

**YALSA Board of Directors Meeting
ALA Midwinter Meeting, Boston
January 8 – 12, 2016**

Topic: Financial Update

Background: The 2015 fiscal year ended August 31st. The Board will want to review the final reports and discuss strategies for having future fiscal discussions 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 Board’s consideration. Final FY15 reports, trend data and data on the first three months of FY16 are included.

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 will the Board need to take to stay informed and actively aware of YALSA fiscal topics, concerns, etc.?

YALSA FINANCIAL OUTLOOK (excluding endowments)




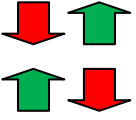


August 2015 – third close

OPERATING BUDGET	Actual	Budgeted	Variance
Total Revenue	952,217	722,206	230,010
Total Direct Expenses	735,581	634,358	-101,223
Contribution Margin (what’s left over after you subtract cost from revenue)	178,730	79,459	99,271
Overhead (what we contribute to ALA in return for services)	76,344	53,067	-23,277
Tax	196	196	0







Net Revenue	102,190	26,196	75,993
Ending Net Asset Balance	271,182		

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)

	Revenue Stream	Performance	Commentary
	Dues	1.7% behind budget	Dues are down slightly, as membership totals are down 0.8% with 5,084 members as of Aug.
	Events	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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:

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

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




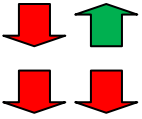


Revenue Stream	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Award seals	9,912	36,876	63,151	46,442	46,204	44,838	54,047	259,117
Dues	213,459	216,082	207,366	209,044	220,194	236,718	232,956	234,044
E-courses	28,506	18,427	4,123	6,068	5,609	3,162	4,543	9,812
Webinars	N/A	N/A	500	8,161	11,755	5,339	3,076	(937)
Curriculum Kits	N/A	N/A	N/A	N/A	N/A	(3,012)	6,651	1,254
Licensed Institutes	4,000	9,500	12,000	8,774	5,041	3,926	6,688	6,568
Periodicals	(13,856)	(24,540)	(12,337)	(22,069)	(19,623)	(11,035)	(6,709)	20,222
Books	10,758	1,676	19,654	9,225	8,199	6,360	985	8,450
TRW & TTW	85,815	9,464	8,000	20,796	23,669	18,176	24,216	40,430
Events at ALA	42,101	32,289	13,300	29,334	11,648	38,652	30,445	18,908
Symposium	N/A	24,241	N/A	40,059	N/A	32,503	N/A	24,901
Donations	5,708	6,340	12,156	17,422	15,040	16,880	18,394	16,177
Interest	20,601	24,236	21,508	19,400	22,917	22,258	25,325	54,383
Grants	7,500	5,000	5,000	85,954	144,000	268,937	276,680	122,657

FY16 SO FAR**YALSA FINANCIAL OUTLOOK (excluding endowments)****November 2015**







OPERATING BUDGET	Actual	Budgeted	Variance
Total Revenue	255,985	185,662	70,323
Total Direct Expenses	210,423	168,221	-42,202
Contribution Margin (what's left over after you subtract cost from revenue)	33,708	11,797	21,911
Overhead (what we contribute to ALA in return for services)	31,566	11,493	-20,073
Tax	49	49	0
Net Revenue	2,093	255	1,838
Ending Net Asset Balance			272,403

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)

	Revenue Stream	Performance	Commentary
	Dues	0.7% behind budget	membership totals are 5,181 members as of Nov., down 0.4% from Nov. 2014
	Events	<ul style="list-style-type: none"> Preliminary fiscal info is showing \$33,150 net revenue to YALSA for the symposium 	YALSA contributed \$26,899 to ALA through overhead on symposium registration
	Sales	<ul style="list-style-type: none"> Books are 59% behind budget YALS subscriptions 11% behind budget Bulk seals are behind budget 	This is a slow buying time for seals. Revenues will pick up after Midwinter
	CE	<ul style="list-style-type: none"> Webinars are behind budget e-courses are better than budget Institutes are behind budget Instructional kits are behind budget 	The PA State Library licensed three e-courses, which is why this revenue stream is better than budgeted
	Ads	<ul style="list-style-type: none"> YALS ads are well ahead of behind budget E-News ads are well below budget 	Ad revenues are strong, mainly because of timing—two issues' worth of YALS sales have hit the account at the same time
	donations	<ul style="list-style-type: none"> FOY donations are slightly behind budget 	YALSA has collected \$11,214.71 thru Nov. (in order to meet \$13,095 goal, an average of \$1,091 per month is needed)

Expenses:

	Expense	Performance	Commentary
	YALS	above budget	
	Board & Committees	above budget	This includes Fall Executive meeting expenses
	Wages	6% above budget	Due to a slight increase in the cost of benefits
	Events	Slightly above budget	
	Book publishing	46% under budget	
	Recruitment	60% above budget	We incur a lot of costs early in the FY due to the many fall conferences we exhibit at

Key receivables: \$60,000 Best Buy sponsorship for TTW

Additional Resources

- Data Shows Non-Dues Revenue Key to Association Sustainability, <http://ow.ly/D2Zfp>
- Future of Library Services for and with Teens report, <http://ow.ly/D6XcT>
- YALSA Business Plan, <http://ow.ly/D3sVp> (.pdf)
- YALSA member survey results: <http://ow.ly/CWt4y>
- YALSA Strategic Plan, www.ala.org/yalsa/aboutyalsa/strategicplan