Fall Executive Committee Meeting  
November 8 – 9, 2015, Portland, OR

**Topic:** FY15 Final Figures & Implications for FY16

**Background:** The 2015 fiscal year ended August 31st. The Executive Committee will want to review the final reports and discuss strategies for having future fiscal discussions with the full board as part of an overall effort to have the resources YALSA needs to continue to provide services and support to members. Linda Braun and Beth Yoke have provided the following information for the Committee’s consideration.

**Action Required:** Discussion

At their 2015 meeting in San Francisco, the board met in small groups to talk about fiscal issues and explore the kinds of resources and information they needed as board members in order to be better equipped to make financial decisions. Five key needs arose from that discussion:

- Board members prefer big picture information more than granular information (e.g. what’s the ultimate impact vs. the numbers.)
- Summaries highlighting points and trends are needed
- Learning more about how staff capacity translates into money earned or lost
- Building knowledge around how big ALA fits in with fiscal decisions/capacity
- The need for new board proposals to include information about expected costs and revenues

What next steps should the Executive Committee take in order to help keep the Board informed and actively aware of YALSA fiscal topics, concerns, etc.?

**YALSA FINANCIAL OUTLOOK (excluding endowments)**  
August 2015 – third close

<table>
<thead>
<tr>
<th>OPERATING BUDGET</th>
<th>Actual</th>
<th>Budgeted</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>952,217</td>
<td>722,206</td>
<td>230,010</td>
</tr>
<tr>
<td>Total Direct Expenses</td>
<td>735,581</td>
<td>634,358</td>
<td>-101,223</td>
</tr>
<tr>
<td>Contribution Margin (what’s left over after you subtract cost from revenue)</td>
<td>178,730</td>
<td>79,459</td>
<td>99,271</td>
</tr>
<tr>
<td>Overhead (what we contribute to ALA in return for services)</td>
<td>76,344</td>
<td>53,067</td>
<td>-23,277</td>
</tr>
<tr>
<td>Tax</td>
<td>196</td>
<td>196</td>
<td>0</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>102,190</td>
<td>26,196</td>
<td>75,993</td>
</tr>
<tr>
<td>Ending Net Asset Balance</td>
<td></td>
<td></td>
<td>271,182</td>
</tr>
</tbody>
</table>
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:** (blue = big 3 revenue streams)

<table>
<thead>
<tr>
<th>Revenue Stream</th>
<th>Performance</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues</td>
<td>1.7% behind budget</td>
<td>Dues are down slightly, as membership totals are down 0.8% with 5,084 members as of Aug.</td>
</tr>
</tbody>
</table>
| Events         | • Symposium registration was right on target at just over 500  
• Printz & the Coffee Klatch were better than budget, but Edwards was well below budget | Revenue for ticketed events at Annual are included in this June report |
| Sales          | • Books are 57% behind budget  
• YALS subscriptions 14% behind budget  
• Bulk seals are 1,000% ahead of budget | Bulk seals are so ahead of budget because Penguin made a late and large payment for digital seal licensing that should have been spread over at least 2 fiscal years |
| CE             | • Webinars are well behind budget  
• e-courses are well ahead of budget  
• Institutes are 5% ahead of budget  
• Instructional kits are well behind budget | FY14 sales figures showed the demand for instructional kits was over estimated |
| Ads            | • YALS ads are 45% behind budget  
• E-News ads are 36% below budget | Anna is doing some research to make sure the YALS ad revenue is accurate |
| donations      | • TTW donations are better than budget  
• FOY donations are slightly behind budget | YALSA has collected $7,707.21 thru Aug. (in order to meet $16K goal, an average of $1,333 per month is needed) |
Expenses:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Performance</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>YALS</td>
<td>5% under budget</td>
<td></td>
</tr>
<tr>
<td>Board &amp; Committees</td>
<td>Slightly above budget</td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td>4% above budget</td>
<td>ALA approved a 2% raise after the budget was submitted</td>
</tr>
<tr>
<td>Events</td>
<td>Slightly better than budget</td>
<td>Blink’s sponsorship of the Coffee Klatch helped defray expenses</td>
</tr>
<tr>
<td>Book publishing</td>
<td>11% under budget</td>
<td></td>
</tr>
<tr>
<td>Recruitment</td>
<td>31% above budget</td>
<td>We didn’t plan to exhibit at the ARSL conference when the budget was originally built &amp; added other recruitment activities after the large seal payment came in</td>
</tr>
</tbody>
</table>

Key receivables: none

Commentary: FY15 ended well above projected revenues due solely to the fact that a multi-year back payment for award seals arrived in one lump sum this fiscal year. As a result, YALSA deliberately spent down a portion of its net asset balance in order to support projects related to our 2014 report, “The Future of Library Services for and with Teens: a Call to Action.” The combined earned interest from YALSA’s 3 endowments for FY15 was $54,383. Since the Edwards Trust was transferred to YALSA/ALA from the original trustees in Baltimore in 2014, FY15 was the first year the interest from this fund came directly to YALSA. For FY16 YALSA will need to continue to monitor mature revenue streams for possible softening, as well as continue to experiment with new revenue streams.
TREND DATA: NET REVENUE

**KEY:**
- **Green** = growing
- **Yellow** = fluctuating
- **Red** = mainly in decline

<table>
<thead>
<tr>
<th>Revenue Stream</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award seals</td>
<td>9,912</td>
<td>36,876</td>
<td>63,151</td>
<td>46,442</td>
<td>46,204</td>
<td>44,838</td>
<td>54,047</td>
<td>259,117</td>
</tr>
<tr>
<td>E-courses</td>
<td>28,506</td>
<td>18,427</td>
<td>4,123</td>
<td>6,068</td>
<td>5,609</td>
<td>3,162</td>
<td>4,543</td>
<td>9,812</td>
</tr>
<tr>
<td>Webinars</td>
<td>N/A</td>
<td>500</td>
<td>8,161</td>
<td>11,755</td>
<td>5,339</td>
<td>3,076</td>
<td>(937)</td>
<td></td>
</tr>
<tr>
<td>Curriculum Kits</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>(3,012)</td>
<td>6,651</td>
<td>1,254</td>
</tr>
<tr>
<td>Licensed Institutes</td>
<td>4,000</td>
<td>9,500</td>
<td>12,000</td>
<td>8,774</td>
<td>5,041</td>
<td>3,926</td>
<td>6,688</td>
<td>6,568</td>
</tr>
<tr>
<td>Periodicals</td>
<td>(13,856)</td>
<td>(24,540)</td>
<td>(12,337)</td>
<td>(22,069)</td>
<td>(19,623)</td>
<td>(11,035)</td>
<td>(6,709)</td>
<td>(20,222)</td>
</tr>
<tr>
<td>Books</td>
<td>10,758</td>
<td>1,676</td>
<td>19,654</td>
<td>9,225</td>
<td>8,199</td>
<td>6,360</td>
<td>985</td>
<td>8,450</td>
</tr>
<tr>
<td>TRW &amp; TTW</td>
<td>85,815</td>
<td>9,464</td>
<td>8,000</td>
<td>20,796</td>
<td>23,669</td>
<td>18,176</td>
<td>24,216</td>
<td>40,430</td>
</tr>
<tr>
<td>Events at ALA</td>
<td>42,101</td>
<td>32,289</td>
<td>13,300</td>
<td>29,334</td>
<td>11,648</td>
<td>38,652</td>
<td>30,445</td>
<td>18,908</td>
</tr>
<tr>
<td>Symposium</td>
<td>N/A</td>
<td>24,241</td>
<td>N/A</td>
<td>40,059</td>
<td>N/A</td>
<td>32,503</td>
<td>N/A</td>
<td>24,901</td>
</tr>
<tr>
<td>Donations</td>
<td>5,708</td>
<td>6,340</td>
<td>12,156</td>
<td>17,422</td>
<td>15,040</td>
<td>16,880</td>
<td>18,394</td>
<td>16,177</td>
</tr>
<tr>
<td>Interest</td>
<td>20,601</td>
<td>24,236</td>
<td>21,508</td>
<td>19,400</td>
<td>22,917</td>
<td>22,258</td>
<td>25,325</td>
<td>54,383</td>
</tr>
<tr>
<td>Grants</td>
<td>7,500</td>
<td>5,000</td>
<td>5,000</td>
<td>85,954</td>
<td>144,000</td>
<td>268,937</td>
<td>276,680</td>
<td>122,657</td>
</tr>
</tbody>
</table>

**Additional Resources**
- Data Shows Non-Dues Revenue Key to Association Sustainability, [http://ow.ly/D2Zfp](http://ow.ly/D2Zfp)
- YALSA member survey results: [http://ow.ly/CWt4y](http://ow.ly/CWt4y)
- YALSA Strategic Plan, [www.ala.org/yalsa/aboutyalsa/strategicplan](http://www.ala.org/yalsa/aboutyalsa/strategicplan)