



ANNUAL MEMBERSHIP MEETING

Thursday, May 30, 2019

Jacob K. Javits Convention Center

New York, New York

AGENDA

1. Call to Order
2. Report of the President
Robert Sindelar, Third Place Books, Lake Forest Park, Ravenna, and Seattle WA
3. Report of the Vice President/Secretary (including membership report)
Jamie Fiocco, Flyleaf Books, Chapel Hill, NC
4. Report of the Chief Executive Officer (including financial report)
Oren J. Teicher
5. Old Business and General Orders
6. New Business
7. Adjourn

ABA Board of Directors
June 2018 to June 2019

Robert Sindelar, ABA President*

Third Place Books, Lake Forest Park, Ravenna, and Seattle, WA
rsindelar@thirdplacebooks.com

Jamie Fiocco, ABA Vice President / Secretary

Flyleaf Books, Chapel Hill, NC
jamie@flyleafbooks.com

Kenny Brechner

Devaney, Doak and Garrett Booksellers, Farmington, ME
kenny@ddgbooks.com

Kelly Estep

Carmichael's Bookstore, Louisville, KY
kelly@carmichaelsbookstore.com

Bradley Graham

Politics and Prose Bookstore, Washington, DC
bgraham@politics-prose.com

Kris Kleindienst

Left Bank Books, St. Louis, MO
kris@left-bank.com

Chris Morrow

Northshire Bookstore, Manchester Center, VT, and Saratoga Springs, NY
cmorrow@northshire.com

Pete Mulvihill

Green Apple Books, San Francisco, CA
pete@greenapplebooks.com

Christine Onorati

WORD, Brooklyn, NY, and Jersey City, NJ
christine@wordbookstores.com

Annie Philbrick*

Bank Square Books, Mystic, CT, and Savoy Bookshop & Café, Westerly, RI
Chapin802@gmail.com

Angela Maria Spring

Duende District Books, Washington, DC, and Albuquerque, NM
angela@duendedistrict.com

* Term ends June 1, 2019

ABA Board of Directors 2018-2019 Election Results

Officers (2-year term, 2019–2021)

President: Jamie Fiocco, Flyleaf Books, Chapel Hill, NC

Vice president/secretary: Bradley Graham, Politics and Prose Bookstore, Washington, DC

Directors (3-year term, 2019–2022; Directors may serve two terms)

First term

Jenny Cohen, Waucoma Bookstore, Hood River, OR

Bradley Graham, Politics and Prose Bookstore, Washington, DC (Mr. Graham has previously served the unexpired period of what would have been ABA President Robert Sindelar’s term as a Board director.)

Second term

Kris Kleindienst, Left Bank Books in St. Louis, MO

Chris Morrow, Northshire Bookstore, Manchester Center, VT, and Saratoga Springs, NY

Special appointment to the Board to serve the remainder of Jamie Fiocco’s term as Director (2019 – 2020):

Tegan Tigani, Queen Anne Book Company, Seattle, WA

2018-2019 Nominating Committee

Chair:

ABA Board member **Annie Philbrick**, Bank Square Books, Mystic, CT, and Savoy Bookshop & Café, Westerly, RI

Members:

Board member **Christine Onorati** of WORD Bookstores in Brooklyn, NY, and Jersey City, NJ

Nicole Sullivan of BookBar in Denver, CO

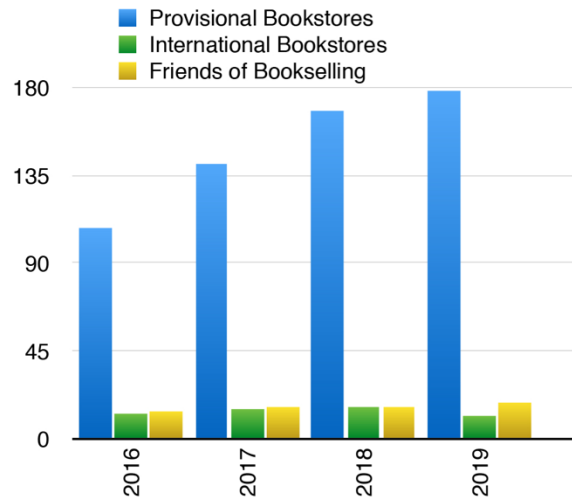
Elisa Thomas of Cellar Door Books in Riverside, CA

Christie Olson Day of Gallery Bookshop and Bookwinkle’s Children’s Books in Mendocino, CA

ABA Regular Member Companies & Locations



Other ABA Member Categories

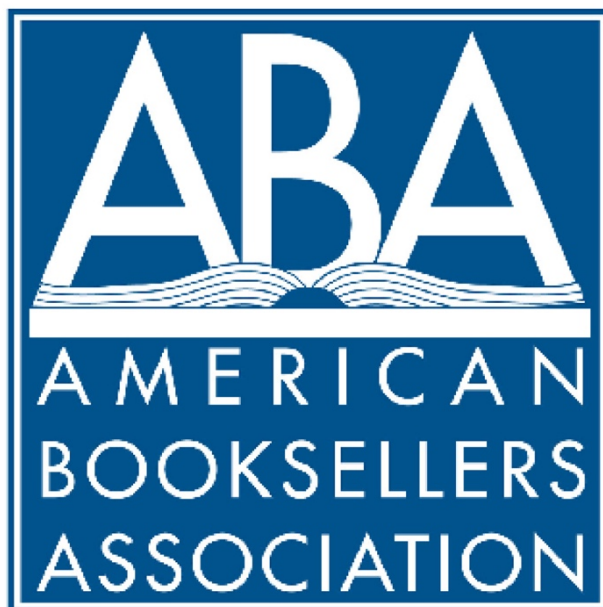


	Provisional Bookstores	International Bookstores	Friends of Bookselling
2016	108	13	14
2017	141	15	16
2018	168	16	16
2019	178	12	19

Membership

	MAY 15, 2019	MAY 15, 2018	MAY 15, 2017	MAY 1, 2016
BOOKSTORE COMPANIES	1887	1835	1757	1775
BOOKSTORE LOCATIONS	2524	2470	2321	2311
PROVISIONAL BOOKSTORES	178	168	141	108
INTERNATIONAL BOOKSTORES	12	16	15	13
FRIENDS OF BOOKSELLING	19	16	16	14

**AMERICAN BOOKSELLERS ASSOCIATION, INC.
AND SUBSIDIARIES**



**CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

ONLY SELECTED PAGES INCLUDED HEREIN

**AMERICAN BOOKSELLERS ASSOCIATION, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
American Booksellers Association, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of American Booksellers Association, Inc. and Subsidiaries (the "Association"), which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Libris Indemnity Company ("LIBRIS"), a wholly owned subsidiary, which statements reflect total assets constituting approximately 1% as of both September 30, 2018 and 2017, and operating revenue constituting approximately 5% and 11%, respectively, for the years then ended of the related consolidated totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for LIBRIS is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Booksellers Association, Inc. and Subsidiaries as of September 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of the Association as a whole. The supplementary information shown on pages 12-20 is presented for the purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information which insofar as it relates to LIBRIS is based on the report of other auditors and is fairly stated in all material respects when considered in relation to the consolidated financial statements as a whole.



New York, NY
March 7, 2019

AMERICAN BOOKSELLERS ASSOCIATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents (Notes 2D and 10)	\$ 246,394	\$ 334,015
Investments, at fair value (Notes 2F, 3, 4, 9 and 10)	26,243,201	25,305,933
Accounts receivable, net (Note 2H)	519,520	590,696
Restricted funds (Note 2E)	287,824	346,929
Prepaid expenses and other assets, net (Notes 7 and 8)	440,506	508,319
TOTAL ASSETS	\$ 27,737,445	\$ 27,085,892
LIABILITIES		
Accounts payable and accrued expenses (Note 9A)	\$ 1,235,991	\$ 1,298,308
Deferred revenue and other liabilities (Notes 2E and 2J)	403,731	517,639
Line of credit (Note 9D)	143,946	239,042
Outstanding losses - insurance program (Note 2I)	124,715	290,778
TOTAL LIABILITIES	1,908,383	2,345,767
COMMITMENTS AND CONTINGENCIES (Note 9)		
NET ASSETS (Note 2B)		
Unrestricted	25,829,062	24,740,125
TOTAL NET ASSETS	25,829,062	24,740,125
TOTAL LIABILITIES AND NET ASSETS	\$ 27,737,445	\$ 27,085,892

The accompanying notes are an integral part of these consolidated financial statements.

AMERICAN BOOKSELLERS ASSOCIATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
OPERATING ACTIVITIES (Note 2C):		
Revenue (Note 2J):		
Membership dues	\$ 834,519	\$ 797,781
Content and information	1,211,909	1,029,158
Co-op advertising / IndieBound marketing revenue	1,682,928	1,563,451
Products and services	251,482	225,738
Insurance premiums earned (Note 2E)	305,545	410,860
Convention revenue (Note 6)	548,880	623,228
Interest and dividends, net (Note 3)	495,739	473,551
E-Commerce	872,111	836,444
Children's Booksellers program	114,469	134,949
Free expression	79,337	90,502
Other revenue	140,211	139,932
Total operating revenue	6,537,130	6,325,594
Expenses:		
Program activities:		
Membership services	673,791	638,795
Content and information	1,156,773	1,316,781
Products and services	64,688	79,818
Convention and meetings	308,325	270,265
Insurance program	112,784	319,888
Co-op advertising / IndieBound marketing (Note 2K)	1,597,684	1,435,055
Children's booksellers program	454,093	327,236
Free expression	104,367	170,468
E-Commerce	711,557	718,593
Total program activities	5,184,062	5,276,899
Supporting activities:		
General and administrative	1,751,338	1,708,511
Total operating expenses	6,935,400	6,985,410
Deficit of operating revenues over operating expenses	(398,270)	(659,816)
NON-OPERATING ACTIVITIES (Note 2C):		
Realized gain on investments (Note 3)	89,653	135,903
Unrealized gain (loss) on investments (Notes 3 and 4)	1,397,554	1,537,332
Total non-operating activities	1,487,207	1,673,235
CHANGE IN UNRESTRICTED NET ASSETS	1,088,937	1,013,419
Net assets - beginning of year	24,740,125	23,726,706
NET ASSETS - END OF YEAR	\$ 25,829,062	\$ 24,740,125

The accompanying notes are an integral part of these consolidated financial statements.

ONLY SELECTED PAGES INCLUDED HEREIN

AMERICAN BOOKSELLERS ASSOCIATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,088,937	\$ 1,013,419
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation expense	-	36,750
Bad debt	58,319	10,037
Net realized appreciation of investments	(89,653)	(135,903)
Net unrealized appreciation of investments	(1,397,554)	(1,537,332)
Subtotal	(339,951)	(613,029)
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Accounts receivable	12,857	(23,898)
Restricted cash	59,105	35,075
Prepaid expenses and other assets	67,813	(90,399)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(62,317)	(13,950)
Deferred revenue	(113,908)	80,423
Outstanding losses - insurance program	(166,063)	(251,350)
Net Cash Used in Operating Activities	(542,464)	(877,128)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,500,578	2,980,251
Purchases of investments	(950,639)	(2,230,079)
Net Cash Provided by Investing Activities	549,939	750,172
CASH FLOWS FROM FINANCING ACTIVITIES:		
Withdrawal from line of credit	349,813	660,846
Repayment of line of credit	(444,909)	(613,806)
Net Cash (Used in) Provided by Financing Activities	(95,096)	47,040
NET DECREASE IN CASH AND CASH EQUIVALENTS	(87,621)	(79,916)
Cash and cash equivalents - beginning of year	334,015	413,931
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 246,394	\$ 334,015
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 8,451	\$ 5,170

The accompanying notes are an integral part of these consolidated financial statements.

ONLY SELECTED PAGES INCLUDED HEREIN

ABA and BSI Consolidated Statement of Activities Versus Budget, Excluding LIBRIS
Fiscal Year 2019, through March 31, 2019

(Statement of Activities is the flow of incoming revenue and outgoing expenses over a period of time)

	Fiscal 2019 Projection through 3/2019	Fiscal 2019 Budget	Budget Variance through 3/2019
INCOME			
Publisher Marketing Support	1,814,270	1,788,300	25,970
Content (Education, BTW, Wi, Advocacy)	1,107,558	1,037,693	69,865
IndieCommerce	967,659	941,400	26,259
Membership Dues	796,052	774,600	21,452
BookExpo & Meetings	430,000	430,000	0
Free Expression	108,752	103,700	5,052
Children's Programs	460,871	462,000	(1,129)
Investment Income (Net of Expenses)	710,570	1,081,000	(370,430)
Affinity Programs	248,930	226,100	22,830
Miscellaneous	1,689	0	1,689
Total Income	6,646,351	6,844,793	(198,442)
PROGRAM EXPENSE			
Publisher Marketing Support	1,370,534	1,401,674	31,140
Content (Education, BTW, Wi, Advocacy)	1,300,906	1,332,062	31,156
IndieCommerce	758,849	757,657	(1,192)
Membership & Marketing	539,846	524,354	(15,492)
BookExpo & Meetings	327,045	326,500	(545)
Free Expression	119,907	182,270	62,363
Children's Programs	431,262	407,552	(23,711)
Affinity Program Costs	20,081	22,000	1,919
Technology	287,306	277,831	(9,474)
Book Buyers Handbook	63,319	63,867	548
Total Program Expenses	5,219,054	5,295,767	76,713
Income Less Program Expenses	1,427,297	1,549,026	(121,729)
Governance Costs (Board & Committees)	286,603	262,003	(24,600)
General Administration	1,604,593	1,693,380	88,786
Total Governance & Admin. Costs	1,891,196	1,955,382	64,186
OPERATING RESULT (Before Taxes)	(463,899)	(406,356)	(57,543)
Taxes	19,000	19,000	0
Operating Result After Taxes	(482,899)	(425,356)	(57,543)
Unrealized Investment Gain/(Loss)	(126,222)	0	(126,222)
Net Results After Unrealized Gain/(Loss)	(609,121)	(425,356)	(183,765)

Note: The sign convention in the variance column shows a positive number for a projected improvement to budget and a negative number for a projected detriment to budget

Source: Management Reports

ABA Consolidated Balance Sheets, Excluding LIBRIS

As of March 31

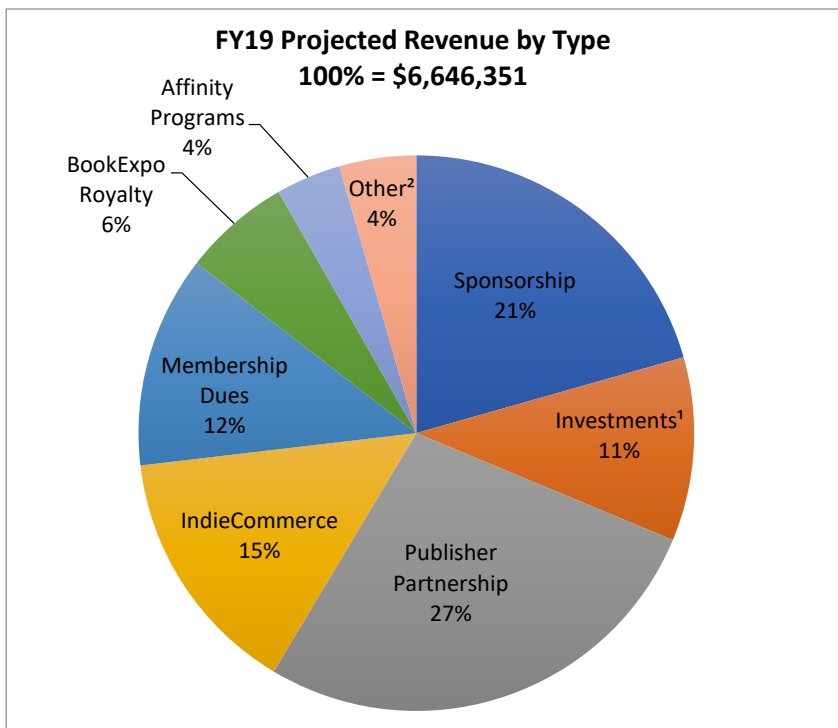
(Balance Sheet reflects the state of a business at a moment in time)

	<u>As of</u> <u>3/31/2019</u>	<u>As of</u> <u>3/31/2018</u>
ASSETS		
Cash and Investments		
Cash	441,681	372,842
Investments	<u>26,144,977</u>	<u>25,601,745</u>
Subtotal Cash and Investments	26,586,658	25,974,587
Receivables (including accrued receivables)	445,546	340,896
Inventory	9,107	8,782
Prepaid Expenses	53,922	74,162
Fixed Assets (net of depreciation)	0	0
Other Assets	<u>188,568</u>	<u>151,920</u>
Total Assets	<u>27,283,800</u>	<u>26,550,348</u>
LIABILITIES		
Accounts Payable	165,864	278,155
Credit Line Used	204,418	123,647
Accrued Expenses	297,550	262,107
Deposits & Others	455,604	558,618
Deferred Dues & Other Revenue	<u>372,034</u>	<u>306,276</u>
Total Liabilities	<u>1,495,470</u>	<u>1,528,803</u>
FUND BALANCE		
Accumulated Balance	25,662,987	24,851,145
Current Year Earnings	<u>125,343</u>	<u>170,400</u>
Total Fund Balance	<u>25,788,330</u>	<u>25,021,545</u>
Total Liabilities and Fund Balance	<u>27,283,800</u>	<u>26,550,348</u>

Source: Management Reports

ABA Revenue By Type
Includes ABA & BSI, excludes LIBRIS
Fiscal Year 2019

Source	FY 2019 Projected Revenue	FY 2019 Budgeted Revenue	Difference	% Δ
Sponsorship	1,368,755	1,323,400	45,355	3%
Investments ¹	710,570	1,081,000	(370,430)	-34%
Publisher Partnership	1,814,270	1,788,300	25,970	1%
IndieCommerce	967,659	941,400	26,259	3%
Membership Dues	821,104	794,600	26,504	3%
BookExpo Royalty	415,000	415,000	-	0%
Affinity Programs	251,930	229,100	22,830	10%
Other ²	297,063	271,993	25,070	9%
Total	6,646,351	6,844,793	(198,442)	-3%



(1) Investment income includes realized gains/losses and dividends/interest, and is shown net of management fees. Excludes unrealized gains/losses

(2) Other revenue includes: registration fees, advertising revenue, donations, auction income, consultation station fees, non-event registration, PAZ income, and revenue from EB White seals

**ABA Projected Operating Result
Including ABA/BSI, excluding LIBRIS
FY19**

