

September 21, 2018

To: ALSC Executive Committee  
Gretchen Caserotti, ALSC Budget Chair

From: Aimee Strittmatter

Re: August 2018 (FY2018) –First Close financials

	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance b/n YTD Budget and Actual</b>	<b>Variance %</b>	<b>Remaining Current Budget</b>
Total Revenues	1,333,350	2,026,772	692,422	52%	-692,422
Total Expenses before OH and tax	1,353,287	1,240,036	113,250	8%	113,250
Overhead	137,192	233,911	-96,719	-70%	-96,719
Tax	290	290	0	0	0
Total Expenses	1,490,769	1,474,237	16,531	1%	16,531
Contribution Margin	-18,937	786,736	805,672	4255%	-805,672

	<b>YTD Budgeted</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>Variance %</b>
Net Revenue (Expense) f/ Operations	-156,419	552,535	708,953	453

<b>Beginning Net Asset Balance</b>	<b>Net Revenue f/ Operations</b>	<b>Transfer to Endowment</b>	<b>Net Revenue</b>	<b>Ending Net Asset Balance</b>	<b>% Increase of NAB</b>
\$2,592,076	\$552,535	-150,000	402,535	2,994,611	15.5%

ALSC had budgeted FY 18 to end with net loss of -\$156,419. The deficit was intentionally approved by the ALSC Board to support strategic initiatives. As of first close, ALSC has ended the year with net revenue of \$402,535, increasing the net asset balance by 15.5%.

Total revenues were ahead of budget by 52% or \$692,422.

- Dues revenue performed ahead of budget by 2%. Membership increased 3.28% (4320) compared to August 2017 (4183). In addition to this increase in overall members, ALSC also experienced a decrease in the amount of dropped members in 2018 (98) compared to 2017 (133). This year, more members renewed (12.97%) and reinstated (5.71%) compared to 2017.
- Permission fees for licensing of the digital images of the award seals was the major reason ALSC performed ahead of budget. It was discovered a publisher had used seals without permission or payment for two years. This accounted for almost \$500,000 in revenue.
- Sales of the physical award seal were ahead of budget by \$164,420 or 26%.

Total expenses performed under budget by 1% or \$16,531.

- Two main areas where ALSC was well under budget were in salary and benefits (offset by grant funds) and professional services.

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The Service to Members project came in ahead of budget by \$124,181 or 216% primarily due to expense savings. Again, dues revenue performed ahead of budget by 2%. Total expenses for this project came in under budget by \$122,703 (54%). Professional services were under budget by \$63,757. Travel related expenses were 51% under budget or \$36,612. Conference related expenses such as meal functions, honorarium and equipment came in over budget by 67% or (\$14,814). I'm currently asked for backup regarding a \$15,000 meal function expense from Annual that posted here and does not appear to be an ALSC expense.

Seals net revenue performed ahead of budget by 99% or \$588,159. Total expenses were over budget by 47% or (\$172,524). Expense overages were in supplies/operating due to producing additional physical seals and additional overhead due to better than budget seals sales.

The Banquet is showing (\$77,127) in net expense. There is still registration revenue to post. Meal expenses came in 23% or (\$19,723) over budget and audio-visual expenses are \$87 over budget. It is possible that additional adjustments will still be made as invoices are paid and support is added from the book and media endowment.

Online continuing education courses generated \$11,222 in net revenue, which is ahead of budget by 5%. Revenues were under budget by 37% (\$12,967). Total expenses were under budget by \$13,521 or 55%

The ALSC National Institute is offered every other year. ALA is now using accrual accounting and revenues and expenses for conferences and events are booked in the fiscal year the event is held. Since the Institute is planned to take place in FY 2019, the FY 18 budget was submitted as zero. There are a few revenues and expenses showing in FY 18 and we are actively working with Accounting to assure they are booked correctly.

Subscription for the journal *Children and Libraries* came in just ahead of budget at 5% or \$423. Advertising revenue is ahead of budget by 58% or \$8,354. Expenses were under budget by 4% or \$2,484. Actual net expense for the project is -\$30,025 against a -\$40,613 net expense budget.

Net revenue for the ECRR toolkit was \$9,777 which was 222% or \$17,801 ahead of budget. Total revenues were under budget by 35% or (\$10,654). Total expenses were just over budget at 1% or (\$111). This project was budgeted with a net expense of (\$8,024).

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