

**Results of Operations
FY 2015 - February 2015 Financials**

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February 2015 Executive Summary

The financial results represent six months of activity, which were electronically issued to unit managers on March 13, 2015.

The following financial summaries highlight actual revenue and expense results as compared to the approved budget including highlights of key financial indicators.

I A. TOTAL ALA (ALL COMBINED FUNDS) Statement of Revenues and Expenses February 28, 2015

TOTAL ALA (ALL COMBINED FUNDS)	Year-To-Date Actual February 28, 2015	Year-To-Date Budget February 28, 2015	Year-To-Date Variance February 28, 2015	Prior Year Actual February 28, 2014	Change FY15 - FY 14
Total Revenues	21,298,947	21,953,781	(654,834)	21,969,711	(670,764)
Total Expenses	22,435,467	24,885,294	2,449,827	21,943,911	(491,556)
Net Rev(Exp)	(1,136,520)	(2,931,513)	1,794,993	25,800	(1,162,320)

Revenue

Total ALA revenue is \$654,834 less than FY15 budget, \$670,764 less than February 2014.

Total General Fund revenue is \$770,988 less than budget and Long-Term investment revenue is \$260,906 more than budget.

Expenses

Total ALA expenses are \$2,449,827 less than budget, \$491,556 more than February 2014. General Fund expenses are \$417,689 less than budget, Division expenses are \$1,655,093 less than budget due to timing difference between actual expenditures against budget.

Net Revenue and Expenses from Operations

Net Revenue(Expense) at February 2015 is (\$1,136,520) which is \$1,794,993 better than budgeted net expenses of (\$2,931,513) primarily due to General Fund (\$417,689) and Divisions expenses(\$1,655,093) under budget. Total ALA net revenues from operations excludes the Technology Reserve expenses of \$181,161 and \$932,875 of realized and unrealized loss from both short-term and Long-term investment activities.

I A. TOTAL ALA (ALL COMBINED FUNDS)
Statement of Revenues and Expenses
February 28, 2015

REVENUES BY FUND	Year-To-Date Actual February 28, 2015	Year-To-Date Budget February 28, 2015	Year-To-Date Variance February 28, 2015	Prior Year Actual February 28, 2014	Change FY15 - FY 14
General Fund	12,313,261	13,084,249	(770,988)	12,579,940	(266,679)
Division	5,449,252	5,410,041	39,211	6,438,671	(989,419)
Round Table	185,072	186,258	(1,186)	157,191	27,881
Grants and Awards	2,547,938	2,730,713	(182,775)	2,158,522	389,416
Long-Term Investment	803,424	542,518	260,906	635,386	168,038
Total Revenues	21,298,947	21,953,781	(654,834)	21,969,711	(670,764)

General Fund

The General Fund revenue is \$770,988 less than budget due primarily to lower book sales, subscription, conference, interest income, donations and royalty revenue, offset by higher advertising revenue.

Division

Division revenue is \$39,211 more than budget due to higher ALSC and YALSA seals revenue and advertising revenue, offset by lower publication related, conference, dues and donations revenue.

Grants and Awards

Grants and Awards generated \$182,775 less than budget due to timing of grant program activity.

Long-Term Investment

Investment interest and dividends income is \$260,906 more than budget due to higher investment balance.

I A TOTAL ALA (ALL COMBINED FUNDS)
Statement of Revenues and Expenses
February 28, 2015

EXPENSES BY FUND	Year-To-Date Actual February 28, 2015	Year-To-Date Budget February 28, 2015	Year-To-Date Variance February 28, 2015	Prior Year Actual February 28, 2014	Change FY15 - FY 14
General Fund	13,553,471	13,971,160	417,689	13,166,006	(387,465)
Division	5,915,935	7,571,028	1,655,093	6,437,654	521,719
Round Table	59,754	167,138	107,384	30,870	(28,884)
Grants and Awards	2,555,157	2,706,725	151,568	2,158,522	(396,635)
Long-Term Investment	351,151	469,243	118,092	150,859	(200,292)
Total Expenses	22,435,467	24,885,294	2,449,827	21,943,911	(491,556)

Total ALA (All Combined Funds)

Total expenses are \$2,449,827 less than budget, however, \$491,556 greater than February 2014.

Payroll expenses are \$390,483 less than budget, outside services expenses are \$75,133 less than budget, travel expenses are \$216,861 less than budget, meetings and conferences expenses are \$983,290 less than budget, publication related expenses are \$249,299 less than budget, and operating expenses are \$523,332 less than budget.

This is due to timing of the budgeted expenses against actual expenses.

General Fund

Total expenses are \$417,689 less than budget, however, \$387,465 greater than February 2014.

Payroll related expenses are \$235,724 less than FY15 budget due to lower health insurance expenses which includes \$78,000 transfer from 2013 BC/BS refund. Salaries net of attrition is \$45,753 more than budget.

Conference related expenses are \$208,000 less than budget and publication related expenses are \$209,000 less than budget. Overhead recovered is \$317,467 less than budget due to timing of Grant activities and budget allocation.

Division Fund

Division expenses are \$1,655,093 less than budget and \$521,719 less than February 2014 due to the two National Conference in 2014.

Payroll related expenses are \$268,566 less than budget, professional services expenses are \$161,829 less than budget, operating expenses are \$235,576 than budget. Meetings and Conferences expenses are \$789,426 less than budget due to the timing of budgeted expenses against actual expenses.

Long-Term Investment

Long-Term Investment is \$118,092 less than budget due to timing of actual expenditures against budget.

I A. TOTAL ALA (ALL COMBINED FUNDS)
Net Revenues From operations
February 28, 2015

NET REVENUES(EXPENSES)	Year-To-Date Actual February 28, 2015	Year-To-Date Budget February 28, 2015	Year-To-Date Variance February 28, 2015	Prior Year Actual February 28, 2014	Change FY15 - FY 14
General Fund	(1,240,210)	(886,911)	(353,299)	(586,066)	(654,144)
Division	(466,683)	(2,160,987)	1,694,304	1,017	(467,700)
Round Table	125,318	19,120	106,198	126,321	(1,003)
Grants and Awards	(7,219)	23,988	(31,207)	0	(7,219)
Long-Term Investment	452,273	73,275	378,998	484,527	(32,254)
Total Net Revenues(Expenses)	(1,136,520)	(2,931,513)	1,794,993	25,800	(1,162,320)

**I B. TOTAL ALA
STATEMENT OF FINANCIAL POSITION
February 28, 2015**

TOTAL ALA	February 28, 2015	February 28, 2014	Change	Change %
Total Assets	\$85,309,001	\$81,384,847	\$3,924,154	4.8%
Total Liabilities	\$46,902,112	\$47,354,876	(\$452,764)	-1.0%
Net Assets	\$38,406,889	\$34,029,971	\$4,376,918	12.9%

Total Assets

Total assets are \$3,924,154, 4.8% higher than February 2014 due to higher value of the Long-Term investment, higher Short-Term Investment balance, higher prepaid expenses, offset by lower Trade Accounts Receivable, amortization of Intangible Assets and lower Fixed Asset due to higher accumulated depreciation balance. The Endowment balance at February 2015 is \$41,834,903, which is \$4,219,463, 11.2% higher than February 2014.

Total Liabilities

(Includes current and non-current obligations)

Total liabilities at February 2015 are \$452,764, 1.0% less than February 2014 due to;

- 1) lower post-retirement liability.
- 2) lower long-term debt - Repayment of Long-Term debt was made on July 1st in the amount of \$647,500.
- 3) lower deferred conference revenue
- 4) higher Grants deferred revenue and trade accounts payable

Net Asset Balance

Total ALA Net Asset Balance is \$38,406,889 which is \$4,376,918, 12.9% more than February 2014.

**I B. TOTAL ALA
STATEMENT OF FINANCIAL POSITION
February 28, 2015**

ASSETS	February 28, 2015	February 28, 2014	Change	Change %
Cash	5,279,065	6,079,575	(800,510)	-13.2%
Short-Term Investment	14,866,147	13,422,124	1,444,023	10.8%
Accounts Receivable, Net	3,101,333	3,566,852	(465,519)	-13.1%
Grants Receivable	796,986	734,634	62,352	8.5%
Inventories, Net	1,888,888	1,918,970	(30,082)	-1.6%
Prepaid Expenses	1,505,033	745,414	759,619	101.9%
APA Receivable	170,000	170,000	0	0.0%
Goodwill	1,826,567	1,826,567	0	0.0%
Intangible Assets, Net	2,021,206	2,565,031	(543,825)	-21.2%
Fixed Assets, Net	12,020,245	12,741,614	(721,368)	-5.7%
Long-Term Investment	41,834,903	37,615,440	4,219,464	11.2%
Total Assets	85,309,001	81,384,847	3,924,154	4.8%

Cash - Includes all ALA operating cash accounts

Cash balance at February 2015 is at net of transfers made to short-term investment account.

Short-Term Investment

The investment balance at February 2015 is \$14,866,147, \$1,444,023 more than February 2014. The balance includes the \$1,000,000 funds set aside from operating cash account to meet long-term debt obligation (JPMorgan Chase loan). In addition, \$1,500,000 was transferred from the ALA operating cash account to Intermediate Bond Fund account in March.

Accounts Receivable, Net:

Trade Accounts Receivables and Miscellaneous receivables, net of reserves for bad debts.

Net Accounts Receivable decreased by \$465,519 mainly due to lower book sales.

**I B. TOTAL ALA
STATEMENT OF FINANCIAL POSITION
January 31, 2015**

Grants Receivable

Grants Receivables are created where expenditures are incurred and exceed the receipt of cash from granting institutions.

Inventories, Net

Purchased items on hand to be sold net of reserves-includes books and graphics.

Net inventories decreased by \$30,082. All of the following obsolete inventories identified in FY2014 have been destroyed in FY15.

Editions: \$525,000. Neal Schuman: \$318,000. Graphics: \$122,000. Total: \$965,000.

Inventory reserve analysis is to be performed to identify additional inventory reserve amount.

Prepaid Expenses

Paid goods and services prior to the actual rendering of services and goods received.

Prepaid expenses are higher compared to last year due to prepaid ACRL conference expenses and prepaid health insurance premiums.

Intangible Assets

The Intangible Assets at net of amortization is \$2,021,206 at February 2015.

Fixed Assets

Tangible assets used in business to be expensed over its useful life.

Fixed Assets are lower than last year by \$721,368. This is mainly due to amortization of new Financial Systems purchase and capital lease depreciation expense resulted from re-class to capital.

Long-Term Investment

The Long-Term Investment increased by \$4,219,464 from \$37,615,440 at February 2014 to \$41,834,903 at February 2015 due strong market performance. The year-to-date interest earned on the Long-Term Investment is \$803,424, net of \$266,790 transfer to operating account. The Endowment Fund has combined realized/unrealized gain of \$690,435 as of February 2015.

The Endowment fund balance increased by \$972,000 due to Margaret Alexander Edward Trust donation.

**I B. TOTAL ALA
STATEMENT OF FINANCIAL POSITION
February 28, 2015**

LIABILITIES	February 28, 2015	February 28, 2014	Change	Change %
Current Portion, L-T Debt	700,809	743,469	(42,660)	-5.7%
Accounts Payable	3,421,460	2,796,717	624,743	22.3%
Accrued Payroll	16,846,178	17,561,507	(715,329)	-4.1%
Deferred Membership	4,461,702	4,444,061	17,641	0.4%
Deferred Subscriptions	2,927,433	2,950,954	(23,521)	-0.8%
Deferred Conferences	6,103,350	6,393,107	(289,757)	-4.5%
Grants and Awards	4,103,969	3,399,964	704,005	20.7%
Long-Term Debts	8,337,210	9,065,097	(727,887)	-8.0%
Total Liabilities	46,902,111	47,354,876	(452,765)	-1.0%
FUND BALANCE	38,406,890	34,029,971	4,376,919	12.9%
TOTAL LIAB./FUND BAL	85,309,001	81,384,847	3,924,154	4.8%

Current Portion of Long-Term Debts

Includes current portion of JPMorgan Chase and Capital Lease payment.

The balance is lower in February 2015 due to monthly payment of capital lease.

Accounts Payable

The Trade Accounts Payable balance is \$624,743 higher than February 2014 primarily due to MW15 and ACRL conference expense accruals.

**I B. TOTAL ALA
STATEMENT OF FINANCIAL POSITION
February 28, 2015**

Deferred Membership

Money received in advance for membership to be recognized as revenue over time. This is a liability until earned.

Deferred membership revenue increased by \$17,641 from \$4,444,061 to \$4,461,702.

General Fund deferred membership increased by \$27,970, Divisions decreased by \$12,300 and Round Tables increased by \$1,971.

Deferred Subscription

Money received in advance for subscription service to be recognized as revenue over subscription period. This is a liability until earned.

Deferred subscription revenue decreased by \$23,521 due to lower CHOICE, Booklist and LTR activities, offset by strong RDA activities.

Deferred Conference Revenue

Money received in advance and to be recognized as revenue when the event takes place. This is a liability until event takes place.

Deferred conference revenue decreased by \$289,757. Annual conference deferred revenue balance is \$93,738 lower than February 2014. Division deferred revenue is \$196,019 lower than February 2014 due to one National Conference this year.

Grants and Awards

Grants deferred revenues are created when Grant receipts exceed the Grant expenditures.

Grants deferred revenue is \$704,005 higher than February 2014. Gates and Dollar General grants were received.

Long-Term Debts

The long-term debt is \$727,886 lower than February 2014.

The second principal payment was made on July 1, 2014 in the amount of \$647,500.

**II A General Fund
Statement of Revenues and Expenses by Department
February 28, 2015**

REVENUES

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Variance %	Prior Year Actual	Change FY15 - FY14
Publishing Services	6,323,629	6,701,180	(377,551)	-5.6%	6,516,113	(192,484)
Member Programs & Services	2,852,088	3,104,958	(252,870)	-8.1%	2,795,863	56,225
Communications	2,717,528	2,743,745	(26,217)	-1.0%	2,825,302	(107,774)
Interest Income	386,219	417,001	(30,782)	-7.4%	342,735	43,484
Mail List Sales	16,710	72,365	(55,655)	-76.9%	84,582	(67,872)
Executive Office	17,087	45,000	(27,913)	100.0%	15,345	1,742
Total Revenues	12,313,261	13,084,249	(770,988)	-5.9%	12,579,940	(266,679)

Total General Fund

Total General Fund revenues are \$770,988 less than budget, \$266,679 less than February 2014.

Publishing

Publishing department includes ALA Editions, Neal Schuman, TechSource, Digital Reference, Graphics, Booklist, and American Libraries. Publishing revenues are \$377,551 less than budget due primarily to lower book sales, higher return of books, lower subscription, offset by higher advertising revenue. On line sales is \$17,403 more than budget and book sales revenue is \$328,170 less than budget. Publishing net revenue at February 2015 is \$353,493, \$137,709 less than budget, \$290,449 less than February 2014. The Subscription Equivalent in American Libraries is \$117,385 better than budget. Net revenue is \$97,062 more than budget.

MPS

MPS includes Conference Services, ITTS, Office for Human Resources Development, OIF, OA, and Diversity.

MPS revenues are \$252,870 less than budget. Midwinter registration revenue is \$166,396 less than budget and exhibit revenue is \$54,456 less than budget.

Communications:

Communications includes Communications, AED, Library, ORS, IRO, PIO, Public Programs, Office for Library Advocacy, Membership Services, and Chapter Relations/Member Development.

Revenue is \$26,217 less than budget due to lower dues revenue as of February 2015.

Interest income

Interest income is \$30,781 less than budget, \$43,484 more than February 2014.

Executive Office

Executive Office includes Executive Board, Washington Office, HR, Office of Information Technology, and OGR.

**II A General Fund
Statement of Revenues and Expenses by Department
February 28, 2015**

EXPENSES	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Variance %	Prior Year Actual	Change FY15 - FY14
Publishing Services	5,970,136	6,209,978	239,842	3.9%	5,872,172	(97,964)
Member Program and Services	4,769,508	5,134,294	364,786	7.1%	4,648,218	(121,290)
Communications	1,411,175	1,459,054	47,879	3.3%	1,485,692	74,517
Executive Office	2,182,152	2,319,213	137,061	5.9%	2,048,391	(133,761)
Finance/Accounting/Staff Supp	913,946	907,063	(6,883)	-0.8%	949,638	35,692
Overhead Recovered	(2,258,638)	(2,706,786)	(448,148)	16.6%	(2,288,204)	(29,566)
General Administration	565,191	648,344	83,153	12.8%	450,100	(115,091)
Total Expenses	13,553,471	13,971,160	417,689	3.0%	13,166,007	(387,464)
Operating Net Revenue	(1,240,210)	(886,911)	(353,299)		(586,067)	(654,143)

Total General Fund

Total expenses are \$417,689 less than budget, \$387,464 more than February 2014.

Payroll related expenses are \$235,724 less than budget, meetings and conferences related expenses are \$200,000 under budget, publication related expenses are \$209,000 under budget and overhead recovered is \$317,467 less than budget due to monthly allocation method of annual budget.

Publishing

Publishing expenses are \$239,842 less than budget primarily due to lower payroll and publication related expenses.

MPS

MPS is \$364,786 less than budget, mainly due to timing of Midwinter expenses and lower ITTS payroll, depreciation and professional fees.

Communications

Communications expenses are \$47,879 less than budget, \$74,517 lower than February 2014.

Executive Office

Executive Office includes Standing Committees, Executive Board, Executive Office, Development Office, Washington Office, OITP, OGR, ALA Awards, and Human Resources.

Executive Office expenses are \$137,061 less than budget, \$133,761 more than February 2014.

Overhead Recovered

Overhead recovered is \$448,148 less than budget due to timing of monthly allocation of annual budget and lower grant activities.

General Administration

Health insurance expense is \$204,057 less than budget and annuity expense is \$75,078 less than budget.

Benefit adjustment has been made to adjust from budgeted 33% to 30% as of February 2015.

Additional adjustment to actual will be made at year-end.

Operating Net Revenue

The expenses exceed revenues by \$1,240,210, \$353,299 less than budgeted net expense of \$886,911 and \$654,143 less than February 2014.

II B General Fund
Statement of Revenues and Expenses by Activity
February 28, 2015

REVENUES

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Variance %	Prior Year Actual	Change FY15-FY14
Dues	2,718,090	2,751,945	(33,855)	-1.2%	2,746,141	(28,051)
Sales of Books - Net	2,072,448	2,442,850	(370,402)	-15.2%	2,791,534	(719,086)
Other Material Sales	464,355	489,101	(24,746)	-5.1%	148,366	315,989
Subscriptions	1,577,625	1,676,250	(98,625)	-5.9%	1,526,255	51,370
Advertising	2,208,128	2,079,954	128,174	6.2%	2,143,214	64,914
Meetings and Conferences	2,167,938	2,389,625	(221,687)	-9.3%	2,193,391	(25,453)
Grants and Awards	0	1,400	(1,400)	-100.0%	0	0
Misc. Revenue	1,104,676	1,253,123	(148,447)	-11.8%	1,031,038	73,638
Total Revenues	12,313,261	13,084,249	(770,988)	-5.9%	12,579,940	(266,679)

Dues

Includes personal, organizational, special, life members, and continuing members.

Total Dues income is \$33,855 less than budget, \$28,051 less than February 2014. Personal dues revenue is \$18,945 less than budget.

Sales of Materials-Net and Other Sales

Includes books, pamphlets, online sales, mail lists, ALA store, and miscellaneous sales at net of returns.

Total sales of books and materials-net is \$395,148 less than budget, \$403,097 less than February 2014. Sales of books net of returns is \$370,402 less than budget. On-Line sales are \$338,984, which is \$25,855 more than budget.

Advertising

Includes Gross and Classified advertising revenue at net of commissions for all General Fund units.

Editions is \$41,541 more than budget, Booklist is \$44,395 less than budget, and American Libraries is \$80,169 more than budget.

Subscription

Subscription revenues are \$98,625 less than budget mainly due to lower Booklist and LTR subscription revenue.

Meetings and Conferences

Includes Registrations fees, Exhibit space rentals, and Meal functions for all General Fund units.

Midwinter conference revenue is \$220,852 less than budget.

Miscellaneous Revenue

Miscellaneous income includes donations, interest/dividends, royalties, and miscellaneous fees.

Royalty revenues are \$66,270 less than budget. Donation is \$77,785 less than budget, and interest income is \$30,781 less than budget.

**II B General Fund
Statement of Revenues and Expenses by Activity
February 28, 2015**

EXPENSES

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Variance %	Prior Year Actual	Change FY15-FY14
Payroll and Related	7,004,375	7,240,099	235,724	3.3%	6,897,226	(107,149)
Outside Services	1,753,161	1,840,048	86,887	4.7%	1,721,417	(31,744)
Travel and Related	293,107	413,282	120,175	29.1%	394,185	101,078
Meetings and Conferences	1,286,980	1,375,295	88,315	6.4%	1,152,906	(134,074)
Publication Related	1,215,404	1,424,360	208,956	14.7%	1,185,172	(30,232)
Operating Expenses	2,445,161	2,408,066	(37,095)	-1.5%	2,394,360	(50,801)
Total IUTs	(263,555)	(559,455)	(295,900)	52.9%	(400,447)	(136,892)
Total Expenses (1)	13,734,632	14,141,695	407,063	2.9%	13,344,819	(389,813)
Contrib. Margin bef OH/Tax	(1,421,371)	(1,057,446)	363,925	-34.4%	(764,879)	(656,492)

(1) Total operating expenses includes \$181,161 of Technology Reserve expense.

Salaries - General Fund

General Fund salaries through February are \$5,378,833, which is \$233,112 less than budget. This is \$324,639 less than the total years 5% salary attrition budget of \$557,751. The temporary help is under budget by \$10,409, and overtime is under budget by \$1,076.

Salary savings remains to be earned including temporary help and overtime is \$313,154 less than the total year attrition budget.

	<u>February 2015</u>	<u>Annual Projection</u>
Budgeted salary savings 5.0% attrition (FY2015)	\$557,751	\$557,751
YTD Budget - Salaries	\$5,611,945	\$11,223,873
YTD Actual - Salaries	\$5,378,833	\$10,800,000
Salary Savings To Date	\$233,112	\$423,873
Salary Savings less Attrition	(\$324,639)	(\$133,878)
YTD Budget - Temporary Help	\$42,635	\$98,271
YTD Actual - Temporary Help	\$32,226	\$100,000
Temporary Help Savings	\$10,409	(\$1,729)
YTD Budget - Overtime	\$26,280	\$55,150
YTD Actual - Overtime	\$25,204	\$55,000
Overtime Savings	\$1,076	\$150
Salary savings remaining to be earned	(\$313,154)	(\$135,457)

II B General Fund
Statement of Revenues and Expenses by Activity
January 31, 2015

Outside Services

Outside service expenses are \$86,887 less than budget due to lower professional fees by \$178,852, audit fees by \$14,970 and maintenance by \$78,084, offset by higher temporary help expenses by \$102,995 and bank fee by \$64,818.

Travel, Meetings and Conferences

Meetings and Conferences expenses are \$208,490 less than budget due to timing of budget against actual expenses.

Publication Related

The publication expenses are \$208,956 less than budget mainly due to controlled printing expenses.
 Inventory reserve expense will be increased significantly at year-end due to destruction of obsolete inventory.

Operating Expenses

Operating expenses are \$37,075 more than budget mainly due to higher royalty expense.

Overhead Recovered

Overhead recovered is \$448,148 less than budget due to timing of monthly allocation of annual budget and lower grant activities.

Net Revenue

	FY 2015 February Actual	FY2015 YTD Budget	Variance
Contribution Margin	(1,150,028)	(1,071,362)	(78,666)
IUT- General Overhead	(668,890)	(986,357)	(317,467)
Total Expenses before Allocations	(481,138)	(85,005)	396,133
IUT Allocations	940,233	972,440	32,207
Total Expenses from Operations	(269,400)	(158,527)	110,873
Net Revenue/(Expenses)	(1,421,371)	(1,057,445)	(363,926)

**II C General Fund
FY 2015
Year-End Projection By Activity**

	ACTUAL FEBRUARY 2015	FY 2015 YTD BUDGET	FY 2015 ANNUAL BUDGET	FY 2015 PROJECTION	VARIANCE
REVENUES					
Dues	2,718,090	2,751,945	5,503,894	5,471,400	(32,494)
Sales - Net	2,072,448	2,442,850	4,978,540	4,640,000	(338,540)
Other Sales	464,355	489,101	1,082,730	981,100	(101,630)
Subscriptions	1,577,625	1,676,250	3,231,539	3,100,000	(131,539)
Advertising	2,208,128	2,079,954	4,119,068	4,277,500	158,432
Meetings and Conferences	2,167,938	2,389,625	8,090,075	7,795,000	(295,075)
Grants & Awards	0	1,400	2,800	0	(2,800)
Misc.	1,104,676	1,253,123	2,459,414	2,350,000	(109,414)
TOTAL REVENUES	12,313,261	13,084,249	29,468,059	28,615,000	(853,059)
EXPENSES					
Payroll & Related Expenses	7,004,375	7,240,099	14,513,150	14,181,000	332,150
Outside Services	1,753,161	1,840,048	4,062,361	3,932,500	129,861
Travel and Related Expenses	293,107	413,282	1,005,367	985,000	20,367
Meetings and Conferences	1,286,980	1,375,295	3,856,974	3,822,000	34,974
Publication Related Expenses	1,215,404	1,424,360	2,963,324	2,961,250	2,074
Operating Expenses	2,445,161	2,408,066	4,585,039	4,574,500	10,539
Total Direct Expenses	13,998,188	14,701,150	30,986,214	30,456,250	529,964
Indirect Expenses	(534,898)	(545,538)	(1,089,231)	(1,070,000)	(19,231)
Overhead and IUT	271,343	(13,917)	(62,737)	(100,000)	37,263
Tech Reserve	(181,161)	(170,534)	(341,068)	(360,000)	18,932
Total Indirect Expenses	(444,716)	(729,989)	(1,493,036)	(1,530,000)	36,964
TOTAL EXPENSES	13,553,471	13,971,161	29,493,178	28,926,250	566,928
OPERATING NET REVENUES (EXPENSES)	(1,240,210)	(886,911)	(25,119)	(311,250)	(286,131)
Endowment Gain/Loss - Realized	(1,028,869)				
Endowment Gain/Loss - Unrealized	1,070,898				
Tech Reserve	181,161	170,534	341,068	360,000	(18,932)
NET REVENUE/(EXPENSE)	(1,379,342)	(1,057,445)	(366,187)	(671,250)	(305,063)

Includes \$200K inventory adjustment

Projections:

Total General Fund revenues are projected to be \$853K under budget.
Total General Fund expenses are projected to be \$567K under budget.
Net expenses from operations is projected at \$311K.

Assumption used:

Annual conference revenues and expenses will be on budget.

**III A. ALA Publishing Department
COMMENTARY: STATEMENT OF REVENUES AND EXPENSES
FEBRUARY FY2016**

Publishing Department

Total Revenues are \$377,551 less than budget. Product sales are \$328,170 less than budget in part because the allocations for Neal Schuman and ALA Graphics were weighted toward the first half of the year and in part because Baker & Taylor made a massive return that was \$79,680 or 33% more than budget. Both of these factors will improve in future months. Online sales mainly from webinars and e-courses are \$17,403 more than budget. Subscriptions are \$88,404 less than budget. Net Advertising revenues are \$18,314 more than budget. Classifieds are \$77,314 more than budget. Royalties and licensing fees are \$69,172 less than budget. Revenues will continue to be challenged in that the market is still coming out of the recession in FY15. The projection for the year is that this will continue and Total Revenues at year-end will be about \$366,000 less than budget. Expenses before Overhead are \$260,258 less than budget, mainly because of salary savings from open positions and savings in Publication-Related expenses as a result of the shortfall in product sales and declines in circulation. Overhead Expense is \$96,970 less than budget because of the revenue shortfall. The Subscription Equivalent in America Libraries is \$117,385 better than budget. Net Revenues work out to be \$97,062 more than budget.

Total Revenues	- \$377,551
Expenses before Overhead	+ \$260,258
Overhead	+ \$ 96,970
Subscription Equivalent	+ \$117,385
Net Revenues	+ \$ 97,062

The budget spreads and potential expense savings will improve to the point that Net Revenues for the department are projected to be \$17,890 more than budget.

ALA Professional

The ALA Professional Unit comprises the consolidation of several previously separate units: ALA Editions, ALA Neal-Schuman, ALA TechSource, and ALA Digital Reference (Guide to Reference and RDA). The unit is also responsible for ALA Graphics sales. In the interest of clarity, Graphics revenue and expenses will be covered together in the next section. Total Revenues for the consolidated unit are \$158,350 less than budget. Total Expenses are \$32,145 less than budget. Net Revenues are \$46,635 less than budget. Total Revenues for ALA Editions are \$37,373 more than budget. Total expenses are \$69,115 more than budget. Net Revenues are \$40,852 less than budget. Sales are \$132,744 more than budget. However, returns are also over budget, by \$93,911. The higher-than-budgeted returns are due entirely to Baker & Taylor, who appears to be making an attempt to reduce retail inventory. We are attempting to confirm whether this is a one-time adjustment, in which case our returns percentage will return to normal over the next six months. Payroll Related expenses are \$60,684 more than budget because the final allocation of the salary budget did not make it

into the final version of the budget. Consequently the salary lines for the individual projects will not match the budgets throughout the rest of the year. The totals will reconcile as they are rolled up to the unit level. Actual salaries are actually less than the intended budget because of open positions. To that point, Outside Services is \$22,340 more than budget because of the cost of temporary employees to cover the several open positions. Publication-Related Expenses overall are \$9,786 less than budget but Cost of Sales is \$59,211 more than budget. This is in part due to an allocation that only budgeted for 44% of Cost of Sales to be recorded in the first half of the year. Meanwhile, 60% of our '15 front-list has already been published. Catalog production expenses are \$45,270 more than budget because costs from the August catalog released in FY14 had to be charged to FY15. This will be offset at the end of the year when budgeted costs for the next August catalog will be recorded in September. Royalties are running at 12.2% compared to a budget of 9.1%, generating an expense that is \$29,015 more than budget. This is under review but possibly the result of returns hitting our P&L faster than we calculated the impact of returns on royalties.

Total Revenues for ALA Neal-Schuman are \$195,713 less than budget. Total Expenses are \$171,698 less than budget. Net Revenues are \$26,747 more than budget. Book sales are \$239,217 less than budget but returns are \$18,014 less than budget for a net negative variance of \$221,203. The entry for Commission/Sales Rep is where sales from the co-publishing arrangement with Facet Publishing are recorded. Sales weren't budgeted for entry at this time and as a result are \$39,525 more than budget. Payroll Related expenses are \$50,206 less than budget, but as with ALA Editions, the actual allocation is not in synch with the budgeted allocation and will remain out of synch all year. The Payroll Related line will be reconciled at the unit level. Publication-Related Expenses, which includes Order Processing/Fulfillment and Cost of Sales, are \$85,503 less than budget, due to the fact that there are fewer than expected Neal-Schuman authors delivering their manuscripts in time for production this year. Order Processing/Fulfillment is \$36,913 more than an errant budget of \$0. As a percentage of net sales, this amounts to a very lean 5%. Interest expense is \$15,936 less than budget. This is the interest on the loan for the Neal-Schuman acquisition. It appears that both the amortization and interest budgets need to be re-assessed.

The Huron Street Press is being phased out and will not be budgeted for any revenues or expenses with the expectation that any expenses would be covered by ongoing sales of published titles. Total revenues are \$13,016, but expenses are \$17,396 for a loss of \$7,686.

Total Revenues for ALA TechSource are \$4,222 less than budget. Single issue sales of LTR are \$6,413 less than budget. Sales Online (webinars and e-courses) are \$17,366 more than budget. Subscriptions to LTR and SLN are \$17,318 less than budget. Advertising revenues from sponsored webinars are \$895 more than budget. Total expenses are \$28,037 less than budget. Net Revenues are \$23,815 more than budget.

Total Revenues for Digital Reference are \$17,501 less than budget. Total Expenses are \$56,518 more than budget. Net Revenues are \$48,659 less than budget. There is an unbudgeted entry of \$4,522 for Meal Functions with no corresponding journal entry. Web Operating Expenses are \$19,508 more than budget in part because of a timing difference in database maintenance expenses. The impact on the year-end budget is in review. The amortization of development costs is running slightly more than budgeted and so

currently \$8,965 more than the year to date budget. This will be managed but may also persist. Org Support/Contribution represents an expense reimbursement from ALA Editions for print copies of RDA. It is currently \$25,004 less than budget because the transfer budgeted for the first quarter has not yet been processed.

ALA Graphics

Total Revenues are \$141,995 less than budget mainly because the revenue allocation was weighted toward the first half of the year. Total Expenses are \$126,383 less than budget. Net Revenues are \$15,613 less than budget. The second half of the year includes some strong new products including the Olaf character from the popular movie, Frozen, and a new slate of DC comic characters, which were very popular when they came out last time. Prospects for meeting the revenue budget and improving the net revenue budget are good.

Booklist Publications

Total Revenues for Booklist Publications are \$2,713,490 or \$146,987 less than budget. Of that variance, \$44,395 is advertising (gross minus commissions), \$53,135 is subscriptions, and \$43,964 is royalties (licensing). Licensing should return to budget by year's end, and advertising will improve, finishing the year at \$15,000 less than budget. Subscriptions, however, will remain a problem. The 5% variance against budget is likely to continue, leaving us about \$90,000 less than budget at year's end. Total revenues should finish at about \$110,000 less than budget (smaller lines accounting for the other \$5,000). Overhead is \$689,135 or \$6,917 less than budget. Total expenses are \$1,946,209, which is \$50,138 less (better) than budget. By year's end, expenses should be \$65,000 less (better) than budget. The large majority of these savings result from salaries—retirements, open positions, delays in rehiring. Manufacturing expenses are currently running slightly more than budget, but that is the result of printing several inserts for advertisers (there were net gains on all these projects when ad revenue is set against increased printing, binding, and paper). Total manufacturing should return to budget or slightly under by years end. Professional services will finish the year approximately \$22,000 more (worse) than budget, thanks to hiring two contract contributors (again, there is a net gain when this number is set against savings in salaries and benefits). Net Revenues are \$767,281, which is \$96,849 less than budget. Contribution margin is \$1,456,416, which is \$103,766 less than budget. At year's end, net revenue is likely to be \$45,000 less than budget.

American Libraries

American Libraries includes American Libraries magazine and digital editions, AL Direct newsletter, AL Live, marketing/advertising, and production. Total revenues are \$69,779 more than budget. Total Expenses are \$69,267 less than budget. In revenues, Subscriptions are on budget, Net Advertising is \$21,168 more than budget, Classified Advertising is \$59,000 more than budget, and Royalties are \$9,839 less than budget. In expenses, Salary and Wages are \$25,081 less than budget due to open positions. This is partially offset by employees/outside costs, which are \$19,297 more than budget. In production, Printing is \$5,009 less than budget, Supplies (paper) is \$12,807 less than budget, and Postage is \$5,876 less than budget. This is due mostly to timing of printer's bills (one issue going into FY14), and somewhat to a less-than-expected increase in ink, paper, and postage. The Subscription Equivalent

is \$117,385 better than budget, which means the transfer from the general fund to offset the suspension of subscription revenue is \$117,385 less than expected.

Yearend Projection

Publishing Department Unit	Total Revenue Projection	Total Revenue Budget	Variance	Net Revenue Projection	Net Revenue Budget	Variance	Subs Equip Projection	Subs Equip Budget	Variance
ALA Editions	\$1,732,057	\$1,789,650	(\$57,593)	(\$300,667)	(\$152,814)	(\$147,853)			
ALA Neal-Schuman	\$1,675,033	\$1,844,916	(\$169,883)	(\$417,890)	(\$417,577)	(\$313)			
Huron Street Press	\$0	\$0	\$0	\$0	\$0	\$0			
ALA TechSource	\$989,617	\$954,163	\$35,454	\$204,301	\$114,460	\$89,841			
Guide to Reference	\$105,120	\$170,138	(\$65,018)	(\$19,897)	\$6,974	(\$26,871)			
RDA	\$1,266,764	\$1,266,764	\$0	(\$54,416)	(\$48,322)	(\$6,094)			
ALA Graphics	\$1,085,448	\$1,085,448	\$0	\$133,771	\$68,215	\$65,556			
Booklist	\$5,108,712	\$5,218,162	(\$109,450)	\$1,290,718	\$1,312,710	(\$21,992)			
American Libraries	\$827,224	\$827,224	\$0	\$1	\$1	\$0	(\$577,323)	(\$574,993)	(\$2,330)
Production Services	\$0	\$0	\$0	\$56,880	\$38,223	\$18,657			
Repro	\$0	\$0	\$0	\$44,111	(\$648)	\$44,759			
Publishing Committee				(\$925)	(\$3,125)	\$2,200			
Department	\$12,789,975	\$13,156,465	(\$366,490)	\$935,987	\$918,097	\$17,890			

III B. ALA Member Programs and Services
COMMENTARY: STATEMENT OF REVENUES AND EXPENSES
FEBRUARY FY2016

Summary:

FY15 2nd Quarter results showed mixed results for MPS:

- A relatively aggressive target was set for the 2015 Midwinter Meeting, based on past history with Chicago. At this point, Conference Services anticipates being off that target by up to \$150,000. Expenses are also expected to be under budget. The winter storm affected both revenues and expenses.
- Registration for the 2015 Annual Conference opened January 12 and is running ahead of 2014. Conference Services expects a strong revenue performance for the San Francisco conference – and also significant expenses. At this point, an on-target net revenue performance is expected.
- Looking at Division national conferences, ACRL (March 2015) had a record-breaking conference. Revenues will show in the March financial report. FY2015 is a non-conference or “spend-down” year for both PLA and AASL.
- YALSA’s fall 2014 Symposium hit its target, with just over 500 attendees.
- ACRL/CHOICE is performing better than budget, with strength in both ad sales and webinars.
- Banned Books Week (OIF) performed well this year, slightly exceeding its revenue target.
- Registration fees (for continuing education) continue to be a bright spot, particularly in ACRL, ASCLA, LITA, LLAMA, and RUSA. HRDR had a good performance from its initial CE offering.
- *Every Child Ready to Read* (ALSC, PLA) continues to be a strong performer.
- Dues revenues during the 2nd quarter were mixed, with some Divisions showing gains, and some small losses. United for Libraries is beginning to see the impact of the special subscription membership program.
- Seals and related permissions are doing better than budget.

GENERAL FUND

CONFERENCE SERVICES

- Midwinter Meeting:
The winter storm and surrounding media hype during the Midwinter Meeting had a significant (negative) impact on registration. Registration revenue is at \$826,029 against a budget of \$992,425 (-16.77%). Exhibits revenue ended close to budget at \$1,332,544 against a budget of \$1,387,000 (-3.93%). Advertising closed ahead of budget, with \$285,360 against a budget of \$232,000 (+22.74%). There is still some revenue outstanding from the Book Buzz Theater and a potential shuttle rebate.
On the expense side, some expenses are still being allocated. Generally, expenses are within budget, although AV and computer rentals still remain over. Unbudgeted electrical charges were incurred in several locations, related to changing practices by hotels that will be addressed in future conferences. Expenses are not fully recognized in the February report.

At this point, Conference Services expects to be flat or slightly negative on a net basis, after an ALA General Fund overhead contribution of \$690,325.

- Annual Conference:
Annual Conference is proceeding on target at this point. Registration is \$1,691,080 against a budget of \$2,665,360 (62%) -- and running ahead of the 2014 Annual Conference pace. Exhibits are at \$2,645,112 against a budget of \$2,827,500 – and already exceeding the 2014 Annual final of \$2,592,780. Advertising is at \$181,439, against a budget of \$380,000 (and ahead of the 2014 pace).

On the expense side, San Francisco is a costly city – and there will be extra busing expense.

ITTS

At the end of November 2014, ITTS expenses are 11.8% or \$143,400 under budget. Salaries are lower than normal due to an open position, filled on March 2, 2015. Professional services, software maintenance, and depreciation expenses are low due to timing issues. Professional services are being used on managed services to supply us with a range of expertise.

MPS AED

The Senior AED unit is under budget (-\$99,038 against a budget of -\$116,865) on expenses. There will be shifts in various expense lines as the year moves forward, with allocation of some expenses to other units and catch-up on travel expenses.

HRDR

<u>Total</u> Revenues Budgeted/ <u>YTD</u> Actual/Remaining:	\$ 40,500	\$ 6,534	\$ 33,966
<u>Total</u> Expenses Budgeted/ <u>YTD</u> Actual/Remaining:	\$ 348,655	\$178,871	\$169,784
Net Revenue (Expense) Budgeted/Actual/Variance:	\$(308,155)	\$(172,337)	\$(17,578)

Expenses are running over budget due mainly to under budgeted amounts in the salaries/benefits lines. The Professional Services line is also over budget due to fees for new course development for the online CE program. Projected revenues are up due to a successful initial offering of the new online CE course. HRDR anticipates JobLIST Placement Center revenues for the Chicago Midwinter will be down due to lower than expected recruitment vendor showing.

OA

Expenses are running under budget awaiting fall expense reconciliation and for the *Standards* revision to be printed. Revenue is also under, with some fall visit fee billings still to be prepared. OA is projected to end the year slightly ahead on revenue and slightly below budget on expenses as one of the public members was unable to attend Midwinter.

Office for Diversity/Literacy/Outreach Services (OFDLOS)

Revenues are lagging well behind budget (\$3,827 against a budget of \$9,615). Expenses are slightly ahead of budget (\$215,842 against a budget of \$212,728) but should drop below budget in the next quarter, due to a vacancy and to grant processing.

OIF

OIF is generally on target. The *Newsletter on Intellectual Freedom* is in transition, moving from print to digital, to a new ALA platform, and to a new editor, with the retirement of NIF's longtime editor. NIF is operating on a dramatically smaller scale than budgeted. The "pull the plug" date is 1/1/2016. Through February 2015, NIF is showing expenses over revenue of \$2,257. OIF is monitoring it closely. *Banned Books Week* is on target. Revenue expectations for BBW have been lowered, due to increased competition from other groups selling BBW products. Based on previous years, OIF expects BBW sales to grow in August. OIF salaries/related will be on target after year-end transfers from the Freedom To Read Foundation. OIF is also on target in areas such as travel. Honoraria have not yet been recorded. Royalties from the new *Intellectual Freedom Manual* do not yet show; based on 8th edition sales in the first few months, OIF expects to see approximately \$8,000 in FY2015.

**III C. ALA Communications and Member Relations Department
COMMENTARY: STATEMENT OF REVENUES AND EXPENSES
FEBRUARY FY2016**

Communications and Member Relations Department

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

AED Office and Membership Development

Membership dues revenue is about \$2.73 million which is about \$36,000 under budget. Membership Development expenses are on budget. As of February, total ALA membership was 55,771, which is 1,655 fewer members or 2.88% lower than the February 2014 count. Student memberships declined by 628 members, most likely due to lower enrollments in MLIS programs. The number of regular members decreased by 858 and the number of continuing members – those who receive free ALA membership upon retirement after 25 years of continuous membership – increased by 76. One division and six round tables had membership increases compared to February 2014.

Office for Library Advocacy (OLA)

Expenses are about \$14,000 under budget due to timing, primarily in the use of professional services.

Chapter Relations Office (CRO)

Net revenues are about \$13,000 better than budget primarily due to delay in posting travel expenses.

International Relations Office (IRO)

Net revenue is about \$19,000 better than budget because of the Sharjah Book Fair.

Library

Expenses are about \$32,000 under budget due to timing.

Member and Customer Services (MACS)

Expenses are about \$22,000 under budget due to a staff vacancy.

Office for Research and Statistics (ORS)

Expenses are about \$8,000 under budget due to a delay in using professional services.

Public Information Office (PIO) and the Campaign for America's Libraries

Expenses are about \$17,000 more than budget due to high equipment costs at Midwinter and increased staffing costs. Expenses for the Campaign for America's Libraries are on budget.

Public Programs Office

Expenses for the PPO administrative project are about \$35,000 over budget due to staff expenses. These expenses will be transferred to grant projects next month. The Cultural Communities Fund has a net asset balance of \$1.94 million.

**III D. ALA Executive Office/Governance Office
COMMENTARY: STATEMENT OF REVENUES AND EXPENSES
FEBRUARY FY2016**

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]: As of February 2015 approximately \$22,297 or 56% of the FY15 Council administrative budget of \$39,545 has been spent. We anticipate being over budget by approximately \$7,200 at the end of FY15 due to higher than anticipated reprographics charges. These charges are now being reported more accurately which means we have been underestimating reprographics charges. The FY16 budget will contain more realistic figures.

Executive Board Administration [11-102-0000]: The report ending February 2015 reflects expenditures of approximately \$14,648 or 1.9% over the budget of \$13,325. A data entry error has been discovered that occurred when the FY15 budget was first being constructed; therefore, this particular budget will reflect a deficit balance at the end of FY15, but only due to this data entry error that reduced the total budget by \$7,600, not as a result of overspending

Fall Board Meeting [11-102-0118]:

Expenses for the Fall Executive Board meeting, held in Chicago on October 24-26, total \$26,403. This is approximately \$4,175 over the total budget of \$22,228 and is primarily attributed to transportation costs.

President:

[11-102-0100] (Support)

Approximately \$46,006 remains from a total budget of \$61,475. This includes anticipated and unposted expenditures.

0103 Budget (Initiatives)

During her presidency thus far, Courtney Young has spent or earmarked approximately \$63,430 of her Presidential Initiatives budget of \$75,000, leaving a remaining budget of \$11,570.

President-Elect:

[11-102-0101] (Support)

\$42,400 of the president-elect support budget remains from a total budget of \$55,260. This takes into account unposted expenditures.

[11-102-0113] (Advisory Committee)

President-elect Sari Feldman has spent approximately \$9,560 of her \$15,570 advisory committee budget.

Planning & Evaluation [11-102-0104]:

This budget line shows that \$14,695, or approximately 44%, of the total budget of \$33,500 remains as of February 28, 2015.

Executive Office [11-103-0000]:

\$363,370 or approximately 47% of the FY15 Executive Office administrative budget of \$777,188 has been spent to date.

Election Processing [11-103-9000]:

\$47,210 or approximately 43% of the Election Processing budget of \$109,850 has been spent to date.

III E. ALA Washington Office Financial Summary
COMMENTARY: STATEMENT OF REVENUES AND EXPENSES
FEBRUARY FY2016

Washington Office Administration is \$24,148 under budget for the month of February and is 10.20% under budget for year-to-date expenses. This is attributed to Benefits expense reduction this month and the savings that are beginning to be realized in both phone and internet service provider services with the switch from Verizon to RCN. However, the savings in these line items will be used to pay for the labor costs associated with the roll out of 8 computers this fiscal year – an expense that was not planned for in FY15, as well as the renewal of the maintenance contract on the CISCO phone system which is expected in August. Other expenses have been as expected.

OGR is \$17,864 under budget for the month of February and is 1.05% over budget for the year-to-date expenses. The under budget status for February is associated with the current vacancy in one position and the benefits expense reduction realized for the month. Other expenses have been as projected.

OITP is \$7,369 under budget for the month of February and is 0.63% under budget on year to date expenditures. This is associated again with the Benefits adjustments for the month of February. All other expenses are expected to be as planned.

IV Division
Statement of Revenues and Expenses
February 2015

TOTAL DIVISIONS	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Prior Year Actual	Change FY15-FY14	Beginning Net Asset Balance	Ending Net Asset Balance
Total Revenue	5,449,252	5,410,041	39,211	6,438,671	(989,419)		
Total Expenses	5,915,935	7,571,028	1,655,093	6,437,654	521,719		
Net Rev(Exp)	(466,683)	(2,160,987)	1,694,304	1,017	(467,700)	15,118,144	14,651,461
<u>NET REVENUES</u>							
PLA	(127,955)	(443,512)	315,557	(302,936)	174,981	3,062,221	2,934,266
ACRL	(259,072)	(728,496)	469,424	(155,367)	(103,705)	4,324,706	4,065,634
CHOICE	(165,032)	(208,502)	43,470	(18,149)	(146,883)	3,017,507	2,852,475
AASL	(158,023)	(550,346)	392,323	226,438	(384,461)	1,033,064	875,041
ASCLA	(4,143)	(3,310)	(833)	12,774	(16,917)	98,828	94,685
ALCTS	(42,407)	(11,598)	(30,809)	(9,845)	(32,562)	274,725	232,318
LLAMA	10,125	(7,589)	17,714	18,532	(8,407)	195,822	205,947
RUSA	(65,932)	(83,475)	17,543	(18,919)	(47,013)	530,258	464,326
UFL	(79,736)	28,171	(107,907)	(45,345)	(34,391)	(176,838)	(256,574)
LITA	(13,615)	(1)	(13,614)	17,425	(31,040)	456,871	443,256
ALSC	242,257	(142,207)	384,463	263,250	(20,993)	2,131,987	2,374,244
YALSA	196,852	(10,123)	206,975	13,161	183,691	168,993	365,845
TOTAL	(466,682)	(2,160,987)	1,694,305	1,018	(467,700)	15,118,144	14,651,462

**IV. AMERICAN LIBRARY ASSOCIATION
DIVISIONS: STATEMENT OF REVENUES AND EXPENSES
FEBRUARY FY2016**

AASL

With a non-National Conference year, AASL is in a deficit budget year with 47% of revenues and 41% of expenses recognized to date. The final AASL Fall Forum bills have been received and, while not reflected in the 2nd Quarter statements, the event will close as an (\$11,487) loss instead of the approximately \$20,000 net budget. Non-serial publications, non-conference professional development (online courses) and serial publications are all on track to meet budget. While FY15 is a “spend down” year, AASL has budgeted for expenses that strategically advance the association, including the development and printing of the School Libraries Digital Supplement (in collaboration with *American Libraries*) with a professionally designed infographic, a professional taping for School Library Month’s spokesperson Julianne Moore, and a printed insert in *Knowledge Quest* to highlight AASL’s award winners to membership. Registration for the AASL 17th National Conference & Exhibition to be held in November is behind schedule, but housing numbers are promising and exhibit sales are ahead of schedule.

ACRL

Although ACRL’s revenues and expenses will take a big jump in the third quarter due to the March date of the ACRL 2015 Conference, the second quarter continues to have positive signs despite the underperforming revenues. Revenues of \$939,212 are 4.79% below the \$986,464 budgeted and expenses are \$1,198,271 or 30.13% less than the \$1,714,960 budgeted. This leaves a net of -\$259,059, against a budgeted net of -\$728,496.

The strong performers are webinars, classified ads, and books. The bright star has been the ACRL/CHOICE sponsored webinars which have been quickly snapped up by sponsors. In the second quarter we are 56% ahead of webinar sales (both sponsored and registration fee-based) with additional webinars still being sold (see details below in the CHOICE section). Classified advertising is continuing its resurgence showing a 13% gain over budget with revenues of \$178,814 versus a budget of \$158,123. Online product advertising is slightly below budget and *C&RL News* gross print advertising is surprisingly ahead of budget by 31% with \$60,565 in revenues. Book sales have been helped by the release of several new titles and are now 4% ahead of budget. Membership revenues are 16.9% below budget but numbers of members are up so we think this is a result of incorrectly allocating the anticipated revenues across 12 months. We are hopeful that the small conference boost will enable us to meet budget.

Speaking of the ACRL Conference we are expecting a strong performance. Advance registration for face-face attendance has exceeded all prior total face-to-face attendance resulting in approximately \$200,000 additional registration dollars over budget. Exhibit sales have met budget with 3.4% more booths sold than for the 2013 Conference, pledged donations are at nearly \$260,000, although we have had a few “cancellations” so the final number is still in play but we should be at least 18% more than budget.

Expenses are under budget primarily in professional services, program allocations (funds budgeted for things such as reimbursements to members, unplanned strategic initiatives, dues to other organizations, etc.), and printing. Some of this is timing and we will see a lot of expenses in March and April related to the Conference. However, FY2015 is looking like a good year!

ACRL-CHOICE

With a half year now behind us, Choice net income stands at -\$165,032 on revenues of \$1,420,736 and expenses of \$1,585,768. The net income balance exceeds YTD budget by \$43.5K but trails prior year by \$146K, largely on account of a shortfall in licensing revenue. Overall revenues are tracking almost exactly to budget, thanks to better-than-anticipated webinar and advertising sales; direct spending is besting budget by \$42.6K but running \$26.7K behind prior year; and total expenses are actually \$43,469 ahead of budget and a mere \$10.4K (0.6%) worse than at this time last year.

Year to date, *Choice* subscription revenue is down \$17,454 (6%) to prior year, but circulation, perhaps a more reliable indicator of trends, is falling at an annualized rate of 10%. *Choice Reviews Online* (CRO) continues to grow, but not as rapidly as we had hoped. Through the first six months of FY15, CRO revenue (\$319,336) is 10% ahead of last year but some 9.5% lower than budget. Somewhat predictably, digital advertising (*Choice Reviews Online*) is up 27% year-over-year, but *print* advertising is showing an unlooked-for improvement. At \$223,368 in net revenue, *Choice* magazine ads are a quite impressive \$36,472 (17.6%) ahead of last year. And as we have reported before, the Choice/ACRL webinar program is set to garner over \$150,000 in gross revenue this year, double the budgeted amount, on the strength of exceptional demand. Licensing is where we have the most exposure. Industry consolidation, in particular, is prompting vendors to negotiate better (for them) bundled terms, and in the past thirteen months we have had to accept reductions of almost \$100,000 in annual royalties from ProQuest alone. EBSCO has indicated a desire to discuss an expanded licensing program, but under the best of circumstances, these changes would not occur in FY15. As of this writing, therefore, we are forecasting a shortfall to budget of \$115,000 in licensing revenue.

Even so, given the strength of our webinar and advertising programs, and continued efforts to control costs (currently better than budget by 2.8%), we believe that year-end revenue will come in only slightly below budget and that expenses will beat budget by as much as \$30,000, for net revenues of -\$203,000, better than budget by some \$29,500. These figures, of course, are subject to revision as our rebuilding program gets underway in earnest.

ALCTS

- **REVENUE:**

Budget numbers will be generally off through the end of the fiscal year, since allocations were not entered correctly. Overall, revenue is \$216,115, 7.6% below FY14. Personal dues revenue is down slightly from FY14. Registration for the MW Symposium almost doubled the FY14 performance – but fell about 11% below the FY15 revenue projections. Registration revenue from the online symposium has not posted yet. Webcourses are strong, but webinars are lagging budget. Book sales are down over last year and also behind budget. *LRTS* revenue is down, but so are expenses over last year.

- **EXPENSES:**

Expense allocations will not match up well due to issues with the allocation of the FY15 budget. Personnel expenses are above budget with the overlap of the ALCTS' retiring executive director and incoming executive director. A miscalculation in overhead for FY15 means that overhead expenses will always be well under budget – but still holding close to FY14.

- **OVERALL:**

A strong series of webinars began in March. Free webinars will run during Preservation Week, supported by sponsorship funding. Web courses are selling well into the spring. The new “Fundamentals of Cataloging” course is very popular, and additional instructors and sessions are being added to meet demand. ALCTS has five in-person preconferences scheduled for Annual, and one virtual preconference, also in June. This will boost revenue. Donations are up over last year this time. Book sales are expected to increase by the end of the fiscal year, with a new release slated before Annual. Some 2012-2013 royalties were just received. Over, at this point, ALCTS is showing a (\$41,634) net, against a budget of (\$11,598).

ALSC

Six months into Fy2015, ALSC continues to perform well, with revenues almost 58% ahead of budget and expenses under budget. Dues are slightly ahead of budget (about 2%). Permission fees for use of seal images are at 203% of budget, with physical seal sales ahead of budget by 70%. ALA Publishing has been working with publishers to make back payments on prior unauthorized use of digital seals. Every Child Ready to Read revenues are ahead of budget by 66%. Online continuing education revenue is a scant 5.6% behind budget. Advertising for *Children and Libraries* (CAL) is ahead of budget. ALSC is now accepting ads for its blog and electronic newsletters; revenues are picking up in both. Registration revenue for the Institute held at the beginning of the fiscal year was ahead of budget by 5%.

On the expense side, total expenses (before overhead and taxes) are 15% under budget. There are three main reasons for the (currently) lower expenses: (1) Benefit savings (from 33% to 30%); (2) lower use of consultants during the early of the year; and, lower than anticipated utilization of travel subsidies for the Diversity forum at Midwinter. Additionally, a shift in the way the accounting process for seals inventory is impacting the expense budget, particularly in the case of the Belpre seals, where the inventory on hand far exceeds the number of orders placed. Día expenses are under budget as the 5th Dollar General grant to ALSC (awarded after FY15 budget submission) is supporting some literacy-related expenses.

National Institute expenses before overhead were over budget by about \$9,700 (just over 15%) because audiovisual expenses had been budgeted to post in FY14 but were posted in FY15. There will be a small increase in travel-related expenses due to the cost of unbudgeted trips to China and New Zealand. Overall, ALSC expects expenses to run under budget through the end of the fiscal year.

While the FY15 approved budget calls for the net expense at year end, ALSC expects to end the year with a positive net, based on the following factors:

- Dues ahead of budget;
- Digital seals performing well and physical seals on target;
- Online CE and journal advertising ahead of budget;
- Benefits under budget;
- Salary/wages under budget, as a result of the Dollar General grant; there will also be an increase in overhead.

ASCLA

Online CE revenue is somewhat delayed this year due to scheduling of most of our webinars for dates after April 1: \$21,000 or 96% under projections for this point, but the new online course for Corrections libraries and librarians picked up 19 registrants in March – a very good number for a first-time ASCLA course. Total revenue is \$29,313 and expenses are \$33,456 in February 2015. Revenue is 59% (\$42,316) under projection for this time of year, and expenses are 55% (\$41,484) under where they should be this year. Revenue is a timing issue with most ASCLA online CE and preconferences taking place in the 3rd and 4th quarters.

ASCLA's net assets began the year at \$98,000. If online CE and preconference revenue come in as expected, ASCLA should meet budget projections at the end of the year. However, ASCLA is working to keep expenses to a minimum to minimize any potential impact on net assets.

LITA

Dues revenues continue to reflect the declining membership. The job site revenues are on target to date. Although registration fees are behind budget at this time, much of that will be recovered through the upcoming online learning courses. Total revenues are running behind budget, with a total year projection at \$364,144 against a total year budget of \$415,777. Overall, expenses are within budget at \$204,925 actual, and \$387,835 projected, against a full year budget of \$429,051.

LLAMA

Revenue is running 2.50% ahead of budget (\$130,988 against a budget of \$127,796) Personal dues are slightly ahead of budget (\$86,582 against a budget of \$83,750) – and close to flat against FY2014. Registration fees are 13.84% ahead of budget (\$42,404 against a budget of \$37,250).

Direct Expense is well within budget (\$114,433 against a budget of \$129,845).

Overhead is ahead of budget by 16% (\$6,431 against a budget of \$5,540).

Net Revenue is better than budget (\$10,125 against a budget of -\$7,589) – but remains lower than YTD FY2014 (\$18,532), due primarily to fewer webinars.

Looking Ahead: The FY15 budget will be impacted by the lack of a fundraiser at Annual. The Financial Advancement Committee is focused on development of an annual giving campaign. The LLAMA executive director is on sabbatical from February-May 2015, so an additional \$5k has been budgeted for temporary help in his absence. A former division executive director will provide support to the Board/Executive Committee and membership, as well as check in at the office at least once a week. The final cost of this support

will likely be closer to \$8k. Though the Division is budgeted to lose \$11,000 in FY15, solid CE/preconference performance should result in a break-even (or better) year.

PLA

- Revenues

Overall, PLA revenues are 7% under budget (actual \$373,335 vs. budget \$401,911). Dues are 11% over budget but this is offset by underperformance in other areas, including: publications, advertising, sponsorships, and webinars. At this time, it is difficult to project ALA Annual Conference preconference performance; early registrations are slow.

- Expenses

Expenses are 41% under budget (actual \$498,890 vs. budget \$845,423). This includes salary/benefit savings due to unfilled position for the first 2 months of the year. It is anticipated salary/benefit savings will decrease as temporary staff is hired to cover FMLA leave. Other major savings are related to professional services; these are timing issues for consultants that will be hired. There are unbudgeted costs related to office space/computers and costs in San Francisco, particularly for one new preconference as well as the PLA member breakfast. Additionally, PLA Leadership Academy cohort size was increased from 30 to 40. Grant funding was based on 30; PLA will cover the expense of the added participants, so leadership expenses will be over budget. Expenses should even out from the current position. It is projected that expenses will come in close in budget of \$1,714,621.

RUSA

Online CE is 24% (\$10,738) under projections for this time of year, due to scheduling of most of our webinars for dates after April 1. One of the new RUSA courses (*Xtreme Bibliographic Searching*) is performing very well, with 38 registrants; courses are typically capped at 40. In addition, two more courses have been added to the lineup in FY15 and promise to be successful: *Learner-Centered Reference and Instruction: Science, Psychology, and Inclusive Pedagogy* and *Introduction to Instructional Design for Librarians*.

This year, RUSA budgeted \$30,000 from reserve funds (net asset balance) for a consultant to assist with strategic planning, as well as the cost of an additional day (for planning) at Midwinter. The final cost is expected to be well below that budget.

RUSA total revenue is 21% (\$42,316) under projection; total expenses are 22% (\$56,390) over projections. RUSA's net asset balance at the beginning of the year was \$530,258. Although a deficit budget was put together to use some of the reserves for the RUSA President's Program and other initiatives, many of the expenses are coming in under projection. RUSA still expects to have a year-end deficit, but not as much as predicted (\$173,068). Online CE and preconference sales and expenses will determine just how much lower it will be this year.

UNITED FOR LIBRARIES (prev. ALTAFF)

Expenses are tracking right on target with the exception of new gains being realized by lower rent due to relocation. Revenues seem to be lagging significantly but that's because slightly more than \$60,000 has been received or billed but not reflected in the February financials. This revenue comes from Midwinter ticket sales, statewide purchases of Trustee Academy and the new Short Takes for Trustees, underwriting for two Annual ticketed events, Neal-Schuman grant revenue, and corporate sponsorships.

YALSA

Revenues

Revenues are running ahead of budget (\$682,389 against a budget of \$362,130), with gains in Sales/Misc and Registration Fees. Personal dues are slightly behind budget. Expenses are over budget (\$419,966 against a budget of \$345,729) with shifts in many areas. Overhead is ahead of budget (\$65,475 against a budget of \$26,428). On a net basis, YALSA is performing substantially better than budget (\$196,852 against a budget of -\$10,123).

**V Round Table
Statement of Revenues and Expenses
February 28, 2015**

TOTAL ROUNDTABLES	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Prior Year Actual	Change FY15-FY14	Beginning Net Asset Balance	Ending Net Asset Balance
Total Revenue	185,072	186,258	(1,186)	157,191	27,881		
Total Expenses	59,754	167,138	107,384	30,870	28,884		
Net Rev(Exp)	125,318	19,120	106,198	126,321	(1,003)	1,470,951	1,596,269

NET REVENUES

LHRT	3,264	(995)	4,259	3,505	(242)	53,442	56,706
ERT	1,114	(256)	1,370	64	1,049	32,962	34,076
FAFLRT	1,491	2,780	(1,289)	2,006	(515)	13,480	14,971
GODORT	1,857	1,800	57	12,131	(10,274)	128,078	129,935
IFRT	5,467	24	5,443	4,863	604	77,268	82,735
IRRT	2,437	2,927	(489)	4,648	(2,211)	26,581	29,018
NMRT	7,188	2,069	5,120	5,962	1,227	87,612	94,800
LRRT	3,706	(13,141)	16,847	3,663	43	61,653	65,359
MAGIRT	3,393	543	2,850	2,888	505	41,328	44,721
SRRT	3,618	2	3,616	3,202	416	64,726	68,344
SORT	254	539	(284)	176	78	20,496	20,750
LIRT	9,329	554	8,775	8,945	384	146,151	155,480
EMIERT	71,648	16,409	55,239	49,375	22,272	512,583	584,231
CLENERT	1,467	2,595	(1,128)	2,757	(1,290)	102,476	103,943
RMRT	1,659	752	907	2,516	(857)	8,470	10,129
GGRT	1,276	1,506	(230)	1,261	15	9,301	10,577
VRT	1,215	4	1,211	1,421	(205)	22,673	23,888
SSIRT	1,246	5	1,241	4,305	(3,059)	36,348	37,594
GLBTRT	3,047	77	2,970	12,435	(9,388)	24,680	27,727
SRT	641	928	(287)	197	444	643	1,284
TOTAL	125,318	19,120	106,197	126,321	(1,004)	1,470,951	1,596,269