

ALA Member Programs and Services: Financial Commentary

FY2017: April 2017

Departmental Summary

For MPS, with many revenue and expense lines tied to Annual Conference, significant changes are still possible. At the same time, there are clear performance indicators visible at this point.

- The Midwinter Meeting (Atlanta) fell short of its revenue target but contributed almost \$700,000 in overhead to the ALA General Fund.
- While Annual Conference (June) revenues are not posted yet, Annual Conference appears headed for a strong performance.
- The ACRL Conference (March) set new records, with an increase of 14% over budget in registration revenues and a 16% increase in exhibits revenues.
- Both AASL and PLA are prepared for FY2018 Conferences.
- The redesigned *Choice Reviews* is seeing an upward trend in subscriptions – a 19% improvement over FY16 performance – but is still lagging an aggressive FY17 budget.
- ITTS depreciation costs are under budget – the result of deferring some projects, including a new telephone system, to FY18.
- Transitions in publishing fulfillment had an impact on Fall 2016 Banned Books Week sales, but the ALA Office for Intellectual Freedom is now rolling out new materials for the Fall 2017 observance.
- ALCTS is showing registration (webinars) revenues well ahead of budget and ahead of FY2016 performance.
- LITA and YALSA both held successful face-to-face events in November. The YALSA Symposium revenue was 23% better than budget.
- Several units reported strong donations.
- CHOICE is reporting a strong shift to the upside in advertising during the 2nd half of FY17.
- CHOICE webinars are running well ahead of budget.
- PLA began FY2017 with commitments of \$13.6 million in grant funding for 7 multi-year grant initiatives – an exceptional performance which speaks to PLA's record. PLA has subsequently been awarded another IMLS grant, to provide library internships for diverse students.
- ECRR (ALSC and PLA) revenues have slowed, but new research is expected to refresh the program, which should see stronger sales in FY18.
- ALSC is ahead of budget on dues.
- Seals revenue is ahead of budget in ALSC but under budget in YALSA.

INDIVIDUAL UNIT COMMENTARY: ALA GENERAL FUND UNITS

Conference Services: Midwinter (MW)

The 2016 Midwinter Meeting was not budgeted to make a positive net revenue but was budgeted to return \$780,717 in overhead contribution to the ALA General Fund. (The 2017 Midwinter was initially

budgeted with revenues flat to expenses, including overhead, but recalculation of the overhead led to a budgeted negative net revenue.) The MW Meeting achieved a substantial part of its budgeted overhead contribution: \$696,569, against a budget of \$780,061 (11% off target).

The 2017 ALA Midwinter Meeting (Atlanta) drew a total paid attendance of 6,079 (against 5,742 in Boston). ALA used a total of 15,254 sleeping room nights (including paid attendance, staff and exhibitors). The 2017 Midwinter Meeting included 1429 separately-scheduled events and required 327 meeting rooms. There were 380 exhibiting companies, with 67,400 net square feet of exhibit space.

Advertising revenue currently stands at \$276,855 against a budget of \$300,000. Exhibit space sales were close to target, at \$1,231,168 against a budget of \$1,344,500 (-8%). Registration was well off target, at \$888,138 against a budget of \$1,065,275 (-17%). Commissions were \$113,695 against a budget of \$120,000 (-5%). Overall, revenues were 10% off target, and expenses before overhead were 9% under budget. The contribution margin (before overhead) was \$669,386 against a YTD budget of \$757,806. 100% of revenue over expenses went to Overhead -- \$696,569 in overhead against budgeted overhead of \$780,061, leaving a net after overhead of -\$27,183 against a budgeted net after overhead of -\$22,255, a 22% variance on net after overhead.

Conference Services: Annual Conference (AC)

The 2017 ALA Annual Conference in Chicago is likely to end with a strong performance. As of June 2, revenues were on a positive track:

- Exhibit sales as of June 2 were \$3,023,075 against a total budget of \$3,028,750 – effectively at target, with sales continuing.
- Advertising revenue was \$387,553 against a total budget of \$470,000 and is expected to gain – but not to hit the target.
- Registration revenue was \$2,384,380 against a budget of \$2,833,075 – or 84% of target, with registration continuing. Registration is expected to hit target.

On the expense side, while most expenses are well controlled and some key areas are under budget, additional expenses related to the Closing General Session are anticipated, including additional busing and additional security. Additionally, there are some cost areas that are running well ahead of budget, such as bank (service) charges.

Information Technology and Telecommunications (ITTS)

At the end of April 2017, ITTS expenses are 8% or \$157,802 under budget.

Salaries are lower than normal due to open positions filled in December 2016 and February 2017. Professional services are under budget because the Office 365 migration crossed two fiscal years. The monthly cost for Office 365 is a lot cheaper for non-profits. Software maintenance is lower due to timing issues. Depreciation expense is low due to deferring the new telephone system, remote access for staff to all applications, and the iMIS membership system upgrade to

FY2018. These projects were deferred due to needed budget cuts and available resources needed to implement them. ITTS resources are currently being used for the new ALA website responsive theme, the new eStore/eLearning ecommerce system, and the new ALA Connect system implementations.

Office for Accreditation

OA (11-112) is 3% ahead on revenue, but over spent mainly for Conference (5301) which we will endeavor to correct by year-end by providing only two sessions at Annual Conference (reviewer training and a COA information session) and by cutting elsewhere.

Office for Diversity, Literacy and Outreach Services (ODLOS)

ODLOS is anticipating a boost in revenue from their pre-conference at ALA Annual in June. The final numbers are not in yet. ODLOS continues to be on target in terms of the revenue side for the year. There is a large variance from the previous year, due in part to an increase in workshops and consultation services.

Over the course of the year, ODLOS has had to decrease its operating budget to adjust for larger shortfalls across the association. Despite those cuts, the ODLOS operating expenses are still projected to be within the FY17 budget.

Office for Human Resource Development and Recruitment (HRDR)

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Total Revenues Budgeted/Actual/Remaining:	\$ 40,500	\$ 5,990	\$34,510
Total Expenses Budgeted/Actual/Remaining:	\$ 430,998	\$271,102	\$159,896
Net Revenue (Expense) Budgeted/Actual/Variance:	\$(390,498)	\$(265,112)	\$13,121

Unit revenue is running very close to budget. Most of the revenue comes in at the end of the fiscal year due to Placement revenues after Annual.

Expenses are slightly higher than projected due to charges that were incorrectly attributed to HRDR for support of the *Library Worklife Newsletter* subscriptions. These will later be transferred out. All other expense areas are close to or under budget. CEU income from internal units continues to be down.

As far as year- end, we should be at \$30,000 to the good due to unanticipated savings on the salary survey that did not happen.

Expenses

Salary expenses are down due to early savings related to a staff member's sabbatical leave during the Fall. Travel related expenses are up slightly due to timing issues of professional development

conferences held in the Fall, and Meetings/Conference expenses are down slightly also due to the timing of Midwinter Placement and catering charges being delayed.

Office for Intellectual Freedom (OIF)

On a net basis, the ALA Office for Intellectual Freedom is off budget by 5% (-\$15,034). The biggest revenue shortfall is with Banned Books Week materials. In addition to the impact of the change in fulfillment vendors, ordering was closed down for inventory during the peak period for ordering, just before Banned Books Week. The next major push begins this week, with new materials being rolled out, advertising beginning and ALA Annual Conference coming up fast. Revenues for any individual Banned Books Week fall across two fiscal years.

In most expenditures for 11-108-0000, we're well under budget. The one exception is consulting related to the launch of the Our Voices project, which was erroneously underbudgeted.

Office of the Senior Associate Executive Director (SAED)

The MPS office is running 18% better than budget. Some of this relates to outstanding expenses, which will be booked prior to year-end. But the Office will end the year better than budget.

INDIVIDUAL UNIT COMMENTARY: ALA DIVISIONS

American Association of School Librarians (AASL)

AASL membership dues continued another month at 4% below budget (actual \$180,146 vs budget \$187,633). With 6,280 members, membership is 8.47% below last year. Serial publications are on track for subscriptions (actual \$5,132 vs budget \$5531) with 27% less in advertising (actual \$19,998 vs budget \$27,213). AASL revenues are slightly improved this month, but are down 25% from budget (actual \$284,904 vs budget \$378,315). The impact of a fall professional development event loss and reduced revenue (-82% from budget) for non-serial publications will remain as decreased actual revenue over budget through the rest of the fiscal year.

Total actual expenses before Overhead were 16% more than budgeted (actual \$767,636 vs budget \$660,892). A decrease in revenues from a non-conference year is reflected in a 62% decrease in Overhead as budgeted (actual \$9,140 vs budget \$24,267).

Total Net Revenue/Expense (\$-492,108) reduced the AASL net assets to \$265,530).

Association for Library Collections and Technical Services (ALCTS)

SUMMARY

Overall net is \$85,151, 726% higher than the budgeted net revenue of \$(13,600). Upcoming expenses include Annual Conference and two issues of LRTS. We expect additional revenue from the ALCTS Exchange, in-person and virtual preconferences for Annual, webinars, web courses, and publishing. Some sponsorships still need to be posted.

REVENUE

Revenue is \$397,817, 18% above budget and well ahead of FY16 actuals of \$331,076.

- Membership dues revenue is \$125,402 and 5% below budget, matching the slow downward trend from the past few years.
- Subscription revenue is running 17% below budgeted amounts for the year at \$14,887, and will not recover; budgeted revenue amount was closer to target than in previous years.
- Registration revenue is extremely strong at \$205,396, 41% above budget. Most of this revenue comes from a linked data series of webinars. Web course revenue is on budget at \$75,505. Webinar revenue is at \$123,203, 125% over the current estimated budget, and about \$40,000 above the total expected budget for FY17.
- Book sale revenue is 69% below budget, but no new titles have been published by ALCTS since summer 2015. A new SSG title is coming out this fiscal year.
- Royalties are at \$2,079, about \$600 below the estimated budget of \$2,667. This includes \$1,480 in royalties from ALA Editions (Sept 16 – Feb 17).
- Donations are 48% above budget, including over \$17,500 in personal donations. Sponsorships are on target with budget.

EXPENSES

Direct expenses are \$264,326, under budget by 12% and below FY16 actuals of \$275,503. Total expenses with interunit transfers (IUT) and overhead are \$312,788, under budget by 11% and below FY16 actuals of \$319,117.

- Preservation Week expenses are below budget with the elimination of internet and PC at ACRL, and some ACRL expenses have not yet posted.
- Total LRTS expenses are below budget. Expenses for the April 2017 issue have not yet posted but will be below budget due to reduction in page count and taking copyediting in house with ALCTS staff.

Association for College and Research Libraries (ACRL)

Total revenues are \$4,124,878 against an April YTD budget of \$3,744,557 or 10% above budget. Expenses stand at \$3,527,143 against a budget of \$3,463,137 or 2% over budget. Net revenues of \$597,735 are better than the \$281,421 budgeted by \$316,314 or 112% better than budget.

ACRL's 2017 Conference is the cause for this positive performance which included an increase of 14% in registration revenues over budget and up to 16% in exhibits revenues (we are working to reconcile our accounts with ALA Finance as this report has exhibit revenues higher than our records indicate—revenues received to reserve space for the 2019 conference might have incorrectly been recognized in 2017. If this is the case that number will be reduced as 2019 revenues will be recognized when the conference is held.) Fundraising for the conference was very successful raising 41% more than budgeted for a total of \$335,300. Recorded conference expenses are 2% below budget but there are still about \$100,000 in bills to be paid. Overall, the conference was a financial success.

As noted in previous reports, the membership "bump" ACRL used to enjoy from a conference has long disappeared; in fact, membership is 4% below budget with total dues of \$424,885 against a budget of \$441,649. Book sales are down, due in part to slow sales through outside sales channels, but with revenues of \$212,527 through April, and five new books set to publish by the end of FY17, we should hit the reforecasted revenues of \$283,819. Sales of ACRL's Trends & Statistics are at budget and should exceed it by year end due to completing the next edition ahead of schedule. Print and online product advertising in all three ACRL publications is above budget as is classified ad revenues, which are at 9% above budget with gross revenues of \$273,994.

ACRL's expenses are up just 2% in part to cover the costs of greater participation in the ACRL Conference and increased postage as well as additional staff expenses due to promotions. ACRL's overhead payment to ALA has already exceeded budget to date by 10% contributing \$698,604 as of April. Revenues from the ACRL RBMS Conference and the summer institutes will add to the overhead contribution.

ACRL's Long Term Investments (LTI) showed a net gain since September of \$212,580 at the end of April standing at \$3,780,461. The April ending net asset balance for the ACRL LTI is \$3,531,386 a \$198,406 increase from the beginning net asset balance of \$3,332,978. Also of note, the Leab endowment increased in value to \$50,169, thereby meeting ALA's required minimum balance of \$50,000.

[ACRL] Choice Performance Comments Through April, FY17

Through April, Choice net revenue from operations stands at -\$233,260 on revenues of \$1,896,069 and expenses of \$2,129,329. Revenues trail YTD budget by \$190,176, while expenses are ahead by \$143,951, leading to an overall shortfall of \$46,226 to budgeted net revenues of -\$187,034. Year-over-year, Choice unit revenue has improved by \$113K, offset by a \$99K increase in expenses.

Subscriptions: Buoyed by its redesign, subscriptions to *Choice Reviews* are outpacing FY16 performance by 19%, but even this satisfying rebound cannot keep pace with the "exuberance" of the FY17 budget,

and through April CR is 15% below budget. Even so, circulation is trending upward and as of this writing has topped 1,200 institutions for the first time in five years, fueled in part by an aggressive telemarketing campaign and outreach to delinquent accounts. We anticipate ending the year at approximately \$700K, some 85% of budget but \$46K better than a year ago.

Choice reviews in print format—*Choice* magazine and *Choice Reviews on Cards*—are again this year declining in a predictable fashion, with revenues down 5% and 8% against budget but 13% and 19% less than at this time a year ago

Resources for College Library subscriptions are somewhat higher than anticipated versus budget. Equally significant, they are approximately \$10.5K ahead of this time a year ago, representing, we hope, a renewed interest in selling the product at ProQuest

Advertising: Choice advertising efforts are moving strongly to the upside during the second half of this year. Print (magazine) ads, which trailed prior year by a consistent 15% during the period September to February, are now recovering, a change that is not yet fully apparent on the performance report for April. Print advertising will end the year at \$450K in gross sales, 7% ahead of prior year and only 7% below our aggressive FY17 budget.

Net digital advertising revenue is 17% (\$19K) ahead of budget through April. Looking ahead to the end of the year, we forecast gross digital sales (before commissions) of approximately \$190,000, \$26K ahead of prior year and almost 6% ahead of budget.

Webinars: Choice-ACRL sponsored webinars continue to be a rousing success. Gross bookings through the end of the year currently stand at \$203,500, representing full-year FY17 net revenue, before commissions, of \$122,100 for Choice (60% of gross), against a budget of \$99,000.

Licensing: Royalties from the licensing of Choice reviews are running behind budget as of April, largely owing to timing of royalty payments, but in all likelihood, and barring unusual delays in payment, Choice review royalties will finish the year ahead of budget at \$537K on a budget of \$520K.

For RCL licenses, the failure of ProQuest's Intota library management system means the loss of the royalty revenue—\$108K annually—from the licensing of RCL inside that product. This loss will erase some \$54K in budgeted royalties in the second half of this fiscal year and the full \$108K in FY18. Overall, then, royalty revenue for FY18, budgeted at \$644K, will finish the year around \$622K, a shortfall of approximately \$23K.

Expenses: The \$143K improvement over budget noted above is largely due to management of direct expenses, which are running \$155K (7%) better than budget owing to cost-saving measures and delays/deferments of hiring initiatives. IUTs are below budget simply because the majority of budgeted transfers have been made through direct billing instead.

Full-year Forecast: With a better understanding of the savings our changes are bringing on the expense side, and with a late-year surge in advertising and webinar revenue, we are now forecasting full-year performance at -\$268,975, some \$13K below budget but a significant improvement over earlier estimates.

Choice FY18 Forecast as of 1 June 2017:

ITEM		FY17F	FY17B	Var to B	%
TOTAL REVENUES		2,970,552	3,129,468	(158,915)	
TOTAL EXPENSES		3,239,528	3,385,368	145,840	
NET REVENUES		(268,975)	(255,900)	(13,075)	
REVENUE					
Subscriptions					
	Choice Magazine	449,350	473,000	(23,650)	95%
	Reviews on Cards	118,953	129,297	(10,344)	92%
	Subtotal: Choice Print	568,303	602,297	(33,994)	94%
	Choice Reviews Online	697,916	821,078	(123,162)	85%
	Subtotal: All Choice	1,266,220	1,423,375	(157,155)	89%
	Resources for College Libraries	150,000	169,000	(19,000)	89%
	CC Advisor		0		
4110	Total Subscriptions	1,416,220	1,592,375	(176,155)	89%
Advertising					
	Net Sponsored Webinars	114,492	93,060	21,432	123%
	Net Advertising	637,802	646,826	(9,024)	99%
Royalties					
	Choice (CCC, reprints, etc.)	6,100	400	5,700	1525%
	Choice Reviews (Licensing)	537,131	520,017	17,114	103%
	Resources for College Libraries	78,500	123,875	(45,375)	63%
4421	Total Royalties	621,731	644,292	(22,561)	96%
Other Revenue					
4109	Misc. Sales	88,000	86,975	1,025	101%
4490	Misc. Revenue (remaindered k	85,000	60,000	25,000	142%
	Total Other Revenue	173,000	146,975	26,025	118%
TOTAL REVENUES		2,970,552	3,129,468	(158,915)	95%
EXPENSES					
	Payroll and Related Expenses	1,611,201	1,770,551	159,350	91%
	Outside Services	325,555	269,054	(56,501)	121%
	Travel and Related Expenses	55,571	52,925	(2,646)	105%
	Meetings and Conferences	22,755	22,755	0	100%
	Publication-related Expenses	347,012	433,765	86,753	80%
	Operating Expenses	436,440	445,347	8,907	98%
	Subtotal Direct Expenses	2,798,535	2,994,397	195,862	93%
	Subtotal Indirect Expenses (IUTs)	(20,000)	(98,140)	(78,140)	20%
	IUT/Overhead	392,113	413,874	21,761	95%
	IUT/Allocations (Liberty Squa	57,215	63,572	6,357	90%
	UBIT	11,665	11,665	0	100%
	Subtotal Overhead	460,993	489,111	28,118	94%
TOTAL EXPENSES		3,239,528	3,385,368	145,840	96%

Association for Library Service to Children (ALSC)

	YTD Budget	YTD Actual	Variance b/n YTD Budget and Actual	Variance %	Remaining Current Budget
Total Revenues	1,017,645	1,021,065	3,419	0%	361,450
Total Expenses before OH and tax	839,471	731,931	107,451	13%	520,376
Contribution Margin	178,174	289,134	110,960	62%	-158,926
Overhead	121,181	122,532	-1,351	-1%	29,408
Tax	187	187	0	0	93

	YTD Budgeted	YTD Actual	Variance	Variance %
Net Revenue (Expense)	56,806	166,415	109,609	193%

Beginning Net Asset Balance	Ending Net Asset Balance	Net Revenue	% Increase of NAB
\$2,461,926	\$2,628,341	\$166,415	6.75%

Overall, net revenue 8 months into the fiscal year is \$166,415 which is 193% ahead of budget.

Total revenues posted at budget or \$1,021,065. Dues revenue is performing ahead of budget by 1%. Seals sales are performing ahead of budget by \$37,600 (7%). Digital licensing revenue is 3% under budget (\$7,440). Online CE revenue is under budget by 33% (\$5,500). Registration revenue for the Virtual and Mini-Institute was 21% (\$21,450) below budget. Children and Libraries subscriptions are tracking ahead of budget by almost \$200. Ad revenue is currently also ahead of budget \$385 and advertising revenue is under budget by 9% (\$800). Every Child Ready to Read sales are tracking \$1500 ahead of budget.

On the expense side, total expenses were \$106,190 or 11% under budget. Administrative costs are under budget by \$79,000 mainly due to cost savings in salary and benefits due to an unfilled position and grant support. Service to member expenses are under budget by \$20,800 or 22%. Transportation, lodging and meals are under budget by about \$16,654 and professional services is under budget by \$6,650. Expenses for seals production and fulfillment are currently 4% over budget (\$4,072). Online CE expenses are under budget by \$4,879 or 47%. The Institute project currently shows expenses at \$21,500 over budget, but will come back to budget when Morris Endowment support posts in May.

Association for Specialized and Cooperative Library Agencies (ASCLA)

Dues revenue is on target, at \$29,781 against a YTD budget of \$29,760.

Online CE sales are down due to lower number of selected webinars and courses and due to approved presenters dropping out. ASCLA has three online CE opportunities between now and Fall and will do a call for online CE proposals in the summer for the remainder of the calendar year.

Total revenues under projections for this time of year, at \$40,445 against a budget of \$69,627 (-42%). This represents a slight increase in the gap between budget and actual, which was 40% as of March. This gap can be expected to increase with the cancellation of planned Annual Conference preconferences.

Total expenses before Overhead are \$75,583, against a budget of \$95,118 (\$19,536).

Revenue minus Expenses before Overhead (the “Contribution Margin”) was -\$35,138 against a YTD budget of -\$25,491 -- \$9,646 (-38%) behind budget. **Overhead**-- ASCLA’s contribution to ALA’s operations and mission – was \$1,356 against a budget of \$8,592, an 84% variance.

Summary: ASCLA is experiencing less revenue than projected (mainly due to the hold on the online CE program), but is spending considerably less than projected, also. Scheduled preconferences were cancelled because registration did not reach the break-even point; in this case, cancellation is saving money. There will be some salary savings related to the vacancy in the ASCLA executive director position.

Library and Information Technology Association (LITA)

LITA Budget Projections at 8 months

LITA FY17 Budget	Actual	Budgeted	Variance	FY16 Q3 Actual	Total Projected for FY17
Total revenues	\$248,392	\$257,409	-4%	\$280,728	\$342,408

Total expenses	\$251,381	\$254,404	1%	\$268,232	\$351,854
Net revenue	-\$2,989	\$3,005	-199%	\$12,496	-\$-9,446

SUMMARY

This report uses financial data through April 2017.

In general, revenue is down about \$6,000 from projections, primarily because of decreases in dues and the fact that we’re running courses later in the semester rather than webinars earlier in the calendar year. The revenue from these courses will show up in the May and June budget reports.

ADMINISTRATIVE

Dues continue to come in below projections at \$93,118 (-5%), however there is a 14% discrepancy in the salary line. There is also a discrepancy of 14% in the salary line that ALA Finance and Accounting is currently researching, because it is missing just over \$13,000 (which if restored will increase our total expenses line).

50TH ANNIVERSARY FUND

We set a goal of \$10,000 for the 50th anniversary fundraising campaign, and as of April we’ve raised \$11,095. If we reach \$11,500 by the end of August, we’ll be able to add a seventh Forum scholarship. If not, we’ll add a third Emerging Leader for FY2018.

JOB SITE

Our Job Site service again outperformed expectations. We projected receiving \$17,000 total for FY2017, which would have resulted in \$11,333 at the end of Q3. However, this line is currently at \$14,463, which represents a \$3,129 (28%) increase over projections. It is \$2,500 more than at this time last year.

COURSES AND WEBINARS

Webinars have underperformed by 9% due to the fact that we only ran one this spring. Instead, the Education Committee chose to run more courses than webinars, but that revenue won’t show up in our budget reports until May and June (which is why the variance is -86% for the April report). Unfortunately, this means that the webinars line will see a large variance at the end of the fiscal year since we don’t start the next round of webinars until FY2018.

Library Leadership and Management Association (LLAMA)

	YTD Budget	YTD Actual	YTD Variance
Total Revenues	\$145,533	\$152,121	\$6,588
Total Expense Before Overhead	\$173,504	\$153,685	(\$19,819)
Overhead	\$5,872	\$5,225	(\$647)
Total Net Revenue/(Expense)	(\$33,843)	(\$6,789)	\$27,054

Summary:

Total Revenue is \$105% of budget at \$152,121, and <\$3,000 better than FY16. Personal/org dues are 4.8% better than budget at \$112,157 and <\$3,000 behind FY16. Webinar sales are 97% of budget at \$31,173 and <\$3,000 better than FY16. Midwinter Career Institute revenue was also slightly ahead of budget. Direct Expense is 89% of budget at \$153,685. Most of the variance is in the Product Development budget, which hasn't yet been utilized. Staff are currently reviewing proposals for course development in response to the RFP. Administrative expense is 97% of budget and in line with FY16. Development expense is over budget because fundraiser tickets have been purchased but revenue has not yet been recorded. ALA Overhead is 89% of budget. Net Revenue is (\$6,789) or \$27,000 better than budget and <\$3,000 behind FY16. Year-End: Membership, webinar and annual conference revenue should all be on budget. Expenses should also be on budget, except for the \$25,000 budgeted for course development. It is unlikely course development will begin before July, meaning most of the budget will be spent in FY18 rather than FY17. The result this year will be a deficit of less than \$10,000, possibly break-even, depending on registration for the four Annual Conference pre-conferences.

Public Library Association (PLA)

Operating Budget Revenues

Through April 2017, PLA revenues are down 16% overall (actual \$593,332 vs. budget \$765,997). Revenues are under budget in all major categories: dues, publications, Every Child Ready to Read (ECRR), webinar sales, registration fees, donations, and advertising. Specifically:

- The membership pattern is in alignment with this time two years ago, ahead of a PLA conference. PLA anticipates meeting budget for dues.
- A decision to add value to membership by making some PLA webinars and publications free to members has impacted webinar and publications budgets and has not yet had a positive impact on dues.
- A Midwinter institute had to be cancelled due to low enrollment, decreasing registration revenue.
- Donations from major sponsors are down; however, with very little marketing, individual giving is up and is an area PLA will focus on in the future.
- Advertising is projected to pick up and PLA should meet revenue targets.
- Sales of the ECRR project have slowed. The main product is now six years old and 6,500 copies have been sold since its release. New auxiliary products should improve sales somewhat. IMLS-

funded research on the impact of the program will be released in the fall and this will be used to reinvigorate the program and develop new products; impact won't be felt till FY18. It is projected that budget will hit approximately 75% of goal, at \$50K.

Operating Budget Expenses

Expenses (including overhead) are 54% under budget (actual \$824,052 vs. budget \$1,269,945). The most significant expense, salaries and benefits are on budget. The major variance is Consulting/Professional Services, which is under budget by \$170,000. Some of this will be spent on PLA activities associated with ALA Annual Conference but the line should remain underspent by \$50,000. The annual budget for overhead will not be met due to the revenue shortfalls noted earlier and could be off by as much as \$20,000.

Grants

Since the last budget report, PLA has been awarded another IMLS grant to provide library internships for diverse students. Almost all of the \$592,756 award will be spent in FY17. For FY17, PLA has \$3,033,395 in grant revenue. This breaks down to \$775,215 in three IMLS-funded projects (diversity internship, early literacy research and leadership training) and \$2,258,180 in five Gates Foundation grants (legacy, performance measurement, and African leadership training projects, plus two completed projects converted to general operating support). PLA is currently overspent by \$56,630, which is roughly 3% of the amount budgeted as of April 2017, and anticipates continuing to be on target through FY17.

Overhead for Grant Budgets

Budgeted overhead for FY17 total is \$388,065, of which 81% is charged to PLA grants. As of April 2017, PLA has contributed \$198,780, or about 51% of budget, to ALA overhead, and expects to be at or near budget by close of FY17 due to grant project spending.

Long-Term Investment (LTI)

The PLA LTI was at \$1,232,423 as of April 2017 (compared to \$1,216,345 at the same time last year). Interest for FY17 (less bank fees) was \$75,608. In June, the PLA board will determine where to allocate interest. Past investments of interest have gone to leadership development, performance measurement, and digital literacy initiatives.

Reference and User Services Association (RUSA)

Dues revenues are close to target -- \$110,603 against a YTD target of \$115,600 (-4%).

Online CE sales are down due to putting a hold on the program until maintenance and new processes were put into place. Revenue from CE is at \$50,022 against a year-to-date budget of \$75,600 (-34%).

Preconferences scheduled for Annual Conference 2017 have been cancelled due to insufficient registration. This will have a negative impact on the RUSA budget performance. Staff are looking at performance trends for preconferences and at the cost and other factors affecting performance.

Total revenue is \$215,229 against a YTD budget of \$271,317, representing a -21% shortfall.

Total expenses before Overhead are \$284,545 against a year-to-date budget of \$316,599 -- \$32,054 (10%) better than budget. Total Revenues minus total expenses before Overhead is -\$69,316 against a budget of -\$45,282 – or -\$24,034 (-53%) worse than budget. Overhead – RUSA’s contribution to ALA’s operations and mission – was \$7,924 against a budget of \$16,450, a difference of \$8,526 (52%).

Summary: While the RUSA performance on Dues revenue is encouraging, overall RUSA revenues have been lagging this year, primarily related to an hiatus in online CE offerings and cancellations of preconferences. There will be salary savings in the final months of the year, due to the vacancy in the executive director position.

United for Libraries (UFL)

Though not reflected in the April, 2017 Prophix Report, United for Libraries has \$94,500 in revenues received or pledged but not reflected. This includes approximately \$58,500 in corporate sponsorships and honorariums, \$15,000 in Books for Babies revenue, \$5,000 in Combined Federal Campaign funds, and \$4,000 in book royalties. This means that we are approximately \$31,000 ahead of budget on the revenue side of the ledger.

Expenses are trending a bit down from projection and will be further reduced by approximately \$14,000 by the fiscal year end due to one month’s salary savings from the departure of the current executive director, savings from travel, office supplies, and other incidental expenses.

We are currently projecting that United for Libraries will end the fiscal year with a net asset balance of approximately \$10,000.

Young Adult Services Association (YALSA)

YALSA FINANCIAL OUTLOOK (EXCLUDING ENDOWMENTS)






April 2017

OPERATING BUDGET	FY16 Actual	FY17 Actual	Budgeted	Variance
Total Revenue	477,664	376,467	556,275	-179,808
Total Direct Expenses	467,297	429,762	483,819	54,057

Contribution Margin (what's left over after you subtract cost from revenue)	-15,106	-78,242	84,481	-162,722
Overhead (what we contribute to ALA in return for services)	39,045	32,239	44,029	11,790
Tax	131	80	80	0
Net Revenue	-54,281	-110,561	40,371	-150,932
Ending Net Asset Balance	123,275			








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	<ul style="list-style-type: none"> Down 11% compared to budget 	Membership for Apr. was 4,813, down 7.2% over Apr. 2016
	Events	<ul style="list-style-type: none"> Symposium revenue is 23% better than budget 	Ticket sales for events at Annual are better than last year, but revenues won't be seen until the July reports
	Sales	<ul style="list-style-type: none"> Self-published books down 72% Subscriptions down 14% Bulk seal sales are down 65% 	Initial sales are weak for the 2 new digital publications. At Annual, a 3 rd new publication will go on sale.
	CE	<ul style="list-style-type: none"> eCourses behind budget by 32% Institutes behind budget by 100% 	new self-paced eLearning could bring in needed revenue, but initial sales are slow
	Ads	<ul style="list-style-type: none"> Ads for YALS are 4% behind budget Ads for the eNews are 7% behind budget 	
	donations	<ul style="list-style-type: none"> Donations for Jan. included gifts received at Midwinter 	collected \$2,983 so far (to meet the \$14,095 goal, an avg of \$1,175 per month is needed).

		There's been a delay w/ the coloring book, so that is not on sale yet
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Expenses:

	Expense	Performance	Commentary
	YALS	13% over budget	Due to postage, printing, storage, and mailing
	Board & Committees	32% better than budget	
	Wages	22% better than budget	Due to shifting CE position from staff to contract worker; however, this means higher than budgeted expenses for outside services
	Events	34% better than budget	partly due to lower than expected AV costs at the symposium & the use of grant funds to support the program challenge
	Book publishing	Better than budget by 32%	Primarily due to delayed projects
	Recruitment	Better than budget by 29%	utilizing local members as often as possible to avoid travel expenses

Key receivables: sponsorships for events at Annual, 1 licensed institute