

ALA American Library Association

Results of Operations
August - FY 2013 - 3rd Close

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August FY 2013 – 3rd Close Executive Summary

The August 3rd Close results represent twelve months of activity, which were electronically issued to unit managers on October 7, 2013. This commentary highlights actual revenue and expense results as compared to the approved budget and projections including highlights of key financial indicators. The August final unaudited results was issued on October 11.

The Management Group prepares a detailed analysis, which is transmitted to Accounting for review and inclusion in this commentary. That detail commentary includes 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 and projections as well as year-to-year comparison of key indicators.

Highlights

- *Total ALA (all combined funds) revenue of \$49,747,995 is \$2,874,483 less than budget. The General Fund revenue of \$28,627,803 is \$3,012,373 less than budget due primarily to lower sales in ALA Editions, Digital Reference and Graphics revenue. Division revenues are 1%, \$52,959 less than budget and Grants and Awards are 6%, \$395,324 more than budget year-to-date. Investment interest and dividends are less than budget by 38%, \$318,791, reaching \$521,164 year- to-date.*
- *Total ALA expenses of \$49,524,795 are 8%, \$4,424,693 less than budget. The General Fund expenses of \$28,331,031 are \$3,017,375, 10% less than budget. Divisions are \$1,630,293, 11% less than budget. Grants and Awards are \$395,324, 6% more than budget.*
- *Cash and short-term investments are \$15,608,406 as compared to \$16,437,076 last year. The Long-Term Investment Fund is \$34,165,214 as compared to the \$32,560,816 balance at August 2012.*

**August FY 2013 – 3rd Close
Executive Summary – continued**

- *Total assets are \$120,436, 1% more than August 2012 reaching \$76,296,211 due in part to the lower cash and short-term investments and property, plant and equipment.*
- *Total liabilities are \$1,197,464, 3% less than August 2012, totaling \$44,372,010 due to payment on the bank loan..*
- *Total ALA net assets are \$1,317,900, 4% more than August last year, totaling \$31,924,201.*

OPERATING FUND

General Fund

Total revenues of \$28,627,803 are \$3,012,373, 10% less than budget. Revenues are slightly higher compared to the FY 2012 balance of \$27,253,394. Currently, revenues are 98.5% of the FY 2013 projections.

Publishing revenues are less than the budget by \$2,748,463 due primarily to ALA Editions, Digital Reference and Graphics. Note: Publishing net revenue of \$510,480 for August year-to-date is less than budget by \$903,339, but 87.5% of the \$583,303 projection.

Dues income is less than budget by \$204,234, totaling \$5,543,754, which is \$167,434 less than last year. Dues income is 99% of the year-end projection of \$5,568,660.

Interest Income is less than budget by \$35,981 reaching \$698,959 and is only 82% of the year-end projection of \$848,398.

Midwinter net revenue of (\$2,941) is \$92,886 less than budget and will not reach the projection of \$94,736.

Annual Conference net revenues are \$1,067,279, \$224,512 less than budget and \$227,670 less than projection.

Total expenses of \$28,331,031 are \$3,017,375 or 10% less than budget. Publishing is \$1,845,124 less than budget and General Administration is \$504,616 under budget.

Currently, revenues exceed expenses by \$296,773, which is more than the \$291,771 budgeted.

**August FY 2013 – 3rd Close
Executive Summary – continued**

Projections (FY 2013)

Total General Fund results based upon August results compared to the year-end projections:

	<u>FY 2013</u> <u>August YTD</u>	<u>FY 2013</u> <u>Annual Projection</u>	<u>Variance</u>	<u>%</u>
<u>Revenue</u>				
Dues	\$5,543,754	\$5,628,660	\$ (84,906)	(2%)
Sales of Materials-Net	5,484,193	5,957,623	(473,430)	(8%)
Other Sales	393,631	1,011,155	(617,524)	(61%)
Subscriptions	2,630,745	2,552,380	78,365	3%
Advertising	4,707,235	3,941,298	765,937	19%
Meetings & Conf.	7,372,879	7,396,980	(24,101)	(1%)
Misc.	<u>2,495,366</u>	<u>2,566,919</u>	<u>(71,553)</u>	<u>(3%)</u>
Total Revenues	\$28,627,803	\$29,055,015	\$ (427,212)	(1%)

Dues

Personal dues income is \$4,290,163 and were projected to reach \$4,300,660. Organizational dues are \$1,167,960 and were projected to reach \$1,176,000. Total Dues income is \$84,906 less than projections.

Sales of Materials-Net

Sales of books (net of returns) in ALA Editions of \$4,292,302 were projected to reach \$4,801,685. Neal-Schuman book sales are \$1,684,136, well under the projection of \$2,259,377. Graphics sales, \$1,048,608, were projected to reach \$1,286,984. Total sales of materials-net are \$5,484,193 versus a projection of \$5,957,623.

**August FY 2013 – 3rd Close
Executive Summary – continued**

Other Sales

Sales online as of August total \$126,957 compared to the projection of \$727,531 and will not meet the year-end projection.

Subscriptions

RDA subscriptions were projected to reach \$577,076, as compared to the actual of \$599,458. Booklist subscriptions are \$1,691,232, as compared to the projection of \$1,670,074. Total subscriptions are projected to be \$400,010 less than budget. Total subscriptions revenue are on target and are compared to the projection of \$2,552,380.

Advertising

Total advertising as of August is \$4,707,235, which is 119% of the year-end projection and exceeded the target of \$3,941,298. Booklist advertising is \$2,459,890 as compared to the projection of \$2,301,271.

Miscellaneous

Miscellaneous income of \$2,436,269, which includes donations, interest/dividends, and royalties is below the projection of \$2,566,919, despite the increase from 4% to 5% to the draw from the Endowment.

**August FY 2013 – 3rd Close
Executive Summary – continued**

	<u>FY 2013 August YTD</u>	<u>FY 2013 Annual Projection</u>	<u>Variance</u>	<u>%</u>
<u>Expenses</u>				
Payroll & Related	14,291,168	14,497,893	206,725	1%
Outside Services	3,649,443	3,973,101	323,658	8%
Travel & Related	828,218	1,037,473	209,255	20%
Meetings & Conferences	3,598,545	2,853,388	(745,157)	(26%)
Publication Related	2,888,707	3,207,727	319,020	10%
Operating Expenses	4,742,253	4,946,549	204,296	4%
Total IUTs	<u>(1,116,615)</u>	<u>(1,075,594)</u>	<u>41,024</u>	<u>1%</u>
Total Direct Expenses	28,881,719	29,440,537	558,818	2%
General Overhead	(2,082,996)	(1,986,252)	96,744	5%
Allocations	1,530,553	1,600,730	70,177	2%
Taxes	<u>1,754</u>	<u>0</u>	<u>(1,754)</u>	
Total Expenses	<u>28,331,030</u>	<u>29,055,015</u>	<u>723,985</u>	<u>2%</u>
Net Revenue (Loss)	296,773	0	296,773	
	=====	=====	=====	

Payroll and Related

Salaries and wages are projected to total \$10,896,441, which is \$958,891 less than budget. Projections for salaries includes holding open all current vacant (General Fund only) positions and includes the elimination of the budgeted 2% salary increase. Taking into consideration that \$592,769 of salary attrition was included in the budget, therefore, net of attrition payroll and related expenses are projected to be \$547,304 less than budget. Total payroll and related is less than the year projections by \$206,725.

**August FY 2013 – 3rd Close
Executive Summary – continued**

Outside Services

Outside services were projected to reach \$3,973,101, the actual total of \$3,649,443 is lower due primarily to a decrease in Professional services.

Travel and Related

Travel and related expenses total \$828,218, but were projected to reach \$1,037,473 and are expected to remain close to this level in the final close.

Meetings and Conference

Meetings and Conference expenses of \$3,598,545 were projected to be only \$2,853,388 with most of the major items included in the August results. Equipment related expenses far exceeded budget.

Publication Related

Publication related expenses were projected to reach \$3,207,727, however, the actual is only \$2,888,707. The Publishing Department is projecting to spend \$271,077 less than budget of which Editions is projecting to spend \$181,514 less on lower projected sales of \$1,610,962.

Operating Expenses

Operating expenses of \$4,742,253 were originally projected to reach \$4,946,549. Operating expenses are \$204,296 less than projections due to lower expenses for supplies, equipment rental and postage.

**August FY 2013 – 3rd Close
Executive Summary – continued**

Expense adjustments included in August are:

Bad Debt Reduction	\$ 20,745
Reversal of 15 th of March Accrual	120,000
Subscription Refunds	123,029
Transfer Trustee Expenses	11,847
Reversal of Income Tax Accrued	<u>40,151</u>
Total Adjustment	\$315,772

Revenues of \$29,055,015 were projected to equal expenses resulting in a breakeven year instead of adding \$291,771 to the General Fund net assets as budgeted. Actual results indicate the General Fund currently has a net revenue of \$296,773 based upon the 3rd close results.

In conjunction with the year-end closing process there will be several entries that could have a material effect on final net revenues:

- Neal-Schuman Goodwill Impairment
- Post Retirement Benefit

**August FY 2013 – 3rd Close
Executive Summary – continued**

SALARIES

General Fund salaries through August are \$1,136,194 less than budget. This is \$543,425 more than the total years 5% salary attrition budget of \$592,769. In addition, temporary help is over budget by \$49,143 and overtime is under budget by \$25,651 year-to-date. Salaries are less than FY 2012 by \$303,346 or 3%.

	FY 2013 <u>August 2013</u>
Total General Fund Salaries	10,719,138
August YTD Budget	<u>11,855,332</u>
Salary Savings To Date	1,136,194
Total Projected Salary Savings: 5.0% Attrition (FY 2013)	592,769
Salary Savings Remaining To Be Achieved	543,425
Wages-Temporary Help	
Budget	128,289
Actual	<u>177,432</u>
Variance (over) under Budget	(49,143)
Overtime Wages	
Budget	74,042
Actual	<u>48,391</u>
Variance (over) under Budget	25,651
Salary Savings Obtained Including Wages & Overtime	<u>519,893</u> =====

American Library Association
Statement of Revenues and Expenses - Total ALA

Schedule 1

	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change From Budget
REVENUES								
General Fund	27,245,834	28,627,803	31,640,176	-3,012,373	-10 %	31,640,176	29,055,015	-8 %
Divisions	15,337,545	13,507,610	13,454,651	52,959	0 %	13,454,651	13,204,098	-2 %
Round Tables	350,582	410,102	401,704	8,398	2 %	401,704	401,704	0 %
Plant Fund				0	0 %			0 %
Grants and Awards (Restricted Fund)	5,750,398	6,681,315	6,285,991	395,324	6 %	6,285,991	6,285,991	0 %
Longterm Investment Fund (Endowment Fund)	592,912	521,164	839,955	-318,791	-38 %	839,955	839,955	0 %
Total Revenues	49,277,271	49,747,995	52,622,477	-2,874,483	-5 %	52,622,477	49,786,763	-5 %
EXPENSES								
General Fund	28,435,621	28,331,031	31,348,405	3,017,375	10 %	31,348,405	29,055,015	7 %
Divisions	14,296,121	13,584,533	15,214,826	1,630,293	11 %	15,214,826	14,199,427	7 %
Round Tables	238,692	287,482	321,073	33,591	10 %	321,073	321,073	0 %
Plant Fund	0	0	0	0	0 %	0	0	0 %
Grants and Awards (Restricted Fund)	5,835,015	6,681,315	6,285,991	-395,324	-6 %	6,285,991	6,285,991	0 %
Long Term Investment (Endowment Fund)	580,470	640,435	779,193	138,758	18 %	779,193	779,193	0 %
Total Expense	49,385,919	49,524,795	53,949,488	4,424,693	8 %	53,949,488	50,640,699	6 %
Excess of Revenues Over Expenses	-108,648	223,199	-1,327,011	1,550,210	117 %	-1,327,011	-853,936	36 %
2010 Initiatives	182,441	34,092		-34,092				0 %
Post-Retirement Benefits	341,853			0				0 %
Technology Reserve	310,950	338,921	318,070	-20,851		318,070	318,070	0 %
Net Realized/Unrealized Gains - Bond Fund	64,122	-444,255		-444,255				0 %
Net Realized/Unrealized Gains - LT Investments	1,039,669	1,858,491	99,046	1,759,445		99,046	99,046	0 %
Net Contributions/Withdrawals-LT Investments	144,807	53,931	-2,285	56,216		-2,285	-2,285	0 %
Net Revenues - Total ALA	304,705	1,318,354	-1,548,320	2,866,674		-1,548,320	-1,075,245	31 %

American Library Association
Statement of Revenues and Expenses - General Fund

	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change from Budget
REVENUES:								
Publishing Services								
Member Program & Services	12,452,459	12,902,352	15,650,815	-2,748,463	-18 %	15,650,815	13,241,921	-15 %
Communications	8,076,995	9,080,711	9,280,971	-200,260	-2 %	9,280,971	9,166,499	-1 %
Interest Income	5,768,310	5,603,169	5,792,538	-189,369	-3 %	5,792,538	5,617,285	-3 %
Mail List Sales / Misc.	751,945	698,959	734,940	-35,981	-5 %	734,940	848,398	15 %
Executive Office	199,244	299,815	180,912	118,903	66 %	180,912	180,912	0 %
	4,441	42,797	0	42,797	100 %	0	0	0 %
TOTAL REVENUES	27,253,394	28,627,803	31,640,176	-3,012,373	-10 %	31,640,176	29,055,015	-8 %
EXPENSES:								
Publishing Services								
Member Program & Services	12,522,720	12,391,872	14,236,996	1,845,124	13 %	14,236,996	12,658,618	11 %
Communications	11,401,083	11,981,083	12,201,303	220,220	2 %	12,201,303	11,899,071	2 %
Executive Office	2,762,524	2,727,345	3,132,722	405,377	13 %	3,132,722	2,952,235	6 %
Finance, Accounting & Staff Support Servi	4,382,679	4,360,896	4,776,143	415,247	9 %	4,776,143	4,529,739	5 %
Overhead Recovered	1,782,514	1,836,702	1,974,582	137,880	7 %	1,974,582	1,889,086	4 %
General Administration	-6,051,844	-6,178,761	-6,689,851	-511,090	-8 %	-6,689,851	-6,114,291	-9 %
	1,635,944	1,211,894	1,716,510	504,616	29 %	1,716,510	1,240,557	28 %
TOTAL OPERATING EXPENSES	28,435,621	28,331,031	31,348,405	3,017,375	10 %	31,348,405	29,055,015	7 %
OPERATING NET REVENUES	-1,182,227	296,773	291,771	5,002	2 %	291,771	0	-100 %
NON-OPERATING ACTIVITIES								
Post Retirement Benefits	341,853	0	0	0	0 %	0	0	0 %
Strategic Initiatives	182,441	34,092	0	-34,092	-100 %	0	0	0 %
Technology Reserve	310,950	338,921	318,070	-20,851	-7 %	318,070	318,070	0 %
Net Realized/Unrealized Gains/(Losses)	64,122	-444,255	0	-444,255	-100 %	0	0	0 %
TOTAL NON-OPERATING ACTIVITIES	771,123	817,268	318,070	-499,198	-157 %	318,070	318,070	0 %
EXCESS REVENUES OVER EXPENSES	-1,953,350	-520,495	-26,299	-494,196	-1879 %	-26,299	-318,070	-1109 %

American Library Association
Supporting Statement of Revenues and Expenses - Executive Office
For the Period Ending August 2013

Schedule 6

UNIT	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change From Budget
REVENUES								
(102) EXECUTIVE BOARD		30,000		30,000	100 %			0 %
(150) WASHINGTON OFFICE	104	47		47	100 %			0 %
(151) OFFICE OF INFORMATION TECHNOLOG	1,207	0		0	0 %			0 %
(152) OGR	3,130	12,750		12,750	100 %			0 %
TOTAL REVENUES	4,441	42,797	0	42,797	100 %	0	0	0 %
EXPENSES								
(101) STANDING COMMITTEES	88,170	103,651	164,126	60,475	37 %	164,126	83,496	49 %
(102) EXECUTIVE BOARD	317,295	302,163	346,445	44,282	13 %	346,445	315,058	9 %
(103) EXECUTIVE OFFICE	892,606	851,836	877,980	26,144	3 %	877,980	868,355	1 %
(114) DEVELOPMENT OFFICE	314,796	296,077	387,106	91,029	24 %	387,106	351,106	9 %
(150) WASHINGTON OFFICE	892,572	920,525	977,607	57,082	6 %	977,607	917,140	6 %
(151) OFFICE OF INFORMATION TECHNOLOG	442,058	494,769	533,708	38,939	7 %	533,708	512,685	4 %
(152) OGR	811,191	710,380	812,858	102,478	13 %	812,858	768,694	5 %
(230) ALA AWARDS	2,119	6,875	7,344	469	6 %	7,344	7,344	0 %
(506) HUMAN RESOURCES	621,873	674,619	668,969	-5,650	-1 %	668,969	705,861	-6 %
TOTAL EXPENSES	4,382,679	4,360,896	4,776,143	415,247	9 %	4,776,143	4,529,739	5 %
NET REVENUES								
(101) STANDING COMMITTEES	-88,170	-103,651	-164,126	60,475	37 %	-164,126	-83,496	49 %
(102) EXECUTIVE BOARD	-317,295	-272,163	-346,445	74,282	21 %	-346,445	-315,058	9 %
(103) EXECUTIVE OFFICE	-892,606	-851,836	-877,980	26,144	3 %	-877,980	-868,355	1 %
(114) DEVELOPMENT OFFICE	-314,796	-296,077	-387,106	91,029	24 %	-387,106	-351,106	9 %
(150) WASHINGTON OFFICE	-892,467	-920,479	-977,607	57,128	6 %	-977,607	-917,140	6 %
(151) OFFICE OF INFORMATION TECHNOLOG	-440,851	-494,769	-533,708	38,939	7 %	-533,708	-512,685	4 %
(152) OGR	-808,061	-697,630	-812,858	115,228	14 %	-812,858	-768,694	5 %
(230) ALA AWARDS	-2,119	-6,875	-7,344	469	6 %	-7,344	-7,344	0 %
(506) HUMAN RESOURCES	-621,873	-674,619	-668,969	-5,650	-1 %	-668,969	-705,861	-6 %

American Library Association
Supporting Statement of Revenues and Expenses - Executive Office
For the Period Ending August 2013

Schedule 6

UNIT	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change From Budget
TOTAL NET REVENUE	-4,378,239	-4,318,099	-4,776,143	458,044		-4,776,143	-4,529,739	

AMERICAN LIBRARY ASSOCIATION
Staff Support Services Supporting Statement of Expenses
For the Period Ending August 2013

Schedule 7

UNIT	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change From Budget
EXPENSES								
STAFF SUPPORT SERV/OFFICE SERV	252,828	191,244	200,378	-9,134	-5 %	200,378	203,981	-2 %
DISTRIBUTION CENTER	250,308	256,166	298,386	-42,220	-14 %	298,386	300,714	-1 %
DISTRIBUTION CENTER	-84,345	-87,126	-110,000	22,874	21 %	-110,000	-110,000	0 %
REPROGRAPHICS CENTER	189,876	162,993	219,367	-56,374	-26 %	219,367	220,574	-1 %
REPROGRAPHICS CENTER	-222,845	-192,156	-220,000	27,844	13 %	-220,000	-220,000	0 %
TOTAL EXPENSES	385,822	331,121	388,131	-57,010	-15 %	388,131	395,269	-2 %

American Library Association
Schedule 2A – Commentary: Statement of Revenues and Expenses – General Fund
August FY 2013 – 3rd Close

INTEREST
INCOME

Year-to-date interest on short-term investments is \$316,446. The actual average invested balance for the twelve months ending August 31, 2013 was \$13,542,897 with a yield of 2.34%. In comparison, at August 31, 2012 the actual average invested balance was \$10,700,791 with a yield of 2.75%. As of August 31, 2013 the net realized/unrealized gain <loss> on the investment managed by Neuberger Berman was a net loss of \$418,276, as compared to the \$22,485 cumulative gain at August 31, 2012. The net year-to-date loss is comprised of \$200,017 of realized losses and \$218,259 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 net asset balance and as such is carried forward in the net asset balance to subsequent fiscal years.

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]: The FY13 Council administrative budget of \$40,300 has approximately \$2,160 remaining.

Executive Board Administration [11-102-0000]: Approximately \$2,900 remains in this \$27,255 budget.

Spring Board Meeting [11-102-0115]: The Spring Executive Board meeting was held in Chicago on April 19-21. Expenses totaled \$21,285, or 90% of budget projections. A total of \$2,243 remains in this budget.

Fall Board Meeting [11-102-0118]: Recorded expenses for the Fall Executive Board meeting, held in Chicago on October 26-28, 2012, total \$31,423 or approximately 125% of the total adjusted budget of \$25,178. As a result of Super Storm Sandy, several Board members had to remain in Chicago for additional days incurring unanticipated hotel and meal charges.

President: [11-102-0100] (Support): \$29,988 remains from a total budget of \$61,475. This budget was reduced by \$5,000 (8%) in FY2012. This reduction will remain in effect for the foreseeable future.

(103 Budget Initiatives): During her presidency, Maureen Sullivan spent approximately \$90,482 of her Presidential Initiatives budget of \$95,000, leaving a remaining budget of approximately \$4,518. This budget was likewise reduced by \$5,000 (5%) in FY2012 and was reduced by an additional \$10,000 for FY2014 bringing it down to \$85,000.

President-Elect: [11-102-0101] (Support): As President-elect, Barbara Stripling spent approximately \$35,501 of her total budget of \$55,260. This budget was also reduced by \$5,000 (8%) in FY2012 and will remain at this level.

[11-102-0113] (Advisory Committee): Based on the third close reports, approximately \$1,922 remains in this \$15,570 budget. This budget has not experienced any reductions.

[11-102-0122] (Incoming President): This \$9,355 budget covers the period of July and August 2013 to bridge the time following the Inaugural Ceremony through the close of the fiscal year. Barbara Stripling spent approximately \$8,489 of this budget, leaving a balance of \$866.

[11-102-0123] (Incoming President-elect): This \$4,000 budget also covers the period of July and August 2013 to bridge the time following the Inaugural Ceremony through the close of the fiscal year. Incoming President-elect Courtney Young spent approximately \$3,855, leaving a balance of \$145.

Planning & Evaluation [11-102-0104]: \$9,700, or approximately 54%, of the total budget of \$18,000 remains as of August 31, 2013.

ALA Leadership Institute [11-102-0124]: This is a new project; the budget was just established in the spring of 2013. The project was established with a \$26,250 budget based on 35 participants each paying \$750 to attend. Additional "seed money" of \$25,590 was contributed by President Maureen Sullivan from her initiatives budget. Due to the high caliber of the applicants, 40 individuals were accepted. I am very pleased to report that this inaugural Leadership Institute literally broke even, with exactly \$2.00 remaining in the budget!

The Leadership Institute will be offered again during FY2014 – without a presidential contribution but with a donation from Innovative Interfaces in the amount of \$15,000. Even so, we will have to increase the participation fee in order to meet expenses. That amount is yet to be determined.

Executive Office [11-103-0000]: The third close figures indicate that \$12,544 remains in this budget.

Election Processing [11-103-9000]: At the close of FY2013, \$13,599 or approximately 10% of the \$137,150 budget remains.

We were able to negotiate a 3-year contract with SBS, our election vendor. We also took a hard look at the services being provided and determined that some of the services that were necessary in the early years of the on-line only elections are no longer necessary. This multi-year contract combined with the elimination of some unnecessary services resulted in a contract reduction of approximately \$39,000 for each year of the 3-year contract (FY2014-2016).

WASHINGTON
OFFICE

Washington Office Administration is \$24,044 over budget for the month of August at the 3rd close but is 5.84% under budget for year to date expenses. The Washington Office made adjustments to salaries and benefits to meet an IMLS grant requirement, as well as other line item corrections and adjustments. The Office has met the requested budget level adjustments and do not expect any further expenses for the end of this fiscal year.

OGR is \$11,649 under budget for the month of August at the 3rd close and is 15.37% under budget for the year to date. Expenses have been as planned even with the cost sharing of the National Library Legislative Day expenses with the DC Library Association, and OGR has met the requested budget level adjustments in its operational expenses as well as those of the Committee on Legislation's budget.

OITP is \$31 under budget for the month of August at the 3rd close and is 7.30% under budget on year to date expenditures. OITP has met the requested budget level adjustments in its operational expenses as well as those of the OITP Advisory Committee's budget.

HUMAN RESOURCES

Salaries & Wages_344,643 - The actual expenses for this line are \$350,745 resulting in a positive variance of \$1,898. This was due to the voluntary resignation(early retirement) of the Sr. Benefit Specialist, effective 8/30/13. Owing to the payroll cycles, one week of salary rolled into September payroll.

Wages/Temporary Employees_3,000 - Actual expenditure for this is \$7,684 this reflects the approval of a professional temporary to work on the HR Policies. Therefore, this line is over budget.

Overtime Wages \$5,000 - Overtime Wages are tightly controlled; however with all of the federal program changes occurring in 2014 this line will reflect this additional effort.

Tuition Reimbursement_\$44,000 - There have been some employees who have not been able to follow through on taking their previously planned classes. While there still remains 19 participants in this program; half are participating at the grad level and our budget reflects this level of activity, it is planned to reduce the 2014 budget by \$4,000 with no negative impact to participants. It is difficult for the performance reports to capture the total picture because expenses reflect a fluid program and reimbursements processed/approved when grades are received usually at quarter and semester end.

Staff Recruitment & Relocation; 5411 - Advertising/Space_ \$35,000 - For FY 2013 Staff Recruitment and Advertising will be tracked for overview/performance reporting together as both are for one purpose, HR Recruitment.

This line is budgeted for \$35,000 (staff recruitment is budgeted at \$25,000 and advertising is budgeted at \$10,000). - There has been a high level of activity in recruitment encompassing high level searches which have

included: the Director, OFD/OLOS; Director, Financial Reporting and Compliance; Accounting Manager and various professional positions in the Divisions and Publishing. In addition there was a significant/challenging search for the Editor and Publisher of Choice. This search had to be re-opened when applicants did not meet our requirements. Basically, there were two searches for the Choice position. In addition, we also conducted a search for the Executive Director, AASL.

Note: this line also reflects expenses for Transportation, Lodging and Meals for search committee members and applicants.

Actual expenses for recruiting activity this fiscal year is \$72,855. At the time of budget preparation, it was anticipated that some of these expenses would have been reported in the 2014 budget.

Professional Services_ \$86,000 - This line reflects various professional services, reports such as EEO/AAP, the HRIS and policy revisions. Unfortunately, with anticipated staff changes in Human Resources, there was not enough resources to complete the policy update project. This accounts for the variance in this line. It is anticipated that attention will be redirected to the policy project.

Miscellaneous Expenses \$25,000 - The \$25,000 budget for this line item covers various staff events/activities; it does not cover any general expenses for Human Resources. Actual expenses were less than budgeted since there was not an external summer event.

RDS-Retiree Drug Subsidy Program – FY2013 net refund is \$14,425.33

- ERRP – Reimbursement – FY2013: ALA had \$17,200 pending-since 6/15/12; which equals a net reimbursement of \$11,180. Since, to date, additional funds were not allocated to this program this was not realized. To date it is still pending however there are seemingly no additional funds on the horizon.
- In FY 2011 and 2012, we have received a net reimbursement of \$32, 419.

Blue Cross Blue Shield Settlement/Refund

- The 2012 BCBS refund is \$112, 473.52

STAFF SUPPORT

Staff Support Services – Staff Support is \$9,000 under budget, which is 4.6%. This is due to unused overtime and equipment leasing costs.

Distribution – Is \$40,000 under budget, which is 13.6%. This is due to \$28,000 unused in postage and UPS.

Building Operations and Maintenance – Is \$60,000 under budget, which is 7.6%. This is due to \$35,000 saved in repairs done by ALA employees, and \$25,000 in utilities.

American Library Association
Statement of Revenues and Expenses – Communications & Member Relations

UNIT	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Base Annual Budget	Base Annual Projection	% Change From Budget
REVENUES								
(100) COMMUNICATIONS, AED	38,535	30,115	36,000	-5,885	-16 %	36,000	36,000	0 %
(104) LIBRARY		260		260	100 %			0 %
(109) ORS	127	1,257	1,800	-543	-30 %	1,800	500	-72 %
(111) INTERNATIONAL RELATIONS OFFICE	2,977	3,521	3,000	3,521	100 %	3,000	3,200	100 %
(113) PIO	4,478	901	3,000	-2,099	-70 %	3,000	3,000	0 %
(115) PUBLIC PROGRAMS	17	-3		-3	-100 %			0 %
(120) OFFICE FOR LIBRARY ADVOCACY	3,539	1,941		1,941	100 %		1,825	100 %
(250) MEMBERSHIP SERVICES	2,885	11,941		11,941	100 %			0 %
(251) CHAP.RELATIONS/MEMB.DEVELOPMNT	4,565	9,481	3,750	5,731	153 %	3,750	4,100	9 %
(591) MEMBERSHIP DEVELOPMENT	5,711,188	5,543,754	5,747,988	-204,234	-4 %	5,747,988	5,568,660	-3 %
TOTAL REVENUES	5,768,310	5,603,169	5,792,538	-189,369	-3 %	5,792,538	5,617,285	-3 %
EXPENSES								
(100) COMMUNICATIONS, AED	508,736	576,508	646,611	70,103	11 %	646,611	619,280	4 %
(104) LIBRARY	341,501	349,291	375,098	25,807	7 %	375,098	363,049	3 %
(109) ORS	150,224	117,050	219,183	102,133	47 %	219,183	176,091	20 %
(111) INTERNATIONAL RELATIONS OFFICE	214,001	214,053	215,439	1,386	1 %	215,439	209,484	3 %
(113) PIO	515,730	487,076	546,805	59,729	11 %	546,805	510,390	7 %
(115) PUBLIC PROGRAMS	163,151	147,685	155,989	8,304	5 %	155,989	153,119	2 %
(120) OFFICE FOR LIBRARY ADVOCACY	221,816	199,881	241,505	41,624	17 %	241,505	237,877	2 %
(250) MEMBERSHIP SERVICES	511,111	531,773	570,196	38,423	7 %	570,196	531,884	7 %
(251) CHAP.RELATIONS/MEMB.DEVELOPMNT	136,254	104,027	161,896	57,869	36 %	161,896	151,061	7 %
TOTAL EXPENDITURES	2,762,524	2,727,345	3,132,722	405,377	13 %	3,132,722	2,952,235	6 %
NET REVENUES								
(100) COMMUNICATIONS, AED	-470,201	-546,393	-610,611	64,218	11 %	-610,611	-583,280	4 %
(104) LIBRARY	-341,501	-349,031	-375,098	26,067	7 %	-375,098	-363,049	3 %
(109) ORS	-150,097	-115,792	-217,383	101,591	47 %	-217,383	-175,591	19 %
(111) INTERNATIONAL RELATIONS OFFICE	-211,024	-210,532	-215,439	4,907	2 %	-215,439	-206,284	4 %
(113) PIO	-511,253	-486,175	-543,805	57,630	11 %	-543,805	-507,390	7 %
(115) PUBLIC PROGRAMS	-163,134	-147,689	-155,989	8,300	5 %	-155,989	-153,119	2 %
(120) OFFICE FOR LIBRARY ADVOCACY	-218,277	-197,939	-241,505	43,566	18 %	-241,505	-236,052	2 %
(250) MEMBERSHIP SERVICES	-508,226	-519,833	-570,196	50,363	9 %	-570,196	-531,884	7 %
(251) CHAP.RELATIONS/MEMB.DEVELOPMNT	-131,689	-94,546	-158,146	63,600	40 %	-158,146	-146,961	7 %
(591) MEMBERSHIP DEVELOPMENT	5,711,188	5,543,754	5,747,988	-204,234	-4 %	5,747,988	5,568,660	-3 %
TOTAL NET REVENUES	3,005,786	2,875,824	2,659,816	216,008	8 %	2,659,816	2,665,050	0 %

***American Library Association
Schedule 2B – Commentary: Statement of Revenues and Expenses – Communications & Member Relations
August FY 2013 – 3rd Close***

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.

The Communications and Member Relations Department ended the year better than budget and better than projected. Net revenues were about \$216,000 better than budget and about \$211,000 better than the projection made going into Annual Conference. This was accomplished through a combination of reducing expenses and maintaining dues revenue close to projection.

On the revenue side, membership dues were about \$204,000 under budget and \$25,000 under projection. Although personal member dues were under budget by \$220,000, organizational member dues exceeded budget by about \$32,000. A special campaign to reinstate lapsed small and very small organization members brought back 98 library members, exceeding the target by 8 members. Since 2009, the number of regular members – those paying \$130 after their third year of regular membership – has been declining. This is due to a combination of demographics and the continuing poor economy. Student membership, at 8,757 is down slightly from 9,092 in 2012, most likely due to the decline in library school enrollment. 3,503 students joined ALA last year through the joint program with chapters. This represents a seven percent increase over the number joining last year in this program. At the close of FY2013, the total ALA membership roster stood at 56,756 members, down from 57,540 members last year, a drop of 1.36%. Ten roundtables and three divisions had membership increases, while nine roundtables and eight divisions had decreases.

On the expense side, total department savings exceeded budget by about \$405,000. This was accomplished by reductions in printing and mailing expenses, shifting project timelines, and staff reductions. In FY13, three staff positions were left open – two in the Member and Customer Service unit and one in the Public Information Office. Growth in the number of ALA online webinars, CE courses, and institutes also helped reduce expenses. The Member and Customer Service unit receives inter-unit transfers for handling registration processing and the amount received in FY13 exceeded budget by 169%.

American Library Association
Statement of Revenues and Expenses - Publishing Services

	YTD	Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change From Budget
REVENUES									
ALA EDITIONS\TECHSRCE	4,864,624	5,026,196	7,270,187	-2,243,991	-31 %	7,270,187	5,659,225	-22 %	
BOOKLIST	5,024,202	5,237,545	5,045,042	192,503	4 %	5,045,042	5,090,415	1 %	
AMERICAN LIBRARIES	806,758	890,501	781,800	108,701	14 %	781,800	772,420	-1 %	
ALA DIGITAL REF	468,377	694,735	1,253,202	-558,467	-45 %	1,253,202	701,977	-44 %	
ALA GRAPHICS	1,288,498	1,053,374	1,300,584	-247,210	-19 %	1,300,584	1,017,884	-22 %	
PUBLISHING MARKETING	0	0	0	0	0 %	0	0	0 %	
TOTAL REVENUES	12,452,459	12,902,352	15,650,815	-2,748,463	-18 %	15,650,815	13,241,921	-15 %	
EXPENSES									
ALA EDITIONS\TECHSRCE	5,676,612	5,485,050	6,740,173	1,255,123	19 %	6,740,173	5,893,606	13 %	
BOOKLIST	3,775,349	3,791,567	4,118,265	326,698	8 %	4,118,265	3,844,301	7 %	
AMERICAN LIBRARIES	1,380,261	1,226,648	1,286,473	59,825	5 %	1,286,473	1,215,453	6 %	
AMERICAN LIBRARIES	-573,503	-336,147	-504,671	-168,524	-33 %	-504,671	-443,032	-12 %	
ALA DIGITAL REF	1,058,465	1,226,493	1,415,111	188,618	13 %	1,415,111	1,165,756	18 %	
ALA GRAPHICS	1,205,536	998,261	1,181,645	183,384	16 %	1,181,645	982,534	17 %	
PRODUCTION SERVICE	0	0	0	0	0 %	0	0	0 %	
PUBLISHING MARKETING	0	0	0	0	0 %	0	0	0 %	
TOTAL EXPENSES	12,522,720	12,391,872	14,236,996	1,845,124	13 %	14,236,996	12,658,618	11 %	
NET REVENUE									
ALA EDITIONS\TECHSRCE	-811,989	-458,854	530,014	-988,868	-187 %	530,014	-234,381	-144 %	
BOOKLIST	1,248,853	1,445,978	926,777	519,201	56 %	926,777	1,246,114	34 %	
AMERICAN LIBRARIES	0	0	-2	2	100 %	-2	-1	50 %	
ALA DIGITAL REF	-590,088	-531,758	-161,909	-369,849	-228 %	-161,909	-463,779	-186 %	
ALA GRAPHICS	82,963	55,113	118,939	-63,826	-54 %	118,939	35,350	-70 %	
PRODUCTION SERVICE	0	0	0	0	0 %	0	0	0 %	
PUBLISHING MARKETING	0	0	0	0	0 %	0	0	0 %	
TOTAL NET REVENUES	-70,261	510,480	1,413,819	-903,339	-64 %	1,413,819	583,303	-59 %	

American Library Association
Schedule 3 - COMMENTARY: STATEMENT OF REVENUES AND EXPENSES – PUBLISHING
August FY 2013 – 3rd Close

Department Summary Total Revenues for the Department are \$339,570 less than projection. Total expenses are \$266,744 less than projection. Net Revenues are therefore \$72,826 less than projection. However, of interest is the point that the Contribution Margin, which is the actual amount of money that Publishing gives over to the General Fund is \$52,277 less than projection. This is because the Subscription Equivalent in *American Libraries* is \$106,885 better than projection, which offsets the shortfall from General Overhead and contributes another \$20,549 to the general fund (\$106,885 minus \$86,336). In short, while Net Revenues are \$72,826 less than projection, the Contribution Margin is only \$52,277 less than projection.

Neal- Schuman, ALA TechSource, Booklist, American Libraries, and ALA Graphics all exceeded their projections for Net Revenue and Contribution Margin.

<u>Publishing Department</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$13,241,921	\$12,902,351	(\$339,570)
Direct Expenses (before OH)	\$9,725,216	\$9,437,923	(\$287,293)
Overhead	\$3,376,434	\$3,290,098	(\$86,336)
Taxes	\$0	\$0	\$0
Subscription Equivalent	(\$443,032)	(\$336,147)	\$106,885
Net Revenue(Loss)	\$583,303	\$510,476	(\$72,827)
Contribution Margin	\$3,516,705	\$3,464,428	(\$52,277)

ALA Publications

A significant factor in the performance statistics for the expanded ALA Editions unit was an especially ambitious budget and projection, which is something that can be brought under control in the future. Total Revenues for all imprints are \$5,026,196, which is \$633,029 less than projection and \$2,243,991 less than budget. Total Expenses are \$5,485,051, which is \$408,255 less than projection and \$1,255,122 less than budget. The Net Loss is \$458,855, which is \$224,474 less than projection and \$988,869 less than budget.

The Net Loss in the ALA Editions imprint was \$157,413, which was \$419,650 less than projection but \$844,006 less than budget. The Net Loss for the Huron Street Press was \$164,400 or \$84,441 less than projection and \$228,453 less than budget. The Net Loss for Neal-Schuman was \$308,877, but the loss was \$276,750 better than projection and only \$16,682 less than budget. ALA TechSource has Net Revenues of \$171,835, which was \$2,867 more than projection and \$100,272 more than budget.

Book sales were still affected by reductions in library budgets for professional development, and textbook sales were down from previous years. Initiatives are underway to revise title acquisition standards and procedures, assess the imprint's range of publishing platforms, and expand the digital alternatives in education and online learning.

In addition, the product-based imprints for books and promotional products have been consolidated in FY14 to energize content acquisition strategies that are increasingly affected by digital alternatives in professional development, education and institutional support, and to maximize efficiencies for common operational factors such as fulfillment and direct response marketing. That said, it is clear that the viability of the budgeting and projection process can be improved.

<u>ALA Publications (All Imprints)</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$5,659,225	\$5,026,196	(\$633,029)
Direct Expenses (before OH)	\$4,450,504	\$4,203,372	(\$247,132)
Overhead	\$1,443,102	\$1,281,679	(\$161,423)
Net Revenue(Loss)	(\$234,381)	(\$458,855)	(\$224,474)
Contribution Margin	\$1,208,721	\$822,824	(\$385,897)

<u>ALA Editions</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$2,325,577	\$1,933,115	(\$392,462)
Direct Expenses (before OH)	\$1,470,318	\$1,597,584	\$127,266
Overhead	\$593,022	\$492,944	(\$100,078)
Net Revenue(Loss)	\$262,237	(\$157,413)	(\$419,650)
Contribution Margin	\$855,259	\$335,531	(\$519,728)

<u>Neal Schuman</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$2,329,377	\$2,102,741	(\$226,636)
Direct Expenses (before OH)	\$2,321,013	\$1,875,419	(\$445,594)
Overhead	\$593,991	\$536,199	(\$57,792)
Net Revenue(Loss)	(\$585,627)	(\$308,877)	\$276,750
Contribution Margin	\$8,364	\$227,322	\$218,958

<u>HSP</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$140,644	\$52,226	(\$88,418)
Direct Expenses (before OH)	\$184,739	\$203,309	\$18,570
Overhead	\$35,864	\$13,317	(\$22,547)
Net Revenue(Loss)	(\$79,959)	(\$164,400)	(\$84,441)
Contribution Margin	(\$44,095)	(\$151,083)	(\$106,988)

<u>ALA TechSource</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$863,627	\$938,114	\$74,487
Total Expenses before OH	\$474,434	\$527,060	\$52,626
Overhead	\$220,225	\$239,219	\$18,994
Net Revenue(Loss)	\$168,968	\$171,835	\$2,867
Contribution Margin	\$389,193	\$411,054	\$21,861

Booklist

Total Revenues for Booklist Publications are \$5,237,545 or \$147,130 (3%) better than projection. Gross advertising is \$2,935,318 or \$175,171 better than projection, largely due to strong months from June through August, especially in electronic products. Subscription revenues are \$1,691,232 or \$21,258 better than projection, because the per-subscription rate increased at a faster-than-forecast pace. Total Expenses before overhead are \$2,455,993 or \$90,252 better (less) than projection. Overhead is \$1,335,574 or \$30,366 more than projection. Most expense lines finished slightly better than projection, though postage, at \$136,720, was 57,412 or 30% better than projection, due to both reduced print runs and stable prices. Net Revenues are \$1,445,978, which is \$199,864 better than projection. Contribution margin is \$2,781,552 or \$237,382 better than projection.

<u>Booklist Publications</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$5,090,415	\$5,237,545	\$147,130
Direct Expenses (before OH)	\$2,546,245	\$2,455,993	(\$90,252)
Overhead	\$1,298,056	\$1,335,574	\$37,518
Taxes	\$0	\$0	\$0
Net Revenue(Loss)	\$1,246,114	\$1,445,978	\$199,864
Contribution Margin	\$2,544,170	\$2,781,552	\$237,382

American Libraries

Total revenues are \$890,501, which is \$118,081 more than projection and \$168,524 more than budget. This is due primarily to better-than-budget performance in all categories of advertising—print display, classified, digital—but also to unbudgeted revenue from the new *AL Live* program. Total expenses are \$121,428 less than projection due in part to two open positions. *American Libraries* staff trimmed expenses wherever possible, including travel and outside services. The Subscription Equivalent is \$336,147, which is \$106,885 or 24% better than budget due both to increased revenues and reduced expenses. It should be noted that this is the lowest the Subscription Equivalent has ever been and is not tenable for long-term growth.

<u>American Libraries</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$772,420	\$890,501	\$118,081
Direct Expenses (before OH)	\$1,018,741	\$999,570	(\$19,171)
Overhead	\$196,712	\$227,078	\$30,366
Taxes	\$0	\$0	\$0

Subscription Equivalent				\$106,885
Net Revenue(Loss)		(\$443,032)	(\$336,147)	\$0
Contribution Margin		(\$1)	(\$1)	\$137,252
		(\$246,321)	(\$109,069)	

ALA Digital Reference Total revenues are \$694,735, which is \$7,242 less than projection and \$369,850 less than budget. Total Expenses are \$60,738 more than projection. Net Revenues are \$69,827 less than projection. Guide to Reference. Total Revenues for Guide to Reference are \$4,403 more than projection. Total Expenses are \$11,534 more than projection. Net Revenues are \$7,131 less than projection. RDA. Total Revenues are \$11,645 less than projection. Total Expenses are \$14,806 more than projection. Net Revenues are \$26,450 less than projection. The revenue variance to projection is due to a delay in creating and launching RDA-related online training courses due to limited staff resources that needed to be diverted to the re-wording of RDA required by the Library of Congress as a condition of their approval to implement RDA. Subscription revenue for the RDA Toolkit itself was \$22,383 more than projection. RDA Toolkit activity is picking up. FY13 subscriptions are up 114% over FY12 subscriptions. Subscription activity picked up substantially in the second half of FY13 after the Library of Congress approved the content. For the last 6 months of FY13 Subscriptions are up 192% over the same period in FY12. Usage of the product, The RDA Toolkit, is 450% more in FY 13 than in FY12. Publication Related expenses are \$8,815 more than projection due to higher than expected outside e-commerce charges resulting from higher than expected subscriptions in the last 6 months of FY13. While the e-commerce charges are realized in FY13 most of the revenue for these subscriptions will not be realized until FY14. Operating Expenses are \$33,436 more than projection due to higher than expected expenses associated with rewording RDA. Production Services expense recovery exceeded its expenses by \$52,057 but it was \$34,690 less than projection. The projection was raised by \$27,463 with the expectation that Production Services would take on more projects from member services and conference (such as the Annual Program book for example) which did not happen. In addition, as the other units of ALA cut their expenses by reducing journal pages and doing less marketing pieces they also cut their IUTs to production services causing the chargebacks for other Production Services projects to be lower than expected.

<u>ALA Digital Reference</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$701,977	\$694,735	(\$7,242)
Direct Expenses (before OH)	\$986,752	\$1,049,337	\$62,585
Overhead	\$179,004	\$177,157	(\$1,847)
Net Revenue(Loss)	(\$463,779)	(\$531,759)	(\$67,980)
Contribution Margin	(\$284,775)	(\$354,602)	(\$69,827)

<u>Guide to Reference</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$64,901	\$69,304	\$4,403
Direct Expenses (before OH)	\$188,213	\$198,625	\$10,412
Overhead	\$16,550	\$17,672	\$1,122
Net Revenue(Loss)	(\$139,862)	(\$146,993)	(\$7,131)

Contribution Margin (\$123,312) (\$6,009)

<u>RDA</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$637,076	\$625,431	(\$11,645)
Direct Expenses (before OH)	\$884,994	\$902,769	\$17,775
Overhead	\$162,454	\$159,485	(\$2,969)
Net Revenue(Loss)	(\$410,372)	(\$436,823)	(\$26,451)
Contribution Margin	(\$247,918)	(\$277,338)	(\$29,420)

<u>Production Services</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$0	\$0	\$0
Direct Expenses (before OH)	(\$86,455)	(\$52,057)	\$34,398
Overhead	\$0	\$0	\$0
Net Revenue(Loss)	\$86,455	\$52,057	(\$34,398)
Contribution Margin	\$86,455	\$52,057	(\$34,398)

ALA Graphics
 Total Revenues are \$1,053,374, which is \$35,490 more than projection. Total Expenses are \$15,727 more than projection. Net Revenues are \$55,113, which is \$19,763 more than projection. The strong slate of new products in the July/August catalog generated \$32,238 more than projected for the final month. Expenses are more than projection primarily due to additional expenses related to the benefits of producing a larger catalog. Additional ALA Store sales (\$6,086) will hit in final close, which will bring Total Revenues to \$41,577 more than projection and resulting in Net Revenue of \$61,200.

<u>ALA Graphics</u>	<u>FY13 Year-End Projection</u>	<u>FY13 3rd close</u>	<u>Variance</u>
Total Revenue	\$1,017,884	\$1,053,374	\$35,490
Direct Expenses (before OH)	\$722,974	\$729,651	\$6,677
Overhead	\$259,560	\$268,610	\$9,050
Net Revenue(Loss)	\$35,350	\$55,113	\$19,763
Contribution Margin	\$294,910	\$323,723	\$28,813

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

	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Base Annual Budget	Base Annual Projection	% Change from Budget
REVENUES								
ANNUAL CONFERENCE	5,144,430	6,253,258	6,234,229	19,029	0 %	6,234,229	6,234,229	0 %
MIDWINTER CONFERENCE	2,620,625	2,541,863	2,682,395	-140,532	-5 %	2,682,395	2,605,673	-3 %
OFFICE FOR HUMAN RESOURCE DEVELOPMENT	38,057	39,558	38,375	1,183	3 %	38,375	37,375	-3 %
OFF/LIB OUTREACH SERV (OLOS)	9,135	9,180	6,200	2,980	48 %	6,200	6,200	0 %
OFF/INTELLECTUAL FREEDOM (OIF)	196,264	167,959	241,000	-73,041	-30 %	241,000	205,500	-15 %
OFFICE FOR ACCREDITATION (OA)	63,525	68,123	64,372	3,751	6 %	64,372	67,122	4 %
DIVERSITY	4,960	770	10,400	-9,630	-93 %	10,400	10,400	0 %
MEMBER/PROGRAM & SERVICES/AED			4,000	-4,000	-100 %	4,000		-100 %
TOTAL REVENUES	8,076,995	9,080,711	9,280,971	-200,260	-2 %	9,280,971	9,166,499	-1 %
EXPENSES								
ANNUAL CONFERENCE	4,582,905	5,185,979	4,942,438	-243,541	-5 %	4,942,438	4,939,280	0 %
MIDWINTER CONFERENCE	2,347,944	2,544,805	2,592,450	47,645	2 %	2,592,450	2,510,937	3 %
INFO & TELECOMM. SYSTEMS	2,441,153	2,456,799	2,602,838	146,039	6 %	2,602,838	2,507,099	4 %
OFFICE FOR HUMAN RESOURCE DEVELOPMENT	337,172	370,617	374,630	4,013	1 %	374,630	386,852	-3 %
OFF/LIB OUTREACH SERV (OLOS)	306,017	142,494	307,824	165,330	54 %	307,824	241,429	22 %
OFF/INTELLECTUAL FREEDOM (OIF)	653,726	649,518	668,567	19,049	3 %	668,567	627,972	6 %
OFFICE FOR ACCREDITATION (OA)	317,011	242,590	312,273	69,683	22 %	312,273	281,172	10 %
DIVERSITY	184,548	178,102	157,535	20,567	-13 %	157,535	176,769	-12 %
MEMBER/PROGRAM & SERVICES/AED	230,606	210,180	242,748	32,568	13 %	242,748	227,561	6 %
TOTAL EXPENSES	11,401,083	11,981,083	12,201,303	220,220	2 %	12,201,303	11,899,071	2 %
NET REVENUES								
ANNUAL CONFERENCE	561,524	1,067,279	1,291,791	-224,512	-17 %	1,291,791	1,294,949	0 %
MIDWINTER CONFERENCE	272,680	-2,941	89,945	-92,886	-103 %	89,945	94,736	5 %
INFO & TELECOMM. SYSTEMS	-2,441,153	-2,456,799	-2,602,838	146,039	6 %	-2,602,838	-2,507,099	4 %
OFFICE FOR HUMAN RESOURCE DEVELOPMENT	-299,115	-331,058	-336,255	5,197	2 %	-336,255	-349,477	-4 %
OFF/LIB OUTREACH SERV (OLOS)	-296,882	-133,314	-301,624	168,310	56 %	-301,624	-235,229	22 %
OFF/INTELLECTUAL FREEDOM (OIF)	-457,462	-481,559	-427,567	-53,992	-13 %	-427,567	-422,472	1 %
OFFICE FOR ACCREDITATION (OA)	-253,486	-174,467	-247,901	73,434	30 %	-247,901	-214,050	14 %
DIVERSITY	-179,588	-177,332	-147,135	-30,197	-21 %	-147,135	-166,369	-13 %
MEMBER/PROGRAM & SERVICES/AED	-230,606	-210,180	-238,748	28,568	12 %	-238,748	-227,561	5 %
TOTAL NET REVENUES	-3,324,088	-2,900,371	-2,920,332	19,961	1 %	-2,920,332	-2,732,572	6 %

American Library Association
Schedule 4 – Statement of Revenues and Expenses – Member Programs & Services
August FY 2013 – 3rd Close

Departmental Summary

Overall, for a difficult year, it was a good year, based on strong work across many units, both in the General Fund and the Divisions. Staff across the Association worked together effectively to cover resource shortages, to move toward new Annual Conference structures and processes, and to rethink products and services.

- The ALA 2013 Annual Conference turned in a strong performance, with solid net revenue on top of a major overhead contribution. Programming was confined to the “core campus” (convention center), a new and successful strategy in FY13. Annual Conference net revenue was \$1,067,279 after a \$1,603,673 overhead contribution.
- The ALA 2013 Midwinter Meeting performed well. The Midwinter Meeting made a significant overhead contribution (\$648,175), ending with a break-even performance.
- The ALA JobLIST Placement Center (HRDR) had a strong showing at Annual – a positive sign on many levels, not just ALA revenue.
- The 2013 ACRL Conference was strong both programmatically and financially, offsetting shortfalls elsewhere in the ACRL budget. ACRL exceeded budget in registration, exhibit space sales and donations. The strong ACRL Conference performance also increased ACRL’s overhead contribution (\$710,095).
- ACRL reported an upswing in online and classified advertising.
- CE remains a strong revenue source for a number of Divisions, notably RUSA, which reported revenues in excess of budget. ASCLA also had a strong CE year.
- There was a modest investment (\$13,225) for a new iMIS module for a modified CEU/LMS plug-in. (HRDR)
- Grants helped offset salaries in OIF, OLOS, AASL and PLA.
- ALSC saw strong sales of seals – both physical and digital.
- *Every Child Ready to Read* (ALSC, PLA) remains a strong product, once again doing better than budget.
- Both ASCLA and United for Libraries saw improvement – new products, slight membership/participation increases, some revenue gains.
- United for Libraries received a grant from the Neal-Schuman Foundation.
- ALA, ITTS, Divisions and other ALA units are continuing work together on process simplification, to streamline operations.

There are also some continued grounds for concern:

- Exhibit space sales have raised concerns – with an increase in small booths and exhibit floor churn related to industry consolidations, corporate budgets, startup cycles and changing library markets. These factors also impact donations.
- Membership is still somewhat soft – with mixed results for FY13. ACRL did not quite hit its dues budget – unusual in a biennial conference year. There were some exceptions –notably PLA.

- CHOICE is reporting signs of fundamental change in the use of reviews in the collection development process in academic libraries.
- The cost of and demand for conference audiovisual services and on-site internet connectivity are outpacing budgets. Conference Services and program units continue to work on this.
- Several units reported shortfalls in CE revenue, including ALCTS where CE revenue has been very strong.
- The increase in digital advertising is not offsetting the loss of revenue from declining print advertising.

GENERAL FUND

CONFERENCE SERVICES

MIDWINTER:

Total 2013 ALA Midwinter Meeting revenues are \$2,541,863 against a budget of \$2,682,395 – a shortfall of 5.24%. Commissions (\$151,685 against a budget of \$125,000) and advertising (\$226,666 against a budget of \$205,000) did better than budget. Registration was also better than budget, at \$795,146 against a budget of \$730,395. Exhibit space sales were at -10.94% of budget (\$1,230,867 against a budget of \$1,382,000). Donations/honoraria were also below budget (\$87,500 against a budget of \$110,000).

On the expense side, total Midwinter expenses, including inter-unit transfers, before overhead, were \$1,856,609 against a budget of \$1,867,219. Direct Meetings and Conferences expenses were \$1,070,261 against a budget of \$950,435, with Audio/Visual Equipment Rental (\$385,764 against a budget of \$234,250) and Exhibits (\$205,404 against a budget of \$150,000) accounting for most of the overage. Most other expenses in this area (facilities rent, conference equipment rental, meal functions, speaker/guest honoraria, security, special transportation and computer rental/internet connectivity) at or below budget. Other expense areas – payroll/related, outside services, travel/related, publication related and operating expenses were close to or below budget.

The 2013 Midwinter Meeting contributed \$648,176 in Overhead to the General Fund for indirect costs and non-revenue programs and services of the Association (e.g., ALA offices). After Overhead, the 2013 Midwinter Meeting has a net revenue of -\$2,941 against a budgeted net of \$89,945. Through the 3rd quarter, with all accounts paid, the Midwinter Meeting was showing a positive net revenue, though below budget. In particular, \$40,000 in Miscellaneous Revenue credited to Annual Conference in error (corrected since this report was issued) is not shown.

ANNUAL:

Total 2013 ALA Annual Conference revenues are \$6,253,258 against a budget of \$6,234,229 – a modest .90% improvement. The most significant gains were in commissions (\$381,500 against the budgeted \$274,500) and registration (\$2,553,049 against the budgeted \$2,249,479). Advertising (\$346,417 against a budget of \$330,000) and miscellaneous fees (\$105,933 against a budget of \$55,000) were also ahead of budget. Exhibit space rentals were at -10.08%, with revenue of \$2,553,049 against a budget of \$2,249,479. Donations/honoraria were at -3.50% (\$154,402 against a budget of \$160,000).

Overall, expenses before Overhead (including both direct expenses and inter-unit transfers) were \$3,496,263 against a budget of \$3,256,531, over 7.36% over budget. Major expenses overages reflect the Chicago labor market and over site costs, with expenses in the

"meetings and conferences" category over by 33.02%. Major overages were in Audio/Visual Equipment (including labor), at \$827,650 against a budget of \$302,250 and special transportation (busing) at \$320,253 against a budget of \$216,500, partially offset by the bus subsidy. There were some offsetting savings in this category – in conference equipment rental, meal functions, speaker/guest honoraria, computer rental/internet connectivity and security. Program allocations to divisions were not made, a savings of \$16,500. In most other areas – payroll/related, outside services, printing/related, operating expenses --- expenses were close to or below budget. There were substantial savings in the publication-related area (\$176,500 against a budget of \$306,700), due primarily to shifting most marketing, website and program production from external contracts to ALA Production Services.

Conference Services, working the ITTS and the Divisions, sought to replace a current (partial) conference management system; based on excessive process complexity, the project was halted. During FY2014 ALA's current complex, highly-distributed conference management process will be simplified, as a necessary pre-condition of implementing a more efficient support system. Conference Services is also working on issues related to audio-visual consumption – though those costs are likely to remain a major factor due to the nature of contemporary conferences. Some of the variance in FY13 likely relates to a shift in labor union rules – which changed the way that some labor was charged. AV control is also a labor-intensive factor for Conference Services – and was hurt by temporary understaffing in Conference Services. It is likely that the A-V contract will be rebid during FY2014, in preparation for FY2015.

Overall, this was a strong Annual Conference year. The Annual Conference contributed Overhead of \$1,603,673 – a contribution both to ALA indirect costs and to non-revenue programs and services of the Association, including ALA offices. After overhead, taxes and allocations, Annual Conference net revenues are \$1,064,279, against a budgeted net of \$1,291,791. Some adjustments are still being made, though these numbers should be very close. Conference Services is also following up on several expense lines.

ITTS

At the end of August 2013, ITTS expenses are 5.53% or \$146,039 under budget.

ITTS saved \$132,000 in leasing equipment because equipment is not being leased. Equipment maintenance was under budget by 4.64% or \$16,136 due to retiring old equipment and reducing our dependencies on cold fusion applications. Depreciation expenses were under budget by 1.81% or \$14,211 due to software and hardware assets becoming fully depreciated. IUT's for mail list rentals were down 55.36% or -\$17,162 due to lack of demand and distributing the work back to ALA units.

MPS AED

At the end of August, the AED budget is 11.97% better than budget on a net basis: -\$210,180 against a budget of -\$242,748. This includes an allocation (from ALA Conferences) of -\$133,402 (against the budgeted allocation of -\$137,399). Budgeted revenues of \$4,000 were for a pre-conference that was not held; that project has been cancelled in the FY14 budget. Total expenses, before allocation, were -\$343,582 against a budget of -\$380,147 – a 9.62% improvement. Expenses for the Fall Division Leadership were 35.27% off budget -- -\$10,078 against a budget of -\$7,450.

HRDR

Revenues

HRDR exceeded its projected revenue targets due to a successful JobLIST Placement Center in Chicago. There were 12 organizations who registered for recruitment vendor booth space which was higher than it has been for quite some time. The unit also benefited once again from support of the fiscal year-end transfers for its part in the JobLIST project. (Transfers are made annually from ACRL and AL at the end of the fiscal year to Placement for \$14,000 each). HRDR revenues were \$39,558 against a budget of \$38,375.

Expenses

Although we had anticipated a greater end of year cost savings, we ended the year only marginally under budgeted expenses. This was due in part to slightly increased payroll related costs for employee benefits along with increased conference A-V equipment rental charges. The biggest expenses however, were for web operations related to the new business development for the online/e-learning "university" venture. Costs for website re-design enhancements and a new iMIS module for a modified CEU/LMS (learning management system) plug-in were paid for at the end of the fiscal year. (Approximately \$13,225 was spent for this project in all). HRDR expenses were \$370,617 against a budget of \$374,630.

On a net basis, HRDR was -\$331,058 against a budgeted -\$336,255.

OA

At the end of August 2013, the Office for Accreditation had revenues of \$68,123 against a budget of \$64,372. Expenses were \$242,590 against a budget of \$312,273. There were significant payroll savings related to a vacant program officer position, as well as other cost savings. On a net basis, OA was -\$174,467 against a budget of -\$247,901.

Office for Diversity/Office for Literacy and Outreach Services

Units 107 and 116 need to be reviewed together; they functioned as a single unit in FY13. Beginning in FY14 the budgets have been completely merged.

OFD

At the end of August, OFD is 20.52% higher than budget, on a net basis (-\$177,332 against a budget of -\$147,135). Savings from the vacant Director position (shared with OLOS) were taken primarily in OLOS; the expense for a temporary employee was carried in OFD. Professional Services were higher than budgeted. Revenues were significantly under budget.

OLOS

At the end of August, OLOS is 55.8% lower than budget on a net basis. The vacant Director position (shared with OFD) was filled February 11, 2013. There has been a vacant administrative assistant position for most of the year-to-date; the expense for a temporary employee was carried in OFD through June 30, 2013. A grant-funded position (Dollar General "American Dream" literacy project) was filled on July 1, 2013. There have also been savings in travel/related lines, primarily due to the vacant Director position. Expenses in printing/related are ahead of budget due to completion of the new *Services to the Homeless* toolkit.

Revenues in OLOS were \$9,180 against a budget of \$6,200; expenses were \$142,494 against a budget of \$307,824.

Effective FY2014, these two offices will be combined in a single budgetary unit, though they will continue to function in both programmatic areas.

OIF

For FY 2013, OIF's overall expenses came in at or below budget. Grant funding that covered a portion of the Director's salary and a decision to postpone filling the vacant Assistant Director position until FY2014 contributed to this result and helped to make up for the loss of revenues from online learning tuition and declining royalties for the *IF Manual*.

While Banned Book Week revenues declined by 5.7% from last year's 30th Anniversary sales, adjustments to printing and other expenses allowed Banned Books Week to post positive revenues (\$18,499). We are examining pricing and are continuing to work with Graphics on managing our royalty expense and our order fulfillment expenses, which have grown significantly over the past few years. We are also working with Development to engage the loyal and enthusiastic audience for Banned Books Week in fundraising activities. Following the transition to a digital subscription model, revenues for the *Newsletter on Intellectual Freedom* remain about 50% below budget. Some of the decline can be attributed to the decision of many institutions to end multiple print subscriptions in favor of a single digital subscription. However, offsetting savings on printing costs helped to keep NIF on a near break-even basis, with a small loss of \$3400. FY2014 represents a major transition for the *Newsletter*, which is undergoing a major redesign and repurposing. Once the redesign is completed, we plan a major promotional push for subscriptions.

American Library Association
Statement of Revenues and Expenses – Divisions

	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change from Budget
REVENUES								
PUBLIC LIBRARY ASSOC (PLA)	4,243,107	887,530	867,428	20,102	2 %	867,428	756,428	-13 %
ASSOC/COLL & RES LIBS (ACRL)	2,388,467	4,750,267	4,412,388	337,879	8 %	4,412,388	4,613,423	5 %
CHOICE	3,005,752	2,926,035	3,157,757	-231,722	-7 %	3,157,757	2,974,540	-6 %
AMER ASSOC OF SCH LNS (AASL)	1,962,155	704,235	870,105	-165,870	-19 %	870,105	779,540	-10 %
ASSOC SPEC COOP LIB AGCY(ASCLA)	89,131	116,268	115,520	748	1 %	115,520	120,220	4 %
ASSN/LIB CLLN/TECH SERV(ALCTS)	540,802	536,005	584,687	-48,682	-8 %	584,687	572,940	-2 %
LIB ADM & MGT ASSOC (LAMA)	234,689	263,448	291,850	-28,402	-10 %	291,850	248,620	-15 %
REF. & USER SERV.ASSN.(RUSA)	357,407	414,100	345,520	68,580	20 %	345,520	344,020	0 %
United For Libraries	404,504	377,338	471,630	-94,292	-20 %	471,630	456,630	-3 %
LIB & INF TECH ASSOC (LITA)	429,798	401,289	467,766	-66,477	-14 %	467,766	452,797	-3 %
ASSOC/LIB SERV TO CH (ALSC)	1,199,096	1,463,952	1,112,110	351,842	32 %	1,112,110	1,226,404	10 %
YNG ADLT LIB SERV ASSN (YALSA)	482,637	667,145	757,890	-90,745	-12 %	757,890	658,536	-13 %
TOTAL REVENUES	15,337,545	13,507,610	13,454,651	52,959	0 %	13,454,651	13,204,098	-2 %
EXPENSES								
PUBLIC LIBRARY ASSOC (PLA)	3,163,579	1,261,718	1,564,636	302,918	19 %	1,564,636	1,466,178	6 %
ASSOC/COLL & RES LIBS (ACRL)	2,610,814	4,091,510	4,379,602	288,092	7 %	4,379,602	4,207,373	4 %
CHOICE	3,024,753	3,116,210	3,273,004	156,794	5 %	3,273,004	3,025,189	8 %
AMER ASSOC OF SCH LNS (AASL)	1,795,299	1,087,359	1,640,448	553,089	34 %	1,640,448	1,375,178	16 %
ASSOC SPEC COOP LIB AGCY(ASCLA)	52,894	96,184	110,286	14,102	13 %	110,286	113,578	-3 %
ASSN/LIB CLLN/TECH SERV(ALCTS)	547,892	552,030	584,949	32,919	6 %	584,949	570,235	3 %
LIB ADM & MGT ASSOC (LAMA)	235,763	255,029	301,118	46,089	15 %	301,118	247,336	18 %
REF. & USER SERV.ASSN.(RUSA)	367,985	405,588	537,965	132,377	25 %	537,965	462,960	14 %
United For Libraries	440,764	401,169	464,934	63,765	14 %	464,934	447,043	4 %
LIB & INF TECH ASSOC (LITA)	437,696	398,983	464,678	65,695	14 %	464,678	447,779	4 %
ASSOC/LIB SERV TO CH (ALSC)	1,018,881	1,230,553	1,171,401	-59,152	-5 %	1,171,401	1,188,621	-1 %
YNG ADLT LIB SERV ASSN (YALSA)	599,801	688,200	721,805	33,605	5 %	721,805	647,957	10 %
TOTAL EXPENSES	14,296,121	13,584,533	15,214,826	1,630,293	11 %	15,214,826	14,199,427	7 %
NET REVENUES								
PUBLIC LIBRARY ASSOC (PLA)	1,079,528	-374,187	-697,208	323,021	46 %	-697,208	-709,750	-2 %
ASSOC/COLL & RES LIBS (ACRL)	-222,347	658,757	32,786	625,971	1909 %	32,786	406,050	1138 %

AMERICAN LIBRARY ASSOCIATION
Divisions Statement of Revenues and Expenses
For the Period Ending August 2013

Schedule 8

	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change from Budget
CHOICE	-19,000	-190,175	-115,247	-74,928	-65 %	-115,247	-50,649	56 %
AMER ASSOC OF SCH LNS (AASL)	166,856	-383,124	-770,343	387,219	50 %	-770,343	-595,638	23 %
ASSOC SPEC COOP LIB AGCY(ASCLA)	36,236	20,083	5,234	14,849	284 %	5,234	6,642	27 %
ASSN/LIB CLLN/TECH SERV(ALCTS)	-7,089	-16,026	-262	-15,764	-6017 %	-262	2,705	1132 %
LIB ADM & MGT ASSOC (LAMA)	-1,074	8,419	-9,268	17,687	191 %	-9,268	1,284	114 %
REF.& USER SERV.ASSN.(RUSA)	-10,578	8,512	-192,445	200,957	104 %	-192,445	-118,940	38 %
United For Libraries	-36,260	-23,831	6,696	-30,527	-456 %	6,696	9,587	43 %
LIB & INF TECH ASSOC (LITA)	-7,898	2,305	3,088	-783	-25 %	3,088	5,018	63 %
ASSOC/LIB SERV TO CH (ALSC)	180,214	233,399	-59,291	292,690	494 %	-59,291	37,783	164 %
YNG ADLT LIB SERV ASSN (YALSA)	-117,164	-21,055	36,085	-57,140	-158 %	36,085	10,579	-71 %
TOTAL NET REVENUES	1,041,424	-76,923	-1,760,175	1,683,252	96 %	-1,760,175	-995,329	43 %

American Library Association
Schedule 5 – Statement of Revenues and Expenses – Divisions
August FY 2013 – 3rd Close

AASL

As of the 3rd close, AASL remains about \$165,000 under in revenue and about \$550,000 below in expenses, resulting in a net better than budget by almost \$400,000. The reason for both variances remains the same – lower than budgeted revenues for the Fall Forum, dues slightly off, and fewer than budgeted online courses and licensed institutes. On the expense side are salary savings from unfilled positions and one open position, salary dollars charged to the Dollar General grant "Beyond Words," and unspent dollars associated with fewer CE events. AASL should finish the year with a healthier than budgeted fund balance.

Looking ahead to FY14, the numbers from the upcoming AASL National Conference in November indicate:

- Currently \$125,000 below budget for exhibits
- Currently \$20,000 below in sponsorship
- Registration numbers are on track to exceed budget
- Should end conference close to the overall budget.

ACRL (Including CHOICE)

ACRL

ACRL's successful ACRL 2013 Conference in Indianapolis drove (pun intended) ACRL to a financially successful FY13.

Total revenues are \$4,750,267 against the projected \$4,712,463 or just .08% different than projection and total expenses are \$4,033,644 against the projection of \$4,166,254 or 3.2% off projection. The net while projected to be \$546,209 was \$170,414 better than projection at \$716,623 or 31%.

This excellent performance is attributable primarily to the successful ACRL Conference. ACRL exceeded budget in registration, exhibits and donation revenues for the conference which more than offset missing budgeted revenue targets in book sales (gross revenues were down by \$100,000), statistics sales (down by \$20,000), webinars (down by \$34,000), print ads (down by \$29,318), and subscriptions (down by \$20,830). Membership dues revenue did slightly better than the 2% below budget projection but still was under budget by 1.11%, which is a troubling trend in a year ACRL has its biennial conference. Online and classified advertising were two bright spots aside from the ACRL 2013 Conference. Classified advertising revenues exceeded budget by \$38,359 or 13.84% better than budget. Online ad sales were \$21,258 or 42% better than budget; this is clearly a growth area but does not offset the declining trend in print ad revenues, which had already been budgeted conservatively.

Salary and benefits savings were underestimated in the projection adding \$75,000 to the actual net. Smaller differences in projected expenses versus actual expenses across all projects contributed to the improved performance. A few other factors reduced expenses. In FY13 the ACRL Board authorized disbursement of \$33,000 in Friends donations for special projects in the operating budget contributing to the excess net revenues.

The increased revenues increased ACRL's overhead payment to ALA to \$710,095. Taxes of \$15,659 were included in the projection but by the third close had been reduced to less than \$3,000 for a savings of nearly \$13,000 again contributing to the variance between projection and actual.

CHOICE Financial Comments 3rd close August 2013

As of 3rd close, Choice revenues are \$2,926,035, or \$231,722 less than budget, a shortfall of 7.34%. Year over year, revenues declined 2.65%, or \$79,717. Total expenses amounted to \$3,141,462, 4.02%—or \$131,542—better than budget, representing a year-over-year increase of \$116,709, or 3.86%, over FY12. As a result, net revenues were -\$215,427, a shortfall to the budgeted -\$115,247 and some \$196,427 less than in FY12.

This year's shortfall is entirely on the revenue side and reflects several major trends in journal publishing in general and Choice circulation and ad revenues in particular. At \$787,651, Choice print revenue was off \$16,376 to budget and \$47,724 to prior year. Choice Reviews Online, which had been counted on to balance, if not reverse, the decline in print, underperformed budget by \$49,071 and gained only \$8,312 over CRO sales in FY13, finishing the year with \$611,579 in sales. These declines reflect, we believe, fundamental changes in the use of reviews in the collection-development process in academic libraries. Subscriptions to Resources for College Libraries similarly underperformed, coming in at \$95,533, or \$35,342 less than budget.

This overall decline in subscriptions, and hence circulation, has its corollary in falling ad revenues, with Choice net ad sales declining from \$632,304 in FY12 to \$549,048 this past year, a decrease of \$78,379 to budget and \$83,256 year over year. Continued budget pressure on publishers, combined with the growing flight from print advertising, contributed to the shortfall, with publishers increasingly reluctant to sink money into relatively expensive print ads, the results of which cannot easily be quantified. Print ad sales (\$432,826) were off \$72,691 to budget and \$112,330 to FY12, while digital ads (\$116,222), though only \$5,688 under budget, recouped only \$29,074 of the difference year over year. The long-term effects of the migration from print to digital advertising are clearly not encouraging from a revenue perspective.

Choice licensing revenue outperformed budget by \$21,592, coming in at \$639,202, offset by a shortfall to budget of \$38,402 for royalties on the use of Resources for College Libraries in ProQuest's collection-management software. Overall licensing revenue finished the year at \$765,495, or \$15,065 less than budget but a healthy \$90,347 better than FY12. With royalty revenues from many of the major library players nearing their maximum, continued growth in this area will depend on identifying new licensees and new library products.

Total expenditures, amounting to 4% better than budget, reflect continuing rigorous cost control at Choice. Increased use of outside services was more than offset by a \$330,968 savings to budget in payroll and related expenses, with the result that total direct expenses came in at \$79,238 (2.84%) better than budget.

ALCTS

Revenues: Overall, revenue is \$48,682 under budget, 8.3%, and \$4,800 below FY12. Personal dues revenue lagged budget by 7% but only 2% below FY12. Registration fees were the biggest issue in FY13, running \$17,500 below budget (8%) but \$23,000 below FY 12.

Book sales exceeded budget. LRTS revenue was down another 13% from budget and 8% below FY12. Donations ended under budget but well ahead of FY12.

Expenses: In general, most expenses tracked well to budget. Some exceptions were Annual Conference equipment charges, PBD charges, Preservation Week advertising and exhibits, and professional services (IR charged here). A few budgeted expenses were below budget, mostly due to reduced CE activity, the IR project moved to U. of Illinois (software line), and overall expense reduction for operations. Overhead fell

\$3,100 short of budget mainly due to the downturn in CE revenue. Direct expenses were below budget by nearly \$30,000 and just slightly above FY12, \$4,500.

Projection: ALCTS will have a net deficit this year of around \$13,500 if endowment revenue is transferred and posted in FY13.

This was due to a number of factors on the revenue side: most important was decreased revenue from CE events-webinars, web courses and virtual pre-conferences; continued sluggish subscriptions for LRTS; and slightly lower dues revenue. On the expense side: higher Annual expenses, higher publishing related expenses-PBD, ALA store expense, and production costs.

ALSC

ALSC has seen another year of growth despite budgeting for a loss in order to support strategic initiatives from our operating budget. We had budgeted for a net expense of -\$59,291. In February, I projected closing the year with a net revenue of \$44,361. Net revenue came in at \$233,399.

Administration came in under budget by 18% mostly due to salary savings from an open position as well as other expenditure controls. Service to members was over budget by 7%. Dues revenue performed ahead of budget by 2.77%. ALSC's membership rate is holding relatively steady (down .89% overall). We are up overall in new personal members by 1.95%. Interestingly, there is an increase of 17% new regular members, 36% increase in non-salaried (still pay regular ALSC dues rate), but down 15% in student members. The renewal rate is exactly the same as 2012. Expenses came in \$12,000 (17%) over budget. The overages were mainly due to travel, lodging, and meals. Additionally, conference equipment rental was over budget.

Overall the seals project performed well ahead of budget (44%). Revenue from both print and digital came in ahead of budget by 58%. However, expenses were over budget by 86%. Specifically, production of physical seals was over budget by 96%. Caldecott 75th anniversary merchandise cost \$10,000 to produce, and we've recovered \$4,000 through sales. The Banquet ended with a net expense of \$7,723. Revenues were about \$3,000 shy of budget. The Board had approved a post-budget appropriation (\$3,000) to cover additional Caldecott 75th anniversary expenses requested by the task force. Additionally, a/v and meal costs performed over budget.

Online CE total revenue was 32% under budget, but expenses were significantly under budget by 42%. Net revenue from online CE was \$29,462 which was 20% under budget. As previously reported we did expect revenue to come in under budget as the year progressed since 4 Caldecott webinars were offered free of charge to ALSC members after the budget was set (per Board vote). In addition webinar registrations were lower than anticipated. The Caldecott 75th Anniversary Preconference was extremely successful. Registration revenue was 6% ahead of budget and total expenses came in under budget by 8%. Net revenue posted at \$16,428 (34% ahead of budget). The ALSC National Institute budget always looks odd, since it is offered every other year and expenses cross fiscal years. FY 13 posted net revenue of \$17,872. The event takes place in even years, but the revenues book in the following fiscal year (for example, revenues for the 2012 Institute booked in September 2012, which is the first month of FY 2013). The Institute's FY 2012 budget posted a net expense of -\$12,225 because many of our large expenses for marketing, printing, promotion, and a/v were incurred. Expenses in FY 13 were significantly under budget since we paid out a/v the previous fiscal year. The overall net revenue for the 2012 Institute as a project (taking into account both fiscal years) was \$5,647.

Every Child Ready to Read sales continue to perform ahead of budget (217%). We budgeted for sales to taper off since the toolkit has been available for two years. However, sales remain steady. Expenses are over budget by 52%. Mostly due to unbudgeted royalties collected by ALA Graphics for using the online store and professional services to develop the Spanish curriculum. Children & Libraries ended the year 3% under

budget. This is in part due to the special Caldecott 75th Anniversary issue. Subscriptions and ad revenue are down, but ad revenue was up \$2,000 from last year. Non-serial publication net revenue is \$3,000.

Día de los niños/Día de los libros had a net expense of \$5,526. As previously reported, revenue generating Dia activities (online course, webinars) did not occur this year due to staff shortages. We did see a respectable amount of ALA store sales and royalty revenues (\$1,560 and \$465). We kept better track of true expenses related to how the project has traditionally operated. We offer free materials to those that register in the national program registry in order to attempt to quantify national participation (mailing materials, postage, and printing). Total expenses came in 25% over budget (\$1,523).

ASCLA

Dues were on target, coming in only very slightly under last year.

Sales of Online CE were short of goal by about \$6,000; however total online CE sales were about \$28,000 over last year's total.

Preconference registration fees were about \$9,000 more than projected for the year.

Total Revenues on target – only slightly higher than projected.

Meal functions were almost \$3,000 more than projected; includes consultants networking lunch which ran about \$700 over projections for expenses; main overruns were for AV.

Total operating expenses were almost \$5,000 under projections.

Total expenses were about \$6,000 under projections.

ASCLA had a very good year, building their online CE and preconference revenue and keeping operating expenses down. A surplus at 3rd close was about \$20,000. They continue to work toward a goal of eliminating the small division subsidy – the next two years are crucial for this, since the subsidy will end in FY2016 and several revenue generating projects, which will affect expenses, will be implemented in the next two years, including revision of standards and other publications, and two new online courses.

LITA

LITA revenues are 14.21% below budget and expenses are 14.14% below budget. The LITA budget provides for a net in operations of \$3,088. The actual net is \$2,305. Membership retention continues to be a challenge. In FY13 LITA programming included the Forum in Columbus [Ohio], five web courses/webinars, two Midwinter Workshops and three Annual Conference preconferences. LITA provided 22 programs at Annual Conference and 46 discussions throughout the year. LITA published eight guides through ALA TechSource. The LITA ending net asset balance is \$435,714.

LLAMA

REVENUE: is 90% of budget and 12% higher than FY12, due to a successful fundraiser and three successful pre-conferences at Annual Conf. Webinar rev. also increased over 10% compared to FY12. Membership revenue fell by the smallest amount (\$1,600) since FY06, though it is 5%

less than budget. This is also the second year of relatively stable membership revenue, compared to steep declines the four years previous, though it is too early to say whether membership is stabilizing at this level.

DIRECT EXPENSE: is 85% of budget and 6% higher than FY12. Administration was slightly less than FY12 due to elimination of staff CE. Expenses for the MW leadership seminar and section support were lower than budget. Publication exp. was lower due to no production costs for the Green Library book (pushed to FY14). Webinar exp. was over 10k less than budget due to low speaker costs. There was also no exp for New Initiatives (\$8k budgeted).

OVERHEAD: was 79% of budget due to lower than expected CE rev, but at nearly \$12k was over 80% higher than FY12.

NET REVENUE: is \$8,419, over \$17k better than budget and over \$9k ahead of FY12. Though ALA may have additional closes, this third close should basically be final for LLAMA, with no major adjustments anticipated. With positive net rev there is no need to transfer \$5k of endowment interest into the operating account, as budgeted. The ending fund balance will be nearly \$183k, compared to a budgeted fund balance of \$165k.

PLA

Revenues

Overall PLA revenues are 2.3% over budget (actual \$887,530 vs. budget \$867,428). Dues are over budget (actual \$456,969 vs. budget \$370,175) as are Every Child Ready to Read product sales (\$76,469 vs. budget of \$24,000). These and other less significant overages are offset by lower than budgeted donations (actual \$16,730 vs. budget \$65,000); PLDS (actual \$28,072 vs. budget \$88,000); and publications (actual \$25,468 vs. budget \$54,134). A planned publication will be released in early FY14; we are exploring other models related to PLDS.

Expenses

Expenses (actual \$1,261,718) are 19% under budget (\$1,564,636). Of this, 70% (\$211,603) are salary and benefits saved (1.5 positions were not filled and grant funds* offset a portion of PLA salary costs). Other savings include: travel (\$15,894); printing/design/postage (\$43,084); staff development and recruitment (\$20,948).

Overall, in this non-PLA conference, "spend down" year, PLA will net (\$374,187) vs. budget (\$697,208) for an anticipated fund balance of \$1,754,858.

*In FY13, PLA managed three IMLS grants and one Gates Foundation grant. IMLS planning grants for summer reading and leadership training (total funding \$95,145) did not include funds for PLA staff. IMLS digitallearn.org grant (\$465,476) includes a 25% contribution to staff salaries over two years. The Gates Foundation grant to (\$816,862) is a two year grant projected to end in January 2014. It includes one full-time position and support at 60% for another.

RUSA

Dues under projections by about \$10,000.

Online CE over projections by about \$50,000.

Subscriptions under projections by \$9,000.

Online advertising in RUSQ materialized this year; did not project any for FY2013.

Preconference registration higher than projected by about \$5,000.

Total revenue better than expected by about \$69,000.

Place holder of \$80,000 for additional recruiting and retention initiatives was not spent except for - trip to IMLS for Executive Director about financial literacy education and payments to grant writer for SPARKS grant.

Total expenses lower than projected by about \$132,000.

RUSA planned a deficit budget for FY2013 to spend some of their reserves on recruiting and retention initiatives, but some of the projects that were proposed were either not carried out for various different reasons, or projected expenses for projects that were carried out were less than expected. The addition of \$30,000 from the 2010 FINRA grant also helped offset the planned deficit. RUSA's surplus was a little over \$8,000 at 3rd close.

UNITED FOR LIBRARIES (prev. ALTAFF)

United for Libraries currently shows a deficit of \$23,831 against budget and this takes into account the (\$23,831) carried over from last year. However, at this point, there are several significant revenue items yet to be posted including approximately \$5,500 from the underwriting of our Author Tea, approximately \$5,000 from consulting fees, and approximately \$5,000 from the transfer from the endowment which is not yet reflected. Given this, United For Libraries will have broken even this year but will not have made up much of the \$22,400 deficit carried over from FY2012. Looking forward, we have recently brought in statement membership (subscriptions) from North Dakota and Kansas, most of which will be annualized over the course of FY2014. In addition, we have brought in two new state purchases of our Trustee Academy, meaning an additional \$5,000 for FY2014. Our challenges will be making up for the reduction in small division subsidy and eliminating the carry-over deficit. On the positive side, United for Libraries should realize \$10,000 from consulting fees associated with the Neal-Schuman Foundation grant in FY2014 and the Board of Directors is embarking on an ambitious personal giving, corporate and membership campaign.

YALSA

Revenues:

- Dues revenue is 6.6% behind budget. Membership is down slightly in the regular dues category, but up in the discounted categories.
- All Annual Conference events fell well short of their revenue targets, and the symposium was slightly off. All YALSA events fell short of target, except the YA Authors' Coffee Klatch.
- Books were 24% behind budget; YALS subscriptions were 49% behind budget. Bulk seals sales were better than budget. The delayed publication of two titles impacted book sales.
- Looking at CE, webinars are behind 58%, e-courses are behind 43% and institutes are behind 59%. Instructional kits are close to budget. The downward trend for CE revenues, due in part to increased competition, warrants adjusting projections downward for FY14.

- YALS ads are 68% behind budget, but E-News ads are 292% better than budget. Total ad sales were 42% behind budget. The significant drop in print ads points to the need to expand digital ad sales, which will be a focus for FY14.
- TRW donations are better than budget, but TTW donations are below budget. YALSA collected \$16,862 in personal donations in FY13 for FOY & the Leadership Endowment.
- Endowment interest was 55% better than budget. Combined interest from the Morris and Leadership endowments was \$20,646.

Expenses:

- YALS expenses were 17% under budget. Note that YALS has a negative net of about \$8-10,000 each year.
- Board and committee expenses were at budget. Cost savings were seen due to some shortened stays at the Fall Executive Committee meeting and because the All-Committee Meeting was not held at the 2013 Annual Conference.
- Wages were 10% under budget, due to a vacant Program Officer for CE position (November through January).
- Event budgets were close to budget (adjusted based on registration numbers).
- Book publishing related expenses were 7% under budget, primarily due to delayed projects.
- Recruitment expenses were 38% under budget. Grant funds were leveraged to fund travel and exhibits at state and division conferences.

American Library Association
Statement of Revenue and Expenses – Round Tables

Schedule 9

	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change from Budget
REVENUES								
(601) LIBRARY HISTORY RND TBL (LHRT)	8,918	8,383	5,311	3,072	58 %	5,311	5,311	0 %
(602) EXHIBITS ROUND TABLE (ERT)	8,889	8,127	9,515	-1,388	-15 %	9,515	9,515	0 %
(603) FAFRT	9,555	4,918	8,285	-3,367	-41 %	8,285	8,285	0 %
(604) GOVT DOCUMNTS RND TBL (GODORT)	46,271	44,797	50,450	-5,653	-11 %	50,450	50,450	0 %
(605) INT FREEDOM ROUND TABLE (IFRT)	22,437	23,709	25,000	-1,291	-5 %	25,000	25,000	0 %
(606) INTL RELATIONS RND TBL (IRRT)	13,530	14,835	10,320	4,515	44 %	10,320	10,320	0 %
(607) NEW MEMBERS ROUND TABLE (NMRT)	17,250	16,685	19,840	-3,155	-16 %	19,840	19,840	0 %
(608) LIB RESEARCH RND TBL (LRRT)	8,361	8,458	30,913	-22,455	-73 %	30,913	30,913	0 %
(609) MAP/GEOGRAPHY RND TBL (MAGIRT)	12,327	9,763	12,125	-2,362	-19 %	12,125	12,125	0 %
(610) SOCIAL RSPNS ROUND TBL (SRRT)	9,829	8,893	11,340	-2,447	-22 %	11,340	11,340	0 %
(611) STAFF ORG ROUND TABLE (SORT)	645	2,360	3,765	-1,405	-37 %	3,765	3,765	0 %
(612) LIB INSTRUCTION RND TBL (LIRT)	23,019	23,323	48,650	-25,327	-52 %	48,650	48,650	0 %
(613) ETHINC MTL INF EXCH R/T(EMIERT)	92,656	179,402	103,850	75,552	73 %	103,850	103,850	0 %
(614) CONT LIB ED NT/EX R/T(CLEVERT)	39,095	15,163	25,850	-10,687	-41 %	25,850	25,850	0 %
(615) RETIRED MEMBERS RND TBL (RMRT)	3,490	3,189	3,340	-151	-5 %	3,340	3,340	0 %
(616) GGRT	1,305	2,842	1,200	1,642	137 %	1,200	1,200	0 %
(617) VIDEO ROUND TABLE (VRT)	7,321	3,520	6,500	-2,980	-46 %	6,500	6,500	0 %
(618) SUPPORT STAFF INTERESTS R/T	3,918	3,953	6,450	-2,497	-39 %	6,450	6,450	0 %
(619) GLBTRT	21,766	27,781	19,000	8,781	46 %	19,000	19,000	0 %
TOTAL REVENUES	350,582	410,102	401,704	8,398	2 %	401,704	401,704	0 %
EXPENSES								
(601) LIBRARY HISTORY RND TBL (LHRT)	2,831	3,327	5,311	1,984	37 %	5,311	5,311	0 %
(602) EXHIBITS ROUND TABLE (ERT)	3,026	6,473	6,082	-391	-6 %	6,082	6,082	0 %
(603) FAFRT	11,354	17,175	8,220	-8,955	-109 %	8,220	8,220	0 %
(604) GOVT DOCUMNTS RND TBL (GODORT)	41,092	38,207	48,600	10,393	21 %	48,600	48,600	0 %
(605) INT FREEDOM ROUND TABLE (IFRT)	12,478	31,135	24,953	-6,182	-25 %	24,953	24,953	0 %
(606) INTL RELATIONS RND TBL (IRRT)	15,152	32,519	10,120	-22,399	-221 %	10,120	10,120	0 %
(607) NEW MEMBERS ROUND TABLE (NMRT)	12,311	10,156	15,663	5,507	35 %	15,663	15,663	0 %
(608) LIB RESEARCH RND TBL (LRRT)	4,427	1,920	27,328	25,408	93 %	27,328	27,328	0 %
(609) MAP/GEOGRAPHY RND TBL (MAGIRT)	6,959	8,044	6,860	-1,184	-17 %	6,860	6,860	0 %
(610) SOCIAL RSPNS ROUND TBL (SRRT)	4,566	4,156	11,335	7,179	63 %	11,335	11,335	0 %

AMERICAN LIBRARY ASSOCIATION
Roundtable Statement of Revenues and Expenses
For the Month Period August 2013

	YTD Prior Year Actual	YTD Actual	YTD Budget	Variance	%	Annual Budget	Annual Projection	% Change from Budget
(611) STAFF ORG ROUND TABLE (SORT)	1,470	144	2,813	2,669	95 %	2,813	2,813	0 %
(612) LIB INSTRUCTION RND TBL (LIRT)	22,097	6,351	21,093	14,742	70 %	21,093	21,093	0 %
(613) ETHNC MTL INF EXCH R/T(EMIERT)	41,401	82,711	74,535	-8,176	-11 %	74,535	74,535	0 %
(614) CONT LIB ED NT/EX R/T(CLENER)	33,781	9,861	24,340	14,479	59 %	24,340	24,340	0 %
(615) RETIRED MEMBERS RND TBL (RMRT)	2,687	529	1,000	471	47 %	1,000	1,000	0 %
(616) GGRT	-6,570	1,890	1,120	-770	-69 %	1,120	1,120	0 %
(617) VIDEO ROUND TABLE (VRT)	3,213	2,895	6,400	3,505	55 %	6,400	6,400	0 %
(618) SUPPORT STAFF INTERESTS R/T	465	1,338	6,450	5,112	79 %	6,450	6,450	0 %
(619) GLBTRT	25,960	28,650	18,850	-9,800	-52 %	18,850	18,850	0 %
TOTAL EXPENSES	238,699	287,482	321,073	33,591	10 %	321,073	321,073	0 %
NET REVENUES								
(601) LIBRARY HISTORY RND TBL (LHRT)	6,087	5,056	0	5,056	100 %	0	0	0 %
(602) EXHIBITS ROUND TABLE (ERT)	5,863	1,654	3,433	-1,779	-52 %	3,433	3,433	0 %
(603) FAFLT	-1,799	-12,257	65	-12,322	-18957 %	65	65	0 %
(604) GOVT DOCUMNTS RND TBL (GODORT)	5,179	6,589	1,850	4,739	256 %	1,850	1,850	0 %
(605) INT FREEDOM ROUND TABLE (IFRT)	9,960	-7,426	47	-7,473	-15900 %	47	47	0 %
(606) INTL RELATIONS RND TBL (IRRT)	-1,622	-17,684	200	-17,884	-8942 %	200	200	0 %
(607) NEW MEMBERS ROUND TABLE (NMRT)	4,939	6,529	4,177	2,352	56 %	4,177	4,177	0 %
(608) LIB RESEARCH RND TBL (LRRT)	3,934.65	6,537.25	3,585.00	2,952	82 %	3,585.00	3,585.00	0 %
(609) MAP/GEOGRAPHY RND TBL (MAGIRT)	5,367.51	1,718.75	5,265.00	-3,546	-67 %	5,265.00	5,265.00	0 %
(610) SOCIAL RSPNS ROUND TBL (SRRT)	5,263.21	4,737.14	5.00	4,732	94643 %	5.00	5.00	0 %
(611) STAFF ORG ROUND TABLE (SORT)	-824.57	2,216.89	952.00	1,265	133 %	952.00	952.00	0 %
(612) LIB INSTRUCTION RND TBL (LIRT)	922.25	16,971.15	27,557.00	-10,586	-38 %	27,557.00	27,557.00	0 %
(613) ETHNC MTL INF EXCH R/T(EMIERT)	51,254.86	96,690.85	29,315.00	67,376	230 %	29,315.00	29,315.00	0 %
(614) CONT LIB ED NT/EX R/T(CLENER)	5,313.15	5,302.52	1,510.00	3,793	251 %	1,510.00	1,510.00	0 %
(615) RETIRED MEMBERS RND TBL (RMRT)	802.91	2,659.96	2,340.00	320	14 %	2,340.00	2,340.00	0 %
(616) GGRT	7,875.19	952.44	80.00	872	1091 %	80.00	80.00	0 %
(617) VIDEO ROUND TABLE (VRT)	4,108.22	625.04	100.00	525	525 %	100.00	100.00	0 %
(618) SUPPORT STAFF INTERESTS R/T	3,452.41	2,614.91	.00	2,615	100 %	.00	.00	0 %
(619) GLBTRT	-4,194.40	-868.89	150.00	-1,019	-679 %	150.00	150.00	0 %
TOTAL NET REVENUES	111,882	122,620	80,631	41,989	52 %	80,631	80,631	0 %

American Library Association
Balance Sheet - Assets, Liabilities

Actual vs Prior Year
 August 31, 2013

	YTD Actual	YTD Prior Year Actual	YTD Variance YTD	Variance %
ASSETS				
CURRENT ASSETS				
Cash	3,202,410	2,577,703	624,707	24.2 %
Short Term Investments	12,405,996	13,859,373	-1,453,376	-10.5 %
Accounts Receivable, Gross	3,904,926	3,450,407	454,519	13.2 %
Less: Reserves	-231,034	-211,008	-20,026	-9.5 %
Accounts Receivable, Net	3,673,892	3,239,398	434,494	13.4 %
Grants Receivable	767,820	791,457	-23,636	-3.0 %
Inventories, Gross	2,514,001	2,333,077	180,924	7.8 %
Less: Reserves	-583,355	-517,183	-66,172	-12.8 %
Inventories, Net	1,930,646	1,815,894	114,752	6.3 %
Prepaid Expenses & Other AVR	6,645,042	7,165,502	-520,460	-7.3 %
TOTAL CURRENT ASSETS	28,625,806	29,449,327	-823,520	-2.8 %
PROPERTY, PLANT & EQUIPMENT				
Furniture & Equipment	22,691,477	20,834,645	1,856,832	8.9 %
Buildings & Improvements	13,261,267	13,155,339	105,928	0.8 %
Land	3,146,743	3,146,743	0	0.0 %
Property, Plant & Equipment, Gross	39,099,487	37,136,728	1,962,760	5.3 %
Less: Accum Depreciation	-25,592,924	-22,969,722	-2,623,202	-11.4 %
Property, Plant & Equipment, Net	13,506,563	14,167,006	-660,442	-4.7 %
Investments	34,165,214	32,560,816	1,604,398	4.9 %
Due From (To) Other Funds	-1,373	-1,373	0	0.0 %
TOTAL ASSETS	76,296,211	76,175,776	120,436	0.2 %

AMERICAN LIBRARY ASSOCIATION
 Financial Statement
 Balance Sheet Accounts
 Actual vs Prior Year
 August 31, 2013

Page 1
 Schedule 10

	YTD Actual	Prior Year Actual	YTD Variances YTD	Variance %
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Current Portion, Long Term Debt	1,172,746	1,356,525	-183,779	-13.5 %
Accounts Payable	4,825,653	4,461,767	363,886	8.2 %
Accrued Operating Expenses	1,304	88,709	-87,406	-98.5 %
Accrued Income Taxes	6,117	0	6,117	#DIV/0!
Accrued Payroll Expenses	17,383,809	17,664,553	-280,744	-1.4 %
SUB-TOTAL /PAYABLES	23,389,628	23,571,554	-181,926	-0.6 %
DEFERRED REVENUES				
Membership Dues	4,049,838	4,204,404	-154,566	-3.7 %
Subscriptions	2,501,003	2,249,141	251,863	11.2 %
Meetings & Conferences	2,635,506	2,622,537	12,969	0.5 %
Grants & Awards	2,991,035	3,469,338	-478,303	-13.9 %
SUB-TOTAL/ DEFERRED REVENUE	12,177,382	12,545,420	-368,038	-3.0 %
TOTAL CURRENT LIABILITIES	35,567,010	36,116,974	-549,964	-1.4 %
DC Properties LT Bond	8,805,000	9,452,500	-647,500	-6.9 %
Fair Value of Interest Rate Swap				
TOTAL LIABILITIES	44,372,010	45,569,474	-1,197,464	-2.6 %
FUND BALANCE				
TOTAL LIABILITIES/ FUND BALANCE	31,924,201	30,606,301	1,317,900	4.2 %
	76,296,211	76,175,776	120,436	0.2 %

American Library Association
Schedule 6 – Commentary: Balance Sheet - Total ALA
August FY 2013 – 3rd Close

ASSETS

At August 31, 2013, total assets of \$76,296,211 are \$120,436 more than the total at August 31, 2012. This is a result of increases in net accounts receivable (B), inventories (C) and long-term investments (D) offset by a decrease in cash and short-term investments (A), and property, plant and equipment (E), and prepaid expenses and other assets (F).

A. Cash and Short-Term Investments: Cash and short-term investments of \$15,608,406 at August 31, 2013 are \$828,669 lower than at August 31, 2012.

See Schedule 2 explanation for additional investment information.

B. Net Accounts Receivable: Net accounts receivable of \$3,673,892 at August 31, 2013 are \$434,494 higher than the balance of \$3,239,398 at August 31, 2012. The increase is the result of a higher balance in PBD billings, mainly books and graphics related sales and lower iMIS billings. At August 31, 2013, total trade receivables were \$3,904,926 as compared to \$3,450,407 in FY 2012. Reserves for bad debt increased \$20,026.

C. Inventories: Net inventories increased by \$114,752 and gross inventories increased by \$180,924 to \$2,514,001 at August 31, 2013 from \$2,333,077 at August 31, 2012. The Neal Schuman acquisition has added \$785,543 to gross inventory. ALA Editions finished goods has a \$83,753 increase and Graphics has a \$19,908 decrease. ALA Editions work-in-progress has an increase of \$10,839. On a net basis, the reserves have increased \$66,172 at August 31, 2013.

D. Endowment Investments: Long-term endowment investments of \$34,165,214 at August 31, 2013 are \$1,604,398 higher than at August 31, 2012, primarily as a result of market conditions.

E. Property, Plant and Equipment: Property, plant and equipment, net of depreciation of \$13,506,563 at August 31, 2013 is \$660,442 lower than at August 31, 2012 as a result of additions to Publishing electronic products between 2013 and 2012, offset by the addition of accumulated depreciation.

F. Prepaid Expenses and Other Assets: The major items in this category at August 31, 2013 are Goodwill, \$2,326,567 and Intangible Assets (Net), \$3,245,364 related to the acquisition of Neal Schuman Publishers, Inc. in December 2011.

LIABILITIES

At August 31, 2013, total liabilities of \$44,372,010 are \$1,172,464 less than total liabilities at August 31, 2012 primarily due to decreases in (E) deferred revenues – grants, (F) long-term debt and (D) deferred revenues – membership dues, offset by increases in (B) deferred revenues – subscriptions, (C) decrease in long-term debt and accounts payable, and (A) deferred revenues meetings and conferences.

- A. Deferred Revenues - Meetings and Conferences: At August 31, 2013, deferred revenues for meetings and conferences totaled \$2,635,506 as compared to \$2,622,537 at August 31, 2012. At August 31, 2013 deferred revenues consisted of Midwinter, \$671,144, Annual Conference, \$162,345, PLA, \$723,791, AASL, \$844,192 and ACRL, \$159,730. At August 31, 2012, PLA deferred revenues are \$370,621, AASL deferred revenues are \$177,177, ACRL deferred revenues are \$490,104, Midwinter, \$748,198 and Annual Conference, \$557,138.
- B. Deferred Revenues – Grants: Deferred revenues for Grants and Awards at August 31, 2013 are \$2,991,035 as compared to \$3,469,338 at August 31, 2012. In August 2013, the following grants had significant deferred revenues, Dollar General Everyone Reads @ Libraries, \$268,202, Literacy Network Database, \$243,653, Finra Smart Investing, \$110,664, OSI Privacy, \$, Dollar General, \$774,209, Verizon, \$47,495, Gates Tech Benchmarks, \$354,135, Carnegie I Love My Librarian, \$172,680, Library Champions, \$51,391, 21st Century Fund, \$110,664, Gates Technology Access Study, \$42,364, American Dream, \$529,776 and the Scholarship Bash, \$533,740. In August 2012, major grants included Dollar General Everyone Reads @ Libraries, \$240,950, Gates Technology Access Study, \$234,155, the Scholarship Bash, \$407,247, 21st Century Fund, \$86,897, Dollar General, \$696,191, OSI Privacy, \$37,156, Gates Tech Benchmarks, \$639,046 and Literacy Network Database, \$243,653.
- C. Accounts Payable: At August 31, 2013, accounts payable totaled \$23,389,628 as compared to \$23,571,554 at August 31, 2012. The decrease of \$96,511 reflects the increase in trade accounts payable, offset by a decrease in post-retirement benefit and a decrease in capital lease obligation.
- D. Deferred Revenues - Membership Dues: Deferred revenues for membership dues at August 31, 2013 are \$4,049,838 as compared to \$4,204,404 at August 31, 2012.
- E. Deferred Revenues – Subscriptions: Deferred revenues for subscriptions at August 31, 2013 are \$2,501,003 as compared to \$2,249,141 at August 31, 2012. The increase of \$251,116 is mainly a decrease in American Libraries (\$3,052), Booklist (\$8,782), and CHOICE (\$7,921) offset by an increase in Reviews on Cards (\$57,819), and GR, RDS MKTG (\$217,163).
- F. Long-Term Debt: At August 31, 2013, long-term debt totaled \$8,805,000 as compared to \$9,452,500 at August 31, 2012. The decrease is a result of the \$647,500 1st principal payment made in July 2013.

