

TO: ALA Executive Board

DATE: January 19, 2022

RE: Joint meeting report for the Budget Analysis & Review Committee (BARC) and the Finance and Audit Subcommittee (F&A) to the Executive Board

ACTION REQUESTED/INFORMATION/REPORT:

- Approval of ALA FY2023 Budget Objectives & Programmatic Priorities
- Approval of the Proposed Presidential Initiative Budget

ACTION REQUESTED BY:

BARC and F&A

CONTACT PERSON:

Rodney Lippard, BARC Chair, RodneyL@usca.edu, 803.641.3460

Maggie Farrell, ALA Treasurer and F&A Chair, maggie.farrell@unlv.edu, 702.895.2286

DRAFT OF MOTIONS:

1. That the ALA Executive Board approve the Budget Objectives & Programmatic Priorities as presented in EBD #3.12
2. That the ALA Executive Board approve the Proposed FY23 Presidential Initiative Budget as presented in EBD #3.13

BACKGROUND:

Members of the ALA Budget Analysis & Review Committee (BARC) and the Finance and Audit Subcommittee (F&A) held a joint meeting on Tuesday, January 11, 2022, to discuss and review a number of financial issues and are pleased to report to the Executive Board on our activities. Below is a list of the primary topics discussed:

- Publishing and Media Department Update, *EBD #12.18*
- IT Strategy Investment Update, *EBD #12.19*
- Development Office Report, *EBD #6.1*
- Public Policy & Advocacy Office Report, *EBD #12.20*
- Membership Report, *EBD #12.21*
- Conference Services Report, *EBD #12.22*
- FY 2023 Budget Assumptions and Tactical Goals, *EBD/BARC #3.10*
- Executive Director Report, *EBD #12.23*
- FY 2021 YTD Financial Results, *EBD/BARC #3.11; 3.11.1a*
- FY23 Budget Objectives & Programmatic Priorities, *EBD #3.12* action item; *EBD #3.12a*
- Endowment Trustees Report, *EBD/BARC #13.1*
- Proposed Presidential Initiative Budget for FY23, *EBD/BARC #3.13*
- Operating Agreement Work Group Update *EBD #10.7*
- Other items included:
 - Preparation for LLX governance meetings

Detailed Informational Items:

Executive Director Report, *EBD #12.23* and FY 2022 Update

Executive Director Hall provided highlights from her report. ED Hall introduced new CFO Dina Tsourdinis and welcomed her to the finance meetings. CFO Tsourdinis described her experience and shared her initial goals of efficiencies and transparency in achievement of ALA goals. ED Hall also thanked Interim CFO Denise Moritz for guiding the association's finances through some difficult years and her open communication style that was instrumental in addressing member concerns. The FY 2022 first quarter results were just being analyzed and will be presented in the spring. The results are on track with the budget forecasts.

FY 2021 YTD Financial Results, *EBD/BARC #3.11; 3.11.1a*

CFO Tsourdinis presented the year-to-date financials for FY 2021 noting that these are preliminary and will be finalized later in January. The FY 2021 audit results will be presented to the Finance & Audit Subcommittee and Executive Board in February.

Revenue - For FY 2021, total revenue for ALA exceeded budget by \$3.8M. Revenue for FY 2021 was \$43.7M, lower than FY 2020 revenues by \$643k and lower than FY 2019 revenues, the most recent one-conference fiscal year, by \$6.0M. Within Total ALA revenues, the General Fund, Round Tables, and the Endowment Fund exceeded budget by 25%, 9% and 84%, respectively; the Divisions and Grants and Awards missed budget by 4% and 39%, respectively, for FY 2021.

Expenses - ALA expenses for FY 2021 were \$42.6M, 5% over budget. Expenses for FY 2021 are lower than FY 2020 by \$6.9M and lower than FY 2019 by \$11.6M due to close monitoring and cost containment. In comparison to FY 2020 expenses, the General Fund, Divisions, and the Endowment Fund saw expenses lower than FY 2020. Round Tables and Grants and Awards expenses were higher than FY 2020.

Net Revenue - Overall, ALA is reporting net revenue of \$1.1M for FY 2021, representing a positive budget variance of \$2.0M.

FY 2023 Budget Objectives & Programmatic Priorities, *EBD #3.12, EBD #3.12a*

CFO Tsourdinis and Director Moritz discussed the FY 2023 Budget Assumptions and Tactical Goals that management prepared to guide ALA staff in developing their budgets. Treasurer Farrell presented the Budget Objectives which previously were Programmatic Priorities. The Objectives complement the Assumptions in guiding ALA leadership and finance committees to achieve the mission and goals of ALA. F&A approved the Objectives which will be considered by the Executive Board and ALA Council.

Action – Draft Motion:

The ALA Executive Board approves the Budget Objectives & Programmatic Priorities as presented in EBD #3.12.

Proposed Presidential Initiative Budget for FY23 *EBD/BARC #3.13*

BARC members met with President-elect Pelayo Lozada on her presidential initiatives and approved the budget. F&A concurred with the action.

Action – Draft Motion:

The ALA Executive Board approves the Proposed Presidential Initiative Budget for FY23 as presented in EBD #3.13.

Reports and Discussions

BARC discussed the draft resolution on the creation of the Coretta Scott King Awards Round Table. Additional financial details are necessary to assess possible budgetary implications.

BARC and F&A met in closed session on January 11 with AED Melissa Walling to discuss possible membership models. No actions were taken and will be further discussed with the Executive Board.

Acknowledgements

BARC and F&A extends its sincere thanks to the many ALA staff for their report preparation and meeting with the committees. In addition, the ALA finance staff contributed to a successful meeting: Dina Tsourdinis, Denise Moritz, Holly Robison, and Brad Geene. The work of the Finance team along with ALA leadership throughout ALA is placing ALA on solid financial footing.

Respectfully submitted:

BARC Rodney Lippard, Chair
Tamika Barnes
Maggie Farrell
Susan Hildreth
John Lehner
Kevin Reynolds
Alexandra Rivera
Karen Schneider
Deb Sica

F&A Maggie Farrell, Chair
Libré Booker
Rodney Lippard
Larry Neal
Lessa Kanani'opua Pelayo-Lozada