

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

TREASURER'S REPORT TO COUNCIL

Presented by:
Jim Neal - Treasurer

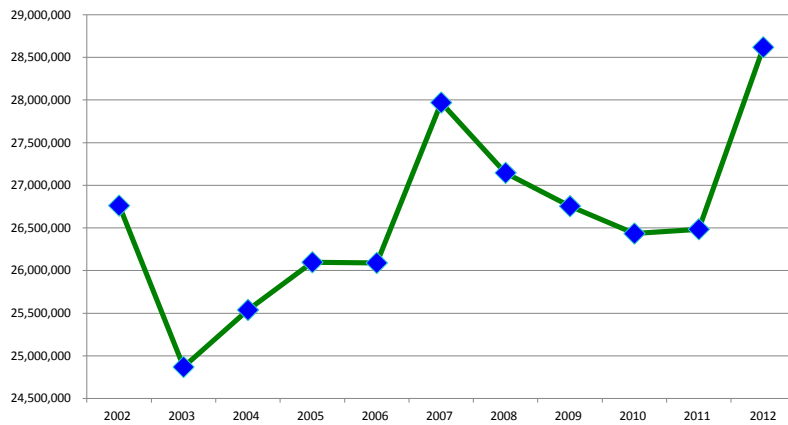
Monday - January 28, 2013

GENERAL FUND REVENUES

\$27,245,834

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

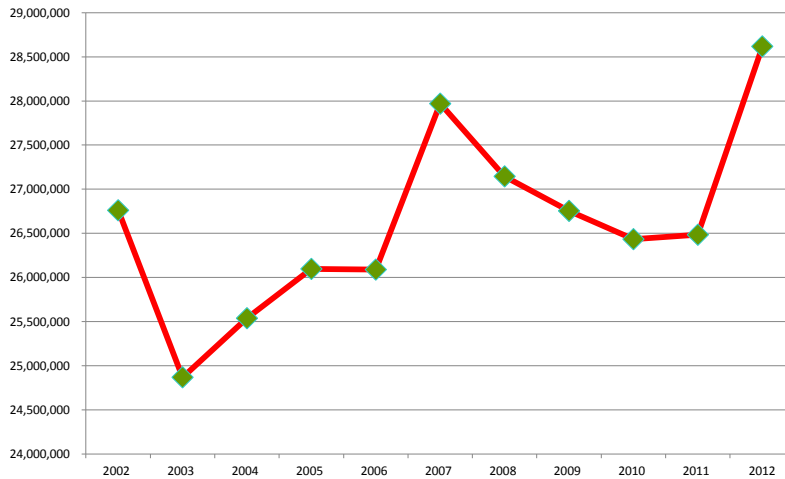
GENERAL FUND REVENUES: 2002 - 2012



GENERAL FUND EXPENSES
\$28,618,064

			\$	%
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Change</u>
Payroll	\$ 14,450,708	\$ 14,049,935	\$ 400,773	2.9%
Outside Services	\$ 3,905,377	\$ 3,692,949	\$ 212,428	5.8%
Travel	\$ 1,077,738	\$ 961,876	\$ 115,862	12.0%
Meet & Conferences	\$ 2,983,257	\$ 2,976,411	\$ 6,846	0.2%
Publications	\$ 3,346,024	\$ 2,907,461	\$ 438,563	15.1%
Operating	\$ 2,416,351	\$ 1,701,934	\$ 714,417	42.0%
Transfers	\$ 438,609	\$ 193,669	\$ 244,940	126.5%
Total	\$ 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	\$ (1,372,230)	\$ 437,067	\$ (935,163)	214.0%

GENERAL FUND NET ASSET USAGE

Beginning Net Asset Balance	\$ 1,428,293
FY 2012 Net Loss	\$ (1,372,230)
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>
Dues	\$ 2,675,339	\$ 2,650,905	\$ 24,434	0.9%
Publishing	\$ 5,318,568	\$ 5,400,863	\$ (82,295)	-1.5%
Meetings and Conferences	\$ 5,341,535	\$ 3,592,348	\$ 1,749,187	48.7%
Contributions	\$ 776,923	\$ 839,179	\$ (62,256)	-7.4%
Miscellaneous	<u>\$ 1,225,181</u>	<u>\$ 1,196,940</u>	<u>\$ 28,241</u>	<u>2.4%</u>
Total	<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>
Payroll	\$ 5,329,751	\$ 5,280,221	\$ 49,530	0.9%
Outside Services	\$ 1,535,364	\$ 1,309,206	\$ 226,158	17.3%
Travel	\$ 764,969	\$ 415,387	\$ 349,582	84.2%
Meetings and Conferences	\$ 2,000,197	\$ 2,007,018	(\$ 6,821)	-0.3%
Publications	\$ 1,360,263	\$ 1,619,005	(\$ 258,742)	-16.0%
Operating	\$ 1,105,875	\$ 1,076,712	(\$ 147,383)	-12.0%
Interunit Transfers	\$ 217,401	\$ 343,426	(\$ 126,025)	-36.7%
Overhead	<u>\$ 1,982,298</u>	<u>\$ 1,597,304</u>	<u>\$ 384,994</u>	<u>24.1%</u>
Total	<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%

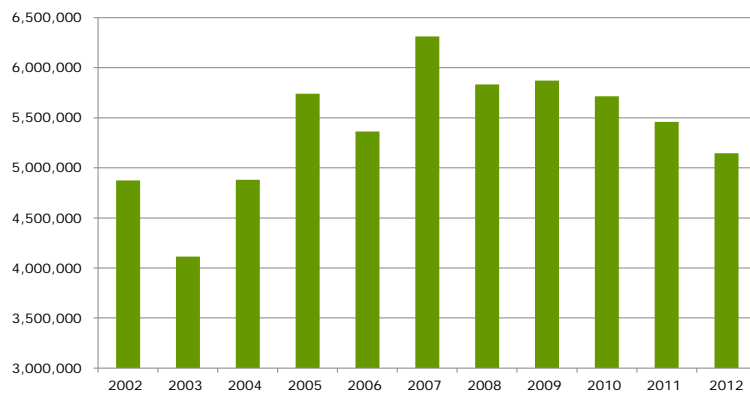
ROUNDTABLES SUMMARY REVENUES & EXPENSES

	<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%

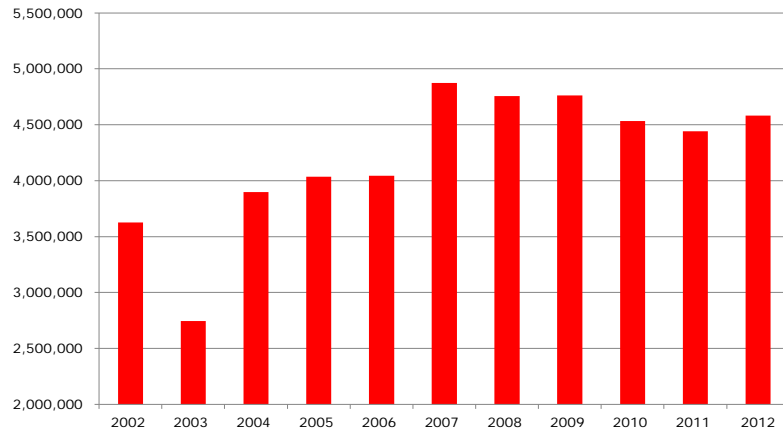
RETHINKING OF ANNUAL CONFERENCE AND THE MIDWINTER MEETING

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

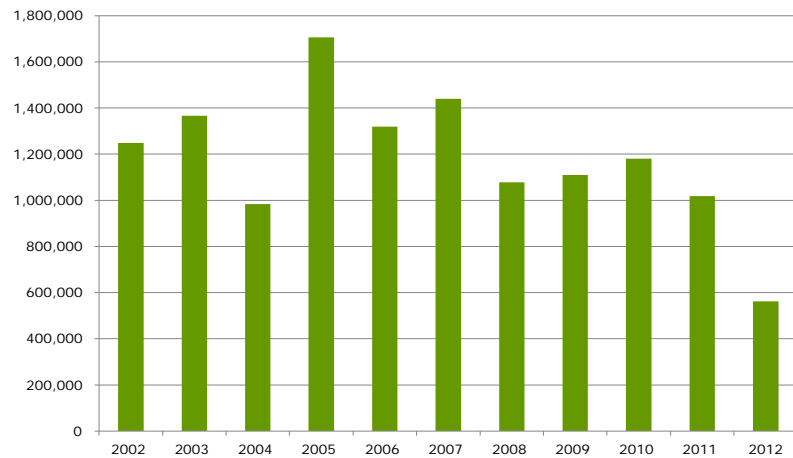
ANNUAL CONFERENCE REVENUES



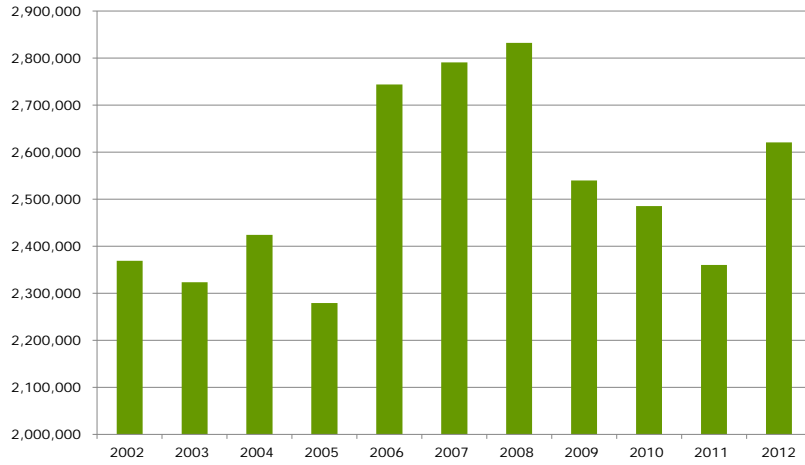
ANNUAL CONFERENCE EXPENSES



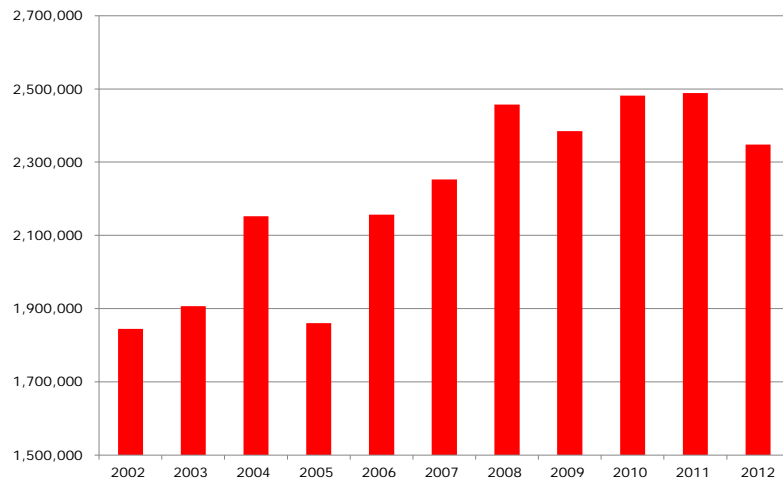
ANNUAL CONFERENCE NET REVENUE



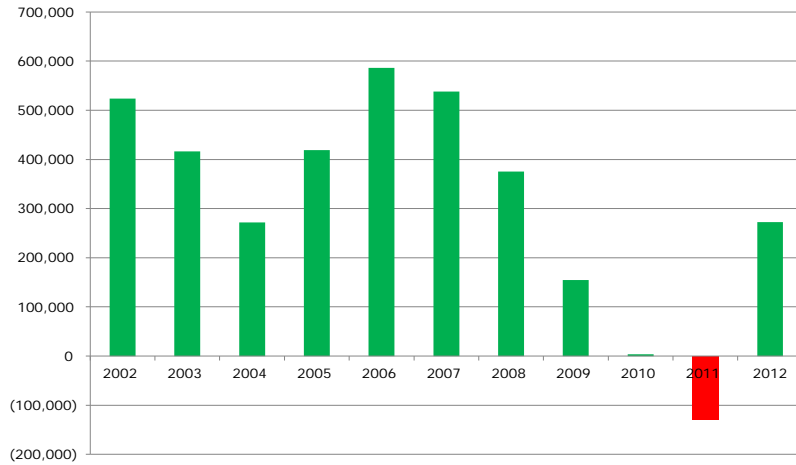
MIDWINTER MEETING REVENUES



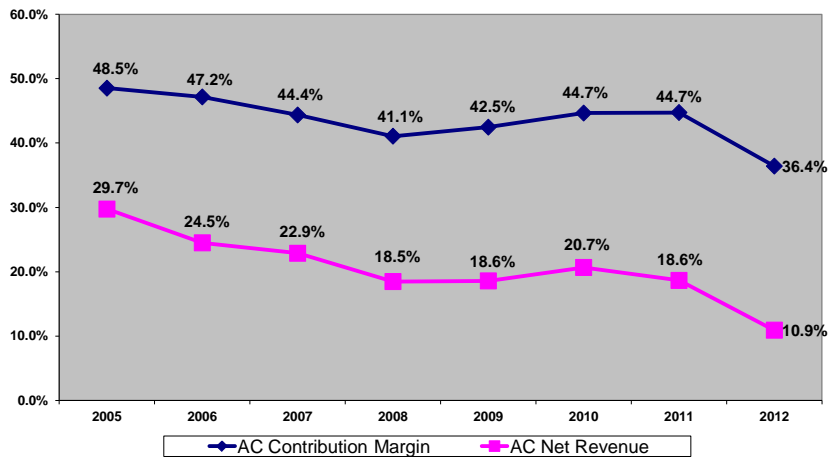
MIDWINTER MEETING EXPENSES



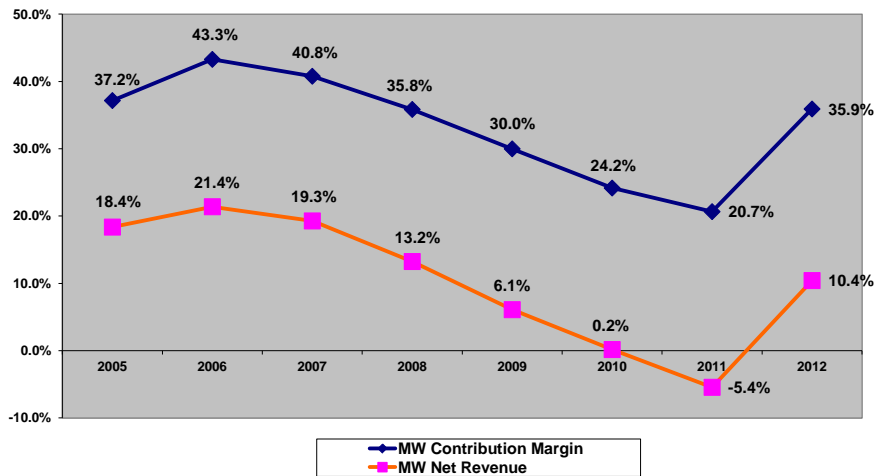
MIDWINTER MEETING NET RESULTS



ANNUAL CONFERENCE CONTRIBUTION AND NET REVENUE MARGINS



MIDWINTER MEETING CONTRIBUTION MARGIN AND NET REVENUE



MEMBER SUPPORT SERVICES

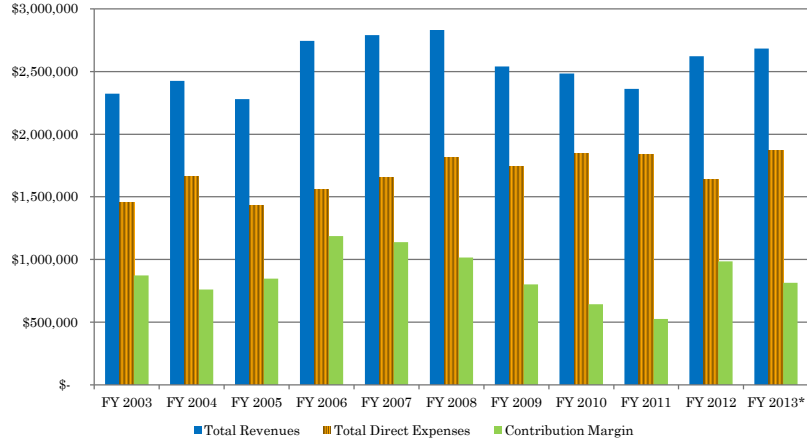
- SUPPORTED BY OVERHEAD -

	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%
Total	\$9,607,254	\$9,585,290	\$ 21,964	0.2%

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

MIDWINTER MEETING CONTRIBUTION

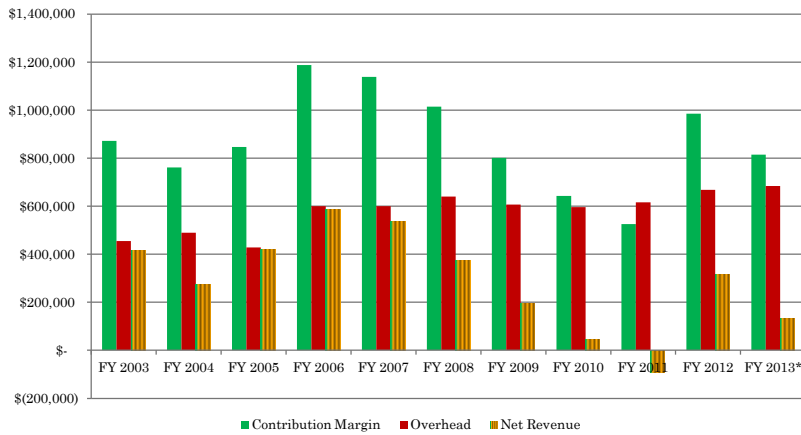
- TOTAL REVENUES, TOTAL DIRECT EXPENSES AND CONTRIBUTION MARGIN -



*Budget

MIDWINTER MEETING NET REVENUE

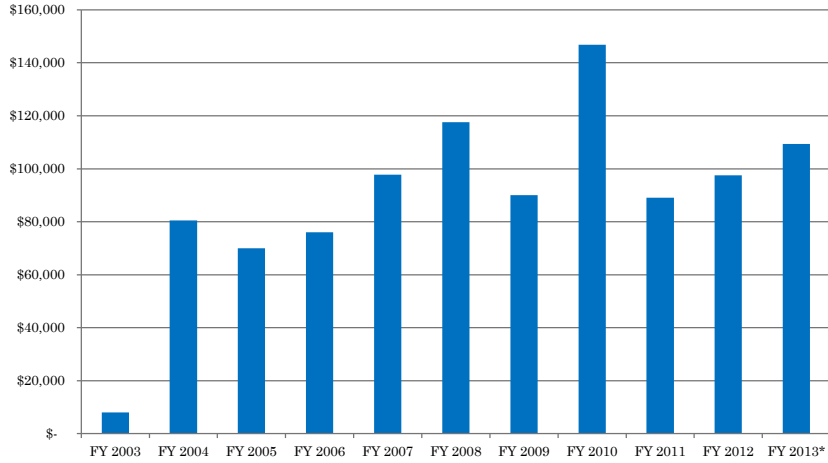
- CONTRIBUTION MARGIN, OVERHEAD AND NET REVENUE -



*Budget

MIDWINTER MEETING

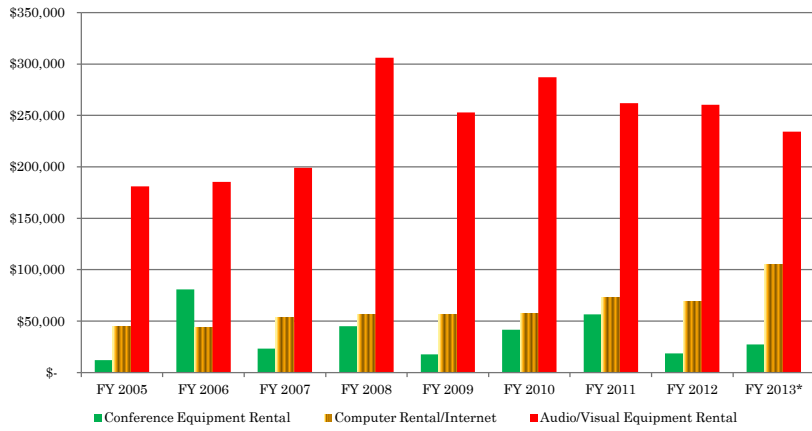
- SPECIAL TRANSPORTATION COSTS -



*Budget

MIDWINTER MEETING EXPENSES

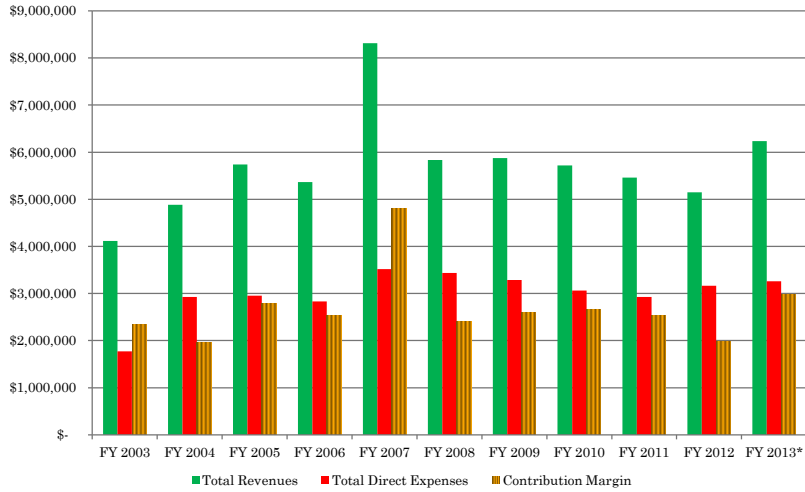
- CONFERENCE EQUIPMENT, COMPUTER/INTERNET AND AUDIO/VISUAL -



*Budget

ANNUAL CONFERENCE CONTRIBUTION

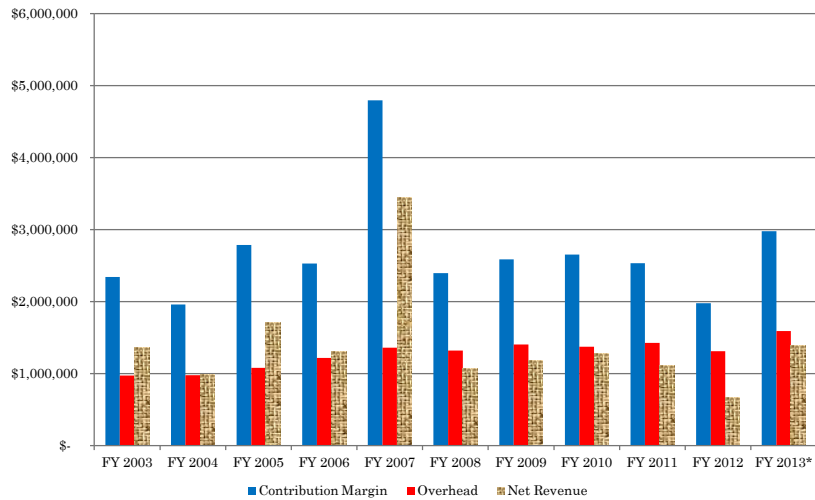
- TOTAL REVENUES, TOTAL DIRECT EXPENSES AND CONTRIBUTION MARGIN -



*Budget

ANNUAL CONFERENCE NET REVENUE

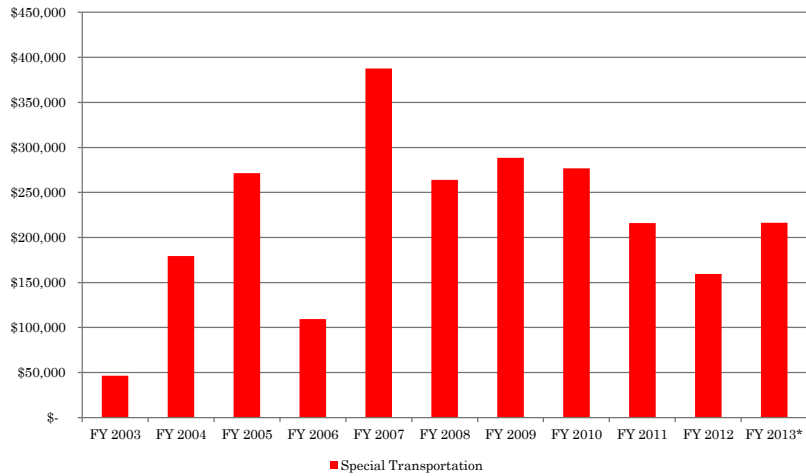
- CONTRIBUTION MARGIN, OVERHEAD AND NET REVENUE -



*Budget

ANNUAL CONFERENCE

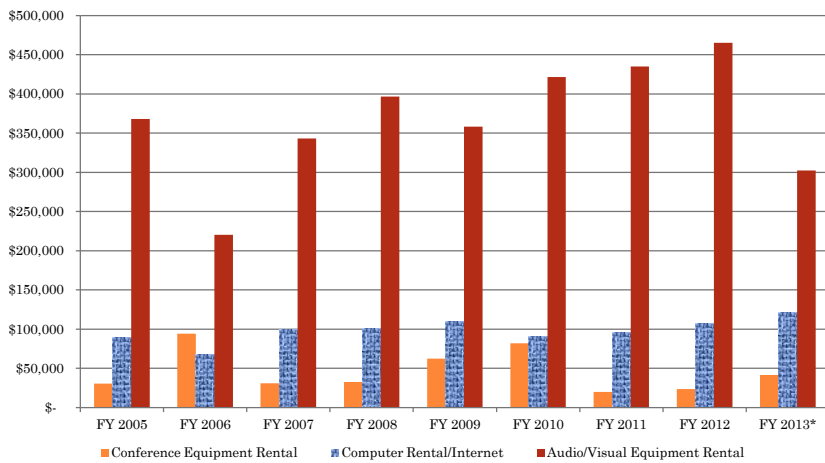
- SPECIAL TRANSPORTATION COSTS -



*Budget

ANNUAL CONFERENCE EXPENSES

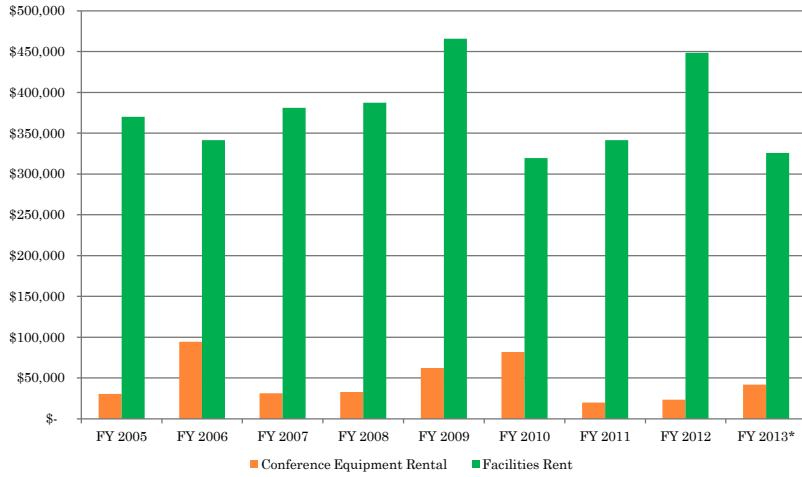
- CONFERENCE EQUIPMENT, COMPUTER/INTERNET AND AUDIO/VISUAL -



*Budget

ANNUAL CONFERENCE EXPENSES

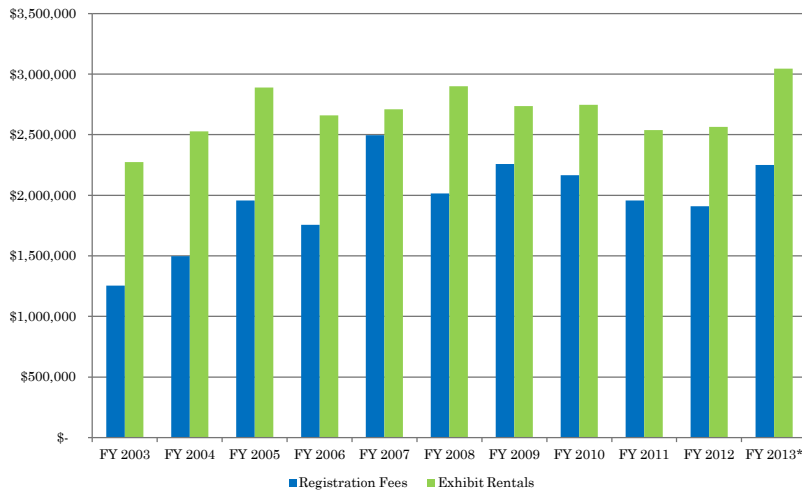
- CONFERENCE EQUIPMENT AND FACILITIES RENTAL -



*Budget

ANNUAL CONFERENCE REVENUE

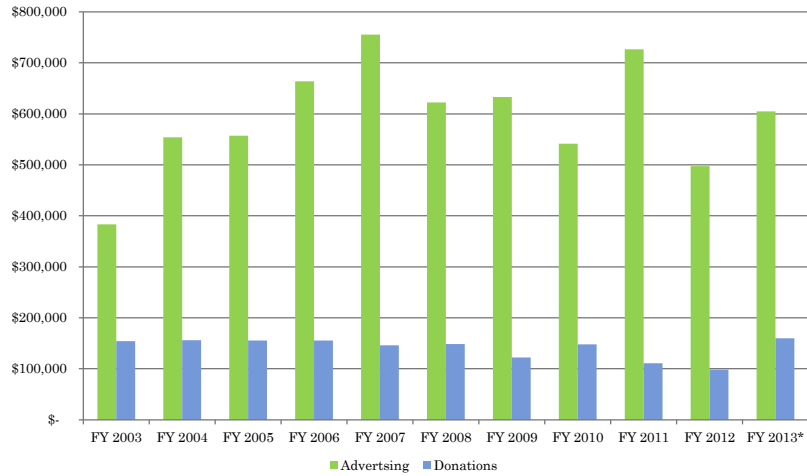
- REGISTRATION FEES AND EXHIBIT RENTAL -



*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

