

Core 21.04

2021 Midwinter Board of Directors

Core FY21 YTD Financial Report

Operating result through September 2020 (Month 1, FY21)

	YTD Actual	YTD Budget	Variance	FY21 Budget	FY20 Actual
Revenues	\$40,734	\$73,657	\$ (32,923)	\$ 997,382	N/A
Expenses	\$67,321	\$80,399	\$13,078	\$ 1,045,714	N/A
Net	\$(26,587)	\$(6,743)	\$(19,845)	\$ (48,332)	N/A

Summary: ALA's financial reporting is significantly behind schedule and not wholly accurate. For example, dues and subscription revenue are estimated based on budget, and accounts payable are not up to date. This situation is due to the decision by former ALA leadership to outsource key accounting functions. For a number of reasons, that plan failed. Current ALA leadership has brought these functions back in house, and finance and accounting staff are working diligently to bring financial reporting current, and to ensure the numbers are accurate.

In a normal year, FY20 (ending with the August financial report) would already be closed or almost closed, and we would be reporting results to the Board. Instead, the last FY20 report (covering the former three divisions) is from April. FY21 reporting would normally be current through November, possibly December. We have only September.

Since reporting is both out of date and not based wholly on actual revenue/expense, this report should be considered as an estimated snapshot of Core's first month of operations. As such, it's not a valuable use of staff time to provide detailed analysis, as we normally would. We will do when we get more updated numbers. In the meantime, as staff, we're going to be transparent with members about the current financial situation and support our ALA colleagues as they rebuild the accounting department.

Looking ahead: regardless of reporting, we know that the pandemic has impacted every aspect of life, both here and globally. Specific to Core, we know or anticipate the following in our major revenue streams:

- **Membership:** lower than anticipated Core membership dues in FY21. ALA personal membership has declined. The extent is not certain yet, but we know as ALA membership declines, Core membership declines as well. Part of this loss is due to job losses in the profession. Part is due to the perceived lack of value in membership. The former we have little control over, though we can advocate for the value of the profession. We have much more control over the value we provide for Core members, and that will always need to be our focus.
- **Continuing education:** lower than budgeted webinar revenue; lower than budgeted Forum revenue; near budget for courses. We are closely monitoring CE registration and revenue. First quarter indications are that the market is saturated with online CE, competition is increasing, and that in general there is Zoom fatigue. This has been evident in lower than usual webinar attendance. Even courses which quickly sold out in the past are taking longer to fill or are not selling out. We are also looking at content. Staff is working with the CE Committee to make sure content is being developed across our new functional areas and that all members will find content of interest. Finally, we believe that members are still getting used to Core, its content, and where to look for our CE offerings, so staff is working to better align content descriptions and marketing.

Specific Budget Areas, September 2020:

ALA Overhead

Revenue: N/A

Expense: \$497 Actual \$4,399 Budget \$68,676 FY21 Budget

Administration/Operations

Revenue: N/A

Expense: \$61,584 Actual \$58,673 Budget \$688,258 FY21 Budget

Advocacy/EDI, incl Preservation Week

Revenue: \$0 Actual \$0 Budget \$10,000 FY21 Budget

Expense: \$0 Actual \$833 Budget \$9,050 FY21 Budget

Annual Conference Programs/Events

Revenue: \$0 Actual \$0 Budget \$2,500 FY21 Budget

Expense: \$0 Actual \$0 Budget \$4,500 FY21 Budget

Awards and Scholarships

Revenue: \$0 Actual \$1,925 Budget \$23,100 FY21 Budget

Expense: \$0 Actual \$2,550 Budget \$33,600 FY21 Budget

Forum

Revenue: \$0 Actual \$0 Budget \$75,000 FY21 Budget

Expense: \$278 Actual \$0 Budget \$51,500 FY21 Budget

Note: though all numbers are not reported, the Forum will end above break even, but well below budgeted net revenue of \$24,500.

Governance

Revenue: NA

Expense: \$0 Actual \$0 Budget \$4,050 FY21 Budget

Journals/Subscriptions

Revenue: \$33 Actual \$1,240 Budget \$14,880 FY21 Budget

Expense: \$712 Actual \$3,256 Budget \$39,072 FY21 Budget

Member Services/Dues

Revenue: \$36,783 Actual \$37,659 Budget \$451,902 FY21 Budget

Expense: \$809 Actual \$1,521 Budget \$18,250 FY21 Budget

Preconferences

Revenue: \$0 Actual \$0 Budget \$26,000 FY21 Budget

Expense: \$0 Actual \$0 Budget \$17,140 FY21 Budget

Publications

Revenue: \$140 Actual \$917 Budget \$11,000 FY21 Budget

Expense: \$2,508 Actual \$468 Budget \$5,614 FY21 Budget

Web Courses

Revenue: \$0 Actual \$15,000 Budget \$180,000 FY21 Budget

Expense: \$0 Actual \$7,312 Budget \$85,580 FY21 Budget

Note: the web courses started in October/November, so revenue should be reported starting on the October report.

Webinars

Revenue: \$3,576 Actual	\$16,667 Budget	\$200,000 FY21 Budget
Expense: \$1,425 Actual	\$5,967 Budget	\$71,600 FY21 Budget

Note: like web courses, webinars were only beginning to ramp up in September. Additional revenue will be reported on future reports.