

Results of Operations  
FY 2016 - August Financials

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	<b>Pages</b>
<b>I Total ALA</b>	
A Statement of Revenues and Expenses	2-3
B Statement of Financial Position	4-5
<b>II General Fund</b>	
A Statement of Revenues and Expenses by Department	6-7
<b>III Department Commentaries</b>	8-12
A Advocacy and Member Relations	
B Publishing Department	
C Washington Office Financial Summary	
D Executive Office/Governance Office	
E Member Programs & Services	
<b>IV Division Statement of Revenues and Expenses</b>	13-17
<b>V Round Table Statement of Revenues and Expenses</b>	18

## August 31, 2016 Executive Summary

### I A. TOTAL ALA (ALL COMBINED FUNDS) State of Revenues and Expenses August 31, 2016

<b>TOTAL ALA (ALL COMBINED FUNDS)</b>	<b>Fiscal Year Actual 8/31/16</b>	<b>Fiscal Year Budget 8/31/16</b>	<b>Fiscal Year Variance 8/31/16</b>	<b>Prior Year Actual 8/31/15</b>	<b>Actual 8/31/14</b>	<b>Change FY16 - FY15</b>
<b>Total Revenues</b>	50,687,020	51,206,892	(519,872)	51,897,784	51,079,220	(1,210,764)
<b>Total Expenses</b>	51,253,400	51,862,053	608,653	51,365,949	47,982,461	112,549
<b>Net Rev(Exp)</b>	(566,380)	(655,161)	88,781	531,835	3,096,759	(1,098,215)

#### Revenue

For the twelve month FY16 period ending 8/31/16, total ALA revenues were \$50.7M, which was \$520k (1.0%) less than FY16 projected revenues. Lower than projected General Fund revenues were offset by higher revenues from Grants, the ALA Endowment, Divisions and Roundtables.

#### Expenses

For the twelve month FY16 period ending 8/31/16, total ALA operating expenses (before NS amortization) were \$50.9M, which was \$609k (1.1%) less than FY16 budgeted expenses. Expenses for all ALA funds, except the Endowment, were lower than budgeted due to conservative budgeting practices as well as spending adjustments as the year progressed.

#### Net Revenue and Expenses from Operations

Net expense for the Association overall was \$197k, which beat budgeted net expense of \$286k by \$88k (31%).

<b>REVENUES BY FUND</b>	<b>Fiscal Year Actual 8/31/16</b>	<b>Fiscal Year Budget 8/31/16</b>	<b>Fiscal Year Variance 8/31/16</b>	<b>Prior Year Actual 8/31/15</b>	<b>Actual 8/31/14</b>	<b>Change FY16 - FY15</b>
<b>General Fund</b>	27,269,504	29,535,774	(2,266,270)	29,024,422	28,266,172	(1,754,918)
<b>Division</b>	15,777,909	15,655,196	122,713	14,308,907	15,581,358	1,469,002
<b>Round Table</b>	433,985	389,887	44,098	428,775	358,256	5,210
<b>Grants and Awards</b>	6,269,571	4,861,263	1,408,308	7,224,274	4,954,945	(954,703)
<b>Long-Term Investment</b>	936,052	764,772	171,280	911,406	1,918,489	24,646
<b>Total Revenues</b>	<b>50,687,021</b>	<b>51,206,892</b>	<b>(519,871)</b>	<b>51,897,785</b>	<b>51,079,220</b>	<b>(1,210,764)</b>

<b>EXPENSES BY FUND</b>	<b>Fiscal Year Actual 8/31/16</b>	<b>Fiscal Year Budget 8/31/16</b>	<b>Fiscal Year Variance 8/31/16</b>	<b>Prior Year Actual 8/31/15</b>	<b>Actual 8/31/14</b>	<b>Change FY16 - FY15</b>
<b>General Fund</b>	28,014,559	29,166,918	1,152,359	28,745,049	27,659,586	730,490
<b>Division</b>	15,651,999	16,497,506	845,507	14,637,656	14,196,747	(1,014,343)
<b>Round Table</b>	299,000	342,630	43,630	263,741	216,755	(35,259)
<b>Plant Fund</b>	0	0	0	0	0	0
<b>Grants and Awards</b>	6,269,571	4,861,263	(1,408,308)	7,724,354	5,033,539	1,454,783
<b>Long-Term Investment</b>	648,856	624,320	(24,536)	(4,851)	875,834	(653,707)
<b>Total Expenses</b>	<b>50,883,985</b>	<b>51,492,637</b>	<b>608,652</b>	<b>51,365,949</b>	<b>47,982,461</b>	<b>481,964</b>

<b>NET REVENUES(EXPENSES)</b>	<b>Fiscal Year Actual 8/31/16</b>	<b>Fiscal Year Budget 8/31/16</b>	<b>Fiscal Year Variance 8/31/16</b>	<b>Prior Year Actual 8/31/15</b>	<b>Actual 8/31/14</b>	<b>Change FY16 - FY15</b>
<b>General Fund</b>	(745,055)	368,856	(1,113,911)	279,373	606,586	(1,024,428)
<b>Division</b>	125,910	(842,310)	968,220	(328,749)	1,384,611	454,659
<b>Round Table</b>	134,985	47,257	87,728	165,034	141,501	(30,049)
<b>Grants and Awards</b>	0	0	0	(500,080)	(78,594)	500,080
<b>Long-Term Investment</b>	287,196	140,452	146,744	916,257	1,042,655	(629,061)
<b>Total Net Revenues(Expenses)</b>	<b>(196,964)</b>	<b>(285,745)</b>	<b>88,781</b>	<b>531,836</b>	<b>3,096,759</b>	<b>(728,800)</b>

## I B. TOTAL ALA - Statement of Financial Position - August 31, 2016

<b>TOTAL ALA</b>	<b>31-Aug-16</b>	<b>31-Aug-15</b>	<b>Change</b>	<b>Change %</b>
<b>Total Assets</b>	\$75,710,358	\$77,648,867	(\$1,938,509)	-2.5%
<b>Total Liabilities</b>	\$43,869,990	\$46,033,717	(\$2,163,727)	-4.7%
<b>Net Assets</b>	\$31,840,368	\$31,615,150	\$225,218	0.7%

### Total Assets

As of 8/31/16, ALA had total assets of \$75.7M versus total assets from prior year end of \$77.6M, a decrease of 2.5%. A \$1.4M increase in the market value of the ALA Endowment was offset by decreases in cash and accounts receivable. Fixed and intangible assets also decreased due to scheduled depreciation and amortization of the Neal Schuman purchase.

### Total Liabilities

As of 8/31/16, ALA had total liabilities of \$43.9M versus total liabilities from prior year end of \$46.0M, a decrease of 4.7%. Accounts payable (unpaid expenses) were lower than at the same time last year because FY16 was a one (ACRL) versus two conference year, when conference activities and expenses are greater. Debt also decrease as ALA continued to pay down its outstanding loan from JP Morgan Chase.

<b>ASSETS</b>	<b>31-Aug-16</b>	<b>31-Aug-15</b>	<b>Change</b>	<b>Change %</b>
<b>Cash</b>	446,398	1,120,194	(673,796)	-60.1%
<b>Short-Term Investment</b>	14,154,503	14,486,928	(332,425)	-2.3%
<b>Accounts Receivable, Net</b>	3,666,076	4,000,937	(334,861)	-8.4%
<b>Grants Receivable</b>	545,684	1,217,254	(671,570)	-55.2%
<b>Inventories, Net</b>	1,782,817	1,584,741	198,076	12.5%
<b>Prepaid Expenses</b>	511,991	910,383	(398,392)	-43.8%
<b>APA Receivable</b>	105,000	170,000	(65,000)	-38.2%
<b>Goodwill</b>	1,826,567	1,826,567	0	0.0%
<b>Intangible Assets, Net</b>	1,405,617	1,940,137	(534,520)	-27.6%
<b>Fixed Assets, Net</b>	11,177,034	11,714,255	(537,221)	-4.6%
<b>Long-Term Investment</b>	40,090,043	38,678,845	1,411,198	3.6%
<b>Due To/From</b>	(1,373)	(1,373)	0	0.0%
<b>Total Assets</b>	<b>75,710,357</b>	<b>77,648,868</b>	<b>(1,938,511)</b>	<b>-2.5%</b>

<b>LIABILITIES</b>	<b>31-Aug-16</b>	<b>31-Aug-15</b>	<b>Change</b>	<b>Change %</b>
<b>Current Portion, L-T Debt</b>	1,329,604	2,215,066	(885,462)	-40.0%
<b>Accounts Payable</b>	4,181,055	5,208,199	(1,027,144)	-19.7%
<b>Accrued Payroll</b>	21,684,212	21,309,969	374,243	1.8%
<b>Deferred Membership</b>	3,890,351	4,024,106	(133,755)	-3.3%
<b>Deferred Subscriptions</b>	2,211,631	2,341,252	(129,621)	-5.5%
<b>Deferred Conferences</b>	2,625,132	2,516,557	108,575	4.3%
<b>Grants and Awards</b>	4,748,005	3,888,964	859,041	22.1%
<b>Long-Term Debts</b>	3,200,000	4,529,604	(1,329,604)	-29.4%
<b>Total Liabilities</b>	<b>43,869,990</b>	<b>46,033,717</b>	<b>(2,163,727)</b>	<b>-4.7%</b>
<b>FUND BALANCE</b>	<b>31,840,367</b>	<b>31,615,151</b>	<b>225,216</b>	<b>0.7%</b>
<b>TOTAL LIAB./FUND BAL</b>	<b>75,710,357</b>	<b>77,648,868</b>	<b>(1,938,511)</b>	<b>-2.5%</b>

**II A General Fund - Statement of Revenues and Expenses by Department - August 31, 2016**

<b>REVENUES</b>	<b>Year-To-Date Actual</b>	<b>Year-To-Date Budget</b>	<b>Year-To-Date Variance</b>	<b>Variance %</b>	<b>Prior Year Actual</b>	<b>Change FY16 - FY15</b>
<b>Publishing Services</b>	11,705,162	12,899,351	(1,194,189)	-9.3%	12,645,125	(939,963)
<b>Member Programs &amp; Services</b>	8,606,250	9,673,800	(1,067,550)	-11.0%	9,572,914	(966,664)
<b>Advocacy and Member Relations</b>	5,601,948	5,652,400	(50,452)	-0.9%	5,482,197	119,751
<b>Interest Income</b>	1,168,658	1,140,508	28,150	2.5%	1,087,785	80,873
<b>Mail List Sales</b>	84,942	86,715	(1,773)	-2.0%	110,496	(25,554)
<b>Executive Office</b>	102,546	83,000	19,546	23.5%	125,906	(23,360)
<b>Total Revenues</b>	<b>27,269,506</b>	<b>29,535,774</b>	<b>(2,266,268)</b>	<b>-7.7%</b>	<b>29,024,423</b>	<b>(1,754,917)</b>

**REVENUES**

**Total General Fund**

The ALA General Fund generated revenues of \$27.3M in FY16, which were lower than projected FY16 revenues by \$2.3M (7.7%).

**Publishing**

Publishing revenues for FY16 were \$11.7M, which missed FY16 projections of \$12.9M by \$1.2M (9%). Of the total variance from projections, \$935k (20%) was due to the ALA Editions/Neal Schuman unit and the remainder from the Booklist and ALA Graphics units. Booklist and Graphics revenues for FY16 were \$4.9M and \$883k respectively, with variances of \$156k and \$68k from projected FY16 revenues.

While actual revenues were lower than projections, Publishing did contribute \$3.0M in overhead to the General Fund. This was lower than projected overhead contribution by \$309k.

**Member Programs and Services (MP&S)**

MP&S revenues for FY16 were \$9.7M, which missed FY16 projections by \$1.1M (11%). Of the total variance from projections, \$748k was due to the Annual Conference and \$227k was due to the Midwinter Meeting. As explained in Section III "Department Commentaries," the lower than projected revenues were due to a variety of external factors.

Like Publishing, while actual Conference revenues were lower than projections, the two conferences contributed \$2.2M in overhead to the General Fund, which was \$229k lower than projected.

**Advocacy and Member Relations(A&MR) (formerly Communications):**

A&MR revenues for FY16 of \$5.6M were very close to FY16 projections, as Membership Dues revenue, conference revenue from the International Relations Office, and affinity programs met or slightly exceeded budget. Total ALA membership as of 8/31/16 was 56,976, and increase of 5.2% from the same time prior year.

**Interest income**

Interest from the ALA's short-term investments generated \$1.2M in revenues, slightly beating projections by \$28k (2%).

**Executive Office**

Executive Office revenues of \$102k also exceeded projections by \$19.5k (24%).

<b>EXPENSES</b>	<b>Year-To-Date Actual</b>	<b>Year-To-Date Budget</b>	<b>Year-To-Date Variance</b>	<b>Variance %</b>	<b>Prior Year Actual</b>	<b>Change FY16 - FY15</b>
<b>Publishing Services</b>	10,823,745	11,467,204	643,459	5.6%	12,015,117	1,191,372
<b>Member Program and Services</b>	12,851,212	13,478,923	627,711	4.7%	12,612,235	(238,977)
<b>Advocacy and Member Relations</b>	3,049,560	3,220,797	171,237	5.3%	2,787,893	(261,667)
<b>Executive Office</b>	4,687,905	4,710,466	22,561	0.5%	4,611,982	(75,923)
<b>Finance/Accounting/Staff Supp</b>	1,794,259	1,872,362	78,103	4.2%	1,791,120	(3,139)
<b>Overhead Recovered</b>	(6,360,015)	(6,701,843)	(341,828)	5.1%	(6,215,149)	144,866
<b>General Administration</b>	1,167,782	1,119,009	(48,773)	-4.4%	1,141,851	(25,931)
<b>Total Expenses</b>	<b>28,014,448</b>	<b>29,166,918</b>	<b>1,152,470</b>	<b>4.0%</b>	<b>28,745,049</b>	<b>730,601</b>
<b>Operating Net Revenue</b>	<b>(744,942)</b>	<b>368,856</b>	<b>(1,113,798)</b>		<b>279,374</b>	<b>(1,024,316)</b>

#### EXPENSES

Total General Fund expenses for the period were less than budget, with a \$1.1M favorable variance. Lower expenses than budgeted in Publishing, MPS, AMR, Executive Office, and Finance and Accounting offset lower overhead recovered than projected (due to lower revenues than projected) as well as higher General Administration expense than projected. General Administration expense is higher than budgeted primarily due to higher legal and health insurance expenses than originally budgeted.

Lower expenses in Publishing (before Neal Schuman amortization of \$369k) and AM&R were primarily due to open personnel positions, as well as lower Publishing costs due to fewer books sold than projected. While Midwinter Meeting expenses were higher in some areas than budgeted, Annual Conference expenses were at or below budget, most notably in audiovisual expense and labor.

#### Operating Net Revenue

The General Fund generated an Operating Net Expense of \$744k versus a projected Net Revenue of \$369k, a variance of \$1.1M. Operating net revenue is reported **before** Neal Schuman amortization.

### III. Department Commentary - August 31, 2016

#### **Advocacy and Member Relations Department**

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

Total department revenue was under budget by \$50,452. The department revenues of \$5,601,948 were primarily made up of membership dues, but also included about \$48,000 in the International Relations Office for the Sharjah International Book Fair librarian conference, \$18,000 for affinity programs, and \$14,000 for the sale of Library Transform products via the ALA Store. Membership dues were under budget by \$80,494. This was primarily due to a shortfall in the number of organizational members.

At the close of FY2016, the total ALA membership roster stood at 56,976 members, up from 54,166 members last year, an increase of 5.19%. The biggest contributor to the increase was the group memberships of trustees and friends organizations, which brought in 3,328 members. United for Libraries initiated the group memberships a few years ago and in FY2016, these groups are now also ALA members. Student memberships are down 4.04% but the increase in the number of chapters participating in the joint student membership program is a good trend. Two years ago, 26 chapters participated in the program and now 40 chapters are participating.

Membership promotion and recruitment plans for FY17 include joint ALA and division marketing, activities to increase student members, recruitment of organizational members and enhanced online membership management services.

Total department expenses were under budget by \$171,237. Two offices had slight expense overruns (IRO and OLA) but all the other offices finished the year under budget. In three cases (MACS, Library, ORS) this was due to a vacant position. In the other offices, this was due to reduced use of temporary staff, delays in projects, and overall cost savings.

#### **Publishing Department**

Total Revenues are \$1,194k less than budget. Total Expenses are \$643k less than budget. Net Revenues are \$551k less than budget. The Publishing Department, as a whole, contributed overhead to the General Fund of \$3,032k, \$309k less than budget.

The major revenue lines contributing to the budget shortfall are:

Book sales - ALA Editions, ALA Graphics and single issues of Library Technology Reports	\$828K
Online Sales	25k
Subscriptions - print and online	225k
Display ads	37k
Royalties (Editions and Neal Schuman) and licensing revenues (Booklist)	105k
	\$1220K



Overall, the main expense savings come from Payroll, which is \$293k less than budget as a result of open positions. Outside Services, mainly temporary employees and bank service fees are \$20k more than budget. Travel is \$39k less than budget. Meetings and Conference, mainly exhibit fees for Booklist, are \$23k more than budget. Publication Related Expenses are \$127k less than budget, directly correlated to revenue. Cost of Sales for Editions and Neal-Schuman, for example, is \$145k less than budget in large part because of fewer books sold. Operating Expenses are \$87k less than budget in large part because of the \$60k reduction in the interest on the Neal Schuman loan. Inter Unit Transfers (IUTs) are \$18k less than budget.

Editions and Neal Schuman were greatly affected by management vacancies and lack of leadership in addressing the many details that go into a successful book publishing operation. The Publisher was vacant, one of the two marketing managers was vacant, and the business manager was vacant. The Publishing business needs a level of attention to detail that wasn't in effect in FY16 and is only now coming together. On a positive note, there were savings in Order Processing emanating from the new vendor.

The turn-around time for product development in ALA Graphics is relatively short and can usually take place within the fiscal year. Because of open positions again the unit suffered from a product deficit in FY16 that will be covered in FY17 with full staff and more stable and systematic back office administration.

ALA TechSource, which is now predominantly an online webinar and e-course business, saw a slight decline in its online revenues. In addition, subscriptions to the print publications Library Technology Reports and Smart Libraries Newsletter and sales of individual issues were off as well. There is an expected decline in print activity that was probably accelerated in FY16 due in part by the vacant marketing manager position in ALA Editions, which was designed to cover TechSource.

Subscriptions to the RDA Toolkit were under budget by \$54k, or about 4%. There was an expectation of higher international sales that it turns out may take more time to cultivate. Management now has a better sense of the dynamics in that market. The unit also had to take on an unbudgeted expense for hosting a database element that was required by the RDA governing board but that will move the development of the content base more decidedly into the online future of cataloging. Net Revenues are \$33k less than budget.

The strategy in Booklist is to shift its emphasis toward digital communities as it continues to monitor the transition away from print in the magazine and library markets. Gauging the timing is tricky. Turns out, in FY16 things move downward faster than expected. Consequently, subscriptions missed budget by \$149k and subscriptions-related licensing revenues missed budget by \$55k. Print advertising on the other hand did better than expected and came in \$49k better than budget. Total Revenues were \$156k less than budget but open positions resulted in payroll savings of \$99k, which contributed to a positive Net Revenue variance of \$18k. Booklist made an Overhead contribution of \$1,265k, falling short of budget by \$40k.

Subscriptions were down in American Libraries as well but the budget is small. Ad sales were down \$14k on a budget of \$406k. Interestingly, Classifieds were down as well, for the first time in a while, by \$8,443, or about 2%. Open positions here also took time away from working the sales side more thoroughly. The variances are relatively small and recognizable so prospects for FY17 are not in question. Expense savings mainly on the production side were \$206k. American Libraries made an Overhead contribution of \$225k, \$7k less than budget. The end result is that the Subscription Equivalent, in effect the "net revenue" measure in American Libraries, was \$187k better than budget.

The most dramatic factor in FY16 was the unstable disposition of the budgets for books. The product sales picture in Graphics was dramatic as well but for different and less consequential reasons. The variances in the other units were more understandable and manageable. What we unfortunately experienced in FY16 points to the fact that a well-developed strategic focus and consistent management on the books side is critical to success in that business. The unit is better positioned now to make sure that is taken care of in FY17.

### **Washington Office Financial Summary**

**Washington Office** Operations ends the fiscal year \$2,744 over budget for the month of August, but 1% under budget for the total year to date expenses. During the year, the Washington Office Operations unit lost 2 key staff members and temporary staff were hired until new permanent staff could be brought on board. Also during the year, a new security firm for internal office access was hired, new phone server equipment was leased, and new computer equipment for staff rolled out during this fiscal year. With these changes, savings of over \$5,000 was realized and used to offset other unplanned expenses. Savings realized from the switch in phone and internet service providers was used to pay for increased services from our computer network support company. The migration to Windows 365 which was expected to occur after Annual Conference has been delayed and will not occur until early next fiscal year.

**OGR** is \$25,827 over budget for the month of August but is 3% under budget for the year to date expenses. The August overages are attributed to adjustments from previous months' expenses and late receipt of invoices for contracted services. OGR has one staff vacancy that has not yet been filled and accounts for some of the end of year savings.

**OITP** is \$2,410 over budget for the month of August and is 1% under budget on year to date expenditures. All expenses for OITP have been as projected with some overages in travel related expenses.

### **ALA Executive Office/Governance Office**

This section tracks expenses associated with support of the governance function (Executive Board, Council, President, President-Elect) of the Association. As a whole, the Executive Office/Governance Office combined budgets closed \$35,284 under budget. The below breakdown provides details of each budget closing.

**Council Administration [11-101-0000]:** At the close of FY16, the Council administrative budget of \$44,445 was overspent by \$624. The greatest expenditure was in Meal Functions line item, attributable to refreshments for various Council functions at Midwinter and Annual Conference.

**Executive Board Administration [11-102-0000]:** The final results for FY16 reflects expenditures of approximately \$14,788, or just 47% of the \$31,740 budget.

**Fall Board Meeting [11-102-0118]:** Expenses for the Fall Executive Board meeting, held in Chicago on October 23-25, 2015, total \$26,941. This is \$4,713 over the total budget of \$22,228 and is primarily attributed to transportation, meals, and lodging expenses.

**Spring Board Meeting [11-102-0115]:** The Spring Executive Board meeting was held in Chicago on April 15-17, 2016. Total expenditures were \$25,520, which is \$3,520 over the total budget of \$22,000, again attributable to transportation, meals, and lodging expenses.

**President [11-102-0100] (Support):** President Sari Feldman spent approximately \$49,000 (80%) of her \$61,475 support budget.

**0103 Budget (Initiatives):** President Sari Feldman spent \$73,400 (98%) of her Presidential Initiatives budget of \$75,000. The bulk of these expenditures were for activities surrounding the Libraries Transform campaign.

**President-Elect: [11-102-0101] (Support):** Almost all of the \$55,260 President-elect support budget was spent with just \$102 remaining.

**Advisory Committee [11-102-0113]:** President-elect Julie Todaro overspent her \$15,570 advisory committee budget by approximately \$1,160.

**Incoming President: [11-102-0122]:** This budget covers expenses for the period of July and August, immediately following the close of the Annual Conference until the close of the fiscal year. At the close of FY16, \$535 remains in this \$7,580 budget.

**Incoming President-elect [11-102-0123]:** This budget covers expenses for the period of July and August, immediately following the close of the Annual Conference until the close of the fiscal year. At the close of FY16, \$1,463 remains in this \$4,000 budget.

**Planning & Evaluation [11-102-0104]:** This budget closed with \$21,815 remaining of the \$31,000 available.

**ALA Leadership Institute [11-102-0124]:** When the FY16 budget was established in the spring of 2015 we did not take into account having to pay the two facilitators of the institute who had been facilitating gratis for the first three years of this training. We had to pay them for their services for the 2016 Institute and going forward. This oversight resulted in a budget overage of approximately \$15,800, exactly the cost of their combined fees of \$16,000.

**Executive Office [11-103-0000]:** At the close of FY16, this budget was overspent by approximately \$8,400.

**Election Processing [11-103-9000]:** Expenditures of \$110,580 were well within the \$113,850 budget for this project which includes processing the budgets for all of ALA's divisions and round tables as well as the ALA president and council.

### **ALA Member Programs & Services**

FY2016 MPS results were mixed. Performance by product line and revenue stream is highlighted below:

- **Conferences and Other Face-to-face events:** The 2016 PLA Conference showed strong results, beating budget targets in all areas. AASL had a strong conference (Fall 2015), with exhibit space sales over budget, but registration lagging slightly. Both the ALA Midwinter and ALA Annual Conference came in below budget targets. Preconferences were mixed. Both the YALSA Symposium and LITA Forum had positive results. FY2016 was a "spend-down" or non-conference year for ACRL and a non-institute year for ALSC.
- **Webinars, Web-Courses and other Digital Learning:** Results varied unit-to-unit, with some showing strength in web-courses (ALCTS) and others in webinars (ACRL, LLAMA). HRDR continued to build its online learning, working with both APA and the SAED Office. Generally, online learning lagged behind FY2015 – with unit-to-unit variations.
- **Publishing – Books and Journals:** ACRL book publishing was a strong year. Subscriptions generally continue their downward trend, although Choice print products slowed their rate of decline, ending the year ahead of budget. Choice magazine, card and CRO revenues ended behind, largely due to timing errors which will self-correct over the coming months. Advertising, including Choice, was largely a positive area. Every Child Ready to Read, a joint ALSC and PLA product, continued its strong performance; the ECRR toolkit did well due to statewide initiatives (bulk sales). Projects launched at year-end (e.g., ALSC's media mentorship book) will positively impact FY2017. Both Banned Books Week and OIF's Newsletter ended positively – though they did not meet targets.
- **Seals – Physical and Digital:** ALSC had a strong year for both sale of physical seals and digital licensing. YALSA seals revenue lagged somewhat, due to fewer honor titles. There is a normal up/down pattern in seals sales – related to both number of award titles in a given year and external factors such as film production.
- **Grants:** Grants continue to provide both programmatic reach and support, including the Dollar General Literacy Foundation (ODLOS, ALSC), Disney Curiosity Creates grants (ALSC). PLA administered 10 grants in FY2016, including the Gates legacy grant.
- **Other:** ASCLA's travel program continues to perform well. United for Libraries continues to build its state and regional purchase program. OA received two pre-candidacy applications at year-end. This was a transition year, with a new Executive Director in LITA, temporarily splitting time/salary cost between ALA ITTS and LITA. That will not continue in FY2017.

### **Conference Services: ALA Midwinter Meeting (MW)**

Several factors impacted the 2016 Midwinter Meeting (Boston), weather concerns (based on the 2015 winter), the early schedule, campus-related issues and the Boston labor structure. MW2016 had gross revenues of \$2,779,257 (against a target of \$3,006,550) and direct expenses of \$2,348,836 (against a target of \$2,218,369) – resulting in an excess of revenue over expenses (contribution margin) of \$419,468. After contributing \$719,827 (a percentage of gross revenues) in general overhead to ALA, the Midwinter Meeting ended up (\$300,360). The major unfavorable expense factors relate to spread and to the Boston labor structure: conference equipment rental, exhibits setup, special transportation (shuttle buses), AV rental and labor, computer rental/internet connections were all over budget. Facilities (convention center) rental and security were under budget. On the revenue side, registration (-13%), exhibit space sales (-10%) and advertising (-7%) were all below target.

### **Conference Services: ALA Annual Conference (AC)**

While the 2016 Annual Conference (Orlando) was successful by many measures, including a positive bottom line, it failed to meet its budget targets. AC16 had gross revenues of \$4,804,909 (against a \$5,496,975 target). Direct expenses were under budget at \$3,630,699 (against a target of \$3,958,637) – resulting in an excess of revenue over expenses (contribution margin) of \$1,905,720. After contributing \$1,433,933 to ALA in general overhead (a percentage of gross revenue), the Annual 2016 had a net revenue after overhead of \$323,949 (against a target of \$587,405). On the revenue side, registration was significantly off budget at \$2,005,001 (against a target of \$2,679,600), a -25% variance. Exhibit space sales were on target. Advertising was behind (-11%). On the expense side, most expenses came in on or under budget, including – notably – audiovisual equipment & labor.

### **Information Technology and Telecommunications Services (ITTS)**

At the end of August 2016, ITTS expenses are 2% or \$52,086 under budget. Salaries are lower than normal due an open position filled in January 2016. Professional Services are under budget because we paid less for our Disaster Recovery as a Service (DRaaS), our Moodle migration was moved to fiscal 2017, and our new UPS system was not installed in August 2016 as planned. Professional services dollars are being used on managed services to supply us consultants with a range of expertise.

### **Office for Accreditation (OA)**

*Ending the fiscal year with just under a 3% variance to budget. Two applications for Pre-candidacy arrived with a \$1,000 fee each at fiscal year-end. That and many other long term efforts came to fruition in fiscal '16, including the adoption of the ALA 2015 Standards by Council on Feb 2, 2015 and implementation of the new (4th) edition of the Process, Policies, and Procedures (AP3) manual approved the prior June.*

### **Office for Diversity, Literacy and Outreach (ODLOS)**

*In a transition year, ODLOS is ending with a slight variance (-1%), with a net expense of (\$414,462) against a budget of (\$409,209). There was a (\$3,950) variance in the donations/honoraria line – on the revenue side, which accounted for most of the difference. There were numerous line-to-line shifts in expenses, but the overall direct expense budget was on target. IUTs were over marginally (\$1,000) due to telephone cost related to increased member participation (conference calls).*

### **Office for Human Resource Development and Recruitment (HRDR)**

*HRDR has a negative variance of -5%. This is due in large part because the decision to credit revenue gained from newly developed online CE courses to MPS was made after the budget was prepared. Placement revenues were down due to fewer than expected recruitment vendors in Boston and Orlando. CEU revenue is also slightly lower than anticipated. Expenses were contained across the board to offset the reduced loss of revenue, with the exception of three areas: payroll, web operating and staff development.*

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

*On the positive side, for the Admin project, Banned Books Week, and the Newsletter, all of the budgets are in the black, although not greatly so. We had some \$87,000 in savings for administration (some salary savings through attrition, but mainly printing), and \$47k for BBW (printing and design).*

*On the negative side, however, for all three of three projects, revenues are down. The biggest money maker in OIF is Banned Books Week. Our revenues tend to get split across two calendar years. The drop from projections (we budgeted \$142,500 and made \$110,038) is mostly due to last year's flap over the poster design. We ended the year very strong. We also saw somewhat lower sales for our IF Manual than we'd hoped – a general trend of print sales declines in the association and maybe a sign of the times in an electronic age. The bottom line is that whatever we lost in revenue, we more than made up in frugality. OIF's two big projects for next year, Our Voices and the Bootcamps, are already getting a lot of attention and pickup.*

*OIF ended with an 11% positive variance: (\$413,306) against a budgeted (\$465,240). Revenues were off -22%, primarily in Banned Books Week and subscriptions. Expenses were 14% lower than budget.*

### **Senior Associate Executive Director Office (SAED)**

*The SAED budget ended with a positive variance of \$58,496 (18%). On the revenue side, the courses (contracted to ALA-APA for development) returned \$22,800 in revenue against a target of \$36,000, due to a late start. On the expense side, there were numerous variances – e.g. costs for a necessarily unbudgeted accreditation appeal committee show in the SAED budget. Overall, expenses came in at \$296,174 against a budget of \$323,170.*

IV Division - Statement of Revenues & Expenses - August 31, 2016

TOTAL DIVISIONS	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Prior Year Actual		Change FY16-FY15	Beginning Net Asset Balance	Ending Net Asset Balance
					FY14 Actual			
<b>Total Revenue</b>	15,777,909	15,655,196	122,713	14,308,907	15,581,358	1,469,002		
<b>Total Expenses</b>	15,651,999	16,497,506	845,507	14,637,656	14,196,747	(1,014,343)		
<b>Net Rev(Exp)</b>	<b>125,910</b>	<b>(842,310)</b>	<b>968,220</b>	<b>(328,749)</b>	<b>1,384,611</b>	<b>454,659</b>	<b>14,789,410</b>	<b>14,915,320</b>
<b>NET REVENUES</b>								
PLA	909,021	397,093	511,928	(640,560)	1,292,514	1,549,581	2,421,676	3,330,697
ACRL	(621,174)	(730,072)	108,898	677,409	(322,728)	(1,298,583)	5,002,115	4,380,941
CHOICE	(237,578)	(233,381)	(4,197)	(133,056)	(32,164)	(104,522)	2,884,451	2,646,873
AASL	34,764	10,282	24,482	(334,381)	1,805,422	369,145	698,683	733,447
ASCLA	15,575	(8,784)	24,359	15,532	96,568	43	114,360	129,935
ALCTS	(3,110)	(36,235)	33,125	(52,008)	536,949	48,898	222,717	219,607
LLAMA	(4,659)	(15,995)	11,336	4,144	16,770	(8,803)	199,966	195,307
RUSA	(86,321)	(109,662)	23,341	(65,437)	(64,910)	(20,884)	464,821	378,500
UFL	(26,911)	3,623	(30,534)	2,546	(5,004)	(29,457)	(174,292)	(201,203)
LITA	15,265	(27,678)	42,943	(67,240)	24,330	82,505	389,631	404,896
ALSC	170,770	(92,522)	263,292	162,986	368,343	7,784	2,294,973	2,465,743
YALSA	(39,734)	1,019	(40,753)	101,317	(9,136)	(141,051)	270,309	230,575
<b>TOTAL</b>	<b>125,908</b>	<b>(842,312)</b>	<b>968,220</b>	<b>(328,748)</b>	<b>3,706,954</b>	<b>454,656</b>	<b>14,789,410</b>	<b>14,915,318</b>

**Divisions**

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

For FY16, AASL had a net of \$32,068 (total revenue of 1,866,161 and total expense of \$1,834,093) with both revenue and expenses below budget. The reductions in operational expenses included a six month vacancy for a program coordinator position that has now been filled.

An increase in exhibitor revenue contributed to a successful AASL National Conference held in Columbus, Ohio for a net revenue of \$430,832 (revenue \$1,266,075, expenses \$835,213). Membership dues increased slightly, but were below target for a national conference year. AASL continues to see a trend for school systems to do not pay membership dues, but will pay for professional development such as for conference registration.

Although the anticipated revenue overall for serial publications (KQ, SLR, KQ Express) was below budget, KQ and KQ Express advertising increased and an ad rep contract was eliminated. The newly established online presence through the KQ Community continues to grow with daily blog posts highly anticipated and frequently shared through social media. Revenue for non-serial publications was under budget. AASL has anticipated a consistent decline in non-serial publication sales as the focus is on a major revision of AASL standards for learners, the profession, and school library programs. The new standards to be published with ALA Publishing are scheduled for release in the fall of 2017 in conjunction with the launch of related professional development at the National Conference in Phoenix.

Through the generosity of a member donor, AASL established new awards this year adding administrative fees to revenue. AASL's strategic plan expenses included more than \$18,000 for the CLASS Summit to support AASL's commitment to a community of scholars for a school library research agenda.

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

#### **REVENUE:**

Overall, revenue is under projected budget by 9%. Registration fees were again strong, coming in 1% over budget. This increase came mostly from webcourses, the in-person preconference for Annual, and the symposium at Midwinter. Webcourses came out far ahead by about \$33,000, which was 50% of budget. Webinar registrations lagged a bit this year, at 14% behind budget.

Advertising and book sale revenues were low, but ahead of FY15. Royalties were up slightly with two new titles published by ALA Editions. Personal dues revenue lagged budget by 6%, continuing a trend which is starting to slow. Subscriptions continue to decline dramatically with a move to e-only, and were 43% (about \$19,000) behind budget. Donations were 18% below budget but slightly ahead of FY15.

#### **EXPENSES:**

In general, most expenses tracked well to budget. Direct expenses were \$67,000 below budget at 13%, and \$58,000 below FY15. Total expenses without overhead were \$74,000 below budget and \$60,000 below FY15. Most other operating expenses were below budget. Overhead fell \$6,000 short of budget, mostly due to lagging subscriptions and book sales. All expenses were \$80,000 below budget.

#### **SUMMARY:**

ALCTS will have a net deficit this year of around \$3,000, which is a great improvement over the previous few years and far ahead of the FY16 net deficit budget of \$36,000. We are planning another deficit budget for FY17, and continue to look for ways to cut costs and increase revenues.

The deficit was due to a number of factors on the revenue side which mirrored FY15, including decreased revenue for dues, publications, and subscriptions. Registration revenue for webinars was also far behind projection, although the increase in webcourse revenue made up for this deficit and more. There were unanticipated ongoing expenses for the production of LRTS with a move to OJS, and conference equipment and exhibiting costs continue to increase.

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

ALSC has been fortunate to see another year of growth. The operating budget had planned for a net loss of -\$92,522. The deficit was intentionally approved by the ALSC Board in order to support strategic initiatives such as Babies Need Words Every Day and media mentorship and a \$33,333 grant cost share for the ECRR research project. ALSC has ended the year, however, with net revenue of \$170,770, an increase of 7%.

Overall our total revenues were ahead of budget by about 28% or \$331,406. Dues revenue performed ahead of budget by almost 9%. Membership increased 4.5% when comparing August 2016 (4,096) to August 2015 (3,921). Membership categories that have seen significant growth include regular, student and associate/advocate categories.

Both physical seals and digital licensing sales were strong and the primary reason for revenue exceeding total budgeted revenues (ahead of budget by 59% and 34% respectively). Additionally, ECRR toolkit sales continued to perform well due to bulk sales from statewide initiatives. ECRR revenues were 140% (\$41,938) ahead of budget.

On the expense side, we were over budget by 3% or -\$33,746 when looking at expenses before overhead and taxes. However, this is a bit misleading as the \$150,000 transfer to the endowment which was planned, but not reflected in the budget as a line item expense (in previous fiscal years, the transfer activity would appear as an adjusted net asset balance at the start of the next fiscal year) is reflected here. Finance does plan to adjust this figure before the final close so it shows as a below the line transfer, and not as an operational expense. When the transfer is taken out, ALSC actually performed 10% under budget for total expenses before overhead and tax. Two main areas where ALSC was well under budget were in salary and benefits and professional service fees.

Administration came in over budget by 8% or \$48,095. The \$150,000 endowment transfer expense came from this project. It will be adjusted for the final close, and we should come in just under budget by 17%. We saw a 15% salary and benefit savings due to grant support from the Dollar General Literacy Foundation and Disney Curiosity Creates grants. Professional Services in administration were also significantly under budget by 92% as we were not able to get as far with the Oral History project and other staff support areas as we had hoped.

The Service to Members project came in ahead of budget by \$62,163 or 1306% primarily due to expense savings. Again, dues revenue performed ahead of budget by 9%. Total expenses for this project came in under budget by \$48,905 (30%). Professional services was under budget by 65% (\$32,000) due to lack of capacity to take bigger projects due to being awarded the \$800,000 Disney creativity grant, Travel related expenses came in 6% over budget, conference related expenses such as honorarium and equipment came in under budget by 40% (\$10,000). Outside printing and design also came in under budget by 84% (\$12,744).

Seals net revenue performed ahead of budget by 37%. Total expenses were over budget by \$70,936 or 22%. Expense overages were in supplies/operating due to producing additional physical seals and additional overhead as a result of better than budget seals sales.

The Banquet ended with a modest net revenue of \$4,313 mainly due better than budget registration revenue (22% ahead of budget) and expense offsets from the Wilder Endowment. Registration was an unknown at time of budget since we hadn't been to Orlando in over a decade. This year there were 969 paid attendees compared to 1,120 paid guests last year in San Francisco. While we received a discount on the menu pricing from the Hyatt due to complications on their end, meal expenses came in 14% over budget (\$9,265) and audio-visual expenses were over budget by \$5,000.

Online continuing education courses generated \$15,751 in net revenue, but were under budget by 16%. This is about \$5,600 less than last fiscal year, but ALSC implemented free webinars to members this fiscal year. Revenues were under budget by 14% (\$4,756). Total expenses were under budget by 12% (\$1,781).

The ALSC National Institute is offered every other year. ALA is now using accrual accounting and revenues and expenses for conferences and events are booked in the fiscal year the event is held. Since the Institute was planned to take place in FY 2017, the FY 16 budget was submitted as zero. The ALSC Board of Directors canceled the ALSC National Institute in April after North Carolina passed discriminatory legislation. This resulted in all the pre-paid expenses for FY17 (design, printing and promotion) having been moved back into the FY16 budget.

Our journal, Children and Libraries saw a small bump in advertising revenue coming in 18% (\$2,583) ahead of budget. Subscriptions were just under budget by 2% (\$212). Expenses were under budget by 12% (\$7,472). Actual net expense for the project was -\$33,367 against a -\$42,108 net expense budget.

Every Child Ready to Read is a shared project with PLA and has a 50% revenue/expense split. Figures presented here are ALSC's portion only. Toolkit sales performed ahead of budget by 140% (\$41,938). We budgeted for sales to taper off since the toolkit has been available since 2011. However sales remain steady and bulk sales for statewide initiatives helped us this year. Direct expenses were just over budget by \$978 (2%). After overhead is factored in (higher than budget due to increased sales), total expenses are 15% over budget (\$6,357) The third year of the ECRR IMLS grant cost share (\$33,333) was a budgeted expense. The project had been budgeted for a \$13,748 deficit, but has ended with \$21,833 in net revenue. Non-serial publications ended with a net revenue of \$1,228 which was 18% or \$272 under budget. The new media mentorship book launched in August at the tail end of the fiscal year.

Día de los niños/Día de los libros celebrated its 20<sup>th</sup> anniversary in FY 2016. ALSC had budgeted up to \$10,000 for expenses related to the promotion of the anniversary. The net expense was \$2,148 or 78% under budget. Most expenses related to the anniversary were covered by the Dollar General Literacy Foundation Grant.

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

As of the 3<sup>rd</sup> close, ACRL ended the year with \$2,612,809 in gross revenues against a budget of \$2,458,773 or a variance of \$154,036 or 6% better than budget. ACRL expenses were slightly below budget at \$2,980,252 vs. \$3,188,845 for a (\$208,593) or 6.5% savings. ACRL's net of (\$367,444) is \$362,628 or 50% better than budget of (\$730,072). A deficit was planned as FY16 was a spend down year for ACRL as it develops its ACRL 2017 Conference.

Revenues were a mix of hits and misses. ACRL's strongest revenues were from its flourishing book sales program, where \$157,000 more than budget from sales after discounts and returns was generated, and from its elearning and sponsored webinars, where \$44,000 more than budgeted was generated. Product advertising and sponsorships also did well, all coming in over budget. Sales of ACRL Trends & Statistics and ACRL Metrics were 4% more than budget for an additional \$4,800. Classified advertising missed budget by only 3% or \$9,000, due to the timing of revenue recognition after the transition to an outside vendor from an inhouse system. ACRL's small consulting business grossed \$9,000 more than the \$62,000 budgeted. Dues were down 2% compared to budget for a loss of \$11,000. Some of ACRL's professional development programs had small losses but when losses are projected to be small we honor the commitment to hold the program whenever possible.

Expense savings were primarily in a few areas. Salary and benefits saved nearly \$108,000 due to smaller benefits charges than budgeted and an unfilled position for part of the year; \$92,000 was saved by not using all of the \$100,000 budgeted for unanticipated strategic initiatives; \$45,000 was saved by not hiring a visiting program officer for data management, \$77,000 budgeted for the Value of Academic Libraries initiative was deferred until FY17, and \$30,000 was saved in the information literacy project due to the later adoption of the Framework than originally anticipated.

ACRL transferred \$250,000 from its net asset balance to its LTI, resulting in a net asset balance of nearly \$4.4 million and an LTI now has \$3.3 million.

**Choice FY16 YTD Performance Comments**

At 3d close, Choice finished FY16 with revenues of \$2,892,974, \$118,896 below budget and \$124,417 below fiscal 2015. Expenses came in at \$3,130,551, beating budget by \$114,700 and prior year by \$19,896. As a result, at -\$237,577, Choice net revenue was almost even with budget (-\$4,196) but some \$104,521 worse than last year's result.

FY16 subscription revenue for Choice magazine, cards, and CRO ended the year almost \$47K behind budget, largely because of what can broadly be described as a timing error in revenue recognition for Choice Reviews. This error, which represents the accumulation of deferred revenue while subscription fees were negotiated on hundreds of multisite licenses, depressed earned income for several months in the spring of this year but should be largely self-correcting as the income deferred during negotiations begins to earn out over the remaining months of the new contract years. Meanwhile, Choice print products slowed their rate of decline, coming in almost \$13K better than budget on declines averaging only 5% of prior year.

Advertising fared reasonably well in FY16, with net revenues of \$565,628 finishing slightly (\$13K) over budget but some \$19K below prior year. Revenues from both magazine and Choice Reviews advertising were down 3% and 12% respectively vs. prior year, as advertisers, Gale/Cengage foremost among them, trimmed spending on digital advertising. Some mitigation was provided by \$20,160 in unbudgeted ad sales for the Choice mobile app. Easily the most positive news in FY16 was the continued success of the Choice/ACRL webinar program, which once again topped \$150,000 in gross revenue. For the year, we hosted twenty-four sponsored and one "house" webinar (for Choice Reviews), at an average price of \$6,271 per webcast. Overall, the program garnered 17,184 registrants (average 687 per session) and 6,151 attendees (average 246), representing gains of 79% in registrants and 98% in attendees over FY15.

Royalty income contributed \$621,371 to the unit, virtually the same as in FY15 but some \$64K below budget. The shortfall to budget represents simply the failure of an anticipated license with EBSCO to materialize. In short, the budget was overly optimistic.

On the spending side, strict budget discipline kept expenses in line for the third year in a row, with spending coming in \$114,699 below budget and almost \$20K below prior year. Direct spending was up slightly (\$24K) over prior year, but still better than budget by some \$66K.

While we continue to look for economies in our operations, cost-cutting alone will not return Choice to equilibrium. The webinar program has created a new revenue stream for the unit, but is unlikely to solve our income problem, and while the rebuilding of Choice Reviews was a necessary first step in our strategy of redefining Choice as a publishing unit rather than a magazine, nor can it generate enough new subscriptions to balance our budget. For that we must look to the new products on the horizon

**Association of Specialized & Cooperative Library Agencies**

Beginning assets: \$114,360 at start of fiscal year; \$129,935 at 3rd close.

Dues: Dues (\$436,94) are slightly below last year same time by 6% or \$2981. Actual: dues at 3rd close last year were \$446,72.

**Sales:**

Web CE: Under projections for this time of year by 25% or \$9432. However, the total revenue was much better than last year. Actual: \$28,068 compared to \$5,682 last year same time.

Travel Program: Our travel program (to Scotland this year) was very successful, with a gross profit of \$10,000.

Preconferences and Institutes: We have exceeded our projection (\$15,000) for the year by \$7,500 or 50%. Actual: \$22,502.

Total Revenue: Under projection at 3<sup>rd</sup> close by 11% or \$12,300. However, actual revenue is higher than last year at the same time – actual: \$95,688 at 3<sup>rd</sup> close compared to \$72,159 same time last year.

Total Expenses: Under projection compared to last year same time by \$36,700 or 31%. Actual: \$80,113.

Summary: ASCLA projected a small deficit this year (\$8,784). However expenses were kept down and the fund raising trip to Scotland was successful, leaving a \$15,575 surplus.

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

The budget is net positive this year -- \$15,265 against a budget of (\$27,678) -- primarily because ALA ITTS paid for one quarter of the LITA Executive Director's salary in return for work done on an ITTS project during the year.

Note: The actual final revenue figure is likely to be \$363,401, and the final expenses figure is likely to be \$342,538, which means the final net revenue figure should be \$20,863. If true, this means that we would have only been approximately \$2,200 in the red without the ITTS salary money.

**Revenue Highlights**

- Dues  
Membership dues continue to decrease, with revenue from dues down an additional 2% from projections. Membership numbers fell from 2,720 to 2,595 during the fiscal year.

- Classified ads  
Our job ads service continues to generate substantial revenue at \$20,665, up 3% from projections.

- Registration Fees  
We were unable to generate expected revenue from in-person events in part because we had to cancel one Midwinter workshop and two Annual preconferences. While Forum registration was stronger than expected, the revenue was negated by the corresponding increase in costs for catering. For online education, courses underperformed by \$13,675 (resulting in net revenue of \$12,310 instead of the projected \$20,748), but webinars made up for this deficit by beating projections by \$17,800 (for a net revenue of \$22,997).

- Royalties  
Publication royalties came in below projections, with ITAL producing \$3,799 less than expected and books producing \$3,352 less than projected. All of this year's book royalties revenue came from past titles published through Neal-Schuman, because we won't begin receiving royalties from our books published with Rowman & Littlefield until the end of fiscal year 2017.

**Expense Highlights**

- Salaries and Wages  
The primary reason the FY2016 budget is in the black came from this line, because ALA ITTS paid for 25% of the LITA Executive Director's salary for work done on an ITTS project.

- Overhead  
LITA contributed a total of \$37,531 to ALA as overhead, which was 3% more than projected, due to higher than expected registration for Forum and webinars.

- Overall Expenses  
Conference expenses were well below budget because of our canceled preconferences, and miscellaneous expenses were down due to efficiencies gained in the office.

**Library Leadership and Management Association (LLAMA)**

**SUMMARY**

The FY16 result is better than budget though still in the red, and significantly behind FY15.

TOTAL REVENUE (Line 20): is 93% of budget at \$240,092, over \$40k less than FY15. The large variance between this year and last is due primarily to \$12k less in webinar revenue and \$23k less in preference revenue. Last year there were four preconferences and this year there were three, and registration for each was lower. FY16 Midwinter Institute revenue was also lower than FY15.

Personal/org dues are 1.5% better than budget and close to FY15.

DIRECT EXPENSE (Line 67): is 90% of budget, with savings in Executive Committee travel and CE production. Admin expense is less than budget and right in line with FY15, though last year there was an additional \$5k expense for a temporary employee. The MW Institute broke even before overhead, but lost approx. \$500 after overhead is included.

ALA OVERHEAD (Line 69): is 68% of budget, again reflecting lower webinar revenue. NET REVENUE (Line 71): is (\$4,659), or approximately \$11k better than budget, but \$10k less than FY15. NOTES ON FY16: The large variance in webinar revenue was due primarily to fewer webinars offered and no standout offering. A number of scheduled webinars had to be canceled due to last-minute speaker conflicts. Those were rescheduled into FY17, so the first quarter of this fiscal year will be much stronger than last. Preconference revenue was adversely affected by fewer offerings and lower registration compared to San Francisco. With Annual in Chicago next year, registration should improve.

**Public Library Association (PLA)**

FY16 was a conference year for PLA, and a good conference results combined with new grants resulted in a strong year. Revenue was \$178,824 or 4%, over budget, and expenses were \$333,104, or 9%, under budgeted. PLA begins FY17 with a strong fund balance of \$3.3 million.

FY16 Opening Fund Balance		\$2,423,817	
	BUDGET	ACTUAL	VARIANCE
Revenue	\$4,175,741	\$4,354,564	\$178,824
Expenses	(\$2,975,679)	(\$2,609,697)	\$365,983
Overhead	(\$802,968)	(\$835,846)	(\$32,878)
SUBTOTAL EXPENSES	(\$3,778,648)	(\$3,445,543)	\$333,104
NET	\$257,094	\$909,021	
Closing Fund Balance (Projected)	\$2,680,911	\$3,330,683	

**PLA-Administered Grants**

With the addition of the 10-year Gates legacy grant in May 2016, PLA administered seven grants in FY16 totaling \$16,095,766, with varied time periods running from February 2011 to May 2026. Grants include the following:

IMLS: early literacy research with ALSC (\$499,741, FY14-FY18) and leadership development (\$213,682, FY14-FY17).

Bill and Melinda Gate Foundation: EDGE technology benchmarks (\$867,448, FY11-FY16), performance measurement (\$2,956,530, FY15-FY19), general operating (\$203,000, FY15-FY18), and legacy (\$10,805,701, FY16-FY26)

Other: Verizon/ODLOS DigitalLearn.org support (\$243,653, FY16)

In FY16, PLA spent approximately \$1,222,413 in grant funding plus \$127,456 to ALA in overhead. The total balance of the grants as of the close of FY16 was approximately \$11,347,331 in funding for direct expenses and \$1,352,528 in funding for overhead.



### **Reference & User Services Association**

*Beginning Assets: \$464,821*

*Dues: Slightly under target by \$6,900 or -4%. Actual: \$171,427 compared to \$178,263 same time last year. \$178,400 was the projection for this year.*

*Web CE: Under projection for the year by \$51,352 or -41%. Actual revenue is \$73,648 compared to \$86,791 same time last year.*

*Total Revenue: Total revenue is under projection for this time of year by \$33,000 or -9%. Actual: \$338,344 compared to \$362,828 same time last year.*

*Total Expenses: Total expenses are 12% (\$56,398) under projections for the year. Actual= \$424,664; projection for this time of year = \$481,062. Last year same time, the actual number was \$428,265 – more than actual expenses for this year.*

*Summary: RUSA planned a deficit this year. Our deficit, \$86321, was considerably smaller than projected (\$109,662). Although the deficit was smaller, it is still unacceptable so large cuts were made to the 2017 budget, and a dues increase proposal was presented to the board, and budget and finance committee. The net assets at the 3rd close were: \$378,500.*

### **United for Libraries (UNITED)**

*United for Libraries experienced the first full year of revenue share with ALA membership but still exceeded its projected income from state group members by approximately \$3,000. We exceeded our projected donations by \$2,000 and exceeded our continuing education (webinar) revenues by \$11,000. Nevertheless, this was a challenging budget year as we lost more small division subsidy, individual membership was down, ticket sales at conferences were down, our CFC contributions were down by half, and our Books for Babies program was also down significantly.*

*Our Finance committee is aware that we are in a new "earned revenue" situation (versus most funding by membership and sponsorships) and we are expecting a much better fy2017 with a new book coming out, new webinars planned, a complete update of our Trustee Academy, and the continuing sales of Short Takes for Trustees. Our state and regional purchases were all renewed for fy2017 and we are currently in talks with Tennessee, Vermont, and New Hampshire to bring them into the fold.*

### **Young Adult Library Services Association**

*YALSA ended the fiscal year with slightly below target, at (\$39,734) against a target of \$1,019. Both revenues and expenses were below budget.*

#### Revenues

*The YALSA Symposium was a success, contributed \$26,899 to ALA through general overhead and \$39,514 in net revenue to YALSA. YALSA events at the 2016 ALA Annual Conference came in on target. CE performance was mixed. Webinars are at budget and instructional kits are below budget – but e-courses are well above budget due to licensing by the Pennsylvania State Library.*

*On the publishing side, book sales were well behind budget (45%) and YALS subscriptions are behind budget (13%). YALSA ads, on the other hand, were 27% ahead of budget. eNews ads are below budget (66%).*

*Bulk seals sales were 30% behind budget; there were only 2 Printz honor books selected for 2016, which reduces the opportunity for sales. This relationship between the number of award/honor books selected and the volume of seals sold is common to all the ALA groups that select award books/media.*

#### Expenses

*Several expense categories showed increased relative to budget: YALS (18%), Membership Recruitment (27%), Salaries/Related (2%), Board and committee expenses. Expenses for book publishing were well under budget (26%); Events were below budget on expenses.*

V Round Table - Statement of Revenues and Expenses - August 31, 2016

	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Prior Year Actual	Change FY16- FY15	Beginning Net Asset Balance	Ending Net Asset Balance
<b>TOTAL ROUNDTABLES</b>							
<b>Total Revenue</b>	433,985	389,887	44,098	428,775	5,210		
<b>Total Expenses</b>	299,000	342,630	43,630	263,741	35,259		
<b>Net Rev(Exp)</b>	134,985	47,257	87,728	165,034	(30,049)	1,635,985	1,770,970

**NET REVENUES**

LHRT	535	0	535	4,726	(4,191)	58,168	58,703
ERT	(599)	1,281	(1,880)	(10,922)	10,323	22,040	21,441
FAFLRT	2,067	328	1,739	(878)	2,945	12,602	14,669
GODORT	9,135	1,024	8,111	353	8,782	128,431	137,566
IFRT	3,498	47	3,451	3,422	76	80,689	84,187
IRRT	10,468	2,255	8,213	4,830	5,638	31,411	41,879
NMRT	11,089	7,766	3,323	9,352	1,737	96,964	108,053
LRRT	7,315	138	7,177	6,327	988	67,980	75,295
MAGIRT	7,447	607	6,840	4,250	3,197	45,578	53,025
SRRT	1,867	5	1,862	2,547	(680)	67,273	69,140
SORT	436	1,075	(639)	2,242	(1,806)	22,738	23,174
LIRT	(5,301)	3,450	(8,751)	15,245	(20,546)	161,396	156,095
EMIERT	85,289	1,715	83,574	100,501	(15,212)	613,084	698,373
CLENERT	800	5,650	(4,850)	978	(178)	103,454	104,254
RMRT	2,541	2,500	41	3,101	(560)	11,571	14,112
GGRT	196	1,002	(806)	45	151		196
VRT	2,609	0	2,609	(638)	3,247	22,035	24,644
SSIRT	2,016	136	1,880	2,478	(462)		2,016
GLBTRT	(8,311)	17,229	(25,540)	15,740	(24,051)	40,420	32,109
SRT	1,888	1,050	838	1,336	552	1,979	3,867
<b>TOTAL</b>	<b>134,985</b>	<b>47,258</b>	<b>87,727</b>	<b>165,035</b>	<b>(30,050)</b>	<b>1,587,813</b>	<b>1,722,798</b>