ 2,793,576	\$ (221,592)	-7.9%
Total					
Expenses	\$ 3,477,665	\$ 2,987,924	\$ 3,378,304	\$ 390,380	11.6%
Net Revenue	\$ 268,683	\$ (415,940)	\$ (584,728)	\$ 168,788	28.9%

2012-2013 CD#13.0  
2013 ALA Midwinter Meeting

## **TREASURER'S REPORT TO COUNCIL**

*Programmatic Priorities*

**ALA COUNCIL DOCUMENT #13.0**

**PROGRAMMATIC PRIORITIES**

# 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 FY 2015 budget:

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

