

FY21 THIRD QUARTER FINANCIAL PERFORMANCE REPORTS:

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ALA OFFICE AND MEMBER RELATIONS (AOMR)

AOMR Departmental Overview and Summary

The ALA Offices and Member Relations (AOMR) Department is made up of the following units: The AED Office (formerly MPS); Membership Development and Customer Service (MDACS); Office for Intellectual Freedom (OIF); Office for Human Resource Development & Recruitment (HRDR); Office for Diversity, Literacy & Outreach Services (ODLOS); Office for Accreditation (OA); Library and Information Resources Center (LIRC); Public Programs Office (PPO); and ALA Round Tables.

Unit Reports

AED - Offices & Member Relations (AOMR) (200)

| | | | |
|---|-------------|-------------|------------|
| Total Revenues Budgeted/Actual/Remaining: | \$ 36,000 | \$ 26,950 | \$9,050 |
| Total Expenses Budgeted/Actual/Remaining: | \$ 410,615 | \$317,328 | \$93,287 |
| Net Revenue (Expense) Budgeted/Actual/Variance: | \$(374,615) | \$(290,378) | \$(10,027) |

AOMR – AED is running slightly over budget. This is due in part to expenses related to salaries and benefits being slightly up.

Membership Dues – 591-9152

Membership Dues – 591-9152

ALA Membership Dues (Q3 Close)

| | | | |
|---|--------------|--------------|--------------|
| Total Revenues Budgeted/Actual/Remaining: | \$ 3,717,768 | \$ 3,499,496 | \$ (218,272) |
| Total Expenses Budgeted/Actual/Remaining: | \$ (110,000) | \$ (79,318) | \$ (30,682) |
| Contribution Margin: | \$ 3,607,768 | \$ 3,420,178 | \$ (187,590) |

Based on Q3 close, and the first preliminary close for FY21, membership dues will end the year ahead of budget, but behind FY20 by approximately 10%. For FY21, we projected a dues revenue decrease of approximately 30% which did not manifest. We will not end FY21 as low as expected due to both deferred revenue that we had collected before the pandemic, as well as higher than expected membership renewal rates.

In FY21, our membership renewals did not follow the usual monthly pattern which meant many renewing members did not receive the expected renewal communications from us. For FY22, we are committed to executing the full renewal cycle for all members. We are also doing targeted membership recruitment to lapsed members that will highlight some of the new membership benefits.

Membership Operation – 250-0000

ALA Membership Services (Q3 Close):

| | | | |
|---|--------------|--------------|--------------|
| Total Revenues Budgeted/Actual/Remaining: | \$ 32,500 | \$ 24,892 | \$ 7,608 |
| Total Expenses Budgeted/Actual/Remaining: | \$ (579,386) | \$ (454,060) | \$ (125,326) |
| Contribution Margin: | \$ (546,886) | \$ (429,167) | \$ (117,718) |

Total unit finances are just slightly behind budget but are expected to be slightly ahead of budget for FY21. This is due to expense management and savings.

July, 2021 Official Membership Statistics

| | |
|--|--------|
| Count of Personal (Individual) Members: | 44,334 |
| Count of Organizational Members: | 5,016 |
| Count of Corporate Members: | 126 |
| Total: | 49,476 |

ALA's membership decreased 0.3% in July to 49,476. This remains a 10% decline from 2020 and an 12% decline when compared to the same time in 2019. This time of year, our membership counts typically decline so we are likely going to face additional decline until early Fall.

ALA's membership has continued to drop due to the pandemic as well as seasonal fluctuations in membership counts. Assuming seasonal patterns hold, our counts will continue to decline through the summer and then start to rebalance in the Fall. As previously noted, we are continuing to see a decline

in Regular, Organizational, and Corporate Members which pay the highest dues prices. We are seeing an increase in Student Members, especially through our joint students, who pay lower annual dues.

In alignment with the pivot plan, the membership team has a developed strategy for FY22 to rebound our membership to pre-pandemic numbers. This includes a targeted focus on library worker members, converting students to library worker memberships post-graduation, and engaging library lovers as members. We have also recently activated the onboarding campaign for members and are planning to work in alignment with LibLearnX staff to leverage membership messaging to drive growth.

Library and Information Resources Center (LIRC) (104)

| | | | |
|---|-------------|-------------|------------|
| Total Revenues Budgeted/Actual/Remaining: | \$ 0 | \$0 | \$0 |
| Total Expenses Budgeted/Actual/Remaining: | \$316,041 | \$255,513 | \$18,699 |
| Net (Expense) Budgeted/Actual/Variance: | \$(316,041) | \$(255,513) | \$(18,699) |

The Library is running over budget due high activity as a result of the headquarters move and increased services of the ALA Archives at the University of Illinois at Urbana-Champaign (UIUC).

Office for Accreditation (OA) (112)

Office for Accreditation (Unit 112) 3rd Qtr FY 2021 ending May Performance Report

Net Rev/ (Expense)

| Full Year | Actual | YTD | Variance | % | Remaining |
|-----------|---------|---------|----------|----|-----------|
| -146,998 | -71,588 | -87,943 | 16,355 | 19 | -75,410 |

Expense reduction afforded by virtual spring Committee on Accreditation meeting.

ALA Office for Diversity, Literacy & Outreach Services (ODLOS) (116)

| | YTD Budget | Actual | Variance | Variance % |
|----------------------------------|-------------|-------------|------------|------------|
| Total Revenues | \$ 17,550 | \$ 20,077 | \$ 2,527 | 14% |
| Total Expenses before OH and Tax | \$ 301,691 | \$ 152,956 | \$ 148,734 | 49% |
| Contribution Margin | \$ -284,141 | \$ -132,880 | \$ 151,261 | 53% |
| Net Revenue Expense | \$ -284,141 | \$ -132,880 | \$ 151,261 | 53% |
| Ending Net Asset Balance | \$ -284,141 | \$ -132,880 | \$ 151,261 | 53% |

As of the close of May 2021, the Office for Diversity, Literacy and Outreach Services (ODLOS) is ahead of budget on year-to-date revenues and well below budget in year-to-date expenses, giving us a variance of 53% in net revenue / expense.

Our revenues are exceeding budget owing to a high demand for equity, diversity and inclusion trainings for library audiences, and we continue to see growth in revenues from this work. Our expenses for the

fiscal year will also be offset by a transfer of \$20,000 from the Public Programs Office for advising and resources for their grant project *LTC Focus on Small and Rural Libraries*.

With the vacancy in the ODLOS Director position, salary support from the Mellon grant and the halt on travel, our overall expenses through the third quarter of FY21 are well below budget. Our main variance is in Processing/Fulfillment (line 5433). Due to how these expenses get charged, they show up on the ODLOS operating budget but are the responsibility of round tables under our office. These expenses will be recouped through GL transfers before the close of the fiscal year. Given the continued cost savings around salaries, travel and other expenses, as well as our increased revenues, we expect the Office to end the fiscal year with a positive variance in net revenue / expense.

Office for Human Resources Development & Recruitment (HRDR) (106)

| | | | |
|---|-------------|-------------|------------|
| Total Revenues Budgeted/Actual/Remaining: | \$ 54,000 | \$ 477 | \$7,209 |
| Total Expenses Budgeted/Actual/Remaining: | \$ 239,262 | \$163,951 | \$75,411 |
| Net Revenue (Expense) Budgeted/Actual/Variance: | \$(185,362) | \$(163,951) | \$(24,690) |

HRDR is over budget due to slower than normal revenues because of loss of revenue for the Placement Center due to an online Midwinter Meeting. Slightly elevated amounts in salaries due to overtime support for social media projects.

ALA Office for Intellectual Freedom – May 2021 Close-FY21

| | | | |
|--|--------------------|--------------------|------------------------|
| <u>Total Revenues Budgeted/Actual/Remaining:</u> | <u>\$ 72,172</u> | <u>\$ 38,503</u> | <u>\$ 33,669</u> |
| <u>Total Expenses Budgeted/Actual/Remaining:</u> | <u>\$506,676</u> | <u>\$350,069</u> | <u>\$156,606</u> |
| Net Revenue (Expense) Budgeted/Actual/Variance | <u>\$(434,504)</u> | <u>\$(311,566)</u> | <u>\$(122,938) 14%</u> |

Overall revenues remain ahead of budgeted revenues for the second quarter; expenses across all budgets are 14% below budget. Revenues for FY21 now match total revenues for FY20, with two quarters remaining.

While revenues are ahead of budget, we anticipate that there will be a shortfall in projected revenue due to the loss of sales of Banned Book Week materials, CE, and subscriptions due to uneven opening of schools and libraries and reduced library budgets. While the greater number of schools reopening provides some hope that we will see better revenue results than projected, we will not know the impact of pandemic-related conditions on OIF revenues until July or August, when sales of Banned Book Week materials are greatest.

There are a number of positive events. We anticipate some additional income from royalty revenues derived from the January 2021 publication of the 10th Edition of the *Intellectual Freedom Manual* and the publication of the April 2021 publication of the second edition of Pat

Scales' *Books on Fire*. We also anticipate grant income to offset expenses, including a year-end transfer from the Freedom to Read Foundation to offset a portion of salary and benefit expenses.

Expenses to date are at or below budget and we anticipate that expenses will come in at or below budget.

Public Programs Office (PPO) (115)

PPO is better than budget in the General Fund due to first round NEH CARES funding, and projects a \$50,000 savings by FY end.

PPO grants revenue and indirect cost recovery are behind budget by due to timing; we expect to be on budget by year-end.

PPO donations are better than budget due to sponsorships and continued individual giving, but due to timing of when donations were booked at FY20 end/FY21 start, appear slightly under budget.

Interest/divs on the PPO's \$2 million Cultural Communities Fund are better than budget due to market conditions.

| | Full Year Budget | Actual | YTD Budget | Variance | Variance % | Prior Year Actual | Remaining Current Budget |
|------------------------|------------------|-------------|-------------|-------------|------------|-------------------|--------------------------|
| NET REV Gen Fund Admin | \$(289,271) | \$(174,972) | \$(216,494) | \$41,522 | 19% | \$(224,945) | \$(114,299) |
| (4300) GRANTS | \$3,869,406 | \$2,584,409 | \$2,902,055 | \$(307,645) | -11% | \$1,065,945 | \$1,284,997 |
| (5911) IUT/OVERHEAD | \$395,206 | \$72,056 | \$296,404 | \$224,348 | 76% | \$133,299 | \$323,150 |
| (4400) DONATIONS | \$200,000 | \$127,565 | \$150,000 | (\$22,435) | -15% | \$462,495 | \$72,760 |
| (4420) INT/DIV | \$51,781 | \$51,752 | \$38,836 | \$12,917 | 33% | \$45,598 | \$29 |

COMMUNICATIONS AND MARKETING OFFICE (CMO)

Through May 21, CMO's expenses are about 3 percent better than budgeted.

DEVELOPMENT OFFICE

In the past three years, ALA's Development Office's expected revenue has significantly increased to better reflect both the needs of the association and the capacity of the Development Office under Tracie Hall's leadership. In 2020, ALA's Development Office was charged with raising \$100,000 in contributed income for the year. In 2021, that amount was increased to \$2,500,000 and the Development Office's actual total contributed revenue in FY21 was \$4,650,000. In FY22, the Development Office is charged with raising \$3,085,000 in contributed income. FY21's success can be

attributed in large part to corporate and foundation giving. Looking ahead to FY22, Development plans to continue to work with established corporate and foundation partners, as well as expanding that pool. In addition, the Development has identified potential areas of individual giving, including the already profitable collaboration with FreeWill, to increase individual giving and major gifts.

The Development Office finished FY21 with an ending net balance of \$1,762,379. Development's FY22 budget reflects \$503,191 in expenses compared to \$3,080,000 in revenue. In creating this FY22's budget, Development committed to not decreasing expenses to internal ALA units but instead decreased budgeted amounts to outside vendors.

HR & STAFF SUPPORT SERVICES

Human Resources and Staff Support Services Unit Overviews

HR – Human Resources (506)

| | | | |
|---|-------------|-------------|------------|
| Total Revenues Budgeted/Actual/Remaining: | \$ 0 | \$ 0 | \$ 0 |
| Total Expenses Budgeted/Actual/Remaining: | \$ 606,774 | \$507,464 | \$99,310 |
| Net Revenue (Expense) Budgeted/Actual/Variance: | \$(606,774) | \$(507,464) | \$(49,924) |

HR is running slightly over due to expenses for upgrades to the HRIS system.

Staff Support Services (501)

| | | | |
|---|-------------|------------|-----------|
| Total Revenues Budgeted/Actual/Remaining: | \$ 0 | \$ 0 | \$ 0 |
| Total Expenses Budgeted/Actual/Remaining: | \$ 158,464 | \$44,247 | \$114,217 |
| Net Revenue (Expense) Budgeted/Actual/Variance: | \$(158,464) | \$(44,247) | \$74,408 |

Staff Support Services is running under budget due to reduced amounts in salaries, benefits and operations costs.

INFOMRATION TECHNOLOGY

At the end of May 2021, IT expenses were 5% or \$120,384 under budget.

Professional services and software maintenance were under budget due to timing issues.

IT resources are currently being used on:

- upgrading the Shibboleth Single Sign-on Service Providers on the remaining twelve websites (ALA Connect and the new CE system have been upgraded)
- implementation of https on the main ala.org websites (completed in June 2021)
- implementation of Multi-factor Authentication on O365 applications to improve our security posture (completed in September 2021)
- monitoring revenue and membership goals
- assisting with the new Continuing Education (CE) learning management/eCommerce implementations
- implementation of the eStore integration to the new fulfillment vendor
- improving communication technologies (ie. migrating all blogs to the cloud, moving Sympa lists to ALA Connect, and updating marketing email automation services).

PPA/WASHINGTON OFFICE

Washington Office Operations (Unit 150) is shown as \$48,201 under budget for the month of May. This figure includes operational expenses only since **actual** salary and wages information was not provided in the May Performance Report. The year to date expenses are shown as 25% (\$26,443) under budget. With reduced spending in all areas of operation, and the expectation that salary and wage expenditures will be as budgeted, the Washington Office is expected to end the fiscal year under budget.

Public Policy and Advocacy (Unit 151) is shown as \$69,416 under budget for the month of May. As with unit 150 no actual salary and wage information was provided in the May Performance Report and no accurate Actual versus Budget information can be provided for May. The year to date expenses are shown as 20% (\$273,247) under budget. Significant expenses to lobby on Covid-19-related legislation are being realized during the spring-summer period as necessitated by Congressional action on the infrastructure, budget reconciliation, and appropriations bills. Also, some expenses from our lobbying on the American Rescue Plan Act have not yet been reflected in the general ledger. Additionally, as reported in February, additional contracted services are being used to supplement work in those areas that staff are unable to perform due to position freezes, travel restrictions and limited engagements imposed this past year. However, the unit still expects to be well within budget at the end of the fiscal year.

ALA PUBLISHING & MEDIA

| Department totals | FY21 performance report as of 5/31/2021 | \$ and % Variance Actual/Budget | FY21 full-year budget |
|-------------------|---|---------------------------------|-----------------------|
| Total Revenues | \$6,613,537 | (\$573,856)/ -8% | \$10, 032,632 |

| | | | |
|---|-------------|--------------------------------|--------------------------------------|
| Total Expenses – before OH and taxes | \$5,199,557 | \$74,808/ 1% less than budget | \$7,247,215 (not including overhead) |
| Overhead paid | \$1,752,589 | \$161,376/ 8% less than budget | \$2,658,646 |
| Net revenue (Note: the lag between revenues and expenses being recorded skews this number throughout the year until final expenses are calculated and IUTs etc. applied.) | (\$71,220) | (\$400,015)/ -122% | \$529,129 |

ALA Publishing & Media Department top Q3 takeaways/FY21 projections

- All units have continued to focus on revenue opportunities and containing expenses, laying groundwork for the Pivot Strategy with its focus on revenue and membership goals.
- Particularly good opportunities for sales in Q3 and beyond proved to be sponsored webinars; bulk sales of elearning CE opportunities; ALA JobLIST advertising sales in an improving job market; an inventory-reduction sale before the warehouse move; RDA: Resource Description and Access-related elearning and publications; licensed items through the ALA Graphics giftstore and Baby Yoda-related items including library cards. Longer-term tactics to maintain and increase sales include new directions in content, new formats, reaching additional markets, reaching more broadly and deeply into current markets, and collaborating extensively with other ALA units and external organizations.
- As of the end of Q3, we projected a likely shortfall of 8% against FY21 revenue goals, based on year-to-date sales and upcoming plans.
- Monthly allocations were set higher in most units for the second half of FY21 in the hope that the pandemic impact would lessen as the year went on. Those higher Q3 and Q4 revenue targets proved challenging. Expense savings for FY21 look as if they are likely to offset revenue shortfalls overall by approximately \$500,000 or around 7%.
- The most significant revenue losses in Q3 and Q4 related to the move to a new distribution and fulfillment vendor being more disruptive to sales for longer than expected (a move dictated by the previous vendor exiting the business); no face-to-face conferences; fewer books delivered for publication; post-pandemic subscription declines with some institutions eliminating subscriptions from budgets; and declines in specific advertising segments as detailed in the unit reports below.
- Some FY21 revenue and expense numbers will improve after further resolution, especially subscriptions to RDA: Resource Description and Access and expense offsets not yet recorded, including \$25,000+ in the cost-recovery unit Production Services.
- Face-to-face conferences offer key revenue-generation opportunities lost in FY21, affecting advertising, product sales, and pre-conference events. (The ALA Conference Store revenue budget, for example, was \$45,000. The 2020 advertising sales for the Midwinter issues of

American Libraries and Booklist were approximately \$63,000 more than the 2021 virtual event related sales.)

- Expense reductions combined with furloughs led to judicious trimming throughout FY21, such as combining magazine issues, publishing fewer books, and smaller and fewer print catalogs. While these cuts helped manage expenses, there is also some impact on sales.
- The net revenue number lags in reporting until the FY close after August when numbers are reconciled and the impact of reduced expenses offsetting revenue shortfalls can be confirmed.
- Special notes for FY20 and FY21 expenses
 - FY21: Although many units across ALA use the fulfillment and distribution services, unbudgeted expenses for the move to CDC (including IT expenses for connecting the shopping cart) will be carried by ALA Publishing in order to avoid the complex accounting that would be required to assign these costs to multiple units. When the move is complete, those amounts will be noted for the FY21 closing narrative. The CDC accounting system will simplify this kind of work going forward, based on a percentage of sales rather than specific transactions. Similarly, ALA Publishing is carrying unbudgeted expenses related to setting up the new elearning website (also required as a result of the fulfillment move). The move was unbudgeted because the current vendor announced only in October 2020 that they were exiting this business effective 6/30/21.

ALA Editions/ ALA Neal-Schuman top Q3 takeaways/FY21 projections

| ALA Editions 301 | FY21 performance report as of 5/31/2021 | \$ and % Variance Actual/Budget | FY21 full-year budget |
|---|---|---------------------------------|--------------------------------------|
| Total Revenues | \$1,722,283 | \$1,845,293/ -7% | \$2,672,553 |
| Total Expenses (not including overhead) | \$1,756,754 | \$1,743,283/ -1% | \$2,420,824 (not including overhead) |
| Overhead paid | \$456,407 | \$489,002/ 7% | \$708,227 |

- Sales slowed in Q4 and some marketing efforts had to be suspended during the distribution vendor change but normal activity has now resumed with sales rebounding. The projected shortfall for total FY21 at the end of Q3 was around 10% but rose to 20% during the longer than anticipated disruption.
- Book returns from distributors started to revert to more normal levels, and we are starting to see some bulk sales for training events again.
- 12 new ALA titles were published in Q3, including an immediate bestseller, *Oliver's Introducing RDA: A Guide to the Basics After 3R*. The unit was on track to publish a total of 36 book projects in FY21, several resulting from productive collaborations with ALA units such as AASL, PPO, PLA, OIF, and the former ALCTS (now Core). Revisions are underway for key textbooks, including a third edition of *Metadata* (Zeng and Qin), the second edition of which was named a 2017 CHOICE Outstanding Academic Title. FY22 will start strong with book publications delayed and backorders carried over from FY21.

- Facet sales (the CLIP UK publishing partner) ended at about \$43,000/29% ahead of budget YTD. Fifteen titles from Facet were published in FY21. The top five sellers were: *The Chief Data Officer's Playbook*, Second Edition, *Engaging your Community through Active Strategic Marketing*. *Seeing Sense*, *The Academic Teaching Librarian's Handbook*, and *Managing the Crowd*.
- Gale Cengage offers an additional avenue for ALA Editions/Neal-Schuman ebooks. With the finalizing of the metadata needed by them, we now expect to start seeing revenue and to be able to really evaluate performance in FY22.
- We continue to implement a tiered approach to book publishing that identifies priorities based on potential sales and immediate need for content, a revised acquisitions plan, and the launch of our collaboration with trade publisher Sourcebooks, which will earn royalties for the unit while helping ALA reach a wide general audience.
- Improvements and efficiencies in product fulfillment resulting from the July 1 move to the Chicago Distribution Center are now in the planning and implementation stage. This includes the shopping cart experience on the e-commerce platform, increase in print-on-demand to help streamline and thus decrease expenses, and streamline ebook delivery. Operations are stabilizing even after CDC was forced to deal with delays in receiving product inventory from the previous fulfillment vendor. A strong commitment was made by CDC to receiving in ALA Product as soon as possible with many overtime hours. We see daily improvement and sales will show that as well. Inquiries about orders and invoices from the previous vendor are still being addressed but the number of customer service issues resulting from the move have lessened. The timeline is not what we originally expected, but we'll begin the work of transitioning the ALA Store into CDC's shopping cart and BiblioVault ebook distribution system in January 2022.
- ALA TechSource subscriptions are not yet fully updated in reports; we estimate 10% revenue shortfall in this area for FY21 and have various marketing strategies underway to recapture subscribers and boost single copy sales, while also evaluating the long-term viability of this as a subscription product.

Booklist top Q3 takeaways/FY21 projections

| Booklist 302 | FY21 performance report as of 5/31/2021 | \$ and % Variance Actual/Budget | FY21 full-year budget |
|---|---|---------------------------------|--------------------------------------|
| Total Revenues | \$2,882,673 | (\$322,265)/ -10% | \$4,389,018 |
| Total Expenses (not including overhead) | \$1,624,547 | \$104,919/ 6% less than budget | \$2,305,487 (not including overhead) |
| Overhead paid | \$777,013 | \$72,296/ 9% less than budget | \$1,163,090 |

- *Booklist* advertising sales continued to be affected by the disruptions of the pandemic, specifically print advertising. FY21 ad sales are projected to be down against budget by about \$108,000 (-4%), with the bulk of that shortage from Series Nonfiction advertisers. (The possible reasons include school closures meaning that SNF titles not being purchased by individual schools and districts, and publishers therefore not spending money promoting the books.) The remaining shortfall results from a combination of advertising sales missing from Penguin Random House with BOT/Listening

Library, DC Comics print publishing, and several international advertisers, as well as the growth of adult publishers advertising to their own lists. It should also be noted that, more and more frequently, advertisers are looking for a customized and personalized advertising campaign and not simply a print ad and in the print magazine.

- Successful advertising programs in FY21 include the VOICES program (a bundled option for publishers to feature their EDI books) which secured \$68,000 in revenue. The Graphic Novel promotion brought in \$140,000, the most in this special promotion's 3-year history. Two successful white paper projects with Gale and one with Ingram resulted in \$80,000 in revenue.
- The webinar program sold over \$475,000 in sponsorships in FY21, the most in *Booklist's* webinar history. *Booklist* aired 73 webinars in FY21 compared with a one webinar per week average in previous years.
- The licensing agreement with ProQuest decreased 25% from \$200,000 in FY20 to \$154,000 in FY21, due to a pandemic-related loss of revenue on their side. The unit continues to explore new and expanded licensing opportunities, recognizing that many library workers access our reviews through third parties.
- The toll of pandemic-related library/school closures took over a year to play out on *Booklist* subscriptions. The current circulation is back to Fall 2020 levels, but is still on average down 16% from 2019. Some new subscribers were attracted through promotions, but discounts to secure those subscribers result in revenue per subscription being down 15% year over year. More full-price orders are coming in, which should help bring the revenue per sub back to pre-pandemic rate. We estimate ending FY21 around 16.71% down against budget in this area, with estimated revenues of \$1,052,184, or \$211,134 short of budget. The good news is that subscriptions are trending higher at the beginning of FY22. To counter the downward circulation trend and initiate programs aimed to boost circulation, the marketing team is and has been working on these efforts:
 - Reactivation campaign
 - 15K direct mail to mix of expired subscribers, ALA members non-subscribers, MDR list academic libraries (June)
 - LIS school and LIS student outreach (April)
 - 10 LIS schools are currently taking *Booklist* Online Unlimited trials
 - Eblast to individual students for print subscriptions (26 new orders so far)
 - 14-day trial campaign launched in May to get people to reconsider *Booklist* Online
 - Eblasts and banner ads posted on *Booklist* Online, *Booklist* Reader, and in newsletters.
 - Promotion of *Booklist* Reader (patron-facing product described below) beginning in June including:
 - Teaser paragraph included in reactivation direct mail piece
 - Kick off at ALA Annual (*Booklist* virtual booth)
 - House ads, banners, social media, and eblasts
 - Conversations with EBSCO and other sales/subscription agencies
 - Back-to-school campaign celebrating re-opening of schools
- The unit continues to focus on new digital sponsorship and advertising opportunities as they emerge, including podcast sponsorship.
- To remain competitive, *Booklist* needs to develop its digital assets and products. The team has made positive steps toward this goal and hopes to do more when financial investment becomes feasible.
- As noted above, *Booklist* Reader (*Booklist's* new patron-facing product) launched as a digital-only product at the start of FY22, with input from the *Booklist* Advisory Board and a focus on EDI. The goal is to include this product that reaches all library patrons as a benefit of subscription, offering an added value proposition to help boost subscriptions while also expanding our reach to the public.

Mellon Foundation grant funding is supporting the development and launch of the new product. *Booklist* staff is currently surveying libraries to gauge interest in a future print version of this new product.

American Libraries top Q3 takeaways/FY21 projections

| American Libraries 303 | FY21 performance report as of 5/31/2021 | \$ and % Variance Actual/Budget | FY21 full-year budget |
|---|---|---------------------------------|-----------------------|
| Total Revenues | \$493,442 | (\$1,834) / 0% | \$707,529 |
| <i>ALA JobLIST</i> | <i>\$178,516</i> | <i>\$39,116 / 28%</i> | <i>\$205,000</i> |
| Total Expenses (not including overhead) | \$630,069 | \$63,691 / 9% less than budget | \$922,392 |
| Overhead paid | \$130,762 | \$487 / 0% | \$187,495 |
| <i>Sub Equivalent (no net revenue is calculated for AL)</i> | <i>\$267,389</i> | <i>(\$62,343) / -31%</i> | <i>\$402,358</i> |

- As of Q3, ALA JobLIST classified advertising was 28% (\$39,116) better than budget and was expected to end FY21 at 37% (\$76,485) better than budget due to a strong job market that has seen an increased demand for workers. Many ads are seeing premium upgrades to stand out from the crowd. With JobLIST partner ACRL, a new business plan was developed in Q2, and gradual implementation of the plan's initial recommendations are ongoing with IT's support. With the job market expected to improve, the next fiscal year is budgeted to bring in 85% (\$340,000) of average pre-pandemic revenue.
- Gross advertising performed better than budget in May thanks in part to a bundling package created for the May and June print issues. With the announcement of a virtual Annual Conference, revenue was anticipated to be below budget given vendors' reduced ad spending for virtual conference issues. With that in mind, an ad package was created to incentivize advertising in those two print issues.
- Creative approaches to custom content packages have seen growing success, a trend that is anticipated to continue in FY22 in both print and digital as vendors attempt to increase visibility in a saturated digital space.
- Whenever *American Libraries* requires less in Subscription Equivalent, there is a net benefit to the ALA General Fund budget.

Digital Reference/RDA top Q3 takeaways/FY21 projections

| Digital Reference 305 | FY21 performance report as of 05/31/2021 | \$ and % Variance Actual/Budget | FY21 full-year budget |
|---|--|------------------------------------|-------------------------------------|
| Total Revenues | \$ 637,616 | \$ (228,464) / -26 % | \$ 1,201,594 |
| Total Expenses (not including overhead) | \$ 481,375 | \$ (7,164) / -2 % less than budget | \$ 754,384 (not including overhead) |
| Overhead paid | \$ 168,968 | \$ 69,848 / 29 % less than budget | \$ 318,422 |

- Total revenues as tracked in Salesforce, the system used for day-to-day subscription and renewal monitoring and management, showed a subscription shortfall of \$65,256, or -7.5% as of 05/31/21. The sizable difference in Prophix and Salesforce revenue numbers continues to be investigated, with delays in payment processing one possible cause. The unit is working with ALA Finance staff on this, on removing barriers to accurately pursuing unpaid invoices, and on creating more efficient payment management processes overall for RDA Toolkit subscription sales.
- The RDA Toolkit subscription shortfall was projected to increase in the final quarter of the year, though Salesforce tracking of subscription revenue was strong in the final quarter. According to Salesforce tracking we finished with a final total subscription revenue of \$1,079,630, a shortfall of \$114,964 (-9.5%). This number is slightly better than the final subscription revenue shortfall of 10% projected in Q3.
- Efforts to educate users about the significant recent changes to RDA and RDA Toolkit continued with the iteration of the successful RDA Lab Series in collaboration with eLearning Solutions; collaborations with ALA Editions on *Introducing RDA: A Guide to the Basics after 3R* and *RDA in Practice: A Workbook*; and a new series of free monthly webinars.
- Translations in Hungarian and Arabic are progressing, and negotiations for a Portuguese translation are in the final stages. Both efforts should lead to subscriptions in new markets.

ALA Publishing eLearning Solutions top Q3 takeaways/FY21 projections

| eLearning Solutions 308 | FY21 performance report as of 5/31/2021 | \$ and % Variance Actual/Budget | FY21 full-year budget |
|--------------------------------|---|---------------------------------|-----------------------|
| Total Revenues | \$455,842 | \$ 47,842 / 11.7% | \$535,931 |

| | | | |
|---|-----------|----------------|---------------------------------------|
| Total Expenses (not including overhead) | \$226,021 | (\$2,024) / 1% | \$285,456 (not including overhead) |
| Overhead paid | \$120,669 | \$14,153/13% | \$142,021 |

- With continued sales from the RDA Lab Series and several large institutional sales, strong sales continued through Q3, indicating that the unit was on track to meet FY21 revenue goals. Our summer schedule of events was reduced to accommodate anticipated work on the new eLearning site, but the projections was still to meet the original revenue budget.
- Strong bulk sales have continued, with sales to the National Library of Greece, Queens Public Library, Delaware Division of Libraries and Southeast Florida Library Information Network accounting for tens of thousands of dollars in sales, some of which will be booked in Q4.
- The focus of work remained laying groundwork for this unit to become a free-standing ALA unit in FY22 to better coordinate CE efforts across ALA. Coordinating the development of the ALA elearning site, scheduled for launch early fall 2021, was the priority. Initiatives to standardize pricing and discounts across ALA units remain a priority.

ALA Graphics top Q3 takeaways/FY21 projections

| ALA Graphics 313 | FY21 performance report as of 5/31/2021 | \$ and % Variance Actual/Budget | FY21 full-year budget |
|---|--|------------------------------------|---------------------------------------|
| Total Revenues | \$372,716 | (\$1,143) / 0% | \$526,007 |
| Total Expenses (not including overhead) | \$258,770 | \$15,771 / 6% less than budget | \$372,927 (not including overhead) |
| Overhead paid | \$98,770 | (\$302) / 0% | \$139,391 |

- Revenue targets were met in March and April; the target was exceeded in May by \$8,243 in part by a \$7,000 purchase from Los Angeles Public Library. Other significant sales in Q3 came from National Library Week (in partnership with CMO), Baby Yoda posters and bookmarks, and the READ Design Studio Flash Drive.
- Q3 saw the expansion of Baby Yoda licensed art on items at Out of Print clothing with a May royalty of \$8,212. REM poster license accounted for a \$12,500 royalty payment. Note: royalty revenue is overstated by \$3K due to timing (revenue from Longview Public Library for library cards was recorded in May, however the invoice payment to Lucas Color Card won't hit Prophix until Q4).

- June and July are historically slow sales months for Graphics and the move from PBD to CDC impaired sales further. Additionally, the move also meant that we didn't see the jump in sales we usually do in August with the release of the fall catalog/back to school, despite a strong new product line.

DIVISIONS

AMERICAN ASSOCIATION OF SCHOOL LIBRARIANS (AASL)

| FY21 Ending May 2021 | FY21 Budget Quarter 3 | FY21 Actual Quarter 3 | Variance | Variance % |
|------------------------------------|--------------------------|--------------------------|------------|------------|
| Total Revenues | \$ 324,365 | \$ 385,638 | \$ 61,273 | 19% |
| Total Expenses Before OH and Taxes | \$ 539,190 | \$ 600,350 | \$ 61,160 | -11% |
| Contribution Margin | \$ -235,216 | -\$ -235,216 | \$ -20,391 | -9% |
| Tax | \$ 150 | \$ 150 | \$ 0 | 0% |
| Overhead | \$ 1538 | \$ 7551 | \$ -6014 | -391% |
| Total Expenses | \$ 540,877 | \$ 608,052 | \$ -67,175 | -12% |
| Net Revenue (Expense) | \$ -216,512 | \$ -166,058 | \$ 50,454 | 23% |

Total revenues as of the first quarter performance report were 19% above YTD budget (actual \$385,638 vs budget \$324,365).

Revenue for AASL total Membership Dues were below YTD budget by 10% (actual \$186,842 vs budget \$208,601). As of the first of June, AASL personal membership has dipped to 5477 with 1575 of those student members. AASL offers a promotional student membership in the division that is tied to purchase of the *National School Library Standards*. There are 153 organizational members. In the last three months AASL added 2 new organizational members and 307 new personal members of which 86 are students.

Total expenses were 18% below YTD as budgeted (actual \$291,753 vs budget \$358,538). The half year of revenue shared with ALA Editions for the AASL Standards is slightly more than budgeted and provided AASL with \$24,851. AASL's portion of the shared revenue is reflected in ALA performance reports as a negative expense.

FY21 is a non-conference or "spend down" year for AASL. The Q3 performance report indicates \$441,226 as the beginning net assets. The AASL National Conference to be held October 21-23 in Salt Lake City has opening, author, and general session speakers booked, concurrent sessions presenters

ready, the Research Empowering Practice sessions accepted, and attendees posting their enthusiastic anticipation. Note: all revenue and expenses for the AASL National Conference are deferred to FY22.

Overhead for FY21 was \$6014 over YTD budget (actual \$7551 vs \$1548 budget).

ASSOCIATION OF COLLEGE & RESEARCH LIBRARIES (ACRL)

This report was compiled by past ACRL Interim Executive Director Kara Malenfant with input from ACRL budget managers and Mark Cummings, Editor & Publisher, Choice. ALA's Finance Office noted that information on performance for the first three quarters of fiscal year 21 (Sept. 1, 2020 – May 31, 2021) is still provisional due to ongoing delays and issued these important caveats when quarterly reports were provided to all ALA units:

- Accounts payable reported through May 31, 2021.
- Revenue reported through February 28, 2021.
- Payroll reported through April 2021.
- FY21 beginning net asset balances, not yet reported.

ACRL FY21 Third Quarter Performance Comments

| ACRL TOTAL | FY21 Q3 ACTUAL | FY21 Q3 BUDGET | \$ VARIANCE FROM BUDGET | % VARIANCE |
|-----------------|-------------------|-------------------|-------------------------------|---------------|
| REVENUES | \$2,611,083 | \$3,115,563 | (\$504,479) | -16% |
| EXPENSES | \$2,144,465 | \$3,673,177 | \$1,528,712 | 42% |
| NET | \$466,619 | (\$557,614) | \$1,024,233 | 184% |

Narrative

As ACRL staff carefully reviewed each debit and credit (hundreds for Q3), we sought clarification or correction for over twenty items (after first checking real-time information in the financial system) worth more than \$1,128,561. This reconciliation required an increase of ACRL staff time and more than fifty emails/calls to reconcile Q3. While in the past, work happened monthly, having it compressed due to quarterly reporting has created a significant shift in workload on unit staff causing some strain and ambiguity, as well the unfavorable practice of maintaining shadow accounting systems. The real-time reports have improved, but there are still gaps and delays in uploading transactions while the two ASA? Accounting Manager positions remain unfilled. It is important to have timely access to accounts receivable ledgers, so staff can maintain vendor relations by following up promptly if there are missing payments. We anticipate it will be challenging to begin a draft FY23 budget this fall absent monthly reports as we will have a very limited information from ALA Finance on budget vs. actuals the first few months of FY22. To improve our FY23 preliminary budget planning, ACRL anticipates dedicating additional time to manually compiling financial actuals from other systems. We look forward to

a new ALA CFO and a fully staffed accounting team to bring renewed focus towards simplifying accounting workflow and improving communication with ALA units.

The Q3 reports confirm that the ACRL 2021 Conference was not just a programmatic, but also a financial success. Due mostly to expense savings for the conference and across all projects, ACRL ended Q3 \$1,024,233 or 184% better than budget. It should also be noted that ACRL saw significantly higher revenues for membership and webinars due, in part, to a carefully considered marketing campaign. Furthermore, the Q3 net is over \$100K better than the year-end projections we shared with in June. Of course, there will be changes in Q4.

The largest cost savings for ACRL in reported thus far in FY21 are in 1. salaries and benefits (as the search for ACRL's executive director continued), 2. outside professional services, 3. travel and meal functions, and 4. program expenses, especially relating to the ACRL 2021 conference.

Membership. Membership dues are 47% or \$126K better than budget as the expected 30% membership melt did not materialize. Again, this is partly attributable to carefully conceived and well executed marketing strategies.

Publications: Serials. The swift rebound of ALA JobLIST classified ad sales continues. In collaboration with partners at *American Libraries*, a new business plan is improving ALA JobLIST and contributes directly to success in the pivot strategy's impact streams of membership development and revenue. Job boards meet an expectation of an essential, uniquely valuable service that associations provide for their members, whether employers or job seekers, and offer an opportunity to generate high-margin, non-dues revenue with comparatively low expenses. Job boards can also support member recruitment and enhance the reputation of an association. Freely, openly, and easily available to all job seekers, JobLIST provides a well-known, inclusive space that does not require finding specific lists or job postings scattered across communities. It serves as a nexus to expose job opportunities to the broadest possible audience in a way that is efficient for all employers and job seekers and helps us advance our commitment to equity, diversity, and inclusion Ads are screened by experienced JobLIST staff, shielding ALA from potential liability for the repercussions of any scam job ads as well as upholding key ALA policies set by Council related to anti-discrimination policies ([ALA Policy B.9.3](#)) and salary range ([ALA Policy B.9.17](#)). At the end of Q3, online advertising revenue recognized in the *C&RL News* budget is \$22,236 (or 36%) ahead of budget for the year while overhead exempt revenue (including print advertising) is \$16,019 (or 28%) behind budget. Online advertising revenue for *C&RL* is \$650 (or 9%) ahead of budget while print advertising revenue for *RBM* is \$1,630 (or 19%) behind budget and online advertising revenue is \$620 (or 25%) behind budget. *RBM* should get closer to budget when advertising revenue from the Spring issue is recognized in Q4.

Publications: Non serials. This quarter shows net of 8% or \$8.7K ahead of budget, however it is important to note that this does not yet account for payroll costs which are allocated at the end of the fiscal year to each ACRL project. For ACRL non-serial titles, print sales and ebooks for individual use continue to lag while royalties from institutional ebook sales via distributors continue to trend ahead. We are absorbing some significant costs and decreased sales associated with the move to ALA's new warehousing and fulfillment vendor in Q3 and Q4. We reduced and

destroyed around \$75K in slow-moving inventory, which will increase costs in our inventory reserve adjustment, and that reduction will also decrease our inventory adjustment credit.

Publications: Trends and Statistics. The net for ACRL's Trends & Statistics products are 273% or \$112K better than budget in Q3. This is largely a timing issue as we are publishing two print editions in FY21 and had budgeted revenue for only one print edition. Again, this net does not yet include payroll costs for staff time.

Education: ACRL 2021 Conference. In Q3 the ACRL 2021 Conference was reported as 74% or \$302K ahead of budget, due to stronger than anticipated registration, exhibits, and sponsorships, coupled with expense savings. The highly successful The ACRL 2021 Conference, "Ascending into an Open Future," originally planned for Seattle, took place as a virtual-only event April 13 - 16, 2021. ACRL 2021 was in the FY21 budget as an in-person conference with lower than usual attendance in a higher-cost city, with a slim net. Staff built a new budget for virtual-only ACRL 2021 budget in fall 2020, with nearly every budget line being revised. We expect the final net to be on par with past ACRL face-to-face conference conferences, even when the costs for staff time are allocated at fiscal year close. This important revenue helps to support other ACRL member services, programs, and strategic initiatives.

Education: RBMS 2021. The Q3 budget reports show performance 181% or \$89K better than budget. Originally planned to be an in-person conference held in Milwaukee, WI, we also cancelled the face-to-face RBMS 2021 for a virtual-only event in June. As with the ACRL 2021 conference, staff reworked the budget in fall 2020, with nearly every budget line being revised. This year's theme of *Power, Resistance and Leadership* in the virtual format generated record-breaking interest with 700+ registrants and 59 bookseller companies to the largest-ever RBMS conference. As a result of stronger than anticipated registration and sponsorships this spring, coupled with significant expense savings, the RBMS 2021 virtual conference is expected to have the highest net to date. ACRL is already planning RBMS 2022 with in person and virtual components. As with other projects, costs for staff time are not yet reflected in Q3.

Education: Online Continuing Education. With fewer offerings in the second half of FY21 so that staff and audience attention could be focused on the ACRL2021 and RBMS conferences, Q3 still reported ACRL eLearning performing 96% or \$37K better than budget (again, payroll costs are not yet reflected). This is in part due to a reprise of a popular 3-part webcast series on copyright. Our monthly newsletter, *The Syllabus*, which began in January 2020, continues to promote all of ACRL's professional development offerings inside and outside of association membership.

Payroll. FY21 Q3 saw payroll *savings* in salary and benefits (which continued in Q4) while the ACRL E.D. search reopened and Malenfant continued in the interim position, in effect leaving a position open. Additional payroll *savings* in Q4 are anticipated due to PPP loan forgiveness, to be credited to each unit (estimated \$108,000 for ACRL and \$116,000 for Choice), and salary savings due to a staff resignation. In Q4 we expect unbudgeted payroll *expenses* in salary/wages for 5-days of cancelled furlough August 2022 (estimated \$21,000 for ACRL and \$22,500 Choice).

Overhead to ALA. As ACRL misses its budgeted revenue and with the switch from in person to online events (where revenue is assessed at 50% of the overhead rate, per the management practices of ALA in relation to its membership divisions), ACRL projects are expected to generate total FY21 overhead to ALA of under \$300K, significantly less than the budgeted \$672,672.

ALA Pivot Strategy Goals. Looking at ACRL’s current performance and FY22 plans in relation to ALA priorities, we share a few important data points:

- ALA’s five-year financial plan notes that overall ALA spending on personnel is above 50% of revenue (against an ASAE peer benchmark of 40%). ACRL salaries and benefits stand at 36% of revenue (over 2-year average to reflect conference cycle). Our FY22 budget includes funding for a position recently vacated that we’re working to re-envision, and we look forward to hiring a new colleague in the coming months.
- An ALA tactical goal per the pivot strategy is for 10% contributed revenue; ACRL's stands at 4%, all individual donors. We look forward to continuing to explore appropriate foundations to approach, with help and guidance from ALA institutional advancement.
- An ALA tactical goal is 15% market share in FY22. ACRL market penetration in FY20 was 38% (ACRL members as % of total US academic librarians) and has been above 34% for 16 years. We look forward to continuing ACRL’s new member onboarding program to increase engagement and retention, in coordination with ALA’s new engagement plan.
- We are fortunate to have dedicated members elected or appointed to volunteer in over 1,200 positions across ACRL. With an ACRL membership of 8,693 (as of June 2021), the ratio of 1 position for every 7.24 members means there are many engagement opportunities available. Without the time and energy of member volunteers, ACRL would not be able to accomplish nearly as much for the good of the profession.

Choice FY21 Third Quarter Performance Comments

Choice financial results through May 2021 show net revenues favorable to budget by \$125,851, owing to better-than-expected performance against both revenues and expenses:

| | May-21 | | | | | | | |
|--------------------------------|---------------|------------|------------|----------|----------|-----------|----------|---------|
| CHOICE 404 | Budget (Year) | Budget YTD | Actual YTD | Var | % Budget | Prior YTD | Var | % Prior |
| Beginning Net Assets | | | 2,587,461 | #VALUE! | #VALUE! | 2,571,980 | 15,481 | 0.60% |
| TOTAL REVENUES | 2,382,519 | 1,766,514 | 1,845,663 | 79,149 | 4.5% | 1,757,159 | 88,504 | 5.04% |
| Total Expenses before OH/Taxes | 2,050,427 | 1,592,548 | 1,522,053 | 70,495 | 4.4% | 1,652,025 | 129,972 | 7.87% |
| Contribution Margin | 332,092 | 173,966 | 323,610 | 149,644 | 86.0% | 105,134 | 218,476 | 207.81% |
| Overhead | 315,686 | 236,765 | 244,550 | (7,785) | -3.3% | 233,119 | (11,431) | -4.90% |
| Allocations (575 Main St) | 3,940 | 2,955 | 18,963 | (16,008) | -541.7% | 28,871 | 9,908 | 34.32% |
| Tax | 0 | 0 | 0 | 0 | #DIV/0! | 0 | 0 | #DIV/0! |
| TOTAL EXPENSES | 2,370,053 | 1,832,268 | 1,785,566 | 46,702 | 2.5% | 1,914,015 | 128,449 | 6.71% |
| Net Revenue/(Expense) from Ops | 12,466 | (65,754) | 60,097 | 125,851 | 191.4% | (156,856) | 216,953 | 138.31% |
| Ending Net Asset Balance | #VALUE! | #VALUE! | 2,647,558 | #VALUE! | #VALUE! | 2,415,124 | 232,434 | 9.62% |

Subscriptions

Through May, Choice subscription revenues continue to fall, spurred by pandemic-inspired reevaluations of library workflows and budgets. Year-over-year performance is especially significant on this point, inasmuch as May 2000 earned income did not yet reflect the effects of

the pandemic. As of the end of the 3d quarter, *Choice* magazine earned income was off 21% from a year ago; cards, 19%; and *Choice Reviews*, 10%. Collectively, these three products were \$61K unfavorable to budget and \$125K unfavorable to prior year. With the special insight into the future provided us by the fact that the fourth quarter is now behind us, we “forecast” that total subscription revenue, including not only the products mentioned above but also *Resources for College Libraries* and *ccAdvisor*, will finish FY21 some \$130K (11%) below budget.

Royalties

For its part, royalty income lags budget by some \$41K through May, but the variance is because of timing and is not indicative of any significant market trend. Licensing revenue is fairly predictable, except during periods of contract renegotiation, and we otherwise have no indication of impending contract terminations. As a result, we expect to meet budget (\$500K) for the year.

Advertising and Sponsored Content

But with overall revenue favorable to budget by almost \$80K through May, it is to advertising and sponsored content that we must look for offsets to subscription losses. Once our principal source of advertising revenue, space advertising continues its seemingly inexorable decline, from its full-year high point of \$440K in FY17 to a projected \$145K in FY21, and will finish the year over \$50K below what we believed to be an appropriately reduced FY21 budget. While some of this reflects a migration of advertising dollars to more effective platforms (see below), it is also the inevitable result of falling circulation. For their part, banner (digital) ads will actually come in almost \$12K ahead of budget, but the gain does not reflect increases in *Choice Reviews* advertising but rather unbudgeted income from advertising on the new *Choice360.org*, which accepted ads for the first time in FY21.

Our sponsored-content properties, however, are outperforming both budget and prior year. Far and away the most successful of these is our sponsored webinar program, which will yield \$299,450 in gross receipts in FY21. A nice example of this featured Nobel Laureate Jennifer Doudna, When you picture a scientist, [who do you see?](#) After commissions and payment of a 15% royalty to ACRL, webinars will net Choice \$243K, beating budget by some \$91K. White papers, podcasts, newsletters, and eblasts—all sponsored—are forecast to finish the year ahead of budget, collectively by some \$94K. Overall, then, combined FY21 revenue from advertising and webinars (which, for Choice, are advertising) is projected to beat budget by over \$140K, \$68K ahead of prior year.

* * *

Thus, with subscriptions forecast to end FY21 \$130K below budget, offset by advertising gains of \$140K over budget, Choice revenue should meet or slightly exceed budget for the year.

Expenses

On the expense side, year-to-date direct expenses through Q3 are running \$62K better than budget, with improvements distributed throughout the charge lines. Offsetting these are almost \$24K in overages in overhead and IUT allocations (line 5998), the latter—a \$16K miss—entirely because we did not have information on our FY21 obligations toward the building loan

when we submitted the budget. Similarly, we are unable to provide reliable forecasts of full-year Choice expenses in the absence of regular monthly performance reports.

ASSOCIATION FOR LIBRARY SERVICE TO CHILDREN (ALSC)

| | YTD Budget | YTD Actual | Variance b/n YTD Budget and Actual | Variance % | Remaining Current Budget |
|----------------------------------|-------------------|-------------------|---|-------------------|---------------------------------|
| TOTAL REVENUES | 1,230,274 | 1,736,965 | 506,691 | 41% | -269,845 |
| Total Expenses before OH and tax | -892,228 | -996,884 | -104,657 | -12% | 233,189 |
| Contribution Margin | 338,046 | 740,080 | 402,034 | 119% | -503,034 |
| Overhead | 136,364 | 213,875 | -77,511 | -57% | -54,614 |
| Tax | 210 | 210 | 0 | 0% | 70 |
| TOTAL EXPENSES | -1,028,802 | -1,210,969 | -182,168 | -18% | 178,645 |

| | YTD Budgeted | YTD Actual | Variance | Variance % |
|------------------------------|---------------------|-------------------|-----------------|-------------------|
| Net Revenue (Expense) | 201,472 | 525,995 | 324,523 | 161% |

| Beginning Net Asset Balance | Ending Net Asset Balance | Net Revenue | % Increase of NAB |
|------------------------------------|---------------------------------|--------------------|--------------------------|
| 4,080,750 | 4,606,746 | \$525,995 | 13% |

Overall, net revenue for the third quarter of FY 2021 posted at \$525,995 which is 161% ahead of budget putting us into a positive position nine months into the fiscal year.

Total revenues posted 41% or \$506,691 ahead of budget. The Administrative project will benefit from PPP loan Forgiveness in the amount of \$148,851. The FY21 budgeted dues revenues were adjusted and decreased by 20% to account for expected membership drops and resulting revenue loss due to the impacts of COVID-19. As of May 2021, while ALSC's membership numbers show our counts down by 8.6% from the prior year, dues revenue is performing \$7,143 or 7% ahead of budget. Physical seals sales are ahead of budget by \$170,764 or 34%, and digital licensing fees are ahead of budget by \$405,731. ALSC pays a percentage of the ALA Rights and Permissions Manager's salary and benefits who looks for violations and negotiates payment plans. This work has contributed to additional revenue increases. Online CE revenue is under budget by \$7,029. Virtual Institute registration revenue performed ahead of budget by 37% or \$12,960. There is an additional \$2860 in reported revenue from MRS not reflected on this report that staff is following up with accounting. ALSC is expecting an additional \$4500 in sponsorships to post for this fiscal year. *Children and Libraries* subscriptions are tracking below budget by 25% (\$1,403), and ad revenue is currently under budget by 58% or (\$6,490). Non-serial publications revenue is under budget by (\$6,143). The release of the early literacy brochure was delayed due to impact of the pandemic and shift to a new warehouse. Revenues should pick up later this year as the Newbery 100th anniversary materials sales on the ALA gift shop are reported. ECRR toolkit sales are tracking well ahead of budget by \$16,187 or 257% due to a statewide bulk purchase in September. The Día project is ahead of budget in revenues due to an unbudgeted donation of \$2,000 by a Día supporter that was double matched by a supporting organization for a total of \$6,000. Additional revenue of \$426 has been realized this year as new products in support of the 25th anniversary were launched in the ALA Gift shop.

On the expense side, total expenses, including overhead and tax were under budget by 18% or \$182,168. Administrative costs remain under budget by 5% or \$17,242. Service to Member expenses are under budget by \$31,187 or 81%. As ALSC staff resume pre-COVID member projects, including membership promotion printing and mailings, expenses have begun to accrue but remain under budget due to decreases in membership and the shift to a virtual 2021 Annual Conference. Total expenses for the seals project are under budget by 6% or \$15,642. ALA has been moving to a new warehouse and fulfillment center in July. Our order fulfillment expenses will change with the new vendor, and it is unknown how it will impact the budget. We are forecasting favorable conditions, but we will not know until we are fully operational. Online CE expenses are under budget by \$3762 or 53%. *Children and Libraries* expenses are under budget by 28% or \$14,691. Some areas (travel) reflect a cost savings that will remain for the entire fiscal year (roughly \$1,500) and other expenses, which have variances over the course of the year are expected to come closer in alignment with budget. Every Child Ready to Read expenses are over budget by 158% or (\$2,523) due to order process fulfillment and overhead from the large bulk sale. Total expenses in the Día project are over the budgeted amount of \$2,275 by \$1,021 due to the development of translated products and running promotional pieces through PLA. These expenses were planned to fulfill the request of the donor for their \$6,000 donation.

CORE

We're projecting that year-end will end close to third quarter actual, or approx \$72k worse than budget, for a total projected deficit of \$120k. The main areas of variance are noted below. Also, the YE projection is before taking into account any distribution of PPP funding to individual units, which will be done in Q4.

Online continuing education is the largest area of variance in the budget. The Program Officer position responsible for webinar production and \$200k in revenue was vacant for much of the year. The two remaining CE staff, along with the Core CE committee, were able to make up some of the lost production, but less than 30%. Course rev. will also come in under budget, again primarily due to the staff person responsible for courses taking on webinar production as well. The third CE support position budgeted for FY22 and recruitment will begin in Fall 2021. With the extra capacity, CE production will ramp up and be much closer to budget in FY22.

Membership is far below the first-year projection for Core, mirroring membership losses for most of the divisions and for ALA overall. The pandemic and related job losses have certainly contributed, but because ALA membership has been trending mostly downward for years, the larger issue is likely the perceived value of ALA and division membership. Fourth quarter data showed that nearly 1,750 members of one of three former divisions (ALCS/LITA/LLAMA) are no longer part of Core. Of that number, approx. 1,500 have dropped ALA membership completely, leaving only 250 that have stayed with ALA but dropped Core. The latter group will receive special messaging about returning to Core, but the far larger group is likely lost, at least in the short term. ALA membership is now less than 50,000, with double digit percentage losses for the second year in a row. "Regular" personal membership - a key category for any association - is declining even faster than overall membership. If these membership losses continue, the organizational viability of both Core and ALA will be an open question. The Core Board and Membership Cmt have made this issue a top priority for FY22.

Staffing is Core's largest expense, and it will come in well under budget this year. We're projecting a year-end projected positive variance of approx. \$71k. As noted above, the webinar position was open for much of the year. A second position, for membership and marketing, became vacant in May, resulting in additional salary/benefit savings, though impacting membership promotion. The budget for temp support will not be used in FY21, and that budget line is zeroed out for FY22.

PUBLIC LIBRARY ASSOCIATION (PLA)

FY21 Operating Budget as of May 2021

| GENERAL FUND (12-401) <i>Including Conference</i> | May 2021 YTD Budget | May 2021 YTD Actual | May 2021 Variance |
|---|--------------------------------------|--------------------------------------|------------------------------------|
| Total Revenues | \$551,950 | \$592,329 | \$40,379 |
| Total Expenses before OH and tax | (\$935,376) | (\$636,119) | \$299,257 |

| | | | |
|------------------------------|-------------------|-------------------|-----------------|
| Overhead and Tax | (\$37,492) | (\$24,841) | \$12,651 |
| | | | |
| | YTD Budget | YTD Actual | Variance |
| Net Revenue (Expense) | (\$420,918) | (\$68,631) | \$352,287 |
| | | | |
| Beginning NAB | | Ending NAB | |
| \$4,664,935 | | \$4,596,305 | |

Net Asset Balance: The Q3 reports are the first reports of FY21 in which ALA has updated fund balances. PLA began FY20 with \$3,493,338 in its fund balance, and primarily due to the success of PLA 2020 in Nashville, PLA closed FY20 with a fund balance of \$4,664,935. As *budgeted*, PLA should close FY21 with a roughly \$530,000 loss to its fund balance, dropping it down to about \$4,135,000. However as of Q3 (see below), PLA's net loss is on track to be much smaller than budgeted.

Operating Budget: As of May 2021, PLA has an actual net loss of \$68,631, compared to a budget net loss of \$420,918. (FY21 is a non-conference year for PLA, so PLA is budgeted for a total net loss of about \$530,000.) With only three months of the fiscal year remaining, PLA is expected to stay well below the budgeted loss for all of FY21. This favorable position is due to the following:

- Dues income continues to exceed budget substantially. Dues revenue was exactly on target as of Q1, and about one-third *over* budget as of Q2 and Q3. For Q3, PLA is 36% over budget, with actual dues revenue of \$395,762 compared to budget revenue of \$290,400. As noted previously, ALA divisions budgeted dues income at about 2/3 of a normal year, anticipating that the COVID-19 pandemic and other factors would reduce membership. While a normal non-conference year might yield \$550,000 in PLA member dues, only \$387,200 was budgeted. At the current rate, PLA is likely to see dues between \$510,000 and \$530,000, which is lower than usual but not nearly as low as budgeted.
- PLA's paid webinars have generated \$55,621 in revenue against budgeted revenue of \$37,500. On top of that, PLA received a \$100,000 fund transfer from the Washington Office to underwrite PLA's census data literacy project work, credited to PLA's Web CE account (because most activity will be webinars).
- Live professional development activities were optimistically budgeted for FY21, and they will not be held. These include space planning, Equity Starts with Us, and Project Outcome trainings. Since these events are not being held, expenses have been minimal, and two virtual programs have helped generate missing revenue for PLA.
 - The new EDISJ Leadership Lab series, offered virtually, generated about \$42,765 in revenue, nearly hitting the revenue target for the live EDISJ trainings, which was \$50,000. Due to

- lower expenses, however, the net stands at \$30,219, which is double the budgeted net of \$15,172.
- The Advancing Family Engagement virtual classroom series is exactly on target for FY21, with \$18,600 in revenue from its second cohort. The third cohort starting in September 2021 is budgeted for an additional \$18,000 in revenue but will exceed this goal, because PLA has registered nearly 100 participants instead of about 60 as before. The increase in revenue will show up in August 2021 reports and is difficult to predict due to variation in member, nonmember, and group rates.
 - As reported for Q2, publication revenue is also a bright spot, with sales of general publications exceeding budgeted revenue (\$23,744 vs \$4,800) and the same with Every Child Ready to Read (\$22,487 vs \$3,375). Factoring in expenses across both projects, net revenue as of Q3 is at \$30,129 compared to budgeted net revenue of \$1,282.
 - PLA's only active conference account, Conference Planning, is budgeted to spend \$94,500 during FY21 on conference promotion, site visits, facility deposits and other "off year" expenses. As of May 2021, only \$36,038 had been spent, and it is projected this account will end with around half of its budgeted expenses.

RUSA

Financial results through May 2021 (3Q FY21)

| RUSA FY2021 May | Actual | Budgeted | Variance | FY2020 |
|-----------------|------------|------------|---------------------|------------|
| Total revenues | \$226,858 | \$251,087 | (\$24,230) (10%) | \$267,312 |
| Total expenses | \$251,350 | \$307,590 | \$56,240 18% | \$319,265 |
| Net revenue | (\$24,492) | (\$56,503) | \$32,010 57% | (\$52,053) |

SUMMARY

Through May RUSA is tracking ahead of budget by \$32,010 or roughly 57%.

Revenues were under budget by \$24,230 (-10%). Expenses were also under budget by \$56,240 (+18%). RUSA's YTD Net Revenue is -\$24,492, against a budget of -\$56,503, reflecting a positive variance of 57%.

Revenue:

YTD revenue is \$226,858 against a budget of \$251,087.

Membership revenue totaled \$101,938 which was 19% below budget of \$126,300. Continuing Education revenue was \$96,482 against a budget of \$63,000 which represented a 53% positive variance to budget. Combined, Membership Dues and Continuing Education revenue currently make up approximately 87% of RUSA's total revenue.

Expenses:

YTD expenses are \$251,350 against a budget of \$307,590, resulting in a positive variance to budget of 18%

Direct expenses totaled \$226,505 against a budget of \$252,124, approximately 10% under budget. Indirect expenses totaled \$11,224 against a budget of \$47,209, approximately 76% under budget. Most all RUSA primary expense lines are currently on or under budget.

UNITED FOR LIBRARIES

The primary sources of revenue for United for Libraries are membership, group membership, corporate sponsorship, Books for Babies kits, and statewide purchases of training (webinars/CE). The board and staff are working to diversify and add new revenue sources for late FY21 forward.

The revenues in the column, "Received, Not in Prophix" are not reflected in the third quarter financial reports, but are verified in hand at ALA to be booked in the 4th quarter.

FY21 Projected Revenue (Major Categories)

| GL | Revenue Category | Budget | YTD Budget | YTD Received | Received, Not in Prophix | Invoiced | Projected Revenue | |
|------|---------------------|---------|------------|--------------|--------------------------|----------|-------------------|---|
| 4000 | Membership | 55,000 | 41,250 | 37,704 | | | 49,500 | 1 |
| 4100 | Sales/Books | 30,000 | 22,500 | 907 | 9,000 | | 10,000 | 2 |
| 4103 | Online | | | | 15,000 | | 15,000 | 3 |
| 4105 | Sales/Webinars | 40,000 | 30,000 | 22,300 | 66,600 | 46,060 | 134,960 | 4 |
| 4110 | Subscriptions | 75,000 | 56,250 | 80,393 | | | 95,000 | 5 |
| 4400 | Donations/Honoraria | 92,100 | 58,750 | 18,520 | 71,250 | 40,000+ | 130,000 | 6 |
| | | 292,100 | 208,750 | 159,824 | 161,850 | 86,060+ | 434,460 | 7 |

1. Projected 10% under budget in membership. Projection based on actuals YTD.
2. Books for Babies sales plummeted during the pandemic. Sales began picking up again in the 2nd quarter. Projected revenue reflects known receipts not yet closed in Prophix.
3. This is a new revenue category for FY21, started late in FY20. United held its second annual virtual event in August 2021 with approximate registration revenue of \$15,000, which will show in the 4th quarter. Nothing in FY21 budget for this as the event was started late in 2020 after the FY21 budget was set. Growth from FY20 to FY21 was significant.
 - a. FY20 Event (August 2020)
 - i. Registration Revenue: approximately \$2,000
 - ii. Sponsorship Revenue: \$0
 - b. FY21 Event (August 2021)
 - i. Registration Revenue: approximately \$15,000
 - ii. Sponsorship Revenue: \$11,100
4. Significantly over budget in this category due to the following:
 - a. Several payments received late from FY20 that were posted in FY21.
 - b. New states purchasing statewide training and states upgrading access to higher levels in FY21.
 - c. Renewal of one state that typically has purchased every other year but moved to annual with pandemic and not being able to host their own in-person in the off years.
5. Over budget due to state payments not posted in FY20 that resulted in catch-up accruals posting in FY21.
6. Significant receivables not yet closed in Prophix. Over budget due to prior year donations reissued because of lost mail when United office closed, pandemic, and/or ALA office move.
7. This chart has major revenue categories only with some smaller revenue categories not reflected in this report. Projection significantly over budget due primarily to items noted in items 3-6 above with items 3-4 reflective of measurable growth in FY21.

Additional Notes

The United for Libraries board revamped its entire committee structure in FY21 with a greater focus on revenue generation and/or cost savings for each committee. Partnerships with state libraries continue to grow, and the new Learning Management System is expected to further bolster this growth of not only statewide purchases of training, but also purchases by individuals and libraries.

More careful spreading of the FY22 budget in major revenue categories will better align actual with YTD budget.

Round Table Summaries

EMIERT (613)

| | |
|--|--------------------------------|
| Total Revenues YTD Budgeted/ Actual/ Remaining | \$261,345/ \$293,388/ \$55,072 |
| Total Expenses YTD Budgeted/ Actual/ Remaining | \$121,260/\$59,843/\$129,586 |

Net Revenue (Expense) Budgeted/ Actual/ Variance \$141,486/\$233,545/\$96,460

There has been a slight increase in membership for EMIERT and more seals are being bought for CSK. Please note, CSK has started the process to become a round table and during this time have formed their task force with EMIERT to start the process.

FMRT (617)

Total Revenues YTD Budgeted/ Actual/ Remaining \$6,066 / \$3,468 / \$4,782

Total Expenses TYD Budgeted/ Actual/ Remaining \$3,173 / \$1,463 / 3,101

Net Revenue (Expense) Budgeted/ Actual/ Variance \$3,686/ \$2,006 / -\$888

FMRT revenue is down because donations are down. Revenue is also down because they did not have their GALA this year that usually generate revenue.

GAMERT (616)

Total Revenues YTD Budgeted/ Actual/ Remaining \$3,375/ \$4,968 /-\$468

Total Expenses TYD Budgeted/ Actual/ Remaining \$3,375/ \$915/ \$2,034

Net Revenue (Expense) Budgeted/ Actual/ Variance \$1,551 / \$4,053 / 4,053

GNCRT 621

Total Revenues YTD Budgeted/ Actual/ Remaining \$9,000 / \$14,993 / -\$2,993

Total Expenses TYD Budgeted/ Actual/ Remaining \$6,750/ \$1,853 / \$4,421

Net Revenue (Expense) Budgeted/ Actual/ Variance \$5,726/ \$13,140 / \$10,890

GODORT (604)

Total Revenues YTD Budgeted/ Actual/ Remaining \$9,675/\$10,272/\$5,628

Total Expenses TYD Budgeted/ Actual/ Remaining \$7,691/\$15,035/-\$3,474

Net Revenue (Expense) Budgeted/ Actual/ Variance \$4,339/-\$4,763/-\$6,747

GODORT is slightly down on membership dues. Revenues are slightly up; however, expenses are slightly up.

IFRT (605)

Total Revenues YTD Budgeted/ Actual/ Remaining \$15,300/ \$11,899/ \$8,501

Total Expenses TYD Budgeted/ Actual/ Remaining \$15,300/ \$6,992/ \$8,238

Net Revenue (Expense) Budgeted/ Actual/ Variance \$5170/ \$4,907/ \$4,907

IFRT is behind in membership dues. IFRT has subsidized almost 200 student members which is an expense as well as lost revenue. The IFRT Executive Committee felt it was a strategic investment in membership that will yield long term positive results. The award checks and plaques have been processed and are within budget.

IRRT (606)

Total Revenues YTD Budgeted/ Actual/ Remaining \$8,688/ \$7,963/ \$4,787

Total Expenses TYD Budgeted/ Actual/ Remaining \$3,330/ 1,802/ \$4,072

Net Revenue (Expense) Budgeted/ Actual/ Variance \$6,876/ \$6,161/ \$773

Since even before the pandemic, IRRT has been cautious about how money is spent. It's major expense this year will be the sponsorship of an Emerging Leader, \$1,000.

LEARNRT (614)

Total Revenues YTD Budgeted/ Actual/ Remaining \$5,700/ \$6,237/ \$6,363

Total Expenses TYD Budgeted/ Actual/ Remaining \$713/ \$792/\$4,953

Net Revenue (Expense) Budgeted/ Actual/ Variance \$6,855/\$5,445/\$458

LearnRT is ahead of schedule on membership dues. Registrations fees were not collected because the annual conference was virtual. Many of LearnRT expenses occurs during conference and since there was no conference, there aren't many expenses.

LHRT (601)

Total Revenues YTD Budgeted/ Actual/ Remaining \$5,625/\$5,678/\$1,822

Total Expenses TYD Budgeted/ Actual/ Remaining \$3,188/\$5,789/-\$2,408

Net Revenue (Expense) Budgeted/ Actual/ Variance \$4,119/-111/ -2,548

LHRT is ahead on membership

LIRT (612)

Total Revenues YTD Budgeted/ Actual/ Remaining \$18,750/ \$16,853/\$9,647

Total Expenses TYD Budgeted/ Actual/ Remaining \$2,865/ \$7,134/ \$14,628

Net Revenue (Expense) Budgeted/ Actual/ Variance \$4,738/ \$9,719/ -\$6,166

LIRT is behind on membership dues and registration fees due to Covid. Expenses are down due to not having conference.

LRRT (608)

| | |
|--|---------------------------|
| Total Revenues YTD Budgeted/ Actual/ Remaining | \$6,750/ \$6,500/ \$2,500 |
| Total Expenses TYD Budgeted/ Actual/ Remaining | \$1,013/ \$1,082/ \$3,895 |
| Net Revenue (Expense) Budgeted/ Actual/ Variance | \$4,023/ \$5,418/-320 |

LRRT is slightly behind on membership dues. Slightly down on expenses.

LSSIRT (618)

| | |
|--|-------------------------|
| Total Revenues YTD Budgeted/ Actual/ Remaining | \$2,775/ \$2,922/ \$788 |
| Total Expenses TYD Budgeted/ Actual/ Remaining | \$428/\$368/ \$1,792 |
| Net Revenue (Expense) Budgeted/ Actual/ Variance | \$1,540/ \$2,555/\$207 |

LSSIRT is slightly ahead on membership dues. Received an unexpected donation. Expenses are slightly down.

MAGIRT (609)

| | |
|--|---------------------------|
| Total Revenues YTD Budgeted/ Actual/ Remaining | \$6,300/\$4,161/\$4,239 |
| Total Expenses TYD Budgeted/ Actual/ Remaining | \$5,255/ \$611/ \$4,838 |
| Net Revenue (Expense) Budgeted/ Actual/ Variance | \$2,951/ \$3,550/ \$2,505 |

MAGIRT is slightly behind on membership dues. They are waiting on advertising revenue to come in. Expenses are down because of not having conferences.

NMRT (607)

| | |
|--|-----------------------------|
| Total Revenues YTD Budgeted/ Actual/ Remaining | \$13,007/ \$11,879/ \$5,464 |
| Total Expenses TYD Budgeted/ Actual/ Remaining | \$12,092/ \$2,362/ \$9,272 |
| Net Revenue (Expense) Budgeted/ Actual/ Variance | \$5,709/ \$9,516/ \$8,601 |

Revenue is on target with the membership revenue. Expenses will change slightly after the conference awards are processed. Overall NMRT will end the year with a surplus.

RMRT (615)

| | |
|--|--------------------------|
| Total Revenues YTD Budgeted/ Actual/ Remaining | \$4,500/\$4,831/ \$1,169 |
|--|--------------------------|

Total Expenses TYD Budgeted/ Actual/ Remaining \$655/ \$703/ \$2,342

Net Revenue (Expense) Budgeted/ Actual/ Variance \$2,955/ \$4,128/ \$283

RMRT membership dues are slightly ahead, donations are below; expenses are down, however total revenue is slightly higher than budget.

RRT (619)

Total Revenues YTD Budgeted/ Actual/ Remaining \$26,775/ \$47,739/ -\$12,039

Total Expenses YTD Budgeted/ Actual/ Remaining \$17,478/\$13,984/\$4,832

Net Revenue (Expense) Budgeted/ Actual/ Variance \$16,884/\$184,949/\$175,652

RRT has committed to sponsoring a Spectrum Scholar for the next 3 fiscal years to support diversity in librarianship. The Scholar will also receive RRT membership. RRT's main goal was to update the structure of the Stonewall Awards, continue plan out their Anniversary Gala for Chicago 2023, and prepare for events at ALA Annual.

SORT (611)

Total Revenues YTD Budgeted/ Actual/ Remaining \$375/ \$496/ \$4

Total Expenses TYD Budgeted/ Actual/ Remaining \$38/ \$62/- \$12

Net Revenue (Expense) Budgeted/ Actual/ Variance \$450/ \$433/ \$96

SORT is well ahead of their membership expectations. Expenses are slightly higher due to membership being up; therefore, overhead is more than expected.

SRRT (610)

Total Revenues YTD Budgeted/ Actual/ Remaining \$9,413/ \$10,614/ \$1,936

Total Expenses YTD Budgeted/ Actual/ Remaining \$7,079/\$11,790/- \$4,210

Net Revenue (Expense) Budgeted/ Actual/ Variance \$4,970/- \$1,175/- \$3,509

SRRT has seen an increase in membership making them one of the largest round tables at ALA. They began planning their "Afternoon of Social Justice" which is a free event that takes place after ALA Annual. They have also established the Herb Biblo Award.

SUSTAINRT 620

Total Revenues YTD Budgeted/ Actual/ Remaining \$3,000/ \$3,917/ \$83

Total Expenses TYD Budgeted/ Actual/ Remaining \$553/ \$502/ \$1,858

Net Revenue (Expense) Budgeted/ Actual/ Variance \$1640/ \$3,415/ \$967

SustainRT dues are ahead of schedule with membership dues. Expenses are up due to money being taken from special transportation