



CD #13.2 and 13.3  
2020 Virtual Conference

## Treasurer's Report at the Information Session to the ALA Executive Board, ALA Council and the Planning and Budget Assembly

Maggie Farrell – ALA Treasurer

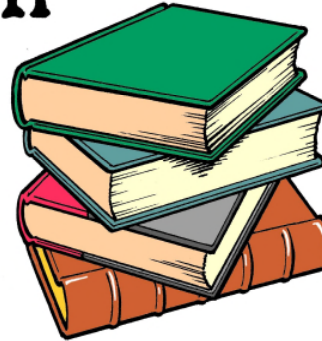
PBA - Friday, June 19, 2020  
Virtual Information Session – June 22, 2020

# 3 Main Revenue Streams



Membership

**Publish  
Today**



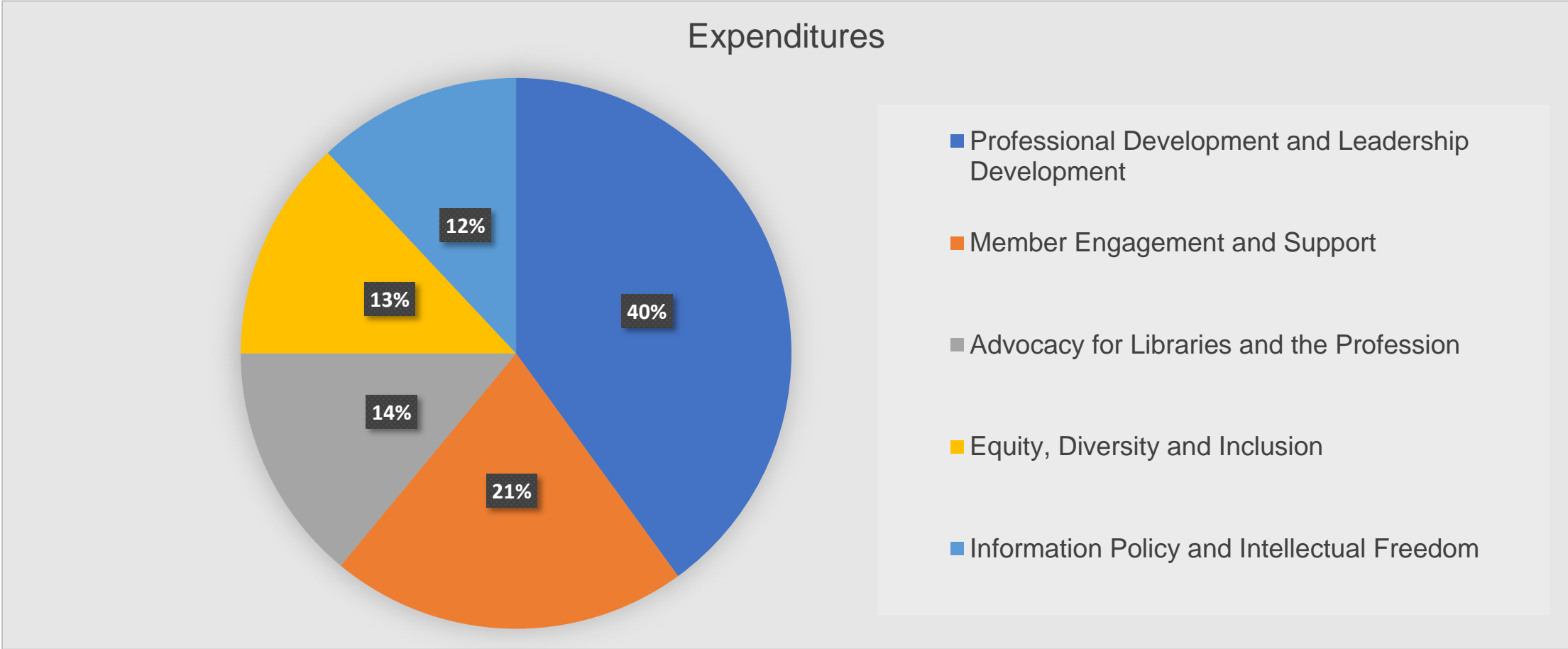
Publishing



Conferences



# Areas of Expenditures



# FY21 Programmatic Priorities

Approved during 2020 Midwinter:

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

# FY21 Challenges

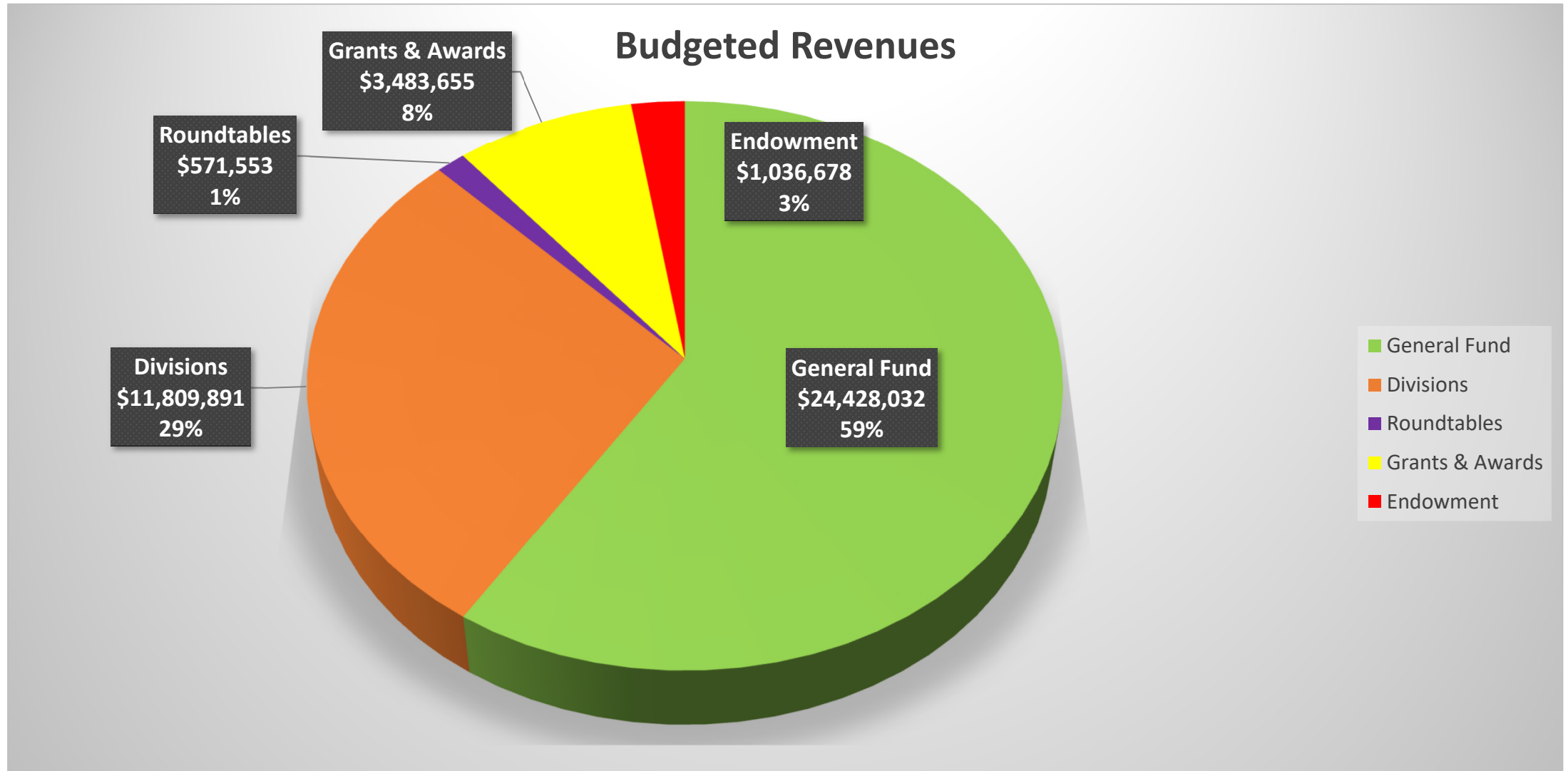
- Declining revenues in our three primary revenue sources
- Cancellation of Annual Conference and some continuing education and professional development events
- Outdated Operating Agreement
- Increased operational costs due to COVID-19
- Unanticipated costs for the HQ move and financial operations
- Ongoing IT equipment depreciation impact

# Facing our Financial Future

- Increase and diversify our revenue streams
- Seek new partnerships
- Look for internal cost efficiencies
- Leverage collaboration for continuing education and professional development
- Need for increased collaboration and joint work

# FY 2021 Preliminary Budget

# Very Preliminary FY21 Budget Overview





# Very Preliminary FY21 Budget Overview

|                    |                      |
|--------------------|----------------------|
| Total Revenues     | \$ 41,329,809        |
| Total Expenses     | <u>\$ 45,858,529</u> |
| Net Expenses       | \$ (4,528,720)       |
| Deficit Strategies | \$ 5,050,000         |
| Net Revenue        | \$ 521,280           |

# Preliminary Strategies to Remedy FY21 Budget Gap

Budgeted Deficit for FY 2021 \$ (4,528,720)

Additional Furlough Days\* 250,000

Paycheck Protection Program (PPP) Funding\*\* 1,200,000

Economic Injury Disaster Loan (EIDL)\*\*\* 1,500,000

Increase in Line of Credit 600,000

Endowment Loan\*\*\*\* 1,500,000

Net Revenue \$ 521,280

\*Represents 3 additional days above the 20 already budgeted for a total of 23 days. Note: 5 furlough days are planned for FY20

\*\*Received \$4.2 million of which \$3.0 million will be used in FY20 and the balance of \$1.2 million and will be converted into a loan for FY21

\*\*\*Applied for \$2.0 million, expected \$1.5 million but only recently received approval for \$150,000

\*\*\*\*Trustees approved a \$3.0 million loan request spread over two fiscal years at the EIDL rate of 1%

# Our Summer Work

Update FY20 data to better predict FY21

Revise conference estimates understanding COVID-19 impacts

Finalize Federal funding and loans

Examine internal ALA operations for possible cost savings

Keep focus on quality services and support for members

Engage members demonstrating value

Communicate – communicate – and communicate more

# ALA Preliminary FY2021 Annual Estimates of Income

Per Article IX, Finances, Section 1 of ALA's Bylaws: Annual estimates of income shall be based upon the unexpended balance remaining from the previous year plus anticipated revenues for the next budget year. BARC is charged with reviewing and approving the Annual Estimates of Income.

|  | TOTAL ALA    |
|--|--------------|
| ALA Net Assets (projected at end of FY 2020) | \$37,944,144 |
| FY 2021 Budgeted Revenues                    |              |
| General Fund                                 | 24,428,032   |
| Divisions                                    | 11,809,891   |
| Roundtables                                  | 571,553      |
| Grants & Awards                              | 3,483,655    |
| Endowment                                    | 1,036,678    |
| TOTAL  | 41,329,809   |
| FY 2021 Annual Estimates of Income           | \$79,273,953 |

| Memo Only   |              |              |
|---|--------------|--------------|
| Estimates of Income by Fund                               | Divisions    | Round Tables |
| Available Net Asset Balance (projected at end of FY 2020) | 13,810,403   | 2,305,241    |
| FY 2021 Est Budgeted Revenues                             | 11,809,891   | 571,553      |
| FY 2021 Annual Estimates of Income                        | \$25,620,294 | \$2,876,794  |

# Future Council Action

Early Fall meeting for a budget update – TBD

Consideration and approval of Annual Estimates of Income

Operating Agreement Workgroup discussions and recommendations – ALA Midwinter and Annual Meetings 2021

# Discussion

Financial Reports available at:

- <http://www.ala.org/aboutala/governance/financialdata/financialrpts/financialrpts>

Financial Learning Series at:

- [www.ala.org/aboutala/governance/financialdata](http://www.ala.org/aboutala/governance/financialdata)
- [http://www.ala.org/aboutala/sites/ala.org.aboutala/files/content/governance/financialdata/financialrpts/ALA\\_Financial\\_Handbook\\_Final15.pdf](http://www.ala.org/aboutala/sites/ala.org.aboutala/files/content/governance/financialdata/financialrpts/ALA_Financial_Handbook_Final15.pdf)
- <http://www.ala.org/aboutala/treasurerspage>