

**YALSA Board of Directors Meeting  
 ALA Annual Conference, Virtual  
 June 26, 2021**

**Topic:**                   **Fiscal Report**

**Background:**           The Board of Directors has the responsibility of ensuring the organization's short and long-term fiscal health and that the budget is aligned with strategic priorities as laid out in the organizational plan. The materials included are provided by Kate Denier and Tammy Dillard-Steels to generate a discussion on YALSA’s financial standing in the second quarter of FY21.

**Action Required:**   **Discussion**

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**YALSA FINANCIAL OUTLOOK (excluding endowments)**

Ending February 2021- Second Quarter

<b>OPERATING BUDGET</b>	<b>YTD Prior Year</b>	<b>YTD Actual</b>	<b>YTD Budgeted</b>	<b>Variance</b>
Total Revenue	\$364,946	\$271,064	\$261,908	\$9,157
Total Expenses	\$435,910	\$265,300	\$288,367	\$23,067
Contribution Margin (what’s left over after you subtract cost from revenue)	(\$26,880)	\$9,232	(\$11,197)	\$20,428
Overhead/Taxes (what we contribute to ALA in return for services)	\$44,083	\$3,467	\$15,263	\$11,795
Net Revenue	(\$70,964)	\$5,765	(\$26,459)	\$32,224

August- Year End

<b>OPERATING BUDGET</b>	<b>YTD Prior Year</b>	<b>YTD Actual</b>	<b>YTD Budgeted</b>	<b>Variance</b>
Total Revenue	\$639,058	\$544,498	\$614,065	(\$69,567)
Total Expenses	\$670,307	\$677,071	\$652,452	(\$24,620)
Contribution Margin (what's left over after you subtract cost from revenue)	\$28,858	(\$78,930)	\$12,406	(\$91,337)
Overhead/Taxes (what we contribute to ALA in return for services)	\$60,108	\$53,643	\$50,793	(\$2,850)
Net Revenue	(\$31,250)	(\$132,574)	(\$38,387)	(\$94,187)
Net Asset Balance	\$101,816	(\$30,757)	(\$38,387)	\$7,629

YTD – Year To Date Per not-for-profit best practices, YALSA's fund balance needs to remain at or slightly above \$328,899 (6 months' expenses) or above \$219,266 (4 months' expenses) at a minimum. At Year End, "on paper," our net asset is \$30,757 which is below not-for-profit best practices. All funds are a part of ALA.

**Notes from BARC and F&A Meeting, April 2021:**

- Membership is 10-15% lower (52,000)
- 7004 people attended Midwinter 2021- they had budgeted for 5000
- FY22:
  - Build a budget with a contingency to get us through unexpected events
  - 1.7 million budget deficit- improved from last year (was 6 million last year)
  - 2022 budget is built with no furloughs
- 5 Year Plan
  - Goes to 2026- aim to be balanced and aim to have net revenue
  - Payroll is at 54% now- our peer metric is at 40% from ASAE. We have opportunities to align with our peers. How to do this? Calling out these costs. We want a staff to member ratio that works. Trying to benchmark standards so ALA isn't an outlier (not heeding best practices).
  - Need divisions to help us get to a good place
  - If we continue to operate as we are, we will be slightly under zero mark and we simply cannot afford that.
- ALA needs funds that will support our mission- we are one ALA

**Additional Resources:**

- ALA Budget Process information, <http://www.ala.org/aboutala/mleader/budget>