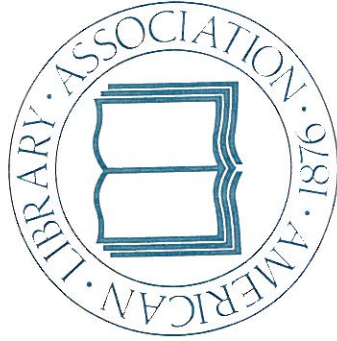


**Results of Operations**  
**July - FY 2008 Financials**



2008-09 EBD #14.1  
2008-09 BARC #5.1

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## **July FY 2008 Financials Executive Summary**

The July results represent eleven months of activity, which were electronically issued to unit managers on August 28. This commentary highlights actual revenue and expense results as compared to the approved budget including highlights of key financial indicators.

The Management Group prepares a detailed analysis, which is transmitted to Accounting for review and inclusion in this commentary. This summary commentary represents the total ALA, the General Fund departments including: Publishing Services, Support Services, Communications/Member Relations and Member Programs and Services, as well as the Round Tables, Divisions, Grants and Awards and Long-Term Investments. The AED, Finance with the assistance of the Controller, coordinates a summary of key highlights and reports to the Executive Director and the Senior Management Group. The following financial summaries highlight variances against budget as well as year-to-year comparison of key indicators.

### **Highlights**

- *Total ALA (all combined funds) revenue of \$52,636,271 is \$2,168,567 more than budget. The General Fund revenue of \$26,174,956 is \$972,446 less than budget due in part to Publishing and Member Programs and Services. Division revenues are 1%, \$122,873 less than budget and Grants and Awards are \$3,292,427 more than budget year-to-date. Investment interest and dividends are less than budget by \$8,886 reaching \$762,312 year- to-date.*
- *Total ALA expenses of \$49,451,447 are 2%, \$831,683 more than budget. The General Fund expenses of \$25,175,302 are \$1,395,741, 5% less than budget. Divisions are \$999,906 less than budget. Grants and Awards are \$3,292,427 more than budget.*
- *Cash and short-term investments are \$21,107,381 as compared to \$20,483,683 last year due to higher deferred revenues for Grants and Awards and two division national conferences. The Long-Term Investment Fund is \$28,367,709 as compared to the \$30.2 million balance at August 2007.*

**July FY 2008 Financials**  
**Executive Summary – continued**

- Total assets are \$647,401, 1% more than July 2007 reaching \$66,734,530 due in part to the performance of the Grants and Awards and Cash/Short-Term Investments.
- Total liabilities are \$859,374, 3% more than July 2007, totaling \$33,743,747.
- Total ALA net assets are \$211,973, 1% less than July last year, totaling \$32,990,783.

**OPERATING FUND**

General Fund

Total revenues of \$26,174,956 are \$972,446, 4% less than budget. Revenues are 1% or \$234,787 more than FY 2007 at this time.

Publishing revenues are less than the budget by \$519,445 due primarily to ALA Editions, Booklist and Graphics. Note: The Publishing net revenue for July year-to-date is more than budget by \$31,923, reaching \$925,796. Publishing revenues are projected to be \$760,000 less than budget, and net revenue for the year is expected to be less than budget by \$133,000.

Dues income is less than budget by \$20,585, totaling \$5,147,955, which is \$392,762 greater than last year. Dues are projected to be less than budget by \$20,000.

Registration and exhibit income for Annual Conference are not expected to meet budget, which are currently 4% and 6% less than budget, respectively. Annual Conference net revenue is projected to be \$500,000 less than budget.

Total expenses of \$25,175,302 are \$1,395,741 or 5% less than budget. Member Programs and Services expenses are \$820,634 less than budget due primarily to Annual Conference (\$592,525 under budget), ITTS \$169,069 under budget and timing of Midwinter expenses (\$75,129 over budget) and OIF \$132,078 under budget. Note: 1) Annual Conference expenses are still being processed. 2) Communication expenses are \$114,634 less than budget and Publishing is \$519,445 less than budget. Business Expenses are \$326,546.

**July FY 2008 Financials**  
**Executive Summary – continued**

more than budget due to 2010 strategic initiative expenditures, which are to be charged against net assets and due to the CHOICE down payment, which will also be adjusted. Executive Board and Council committee expenses were \$91,250 less than budget. Salary savings total \$1,392,715, of which savings (attrition) through July was budgeted at \$557,206. Note: Professional Services are \$765,802 over budget and temporary employees are \$215,910 over budget.

Healthcare costs are \$210,231 over budget and are budgeted to be \$240,000 over by year-end. ALA has received a \$246,000 reimbursement from Blue Cross/Blue Shield.

**PUBLISHING SERVICES**

Total Revenues for Publishing are \$487,522 less than budget. Total Expenses are \$519,445 less than budget. Net Revenues are \$31,923 more than budget. ALA Editions is \$189,676 less than budget in Total Revenues, \$43,002 less than budget in Total Expenses, and \$146,674 less than budget in Net Revenues. Book Sales are close to budget but returns are high and Order Processing/Fulfillment expenses are high because of that. The publication of *Guide to Reference* has been moved to FY09 which will create a shortfall of \$180,000 in Total Revenues.

Booklist Publications (comprising Booklist, Ancillary Products, and Booklist Online) is \$138,141 less than budget in Total Revenues, \$130,796 less than budget in Total Expenses, and \$7,345 less than budget in Net Revenues. Subscription revenues are \$16,014 less than budget in Booklist and \$17,259 more than budget in Booklist Online. Net advertising revenues are \$239,375 less than budget in Booklist and \$31,076 less than budget in Booklist Online. Book Links is \$24,692 less than budget in Total Revenues, \$27,769 less than budget in Total Expenses, and \$3,077 more than budget in Net Revenues. Subscriptions are \$19,517 more than budget. Net Advertising Revenues are \$44,418 less than budget. American Libraries is \$72,251 more than budget in Total Revenues and \$64,886 more than budget in Total Expenses, resulting in a Subscription Equivalent that is \$7,365 less than (i.e., better than )budget. Net Advertising Revenue is \$10,135 more than budget, which is 35% more than last year actual. Total Classified advertising revenues (print and online) are \$66,145 more than budget. jobLIST online revenues now represent about 62% of total classified revenue. ALA Online Resources (formerly ALA TechSource) is \$42,537 more than budget in Total Revenues, \$80,741 more than budget in Total Expenses, and \$38,204 less than budget in Net Revenues. Print subscription revenues are basically on budget and web subscription revenues are about 50% more than budget. Sales of individual issues are \$32,385 more than



**July FY 2008 Financials**  
**Executive Summary – continued**

budget. The primary source for the variance in Direct Expenses is the staff transfer from ALA Editions to this new imprint. ALA Graphics is \$249,801 less than budget in Total Revenues and \$253,752 less than budget in Total Expenses, and \$3,951 more than budget in Net Revenues. Production Services is \$220,311 better than budget in large part because of a one-time adjustment for writing off a database development cost. Normal operations should continue toward budget by year end.

Forecast: Total Revenues will be less than budget mainly because of Guide to Reference and advertising revenues in all publications. Total operating expense savings will help offset that shortfall, but General Overhead will be about \$165,000 less than budget because of the shortfall in Total Revenues. The Subscription Equivalent for *American Libraries* will be about \$24,000 better than budget because of revenue increases and expense savings. Net Revenues for the Department will be about \$12,000 more than budget.

**STAFF SUPPORT SERVICES**

Units include: Staff/Office Support Services, Distribution Center, Reprographics Center, Building Maintenance and Contractor Services: Security and Janitorial Services.

The variance of \$12,793 includes Staff/Office Support Services, Election Processing, Distribution Center and Reprographics Center. In review, one contributor to the variance of (\$31,400) are salaries, attrition and benefits due to salary increases, retroactive pay and special compensation that was insufficiently budgeted for all reporting units.

As discussed at various meetings, the election process for 2008 exceeded the budget (\$45,027) due to the processing of the biographical information for ALA Officers and Council candidates and budget allowance. For the 2009 election, the Executive Office has reassigned the responsibility regarding the processing of this material and an addition of an outside contractor.

**July FY 2008 Financials**  
**Executive Summary – continued**

Building Maintenance has an unfavorable variance of (\$30,659), Security Services (\$26,790) due to upgrades required by the Chicago Fire Department for door magnets for the fire alarm system located at the North/South separation (intersecting offices) and additional cameras that were installed at the 50 East and 40 East entrances and the parking area behind the 50 East building.

Utilities: Natural Gas and Electric. Variance of (\$26,790). Natural Gas for November 2008 – March 2009 is projected at an increase of 8.5%. In the Illinois market trend an increase of 3.1% for electric is projected. Every hurricane/tropical storm has a direct effect on the cost of utilities. Crude Oil fell to a 5-month low; currently trading at \$108 a barrel. Natural Gas and Electric prices also fell but, rebounded in recent trading sessions. In conclusion, additional price volatility with added uncertainty is expected.

Round Tables

The Round Tables revenues of \$332,004 are \$40,371 more than budget due primarily to higher meal functions, donations and registration fees, round table expenses of \$215,066 are less than budget by \$39,558 due primarily to lower conference equipment, and cost of sales.

Plant Fund

Depreciation expense of \$414,050 is \$12,817 over budget. The Plant Fund transfer is \$1,551,965, \$16,653 more than budget, and is now being recorded monthly as a credit to the Plant Fund with an offsetting charge to the General Fund.

**GRANTS AND AWARDS (RESTRICTED FUND)**

Revenues and expenses of \$10,188,843 are \$3,292,427 more than the budget due to timing of several grants, most notably NEH Picturing America – 1, \$166,687, NEH Picturing America – 2, \$380,612, Ben Franklin, \$188,776, Dollar General, \$337,533, Verizon Adult Lit, \$196,551, WTP Created Equal, \$257,134, Gates E-Rate Program, \$346,826, Gates Sustaining Library Symposium, \$1,370,647, Public Awareness Campaign, \$160,494, and Next Book, \$171,306. Note: Grants and Awards generated 1295% or \$5,749,635 more than the FY 2007 actual.

**July FY 2008 Financials**  
**Executive Summary – continued**

**SALARIES**

General Fund salaries through July are \$1,392,715 less than budget. This is \$785,502 more than the total years 5% salary attrition budget of \$607,213. In addition, temporary help is under budget by \$32,160 and overtime is over budget by \$32,086 year-to-date. Excess salary savings including temporary help and overtime is \$1,392,789.

Total General Fund Salaries	FY 2008 July 2008	FY 2007 July 2007
	\$12,144,222	\$11,486,132
July YTD Budget	\$11,160,074	\$10,473,916
Actual Salaries-July YTD	9,767,359	9,334,237
Salary Savings To Date	\$1,392,715	\$1,139,679
Total Projected Salary Savings: 5% Attrition (FY 2008)	607,213	574,307
Salary Savings Remaining To Be Achieved	(785,502)	(565,372)
Wages-Temporary Help		
Budget	75,625	65,032
Actual	43,465	79,656
Variance (over) under Budget	32,160	(14,624)
Overtime Wages		
Budget	85,454	89,248
Actual	117,540	119,460
Variance (over) under Budget	(32,086)	(30,212)
Salary Savings Required Including Wages & Overtime	(\$785,576)	(\$520,536)

**American Library Association**  
**Schedule 1 - Statement of Revenues and Expenses - Total ALA**

	YEAR TO DATE ACTUAL JULY 30, 2007	YEAR TO DATE ACTUAL JULY 30, 2008	YEAR TO DATE BUDGET JULY 30, 2008	VARIANCE	%	2008 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
GENERAL FUND	25,940,169	26,174,956	27,147,402	(972,446)	-4%	29,277,318	28,957,318	-1.09%
DIVISIONS	12,018,769	15,173,013	15,295,886	(122,873)	-1%	16,397,039	16,397,039	0.00%
ROUND TABLES	360,778	332,004	291,633	40,371	14%	347,479	347,479	0.00%
PLANT FUND	500	6,060	0	6,060	-	0	0	-
GRANTS AND AWARDS (RESTRICTED FUND)	4,439,208	10,188,843	6,896,416	3,292,427	48%	7,636,857	7,636,857	0.00%
LONGTERM INVESTMENT FUND (ENDOWMENT FUND)	806,000	761,395	836,367	(74,972)	-9%	913,987	913,987	0.00%
TOTAL REVENUES	43,565,424	52,636,271	50,467,704	2,168,567	4%	54,572,680	54,252,680	-0.59%
GENERAL FUND	25,343,519	25,175,302	26,571,043	1,395,741	5%	29,277,318	28,887,641	-1.33%
DIVISIONS	11,656,636	13,425,649	14,425,555	999,906	7%	15,553,504	15,553,504	0.00%
ROUND TABLES	231,610	215,066	254,624	39,558	16%	338,587	338,587	0.00%
PLANT FUND	500	6,060	0	(6,060)	-	0	0	-
GRANTS AND AWARDS (RESTRICTED FUND)	4,439,208	10,188,843	6,896,416	(3,292,427)	-48%	7,636,857	7,636,857	0.00%
LONGTERM INVESTMENT FUND (ENDOWMENT FUND)	362,590	440,527	472,126	31,599	7%	704,294	704,294	0.00%
TOTAL EXPENSES	42,034,063	49,451,447	48,619,764	(831,683)	-2%	53,510,560	53,120,883	-0.73%
EXCESS OF REVENUES OVER EXPENSES	1,531,361	3,184,824	1,847,940	1,336,884	72%	1,062,120	1,131,797	-6.56%
POST-RETIREMENT BENEFITS	0	0	0	0	-	-	-	-
NET REALIZED/UNREALIZED GAINS-BOND FUND	6,568	60,872	0	60,872	-	-	-	-
NET REALIZED/UNREALIZED GAINS-LT INVEST	2,087,552	(2,297,763)	1,011,767	(3,309,530)	-327%	1,105,350	1,105,350	0.00%
NET CONTRIBUTIONS/WITHDRAWALS-LT INVEST	401,407	526,146	220,737	305,409	138%	257,315	257,315	0.00%
NET REVENUES-TOTAL ALA	4,026,888	1,474,079	3,080,444	(1,606,365)	-52%	2,424,785	2,494,462	2.87%

FOR ADDITIONAL DETAIL SEE SCHEDULES 7 AND 8.

09/02/2008

American Library Association  
Schedule 1 – Commentary: Statement of Revenues and Expenses – Total ALA  
July FY 2008 Financials

ROUND TABLES

The Round Tables revenues of \$332,004 are \$40,371 more than budget due to higher meal functions, donations and registration fees. Expenses of \$215,066 are less than budget by \$39,558 due to conference related expenses and cost of sales.

PLANT FUND

Depreciation expense of \$414,050 is \$12,817 over budget. The Plant Fund transfer is \$1,551,965, \$16,653 over budget, and is now being recorded monthly as a credit to the Plant Fund with an offsetting charge to the General Fund.

GRANTS AND AWARDS

Revenues and expenses of \$10,188,843 are \$3,292,427 more than the budget due to timing of several grants, most notably NEH Picturing America – 1, \$166,687, NEH Picturing America – 2, \$380,612, Ben Franklin, \$188,776, WTP Created Equal, \$257,134, Gates E-Rate Program, \$346,826, Gates Sustaining Library Symposium, \$1,370,647, Dollar General, \$337,533, Verizon Adult Lit, \$196,551, Public Awareness Campaign, \$160,494, and Next Book, \$171,306.

LONG-TERM INVESTMENTS

Endowment Fund revenues of \$761,395 consisting of interest and dividend income are \$74,972 less than the budget of \$836,367. Net realized/unrealized losses are \$2,297,763 as compared to budgeted gains of \$1,011,767. On a stand-alone basis, the Blackrock Investment portfolio has realized losses of \$131,084 and unrealized losses of \$436,237. The Pimco portfolio has year-to-date realized gains of \$16,699 and unrealized gains of \$117,197. The NFJ portfolio has year-to-date realized gains of \$64,845 and unrealized losses of \$175,540. The Lazard International portfolio has year-to-date realized gains of \$242,979 and unrealized losses of \$699,790. The Marsico portfolio has realized losses of \$283,553 and unrealized losses of \$162,292. The Alliance portfolio has realized gains of \$90,780 and unrealized losses of \$666,084. The EMA-Heitman portfolio has realized losses of \$70,590 and unrealized losses of \$124,929. The Blackrock SRI portfolio has realized losses of \$10,621 and unrealized losses of \$27,827. Ariel has unrealized losses of \$41,716.

	<u>Realized</u>	<u>Unrealized</u>	<u>Net</u>
Blackrock	(131,084)	(436,237)	(567,321)
Pimco	16,699	117,197	133,896
NFJ/Lord Abbett	64,845	(175,540)	(110,695)
Lazard Intl	242,979	(699,790)	(456,811)
Marsico/Seneca	(283,553)	(162,292)	(445,845)
Alliance/Laurel	90,780	(666,084)	(575,304)
Ema-Heitman	(70,590)	(124,929)	(195,519)
Blackrock-SRI	(10,621)	(27,827)	(38,448)
Ariel	0	(41,716)	(41,716)
	<u>(\$80,545)</u>	<u>(\$2,217,218)</u>	<u>(\$2,297,763)</u>
TOTAL	=====	=====	=====

Net contributions/withdrawals consists of donations and other revenues, offset by life member dues transfers. The resulting figure in effect represents the net capital addition (reduction) made to the Endowment Fund. At July 31, 2008, the net contribution of \$526,146 is \$305,409 more than the budgeted net contribution of \$220,737. Expenditures totaling \$440,527 are \$31,599 more than budget.

The current annualized yield on Endowment Fund investments is as follows:

	BLACKROCK GULF	PIMCO/ALLIANZ CREDIT SUISSE	NF/J ALLIANZ (LORD)	LAZARD INTL	MARSICO/ SENECA	ALLIANCE/ LAUREL	EMA HETTMAN	BLACKROCK SRI	ARIEL	TOTAL	%	YIELD
CASH	64,943	344,597	115,883	366,516	654,946	253,327	22,817	6,556	230,207	2,059,792	7%	2.07%
GOVERNMENT SECURITIES		6,118,406								6,118,406	22%	4.38%
CORPORATE SECURITIES	2,785,150	3,773,823	1,291,308	3,205,563	4,142,404	3,667,080	1,112,203	210,979		3,773,823	13%	0.00%
EQUITIES										16,415,688	58%	2.02%
TOTAL	2,850,094	10,236,825	1,407,191	3,573,079	4,797,350	3,920,407	1,135,021	217,535	230,207	28,367,709	100%	

Composite: 2.26%



**American Library Association  
Schedule 2A - Statement of Revenues and Expenses - General Fund**

	YEAR TO DATE ACTUAL JULY 30, 2007	YEAR TO DATE ACTUAL JULY 30, 2008	YEAR TO DATE BUDGET JULY 30, 2008	VARIANCE	%	2008 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
<b>REVENUES:</b>								
PUBLISHING SERVICES	10,948,976	10,988,352	11,475,874	(487,522)	-4%	12,793,119	12,473,119	-2.5%
MEMBERSHIP PROGRAMS & SERVICES	9,222,185	8,942,464	9,485,084	(542,620)	-6%	9,622,385	9,622,385	0.0%
COMMUNICATIONS	4,801,255	5,187,310	5,219,035	(31,725)	-1%	5,745,451	5,745,451	0.0%
INTEREST INCOME	706,325	762,312	771,198	(8,886)	-1%	841,363	841,363	0.0%
MAIL LIST SALES	256,517	289,520	192,500	97,020	50%	275,000	275,000	0.0%
EXECUTIVE OFFICE (NOTE 1)	4,911	4,998	3,711	1,287	35%	0	0	-
<b>TOTAL REVENUES</b>	<b>25,940,169</b>	<b>26,174,956</b>	<b>27,147,402</b>	<b>(972,446)</b>	<b>-4%</b>	<b>29,277,318</b>	<b>28,957,318</b>	<b>-1.1%</b>
<b>EXPENSES:</b>								
PUBLISHING SERVICES	9,883,730	10,062,556	10,582,001	519,445	5%	11,605,874	11,216,197	-3.4%
MEMBERSHIP PROGRAMS & SERVICES	10,208,665	10,355,625	11,176,259	820,634	7%	11,843,301	11,843,301	0.0%
COMMUNICATIONS	2,387,823	2,741,610	2,856,244	114,634	4%	3,171,479	3,171,479	0.0%
EXECUTIVE OFFICE (NOTE 1)	4,680,942	4,647,440	4,971,039	323,599	7%	5,374,980	5,374,980	0.0%
FINANCE AND ACCOUNTING	1,161,673	1,250,550	1,309,261	58,711	4%	1,432,314	1,432,314	0.0%
OVERHEAD RECOVERED	(6,005,855)	(7,239,576)	(7,241,299)	(1,723)	-0%	(7,711,855)	(7,711,855)	-0.0%
BUSINESS EXPENSE (NOTE 2)	758,008	1,065,922	739,376	(326,546)	-44%	890,202	890,202	0.0%
GENERAL ADMINISTRATION-OTHER (NOTE 3)	114,314	250,504	113,473	(137,031)	-121%	402,320	402,320	0.0%
SUBSCRIPTION EQUIVALENT	628,989	486,706	496,071	7,365	1%	557,253	557,253	0.0%
PLANT FUND TRANSFER	1,525,230	1,551,965	1,568,618	16,653	1%	1,711,450	1,711,450	0.0%
<b>TOTAL EXPENSES</b>	<b>25,343,519</b>	<b>25,175,302</b>	<b>26,571,043</b>	<b>1,395,741</b>	<b>5%</b>	<b>29,277,318</b>	<b>28,887,641</b>	<b>-1.3%</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>596,650</b>	<b>999,654</b>	<b>576,359</b>	<b>423,295</b>	<b>73%</b>	<b>0</b>	<b>69,677</b>	<b>-</b>
POST-RETIREMENT BENEFITS	0	0	0	0	-	0	0	-
NET REALIZED/UNREALIZED GAINS-BOND FUND	6,568	60,872	0	60,872	-	-	-	-
<b>NET REVENUES</b>	<b>603,218</b>	<b>1,060,526</b>	<b>576,359</b>	<b>484,167</b>	<b>84%</b>	<b>0</b>	<b>69,677</b>	<b>-</b>

NOTE 1: EXECUTIVE OFFICE INCLUDES THE EXECUTIVE OFFICE, EXECUTIVE BOARD, COUNCIL INTERNATIONAL RELATIONS, OPERATIONS SUPPORT, AWARDS, THE DEVELOPMENT OFFICE, AND HUMAN RESOURCES.

NOTE 2: BUSINESS EXPENSE INCLUDES LEGAL FEES, AUDIT FEES, BANK SERVICE FEES, INSURANCE, TELEPHONE, DEPRECIATION, MAINTENANCE AGREEMENTS AND OTHER MINOR ACCOUNTS.

NOTE 3: GENERAL ADMINISTRATION-OTHER INCLUDES NET BENEFIT EXPENSE, THE EXECUTIVE DIRECTORS CONTINGENCY AND OTHER MINOR EXPENSES.

AMERICAN LIBRARY ASSOCIATION  
SUPPORTING STATEMENT OF REVENUES AND EXPENSES-EXECUTIVE OFFICE

SECTION II  
SCHEDULE 2.1

UNIT	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	VARIANCE	%	2008	2ND	% CHANGE
	ACTUAL	ACTUAL	BUDGET					
	JULY 30, 2007	JULY 30, 2008	JULY 30, 2008			ANNUAL	PROJECTION	BUDGET
<b>REVENUES</b>								
101 COUNCIL	700	0	0	0	-	0	0	-
102 EXECUTIVE BOARD	2,800	0	0	0	-	0	0	-
103 EXECUTIVE OFFICE (9098)	0	0	0	0	-	0	0	-
114 DEVELOPMENT OFFICE	253	53	0	53	-	0	0	-
150 WASHINGTON OFFICE	173	461	0	461	-	0	0	-
151 OITP	0	0	0	0	-	0	0	-
152 OGR	0	100	0	100	-	0	0	-
591 DONATIONS (9111,9140,9100)	985	4,384	3,711	673	18%	0	0	-
	4,911	4,998	3,711	1,287	35%	0	0	-
<b>EXPENSES</b>								
101 COUNCIL	120,592	132,682	131,256	(1,426)	-1%	146,890	146,890	0.0%
102 EXECUTIVE BOARD	269,092	286,853	379,529	92,676	24%	391,312	391,312	0.0%
103 EXECUTIVE OFFICE	670,115	686,027	660,391	(25,636)	-4%	719,089	719,089	0.0%
114 DEVELOPMENT OFFICE	316,592	335,165	381,060	45,895	12%	413,390	413,390	0.0%
150 WASHINGTON OFFICE	845,674	891,792	900,610	8,818	1%	980,574	980,574	0.0%
151 OITP	371,655	414,405	417,304	2,899	1%	450,447	450,447	0.0%
152 OGR	744,145	719,442	846,149	126,707	15%	921,766	921,766	0.0%
230 AWARDS PROGRAMS	8,721	7,046	7,479	433	6%	7,571	7,571	0.0%
- OPERATIONS SUPPORT	700,864	639,551	652,344	12,793	2%	696,347	696,347	0.0%
506 HUMAN RESOURCES	633,492	534,477	594,917	60,440	10%	647,594	647,594	0.0%
592 GENERAL FUND ALLOCAT (9152)	0	0	0	0	-	0	0	-
	4,680,942	4,647,440	4,971,039	323,599	7%	5,374,980	5,374,980	0.0%

09/02/2008

SECTION II  
SCHEDULE 2.3

AMERICAN LIBRARY ASSOCIATION  
SUPPORTING STATEMENT OF EXPENSES-STAFF SUPPORT SERVICES

EXPENSES UNIT	YEAR TO DATE ACTUAL JULY 30, 2007	YEAR TO DATE ACTUAL JULY 30, 2008	YEAR TO DATE BUDGET JULY 30, 2008	VARIANCE	%	2008 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
501 STAFF SUPPORT/OFFICE SERVICES	520,596	540,097	496,105	(43,992)	-9%	525,943	525,943	0.0%
509 DISTRIBUTION CENTER	312,709	245,618	334,942	89,324	27%	365,625	365,625	0.0%
509 IUT/DISTRIBUTION	(144,398)	(127,820)	(153,985)	(26,165)	-17%	(168,000)	(168,000)	-0.0%
510 REPROGRAPHICS CENTER	226,692	223,542	227,351	3,809	2%	247,779	247,779	0.0%
510 IUT/REPROGRAPHICS	(214,735)	(241,886)	(252,069)	(10,183)	-4%	(275,000)	(275,000)	-0.0%
511 BUILDING MAINTENANCE	0	0	0	0	-	0	0	-
TOTAL EXPENSES	700,864	639,551	652,344	12,793	2%	696,347	696,347	0.0%

09/02/2008

American Library Association  
Schedule 2A – Commentary: Statement of Revenues and Expenses – General Fund  
July FY 2008 Financials

INTEREST  
INCOME

Year-to-date interest on short-term investments is \$762,312, \$8,886 less than the budget of \$771,198. The actual average invested balance for the eleven months ending July 31, 2008 was \$16,598,060 with a yield of 4.22%. In comparison, at July 31, 2007 the actual average invested balance was \$16,057,262 with a yield of 4.80%. As of July 31, 2008 the net realized/unrealized gain <loss> on the investment managed by Neuberger Berman was a net gain of \$60,872, as compared to the \$375,662 cumulative loss at August 31, 2007. The net year-to-date gain is comprised of \$103,282 of realized gains and \$42,410 of unrealized losses. According to the Association's investment policy, any realized and unrealized gains and losses at year-end becomes a component of the appropriated fund balance and as such is carried forward in the fund balance to subsequent fiscal years.

INVESTMENT TYPE	FOR THE MONTH OF JULY, 2008				INTEREST INCOME (MONTH)	INTEREST INCOME (YTD)
	AVG VALUE	MARKET VALUE	%	YIELD		
Money Market Funds	172,593	172,593	1%	2.33%	266	7,426
Government Securities	8,865,579	8,865,579	70%	4.74%	23,316	353,798
Corporate Bonds	3,675,707	3,675,707	29%	5.56%	16,770	165,935
						0
Subtotal-Bond Fund	12,710,875	12,713,879	100%	5.03%	40,352	527,159
Certificates of Deposit	0	0	0%	0%	0	0
Institutional Funds	374,478	374,843	2%	2.33%	731	10,669
Money Market Funds	0	0	0%	0%	0	0
Cash in Bank	8,406,559	7,989,437	38%	1.78%	4,273	101,787
Other-Industrial Securities	29,222	29,222	0%	0%	0	0
B of A Swap Agreement					15,947	175,417
Endowment Transfer						
Total Cash and Investments	21,521,133	21,107,381	100%		61,303	817,471
Gates Foundation Interest		0			(2,300)	(55,159)
Net Cash and Investments		21,107,381			59,003	762,312

On an overall basis, the bond portfolio yield is 5.03%. The Gates Foundation requires that interest earned on unspent funds are credited to the grant balances.

MAIL LIST RENTAL

Mail list sales are 50%, \$97,020 more than budget. Mail list sales were projected to be less than budget as more electronic mail lists, as compared to mailing labels, are requested.

OVERHEAD

At July 31, 2008, total overhead recovery of \$7,239,576, is \$1,723 less than the budget of \$7,241,299. The overhead recovery is more than budget in Public Programs, American Libraries, Midwinter, PLA Restricted Funds and Techsource, offset by less budget recoveries in Book Links, Booklist, PLA, ACRL and ALSC.

EXECUTIVE OFFICE/  
GOVERNANCE

This section tracks expenses associated with support of the governance function (Executive Board, Council, President, President-Elect) of the Association.

**Council Administration [11-101-0000]:** Approximately \$33,702 or 91% of the FY08 Council administrative budget of \$36,953 has been spent to date. No unusual expenses are anticipated for FY08.

**Executive Board Administration [11-102-0000]:** To date, expenditures are approximately \$35,500 or 72% of a total budget of \$49,240. Taking into account all outstanding expenditures, there should be approximately \$12,500 remaining at the end of the fiscal year.

**Planning and Evaluation [11-102-0104]:** All expenses in this project line to date are for consulting work performed by Patricia Earnest. Expenditures as of July 2008 are \$13,688 or 54% of the total \$25,000 budget.

**Fall Board Meeting [11-102-0118]:** Expenses for the Fall Executive Board meeting, held in Chicago on October 19-21, total \$29,353 or approximately 1% of the total budget of \$27,636. The overage is the result of an additional hotel room and internal reprographics charges as more documents were sent to the Reprographics Department rather than being copied on the Governance Office photocopiers. There will be no additional charges to this line in FY08.

**Spring Board Meeting [11-102-0115]:** The Spring Executive Board meeting held in Chicago on April 11-13, generated expenses totaling \$20,999, or approximately 79% of the total budget of \$26,586. There will be no additional charges to this line in FY08.

**President: [11-102-0100] (Support)** As of July 31, 2008, approximately \$9,541 or 16% remains from a total budget of \$66,475. With outstanding expenditures of approximately 8,000, \$1,500 should remain in this budget at the close of the fiscal year.

**0103 Budget (Initiatives):** To date, President Roy has spent approximately \$60,043 of her Presidential Initiatives budget of \$100,000, leaving a remaining budget of \$39,957. Although we are still awaiting final figures from the 2008 Annual Conference, outstanding debits indicate that approximately \$20,000 (20%) will remain in the Presidential Initiatives budget.

**President-Elect: [11-102-0101] (Support)** As of July 31, 2008, \$12,199 remains from a total budget of \$55,260. Approximately \$5,000 in actual and estimated charges is to be applied to this budget. These estimates include expenses for the Inaugural Banquet. Based on these outstanding debits, \$7,000 or 13% of the President-elect Support budget remains.

**[11-102-0113] (Advisory Committee)** To date, President-elect Rettig has spent approximately \$12,441 of his Advisory Committee budget of \$15,570. A balance of approximately \$3,129, or 20% of the total budget of \$15,570, remains.

**[11-102-0122] (Incoming President's Expenses)** This is the interim budget bridging the two-month period from the Inaugural Banquet through the end of the fiscal year for President Jim Rettig. As of July 31, 2008, \$847 has been spent from this \$9,355 budget. Taking into account President Rettig's IFLA expenses, there should be approximately \$4,000 remaining in this budget.

**[11-102-0123] (Incoming President-elect's Expenses)** This is the interim budget bridging the two-month period from the Inaugural Banquet through the end of the fiscal year for President-elect Camila Alire. As of July 31, 2008, \$2,353 of the \$4,000 budget has been spent. It is anticipated that very little will remain at the end of the fiscal year.

**Executive Office [11-103-0000]:** \$686,027 or approximately 95% of the FY08 Executive Office administrative budget of \$719,089 has been spent to date. The salary savings realized following the departure of the former Director of the Office of ALA Governance has enabled us to bring in a consultant to work with us on the Governance Office website and troubleshoot following the conversion to Collage as well as hire a temporary assistant to assist with the workload in the absence of a full-time Board secretariat. The temp's services will terminate effective June 25 when we depart for Annual Conference. We plan to continue our relationship with the web consultant on an as-need basis through the rollout of the new ALA Website. Unfortunately, these expenditures will result in a budget shortfall of approximately \$59,000 at the end of the fiscal year.



WASHINGTON  
OFFICE

**Washington Office Administration** is \$18,758 over budget for the month of July and is 1% under budget for year to date expenses. The overage for this month is partially attributed to the unplanned costs associated with the local telephone switch over of service initiated by AT&T which involved work by a cabling service, network support service, and telephone service consultant; renewal of internet security licensing; rug cleaning; and advertising costs for the vacant Press Officer position. Although the Washington Office expects to be within budget at the end of the fiscal year, the total amount depends upon the cost of accrued staff vacations and any other unforeseen deductions.

**OGR** is \$20,171 over budget for the month of July and is 15% under budget for the year to date. This overage is attributed to the number of professional services contract payments which fell due this month. These contracts were initiated to cover the staff vacancies in OGR. OGR expects to finish the fiscal year within budget.

**OITP** is \$19,359 over budget for the month of July and 1% under budget on year to date expenditures. This over budget figure is attributed to the payment of Professional Services expenses that is being offset by the payment of partial OITP salaries and benefits out of Restricted Grant funds. OITP expects to finish the fiscal year within budget.

BUSINESS  
EXPENSE  
Expenses totaling \$1,065,922, are 44%, \$326,546 over budget due primarily to 2010 strategic initiatives expenditures.

GENERAL  
ADMINISTRATION

This category consists of employee benefits expense, the Executive Director's Contingency Fund and several other accounts. The majority of the \$137,031 variance to budget relates to expenses in the employee benefits area and the Executive Director's Contingency Fund (due to the timing of budget vs. actual). Total benefits expense actually incurred is \$4,026,846 as compared to the budget of \$4,113,312. Charges to units are \$460,987 less than the budget. In addition, FICA taxes are \$128,639 under budget, Tiaa-Cref is \$118,186 under budget and health insurance is \$210,231 over budget.

**American Library Association**  
**Schedule 2B - Statement of Revenues and Expenses - Communications & Member Relations**

REVENUES UNIT	YEAR TO DATE ACTUAL	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE	%	2008	2ND	% CHANGE FROM BUDGET
	JULY 30, 2007	JULY 30, 2008	JULY 30, 2008			ANNUAL BUDGET	QUARTER PROJECTION	
100 MANAGING DIRECTOR	23,090	22,516	15,000	7,516	50%	30,000	30,000	0.0%
104 LIBRARY	0	612	0	612	-	0	0	-
109 ORS	0	0	0	0	-	0	0	-
111 INTERNATIONAL RELATIONS	2,103	0	0	0	-	0	0	-
113 PIO	10,002	6,833	19,245	(12,412)	-64%	21,000	21,000	0.0%
115 PUBLIC PROGRAMS	377	0	0	0	-	0	0	-
120 LIBRARY ADVOCACY	0	4,125	15,000	(10,875)	-73%	30,000	30,000	-
250 CUSTOMER SERVICE	0	1,814	0	1,814	-	0	0	-
251 CHAPTER RELATIONS	10,490	3,455	1,250	2,205	176%	2,500	2,500	0.0%
591 MEMBERSHIP DEVELOPMENT	4,755,193	5,147,955	5,168,540	(20,585)	-0%	5,661,951	5,661,951	0.0%
<b>EXPENSES</b>	<b>4,801,255</b>	<b>5,187,310</b>	<b>5,219,035</b>	<b>(31,725)</b>	<b>-1%</b>	<b>5,745,451</b>	<b>5,745,451</b>	<b>0.0%</b>
100 MANAGING DIRECTOR	390,467	600,703	632,236	31,533	5%	702,266	702,266	0.0%
104 LIBRARY	282,793	312,309	328,998	16,689	5%	359,494	359,494	0.0%
109 ORS	156,499	179,068	191,738	12,670	7%	208,600	208,600	0.0%
111 INTERNATIONAL RELATIONS	177,401	187,206	194,124	6,918	4%	216,194	216,194	0.0%
113 PIO	602,747	563,362	551,139	(12,223)	-2%	603,793	603,793	0.0%
120 LIBRARY ADVOCACY	0	130,327	201,186	70,859	35%	247,510	247,510	0.0%
115 PUBLIC PROGRAMS	133,287	137,054	134,207	(2,847)	-2%	147,919	147,919	0.0%
250 CUSTOMER SERVICE	569,966	525,162	512,685	(12,477)	-2%	561,605	561,605	0.0%
251 CHAPTER RELATIONS	74,663	106,419	109,931	3,512	3%	124,098	124,098	0.0%
<b>NET REVENUES:</b>	<b>2,387,823</b>	<b>2,741,610</b>	<b>2,856,244</b>	<b>114,634</b>	<b>4%</b>	<b>3,171,479</b>	<b>3,171,479</b>	<b>0.0%</b>
100 MANAGING DIRECTOR	(367,377)	(578,187)	(617,236)	39,049	6%	(672,266)	(672,266)	-0.0%
104 LIBRARY	(282,793)	(311,697)	(328,998)	17,301	5%	(359,494)	(359,494)	-0.0%
109 ORS	(156,499)	(179,068)	(191,738)	12,670	7%	(208,600)	(208,600)	-0.0%
111 INTERNATIONAL RELATIONS	(175,298)	(187,206)	(194,124)	6,918	4%	(216,194)	(216,194)	-0.0%
113 PIO	(592,745)	(566,529)	(531,894)	(24,635)	-5%	(582,793)	(582,793)	-0.0%
115 PUBLIC PROGRAMS	(132,910)	(137,054)	(134,207)	(2,847)	-2%	(147,919)	(147,919)	-
250 CUSTOMER SERVICE	(569,966)	(523,348)	(512,685)	(10,663)	-2%	(561,605)	(561,605)	-0.0%
251 CHAPTER RELATIONS	(64,173)	(102,964)	(108,681)	5,717	5%	(121,598)	(121,598)	-0.0%
591 MEMBERSHIP DEVELOPMENT	4,755,193	5,147,955	5,168,540	(20,585)	-0%	5,661,951	5,661,951	0.0%
<b>TOTAL NET REVENUES</b>	<b>2,413,432</b>	<b>2,671,902</b>	<b>2,548,977</b>	<b>22,925</b>	<b>1%</b>	<b>2,791,482</b>	<b>2,791,482</b>	<b>0.0%</b>

NET REVENUES:

100 MANAGING DIRECTOR	(367,377)	(578,187)	(617,236)	39,049	6%	(672,266)	(672,266)	-0.0%
104 LIBRARY	(282,793)	(311,697)	(328,998)	17,301	5%	(359,494)	(359,494)	-0.0%
109 ORS	(156,499)	(179,068)	(191,738)	12,670	7%	(208,600)	(208,600)	-0.0%
111 INTERNATIONAL RELATIONS	(175,298)	(187,206)	(194,124)	6,918	4%	(216,194)	(216,194)	-0.0%
113 PIO	(592,745)	(566,529)	(531,894)	(24,635)	-5%	(582,793)	(582,793)	-0.0%
115 PUBLIC PROGRAMS	(132,910)	(137,054)	(134,207)	(2,847)	-2%	(147,919)	(147,919)	-
250 CUSTOMER SERVICE	(569,966)	(523,348)	(512,685)	(10,663)	-2%	(561,605)	(561,605)	-0.0%
251 CHAPTER RELATIONS	(64,173)	(102,964)	(108,681)	5,717	5%	(121,598)	(121,598)	-0.0%
591 MEMBERSHIP DEVELOPMENT	4,755,193	5,147,955	5,168,540	(20,585)	-0%	5,661,951	5,661,951	0.0%

TOTAL NET REVENUES

09/02/2008

**American Library Association**  
**Schedule 2B – Commentary: Statement of Revenues and Expenses – Communications & Member Relations**  
**July FY 2008 Financials**

The Communications and Member Relations Department is made up of the following units: The AED Office, which includes the ALA Handbook of Organization; Membership Development; Office for Library Advocacy; Chapter Relations Office; International Relations Office; Library; Member and Customer Services; Office for Research and Statistics; Public Information Office; and the Public Programs Office.

**AED Office**

Expenses are under budget because of the vacancy in the marketing specialist position, which is now filled. The 2007-2008 *ALA Handbook of Organization* was published in October and work on the 2008-2009 *Handbook* has begun. The Handbook has been prepared on a discontinued typesetting program and the 2008-2009 edition is being converted to an XML-based InDesign composition. Because of the cost of converting to the new system, it is expected that the budget for the *Handbook* will be fully expended by the close of the fiscal year. Due to salary savings beyond attrition, the AED Office will end the year under budget.

**Membership Development**

Membership dues revenue at \$5.1 million is under budget by about \$21,000, but almost \$393,000 more than this time last year. Overall ALA membership in July 2008 stood at 67,027 – up 2,371 members – a 3.67% increase from July 2007 (64,656 members). Three divisions and two roundtables had membership increases, while eight divisions and fifteen roundtables had decreases.

Personal membership dues continue to exceed budget projections due to aggressive reinstatement and new member recruitment. The organizational and corporate member categories are both experiencing weaker renewals this year. Membership dues are anticipated to be within +/- 1% of budget at the close of the year.

Real expenses for over/under dues payments and bank fees continue to apply contra-revenue pressure in excess of budget forecasts. Expenses for membership recruitment and retention are on track and are expected to be on budget at the close of the year. Postage costs for renewal notices and member ID cards continue to rise. The cost of printing member ID cards is front loaded into this year's budget and will not burden next year's expenses.

**Office for Library Advocacy**

The expenses are under budget due to the vacancy of the Communications Specialist, which is now filled. Expenses for the I Love Libraries Website are under budget due to timing issues on marketing materials. Expenses are projected to be under budget due to salary savings beyond attrition and delay on professional services projects.

**Chapter Relations Office**

Expenses are slightly under budget due to timing issues. It is expected that the budget will close under on expenses.

International Relations Office

Expenses are under budget due to timing issues. It is expected that the budget will close under on expenses.

Library

Expenses are under budget mainly due to a staff vacancy (now filled) and a delay in filling the half-time librarian position (also now filled). Expenses are projected to be under budget due to salary savings beyond attrition.

Member and Customer Services (MACS)

Expenses are over budget primarily due to the decline in the offset provided through processing registrations. A number of units have delayed their e-learning courses and educational offerings. Expenses are projected to be over budget because of the decrease in registration processing fees.

Office for Research and Statistics

The administrative project is under budget due to expense transfers to the Gates Foundation and NCES-ALS projects (e.g., salaries, conference calls, etc.). ORS provided \$10,000 to help support the Office for Library Advocacy's study on Libraries/Youth Services Advocacy Statistics. ORS also provided \$35,000 (total cost is \$45,000) to hire a research firm to conduct the member demographic study, part one of the Graduated Dues Task Force research recommendations. As noted in FY07, the Baber and Fyan spending accounts have insufficient funds to make awards this fiscal year and the awards have been suspended. Expenses are projected to be under budget due to the delay in filling the administrative assistant position.

Public Information Office and the Campaign for America's Libraries

Expenses for PIO are ahead of budget primarily due to additional expenses to support the Washington school library initiative. Spending controls have been put in place but it is anticipated that expenses will end over budget. Campaign expenses are under budget due to timing issues and will end the year on budget.

Public Programs Office

The General Fund net is slightly over budget primarily due to the 2007 merit increase and lack of attrition. This will be reduced to zero after grant transfers are made. Grants in the restricted fund are ahead of the budget projections by 90% and total \$2.9 million, exceeding the annual budget by \$1.6 million. Indirect costs are ahead of budget by about \$30,000. Indirect costs are projected to remain on or better than budget through year-end due to increases in scope of and additional projects. Cultural Community Fund (CCF) donations are ahead of projections by \$328,000. The CCF endowment fund net asset balance is \$1,325,000. These trends are expected to remain in force through year-end.



**American Library Association**  
**Schedule 3 - Statement of Revenues and Expenses - Publishing Services**

	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	VARIANCE	%	2008	2ND	% CHANGE
	ACTUAL	ACTUAL	BUDGET			ANNUAL	QUARTER	
	JULY 30, 2007	JULY 30, 2008	JULY 30, 2008			BUDGET	PROJECTION	BUDGET
<b>REVENUES:</b>								
ALA EDITIONS	2,442,006	2,524,312	2,713,988	(189,676)	-7%	3,120,040	2,940,040	-5.8%
BOOKLIST	4,362,521	4,430,787	4,588,928	(138,141)	-3%	5,092,290	4,937,290	-3.0%
BOOKLINKS	579,595	658,482	683,174	(24,692)	-4%	689,174	664,174	-3.6%
AMERICAN LIBRARIES	935,622	1,080,373	1,008,122	72,251	7%	1,091,793	1,121,793	2.7%
ALA TECHSOURCE	578,322	493,254	450,717	42,537	9%	506,982	516,982	2.0%
PRODUCTS AND PROMOTIONS (GRAPHICS)	2,050,910	1,801,144	2,050,945	(249,801)	-12%	2,292,840	2,292,840	0.0%
<b>TOTAL REVENUES</b>	<b>10,948,976</b>	<b>10,988,352</b>	<b>11,475,874</b>	<b>(487,522)</b>	<b>-4%</b>	<b>12,793,119</b>	<b>12,473,119</b>	<b>-2.5%</b>
<b>EXPENSES:</b>								
ALA EDITIONS	2,391,281	2,506,671	2,549,673	43,002	2%	2,824,098	2,575,858	-8.8%
BOOKLIST	3,665,942	3,831,319	3,962,115	130,796	3%	4,361,087	4,252,763	-2.5%
BOOKLINKS	586,578	602,472	630,241	27,769	4%	665,601	630,228	-5.3%
AMERICAN LIBRARIES	1,583,454	1,569,079	1,504,193	(64,886)	-4%	1,649,046	1,677,334	1.7%
SUBSCRIPTION EQUIVALENT	(628,989)	(488,706)	(496,071)	(7,365)	-1%	(557,253)	(555,541)	-0.3%
ALA TECHSOURCE	492,883	606,305	525,564	(80,741)	-15%	552,663	614,923	11.3%
PRODUCTS AND PROMOTIONS (GRAPHICS)	1,723,948	1,617,191	1,870,943	253,752	14%	2,141,725	2,057,725	-4.2%
MARKETING	19,285	3,408	215	(3,193)	-1485%	0	0	-
MARKETING ALLOCATION	0	0	0	0	-	0	0	-
UNALLOCATED SUPPORT UNITS	49,348	(185,183)	35,128	220,311	627%	(31,093)	(31,093)	-0.0%
<b>TOTAL EXPENSES</b>	<b>9,883,730</b>	<b>10,062,556</b>	<b>10,582,001</b>	<b>519,445</b>	<b>5%</b>	<b>11,605,874</b>	<b>11,216,197</b>	<b>-3.4%</b>
<b>NET REVENUES</b>	<b>1,065,246</b>	<b>925,796</b>	<b>893,873</b>	<b>31,923</b>	<b>4%</b>	<b>1,187,245</b>	<b>1,256,922</b>	<b>5.9%</b>
<b>NET REVENUES</b>								
ALA EDITIONS	50,725	17,641	164,315	(146,674)	-89%	295,942	364,182	23.1%
BOOKLIST	696,579	599,468	606,813	(7,345)	-1%	731,203	684,527	-6.4%
BOOKLINKS	(6,983)	56,010	52,933	3,077	6%	23,573	33,946	-44.0%
AMERICAN LIBRARIES	(18,843)	0	0	0	-	0	0	-
ALA TECHSOURCE	85,439	(113,051)	(74,847)	(38,204)	-51%	(45,681)	(97,941)	114.4%
PRODUCTS AND PROMOTIONS (GRAPHICS)	326,962	183,953	180,002	3,951	2%	151,115	241,115	59.6%
MARKETING	(19,285)	(3,408)	(215)	(3,193)	-1485%	0	0	-
UNALLOCATED SUPPORT UNITS	(49,348)	185,183	(35,128)	220,311	627%	31,093	31,093	0.0%
<b>TOTAL NET REVENUES</b>	<b>1,065,246</b>	<b>925,796</b>	<b>893,873</b>	<b>31,923</b>	<b>4%</b>	<b>1,187,245</b>	<b>1,256,922</b>	<b>5.9%</b>

FOR ADDITIONAL DETAIL SEE SCHEDULES 9 AND 10.



**SCHEDULE 3 - American Library Association**  
**COMMENTARY: STATEMENT OF REVENUES AND EXPENSES - PUBLISHING**  
**JULY FY 2008 FINANCIALS**

**PUBLISHING**

Total Revenues for Publishing are \$487,522 less than budget, Total Expenses are \$519,445 less than budget, and Net Revenues are \$31,923 more than budget.

**ALA Editions**

Total Revenues are \$189,676 less than budget. Total Expenses are \$43,002 less than budget. Net Revenues are \$146,674 less budget. \$90,000 of the Total Revenue shortfall comes from the postponement of Guide to Reference to FY09. While Total Revenues for ALA Editions proper is \$99,675 or 4% less than budget, which is not bad all in all considering the frontlist only had 18 titles in it this year, compared to more like 25 to 30 normally. Returns were also exceptionally heavy this year, 15% or \$44,778 more than expected. Editorial expenses are \$145,288 less than budget primarily because of Payroll Related expenses, which are \$134,193 less than budget because two editorial positions have been transferred to the new imprint, ALA Online Resources. Marketing production costs are \$66,817 less than budget because catalogs produced were shorter than budget and fewer were printed. Marketing expenses are \$106,934 more than budget primarily because of variances in Order Processing/Fulfillment and Cost of Sales (product costs). Order Processing Fulfillment expenses are \$24,456 more than budget in large part because of the cost of processing an unusually large amount of returns from distributors. Cost of Sales is \$22,382 more than budget in large part because of the high cost for The Big Book of Grants, which is offset by no royalty expense and no in-house editorial or production expense. Shipping and Handling (5599) recovery is \$58,337 worse than budget because of increased postage expense. The Shipping and Handling charges have been revised upward in response to this. General Overhead expense is \$4,112 less than budget because book sales are less than budget, which is what this charge is based on.

Forecast: The total revenue shortfall for Guide to Reference will be its budget, \$180,000. Total revenue for the rest of the list will be about \$95,000 less than budget.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$2,845,040	\$3,120,040	(\$275,000)
Direct Expenses	\$2,020,166	\$2,118,969	\$98,803
Overhead	\$642,979	\$705,129	\$62,150
Net Revenue(Loss)	\$181,895	\$295,942	(\$114,047)

**Booklist Publications** The entry in Section II Schedule 3 for Booklist comprises Booklist Magazine, Ancillary Products, and Booklist Online. Book Links is treated separately. Total Revenues for this subset of Booklist Publications are \$138,141 less than budget. Total Expenses are \$130,796 less than budget. Net Revenues are \$7,345 less than budget.

Booklist. Total Revenues for Booklist magazine are \$101,817 less than budget. Total Expenses are \$96,260 less than budget. Net Revenues are \$5,557 less than budget. Subscription revenues are \$16,014 less than budget. Net Advertising revenues are \$239,375 less than budget and licensing revenues (Royalties) are \$152,863 more than budget. Editorial Expenses are \$24,635 more than budget primarily because of payroll related expenses resulting from the impact of salary adjustments that came into FY08. Magazine production costs are \$94,602 less than budget mainly because page counts were reduced. Marketing production is \$40,787 less than budget because plans for direct mail circulation development campaigns have been revised in light of concerns about tracking the results in an environment where most subscribers order through their library's distributor (e.g., EBSCO). Marketing expenses are \$62,560 more than budget. Payroll-Related expenses are \$57,074 more than budget because of changes in staff allocation plans that came after the budget was prepared. Exhibits are \$18,064 more than budget because of an effort to capitalize on Booklist Online launch events. Advertising Space is \$9,705 less than budget because of increased emphasis on conference-related publicity. Order Processing/Fulfillment is \$9,502 more than budget because of unbudgeted reactivation campaigns (that proved successful). IUT Repro is \$8,424 more than budget because of the emphasis on publicity at exhibits mentioned above.

Forecast: Subscription and Ad revenue will likely come in less than budget. Royalties (license fees) should come in more than budget to help offset the shortfall. There will be expense savings in Production.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$4,696,374	\$4,867,374	(\$171,000)
Direct Expenses	\$2,436,519	\$2,639,137	\$202,618
Overhead	\$1,061,381	\$1,100,027	\$38,646
Taxes	\$170,008	\$220,008	\$50,000
Net Revenue(Loss)	\$1,028,467	\$908,202	\$120,265

Ancillary Products. Total Revenues are \$23,017 less than budget. Total Expenses are \$14,169 less than budget. Net Revenues are \$8,847 less than budget. Book sales are \$31,313 less than budget because titles were delayed to focus attention on Booklist Online. Mailing List Rentals are \$5,827 more than budget. Review copy sales (4109 - sales/misc) are \$163 less than budget. Editorial Expenses are basically on budget. Production expenses are \$15,421 less than budget because of delayed titles. Marketing expenses are \$2,354 more than budget mainly because of a misallocation of expenses for department overhead.

Forecast: Some titles budgeted for release will not make it, but book related production costs will help offset the variance. Mail list rental should come in more than budget.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$61,450	\$89,950	(\$28,500)
Direct Expenses	\$5,679	\$22,406	\$16,727
Overhead	\$13,888	\$20,329	\$6,441
Net Revenue(Loss)	\$41,883	\$47,215	(\$5,332)

Booklist Online. Total Revenues are \$13,308 less than budget. Total Expenses are \$16,084 less than budget. Net Revenues are \$2,776 more than budget. Booklist Online was a new product and subject to various modifications in the approach to maximizing revenues and expenses. The different nature of the product purchase requires longer lead times than anticipated. In addition, book publishers are still reluctant to invest in online advertising. Subscription revenues are \$17,259 more than budget but Net Advertising revenues are \$31,076 less than budget. Editorial expenses are \$38,784 less than budget. Temporary Employees Outside expenses are \$17,320 less than budget because the anticipated need for temps is being covered by staff. Editorial/Proofreading is \$23,243 less than budget because the anticipated tasks were transferred to the Production budget. Production expenses are \$55,702 more than budget. Entries in Editorial/Proofreading and Inventory Adjustment represent the transfer of product expenses to an inventory account that is then recorded as a depreciation expense over time. Presently that expense is \$28,342 more than budget. Web Operating Expenses are \$35,512 more than budget because of higher than expected maintenance costs. Marketing expenses are \$33,001 less than budget. Payroll-Related expenses are \$20,049 less than budget because of the changes in allocations mentioned above. General Overhead expenses are \$3,516 less than budget because of less than budget revenues.

Forecast: Subscriptions should exceed budget and stand a good chance of covering a shortfall in advertising revenue.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$139,616	\$134,966	\$4,650
Direct Expenses	\$355,838	\$324,838	(\$31,000)
Overhead	\$31,553	\$30,502	(\$1,051)
Taxes	\$3,840	\$3,840	\$0
Net Revenue(Loss)	(\$251,615)	(\$224,214)	(\$27,401)

### Book Links

Total Revenues are \$24,692 less than budget. Total Expenses are \$27,769 less than budget. Net Revenues are \$3,077 more than budget. Subscription Revenues are \$19,517 more than budget, mainly because of an increase in the subscription price. Net advertising revenues are \$44,418 less than budget. Editorial expenses are \$9,401 more than budget mainly because Payroll related expenses are \$17,443 more than budget due to unbudgeted expenses for a family leave. The savings offset comes from Equipment Rental Lease, which is \$6,829 less than budget. Production expenses are \$10,529 less than budget in part because of smaller print runs and in part because of changes in plans for producing cover wraps. Marketing expenses are \$26,641 less than budget. Payroll Related expenses are \$13,995 less than budget because of an allocation oversight. The IUT Allocation for department overhead is \$871 less than budget because of a miscalculation in the allocation formula for Department overhead. General Overhead expense is \$1,658 less than budget because of less than budget revenues.

Forecast: Subscription and Advertising revenue combined will end the year about \$18,000 less than budget. Expense savings from open positions and a smaller direct mail campaign will help offset the shortfall.

Forecast	Year-End Forecast	Budget	Variance
Total Revenue	\$671,174	\$689,174	(\$18,000)
Direct Expenses	\$497,264	\$498,264	\$1,000
Overhead	\$151,685	\$155,753	\$4,068
Taxes	\$9,084	\$11,584	\$2,500
Net Revenue(Loss)	\$13,141	\$23,573	(\$10,432)

### American Libraries

Total Revenues are \$72,251 more than budget. Direct Expenses are \$62,462 more than budget. General Overhead expense is \$17,154 more than budget because of more than budget revenues. As a result, the Subscription Equivalent is \$7,365 more than (i.e., better than) budget (plus \$98,792, minus \$62,462, minus \$17,154 equals a minus \$7,365). Subscription revenues are \$7,804 less than budget, which reflects a reduction in institutional subscriptions. Net advertising revenues are \$10,135 more than budget. jobLIST/Classified ad revenues are \$66,145 more than budget. Editorial expenses are \$21,133 more than budget. Payroll Related expenses are \$19,039 more than budget because year-end salary adjustments came in more than budget thereby exacerbating the attrition factor. Travel and Lodging expenses combined are \$11,963 more than budget resulting in the need for more travel and more hotel nights than expected. Savings come mainly from Equipment Rental/Lease, which is \$9,122 less than budget. Production expenses are \$32,771 more than budget. Payroll Related expenses are \$37,805 more than budget because of incorrect staff allocations. Production expenses are a total of \$32,770 more than budget in part because magazine pages are more than budget as a result of the more than budget situation in advertising revenue, and in part because of the number of special inserts and wraps that were produced for ALA division and office promotions. This is offset by an increase of \$12,191 in IUT-CPU cost recovery for those special inserts for divisions. In addition, postage is \$30,839 less than budget as a result of an overly conservative budget for postal increases. Marketing Expenses (direct) are \$480 more than budget mainly because Payroll Related expenses are \$8,674 more than budget largely because of the attrition factor. Professional Services are \$3,880 less than budget because of open positions. Travel and Lodging expenses combined are \$2,769 more than budget. Depreciation is \$17,451 more than budget because of an incorrect entry that will be corrected by year-end. IUT Distribution expenses are \$2,238 more than budget because more brochures were done inside. General Overhead expenses are \$17,154 more than budget because revenues are more than budget.

Forecast: Revenues variances will exceed expense variances. The Subscription Equivalent will be about \$24,000 better than budget.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$1,122,593	\$1,091,793	\$30,800
Direct Expenses	\$1,401,809	\$1,402,301	\$492
Overhead	\$253,706	\$246,745	(\$6,961)
Taxes	\$0	\$0	\$0
Subscription Equivalent	(\$532,922)	(\$557,253)	(\$24,331)
Net Revenue (Loss)	\$0	\$0	\$0

**ALA Online Resources** Formerly known as ALA TechSource. Total revenues are \$42,537 more than budget. Total expenses are \$80,741 more than budget. Net Revenues are \$38,204 less than budget.

LTR Revenues are \$44,753 more than budget. Expenses are \$168,286 more than budget. Net Revenues are \$123,533 less than budget. Net sales of individual issues is \$32,385 more than budget. There have been no returns, so that budget line is \$1,650 more than budget. Subscription revenues at \$26,624 more than budget are essentially on budget. Royalties are \$1,423 more than budget. Net Advertising Revenues are \$20,258 less than budget mainly because open positions interrupted plans for the opening up the publications to advertising opportunities. Editorial Expenses are \$145,042 more than budget because staff was transferred from ALA Editions to this new imprint, ALA Online Resources. Payroll Related expenses which are \$132,750 more than the original budget for the former imprint. Professional Services are \$8,979 more than budget because author fees were reduced to accommodate shorter (and more) issues. Depreciation is \$6,108 less than budget because it didn't need to be budgeted. Editorial production expenses are \$4,314 more than budget because of the cost of reprinting and mailing single issues was not budgeted. Marketing production expenses are \$1,606 less than budget because of delays in launching marketing campaigns. Marketing expenses (total) are \$20,536 more than budget. Payroll Related expenses are \$17,340 more than budget because of the allocation issue mentioned above. Exhibits are \$3,773 less than budget because of decision to pull back on this marketing tactic. General Overhead expenses are \$8,364 more than budget because revenues are more than budget.

Forecast: Subscriptions and single copy revenues will offset a shortfall in ad sales. Net Revenue will not meet budget because of the staff transfer.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$427,847	\$392,257	\$35,590
Direct Expenses	\$414,979	\$254,227	(\$160,752)
Overhead	\$96,693	\$88,650	(\$8,043)
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	(\$83,825)	\$49,380	(\$133,205)

SLN. Revenues (subscriptions) are \$2,142 less than budget. Total expenses are \$14,463 less than budget. Net Revenues are \$15,354 more than budget. Editorial expenses are \$2,345 less than budget. Savings in Payroll Related expenses are exceeded by expenses for Professional Services to cover open positions. Production expenses are \$2,651 less than budget in part because of Payroll Related savings resulting from open positions. Marketing expenses are \$12,456 less than budget mainly because the actual allocation of salary expenses was changed from the budgeted allocation after the budget year got underway.

Forecast: Net Revenues will be more than budget because of the variance in expenses generated by the allocation of salaries.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$83,375	\$83,375	\$0
Direct Expenses	\$90,617	\$93,169	\$2,552
Overhead	\$18,843	\$18,843	\$0
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	(\$26,085)	(\$28,637)	\$2,552

ALA TechSource Web. Total Revenues are \$107 less than budget. Expenses are \$36,847 less than budget. Net Revenues are \$36,740 more than budget. Subscriptions are \$3,633 more than budget. The success of the ALA TechSource Blog and the growing preference for online access is generating growth in online subscriptions. Net Advertising Revenues are \$3,740 less than budget. Editorial expenses are \$3,125 more than budget mainly because of an unnecessary budget for depreciation. Payroll Related expenses are \$6,622 less than budget, but this is offset by expenses for Professional Services, which are \$18,962 more than budget. Production expenses are \$38,368 less than budget because of timing issues in recording costs for a new hosting service. Marketing expenses are on budget overall.

Forecast: Revenues will grow. Expenses will be less than budget. The budgeted loss will be less than expected.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$31,850	\$31,350	\$500
Direct Expenses	\$58,489	\$90,689	\$32,200
Overhead	\$7,198	\$7,085	(\$113)
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	(\$33,837)	(\$66,424)	\$32,587

### ALA Graphics

Total Revenues are \$249,801 less than budget. Total Expenses are \$253,752 less than budget. Net Revenues are \$3,951 more than budget. Editorial expenses are \$8,390 less than budget as a result of small savings across many lines. Editorial production expenses are \$69,155 less than budget. Payroll Related expenses are \$14,850 less than budget because of



staff allocation factors and open positions. Printing is \$55,251 less than budget, Design is \$26,274 less than budget, Advertising Space is \$33,830 less than budget, Pre-Press is \$6,128 less than budget, and Inventory Adjustment is \$82,793 more than budget – because of changes in plans for catalog releases. Depreciation is \$15,274 less than budget because it did not need to be budgeted. Marketing production expenses are \$29,808 less than budget mainly because of timing differences in catalog release plans. Marketing expenses are \$146,399 less than budget. Payroll Related expenses are \$48,121 less than budget because of open positions and the allocation issue mentioned above. Professional Services are \$14,858 more than budget because of open positions. Product costs (Cost of Sales) are \$60,267 less than budget, in part because of the ongoing sales of the READ CD, which has an exceptionally low product cost. Design Service is \$5,778 less than budget because catalogs are being designed inside. Advertising Space is \$4,594 less than budget because of fewer brochures. Mail List rental is \$7,244 less than budget because the number of mail lists has been pared down. Postage on the other hand is \$5,534 less than budget because of lower sales. Promotion is \$3,666 less than budget because of the cut back in brochures. Shipping and Handling Recovery (5599) is \$16,974 less than (better than) budget because of generally larger orders. General Overhead expense is \$22,177 less than budget because of the less than budget revenues.

Forecast: Total Revenues in August will be far less than budget. Expense savings will probably not be enough to offset the variance.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$1,979,840	\$2,292,840	(\$313,000)
Direct Expenses	\$1,395,670	\$1,623,543	\$227,873
Overhead	\$447,444	\$518,182	\$70,738
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	\$136,726	\$151,115	(\$14,389)

### Production Services

Expense recovery for all projects is \$220,311 less than budget. Admin is \$120,761 better than budget mainly because an early write-off, or credit, for a database services company that failed has been recorded in this project whereas the budget for write-offs is in other units, namely ALA Editions and ALA Graphics. This will resolve itself at the Department level by yearend. Recovery for Production Services is \$120,239 better than budget and recovery for the Law Library Journal is \$20,432 better than budget mainly because of timing differences that will adjust at yearend.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$0	\$0	\$0
Direct Expenses	(\$193,026)	(\$31,093)	\$161,933
Overhead	\$0	\$0	\$0
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	\$193,026	\$31,093	\$161,933

**Department Summary** Total Revenues for Publishing are \$487,522 less than budget. Total Expenses are \$519,445 less than budget. Net Revenues are \$31,923 more than budget. ALA Editions is \$189,676 less than budget in Total Revenues, \$43,002 less than budget in Total Expenses, and \$146,674 less than budget in Net Revenues.

Book Sales are close to budget but returns are high and Order Processing/Fulfillment expenses are high because of that. The publication of *Guide to Reference* has been moved to FY09 which will create a shortfall of \$180,000 in Total Revenues.

Booklist Publications (comprising Booklist, Ancillary Products, and Booklist Online) is \$138,141 less than budget in Total Revenues, \$130,796 less than budget in Total Expenses, and \$7,345 less than budget in Net Revenues. Subscription revenues are \$16,014 less than budget in Booklist and \$17,259 more than budget in Booklist Online. Net advertising revenues are \$239,375 less than budget in Booklist and \$31,076 less than budget in Booklist Online. Book Links is \$24,692 less than budget in Total Revenues, \$27,769 less than budget in Total Expenses, and \$3,077 more than budget in Net Revenues. Subscriptions are \$19,517 more than budget. Net Advertising Revenues are \$44,418 less than budget. American Libraries is \$72,251 more than budget in Total Revenues and \$64,886 more than budget in Total Expenses, resulting in a Subscription Equivalent that is \$7,365 less than (i.e., better than) budget. Net Advertising Revenue is \$10,135 more than budget, which is 35% more than last year actual. Total Classified advertising revenues (print and online) are \$66,145 more than budget. jobLIST online revenues now represent about 62% of total classified revenue. ALA Online Resources (formerly ALA TechSource) is \$42,537 more than budget in Total Revenues, \$80,741 more than budget in Total Expenses, and \$38,204 less than budget in Net Revenues. Print subscription revenues are basically on budget and web subscription revenues are about 50% more than budget. Sales of individual issues are \$32,385 more than budget. The primary source for the variance in Direct Expenses is the staff transfer from ALA Editions to this new imprint. ALA Graphics is \$249,801 less than budget in Total Revenues and \$253,752 less than budget in Total Expenses, and \$3,951 more than budget in Net Revenues. Production Services is \$220,311 better than budget in large part because of a one-time adjustment for writing off a database development cost. Normal operations should continue toward budget by year end.

**Forecast:** Total Revenues will be less than budget mainly because of *Guide to Reference* and advertising revenues in all publications. Total operating expense savings will help offset that shortfall, but General Overhead will be about \$165,000 less than budget because of the shortfall in Total Revenues. The Subscription Equivalent for *American Libraries* will be about \$24,000 better than budget because of revenue increases and expense savings. Net Revenues for the Department will be about \$12,000 more than budget.

Forecast	<u>Year-End Forecast</u>	<u>Budget</u>	<u>Variance</u>
Total Revenue	\$12,059,159	\$12,793,119	(\$733,960)
Direct Expenses	\$8,484,004	\$9,036,450	\$552,446
Overhead	\$2,725,370	\$2,891,245	\$165,875
Taxes	\$182,932	\$235,432	\$52,500
Subscription Equivalent	(\$532,922)	(\$557,253)	(\$24,331)
Net Revenue(Loss)	\$1,199,775	\$1,187,245	\$12,530

**American Library Association**  
**Schedule 4 - Statement of Revenues and Expenses - Member Programs & Services**

	YEAR TO DATE ACTUAL JULY 30, 2007	YEAR TO DATE ACTUAL JULY 30, 2008	YEAR TO DATE BUDGET JULY 30, 2008	VARIANCE	%	2008 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
REVENUES:								
CONFERENCE-ANNUAL	6,078,738	5,766,055	6,290,457	(524,402)	-8%	6,340,750	6,340,750	0.0%
CONFERENCE-MIDWINTER	2,780,475	2,832,731	2,787,500	45,231	-	2,787,500	2,787,500	0.0%
OFHRD&R	31,411	30,456	30,424	32	0%	60,000	60,000	0.0%
OLOS	8,043	8,535	3,388	5,147	152%	3,695	3,695	0.0%
OIF	226,050	227,901	286,477	(58,576)	-20%	324,340	324,340	0.0%
OA	79,678	65,309	4,284	7%	61,025	61,025	0.0%	
DIVERSITY	17,790	11,477	18,313	(6,836)	-37%	25,125	25,125	0.0%
SENIOR AED/MISC AWARDS	0	0	7,500	(7,500)	-100%	19,950	19,950	0.0%
TOTAL REVENUES	9,222,185	8,942,464	9,485,084	(542,620)	-6%	9,622,385	9,622,385	0.0%
EXPENSES:								
CONFERENCE-ANNUAL	4,218,311	4,162,538	4,755,063	592,525	12%	5,014,822	5,014,822	0.0%
CONFERENCE-MIDWINTER	2,257,886	2,454,508	2,379,379	(75,129)	-3%	2,386,797	2,386,797	0.0%
ITTS	1,738,417	1,776,438	1,945,507	169,069	9%	2,119,779	2,119,779	0.0%
OFHRD&R	324,571	359,725	332,306	(27,419)	-8%	396,158	396,158	0.0%
OLOS	324,397	255,927	294,343	38,416	13%	320,714	320,714	0.0%
OIF	663,571	598,529	730,607	132,078	18%	772,278	772,278	0.0%
OA	341,901	319,409	327,026	7,617	2%	361,605	361,605	0.0%
DIVERSITY	144,510	237,049	211,328	(25,721)	-12%	234,966	234,966	0.0%
SENIOR AED	195,101	191,502	200,700	9,198	5%	236,182	236,182	0.0%
TOTAL EXPENSES	10,208,665	10,355,625	11,176,259	820,634	7%	11,843,301	11,843,301	0.0%
NET REVENUES	(986,480)	(1,413,161)	(1,691,175)	278,014	16%	(2,220,916)	(2,220,916)	-0.0%
NET REVENUES:								
CONFERENCE-ANNUAL	1,860,427	1,603,517	1,535,394	68,123	4%	1,325,928	1,325,928	0.0%
CONFERENCE-MIDWINTER	522,589	378,223	408,121	(29,898)	-7%	400,703	400,703	0.0%
ITTS	(1,738,417)	(1,776,438)	(1,945,507)	169,069	9%	(2,119,779)	(2,119,779)	-0.0%
OFHRD&R	(293,160)	(329,269)	(301,882)	(27,387)	-9%	(336,158)	(336,158)	-0.0%
OLOS	(316,354)	(247,392)	(290,955)	43,563	15%	(317,019)	(317,019)	-0.0%
OIF	(437,521)	(370,628)	(444,130)	73,502	17%	(447,938)	(447,938)	-0.0%
OA	(262,223)	(254,100)	(266,001)	11,901	4%	(300,580)	(300,580)	-0.0%
DIVERSITY	(126,720)	(225,572)	(193,015)	(32,557)	-17%	(209,841)	(209,841)	-0.0%
AED	(195,101)	(191,502)	(193,200)	1,698	1%	(216,232)	(216,232)	0.0%
TOTAL NET REVENUES	(986,480)	(1,413,161)	(1,691,175)	278,014	16%	(2,220,916)	(2,220,916)	-0.0%

FOR ADDITIONAL DETAIL SEE SCHEDULES 9 AND 10.  
09/02/2008

**American Library Association**  
**Schedule 4 – Statement of Revenues and Expenses – Member Programs & Services**

**July FY 2008 Financials**

**Summary**

Issues in the broader economy have clearly had an impact on ALA MPS FY08 performance. Fuel prices have had a dramatic impact on airline fares (which, in turn, affect conference registration), as well as conference busing costs and the cost of any good which must be transported. As the down housing market and other problems affect funding for libraries, there is increased pressure on library budgets and library staff resources. Again, this affects conference registration. Looking at unit-by-unit reports, conference registration is the clearest area of impact – with registration down from previous peaks at both the PLA National Conference and ALA Annual Conference. (Note, also, that economic downturn coincided, in both cases, with conferences scheduled in sites without the library density or robust regional transit systems enjoyed in the northeast.)

At the same time, there are reasons to be cautiously optimistic about FY08 performance. Looking at the membership statistics, most division and roundtables are showing membership growth, though the dues revenue picture is somewhat uneven. Many units expect to be at or near their targeted net by year-end. It is also important to note that managers are not projecting any significant gains in net revenue overall.

The **General Fund** presents a mixed picture at this point in the fiscal year.

- o The 2008 Midwinter Meeting is expected to be very close to its net revenue target .
- o The 2008 Annual Conference will not meet its net revenue target. With Annual Conference late in June, major expenses (and some revenues) are still being processed. The net shortfall is anticipated to be close to \$500,000. Additional details are provided in the commentary below.
- o While most program offices are ending the year on or close to target, OIF will be substantially better than budget – a combination of salary savings and strong BBW performance. OLOS will also end the year much better than budget, primarily due to the impact of grant funding.
- o IT expenses have been tightly controlled – but with major project deadlines at year-end, savings will be minimal.

Overall, the **Divisions** had a strong year – but, again, the growing economic concerns are apparent in year-end financials.

- o While AASL saw some revenue shortfalls, a strong national conference and expense savings, including significant salary savings, put AASL in a strong position going into a non-conference year.
- o FY08 was a “spend-down” (non-conference) year for ACRL, but the year-end deficit will be lower than anticipated. CHOICE revenues, through June, are running narrowly ahead of budget and CHOICE expects to end the year ahead of budget.
- o PLA revenues are slightly off budget, primarily due to registration shortfall at the PLA National Conference. PLA will reduce its planned \$250,000 contribution to the endowment to \$175,000.
- o A number of divisions report shortfalls in CE and publishing.

**Round Tables** have not all been individually reviewed; however, at the Midwinter Meeting, MAGERT decided to shift their print newsletter to electronic, to address a continuing excess of newsletter expenses over revenues.

**Conference Services (CONF):**

<b>Midwinter Meeting*</b>			
Total Revenues Budgeted/Actual/Remaining:	\$2,787,500	\$2,832,731	\$ (45,231)
Total Direct Expenses Budgeted/Actual/Remaining:	\$1,749,404	\$1,814,322	\$ (77,922)
Contribution Margin Budgeted/Actual/Remaining:	\$1,038,096	\$1,018,409	\$ (32,691)
Overhead Budgeted/Actual/Remaining:	\$ 629,975	\$ 640,186	\$ (10,211)
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ 408,121	\$ 378,223	\$ (28,898)

\*As is usual, Conference Services' narrative is based on more current data.

The Midwinter Meeting is about 7% off the net revenue target due to a combination of high costs in Philadelphia, outstanding balances and some rollover impact from FY07. Some minor discrepancies are still being investigated – so the final number may shift slightly in August. This is still a very strong MW performance.

	Budget	Actual 08
Advertising	\$ 245,000	\$ 252,859
Exhibits	\$1,414,000	\$1,435,150
Overhead Exempt (Friday Reception)	\$ 47,000	\$ 52,150
Registration	\$ 852,000	\$ 918,927
Meeting Rooms	\$ 30,000	\$ 27,917
Donations	\$ 70,000	\$ 60,000
Hotel Commissions	\$ 129,500	\$ 146,891
Total	\$2,787,500	\$2,865,377

**Annual Conference\***

Total Revenues Budgeted/Actual/Remaining:	\$ 6,290,457	\$ 5,766,055	\$ 574,695
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 3,333,420	\$ 2,830,833	\$ 750,977
Contributions Margin Budgeted/Actual/Remaining:	\$ 2,957,037	\$ 2,935,222	\$ (176,282)
Overhead Budgeted/Actual/Remaining:	\$ 1,421,643	\$ 1,331,705	\$ 101,307
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ 1,535,394	\$ 1,603,517	\$ (68,123)

\*As usual, Conference Services commentary is based on more current figures maintained by Conference Services.

	Budgeted	Projected
Advertising	\$ 448,000	\$ 430,605
Registration	\$ 2,100,250	\$ 2,019,273
Exhibit Space	\$ 3,099,250	\$ 2,901,988
Meal Functions	\$ 35,250	\$ 28,860
Donations/Honoraria	\$ 298,000	\$ 147,000
Overhead Exempt	\$ 77,500	\$ 81,475

Misc. Fees/Revenues	\$	36,000	\$	38,000
Commissions	\$	246,500	\$	272,000
TOTAL	\$	6,340,750	\$	5,919,201

The 2008 Annual Conference will not meet its net revenue target. Both registration and exhibit space rental are under budget. Overall, registration was about 1,000 fewer than budget. In addition, the Midwinter/Annual registration "bundle" proved to be far more popular than anticipated, with about 2500 purchasing rather than the 300 expected. Given the economic environment, it proved to be impossible to make up the financial difference in additional registration. Sponsorships will end under budget because of shortfalls in Empowerment Conference and Message Center sponsorships.

On the expense side, most expenses are generally on target except transportation and meal functions, both hit with fuel-related increases. Airline tickets for staff going to the Annual Conference were significantly more than budgeted; there were also more staff participating than budgeted. Security is also likely to be over budget, related to use of the Arena and the local requirement for a "fire watcher." The AVV bill and on-site computer bill are not included in the July close – and will be in August.

**Information Technology & Telecommunications Services (ITTS):**

Total Expenses Budgeted /Actual /Remaining:	\$1,945,507	\$1,776,438	\$343,341
Revenue (Expense) Budgeted/Actual/Variance:	\$(1,945,507)	\$(1,776,438)	<b>\$169,069</b>

At the end of July 2008, ITTS expenses are 9% under budget.

Professional services were high but were offset by salary savings from open positions. Software maintenance costs were slightly lower due to timing issues. Depreciation expenses were lower due to timing issues.

Projection for the end of year:

The ITTS budget will be under budget by **\$17,865**. This number assumes a lease expense of \$94,000 (FY08 budget). The majority of the implementation of the new design and beginning information architecture (IA) for the ALA website will be done in August, and may produce additional expenses. A contract is being negotiated for an accessibility review of the new website. The leasing of consulting services needed to replace one third of our PCs and laptops is being investigated, rather than expensing the cost now. ITTS has fully committed its capital budget.



**Other General Fund Units:**

**Office of the Senior Associate Executive Director (SAED):**

Total Revenues Budgeted/Actual/Remaining:	\$ 7,500	\$ 0	\$ 15,000
Total Expenses Budgeted/Actual/Remaining:	\$ 200,700	\$ 191,502	\$ 44,680
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ (193,200)	\$ (191,502)	\$ 1,698

A budgeted pre-conference will not be held in FY08; neither revenue nor expenses will materialize. Salaries and benefits are ahead of budget. Division Leadership expenses were over budget by \$2,000. Overall, expenses are slightly under budget. Audio-visual expenses for two ALA Member Initiative Groups (unbudgeted) are currently being paid through the SAED budget; the conference equipment line is over budget. Modest costs for the ALA presence in Second life (unbudgeted) are currently being paid through the SAED budget. The cost of the ALA/OPAL virtual meeting rooms (unbudgeted) is being paid through the SAED budget.

**Office for Human Resource Development & Recruitment (HRDR):**

Total Revenues Budgeted/Actual/Remaining:	\$ 30,424	\$ 30,456	\$ 29,545
Total Expenses Budgeted/Actual/Remaining:	\$ 332,306	\$ 359,725	\$ 36,433
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ (301,882)	\$ (329,269)	\$ (27,387)

Overall HRDR is almost 10% off on our variance.

Administrative - Expenses are up due to an unbudgeted speaker honorarium of \$4,000 and unbudgeted salary increases.

Placement - Anaheim costs were significantly higher than anticipated. The good news is booth rental was higher than it has ever been so HRDR is \$4,200 over budget. Waiting for the \$28,000 transfer of revenue from JOBList. It should hit this month.

Emerging Leaders - With respect to Emerging Leaders, we are in the same situation as with the Placement Center. Costs for food were higher than anticipated and are still waiting for a vendor supported donation.

**Office for Accreditation (OA):**

Total Revenues Budgeted/Actual/Remaining:	\$ 61,025	\$ 65,309	\$ (4,284)
Total Expenses Budgeted/Actual/Remaining:	\$ 327,026	\$ 319,409	\$ 42,196
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ (266,001)	\$ (254,100)	\$ 11,900

With one last comprehensive review billing in July and cost containment, OA expects to end the year close to budget, with a slight surplus due to cost containment measures and pre-candidate fees.



**Office for Diversity (OFD):**

Total Revenues Budgeted/Actual/Remaining:	\$ 18,313	\$ 11,477	\$ 13,648
Total Expenses Budgeted/Actual/Remaining:	\$ 211,328	\$ 237,049	\$ (2,083)
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ (193,015)	\$ (225,572)	\$ (32,557)

OFD's July financials are significantly skewed by booking errors. Expenses that should be applied to one of the OFD-administered 3 IMLS grant projects have been applied to their unit accounts. The bulk of the excess expenses reflect significant costs (airfare) for IMLS-funded Spectrum Scholars attending the 2008 Spectrum Institute that should be accounted for under the "New Visions, New Voices" IMLS grant project lines instead of the unit charge lines. While higher than usual airfare for the ALA-funded Spectrum Scholars will have a negative impact on OFD's bottom line, it is not anticipated that they will be overspent once these accounting corrections have been made. Given insufficient fundraising for sponsors of the Many Voices event at Annual and low registration for the Diversity Leadership Institute, OFD will not meet revenue for FY08. However, expenses have been kept below budget across the board, and there have been salary savings. It is expected OFD will be slightly below its budgeted net expense by the final close

**Office for Intellectual Freedom (OIF):**

Total Revenues Budgeted/Actual/Remaining:	\$ 286,477	\$ 227,901	\$ 96,439
Total Expenses Budgeted/Actual/Remaining:	\$ 730,607	\$ 598,529	\$ 173,749
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ (444,130)	\$ (370,627)	\$ 73,503

OIF is significantly better than budget overall. Banned Books Week 2008 materials had very good sales -- and 2009 materials are just beginning to sell. While behind on budget, BBW is performing well and should end the year strong. Expenses for BBW 2009 are currently being paid. The Newsletter on Intellectual Freedom is behind on both revenue and expenses, but ahead on a net basis. OIF has had some salary savings from vacant positions, which are now filled. OIF anticipates ending the year \$60,000 better than budget.

**Office for Literacy & Outreach Services (OLOS):**

Total Revenues Budgeted/Actual/Remaining:	\$ 3,388	\$ 8,535	\$ (4,840)
Total Expenses Budgeted/Actual/Remaining:	\$ 294,343	\$ 255,927	\$ 64,787
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ (290,955)	\$ (247,392)	\$ 43,563

Figures do not reflect annual conference expenses for meal functions, business meetings, AV, outside printing and design services, and overtime. Expenses for the Bookmobile Sunday and Diversity Fair, about \$12,000, were underwritten but payments are not reflected in this report. Professional Services will reflect a positive balance of at least \$15,000-plus at the end of the year, due to the advance from the Verizon project transferred in the spring, with few opportunities for its use. Transportation and lodging expenses, due to active participation in professional conferences (older adults, mostly) will be reflected in July and August reports.

**American Library Association**  
**Schedule 5 - Statement of Revenues and Expenses - Divisions**

REVENUES	YEAR TO DATE ACTUAL JULY 30, 2007	YEAR TO DATE ACTUAL JULY 30, 2008	YEAR TO DATE BUDGET JULY 30, 2008	VARIANCE	%	2008 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
401 PLA	1,138,829	4,617,073	4,801,966	(184,893)	-4%	4,953,603	4,953,603	0.0%
403 ACRL	3,999,576	2,181,196	1,833,600	347,596	19%	2,118,408	2,118,408	0.0%
404 CHOICE	2,933,243	3,023,318	2,981,993	41,325	1%	3,273,076	3,273,076	0.0%
405 AASL	588,827	2,240,139	2,284,533	(44,394)	-2%	2,325,885	2,325,885	0.0%
406 ASCLA	65,423	51,052	59,614	(8,562)	-14%	68,050	68,050	0.0%
407 ALCTS	557,941	476,336	532,196	(55,860)	-10%	577,645	577,645	0.0%
409 LAMA	306,918	283,590	336,795	(53,205)	-16%	359,296	359,296	0.0%
410 RUSA	530,649	460,052	367,885	92,167	25%	419,043	419,043	0.0%
411 ALTA	61,916	56,334	80,147	(23,813)	-30%	104,280	104,280	0.0%
412 LITA	501,970	496,164	507,250	(11,086)	-2%	544,125	544,125	0.0%
413 ALSC	883,854	789,330	959,156	(169,826)	-18%	1,023,381	1,023,381	0.0%
414 YALSA	449,623	498,429	550,751	(52,322)	-10%	630,247	630,247	0.0%
<b>TOTAL REVENUES</b>	<b>12,018,769</b>	<b>15,173,013</b>	<b>15,295,886</b>	<b>(122,873)</b>	<b>-1%</b>	<b>16,397,039</b>	<b>16,397,039</b>	<b>0.0%</b>
<b>EXPENSES</b>								
401 PLA	1,737,984	3,670,620	3,711,934	41,314	1%	3,892,523	3,892,523	0.0%
403 ACRL	3,189,692	2,171,673	2,403,667	231,994	10%	2,718,011	2,718,011	0.0%
404 CHOICE	2,557,152	2,708,023	2,847,523	139,500	5%	3,135,767	3,135,767	0.0%
405 AASL	1,083,455	1,792,745	2,090,704	297,959	14%	2,181,271	2,181,271	0.0%
406 ASCLA	93,873	87,415	97,799	10,384	11%	71,024	71,024	0.0%
407 ALCTS	623,706	465,921	502,522	36,601	7%	555,091	555,091	0.0%
409 LAMA	268,440	285,279	337,863	52,584	16%	357,649	357,649	0.0%
410 RUSA	316,868	423,188	352,187	(71,001)	-20%	408,575	408,575	0.0%
411 ALTA	145,432	114,424	161,471	47,047	29%	96,685	96,685	0.0%
412 LITA	439,744	453,507	507,870	54,363	11%	578,365	578,365	0.0%
413 ALSC	792,266	760,552	946,329	185,777	20%	1,037,046	1,037,046	0.0%
414 YALSA	408,024	492,302	465,686	(26,616)	-6%	521,497	521,497	0.0%
<b>TOTAL EXPENSES</b>	<b>11,656,636</b>	<b>13,425,649</b>	<b>14,425,555</b>	<b>999,906</b>	<b>7%</b>	<b>15,553,504</b>	<b>15,553,504</b>	<b>0.0%</b>
<b>NET REVENUES</b>	<b>362,133</b>	<b>1,747,364</b>	<b>870,331</b>	<b>877,033</b>	<b>101%</b>	<b>843,535</b>	<b>843,535</b>	<b>-0.0%</b>

FOR ADDITIONAL DETAIL SEE SCHEDULE 11.

09/02/2008

SECTION II  
SCHEDULE 5  
PAGE 2

AMERICAN LIBRARY ASSOCIATION  
STATEMENT OF REVENUES AND EXPENSES-DIVISIONS

	YEAR TO DATE ACTUAL JULY 30, 2007	YEAR TO DATE ACTUAL JULY 30, 2008	YEAR TO DATE BUDGET JULY 30, 2008	VARIANCE	%	2007 ANNUAL BUDGET	2ND QUARTER PROJECTION	% CHANGE FROM BUDGET
NET REVENUES								
401 PLA	(599,155)	946,453	1,090,032	(143,579)	-13%	1,061,080	1,061,080	-0.0%
403 ACRL	809,884	9,523	(570,067)	579,590	102%	(599,603)	(599,603)	-0.0%
404 CHOICE	376,091	315,295	134,470	180,825	134%	137,309	137,309	0.0%
405 AASL	(494,628)	447,394	193,829	253,565	131%	144,614	144,614	-0.0%
406 ASCLA	(28,450)	(36,363)	(38,185)	1,822	5%	(2,974)	(2,974)	-0.0%
407 ALCTS	(65,765)	10,415	29,674	(19,259)	-65%	22,554	22,554	-0.0%
409 LAMA	38,478	(1,689)	(1,068)	(621)	-58%	1,647	1,647	0.0%
410 RUSA	213,781	36,864	15,698	21,166	135%	10,468	10,468	0.0%
411 ALTA	(83,516)	(58,090)	(81,324)	23,234	29%	7,595	7,595	0.0%
412 LITA	62,226	42,657	(620)	43,277	6980%	(34,240)	(34,240)	-0.0%
413 ALSC	91,588	28,778	12,827	15,951	124%	(13,665)	(13,665)	0.0%
414 YALSA	41,599	6,127	85,065	(78,938)	-93%	108,750	108,750	0.0%
416 LITA/LAMA NAT'L CONF	0	0	0	0	-	-	-	-
TOTAL NET REVENUES	362,133	1,747,364	870,331	877,033	101%	843,535	843,535	-0.0%

FOR ADDITIONAL DETAIL SEE SCHEDULE 11.

09/02/2008

**American Library Association**  
**Schedule 5 – Statement of Revenues and Expenses – Divisions**  
**July FY 2008 Financials**

**American Association of School Librarians (AASL)**

Total Revenues Budgeted/Actual/Remaining:	\$ 2,284,533	\$ 2,240,139	\$ 85,746
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 1,738,183	\$ 1,453,886	\$ 374,309
Contribution Margin Budgeted/Actual/Remaining:	\$ 546,350	\$ 786,253	\$ (288,563)
Overhead Budgeted/Actual/Remaining:	\$ 350,381	\$ 336,719	\$ 14,097
Tax Budgeted/Actual/Remaining:	\$ 2,140	\$ 2,140	\$ 120
Net Revenue (Expense) Budgeted/Actual/Variance	\$ 193,829	\$ 447,394	\$ 253,656
Beginning/Ending Net Asset Balance	\$ 982,425	\$ 1,429,819	

AASL had a strong national conference (Fall 2008), is showing strong dues revenues and is well below budget on expenses, including significant salary savings. AASL is going into a "spend-down" (non-conference) year in a strong position.

**Association of College & Research Libraries (ACRL)**

Total Revenues Budgeted /Actual / Remaining:	\$1,833,600	\$2,181,196	\$(62,788)
Total Direct Expenses Budgeted /Actual / Remaining:	\$2,306,162	\$2,080,720	\$467,546
Contribution Margin Budgeted /Actual / Remaining:	\$(472,562)	\$100,476	\$(530,334)
Overhead Budgeted /Actual / Remaining:	\$97,505	\$90,953	\$48,331
Tax Budgeted /Actual / Remaining:	\$0	\$0	\$30,461
Net Revenue (Expense) Budgeted /Actual / Variance:	\$(570,067)	\$9,523	\$579,590
Beginning / Ending Net Asset Balance:	\$3,384,614	\$3,394,137	

ACRL's revenues of \$2,181,196 are 19% above budget. Membership dues revenues continue to be unexpectedly 20% better than budget, due to better than expected membership following ACRL's 2-year phased-in dues increase and the start of the second year of ALA's 3-year phased-in dues increase. ACRL's Web CE course offerings have not been as robust this year. Two factors have depressed revenues: 1) the position responsible for this program was vacant for the first five months of the fiscal year and it is difficult to recover lost opportunities; and 2) there is much more competition from free commercial enterprises. It is projected that ACRL will miss targeted revenue in this area by about 50%. In publishing, book sales are better than budget by 34% and expenses are 26% more than budget so they may at least break even this year as ACRL works to develop a strong front list. *Academic Library Trends and Statistics* sales are showing signs of recovery from the late production, now down just 10% from budget. Product ad sales for the serials are doing well, coming in 10% better than budget; classified ad sales are strong at 12% above budget, due primarily to online JobLIST postings. Total expenses are \$2,171,673 and are 10% below budget due to some salary savings from vacancies and timing issues. As anticipated in a spend-down non-National Conference year, the year will end with a deficit, but is will be less than budgeted as increased revenues in some areas are offsetting weakness in other areas and expenses are controlled where possible.

**ACRL/CHOICE**

Total Revenues Budgeted/Actual/Remaining:	\$2,981,993	\$3,023,318	\$249,758
Total Direct Expenses Budgeted/Actual/Remaining:	\$2,467,753	\$2,324,042	\$396,750
Contribution Margin Budgeted/Actual/Remaining:	\$514,240	\$699,276	(\$146,992)
Overhead Budgeted/Actual/Remaining:	\$336,961	\$341,172	\$28,686
Tax Budgeted/Actual/Remaining	\$42,809	\$42,809	\$2,308
Net Revenue (Expense) Budgeted/Actual/Variance:	\$134,470	\$315,295	\$180,825
Beginning/Ending Net Asset Balance:	\$2,758,328	\$3,073,623	

Through July, CHOICE revenues continue to run modestly ahead of budget, while expenses remain below. Net revenues are currently \$180,825 (135%) better than budget. CHOICE subscription revenues are \$1,374,170, which is \$51,591 (4%) better than budget. CHOICE print subscriptions are \$46,354 (5%) better than budget, but \$51,881 (5%) below last year in keeping with long-term trends. Online subscription revenues are \$395,348, which is \$13,833 (4%) better than budget and \$69,438 (21%) better than last year. Net revenues from print ad sales are now \$820,502, which is \$28,933 (4%) better than last year but \$9,063 (1%) below budget. Electronic net ad revenues are \$34,990, which is \$6,843 (24%) better than budget and \$18,621 (114%) better than last year. Licensing revenues (exclusive of RCL) are \$483,443, which is \$40,746 (8%) below budget but \$98,936 (26%) better than last year. RCL revenues are \$245,690, which is \$55,021 (18%) less than last year but \$32,846 (15%) better than budget. Overall, CHOICE currently expects to end the year ahead of budget.

**Association for Library Collections & Technical Services (ALCTS)**

Total Revenues Budgeted/Actual/Remaining:	\$ 532,196	\$ 476,336	\$ 101,309
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 459,277	\$ 437,319	\$ 71,505
Contribution Margin Budgeted/Actual/Remaining:	\$ 72,919	\$ 39,017	\$ 29,804
Overhead Budgeted/Actual/Remaining:	\$ 43,125	\$ 28,482	\$ 17,625
Tax Budgeted/Actual/Remaining:	\$ 120	\$ 120	\$ 40
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ 29,674	\$ 10,415	\$ (19,259)
Beginning/Ending Net Asset Balance:	\$ 71,721	\$ 82,135	

Revenue: Dues revenue continues to hold at a steady level, close to budget and improved the under budget to 4%. Dues revenue exceeded budget in July for the second time. LRTS revenue continues to lag behind the budget as subscription revenue is 8% below budget where it will

probably remain for the rest of the year. Registration fees are running considerably behind due to lack of total CE offerings and smaller than usual pre-conference revenue. Book sales remain strong and continue to exceed budget expectations. The rest of the LRTS advertising was billed but hasn't shown yet in the report. Royalties are slightly less than budget but close. Web course revenue will improve with three new offerings in August but not approach budget for the year.

Expenses: PBD fulfillment expenses remain above budget due a budgeting error but less than 07. The Bank Service Charge continues over budgeted amount. LRTS continues way over budget due again to a large increase in postal charges (some \$5,000 over budget). LRTS will end the year about \$18,000 negative. Most other expenses are not unreasonable. Annual expenses were in reason but not all reported. Awards expenses is well over budget due to a budgeting error in the amount of award expense for 08.

Outlook: Through July the problem areas remain: LRTS and in-person CE (proj.4472). Overhead will run about \$15,000 below budget. LRTS expenses will exceed budget by about \$18,000 due to the October 07 issue expenses and higher than expected postage.

**Association for Library Service to Children (ALSC)**

Total Revenues Budgeted/Actual/Remaining	\$ 959,156	\$ 789,330	\$ 234,051
Total Direct Expenses Budgeted/Actual/Remaining	\$ 865,321	\$ 704,086	\$ 246,288
Contribution Margin Budgeted/Actual/Remaining	\$ 93,835	\$ 85,244	\$ 27,040
Overhead Budgeted/Actual/Remaining	\$ 80,788	\$ 56,246	\$ 30,186
Tax Budgeted/Actual/Remaining	\$ 220	\$ 220	\$ 20
Net Revenue (Expense) Budgeted/Actual/Variance	\$ 12,827	\$ 28,778	\$ 15,951
Beginning/Ending Net Asset Balance	\$1,183,285	\$ 1,212,063	

ALSC's budget picture has not changed significantly since the last (April close) report. Administration expenses are under budget, but expenses in Service to Members are higher than budget and revenues in many projects are lower than budget. Dues revenue is only slightly below budget, and Non-Serial Publications net revenue is slightly above budget.

Seals sales are still behind budget, and expenses are higher than budget because the seals sales producer raised his cost to us after the FY2008 budget process had been completed. There is almost no activity in this project during the month of June. The processing (and therefore billing and collecting revenue) on awards seals has been inconsistent from month to month, but we know that orders continue to be received, so we are optimistic that this month's particularly bad showing will be made up for by the end of the fiscal year. The revised projection for net revenues for ALSC award seals sales is \$330,000.

Happily, the ALSC/PLA Every Child Ready to Read project is performing better than it seemed it would at the six-month mark. This project seems this year to have reached market saturation though, so we do not expect net revenues to reach budget. Fortunately, the two divisions have embarked upon a comprehensive evaluation of the program intended to identify possible enhancements and improvements that can drive future sales. For this year the revised projection for net revenues for ECRR is **\$16,000**.

The Newbery-Caldecott Banquet registration was very healthy at 1100, 50 more than expected; compared to 1,000 in New Orleans and close to 1,300 in both Washington DC and Chicago.



It is expected that *Children and Libraries* (journal) and the *ALSCConnect* newsletter to come in near or better than budget.

**Association for Library Trustees and Advocates (ALTA)**

Total Revenues Budgeted/Actual/Remaining:	\$ 80,147	\$ 56,334	\$ (47,946)
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 160,697	\$ 114,418	\$ (19,253)
Contribution Margin Budgeted/Actual/Remaining:	\$ (80,550)	\$ (58,084)	\$ (67,199)
Overhead Budgeted/Actual/Remaining:	\$ 774	\$ 6	\$ 1,514
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ (81,324)	\$ (58,090)	\$ 23,234
Beginning/Ending Net Asset Balance:	\$ 10,709	\$ (47,380)	

ALTA is running behind budget on personal dues – but close to 2007. ALTA is currently being managed, on a contractual basis, by FOLUSA; FOLUSA and ALA/ALTA are currently in discussions aimed at developing a larger division within ALA incorporating trustees, friends, advocates and library foundations, across all types of libraries. Expenses are under control – though expenses have shifted with the contractual arrangement. New products are being developed. On a net basis, ALTA is performing better than budget.

**Association of Specialized & Cooperative Library Agencies (ASCLA)**

Total Revenues Budgeted /Actual/Remaining:	\$59,614	\$ 51,052	\$ (16,998)
Total Direct Expenses Budgeted /Actual/Remaining:	\$95,661	\$ 85,643	\$ (17,150)
Contribution Margin Budgeted /Actual/Remaining:	\$ (36,047)	\$ (34,591)	\$ (34,148)
Overhead Budgeted /Actual/Remaining:	\$ 2,138	\$ 1,772	\$ 759
Tax Budgeted /Actual/Remaining:	\$		
Net Revenue (Expense) Budgeted /Actual/Variance:	\$ (38,185)	\$ (36,33)	\$ 1,822
Beginning / Ending Net Asset Balance:	\$ 74,077	\$ 37,715	

ASCLA revenues are less than budget as membership dues are down; online CE revenues are down as conversion from WebCT to Moodle has delayed course scheduling; the ASCLA preconference was cancelled so those revenues were lost. Expenses are less than budget due to salary savings. While the salary savings help, membership continues to drop. ASCLA will make budget if membership declines are stemmed.

**Library Administration and Management Association (LAMA)**

Total Revenues Budgeted/Actual/Remaining:	\$336,795	\$283,590	\$75,706
Total Direct Expenses Budgeted/Actual/Remaining:	\$321,401	\$272,193	\$68,592
Contribution Margin Budgeted/Actual/Remaining:	\$ 15,394	\$ 11,397	\$7,114
Overhead Budgeted/Actual/Remaining:	\$ 16,462	\$ 13,086	\$3,778
Total Net Revenue (Expense) Budgeted/Actual/Remaining:	\$ (1,068)	\$ (1,689)	\$ (621)
Beginning/Ending Net Asset Balance:	\$171,221	\$169,533	

Net revenue is approximately \$600 behind budget. While most revenue is recorded, additional LA&M pre-con and website expense will accelerate negative trend. FY 2008 net revenue projection continues to be \$3,000 to \$5,000.

**Library & Information Technology Association (LITA)**

Total Revenues Budgeted /Actual/Remaining:	\$ 507,250	\$ 496,164	\$ 47,961
Total Direct Expenses Budgeted /Actual/Remaining:	\$ 455,307	\$ 408,858	\$ 116,005
Contribution Margin Budgeted /Actual/Remaining:	\$ 51,943	\$ 87,306	\$ (68,044)
Overhead Budgeted /Actual/Remaining:	\$ 52,343	\$ 44,429	\$ 8,602
Tax Budgeted /Actual/Remaining:	\$ 220	\$ 220	\$ 251
Net Revenue (Expense) Budgeted /Actual/Variance:	\$ (620)	\$ 42,657	\$ 43,277
Beginning / Ending Net Asset Balance:	\$ 585,437	\$ 628,093	

LITA revenues are very much on target at 2% below budget. Expenses are 11% below budget. We await the Annual Conference expenses for AV and catering. The \$50,000 transfer from reserves into the endowment will reduce the ending balance as anticipated.

**Public Library Association (PLA)**

Total Revenues Budgeted/Actual/Remaining:	\$ 4,801,966	\$ 4,617,073	\$ 336,530
Total Direct Expenses Budgeted/Actual/Remaining:	\$ 2,906,658	\$ 2,930,761	\$ 147,502
Contribution Margin Budgeted/Actual/Remaining:	\$ 1,895,308	\$ 1,686,312	\$ 189,028
Overhead Budgeted/Actual/Remaining:	\$ 804,021	\$ 738,604	\$ 74,144
Tax Budgeted/Actual/Remaining:	\$ 1,255	\$ 1,255	\$ 257
Net Revenue (Expense) Budgeted/Actual/Variance:	\$ 1,090,032	\$ 946,453	\$ (143,579)
Beginning/Ending Net Asset Balance:	\$ 196,385	\$ 1,142,839	

**Overview**

PLA revenues are \$184,893 or 3% off budget and total direct expenses are \$24,102 or less than 1% over budget. Overhead is \$65,417 or 8% under budget. Overall, PLA is \$143,579 off budget on a net revenue/expense basis. As previously noted, budget revenue discrepancies can be attributed primarily to National Conference registration being \$233,930 under budget. The registration budget shortfall was noted in previous reports; while attendees registered at a faster pace earlier in the registration cycle, onsite attendee registration did not trend up as compared to NC06.

While PLA budgeted for the possibility of conducting pre-conferences at ALA's Annual Conference, we did not; this also contributed to the overall shortfall in both registration and overhead. PLA filled a vacant position, Manager Web Services, in June; therefore the pace of salary savings will not continue. There is no new information to report that has not been covered in prior reports.

**Gates Grant**

The Gates advocacy training project, *Turning the Page*, is on target. As previously noted, all eight round-one trainings have been executed. Training for the round-two begins in September. This training is being developed to support the grantees of the *Opportunity Online* hardware grant



program administered in 32 states. Round-one training was conducted in March and April. Approximately 1,191 librarians, trustees, and community supporters participated in the in-person training events. Online training has been released and nearly 300 grantees have taken advantage of that training. Through the generous support of the Bill and Melinda Gates Foundation this training was made available to non-grantees at PLA's National Conference. Nearly 200 PLA members took advantage of the free training at PLA's National Conference. The training will be offered to 200 PLA members who are non-grantees for free at the 2009 Spring Symposium. The grant has entered into the second year of the project, and the year two project payment was received in late June. In FY08, ALA will recover \$475,553 in overhead from this project. Additionally, \$52,858 in interest income has been credited back to the project. The PLA Board of Directors received a letter from the Foundation commending the work executed by PLA in the development and implementation of this project.

**Summary**

Overall, on a net revenue basis, PLA is performing slightly under budget (\$143,579), as expected, and noted throughout the course of the year. The FY08 PLA budget includes a \$250,000 contribution to the endowment; however, the PLA Board decided to reduce the FY08 contribution to \$175,000. That transfer will be made at the end of the fiscal year.

**Reference & User Services Association (RUSA)**

Total Revenues Budgeted /Actual/Remaining:	\$ 367,885	\$ 460,052	\$ 41,009
Total Direct Expenses Budgeted /Actual/Remaining:	\$ 339,889	\$ 401,974	\$ 8,593
Contribution Margin Budgeted /Actual/Remaining:	\$ 27,996	\$ 58,077	\$ 32,416
Overhead Budgeted /Actual/Remaining:	\$ 11,725	\$ 20,640	\$ (6,209)
Tax Budgeted /Actual/Remaining:	\$ 573	\$ 573	\$ 189
Net Revenue (Expense) Budgeted /Actual/Variance:	\$ 15,698	\$ 36,865	\$ 21,167
Beginning / Ending Net Asset Balance:	\$ 534,999	\$ 571,864	

RUSA revenues are over budget due to higher than budgeted web CE revenues and preconference revenues. Membership revenues are slightly over budget; RUSQ ad revenue is well under budget. Expenses are over budget; salary savings are offset by overages in printing and mailing costs for RUSQ and order fulfillment and overages in hotel catering. Some conference expenses have yet to be charged; RUSA should come in at or slightly ahead of budget.

### Young Adult Library Services Association (YALSA)

Total Revenue/Budgeted/Actual/Remaining:	\$550,751	\$498,429	(\$131,818)
Total Direct Expenses Budgeted/Actual/Remaining:	\$440,209	\$485,114	(\$6,514)
Contribution Margin Budgeted/Actual/Remaining:	(\$110,542)	\$13,315	(\$125,304)
Overhead Budgeted/Actual/Remaining:	\$25,132	\$6,843	\$22,566)
Tax Budgeted/Actual/Remaining:	\$345	\$345	\$115
Net Revenue (Expense) Budgeted/Actual/Variance:	\$85,065	\$6,126	(\$78,939)
Beginning/Ending Net Asset Balance:	\$501,227		

YALSA ended the month of July still lagging behind budgeted revenues. Membership for July stood at 5,693, which is 3% higher over this time last year. Revenue from both dues and YALS ad sales remains better than projected. A key receivable in this fiscal year is revenue from D&D's TTW sponsorship. In terms of expenses, YALSA is running slightly over-budget in salaries and temporary wages, committees and governance support (mainly due to increased transportation costs). YALSA is under budget in expenses for *YAttitudes*, e-courses and book publishing.

Areas of concern are book publishing, e-courses and licensed institutes as these revenue streams are behind budget, and possibly ticketed events at conference, as expenses have not all been paid out yet. It is possible that the two new publications, some last minute registrations for summer e-courses and sponsorships for the Symposium will increase revenues. Due to the current state of the economy and the bear stock market negative growth is expected in respect to interest from the Morris Endowment. Based on YALSA's receivables, it is still likely that YALSA will end the fiscal year with enough revenues to cover all expenses; however, it is unlikely that YALSA will meet its targeted profit goals.



**American Library Association**  
**Schedule 6 - Balance Sheet - Assets, Liabilities, Net Assets**

	ACTUAL JULY 30, 2007	ACTUAL JULY 30, 2008	VARIANCE	%
ASSETS	66,087,129	66,734,530	647,401	1%
LIABILITIES	32,884,373	33,743,747	859,374	3%
NET ASSETS	33,202,756	32,990,783	(211,973)	-1%
TOTAL LIABILITIES AND NET ASSETS	66,087,129	66,734,530	647,401	1%

FOR ADDITIONAL DETAIL SEE SCHEDULE 12

09/02/2008

**American Library Association**  
**Schedule 6 – Commentary: Balance Sheet - Total ALA**  
**July FY 2008 Financials**

**ASSETS**

At July 31, 2008, total assets of \$66,734,530 are \$647,401 more than the total at July 31, 2007. This is a result of increases in property, plant and equipment (E), cash and short-term investments (A), and inventories (C), offset by a decrease in long-term investments (D) and net accounts receivable (B).

A. Cash and Short-Term Investments: Cash and short-term investments of \$21,107,381 at July 31, 2008 are \$623,699 higher than at July 31, 2007.

	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>
	<b>AVG. BALANCE</b>	<b>INTEREST INCOME</b>	<b>YIELD</b>
FY 2007	\$16,057,262	\$706,325	4.80%
FY 2008	\$16,598,060	\$762,312	4.22%

See Schedule 2 explanation for additional investment information.

B. Net Accounts Receivable: Net accounts receivable of \$3,586,338 at July 31, 2008 are \$3,798 lower than the balance of \$3,590,137 at July 31, 2007. The decrease is the result of a lower balance in PBD billings, mainly books and graphics related sales and iMIS billings and a lower reserve for bad debts (which increases net accounts receivable). At July 31, 2008, total trade receivables were \$2,033,792 as compared to \$2,435,152 in FY 2007. Reserves for bad debt decreased \$44,025.

C. Inventories: While net inventories increased by \$550,501, the gross inventory balance increased by \$447,853 to \$2,291,562 at July 31, 2008 from \$1,843,709 at July 31, 2007. ALA Editions finished goods has a \$17,804 decrease and Graphics has a \$4,516 increase. ALA Editions work-in-progress has an increase of \$458,325. On a net basis, the reserves have decreased \$102,648 at July 31, 2008.

D. Endowment Investments: Long-term endowment investments of \$28,367,709 at July 31, 2008 are \$1,712,968 lower than at July 31, 2007, primarily as a result of market conditions.

E. Property, Plant and Equipment: Property, plant and equipment, net of depreciation of \$9,729,652 at July 31, 2008 is \$554,364 higher than at July 31, 2007 mainly as a result of limited additions between 2008 and 2007.

## LIABILITIES

At July 31, 2008, total liabilities of \$33,743,747 are \$859,374 higher than total liabilities at July 31, 2007 primarily due to increases in (C) accounts payable, (D) deferred revenues - membership dues, and (E) deferred revenues - subscriptions offset by a decrease in (A) deferred revenues meetings and conferences and (B) deferred revenues - grants and awards.

A. Deferred Revenues - Meetings and Conferences: At July 31, 2008, deferred revenues for meetings and conferences totaled \$2,560,922 as compared to \$3,353,621 at July 31, 2007. At July 31, 2008 deferred revenues consisted of AASL, \$467,109, PLA, \$428,950, and ACRL, \$342,483. At July 31, 2007, PLA deposits are \$688,694, ACRL deposits are \$318,109, Annual Conference, \$721,275, Midwinter, \$462,450, and AASL Deposits are \$1,123,957.

B. Deferred Revenues - Grants: Deferred revenues for Grants and Awards at July 31, 2008 are \$5,120,640 as compared to \$5,215,000 at July 31, 2007. In July 2008, the following grants had significant deferred revenues, Literacy Network Database, \$243,659, Verizon Adult Lit, \$48,571, Dollar General, \$687,768, Verizon Literacy Gaming, \$301,287, MacArthur Foundation, \$269,872, Library Champions, \$69,203, 21<sup>st</sup> Century Fund, \$175,321, Gates Advocacy Training, \$1,181,490, Gates Technology Access Study, \$325,683, NASD, \$102,302, and the Scholarship Bash, \$311,704. In July 2007, major grants included Gates Connectivity, \$42,711, Gates Technology Access Study, \$289,305, the Scholarship Bash, \$168,891, Library Champions, \$81,152, NASD, \$49,903, 21<sup>st</sup> Century Fund, \$192,048, Dollar General, \$326,914, MacArthur Foundation, \$151,405, Gates Advocacy Training, \$2,728,825, and Literacy Network Database, \$243,659.

C. Accounts Payable: At July 31, 2008, accounts payable totaled \$16,324,083 as compared to \$14,764,271 at July 31, 2007. The increase of \$1,559,812 reflects the accrual of payroll related expenses, mainly \$1,265,000 for post-retirement benefits, and payables for operations.

D. Deferred Revenues - Membership Dues: Deferred revenues for membership dues at July 31, 2008 are \$4,288,903 as compared to \$4,068,270 at July 31, 2007.

E. Deferred Revenues - Subscriptions: Deferred revenues for subscriptions at July 31, 2008 are \$2,487,823 as compared to \$2,444,335 at July 31, 2007. The increase of \$43,488 is mainly a decrease in CHOICE, (\$938), Booklist (\$17,496) and TechSource (\$50,890) offset by an increase in American Libraries (\$1,391), Book Links (\$81,136) and Reviews on Cards (\$41,568).