

**Board of Directors Meeting  
 ALA Midwinter Meeting, Seattle  
 January 25 – 29, 2013**

**Topic:** FY12 Final Close Figures

**Background:** The 2012 fiscal year ended August 31<sup>st</sup>, 2012. A summary report of YALSA’s finances is provided below.

**Action Required:** Information

**YALSA FINANCIAL OUTLOOK:**

**End of FY12 operating budget – (excludes grants & endowments)**

	Actual	Budgeted	Variance
Total Revenue	481,091	612,583	-131,492
Total Direct Expenses	599,089	608,279	9,190
Contribution Margin (what’s left over after you subtract cost from revenue)	-117,998	4,304	-122,302
Overhead (what we contribute to ALA in return for services)	21,538	23,115	1,317
Tax	260	260	0
Net Revenue	-139,796	-18,811	-120,985
Ending Net Asset Balance	164,057		

\* In accordance with not-for-profit best practices, YALSA’s fund balance needs to remain at or slightly above \$301,753 (6 months’ expenses) ideally, or above \$201,168 (4 months’ expenses) at a minimum.

August 31 marked the end of the 2012 fiscal year. YALSA’s revenue-generating products and services ended the year as a mixed bag, with some of them doing well and others underperforming. Overall, revenues are running 21% behind projections at third close.

**Revenues:**

- **Big three:**
  - **Dues** have improved gradually over the past quarter, but were still behind 6.5%. Membership stats for August are 5,188, which is down 2.6% over this time last year. One factor negatively impacting dues was likely the fact that both PLA and YALSA implemented a dues increase in FY12. About 1,200 YALSA members are also members of PLA.

- **Events:** net revenues for events at Annual were about one third what was projected, due to lower overall attendance at Annual and poor ticket sales. The exception was the Coffee Klatch, which came in slightly better than projected.
- **Sales:**
  - **Bulk seal** net revenues are slightly behind budget due to unanticipated expenses.
  - **TRW:** sales for 2012 are at \$16,800, which is above this time last year
  - **Book Sales:** are behind budget primarily due to the delay in the release of the summer reading book, but also because back list titles are under performing
- **CE** continues to be a mixed bag:
  - e-courses are at budget
  - webinars are 98% better than budgeted
  - licensed institutes are behind budget by about 60%
- **Ad sales** for *YALS* are behind budget about 21% and subscriptions are 31% behind budget.

#### **Expenses:**

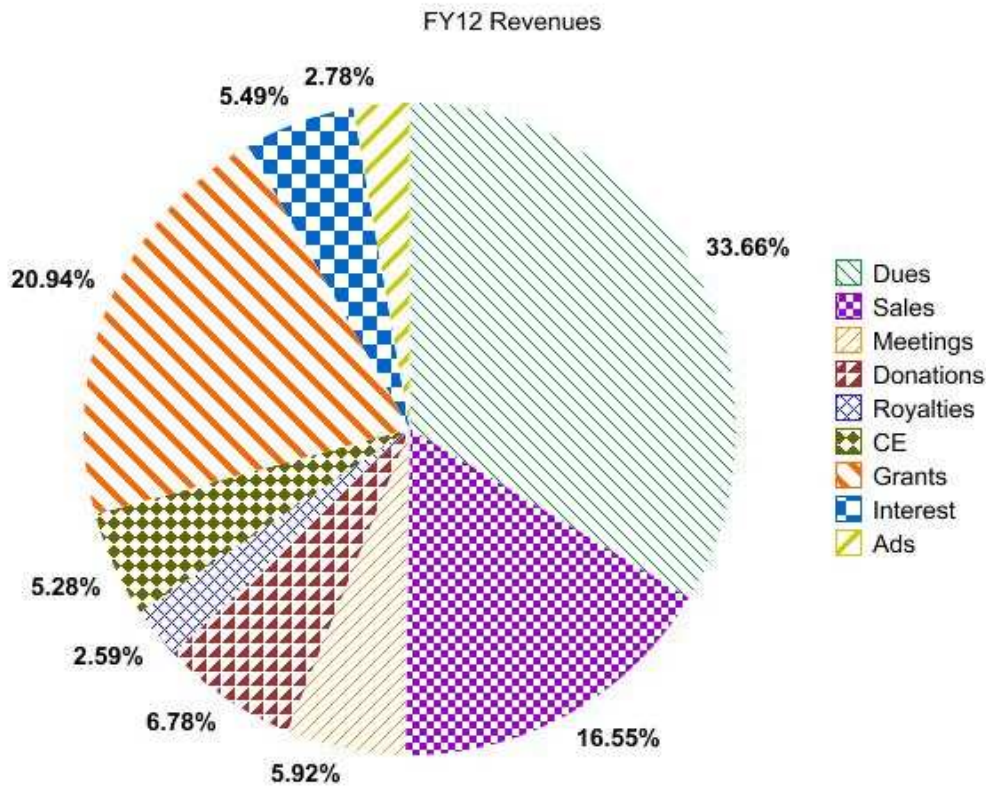
- Expenses are 4% under budget for *YALS*.
- Expenses for **governance support** and **membership recruitment** are higher than budgeted, due to the unplanned mailing implemented with ALA Membership and higher than budgeted travel expenses to the 2011 Fall Executive Committee meeting.
- Expenses are over budget for **bulk seals**, due to reporting problems with the vendor (a meeting was held in March to address this).
- Expenses for events at Annual were less than projected, due primarily to poor ticket sales.
- Expenses for salaries and wages are slightly under budget due to the Communications Manager vacancy.

#### **Endowments:**

- The Morris Endowment's balance at the start of FY12 was \$593,576. The fund ended the year with a balance of \$620,143.
- The Leadership Endowment's balance at the start of FY12 was \$46,791. The fund ended the year with a balance of \$59,983.

#### **Discrepancies:**

- Unexplained \$4,160 expense in publishing has yet to be rectified, although ALA Finance said they will remove it.



**Dues (\$220,194):** includes student, retiree, regular, organizational, corporate, and lifetime memberships for approximately 5,400 members

**Sales (\$108,305):** includes award seals, subscriptions to *YALS*, self published books

**Meetings (\$38,570):** ticketed events at Midwinter and Annual

**Donations (\$44,375):** Corporate sponsorships, promotional partnerships, Friends of YALSA and Leadership Endowment individual gifts

**Royalties (\$16,914):** includes books published with Neal-Schuman and ALA Editions, TRW products, TTW products and other products sold through ALA Graphics (pamphlets, bookmarks)

**Continuing Education (\$34,558):** includes regional licensed institutes, webinars and e-courses

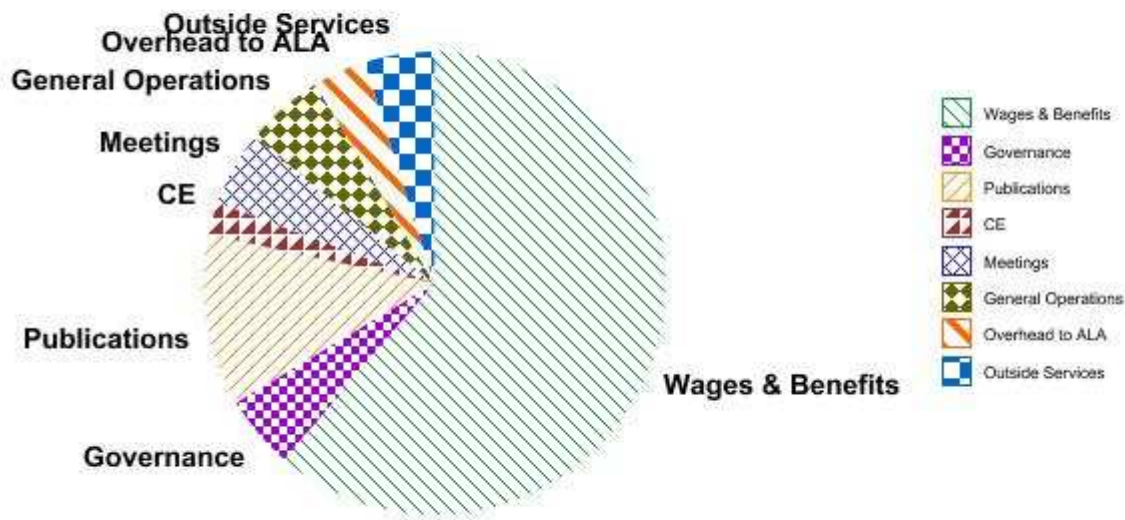
**Grants (\$137,000):** Dollar General funds for 2012 summer reading & TRW and first quarter of Badges for Lifelong Learning grant

**Interest/Dividends/Gains (\$35,942):** Leadership and Morris endowments

**Advertising\* (\$18,176):** ads in *YALS*, symposium program and *YALSA E-News*

\*YALSA's only taxable income

FY12 Expenses



**Staff (\$357,413):** salary, benefits and professional development for 5 full time staff and compensation for a part-time intern

**Governance support (\$30,032):** travel, training, memberships, etc. for YALSA leadership

**Publication related (\$69,927):** printing, design, proofreading, typesetting, etc. for *YALS*, *YALSA E-news*, *JRLYA*, book length publications and some TRW collateral

**CE related (\$13,457):** registration fee, Adobe subscription, facilitator/presenter honorarium, presenter travel expenses

**Meetings (\$30,042):** meals, equipment, speaker honorariums, A/V equipment, transportation, awards and exhibits for Midwinter, Annual and the YA Lit Symposium

**General Operations (\$32,650):** supplies, postage, computer equipment, furniture, photocopying, telecommunications, bank fees etc.

**Overhead (\$21,538):** a percentage of certain revenues (e.g. royalties from outside publications) YALSA pays to ALA in return for services such as office space & furniture, legal services, PIO, ITTS, ALA Library, etc. The percentage varies based on type of revenue from about 11% to 25%.

**Outside Services (\$28,595):** web developer, editors' stipends, strategic planning consultant, etc.