

ALA American Library Association

Results of Operations
ALA FY 2016 12 Month Financials

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Annual Financial Report 2016
 Statement of Revenues and Expenses
 August 2016

| Revenue Category | Year-to-Date Actual August 2016 | Year-to-Date Budget August 2016 | Year-to-Date Variance August 2016 | Prior Year Actual August 2015 | Change FY16, FY15 |
|----------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------------------|-------------------|
| General Fund | 15,114,750 | 15,558,100 | (443,350) | 14,111,000 | 1,003,750 |
| Revolving Funds | 4,148,000 | 4,148,000 | 0 | 4,148,000 | 0 |
| Grants and Awards | 1,114,000 | 1,114,000 | 0 | 1,114,000 | 0 |
| Long-Term Investment | 1,114,000 | 1,114,000 | 0 | 1,114,000 | 0 |
| Total | 21,486,750 | 22,934,100 | (1,447,350) | 20,587,000 | 899,750 |

Total ALA Revenue (Combined Funds)

While the General Fund missed revenue targets by \$2.2M (4.3% of the total \$51.2M FY16 budget), FY16 actual revenues for all other funds beat budgeted FY16 revenues, partially offsetting the unfavorable revenue variance in the General Fund. Within the General Fund, lower revenue than budgeted in Publishing and Conferences were the primary contributors to the unfavorable variance.

Annual Financial Statement of Revenues and Expenses
 August 2016

| Category | Year, % Actual August 2016 | Year, % Budget August 2016 | Year, % Variance August 2016 | Prior Year Actual August 2015 | Change FY16, FY15 |
|----------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------------------|----------------------|
| General Fund | 77.577 | 100.0 | 14.414 | 55.1 | 0.0 |
| Divisions | 15.7 | 100.0 | 14.3 | 17.5 | 1.8 |
| Round Tables | 11.1 | 100.0 | 11.1 | 17.4 | 6.3 |
| Grants and Awards | 1.5 | 100.0 | 0.5 | 4.1 | 2.6 |
| Long-term Investment | 1.4 | 100.0 | 0.6 | 0.5 | 0.9 |
| Total | 106.21 | 100.0 | 6.21 | 93.6 | 12.6 |

Total ALA Combined Fund

Actual FY16 expenses for all funds were lower than originally budgeted, due in part to conservative budgeting at the Division and Round Table fund level and due to adjustments in General Fund expenses as results from General Fund revenues producing operations were realized throughout the year. As a result of careful cost management, total ALA expenses were below budget.

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 August 516 2016

| !O! AL ALA | August 516 2016 | August 516 201+ | Ohange | Ohange < |
|-------------------|-----------------|-----------------|---------------|----------|
| !otal Assets | 375& 14&7 4 | 377&)4 &)7 | 031& 14&" 12 | -*+44 |
| !otal Liabilities | 345&141&5)) | 34)&"11&717 | 03)! "&1512 | -1+54 |
| 3et Assets | 31"&471&*1 | 311&)15&15" | 031&141&! 1*2 | -1+)4 |

!otal Assets

For the twelve month FY16 period ending 8/31/16, total ALA assets were \$75.8M. This represents a decrease in total assets of \$1.8M (-2.4%) from the same time last year.

!otal Liabilities

1 nclu\$es current an\$ non,current obligations?

For the twelve month FY16 period ending 8/31/16, total ALA liabilities were \$45.3M. This represents a decrease in total assets of \$690k (-1.5%) from the same time last year.

3et Asset "alance

As of August 31, 2016, ALA ended the fiscal year with a net asset balance of \$30.5M, which was a decrease of \$1.1M or 3.6% from the same time last year.

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 August 516 2016

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|--------------------------|-----------------|-----------------|--------------|----------|
| Qash | 55!&")5 | 1&111&5 1 | 055* &51 2 | -4! +74 |
| 'hort,!erm n&estment | 14&154&5"1 | 14&4! 5&51! | 0141&")2 | -*+44 |
| Accounts Recei&able6 3et | 1&714&5! 4 | 4&""""&! 17 | 0*) &1412 | -)+74 |
| #rants Recei&able | 571&55* | 1&*17&*54 | 0)45&7""*2 | -51+"4 |
| APA Recei&able | 1"5&"""" | 155&"""" | 05"&""""2 | -1*+14 |
| n&entories6 3et | 1&7 * & 17 | 1&5 4&741 | 1! &"7) | 1*+54 |
| Prepai\$ ()pense | 471&117 | 1&""!""&4 | 0)17&1712 | -5)+4 |
| #oo\$7ill | 1& *) &5)7 | 1& *) &5)7 | " | ""+4 |
| ntangible Assets6 3et | 1&4"5&)17 | 1&775&"1* | 01)! &4152 | -*" + 4 |
| Fi)e\$ Assets6 3et | 11&1 7& 4* | 11&714&*55 | 05*) &4112 | -4+54 |
| Long,!erm n&estment | 4"&"15&* 5 | 1 &)7 & 45 | 1&11) &44" | 1+54 |
| %ue !o=From | 01&1712 | 01&1712 | " | ""+4 |
| !otal Assets | : +681. 6: 86 | : : 66. 86868 | 11685. 60822 | ,2/. < |

Assets by Account

Of the \$5.2M decrease in total assets, \$617k was due to lower prepaid expenses related to the PLA and AASL conferences that were recognized in 2016 and \$369k in amortization of the Neal Schuman intangible asset. The \$646k decrease in grants receivable was due to the recognition of revenue from grants throughout the year. Decreases in cash and accounts receivable were due to lower revenues in FY16 as well as lower accounts receivable prior to the one-conference year of FY 2017. These decreases were partly offset by a \$1.3M increase in the value of ALA's Endowment compared to prior

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 August 516 2016

| LA" L ! (' | August 516 2016 | August 516 201+ | Ohange | Ohange < |
|-----------------------------------|-----------------|-----------------|-----------------|----------|
| Ourrent Portion6 Long, term %ebt | 1& 15&5! 7 | *&* 15&(")) | 0*!!&4)! 2 | -11+54 |
| Accounts Payable | 4&151&1) 5 | 5&* " &1!! | 0 5)& 142 | -1)+54 |
| Accrue\$ Payroll | * 11&1 * | 114&15* | ! & 1" |) +44 |
| %eferre\$ Membership | 1& ! " &151 | 4&" *4&1") | 0111&7552 | -1+14 |
| %eferre\$ ' ubscriptions | *&* 11&1) 11 | *&141&* 5* | 01 *! &) * 12 | -5+54 |
| %eferre\$ 0onferences | *&) " 1&* 1) | *&51) &557 |)&) 7! | 1+44 |
| #rants an\$ A 7 ar\$s | 4&715&"" 5 | 1& &!) 4 | *) &' 41 | * 1+* 4 |
| Long, ! erm %ebt | 1&* "" &"" "" | 4&5 *! &) " 4 | 01&1 *! &) " 42 | - *! +44 |
| Post Retirement "enefits | **&* 41&* "" | * 1&1! 5&) 17 | 1&' 47&5 1 | 4+! 4 |
| !otal Liabilities | . +65. 56+6: | . 660556: 1: | 169061+02 | , 1/+< |
| 3(! A' ' (!' | 506. : 16219 | 51661+61+1 | 1161. 569522 | , 5/6< |
| !O!ALL A" L ! (' A3% 3(! A' ' (!' | : +681. 6: 86 | : : 66. 86868 | 11685. 60822 | , 2/. < |

Liabilities by Account

A #eneral Fun\$
 'tatement of Re&venues an\$ ()penses by %epartment
 August 516 2016

| | Year,!o,%ate Actual August 516 2016 | Year,!o,%ate "u\$get August 516 2016 | Year,!o,%ate *ariance August 516 2016 | *ariance < | Prior Year Actual August 516 201+ | Ohange FY16,FY1+ |
|-----------------------------------|---|--|---|---------------|---|---------------------|
| Publishing 'er&ices | 1" & 4& ! 5 | 11& 7& * 4 |) * 81 " ! | 5+1 4 | 11& 5& 451 |)) " 855) |
| Member Programs > 'er&ices | 1* & 4* 8" ! 4 | 11& 7 & * 1 |) 1) & * ! | 4+7 4 | 1* & 1* 8* 15 | 0* * ! & 5! 2 |
| A\$&ocacy > Member Relations | 1& 5 & 1" * | 1& * " 87! 7 | 1) * &) ! 5 | 5+1 4 | * & 7 & ! 1 | 0* 7 " 8* " 12 |
| ()ecuti&e Office | 4&) * 8! ! 4 | 4& 71 " 84) | 17& 47* | " +4 4 | 4&) 11& * | 0 1& " 1* 2 |
| Finance=Accounting='taff ' upport | 1& 7! 1& 14* | 1& 7* 81) * | 1& " " " | 4+1 4 | 1& 7! 1& 1" " | 0* * * 2 |
| O&erhea\$ Reco&ere\$ | 0) & 1 5& " 7! 2 | 0) & 7 " 1& 4! 2 | 011) & 7) 42 | 4+7 4 | 0) & * 15& 1 4! 2 | 1) ! & 1 " " |
| #eneral A\$ministration | 1& 1 " & * * | 1& 11! & " " ! | 1" & 7 1 | 1+ " 4 | 1& 1 41& 51 | 11&) * 1 |
| !total ()penses | 2: 69: 2& +: 6 | 29& 166& 918 | 1619. 65. 2 | . /1 < | 28& 2+ +6585 | 282& 80: |
| Operating 3et Re&venue | 166: 62502 | 568& 8+6 | 11& 056& 0862 | | : 69& 0. 0 | 116. 56& 2: 02 |

#eneral Fun\$ by 4nit

Publishing

#e 565 Publis\$in' unit's total F91) expenses %ere 31" +! . & lo&er t\$an ori' inal bud' et of 311+5. by 3) " " , 05+14+2 Expenses %ere lo&er due to a combination of lo&er product sales &and cost of materials &and sales from lo&er volumes& primarily in 565 Editions; <S and reduced expenses from open positions and ot\$er discretionary items+

MP'

. PS7 actual expenses %ere also lo&er t\$an F91) bud' et& primarily due to lo&er 5nnual -onference expense t\$an bud' eted 035+*. vs+ 35+7. & a 35" " " , variance& and reduced expenses in various /eneral Fund offices suc\$ as personnel and discretionary items+ # projects& %\$ic\$ also are part of . PS& expenditures %ere in line %it\$ t\$e ori' inal bud' et& as , ey # projects %ere prioritized as a critical element to enablin' 565's Strate'ic Directions+

A\$&ocacy > Member Relations

5>. R li, e%ise ' enerated lo&er expenditures t\$an bud' eted& primarily due to tar' eted expense reductions as revenues %ere reali?ed over t\$e fiscal year+

()ecuti&e Office/ Finance > 'taff ' upport

#e Executive (ffice& %\$ic\$ includes bot\$ t\$e Executive Director's office as %ell as t\$e D- office& li, e%ise ' enerated lo&er expenditures t\$an bud' eted& primarily due to tar' eted expense reductions as revenues %ere reali?ed over t\$e fiscal year+ #e Finance office also reduced expenses& primarily in staff development and open positions in li' \$t of revenues+

O&erhea\$ Reco&ere\$

(ver\$ead recovered represents t\$e fundin' available to t\$e /eneral Fund to pay for /eneral Fund activities+ #e actual amount recovered is based on a predetermined over\$ead rate %\$ic\$ is applied to t\$e ' ross revenues of specific activities+ Due to lo&er ' ross revenues in Publis\$in' and . PS& t\$e amount of over\$ead recovered %as also lo&er t\$an bud' eted for F91)+

Operating 3et Re&venue

For F91)& t\$e /eneral Fund ' enerated a net expense of 3)) 7, vs+ a bud' eted net revenue of 31) ! , & %\$ic\$ %as a 31. variance from bud' et+

Disclosures

Statement of Revenues and Expenses

August 5 to 2016

Actual % * ' 03'

Year, %
Actual

Year, %

Year, %

Prior Year

* Roundables
 Statement of Revenues and Expenses
 August 2016

GENERAL INFORMATION

| | Year-to-date Actual August 516 2016 | Year-to-date Budget August 516 2016 | Year-to-date Variance August 516 2016 | Prior Year Actual August 516 2015 | Change FY16, FY15 | Beginning Net Assets | Ending Net Assets |
|----------------|---|---|---|---|----------------------|-------------------------|----------------------|
| Total Revenues | 414,877 | 418,700 | (3,823) | 408,775 | 6,102 | | |
| Total Expenses | 411,111 | 414,111 | (2,999) | 408,741 | 2,370 | | |