

CD #33.1

BARC Report at the Information Session to the ALA Executive Board, ALA Council and the Planning and Budget Assembly

Peter Hepburn – BARC Chair

Annual Conference, Monday, June 22, 2020

Topics to be Covered

- **Five Month Financial Results Ending 1-31-20**
- **FY21 Preliminary Budget**
- **Strategic Investment Budget Update**
- **Financial Education**

Eight Month Financial Results Ending 1-31-20

- Total ALA -



Five Month Financial Results Ending 1-31-20

- Total ALA -

- Total ALA revenues were \$18.6 million and higher than the budget of \$18.0 million by \$660,000 due to higher revenue in Grants & Awards (\$474,000), LTI (\$700,000) and Division activity (\$229,000), while the General Fund was short (\$802,000).
- Total ALA expenses were \$22.5 million and higher than the budget of \$21.8 million by \$ 739,000 due to higher expenses in Grants & Awards (\$503,000) and the General Fund (\$743,000), but were offset by expense savings in Division activities (\$538,000).
- Net revenue (expense) was (\$3.9 million) compared to budget of (\$3.8 million).

Five Month Financial Results Ending 1-31-20

- General Fund -



Five Month Financial Results Ending 1-31-20

- General Fund -

- **General Fund revenues of \$9.1 million were less than the budget of \$9.9 million by \$ 802,000 due primarily to lower conference revenue (\$577,000) related to registration and exhibitor sales, and membership dues revenue (\$88,000). *Note: While this information reflects only the preliminary results for the Midwinter Meeting, management is projecting that registration will only be 80% of its budget or short by \$207,000 by year-end. Additionally, membership dues are projected to end the year at \$200,000 less than budget.***
- **General Fund expenses were \$13.1 million and more than the budget of \$12.4 million by \$743,000. Expenses were higher due largely to activities in General Administration related to the sale of the HQ building e.g. broker commissions, rent expense, legal fees, as well as, higher interest expense and third-party accounting fees.**
- **Net (expense) was (\$4.0 million) and higher than the budget of (\$2.5 million) by (1.5 million)**

Eight Month Financial Results Ending 1-31-20

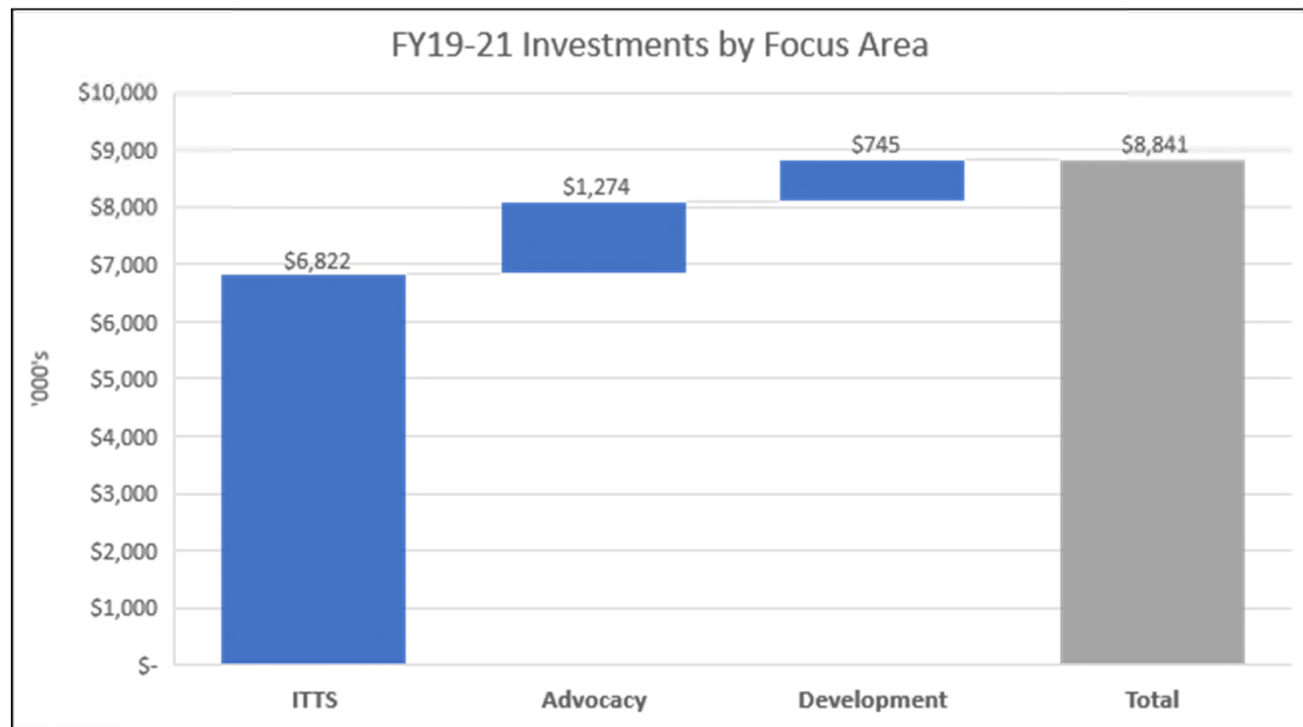
- Divisions and Roundtables -

- **Division revenues were \$5.8 million compared to budget of \$5.6 million**
 - **Division expenses were \$6.3 million compared to budget of \$6.9 million**
 - **Net expenses were (\$506,000) compared to budget of (\$1.3 million)**
 - **While revenue results were mixed between the Divisions, revenue for the period was helped by successful conferences by AASL, an early PLA and LLAMA Buildings Project 101 in Columbus, OH. Expense savings should result in the divisions ending the year on budget**
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- **Round tables revenues were \$263,000 compared to budget of \$204,000**
 - **Round tables expenses were \$149,000 compared to budget of \$147,000**
 - **Net revenue was \$114,000 compared to budget of \$57,000**
 - **The Round tables are on budget and are expected to end the year better than budget**

FY 2021 Revised Preliminary Budget

- **To be presented to Council at this Annual Conference online**
- **At its spring meeting in April, BARC reviewed and discussed the initial preliminary budget. Subsequent to the Covid-19 pandemic the committee and staff felt that it was prudent to revise the initial budget. At a subsequent meeting in May the committee reviewed, discussed and then approved a revised preliminary FY 2021 budget.**

Strategic Investments within ALA Infrastructure



Metrics – Assessing Results

- **BARC working with Finance Office and units**
- **Based on BARC guidelines, units are using key measures**
- **Goal to assess the return on investment**

BARC Engagement

- **Liaison structure with Divisions**
- **Liaisons to key initiatives**
- **Briefing calls between conferences**

Financial Education

- **BARC continues to stress the importance of education for its members, particularly in the area of learning and understanding the finances of the Association. As such, members are encouraged to take advantage the following:**
- **The Financial Learning Series**
- **The ALA Financial Handbook**
- **The Council Financial Orientation (@ MW/AC)**
- **<http://www.ala.org/aboutala/treasurerspage>**