

**YALSA Board of Directors Meeting  
ALA Midwinter Meeting, Denver  
February 9 - 12, 2018**

**Topic:** FY18 Budget Adjustments

**Background:** The FY18 budget was built before final FY17 results were available. Also, first quarter financials are now available for the current fiscal year. Armed with this latest fiscal information, it is necessary to revisit the budget to identify what, if any, adjustments need to be made to the FY18 budget. Beth Yoke and Clara Bohrer present the information below for the Board's review.

**Action Required:** Action

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**Some trends and notable information for FY18, based on first quarter results and recent developments**

- Dues revenue has been lower than projected by 13% each month so far this fiscal year
- The Symposium's registration revenue was \$10,000 less than projected
- The ALA Matching Campaign will provide \$10,000 more in donation funds than originally budgeted for
- YALSA was awarded a \$30,000 contract to provide training through the Texas State Library and Archives Commission
- The first leadership e-course sold out
- YALSA has booked four licensed institutes for the second half of the fiscal year
- YALSA did not receive the Best Buy grant that we applied for in the fall
- Publication sales seem to be continuing their downward trend
- Two issues of *YALS* were issued as print this FY, and two will be issued as digital only

**Action**

The Board approves the budget adjustments as outlined in this document and directs the Executive Director to work closely with staff and the Fiscal Officer to continue to monitor the FY18 budget, and recommend further adjustments to the board, if warranted.

**Additional Resources:**

- 2017 – 2018 Implementation Plan,  
<https://docs.google.com/spreadsheets/d/1U6tGTF0X8IrxmbWhogEMvXH7HdAGDIEpvHBTYSx970E/edit#gid=1136292286>
- Business Plan,  
[www.ala.org/yalsa/sites/ala.org.yalsa/files/content/BusinessPlanFY014to17\\_0.pdf](http://www.ala.org/yalsa/sites/ala.org.yalsa/files/content/BusinessPlanFY014to17_0.pdf)

## YALSA FY18 BUDGET BREAKDOWN: ORIGINAL & PROPOSED ADJUSTMENTS

### Key

Orange = multiple goals

Yellow = advocacy

Green = fund & partner development

Blue = leading the transformation of teen services

- The numbers in blue are those where we need to make a downward adjustment in revenue projections for FY18 (dues, publications, symposium, seals), based on trend data
- The numbers in green are where we can make upward adjustments in revenue projections, based on developments since the budget was originally put together
- The numbers in red are where we reduced costs based on FY17 and first quarter FY18 data, and/or the need to balance the budget

Project	Actual FY17 Revenue	Actual FY17 Expenses	FY18 Projected Funds Coming In	Recommended Adjustment	FY18 Projected Funds Going Out	Projected New Total	Commentary
Administration	221,000	92,784	255,300 (dues)	225,700	136,146 (staff time, supplies)	89,554	Dues will increase by \$1. The projected dues amount is based on a static membership
Governance Support		34,373	N/A		33,705 (staff time, travel)	-33,705	Reduced professional services and travel each by \$2K. Exec Committee needs to continue to meet virtually
Committee Support		24,808	N/A		30,787 (staff time)	-30,787	The expenses are almost exclusively staff time
Member Awards		2,554	6,000 (sponsorships)		12,907 (staff time, awards)	-6,907	The difference is covered by FOY
Member Retention/Promotion		48,853	N/A		30,000 (staff time, travel, exhibit costs)	-35,000	To balance the budget, we're spending nearly \$15,000 less on this than the previous year
Advocacy		40,797	N/A		41,693 (staff time, travel)	-41,693	The expenses are primarily staff time, with some travel for Legislative Day
Leadership	N/A	29,452	5,000	12,000	29,452	-17,452	A goal of 12K in revenue

Development			(registrations)		(staff time, overhead)		equals 75students, which is achievable if we run 3 courses
Online Courses	3,670	21,791	15,500 (registrations)		20,934 (staff time, instructor fees, registration fees, CEU fees, overhead)	-5,434	A few state library agency staff have expressed interest in licensing these, so \$15K is achievable
E-Learning (Webinars, Academy)	1,500	35,349	800 (group registrations)	2,000	41,405 (staff time, overhead)	-39,405	The expenses are almost exclusively staff time, but also includes the e-platform and stipends for presenters
Licensed Institutes	11,000	14,431	18,000 (sales)	48,000	10,617 (staff time, overhead instructor fees, CEU fees, travel)	37,383	We've signed the contract w/ the TX state library for \$30K worth of institutes, and we have another 4 on the books (3 for MI & 1 for MD)
Non-Serial Publications	11,000	23,516	26,195 (sales)	11,000	14,900 (staff time, overhead, printing costs)	-3,900	The long-term trend is downward for sales, so adjustment downward is needed. Some savings can be found in fewer printing related costs
YALS Magazine	29,000	65,508	34,540 (ads & subscriptions)	29,000	32,754 (staff time, overhead, printing & shipping costs)	-3,754	With the switch to digital, revenue is uncertain; however, there will be printing & mailing savings
Electronic Publications (eNews & JRLYA)	4,800	23,317	5,400 (ads)		23,783 (staff time)	-18,383	The expenses are almost exclusively staff time

YA Symposium registration	118,000	128,835	108,341	108,341	127,000 (staff time, hotel fees, registration fees, overhead, travel)	-18,659	Registration revenues were \$10K less than budgeted
Morris/Nonfiction Award Event	3,300	2,033	5,990 (ticket sales)		5,990 (staff time, A/V, food & beverage, overhead)	0	These events generally only make a profit when a sponsor participates. The winning authors and the conference locations also play a big role
YA Author Coffee Klatch	10,000	1,559	11,352 (ticket sales)		10,200 (staff time, A/V, food & beverage, overhead)	1,152	
Edwards Luncheon	6,500	4,218	10,115 (ticket sales)		10,115 (staff time, A/V, food & beverage, overhead)	0	
Printz Award Event	11,800	10,191	13,340 (ticket sales)		13,340 (staff time, A/V, food & beverage, overhead)	0	
Edwards Seals			100 (individual seal sales)		100 (staff time, overhead)		
Printz Seals			57,500 (bulk seal sales)		3,692 (staff time, overhead, printing)		Seal sales vary widely from year to year based on 3 factors: how popular the winning titles are, whether we need to spend money to print more seals, and whether any titles are singled out for a large print run—for example, if a film version of a winning title is coming out. \$59,000 = a 3-year average of sales
Morris Seals			13,250 (bulk seal sales)		2,452 (staff time, overhead, printing)		
Odyssey Seals							

Non-Fiction Seals	TOTAL: 53,000 FY17 actual (vs. FY18 projected 96,000)	TOTAL: 9,429	400 (individual seal sales)	59,000	400 (staff time, overhead)	49,571	Adjusting FOY upwards re: the ALA matching campaign This includes TRW, TTW, and events at conferences and symposia. \$75K = a 3 year average	
			25,000 (bulk seal sales)		9,429 (staff time, overhead, printing)			
Friends of YALSA	17,000	17,000	14,000 (donations)	27,000	15,047 (staff time, overhead, printing)	85,003		
Sponsorships	37,315	0	86,050	75,000				
Dollar General Funded Projects	124,000	110,747	124,000 (grant)		110,747 (staff time, member grants, supplies, travel, exhibits)	13,253		
Future Ready w/ the Library	100,000	100,000	100,000 (grant)		100,000 (staff time, overhead, travel, grantees' support, contract work)	0		We're entering year 2 of a 3- year \$300,000 grant. This grant requires a 50/50 match
Edwards Trust (available interest)	41,072	0	41,072 (interest)		41,072 (Communicati ons Assistant)	0		\$30,000 of these funds are earmarked for the part time position
Leadership Endowment (available interest)	3,590	0	3,590 (interest)		3,590 (member grant)	0		\$1,000 of this is earmarked for the Dorothy Broderick Conference Scholarship

Morris Endowment (available interest)	33,463	0	33,463 (interest)		33,463 (book award expenses)	0	Some of these funds are earmarked to support book award events at conferences
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TOTALS

951,363  
(revenue)

945,720  
(expenses)

5,643  
(net)

## YALSA Fiscal Trend Data

### Fund Balance

FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
450,347	376,676	303,559	147,023	178,129	168,795	270,310	233,836	116,149

### Net Revenue

#### Key:

Green = mainly growing

Yellow = fluctuating

Red = mainly in decline

Blue = mainly flat






Revenue Stream	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Award seals	36,876	63,151	46,442	46,204	44,838	54,047	259,117	71,633	47,257
Dues	216,082	207,366	209,044	220,194	236,718	232,956	234,044	234,966	221,308
E-courses	18,427	4,123	6,068	5,609	3,162	4,543	9,812	22,805	3,670
Webinars	N/A	500	8,161	11,755	5,339	3,076	(937)	771	1,482
Licensed Institutes	9,500	12,000	8,774	5,041	3,926	6,688	6,568	0	11,250
Periodicals	(24,540)	(12,337)	(22,069)	(19,623)	(11,035)	(6,709)	(20,222)	(22,609)	(29,178)
Books	1,676	19,654	9,225	8,199	6,360	985	8,450	3,952	11,000
TRW & TTW	9,464	8,000	20,796	23,669	18,176	24,216	40,430	51,488	29,224
Events at ALA	32,289	13,300	29,334	11,648	38,652	30,445	18,908	17,738	25,932
Symposium	24,241	N/A	40,059	N/A	32,503	N/A	24,901	38,211	37,937
Donations	6,340	12,156	17,422	15,040	16,880	18,394	16,177	16,345	17,504
Interest	24,236	21,508	19,400	22,917	22,258	30,524	31,409	73,439	72,812
Grants	5,000	5,000	85,954	144,000	268,937	276,680	122,657	225,098	186,157

### YALSA Financial Outlook (Excluding Endowments) final FY17 report

<b>OPERATING BUDGET</b>	<b>FY16 Actual</b>	<b>FY17 Actual</b>	<b>Budgeted</b>	<b>Variance</b>
Total Revenue	619,249	540,112	782,925	-242,813
Total Direct Expenses	638,309	653,858	700,229	46,371
Contribution Margin (what's left over after you subtract cost from revenue)	6,128	-78,485	100,583	-179,068
Overhead (what we contribute to ALA in return for services)	42,602	39,398	52,684	13,286
Tax	0	-196	120	316
Net Revenue	-36,474	-117,687	47,779	-165,466
Ending Net Asset Balance	233,836	116,149	47,449	68,370

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)

	<b>Revenue Stream</b>	<b>Performance</b>	<b>Commentary</b>
	Dues	12% behind budget	membership is 4,765 as of Aug., down 4.2% from Aug. 2016
	Events	<ul style="list-style-type: none"> <li>• Symposium was 10% behind budget</li> <li>• Morris/NF Reception was 22% behind budget</li> <li>• ALA Annual events were 24% below budget</li> </ul>	YALSA contributed \$24,814 to ALA through overhead on symposium registration
	Sales	<ul style="list-style-type: none"> <li>• Books are 53% behind budget</li> <li>• YALS subscriptions 14% behind budget</li> <li>• Bulk seals are 58% behind budget</li> </ul>	Award seals are behind budget because the winner of the Nonfiction and Printz awards chose not to purchase the seal
	CE	<ul style="list-style-type: none"> <li>• Webinars better than budget</li> <li>• eCourses are 55% behind budget</li> <li>• Institutes are 13% better than budget</li> </ul>	Member survey results indicated that they wanted more short-term learning opportunities, so we did not run a summer eCourse
	Ads	<ul style="list-style-type: none"> <li>• YALS ads are 12% behind budget</li> <li>• eNews ads are 16% behind budget</li> </ul>	



 donations	<ul style="list-style-type: none"> <li>FOY donations are 23% behind budget</li> </ul>	collected \$7,229 thru Aug. (to meet our \$14,095 goal, an avg of \$1,175 per month is needed)
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**Expenses:**

	<b>Expense</b>	<b>Performance</b>	<b>Commentary</b>
 	<i>YALS</i> <i>eNews &amp; JRLYA</i>	<ul style="list-style-type: none"> <li><i>YALS</i> is 12% above budget</li> <li>E-publications are 16% better than budget</li> </ul>	Postage, mail service & printing are all higher than budgeted for <i>YALS</i>
	Board & Committees	30% better than budget	Limited travel to offset revenue shortfalls elsewhere in the budget
	Wages & professional services	3% better than budget	
	Events		Sponsorship helped offset expenses
	Book publishing	9% under budget	
	Recruitment	9% above budget	increased costs for printing toolkits, etc.