ALA American Library Association

EBD #4.2
BARC #4.0

Results of Operations
FY 2017 - Twelve Month Financials as of August 31, 2017

FY17 Twelve (12) Month Results (period ending Aug. 31, 2017)
Executive Summary

The financial results represent twelve months of activity as of third (3rd) close, which were electronically issued to unit managers on October 6, 2017.

The following financial summaries highlight actual revenue and expense results compared to the approved budget.

The Management Group prepares a detailed analysis (Department Commentaries), which is submitted to Accounting for review and inclusion in this document.

This summary commentary represents the total ALA, the General Fund departments including: Publishing Services, Support Services, Advocacy & Member Relations, and Member Programs and Services, as well as the Round Tables and Divisions.

I A. TOTAL ALA (ALL COMBINED FUNDS)

Statement of Revenues and Expenses

August 31, 2017

TOTAL ALA (ALL COMBINED FUNDS)	Full Year Actual August 31, 2017	Full Year Budget August 31, 2017	Full Year Variance August 31, 2017	Prior Year Actual August 31, 2016	Difference FY17 - FY 16
Total Revenues	48,746,358	50,055,004	(1,308,646)	50,819,262	(2,072,904)
Total Expenses	51,122,973	51,935,757	812,784	50,859,421	(263,552)
Net Rev(Exp)	**(2,376,615)**	**(1,880,753)**	**(495,862)**	**(40,159)**	**(2,336,456)**

Revenue

ALA realized revenues for the FY 2017 12 month period ending August 31st of $48.7M, which lagged projections by -2.7%. This marked an improvement from Q3 revenue, which lagged projections by 6.8%. Revenue variance was due to lower actual revenues than projected from the General Fund (-6.9%) and the Long-Term Investment (-5.6%.) While the General Fund revenues missed expectations, the difference between budget and actual was smaller than in prior years (-7.6% in FY2016.) Total Division revenues met budget, but performance was mixed by Division, with 4 divisions exceeding budget (ACRL/CHOICE, ALCTS, ALSC, and LLAMA) and 7 divisions missing revenue projections.

Expenses

ALA expenses as of year-end were $51.1M, which was a favorable variance of 1.6%. This favorable variance was due both to careful expense management as well as differences in timing of expenditures from the original budget. Actual expenses were lower than budget for Divisions (9.6%), the General Fund (1.8%), and Roundtables (5.6%.)

Net Revenue and Expenses from Operations

Overall, ALA realized a net expense (or excess of expenses over revenues) of $2.4M for FY 2017. This represented a larger net expense than the budgeted $1.9M net expense by $496k (22% worse than budget) for the period, an improvement over Q3 net expense, which lagged budget by 33%.

REVENUES BY FUND	Full Year Actual August 31, 2017	Full Year Budget August 31, 2017	Full Year Variance August 31, 2017	Prior Year Actual August 31, 2016	Difference FY17 - FY 16
General Fund	27,686,860	29,587,222	(1,900,362)	27,305,345	381,515
Division	13,799,977	13,786,800	13,177	15,813,475	(2,013,498)
Round Table	467,455	439,913	27,542	434,927	32,528
Grants and Awards	6,249,099	5,393,710	855,389	6,329,463	(80,364)
Long-Term Investment	542,966	847,358	(304,392)	936,052	(393,086)
Total Revenues	**48,746,358**	**50,055,004**	**(1,308,646)**	**50,819,262**	**(2,072,904)**

EXPENSES BY FUND	Full Year Actual August 31, 2017	Full Year Budget August 31, 2017	Full Year Variance August 31, 2017	Prior Year Actual August 31, 2016	Difference FY17 - FY 16
General Fund	28,997,718	29,514,169	516,451	27,972,577	(1,025,141)
Division	14,394,245	15,773,910	1,379,665	15,096,768	702,523
Round Table	266,981	415,911	148,930	229,911	(37,070)
Plant Fund	0	0	0	0	
Grants and Awards	6,248,985	5,393,712	(855,273)	6,361,225	112,240
Long-Term Investment	1,215,044	838,055	(376,989)	1,198,940	(16,104)
Total Expenses	**51,122,973**	**51,935,757**	**812,784**	**50,859,421**	**(263,552)**

NET REVENUES(EXPENSES)	Full Year Actual August 31, 2017	Full Year Budget August 31, 2017	Full Year Variance August 31, 2017	Prior Year Actual August 31, 2016	Difference FY17 - FY 16
General Fund	(1,310,858)	73,053	(1,383,911)	(667,232)	(643,626)
Division	(594,268)	(1,987,110)	1,392,842	716,707	(1,310,975)
Round Table	200,474	24,002	176,472	205,016	(4,542)
Plant Fund	0	0	0		
Grants and Awards	114	(2)	116	(31,762)	31,876
Long-Term Investment	(672,078)	9,303	(681,381)	(262,888)	(409,190)
Total Net Revenues(Expenses)	**(2,376,615)**	**(1,880,753)**	**(495,862)**	**(40,159)**	**(2,336,456)**

I B. TOTAL ALA
STATEMENT OF FINANCIAL POSITION
As Of August 31, 2017

TOTAL ALA	August 31, 2017	August 31, 2016	Change	Change %
Total Assets	$73,223,126	$75,814,784	($2,591,658)	-3.4%
Total Liabilities	$32,736,288	$45,343,566	($12,607,278)	-27.8%
Net Assets	$40,486,838	$30,471,218	$10,015,620	32.9%

Total Assets

Total ALA assets decreased by 3.4% from the same month in FY2016 to $73.2M. Cash (including funds in the short-term working capital account) and accounts receivable were lower due to lower activity from operating revenues, while decreases in Fixed and Intangible Assets were due to scheduled depreciation and amortization of those assets. ALA's LTI substantially increased from the same time last year, growing $3.5M (9%) to $45.3M due to robust Endowment investment performance.

Total Liabilities

Total ALA liabilities also decreased by 27.8% from the same month in FY2016 to $32.7M. Changes made to the Post-Retirement Health Care program in January 2017 resulted in a $10.3M decrease in the liability, while ALA continued to pay down its Chase term loan, decreasing the liability by $1.2M. In Q4, ALA also fully repaid the balance on its Chase line of credit. Deferred Conference revenue, representing payments received for upcoming Conferences that have not yet occurred, increased by $840k. Total changes in Assets and Liabilities resulted in an increase in ALA's Net Asset balance to $40.5M.

Net Assets

As a result of the changes described above, Total ALA Net Assets increased by $10M (32.9%) from $30.4M to $40.4M in FY17.

ASSETS	August 31, 2017	August 31, 2016	Change	Change %
Cash	1,206,657	559,065	647,592	115.8%
Short-Term Investment	8,176,966	14,154,503	(5,977,537)	-42.2%
Accounts Receivable, Net	3,575,197	3,734,594	(159,397)	-4.3%
Grants Receivable	244,808	571,552	(326,744)	-57.2%
Inventories, Net	1,717,262	1,782,817	(65,555)	-3.7%
Prepaid Expenses	964,540	473,317	491,223	103.8%
APA Receivable	105,000	105,000	0	0.0%
Total Current Assets	15,990,430	21,380,846	(5,390,416)	-25.2%
Goodwill	1,826,567	1,826,567	0	0.0%
Intangible Assets, Net	1,045,451	1,405,617	(360,166)	-25.6%
Fixed Assets, Net	10,820,023	11,187,842	(367,819)	-3.3%
Long-Term Investment	43,542,028	40,015,285	3,526,743	8.8%
Due To/From	(1,373)	(1,373)	0	0.0%
Total Noncurrent Assets	57,232,696	54,433,938	2,798,758	5.1%
Total Assets	**73,223,126**	**75,814,784**	**(2,591,658)**	**-3.4%**

LIABILITIES	August 31, 2017	August 31, 2016	Change	Change %
Current Portion, L-T Debt	1,569,863	1,915,597	(345,734)	-18.0%
Accounts Payable	3,481,240	4,351,365	(870,125)	-20.0%
Accrued Payroll	292,064	213,182	78,882	37.0%
Deferred Membership	3,947,007	3,890,351	56,656	1.5%
Deferred Subscriptions	2,238,815	2,211,631	27,184	1.2%
Deferred Conferences	3,443,725	2,603,236	840,489	32.3%
Grants and Awards	3,866,960	4,715,005	(848,045)	-18.0%
Total Current Liabilities	18,839,673	19,900,366	(1,060,693)	-5.3%
Post Retirement Benefits	11,896,615	22,243,200	(10,346,585)	-46.5%
Line of Credit	0	0	0	
Long-Term Debts	2,000,000	3,200,000	(1,200,000)	-37.5%
Total Noncurrent Liabilities	13,896,615	25,443,200	(11,546,585)	-45.4%
Total Liabilities	**32,736,288**	**45,343,566**	**(12,607,278)**	**-27.8%**
FUND BALANCE	**40,486,838**	**30,471,218**	**10,015,620**	**32.9%**
TOTAL LIAB./FUND BAL	**73,223,126**	**75,814,784**	**(2,591,658)**	**-3.4%**

II A General Fund

Statement of Revenues and Expenses by Department

As Of August 31, 2017

REVENUES	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Variance %	Prior Year Actual	Change FY17 - FY16
Publishing Services	11,041,559	12,426,083	(1,384,524)	-11.1%	11,706,423	(664,864)
Member Programs & Services	9,690,642	10,037,425	(346,783)	-3.5%	8,640,743	1,049,899
Advocacy & Member Relations	5,401,303	5,593,000	(191,697)	-3.4%	5,602,065	(200,762)
Interest Income	1,333,893	1,350,000	(16,107)	-1.2%	1,168,625	165,268
Mail List Sales	119,456	86,715	32,741	37.8%	84,942	34,514
Executive Office	100,007	94,000	6,007	6.4%	102,548	(2,541)
Total Revenues	**27,686,860**	**29,587,223**	**(1,900,363)**	**-6.4%**	**27,305,346**	**381,514**

REVENUES

Total General Fund

As of August 31st FY 2017, the General Fund earned revenues of $27.7M, which fell short of budgeted revenues $29.6M for the period by 6.4%. Although Publishing and the Midwinter Meeting/Annual Conference missed projections, they provided substantial contribution revenue to the General Fund of $2.9M (vs. $3.2M budget) and $2.5M (vs. $2.5M) respectively. Despite ongoing management changes and operational improvements in selected Publishing units, improved financial results have taken longer to materialize. Additionally, Membership dues revenues for the year were 4% lower than originally projected. ***Please see the Department Commentary section for more details by unit.***

Publishing

The **Publishing department, which includes ALA Editions, Neal Schuman, TechSource, Digital Reference, Graphics, Booklist, and American Libraries**, earned revenues of $11M, which fell short of projections by 11%. FY 2017 marked an important period of transition for the Publishing business with changes in leadership and strategy. Changes to production processes, increased marketing, and development of new products will result in improved financial performance over the next few fiscal years.

MPS

MPS includes Conference Services, ITTS, Office for Human Resources Development, OIF, OA, and Diversity. As Fiscal Year-end 2017, MPS earned revenues of $9.7M, which represented a 3% unfavorable variance from projections, primarily related to the Atlanta Midwinter (MW) Meeting and lower OIF revenues than projected. Although MW Meeting registration missed expectations (but exceeded that of MW 2016 in Boston), thereby impacting gross revenues and overhead contribution to the General Fund, MW Meeting only narrowly missed net revenue targets. Taken together with Annual Conference in Chicago results, with gross revenues close to projections and net revenue exceeding projections, the two major ALA conferences slightly exceeded their FY17 budget.

Advocacy and Member Relations (formerly Communications):

Advocacy and Member Relations include Communications, AED, Library, ORS, IRO, PIO, Public Programs, Office for Library Advocacy, Membership Services, and Chapter Relations/Member Development. The A&MR department earned revenues of $5.4M in FY2017 (vs. a budget of $5.6M), primarily from Membership Dues revenue. While revenues for the department as a whole were $192k (-3%) off projections, Membership Dues revenue was $243k (-4%) short of target, primarily due to a larger decline in total membership than anticipated. Total ALA membership as of August 31, 2017 was 56,286 members (vs. 59,976 members at the same time last year, a decrease of 1.2%.)

Interest income

Interest income earned by ALA was $1.3M, which met projections for the year.

EXPENSES	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Variance %	Prior Year Actual	Change FY17 - FY16
Publishing Services	10,563,772	11,177,617	613,845	5.5%	10,864,896	301,124
Member Program and Services	13,517,992	14,060,101	542,109	3.9%	12,842,094	(675,898)
Advocacy & Member Relations	3,044,693	3,119,803	75,110	2.4%	3,058,102	13,409
Executive Office	4,885,622	4,768,971	(116,651)	-2.4%	4,692,994	(192,628)
Finance/Accounting/Staff Supp	1,861,140	1,830,833	(30,307)	-1.7%	1,791,342	(69,798)
Overhead Recovered	(6,090,568)	(6,581,243)	(490,675)	7.5%	(6,385,079)	(294,511)
General Administration	1,215,068	1,138,087	(76,981)	-6.8%	1,108,228	(106,840)
Total Expenses	**28,997,718**	**29,514,169**	**516,451**	**1.7%**	**27,972,577**	**(1,025,141)**
Operating Net Revenue	**(1,310,858)**	**73,054**	**(1,383,912)**		**(667,231)**	**(643,627)**

EXPENSES

As of August 31st Fiscal Year-end 2017, the General Fund incurred expenses of $29M, which was $516k (2%) better than budget. Expense management in the Publishing, MP&S, A&MR helped to offset lower overall revenues and lower overhead contribution. Publishing expenses were also lower than budget due to lower production. The Executive Office, which includes the DC Office, Governance, and HR, exceeded budget largely due to unplanned employee transition expense. While Finance also exceeded budget, due to Professional Services (consulting expense for cost reduction specialists), this was more than offset from implemented savings by the associated cost reduction initiative in insurance and banking fee expenses in General Administrative expense.

Operating Net Revenue

At Fiscal Year-end 2017, the General Fund generated an Operating Net Expense of $1.3M.

III. Department Commentary - FY17 Results (as of August 31, 2017)

Publishing

FY17 closing operational/financial statement, ALA Publishing

ALA Publishing overview

FY17 was a year of significant transition and change for the ALA Publishing Department, with interim leadership for several months and a new AED in June. Overall, the department had a financially disappointing FY17, despite some units' positive mid-year indications. The net revenue shortfalls that we are addressing as a top priority were in Editions/Neal-Schuman (books), ALA Graphics, ALA eLearning Solutions, and Digital Reference (RDA). All unit managers in Publishing are working diligently and thoughtfully to meet revised budget projections and to manage expenses in FY18.

Here are some steps we've taken across the department since June to assure a stronger FY18:
We streamlined the strategic plan that each unit was drafting so the objectives were clearer and more achievable, results would be easier to track, the focus was more external, and time should be freed up to concentrate on product development and marketing. We are aligning individual staff goals for FY18 with the plans. We are systematically researching how we can sell more in bulk through consortia, school districts, state libraries, and other groups/organizations to increase revenue per customer and revenue per order while reducing operational costs. We are examining collaborations among units in ALA Publishing, across ALA (divisions and offices in particular), and externally to extend our opportunities, product development, and reach. We are continuing efforts to uncover what customers/subscribers/readers/users need from our publications, products, and services. We have been working closely with the ALA Finance team to streamline internal operations and processes as much as possible to increase staff productivity.

ALA Editions/Neal-Schuman (combined)

Performance in FY17 continued to lag. This appears to be due both to continued softness in the market and to internal operational factors such as the focus on the unexpected move back to the previous fulfilment vendor, fewer new books in the pipeline, marketing staff focused on customer service and fulfillment functions, and acquisitions editors having had insufficiently clear and aggressive goals in previous years. During FY17, we urgently prioritized initiatives that position the core business more strongly for FY18 and beyond. Specifically: two new positions were created to allow the two-person marketing team to concentrate on marketing rather than customer service/fulfillment functions; the three acquisitions editors were refocused on essential tasks and given more aggressive goals, which has resulted in 17 more titles in the pipeline for FY18 than in FY17 (60 titles are anticipated for completion rather than the 43 in FY17); and the new ecommerce web site (launching late Fall 2017) has been in development. With this better infrastructure ready for FY18, we are now positioned to determine more accurately the impact of external market conditions and to spend more time engaging directly with customers, working on upsell and greater revenue per order. Finally, the AASL standards book and its ancillary products will begin to ship in November in conjunction with the AASL conference, a project that demanded significant resources from Editions in FY17 but that should contribute notable revenue to the ALA bottom line.

Booklist

For several years, Booklist Publications has set these broad goals to measure financial performance: $5 million in gross revenue and $1 million in net revenue, which is a 20% return. Budgeted numbers vary from year to year depending on marketplace trends, but the 5-1-20 formula remains what we shoot for. In recent years, we have seen shortfalls in some key revenue areas—subscriptions, print advertising, and licensing—and all those patterns accelerated slightly in FY17. Booklist still finished the year with total revenues of $4.76 million and, thanks to expense reductions, net revenues of $968,518, maintaining the 20% margin.

The story behind that declining revenue trend is one we've been telling for a while—a large-scale transition in the publishing industry from print to online media, which has translated in our case to advertisers reducing their print commitments while increasing online presence, but not in a dollar-for-dollar way, and to subscribers relying less on traditional selection tools. Simultaneously, our licensees, especially vendors of aggregated databases like ProQuest and Follett, have sought to reduce overhead by either eliminating reviews or negotiating lower fees.

While all these environmental trends have impacted Booklist, we have largely offset the negative effects through developing new products and devising new ways to package and sell existing products. In FY17, we initiated an ongoing program of advertising packages built around a multi-issue editorial campaign, 50 Years of YA, which brought in more than $60,000 in sponsorships for promotions across several platforms. Similar campaigns will be developed for FY18 and beyond.

Other new ventures developed in FY17 will pay off starting in FY18; these include creating custom content for advertisers (white papers as well as sponsored content in newsletters and print

ALA Publishing eLearning Solutions

The key metric for ALA Publishing eLearning Solutions is the sales of eLearning products (webinars, ecourses, and online workshops), which finished the year at 98% of budget. Despite a three-month slowing of registrations in the middle of the year, adjustments in marketing and more popular course offerings/presenters effected a recovery and the year finished strong in that area. Library Technology Reports, a legacy print subscription product in this unit, exceeded the sales budget for single copies by more than 100%, selling $31,238 through the ALA Editions catalog and in the conference stores. Subscriptions to LTR/SLN held steady. One area of focus for revenue generation in FY18 is advertising/sponsorship, since FY17 ended at $4,500 rather than the $25,00 budgeted; we see strong potential in AL Live and started laying groundwork with the American Libraries team and their sales rep at Annual Conference for a more aggressive push. The shortfall in net revenue was largely due to unbudgeted expenses that resulted from incorrect budgeting during the separation of the unit from ALA Editions. Cutting expenses in several areas helped mitigate the problem, but the unit was still 10% over in total expenses. This has been corrected for FY18 and will not recur. Specific steps underway to increase FY18 registrations and revenue include a new ALA Essentials on-demand webinar cluster, an experiment in eConsulting, and seeking ways to sell multiples rather than majority individual offerings.

ALA Graphics

Internally focused challenges in operations hampered the two-person Graphics team in concentrating fully on product development and marketing to the extent needed for a turnaround in FY17. A survey sent to ALA Graphics customers from the last 4 years provided insight into the sales slump that led to the disappointing negative net revenue. While “Content” is the most important consideration for customers when purchasing promotional materials, “Price” is the second. Our customers are looking to Demco/Upstart and other competitors for more inexpensive materials. Nearly 71% responded that they are “spending about the same” on promotional materials as in the previous year which leads us to believe they are spending with others where their dollar goes further. 21% of respondents hadn’t purchased from ALA in more than a year, stating “the prices are too high” (32%) or “I no longer have a budget” (27%). When asked what would motivate a future Graphics purchase, the majority answered lower prices and sales/discounts, so we will consider ways to make that financially feasible in FY18

The move back to the PBD fulfilment company started to show a reduction in order processing/ fulfilment expenses which had been averaging more than 25% of gross sales at BrightKey.

ALA Digital Reference (RDA)

ALA Digital Reference revenues (mostly RDA Toolkit subscriptions) were approximately 10% short of budget, explained in part by the budget number having been based on an old pricing structure and a business plan projection set with limited reliance on actual RDA Toolkit sales performance. We are seeking a reliable correlation between subscriptions/users and revenue in order to address the drop from last year, as records indicate more subscribers/users in FY17 but lower revenue (despite price increases at the start of both calendar 2016 and 2017). We are working with the Finance team to try and solve this so we can be more accurate in budget projections.

Total expenses were less than budget as well as less than FY16 expenses, thanks to both a decrease in amortization payments due and to streamlining work processes. The total expenses in FY17 include a first-ever royalty payment to RDA Co-Publishers, CFLA and CILIP, which has come due because RDA turned its first profit in FY17. This is an important step compared with a net loss in previous years. Overall the unit and RDA are headed in a positive direction, and the planned launch of the revised RDA in late FY18 will be an important foundation for future growth and increased usage. FY18 outreach, engagement, and marketing will include a focus on regions with opportunities for RDA adoption, and the unit is collaborating with ALA Editions, ALA Publishing eLearning Solutions, and ALCTS on new RDA-related book and training opportunities.

American Libraries

Total revenues for American Libraries were 4% above budget, primarily due to an increase in classified advertising through JobLIST (a project shared with ACRL). We changed to a new job boar vendor, who has worked with us to bring in new advertisers and increase the volume of advertising. Advertising revenue overall is up, with a strong push towards the end of the fiscal year by the ad sales rep that closed a gap. These factors contributed to the strong year-end result.

The main savings in direct expenses were lower printing and paper costs than expected due to smaller print runs. Unexpected postage rate increases put us over budget on that line. We also saved on web operating costs as we eliminated a low-performing magazine web app and held off on conducting a planned reader survey. Growth plans for FY18 include more creative packaging of advertising and sponsorship opportunities, and more analysis by product for advertising potential. We will also complete the postponed reader survey in FY18.

Cost-recovery units: Production Services and Print Services

The ALA Publishing cost-recovery units both had a strong year. Print Services had some unexpected projects such as the high demand for printed materials as part of the ESSA initiative and greater use of color copying services, and recovered costs $74,000 above budget. This not only keeps more money within ALA, but also contributes to ALA Publishing's net revenue, offsetting some of the AED team expenses. The print services work is all completed by a single staff person.

One of the Production Services cost-recovery lines exceeded the annual budget by 44% due to a sustained increase in design and production project work completed for divisions and units acros ALA as well as within ALA Publishing. The unit’s work on Law Library Journal (for an external client, American Association of Law Libraries) brought in $37,496 to offset the unit’s expenses, less than in previous years, however, as a result of AALL reducing both its print run and per-issue page counts in early 2017 to save on production costs. The expense category for “web operating expenses” was more than budget due to the migration to a new server host for the OJS-based journal hosting site and development fees associated with the launch of ACRL’s three titles on OJS, a positive step to keeping ALA work inhouse. Overall, unit expenses exceeded chargebacks by only $3,375.

ALA Member Programs & Services

Departmental Summary
FY2017 showed mixed results within MPS.

• The 2017 ALA Annual Conference and ALA Midwinter slightly exceeded their combined net revenue target: $750,158 against a combined target of $730,037. Both fell short of gross revenue targets, making up the difference with expense savings. Since overhead contribution (with supports non-revenue functions of the ALA General Fund) is calculated on gross revenues, the combined overhead contribution was slightly under budget: $2,482,959 against a budgeted total of $2,537,753. The direct allocation of support from Conference Services to the Senior Associat Executive Director (MPS) was $145,000 against a budget of $125,000. In balance, it was a successful year, which, nevertheless, raises some long-term concerns. While it met its net revenue target, the Annual Conference in Chicago did not rise to the level of previous Chicago Annual Conferences.

• The 2017 ACRL Conference showed increased in registration, exhibit space rentals and advertising and donations, with expenses on budget. Despite the exceptional conference performance, ACRL did not see a "conference bump" in membership.

• 2017 was a "spend-down" year for both AASL and PLA, with conferences scheduled in FY2018 (Fall 2017 for AASL, spring 2018 for PLA).

• ALCTS successfully premiered the ALCTS Exchange online forum, which, along with strong webinar performance, resulted in better-than-budget revenues.

• LLAMA's webinar revenue was also better than budget and better than F Y2016.

• ALSC continued its pattern of slight membership growth, with significant growth in student membership due to the student gift pilot program, in which 100 student memberships were pai for by Friends of ALSC.

• LLAMA also had good performance on dues revenue, ending slightly ahead of budget and close to flat with FY2016.

• PLA dues revenues are ahead of budget, likely reflecting a decision to make some PLA webinars and publications free to members.

• United for Libraries ended behind on both individual and group membership, but FY2018 is on track to show membership growth. FY2017 was a transition year for UNITED, with an executive director change in the last quarter of the fiscal year.

• ALCTS' anniversary "60 for 60" fundraising campaign was successful.

• LITA's successful 50th Anniversary fundraising campaign support six scholarships to the 2017 LITA Forum and an additional Emerging Leader in the 2018 cohort.

• UNITED was ahead of budget on donations, primarily based on personal giving in honor of the retiring executive director.

• ALSC seals revenue - -both physical seals and digital licensing – was well ahead of budget.

• Classified ads in JobLIST (a joint ACRL-American Libraries project) were strong.

• While Choice (ACRL) did not meet its FY2017 revenue target, it did show a significant gain (more than $70,000) over FY2016. Revenues were broadly up on a year-to-year basis in four of five Choice business lines. Expenses were flat on a year-to-year basis.

• ASCLA's dues were close to budget, but other revenues lagged behind, due primarily to the cancellation of events due to low registration. FY 2017 was a transition year for ASCLA, with an executive director retirement in the 3rd quarter of the fiscal year and a new executive director starting after the beginning of FY 2018.

• Sales of products from the Every Child Ready to Read project, a long-running joint project of PLA and ALSC, have slowed. IMLS-funded research on the impact of the program will be released in Fall 2017 and used to reinvigorate the program and develop new products. Impact will not be felt until later than FY2018.

• RUSA was below budget in all major revenue areas. FY2017 was a transition year for RUSA, with the executive director retiring in the 3rd quarter of FY2017 and a new executive directc starting in the first quarter of FY2018.

• YALSA was below budget on most major revenue line, with expenses slightly below budget. There are some key receivables still outstanding.

• The AASL budget reflects the impact of significant investments in advocacy training (ESSA) and development of new Standards, which will be released at the 2017 AASL Conference earl in FY2018.

• General Fund offices (HRDR, ODLOS, OIF, SAED) ended either close to target or slightly better than budget. ITTS expenses were slightly less than budget.

For additional details, see the unit-by-unit reports following.

UNIT SUMMARIES (Member Programs & Services - MPS)

GENERAL FUND

Conference Services

Midwinter Meeting

The 2017 Midwinter Meeting (Atlanta) was budgeted to end with a slight negative ($51,680) following contribution of $780,061 in general overhead to the programs of the ALA General Fund. It ended ($81,037), after a $724,458 contribution in general overhead. The most significant revenue variance was in registration, at $887,062 against a budget of $1,065,275 (a -17% variance). Exhibit space rental ended at $1,258,393 against a budget of $1,344,500. There were some expense savings, with total expenses before overhead coming in at $2,825,195 against a budget of $3,040,205. Savings were in operating expenses, facilities rental, security and transportation. Both conference equipment rental and AV rental and labor came in slightly over budget.

Annual Conference

The 2017 ALA Annual Conference (Chicago) ended marginally above its net revenue target at $831,195 against a budget of $781,717, a 6% improvement over budget. Gross revenues were marginally (-1%) lower than budget, at $6,660,989 against a budget of $6,715,425. Registration lagged slightly behind budget at $2,694,748 against a budget of $2,833, 675 (-5%). Exhibit space sales were slightly better than budget, at $3,018,281 against a budget of $2,971,250 (a 2% improvement). Advertising was under budget - $386,161 against a budget of $470,000.
Total expenses before overhead 3% better than budget -- $3,926,244 against a budget of $4,051,016. Savings were primarily in publication related expenses, security, and travel/related. Both conference equipment rental and AV rental/labor came in slightly under budget. Overhead (based on gross revenue) was $1,758,501 against a budget of $1,757,692. The SAED allocation was $145,049 against a budget of $125,000.

ITTS

At the end of August 2017, ITTS expenses are 3% or $80,756 under budget.

Professional services are under budget because the Office 365 migration crossed two fiscal years. The monthly cost for Office 365 is a lot cheaper for non-profits.* Software maintenance is over higher due to licensing fees for required software applications. Depreciation expense is low due to deferring the new telephone system, remote access for staff to all applications, and the iMIS membership system upgrade. These projects were deferred due to needed budget cuts and available resources needed to implement them. ITTS resources are currently being used for the new ALA website responsive theme, the new eStore/eLearning ecommerce system, and the new ALA Connect system implementations.

*Note: As of the time of writing, ALA is addressing a change in policy that would increase costs.

Office for Accreditation (OA)

Year-end revenue is $3,590 more, due to application and report fees. Savings in other areas however, couldn't make up for the expense overrun for conference equipment: $9,224, transportation: $2,446, and lodging & meals: $5,356.

Office for Diversity, Literacy and Outreach (ODLOS)

ODLOS ended the year marginally over budget, with a net expense of ($432,470) against a budget of ($427,266), a -1% variances. Revenues exceeded budget -- $13,323 against a budget of $2,475, with increases in registration fees and donations/honoraria. Expenses were slightly over in salaries/related, meetings and conferences, publication-related and operating expenses. Expenses were below budget in travel/related. Total expenses were ($432,470) against a budget of ($427,266), a -4% variance.

Office for Human Resource Development and Recruitment (HRDR)

Total Revenues Budgeted/Actual/Remaining:	$ 40,500	$ 41,206	$(706)
Total Expenses Budgeted/Actual/Remaining:	$ 430,998	$369,003	$61,995
Net Revenue (Expense) Budgeted/Actual/Variance:	$(390,498)	$(327,798)	$(62,700)

The unit ended the year $62,700 ahead of what was budgeted. This was due to the following factors:

<u>Revenues</u>
Projected revenues were up by just over $700. This was due to a modestly improved showing on vendor booth rentals in the JobLIST Placement Center held at the 2017 Annual Conference in Chicago and misc. revenue in publications.

<u>Expenses</u>
With the exception of transportation costs, expenses were contained in all categories. Most notably in the areas of salaries, professional services and conference related expenses.

Office of the Senior Associate Executive Director (SAED)

Revenue from continuing education courses provided for candidates for ALA-APA certification programs was $28,000, against a budget of $36,000. Total expenses were before OH/Taxes were $424,098 against a budget of $462,206, with savings in salaries/related, travel/related, meetings and conferences, and operating expenses. The Allocation (from Conference Services) was ($145,049) against a budget of ($125,000), resulting in total expenses of $279,049 against a budget of $337,206, and a net expense of ($250,999) against a budget of ($301,206) – an improvement of $50,207. Note that the increased allocation has a negative impact on Conference Services.

Advocacy and Member Relations Department

Advocacy and Member Relations Department
August 2017 Report – Based on the 3rd close

The Advocacy and Member Relations Department is made up of the following units: The AED Office; Membership; Office for Library Advocacy; Chapter Relations Office; International Relations Office; Library and Archives; Office for Research and Evaluation; Public Awareness Office; and the Public Programs Office.

Total department revenue was under budget by about $192,000. The department revenues of $5.4 million were primarily made up of membership dues, but also included about $47,000 in the International Relations Office for the Sharjah International Book Fair librarian conference, $31,000 for membership affinity programs, and $20,000 for the sale of Library Transform products via the ALA Store. Membership dues were under budget by close to $243,000. This was due to shortfalls in the number of personal and organizational members.

At the close of FY2017, the total ALA membership roster stood at 56,286 members, down from 56,976 members last year, a decrease of 1.21%. We know from our continuing survey of dropped members that reasons for non-renewing include retirements, lack of support from employers, change in personal circumstances, and cost of membership. Based upon a review of dropped member records, it appears that new retirements are playing a bigger role in the decision not to renew. A positive note is the increase in student memberships, up 3.28%. A major driver of this success is the expansion in the number of chapters participating in the joint student membership program – there are now 45 chapters participating, up from 26 chapters three years ago.

Membership in three divisions (ALSC, LLAMA and United for Libraries) was either flat or up and 16 round tables had member increases (EMIERT, FAFLRT, GAMERT, GLBTRT, IFRT, LEARNRT, LHRT, LIRT, LRRT, LSSIRT, NMRT, RMRT, SRRT, STORT, SUSTRT, and, VRT).

Organizational members were down 1.46% overall. Within that category, Very Small and Small Libraries were down 10.42% and 10.06% respectively. There were smaller decreases in the other categories. Some of the Very Large Libraries have moved into the Large Library category as their budget were reduced. There was a small increase (1.86%) in the number of group memberships of trustees and friends organizations. United for Libraries initiated these group memberships and in FY2016, they became ALA members.

FY17 net revenues were better than budget across the department. In one office (AED Office) 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.

Membership promotion and recruitment plans for FY18 include joint ALA and division marketing, activities to increase student members, recruitment of organizational members and enhanced online membership management services. An infographic on the various membership categories is now on the website as well as a new page on how to become an ALA leader. The FY18 budget includes funding for a new position – Membership Community Engagement Specialist.

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 $31,697 over budget. These overages can be attributed primarily to unexpected conference costs. The below breakdown provides details of each budget closing.

Council Administration [11-101-0000]: At the close of FY17, $3,998 remains in the Council administrative budget of $44,445.

Executive Board Administration [11-102-0000]: The final results for FY17 reflects expenditures of approximately $29,879, $3,503 over the $31,740 budget. The overage can be attributed primarily to unbudgeted travel for board members to the swearing-in of the Librarian of Congress and the I Love My Librarian Award ceremony.

Spring Board Meeting [11-102-0115]: The Spring Executive Board meeting was held in Chicago on April 7-9, 2017. Total expenditures were $19,016, which is $2,984 under the total budget of $22,000.

Fall Board Meeting [11-102-0118]: Expenses for the Fall Executive Board meeting, held in Chicago on October 21-23, 2016, total $25,478. This is $3,248 over the total budget of $22,228 and is primarily attributed to transportation, meals, and lodging expenses.

President [11-102-0100] (Support): President Julie Todaro's presidential budget reflects and overage of $21,160 attributable to unexpected conference expenses.

0103 Budget (Initiatives): President Julie Todaro's spent $63,468 (85%) of her Presidential Initiatives budget of $75,000.

President-Elect: [11-102-0101] (Support) President-elect Jim Neal spent $36,680 (66%) of his president-elect administrative budget of $55,260.

[11-102-0113] (Advisory Committee): President-elect Jim Neal's advisory committee budget reflects and overage of $7,697, again attributed to travel expenses.

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 FY17, $2,132 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 fisca year. This budget was overspent by $384 as a result of travel expenses to IFLA in Poland

Planning & Evaluation [11-102-0104]: This budget closed with $9,802 remaining of the $11,000 budget.

ALA Leadership Institute [11-102-0124]: We did not receive any financial support for the 2017 Leadership Institute; however, with careful planning we were able to hold a successful program at just $500 over budget.

Executive Office [11-103-0000]: At the close of FY17, this budget was overspent by approximately $38,767. The majority of this is due to the fact that we did not incorporate the attrition factor into the budget.

Election Processing [11-103-9000]: Expenditures of $109,370 were well within the $113,850 budget for this project which includes processing the elections for all of ALA's divisions and round tables as well as the ALA president and council.

Washington Office Financial Summary

Washington Office Operations is shown as $10,002 under budget for the month of August and 8% over budget for year to date expenses. As projected in February, large unplanned expenses pushed the Washington Office over its planned budget at the end of the fiscal year. These expenses include the following:
(1) the cost of Office365 Migration project which was begun in FY16 and not completed until FY17 - $15,000;
(2) labor costs for the replacement of the outdated network firewall whose warranty ended in February - $2,800;
(3) the cost of the search and hiring process for a new Associate Executive Director for the Washington Office ($36,300) along with the cost of retirement recognition events ($7,095).
Because the retirement decision of the Washington Office's AED did not occur until FY2017 was well begun, there was no expectation that the Office could end the year within its prior approved budget. The Washington Office is over budget by $62,472 in operational expense and by $9,160 in attrition.

OGR is $2,634 over budget for the month of August and is 7% under budget for the year to date expenses, ending the year with $46,753 in savings. This savings is due mostly to staff changes during the year with savings in salary and benefits and in professional services.

OITP is shown as $26,367 under budget for the month of August and 1% under budget on year to date expenditures. A concerted effort was made by OITP to reduce its expenditures as requested this fiscal year.

IV Division

Statement of Revenues and Expenses

As Of August 31, 2017

TOTAL DIVISIONS	**Year-To-Date Actual**	**Year-To-Date Budget**	**Year-To-Date Variance**	**Prior Year Actual**	**Change FY17-FY16**	**FY15 12 Month Actual**	**Beginning Net Asset Balance**	**Ending Net Asset Balance[1]**	**Endowment Transfer**	**Net Asset Balance After Transfer**
Total Revenue	13,799,977	13,786,800	13,177	15,813,475	(2,013,498)	14,308,907				
Total Expenses	14,394,245	15,773,910	1,379,665	15,096,768	702,523	14,637,656				
Net Rev(Exp)	(594,268)	(1,987,110)	1,392,842	716,707	(1,310,975)	(328,749)	15,103,236	14,508,968	412,000	14,096,968

NET REVENUES

PLA	(403,705)	(814,693)	410,988	1,042,922	(1,446,627)	(640,560)	3,464,585	3,060,880	0	3,060,880
ACRL	542,200	(295,404)	837,604	(360,851)	903,051	677,409	4,389,385	4,931,585	250,000	4,681,585
CHOICE	(166,361)	(255,899)	89,538	(236,392)	70,031	(133,056)	2,648,059	2,481,698	0	2,481,698
AASL	(703,939)	(454,637)	(249,302)	58,956	(762,895)	(334,381)	757,638	53,699	0	53,699
ASCLA	(5,828)	(9,548)	3,720	22,087	(27,915)	15,532	136,447	130,619	0	130,619
ALCTS	83,842	(43,606)	127,448	(2,850)	86,692	(52,008)	219,866	303,708	0	303,708
LLAMA	9,877	(46,320)	56,197	(4,486)	14,363	4,144	195,479	205,356	0	205,356
RUSA	(92,579)	(86,308)	(6,271)	(82,523)	(10,056)	(65,437)	382,110	289,531	0	289,531
UFL	(16,741)	2,985	(19,726)	(18,084)	1,343	2,546	(193,175)	(209,916)	0	(209,916)
LITA	(8,180)	(9,446)	1,266	17,451	(25,631)	(67,240)	407,081	398,901	0	398,901
ALSC	285,121	(22,012)	307,133	316,953	(31,832)	162,986	2,461,926	2,747,047	162,000	2,585,047
YALSA	(117,974)	47,779	(165,753)	(36,474)	(81,500)	101,317	233,835	115,861	0	115,861
TOTAL	**(594,267)**	**(1,987,109)**	**1,392,842**	**716,707**	**(1,310,974)**	**(328,748)**	**15,103,236**	**14,508,969**	**412,000**	**14,096,969**

American Association of School Librarians

AASL increased advocacy efforts to support members and affiliates implementing the Every Student Succeeds Act (ESSA). The need was timely and went directly out to members and Affiliates in their states. The 2017 ALA Emerging Leaders team sponsored by AASL was charged with evaluating the effectiveness of these workshops. Findings in an executive summary report and infographic show school librarians felt more comfortable advocating for their programs after attending the workshop, but these advocacy added expenses beyond the original FY17 budget.

Revenues were below budget. Overhead expense was 62% less (actual $11,599 vs $30,778) after a disappointing non-conference year event. While feedback from those who attended was very positive, the low attendance resulted in revenues 60% below budget (actual $24,861 vs. $62,215) offset by only a 7% decrease in budgeted expenses. Other non-conference professional development, most of which is offered as a member benefit, was 44% below net revenue/expense.

[1] Operating Net Asset Balance **before** Endowment Transfer

Future revenue is anticipated from the AASL National School Library Standards for Learners, School Librarians, and School Libraries that will launch at the AASL 2017 National Conference in November, but the FY17 budget did not anticipate the impact of developing new standards the current flow of non-serial publications revenue (Actual $28,509 vs budget $129,58) although this also reduced anticipated expenses by 62%. Although below budget, revenue for non-serial publications held steady to last year and offset by decreased expenses of 19%.

Membership dues were 3% below budget (actual $272,156 vs budget $281,450) ended the fiscal year with 6,449 members, down 2.44% from the 6,610 members of the previous year during which an AASL National Conference was held.

In a non-conference "spend down" year focused on advocacy and an upcoming National Conference with new standards, the Total Net Revenue/Expense ($-595,358) reduced the AASL net assets to $162,280).

Association for Library Collections & Technical Services

Overall revenue was $614,710, ahead of budget by $80,985 (15%). Registration fees were again strong, coming in 31% over budget at $319,225. The majority of this increase came from webinars ($125,000 in registrations) and the inaugural ALCTS Exchange online forum ($48,700 in registrations). Webinar registrations were 56% ahead of budget. Web courses came out slightly behind budget by $1,800.

Advertising and book sale revenues lagged behind budget. Royalties were on target with multiple titles published by ALA Editions. Personal dues revenue lagged budget by 5%, continuing a trend which is starting to slow. Subscriptions to the e-only LRTS journal continue to decline a bit more slowly, and were 18% (about $5,000) behind budget. As a result of the "60 for 60" 60th Anniversary personal donation campaign and a $25,000 contribution by a private donor, donations exceeded budget by 55% at $77,596.

In general, expenses tracked below budgeted amounts. Direct expenses were below budget by $38,228 or 8%, about $10,000 higher than FY16. Total expenses without overhead were below budget by $53,058 or 10%, and about $12,500 above FY16. The investment in the ALCTS Exchange lead to higher than expected expenses in some areas. Overhead surpassed budget by about $6,500 due to increased registration revenue. All expenses were below budget by $46,463 or 8%

ALCTS will have a net revenue this year of $83,842, as compared to an expected net expense of $43,606. This is the first year since FY11 where ALCTS earned a net revenue. In addition to keeping expenses down, the financial success of FY17 lies with multiple one-time events: a popular webinar series on linked data, the ALCTS Exchange online forum, and the "60 for 60" 60th Anniversary personal giving campaign. ALCTS is planning a deficit budget for FY18, and we continue to look for ways to cut costs and increase revenues.

Association for Library Service to Children

ALSC has been fortunate to see another year of slight growth. The operating budget had planned for a net loss of -$22,012. The deficit was intentionally approved by the ALSC Board to support strategic initiatives. ALSC has ended the year with net revenue of $123,121, an increase of 5%.

Total revenues were ahead of budget by 16% or $218,433.

• Dues revenue performed ahead of budget by 2%. Membership increased 2% when comparing August 2017 (4,183) to August 2016 (4,096). The student membership category has seen significant growth (25% or 108 members) due to the student gift pilot program where 100 student memberships were covered by the Friends of ALSC.

• Physical seals and digital licensing sales performed 24% ahead of budget.

Total expenses performed under budget by 6% or $88,700.

• Two main areas where ALSC was well under budget were in salary and benefits (offset by grant funds) and professional services.

• The Service to Members project came in ahead of budget by $40,525 or 156% primarily due to expense savings. Again, dues revenue performed ahead of budget by 2%. Total expenses for this project came in under budget by $36,941 (27%). Professional services were under budget by $8,800, Travel related expenses were 36% under budget or $21,972. Conference related expenses such as honorarium and equipment came in under budget by 43% or $9,500.

• Seals net revenue performed ahead of budget by 25% or $146,183. Total expenses were over budget by 24% or ($79,644). Expense overages were in supplies/operating due to producing additional physical seals and additional overhead due to better than budget seals sales.

• The Banquet is showing $17,000 in net revenue. Registration revenue performed 37% or $32,790 ahead of budget. There were expense offsets from the Wilder Endowment. Meal expenses came in 15% or ($10,000) over budget and audio-visual expenses were over budget by 32% or ($5,000). It is possible that additional adjustments will still be made as invoices are paid.

• Online continuing education courses generated $7,619 in net revenue, but it was under budget by 54%. This is about $8,132 less than last fiscal year. Revenues were under budget by 48% ($16,000). Total expenses were under budget by $7,100 or 43%.

• 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. ALSC had anticipated a $10,000 loss for canceling the Institute. Alternative activities were implemented in FY 17 (2-day virtual event and a one-day mini Institute at Midwinter). These additional activities resulted in additional revenue bringing the net loss to only $3,702 over the two fiscal years.

• The ALSC Awards Preconference was offered in FY 17. It appears not all conference expenses have posted. As of third close, the project is showing a net revenue of $7,708 which was 109% or $4,000 ahead of budget. Total revenues were under budget by 19$ or ($2,875) due a slight under performance in revenue ($1,375) and budgeted monetary donations for break expenses were not secured. Expenses are currently under budget, but meal expenses from conference have not yet posted. I anticipate the project will have a slight net expense.

• Subscription for the journal Children and Libraries came in just ahead of budget at 2% or $142. Advertising revenue was just under budget by 5% or ($656). Expenses were under budget by 11% or $6,650. Actual net expense for the project was -$34,738 against a -$40,921 net expense budget.

• Net revenue for the ECRR toolkit was $12,609 which was 21% or ($3,378) under budget. Total revenues were under budget by 11% or ($3266). Total expenses were just over budget at 1$ or ($111).

Association of College & Research Libraries (including CHOICE)

Total revenues are $5,367,132 against a budget of $4,783,969 or 12% above budget. Expenses stand at $4,824,933 against a budget of $5,079,373 or 5% below budget. Net revenues of $542,200 are better than the -$295,404 budgeted by $867,603 or 284%.

ACRL's 2017 Conference is the primary cause for this positive performance with revenues 15% above budget (13% increase in registration, 12% increase in exhibit space rentals, 10% increase in advertising, and 41% increase in donations, with a huge thanks to our member fundraisers) with gross revenues exceeding budget by $420,977.

Recorded conference expenses came in almost exactly to budget, creating a net revenue of $724,873 in FY17 and subtracting out the expenses incurred in FY16, generating an overall net revenue of $515,406, making the conference a financial success.

As noted in previous reports, the membership "bump" ACRL used to enjoy in a conference year has long disappeared; in fact, membership has declined .92% and revenues are2% below budget with total dues of $638,573 against a budget of $651,486. Other ACRL professional development events had mixed results. The ACRL Rare Books & Manuscripts Conference was a rousing success. We had budgeted conservatively due to the extra difficulty of travel to Iowa City but we learned that the attractions of Iowa City outweighed the extra travel with registration exceeding budget by $36,000. In addition, the RBMS members outdid themselves in fundraising and exceeded their goal by $22,000.

Revenues from ACRL's webinars came in 3% below budget but because of savings in production costs, netted $55,037 or $24,837 more than budgeted. ACRL's Licensed Workshops are designed to offer learning locally. While revenues from these workshops exceeded budget by 123%, expenses were 234% more than budgeted, due primarily to the amount of staff time involved in finalizing arrangements. This was the first year the licensed workshop project budgeted in its own project and staff time was budgeted too conservatively. We will be reviewing how much of this was "start-up" costs and whether we will need to adjust pricing. Likewise, revenues from ACRL's consulting service made budget but incurred greater expenses as we needed to contract with more "adjunct" faculty to assist with the consulting. We will be reviewing this as we develop FY19 budget assumptions.

Our book publishing program came in behind our sales budget by $26,634, and behind our projected total revenues by $32,937. We identified the main reason for the lag—slow sales through outside sales channels, particularly at the beginning of the fiscal year—implemented new processes to fix it, and reforecast sales accordingly in February, to $283,819. We originally budgeted sales at $344,573, and closed the year at $317,939. Net revenues are currently 25% below budget but we expect this number to improve due to some inventory adjustment issues that we are still investigating with ALA Finance. ACRL's Trends and Statistics had a very successful year due to publishing two editions in one fiscal year. This is a one-time occurrence due to an accelerated production schedule allowing us to address member interest in having access to data in a more timely way. C&RL and C&RL News enjoyed stronger than budgeted advertising revenues, while RBM lagged slightly—with all three journals exceeding budgeted net revenues. Classified ad revenues deserve a particular call out, generating $433,651 in gross revenues with $62,151 or 17% more than budget.

Revenues from ACRL's webinars came in 3% below budget but because of savings in production costs, netted $55,037 or $24,837 more than budgeted. ACRL's Licensed Workshops are designed to offer learning locally. While revenues from these workshops exceeded budget by 123%, expenses were 234% more than budgeted, due primarily to the amount of staff time involved in finalizing arrangements. This was the first year the licensed workshop project budgeted in its own project and staff time was budgeted too conservatively. We will be reviewing how much of this was "start-up" costs and whether we will need to adjust pricing. Likewise, revenues from ACRL's consulting service made budget but incurred greater expenses as we needed to contract with more "adjunct" faculty to assist with the consulting. We will be reviewing this as we develop FY19 budget assumptions.

ACRL's expenses of $4,824,933 were 5% or $254,440 below budget. There were savings in salaries and benefits accounting for $165,796 of the savings. Other areas of savings included travel and publication related expenses. ACRL contributed $816,296 to ALA in overhead payments.

ACRL's Long Term Investments (LTI) showed a net gain since September of $610,439 standing at the close of FY17 at $4,178,320. The ending net asset balance for the ACRL LTI is $3,924,494 a $591,516 increase from the beginning net asset balance of $3,332,978. The Atkinson endowment ended $169,233, up $11,847 after award expenses were paid. The Oberly endowment, which we were advised to subsume into the ACRL LTI because it would not make a minimum of $50,000, is still reported separately as ALA awaits legal guidance, ended the year at $32,593. The Leab endowment increased in value to $52,011, thereby meeting ALA's required minimum balance of $50,000.

Choice Performance Comments
FY17 3rd Close

At 3rd close, Choice finished FY17 with revenues improved over prior year by over seventy thousand dollars but still $164,763 behind budget. Expenses beat budget by $254,300 while remaining flat to prior year, and as a result, at -$166,362, Choice ended the year with net revenue $89,537 better than budget and better than prior year by $70,030.

Revenues were up broadly year-over-year across four of the five business lines at Choice (advertising, webinars, licensing, and “other”), but a shortfall in the fifth, subscriptions, proved decisive. Choice and Choice Reviews on Cards were together down almost 5% to budget (and some 13% below prior year), but the driver of subscription revenue shortfall was Choice Reviews, the victim of overly ambitious budgeting. Choice Reviews finished the year $124,574 (15%) below budget but, in an encouraging sign, almost $45,000 ahead of FY16. For its part, Resources for College Libraries (RCL) came in $21,421 below budget and virtually flat to prior year. Overall, then, subscription revenue, which comprises some 48% of unit revenue, was down $174,542 (11%) to budget, a continuing indication of a decline in the collection-development function in academic libraries.

Advertising fared reasonably well in FY17, with net revenues of $612,877, $33,949 (5%) below budget but almost fifty thousand dollars ahead of FY16. Choice magazine ads were virtually flat to prior year, while digital ads and newsletters beat FY16 by almost eleven thousand dollars. Easily the most positive news in FY17 was the continued success of the Choice/ACRL webinar program, which recorded gross sales of $203,500, 60% of which go to Choice. For the year, we hosted thirty webinars garnering 22,654 registrants (average 755 per session) and 8,460 attendees (average 307), representing gains of 32% in registrants and 38% in attendees over FY16.

Royalty income contributed $646,542 to the unit, flat to budget and up $25,171 over last year. The loss of the license to RCL content by ProQuest’s Intota library management system was offset by an expanded license to Choice content by OCLC and by better-than-expected results from EBSCO’s GOBI platform and from ProQuest’s Summon and Syndetics properties.

On the spending side, the migration to a new fulfillment system, the purchase of new, more cost-effective postal equipment, reduced printing costs, in-house production of our webinars, and lower outside copyediting costs helped to reduce publication-related spending by almost $114K to budget and some $167K better than prior year. This, along with significant payroll savings (reduction in headcount, unfilled position), combined to reduce direct spending by $266,984 to budget and drove the overall savings of $254,300 in total expenses.

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, including the newly released CC Advisor (our collaboration with The Charleston Company) and our review service for open educational resources, slated for launch in FY19.

Association of Specialized & Cooperative Library Agencies

ASCLA has been in a year of transition, with the vacancy at Executive Director only recently filled. The staff has done a good job at holding expenses down, but revenue activities have also slowed during the transition.

Because of not holding some meetings and conferences, many of the expenses related to those events were avoided. Therefore, while revenues were short of budget by ($46,346), expenses were also short of budget by ($50,066) and we ended the year with a deficit $3,720 smaller than originally budgeted. With careful stewardship and renewed momentum under the new Executive Director, the financial position of ASCLA is expected to remain stable in the coming year.

Library and Information Technology Association

Summary: Overall revenue came in lower than expected due to declines in membership dues and registration for webinars, but outside of Forum catering costs, most expense lines did not see large variances.

- Dues

Revenue from membership dues continue to decrease, down an additional 5% from projections to $139,600 (a variance of -$7158 from projections). Membership numbers fell from 2,595 to 2,467 during the fiscal year.

- 50th Anniversary Fundraising

As part of our 50th anniversary celebration, we raised $11,105 for six scholarships to attend the 2017 Forum and an additional Emerging Leader in the 2018 cohort.

- Classified ads

Our job ads service continues to generate substantial revenue at $20,323, which is up 20% from projections but is on par with last year's final revenue figure for this line.

- Registration Fees

Overall, revenue from registration fees was net positive by $3,177 (2%). Registration revenue for Forum exceeded projections by $11,359 (12%). Revenue from web courses exceeded projections by $1,438 (6%), while revenue from webinars underperformed by $7,065 (-34%).

- Royalties

This is the first year we've received book royalties from Rowman & Littlefield, with this payment covering calendar year 2016. Although sales for our 2016 titles were good, we need to revise projections for this revenue line down to match industry trends. ITAL royalties exceeded expectations by $900.

EXPENSE HIGHLIGHTS

- Forum Catering

The expense that saw the largest negative variance was catering for the 2016 Forum (-$12,822, -31%). This was due to a special anniversary cake at the Friday evening reception and higher catering costs caused by an increase in attendance. Our Financial Advisory Committee will be submitting a revised Forum registration fee schedule to make sure catering costs are fully covered regardless of whether attendance is up or down in any given year.

- Information Technology and Libraries (ITAL) journal

This year we saved $1,500 by combining the two editor positions into one.

Library Leadership and Management Association
Summary

TOTAL REVENUE (line 22) is 110% of budget at $261,918, and over $21k better than FY16. Personal/org dues (line 3) are 5% better than budget at $168,743 and less than $3k behind FY16. Revenue from webinars (line 12) was nearly 12% over budget at $53,704 and over $11k better than FY16. Preconference rev. (line 16) was 24% over budget and nearly $8k better than FY16. Rev. from the fundraiser (line 20) was over $5k. DIRECT EXPENSE (line 65) is 87% of budget at $237,760. Most of the variance is in the Product Development budget, which hasn't yet been utilized, though some expense might be in the final close. Expense was also offset by transferring budgeted endowment interest of $9,691 (line 63). Admin expense is 98% of budget and in line with FY16. The fundraiser exp. (line 43) was approx. $3,800. Webinar exp. was $10k and 9% over budget, due to the increased production. Other education programs (lines 52-56) were in line with budget. ALA OVERHEAD is 11% over budget, reflecting the additional webinar and preconference rev. NET REVENUE (line 71) is ($9,997) or $56k better than budget and $15k better than FY16.

Public Library Association
Operating Budget-- Revenues

Operating Budget Expenses and Overhead

Expenses (including overhead) are 31% under budget (actual $1,330,817 vs. budget $1,934,963). The most significant expense salaries/benefits, which accounts for almost half of expenses, are at budget. The major variance is Consulting/Professional Services, which is under budget by $274,618 or 48%. This reflects a delay on PLA strategic planning (expenses to be charged to FY18) as well as not hiring contractors/consultants for publications and trainings that were not held. Overhead is underbudget at actual $28,596 vs. budget of $73,524.

Net Operating

Despite less than favorable revenues, expense savings will mean that PLA's budgeted net for FY17 (a "spend-down" year) have come in at -$401,705 vs. a budget of -$758,681.

Grants

PLA manages private and government grants. On the government grant side in FY17, PLA managed $610,951 in grants. These include 3 IMLS grants (leadership, early literacy research, and innovative internship). For private grants, the Gates Foundation is the primary funder through grants that include the legacy, Project Outcome and data impact, and AfLIA. In FY17 that represented $2.4M.

Overhead for Operating and Grant Budgets
Grant Overhead

Budgeted overhead for FY17 including private and government grants for FY17 is $286,726. The majority of the overhead is generated from private grants as the majority of the IMLS grants earned little overhead due to the "pass through" nature of the intern and early literacy grants. The overhead on Gates grants is 12%, which is their upper limit on overhead. For future grants, PLA is working to meet negotiated federal agency overhead rate.

Long-Term Investment

The PLA LTI was at $1,232,423 at the 3rd close (compared to $1,216,345 at the same time last year).

Reference & User Services Association
RUSA has been in a year of transition, with the vacancy at Executive Director only recently filled.

Total revenues are significantly behind budget. Membership dues are short of budget by 6% or $9,556. Sales/Miscellaneous revenue (what goes into this line?) is short of budget by 39% or $44,360. Meetings and Conferences revenue is short of budget by 78% or $25,990 and Donations/Honoraria is short of budget by 23% or $15,415.

Staff was able to hold down expenses in some areas related to Meetings and Conferences, notably in Speaker Honoraria and AV Equipment Rental, saving the association $21,525. RUSA intentionally approved a deficit budget of $-86,308 but ended the year with a deficit of -$92,579. Reserves will cover this deficit, but careful stewardship and renewed momentum under the new Executive Director will be required in the coming fiscal year.

United for Libraries

Total revenue was $368,393 (actual) vs. $403,380 (budget). Group membership revenue was below budget due to Kansas not renewing its statewide group membership. Revenues were also less than projected in personal membership, ticketed event sales for MW and Annual, and the sale of Books for Babies kits, with smaller variances also in webinars and royalties. Michigan, Nebraska, and Texas all renewed their statewide group memberships, and both South Dakota and Maryland launched statewide group memberships October 1, which will result in revenue growth for FY18. Group membership revenue is shared by United and ALA. United's revenue share (shown as subscriptions) represents 53% of the total revenue from group memberships; the remaining 47% is reflected in ALA's membership revenue. Donations (line 4400) were higher than budgeted due to new corporate sponsors and higher than budgeted personal giving donations made in honor of Sally Reed.

Total expenses were $385,973 (actual) vs. $415,459 (budget). Overall, expenses were less than projected in meal functions (due to lower revenue from ticketed events), salaries & wages (due to retirement on July 31 of Sally Reed), travel (due to fewer speaking engagements and less staff travel), and purchase of materials for Books for Babies kits (due to a large donation of books by Penguin Random House and lower kit sales). Expenses were higher than budgeted in professional services due to new a new application fee ($416) and listing fee ($2,686) for the Combined Federal Campaign, and the shared cost of the development and launch of Book Club Central, a new project in FY17 with PAO and Booklist. United worked with ALA Reprographics for print and copy services in FY17, which resulted in lower expenses in line 5500 balanced in part by higher expenses in line 5910. Organizational support (donations received from the Combined Federal Campaign) was lower than budget by $10,000. Entertainment expenses were higher due to a retirement party for United's departing Executive Director.

Overhead was lower than projected ($9,578 actual vs. $12,936 budget) due to decreased sales of Books for Babies kits and a slightly lower revenue from webinar sales. Total revenue/(expense) for FY17 was $842, slightly lower than the budgeted $2,985.

Young Adult Library Services Association

OPERATING BUDGET	Actual	Budgeted	Variance	
Total Revenue	540,170	782,925	-242,755	
Total Direct Expenses	653,887	700,229	46,341	(what's left over after you substract cost from revenue)
Contribution Margin	-78,456	100,583	-179,039	(what we contribute to ALA in return for services)
Overhead	39,398	52,804	13,286	
Tax	120	120	0	
Net Revenue	-117,974	47,779	-165,753	
Ending Net Asset Balance			115,862	

In accordance with not-for-profit best practices, YALSA's fund balance needs to remain at or slightly above $298,468 (6 months' expenses), or above $198,978 (4 months' expenses) at a minimum.

Revenues

Revenue	Stream Performance	Commentary
Dues	12% behind budget	membership is 4,765 as of Aug., down 4.2% from Aug. 2016
Events	• Symposium was 10% behind budget • Morris/NF Reception was 22% behind budget • ALA Annual events were 24% below budget	YALSA contributed $24,814 to ALA through overhead on symposium registration
Sales	• Books are 53% behind budget • YALS subscriptions 14% behind budget • Bulk seals are 58% behind budget	Award seals are behind budget because the winner of the Nonfiction and Printz awards chose not to purchase the seal
CE	• Webinars better than budget • eCourses are 55% below budget • Institutes are slightly behind budget	Member survey results indicated that they wanted more short-term learning opportunities, so we did not run a summer eCourse
Ads	• YALS ads are 12% behind of budget • eNews ads are 16% below budget	
Donations	• FOY donations are 23% behind budget	collected $7,229 thru Aug. (to meet our $14,095 goal, an avg of $1,175 per month is needed)

Expenses:

Expense	Performance	Commentary
YALS eNews & JRLYA	• YALS is 12% above budget • E-publications are 16% better than budget	Postage, mail service & printing are all higher than budgeted for YALS
Board & Committees	at budget	
Wages	20% better than budget	the CE position changed from a salaried position to a contract one, which is does not appear in the wages portion of the budget
Events	Not sure	waiting on the bills for the Coffee Klatch and MAE Lunch
Book publishing	4% under budget	
Recruitment	10% over budget	Grant funds could only be partially leveraged for exhibiting and promotion, as expenses for updating the app and database were higher than anticipated

Key outstanding expenses: food and beverage costs for the Coffee Klatch ($1,200) and Margaret Edwards Lunch ($5,000)

Key receivables: Google sponsorship ($30,000 to YALSA for grant management), seals payment from Macmillan ($1,400), licensing fee from Perma-Bound for award seals ($900)

V Round Table

Statement of Revenues and Expenses

As Of August 31, 2017

TOTAL ROUNDTABLES	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Prior Year Actual	Change FY17-FY16	Beginning Net Asset Balance	Ending Net Asset Balance[1]	Endowment Transfer	Net Asset Balance After Transfer
Total Revenue	467,455	439,913	27,542	434,927	32,528				
Total Expenses	266,981	415,911	148,930	229,911	37,070				
Net Rev(Exp)	200,474	24,002	176,472	205,016	(4,542)	1,765,875	1,966,349	50,000	1,916,349
NET REVENUES									
LHRT	3,521	0	3,521	535	2,986	58,703	62,224	0	62,224
ERT	(3,476)	1,281	(4,757)	(599)	(2,877)	21,441	17,965	0	17,965
FAFLRT	1,358	0	1,358	2,067	(709)	14,669	16,027	0	16,027
GODORT	622	1,423	(801)	9,163	(8,541)	137,594	138,216	0	138,216
IFRT	7,672	47	7,625	3,503	4,169	84,193	91,865	0	91,865
IRRT	9,758	3,500	6,258	10,619	(861)	37,030	46,788	0	46,788
NMRT	8,107	4,377	3,730	11,371	(3,264)	108,334	116,441	0	116,441
LRRT	7,631	137	7,494	7,315	316	75,296	82,927	0	82,927
MAGIRT	411	0	411	7,447	(7,036)	53,025	53,436	0	53,436
SRRT	4,137	5	4,132	1,885	2,252	69,158	73,295	0	73,295
SORT	2,460	980	1,480	436	2,024	23,174	25,634	0	25,634
LIRT	12,925	(8,985)	21,910	14,699	(1,774)	156,095	169,020	0	169,020
EMIERT	97,526	8,615	88,911	135,289	(37,763)	698,372	795,898	50,000	745,898
LearnRT	6,901	3,635	3,266	800	6,101	104,253	111,154	0	111,154
RMRT	3,886	3,000	886	3,070	816	14,516	18,402	0	18,402
GameRT	1,485	0	1,485	346	1,139	9,691	11,176	0	11,176
VRT	2,746	30	2,715	2,609	137	24,643	27,389	0	27,389
LSSIRT	2,941	136	2,804	2,016	925	40,842	43,783	0	43,783
GLBTRT	28,955	5,070	23,885	(9,441)	38,396	30,979	59,934	0	59,934
SRT	909	750	159	1,888	(979)	3,867	4,776	0	4,776
TOTAL	**200,474**	**24,002**	**176,472**	**205,016**	**(4,542)**	**1,765,875**	**1,966,349**	**50,000**	**1,916,349**

[1] Operating Net Asset Balance Before Endowment Transfer