

FY23 2ND QUARTER (THROUGH JANUARY 2023) FINANCIAL PERFORMANCE REPORTS:

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ALA OFFICE AND MEMBER RELATIONS (AOMR)

FY23 Financial Commentary – 5 Month Actuals, January 2023 AOMR Departmental Overview and Summary

The ALA Offices and Member Relations (AOMR) Department is made up of the following individual unit budgets: The AED Office; Membership Relations & Services (MRS); Office for Intellectual Freedom (OIF); 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.

At a summary level, the majority of units have a favorable contribution margin or their variances will even out over the course of the year. ALA membership dues however will end the year below budget. While we are trending ahead of last year, we are below budget due to a slower membership rebound than initially hoped. With 2/3 of ALA members paying dues from their own pocket, ALA dues revenue is sensitive to economic conditions including sustained high inflation.

Unit Reports

Library and Information Resources Center (LIRC) (104)

	FY23 Budget	FY23 Actual	Variance
Revenue:	\$ 31,218	\$ 0	\$ (31,218)
Expense:	\$ (150,471)	\$ (113,566)	\$ 36,905
Contribution Margin:	\$ (119,253)	\$ (113,566)	\$ 5,687

The library is tracking just ahead of budget. The revenue which was budgeted was due to a grant which was captured on the financial sheets as a negative expense instead of revenue. This is why the revenue and expense variances even out to a slightly favorable contribution margin variance.

Office for Intellectual Freedom (OIF) (108)

	FY23 Budget	FY23 Actual	Variance
Revenue:	\$ 23,125	\$1,097,933	\$ 1,074,808
Expense:	\$ (147,421)	\$ (183,330)	\$ 35,909
Contribution Margin:	\$ (124,296)	\$ 914,603	\$ 1,038,899

The Office for Intellectual Freedom continues to receive unanticipated contributed revenues tied to the growing public awareness of the rising number of book challenges and the threat to libraries, librarians, and individual liberties. Contributed revenues include foundation grants as well as contributions from members, vendors, and the public. These grants and contributions are designated for the support of the Office for Intellectual Freedom's ongoing programmatic work and ALA's anti-censorship initiative, Unite Against Book Bans.

OIF continues to receive planned revenues from the sales of publications and continuing education opportunities.

Direct operating expenses are 24% over budget, a variance attributable to the need to hire consultants and staff to fulfil the growing demand for OIF's services, programs, and initiatives, which is reflected in the in greater than anticipated expenses for professional services.

The moderate success of the FY22 Banned Books Week campaign is reflected in the receipt of actual revenues that are at 42% of budgeted revenues, with the sale of FY23 Banned Book Week merchandise that is budgeted for the 4th quarter of FY23. While we remain cautious about projecting large increases in sales, due to variable financial conditions and reduced school and library budgets, we believe that FY23 Banned Book Week revenues will meet or exceed budgeted revenues for FY23, due to the heightened interest in efforts to challenge the campaign to ban books that is targeting U.S. schools and libraries. The Journal for Intellectual Freedom's subscription revenues are 27% ahead of budget, but expenses are ahead of budget due to greater than anticipated production costs. A planned subscription promotion will be initiated in the spring to address this budget gap. It should be noted that the Journal of Intellectual Freedom is not budgeted as a revenue-generating project.

We anticipate that continued contributed revenues and grants will support OIF's overall programs and initiatives for FY2. OIF has incurred greater-than-budget expenditures for consultant services but anticipated that grants and contributed revenue will cover those expenses. and contract staff positions that should be offset in part by savings in salaries and benefits.

Office for Accreditation (OA) (112)

	FY23 Budget	FY23 Actual	Variance
Revenue:	\$ 86,716	\$ 81,503	\$ (5,213)
Expense:	\$ (89,574)	\$ (130,447)	\$ (40,873)
Contribution Margin:	\$ (2,858)	\$ (48,943)	\$ (46,085)

Billing for Fall review visits delayed with collection of volunteer reviewer expenses. Over on expenses with a change to in-person for the Fall Committee on Accreditation Meeting.

Public Programs Office (PPO) (115)

PPO-115 FY22 totals	Full Year Budget	Actual	YTD Budget	Variance	Variance %	Prior Year Actual	Remaining Current Budget
NET REV Gen Fund Admin	\$ (157,605.00)	\$ (15,548.00)	\$ (108,086.00)	\$ 92,538.00	86%	\$ (892.00)	\$ (142,057.00)
(4300) GRANTS	\$ 6,775,346.00	\$ 6,655,265.00	\$ 2,809,984.00	\$ 3,845,281.00	137%	\$ 3,071,707.00	\$ 120,081.00
(5911) IUT/OVERHEAD	\$ 725,971.00	\$ 144,345.00	\$ 302,488.00	\$ 158,143.00	52%	\$ 117,308.00	\$ 581,627.00
(4400) DONATIONS	\$ 10,000.00	\$ 23,599.00	\$ 4,167.00	\$ 19,432.00	466%	\$ 16,880.00	\$ (13,599.00)
(4420) INT/DIV	\$ 69,000.00	\$ 52,866.00	\$ 28,750.00	\$ 24,116.00	84%	\$ 70,922.00	\$ 16,134.00

Grants are ahead because the timing of receiving funds was earlier than originally anticipated. Additionally, many proposals were funded and some grants have been given above what we originally asked for. This also affects the PPO general fund, which is better than budget due to staff time in the general fund budget partially covered by grants for this fiscal year (an unusual cost-savings opportunity). Donations are better than budget due to PPO receiving sponsorship funds to promote a humanities resource for libraries from the Yiddish Book Center and also due to a generous individual donation, which increased our donations revenue. Interest/divs on the PPO's Cultural Communities Fund are better than budget due to market conditions.

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

	FY23 Budget	FY23 Actual	FY23 Variance
Revenue	\$6,750	0	(\$6,750)
Expenses	(\$122,933)	(\$106,756)	\$16,177
Contribution Margin	(\$116,183)	(\$106,756)	\$9,427

Accounting for the first 5 months of FY23, the Office for Diversity, Literacy and Outreach Services has seen an atypical increase in expenses compared to revenue. Due to unexpected rollover invoices from the end of FY22 and the early events tied to LLX, we anticipated the charges. However, we are working with Accounts Receivable to ensure key sponsors, affiliate partners, and division funds are retrieved to offset some of these costs. The expected increase in salaries and staff benefits is a welcomed costs as it highlights the onboarding of new team members and securing the essential support for our member groups by bringing on temporary support. Additionally, funds from the Mellon Foundation will allow for a more robust revenue portfolio that will allow for the office to see fund directed toward staff roles, immediate projects, and general overhead. Lastly, the \$6,750 variance between budgeted revenue vs actuals is due to the vacancy of staff who lead our continuing education trainings. We would have been on track to bring in at minimum 3,500 because of successful training sessions. At this point, we are brainstorming how to enhance this area of our budget given the gap that remains.

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

	FY23 Budget	FY23 Actual	Variance
Revenue:	\$ 13,750	\$ 9,760	\$ (3,990)
Expense:	\$ (142,244)	\$ (140,139)	\$ 2,105
Contribution Margin:	\$ (128,494)	\$ (130,379)	\$ (1,885)

AOMR – AED is tracking just below budget. While revenue is down a bit, there will be realized savings with salaries and benefits and some of the expenses will go down with revenue as well.

Membership Relations & Services (MRS) (250)

	FY23 Budget	FY23 Actual	Variance
Revenue:	\$ 17,500	\$ 7,408	\$ (10,092)
Expense:	\$ (321,343)	\$ (310,345)	\$ 10,998
Contribution Margin:	\$ (303,843)	\$ (302,937)	\$ 906

MRS is tracking right on budget for the contribution margin. Membership affinity revenue is slightly below budget partially due to timing; however, this line item is not projected to hit budget for the year. We have adjusted other expense items accordingly to account for this.

Membership Dues Revenue – (591-9152)

	FY23 Budget	FY23 Actual	Variance
Revenue:	\$ 2,025,375	\$ 1,952,307	\$ (\$73,068)
Expenses:	\$ (43,750)	\$ (51,464)	\$ (7,714)
Contribution Margin:	\$ 1,981,625	\$ 1,900,843	\$ (80,782)

ALA membership dues are trending 4% behind budget with a negative revenue budget variance of \$73,000. While we are trending ahead of last year, we are below budget due to a slower membership rebound than initially hoped. With 2/3 of ALA members paying dues from their own pocket, ALA dues revenue is sensitive to economic conditions including sustained high inflation.

February 2023 Membership Statistics:

Count of Personal (Individual) Members:	44,844
Count of Organizational Members:	4,716
<u>Count of Corporate Members:</u>	<u>135</u>
Total:	49,695

The total ALA membership count at the end of February 2023 was 49,695, comparable to the count of 49,705 at the end of FY 2022 and 50,941 this time last year. This is a slight increase from December but remains flat to the start of the year. We hope that membership counts will continue to climb with the successful execution of the ACRL Conference and a successful ALA Annual Conference this June. We also recognize that since this is a one division conference fiscal year that ALA membership counts are historically lower than years with two division conferences.

Our membership strategy is focused on rebounding our membership counts and recruiting new members. We execute initiatives such as executing ongoing quarterly campaigns to recapture lapsed members by promoting ALA mission impact and professional development opportunities, and automating a campaign to non-members who register for events on the Learning Management System.

CHAPTER RELATIONS OFFICE, INTERNATIONAL RELATIONS OFFICE, AND INTERNATIONAL RELATIONS ROUNDTABLE

CRO Unit Budget (through January 2023)

- Budgeted revenue and expenses revenue \$0 expenses \$72,569
- Actual revenue and expenses revenue \$6,424 expenses \$42,057

Revenue has exceeded year end expectation of \$3,000 with reimbursement for staff time as subgrantee on the 'Communities for Immunity' project underwritten by the CDC and IMLS. Expenses are also below budget due to ALA Covid Relief grant support. Expect the year with revenue as is, and to have expenses reduced by at least \$25,000 with new Mellon grant support.

IRO Unit Budget: (through January 2023)

- Budgeted revenue and expenses revenue \$56,000 expenses \$110,369
- Actual revenue and expenses revenue \$0 expenses \$112,387

Revenue from the Sharjah International Library Conference has been delayed. Revenue should appear in March report. The revenue from the Sharjah Conference ended up lower expected. The IRO revenue for the year is now forecast at \$41,000. So expecting a \$15,000 shortfall. Expenses are tracking to end on target.

COMMUNICATIONS & MARKETING OFFICE (CMO)

	FY23 Budget	FY23 Actual	FY23 YTD	Variance
Revenues	\$0	\$1,525	\$0	\$1,525
Expenses	\$577,829	\$191,866	\$234,406	\$42,540
Net	(\$577,829)	(\$190,341)	(\$234,406)	\$44,065

Summary:

As of January 31, 2023, CMO is reporting net at \$44,065 better than budget. This is due to lower than budgeted expenses, especially in the area of salary and benefits. Professional services spending is exceeding budget by approximately \$54,000 due to contract support until positions including director of the office are filled. Contracts include Audacity Communications (Payal Patel, interim CMO director) and Mekky Media Relations, a firm hired in January for its expertise in media relations and marketing.

CONTINUING EDUCATION

Data from Period Ending January 31, 2023

	YTD Budget	FY23Actual	Variance YTD Budget and Actual	Variance %	Remaining Amount
Total Revenues	288,333	222,788	-60,546	-21%	469,212
Total Expenses	270,340	250,500	-19,841	7%	403,029
Net Rev / (Expense)	17,993	-27,712	17,993	-254%	66,183

While sales in the first half of FY23 are behind budget, there are over \$30,000 in direct invoices that are not reflected in current reports, and over \$115,000 in additional revenue booked or committed for Q3 and Q4 that will help us close this gap. This revenue supports a more positive financial outlook than the current report indicates.

In the first half of the fiscal year, several events underperformed, including a reference services crash course and a 12-week marketing course, both of which had lower-than-anticipated registration. It also took longer than expected for the YALSA board to finalize and approve the eLearning partnership, so associated revenue did not begin to come in until the second half of the fiscal year.

With the YALSA partnership in place, the launch of the ALA Essentials program this summer, further events through our partnership with San Jose State University, we expect positive results and to meet goals in the second half of the fiscal year.

Bulk and institutional sales have continued to be a strong point. \$115,000 in revenue will be booked in March and April through a partnership between the ALA CE unit and the Massachusetts Library System. This partnership initiated the development of two new certification programs which will provide opportunities and pathways for further state and institutional sales.

Expenses are slightly lower than YTD budget, but with a modest increase anticipated in the second half of the year to cover work with instructional designers and course developers for our new certification program, FY23 expenses will likely be right at the target budget.

DEVELOPMENT

Development Office Financial Report, First 5 Months of FY2023

- First Five Months of FY23, Budgeted: \$1,877,917.
- First Five Months of FY23, Actual: \$5,515,000.

Variance: 194%

Development is pleased to have received \$5,515,000 in grant funds from the Mellon Foundation, of which \$2,757,500 was received on 12/19/2022 (Mellon 3). This grant will support ALA's Mission, infrastructure, EDI efforts, literacy initiatives, the Office for Intellectual Freedom activities, and subgrants to libraries still experiencing effects of the pandemic. Infrastructure support will go to boost HR, Membership, Publishing, Development, Data & Research, the Center for the Future of Libraries, and IT. In addition, the Spectrum scholarship fund shall receive funding for a total of 30 additional scholarships and will fund a Spectrum Scholarship Program Officer for three years.

Programmatically, a significant portion of the Mellon grant will support staff within the Office of Intellectual Freedom and the re-launch of the previous, and highly successful, Law for Librarians and Lawyers for Libraries programs. A second major area of support will be ALA's literacy efforts, with the goal of establishing libraries and other community spaces as "literacy centers" within their communities.

The first Mellon grant (Mellon 1) continued to provide some support for staff, notably the Chief Information and Technology Officer and the Disability Program Officer. The Diversity Counts and Longitudinal Study projects have experienced significant project planning and staffing progress. The Branding Group, which was initially supported by funds from the first Mellon grant, continues its work reviewing membership categories.

A second Mellon grant (Mellon 2) for which ALA is a sub-grantee, continues the work towards updating the Standards for Incarcerated and Detained. This remarkable and highly significant work is the first updating of those Standards in 30 years.

HR & STAFF SUPPORT SERVICES

Human Resources

Staff Support Services

Financial Commentary – Data Period Ending January 31, 2023

HR – Human Resources (506)

HR is currently running under budget due to a key staffing vacancy.

	FY23 Budget	FY23 Actual	Variance YTD Budget and Actual	Variance %	Remaining Amount
Total Revenues	0	0	0	0	0
Total Expenses	-\$891,444	-\$351,383	-\$11,917	3%	\$540,062
Net Rev / (Expense)	-\$891,444	-\$351,383	-\$11,917	3%	\$540,062

Staff Support Services (501)

Currently, Staff Support Services is running way over budget. This is due to a couple of factors: no chargebacks to units for their postage expenses have been made this year; and payment of several outstanding vendor invoices from previous fiscal years have been made this fiscal year. There were some project management issues in the unit that we have now rectified and hope to be better situated in the future.

	FY23 Budget	FY23 Actual	Variance YTD Budget and Actual	Variance %	Remaining Amount
Total Revenues	0	0	0	0	0
Total Expenses	-\$75,712	-\$86,268	-\$55,986	-185%	\$10,556
Net Rev / (Expense)	-\$75,712	-\$86,268	-\$55,986	-185%	\$10,556

HRDR

Unit Budget:

- Budgeted revenue (\$ 55,000) and expense (\$ 221,823)
- Actual revenue (\$ 213) and expense (\$92,357)

Unit Goal to increase Membership by 5%

- The New Members Round Table (NMRT) is currently running 7% below their projections for membership.

Increase Revenue by 10% over Expenses

- Revenue is below budget, but expenses are also below. (Most of the unit’s revenue comes after Annual Conference and at the end of the fiscal year.)

Revenue for the JobLIST Placement Center is down due to not having a face-to-face conference for LLX. We did better at the Annual Conference in Washington, DC, however our overall revenue was down by 44%.

INFORMATION TECHNOLOGY

Data from the Period September 1, 2022, to January 31, 2023

	FY23 Budget	FY23 Actual	Variance
Revenue:	\$0	\$0	\$0
Expense:	\$1,483,785	\$1,325,172	\$158,613
Contribution Margin:	(\$1,483,785)	(\$1,325,172)	\$158,613

Supporting Detail for FY23 to Date – Major Projects

Infrastructure and Service Desk

- The IT team deployed 162 new laptops for headquarters staff from November 2022 through March 2023. This effort helped resolve longstanding productivity issues with outdated equipment, long overdue for replacement. It also improved ALA security posture with required network credential resets and multi-factor authentication enablement for each new release. In addition, automated patching and secure inventory management tools are on deck to release in the coming months to ensure machines are adequately and consistently updated with the latest patches and protections with minimal to no end-user disruption in the patching process.
- IT also launched a software-as-a-solution (SAAS) based customer service support platform in December 2022 to replace an outdated on-premise tool. The new platform has enabled the team to modernize and centralize support workflows and elevate our ability to serve staff and constituents. We are working to bring the Member Relations and Services (MRS) team onto the platform in Q3 FY23. This platform will significantly improve customer service capabilities for the MRS team, including leveraging new features like web-based chat to engage directly with members and website visitors for support. Additionally, we expect to achieve more efficient support management by inquiry type and topic of interest and leverage platform analytics capabilities to identify areas needing improvement for response time, development of FAQs, and more.

Enterprise Applications

- The ALA Analytics project remains on target for the first release planned for Q3 FY23. We have successfully connected to multiple data sources and gathered organizational key performance indicators (KPIs) to present in a dashboard format, encouraging the adoption of an analytics mindset and culture to drive decision-making.
- The ALA.org Website Project continues according to plan. After a multi-month evaluation period, the Content Audit portion was completed in March 2023. ALA staff audited over 37,000+ pages, identifying over 50% of those pages to archive. This is a significant accomplishment in our effort to streamline, consolidate and update content for better search results and accessibility when the new ALA.org launches in December 2023. In addition, baseline design and Wireframes have been produced and reviewed, and we are now moving into this effort's User Experience Evaluation phase.
- We successfully updated the Great Plains financial platform and launched the cloud-based version of the Prophix Budget and Reporting system as planned in January 2023. These efforts helped ensure that ALA's most essential financial management applications are adequately supported, secure, and operating at peak performance capabilities.

Personnel

- Our new IT Business Analyst joined the team as planned in January 2023. This essential team member supports the analysis and requirements development necessary for organization-wide application and process improvement. Current projects include an organization-wide communications inventory and process analysis, payment process inventory, requirements planning, and project management for supporting the MRS team in adopting the new customer service platform planned for Q3 FY23.

PPA/WASHINGTON OFFICE

**Public Policy and Advocacy Office – Financial Report (Departments 150 and 151)
(Excluding the Chapter Relations and International Relations Offices)
5 Months ending January 31, 2023**

AS REPORTED	FY23 Budget	FY23 Actual	Variance
Revenue:	\$0	\$0	\$0
Expense:	\$1,057,883	\$1,130,398	(\$72,516)
Contribution Margin:	(\$1,057,883)	(\$1,130,398)	(\$72,516)

The summary reports show a total negative variance of \$72,516. However, \$48,666.67 of expenses were charged to 151 for January that appears to be misplaced, and will likely be transferred elsewhere. Thus, the adjusted actual expense for the period was \$1,081,731 or a negative variance of \$23,848.

ADJUSTED	FY23 Budget	FY23 Actual	Variance
Revenue:	\$0	\$0	\$0
Expense:	\$1,057,883	\$1,081,731	(\$23,848)
Contribution Margin:	(\$1,057,883)	(\$1,081,731)	(\$23,848)

In any event, there has been and increasingly will be a timing mismatch of budget vs. actuals. Our four large-ish in-person events for FY23 have already occurred. The Committee on Legislation Retreat and first Policy Corps workshop for FY23 occurred in the fall. We just completed the Congressional Fly-in and the second policy corps workshop. Thus, we have already incurred the expenses for these major activities (though some expenses will appear in the February or March reports). When the FY23 budget was developed, the scale, scope, and timing of these in-person events were uncertain and so they were budgeted more uniformly throughout the year. Thus, there may be a higher negative variance for a few months, but we anticipate it to even out by the summer.

We do expect professional services/legal fees/lobbying expenses to end the year above budget, offset by positive variances in the salary/budget lines. Consultants are being used to partially perform work deriving from the vacancies of the AED for PPA, Deputy Director, State and Local Advocacy, and other positions. The consulting for the deputy director, state/local advocacy position is in fact more costly than the salary and benefits of the employee position itself.

ALA PUBLISHING & MEDIA

ALA Publishing & Media FY23 Financial Performance Reports through 1/31/23

Department totals	FY23 performance report as of 1/31/2023	\$ and % Variance Actual/Budget as of 1/31/23	FY23 full-year budget
Total Revenues	\$3,304,860	(\$489,116)/13% less than budget	\$09,340,335
Total Expenses – before OH and taxes	\$2,703,557	\$106,482/4 % less than budget	\$ (not including overhead)
Overhead paid	\$892,347	\$113,055/ 11% less than budget	\$2,475,189
Net revenue	(\$264,283)	(\$616,840)/ 175% less than budget	\$635,474

FY23 results/numbers through 1/31/23

- At the end of February 2023, revenues for the department as a whole were estimated to be approximately 10.5% below budget, and although we are still projecting that some of that deficit will turn around in Q3 and Q4, we did not see the return of advertising hoped for in Q2. All units are monitoring closely and seeking creative strategies to close the gap.
- Expenses will offset some of the revenue shortfall; the full picture is available after the FY close when IUTs are completed. Most of the current expense variance is accounted for by allocation timing.
- ALA JobLIST (managed in collaboration with ACRL with HRDR as an ancillary partner) classified ad revenue has seen an 18-month run of best or second-best performance against previous years, ending Q2 with YTD sales for the first five months of FY23 at 27% (\$46,107 improvement for AL share) greater than budget. The additional cost to generate this revenue is in staff time is required to process the increased number of ads.
- ALA Editions/Neal-Schuman saw some sales turnaround in Q2. Highlighting the potential of bulk orders and volume sales, New Hampshire State Library purchased a bulk order of 3,381 items for a sale of just over \$100k. Marketing increased its bank of marketing content and customer engagement platforms and added innovative e-blasts, three new social media channels, and leveraged new and backlist titles for gift and other promotions. With these efforts, the unit expects to increase its reach, leading to strong revenue results in Q3 and Q4.
- Economic headwinds have continued the pressure on advertising revenues through Q2, and some advertisers (also ALA conference exhibitors and sponsors) have continued to reduce their spend, especially publishers in light of reduced 2023 projections for the industry. This challenging environment is reflected in *Booklist* advertising sales through January. *Booklist* anticipates that the worst may be behind us and that advertising sales will improve going forward in FY23. As reported in a recent issue of *Publisher's Weekly*, book publishers confront a difficult retail environment in which sales slowed in the final quarter of 2022 and rising costs associated with inflation and other economic factors are hurting profits. [HarperCollins earnings fell by more than half](#) in its second quarter, and [profits fell at Hachette in 2022](#) despite a bump in sales. Earlier this year, Kristen McLean, the industry analyst for U.S. books at the NPD Group, [predicted a challenging year for the book business](#) as Covid-19-related changes in the business continue to shake out.
- As of Q2, *Booklist Reader* in print (which launched in January 2023) has secured 64 paid subscriptions, yielding a circulation of 4,000 copies per month (the product delivers 50 or more copies to subscribing libraries). Thanks to generous Mellon Grant funding that will begin in June 2023, the print circulation will double as copies are distributed free to libraries in need. Increased circulation will help attract additional advertisers to *Booklist Reader*, with several already secured. A new video product launching in Q3, "*Booklist Presents*," will offer short videos featuring authors and is expected to add sponsorship revenue. Subscriptions to *Booklist* in print remain under pressure through January.
- ALA Graphics continues to add partners and products to the online [Gift Shop](#) line, allowing for fast turnaround without sunk costs in inventory, and in partnership with FRTF and OIF has added Free People Read Freely designs that became rapid bestsellers. The spring/summer catalog mails on April 24 including more than 24 new posters (one a still under-wraps celebrity READ poster that we are confident will attract strong sales and attention), bookmarks, and products.
- RDA: Resource Description and Access continues to address global regional needs and to work with international translation partners, including Biblioteca Alexandrina and the National Library of Hungary on new Arabic and Hungarian translations respectively, creating increased regional

subscription opportunities. RDA is seeing growing interest in Eastern Europe and is close to an agreement for a new Spanish language translation.

- We continue to monitor and mitigate increases in paper, ink, and postage costs where possible (lower print runs, paper type, fewer pages in magazines, fewer print catalogs, and working with printers on best practices).

FY23 opportunities

- ALA Publishing & Media units will benefit from the in-person 2023 Annual Conference, including advertising and product sales, promotional opportunities from programs and sessions based on our content and/or featuring authors and reviewers, and cultivating key relationships for future growth.
- Larger group conferences, workshops, events, and gatherings where we can capitalize on the need for multiple copies of books and other materials are resuming more consistently.
- Units continue to focus on licensing opportunities and new channels for generating incremental revenue from digital platforms as well as extending markets through repackaging and repurposing content to reach and serve targeted audiences both within and beyond the library field and the US.
- The clear ongoing need and demand for resources related to EDISJ including the increase in book bans and challenges leads to aligned publishing and product opportunities.
- Working with a new ad sales rep, *American Libraries* is anticipating dynamic innovations in approaches to advertising, laying good groundwork for growth, and collaborating with *Booklist* on bundling opportunities.
- An ongoing focus for all units is to maximize the number of people buying each book or other product we publish, that we target institutional subscriptions, and that the right audiences are receiving compelling information at the appropriate time to make purchasing decisions. We are optimistic about the affordances of increased capacity in IT for this critical area of work.
- Finding creative and competitive approaches to sponsored virtual gatherings is a potential growth area for ALA.

[Further detail by unit, if helpful, is on the following pages.]

ALA Publishing & Media Reports by unit for further detail if required

ALA Editions/ALA Neal-Schuman FY23 Financial Performance Reports through 1/31/23

Editions/301 Totals	FY23 performance report as of 1/31/23	\$ and % Variance Actual/Budget as of 1/31/23	FY23 full-year budget
Total Revenues	\$949,923	(\$41,528)/-4% less than budget	\$2,341,013
Total Expenses – before OH and taxes	\$827,478	(\$66,181)/ 9% less than budget	\$2,074,576 (not including overhead)
Overhead paid	\$251,730	\$11,003/ 4% better than budget	\$620,368

Net revenue	\$-129,284	(\$32,578)/ 297% less than budget	\$-353,931
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ALA Editions/ALA Neal-Schuman FY23, Q2 results/numbers

A slow quarter for production of new titles but a sales boost from more robust marketing efforts and a bulk sale from the New Hampshire State Library helped Editions/Neal-Schuman stay close to budget. Editions/Neal-Schuman has a large number of new titles slated for publication in Q3 and Q4 and expects to remain on track for the FY.

ALA Editions/ALA Neal-Schuman FY23, Q2 opportunities/challenges

- ALA Editions/Neal-Schuman is seeing increased incremental revenue from partner Gale/Cengage, with Gale expressing interest in more titles beyond our pilot program. We will be uploading new content in Q3 and hope to see continued increases in revenue.
- With the Publishing CFT, ALA Editions/Neal-Schuman has begun work to update international sales pages and promote translation opportunities via eblasts, social media, advertisements, and at IFLA.
- Editions/Neal-Schuman continues to look at all possibilities for bulk sales. We've begun promoting the bulk options in our seasonal catalogs and in eblasts.

Booklist FY23 Financial Performance Reports through 1/31/23

Booklist/302 totals	FY23 performance report as of 1/31/23	\$ and % Variance Actual/Budget as of 1/31/23	FY23 full-year budget
Total Revenues	\$1,489,095	(\$330,625)/18% less than budget	\$4,547,513
Total Expenses – before OH and taxes	\$959,932	\$23,585/ 2% less than budget	\$2,368,059 (not including overhead)
Overhead paid	\$394,610	\$87,616/ 18% less than budget	\$1,205,091
Net revenue	\$134,553	\$219,424/ 62% less than budget	\$974,363

Booklist FY23 results/numbers

- *Booklist* advertising revenues were under extreme pressure through January 2023. As reported in a recent issue of *Publisher's Weekly*, book publishers confront a difficult retail environment in which sales slowed in the final quarter of 2022 and rising costs associated with inflation and other economic factors are hurting profits. [HarperCollins earnings fell by more than half](#) in its second quarter, and [profits fell at Hachette in 2022](#) despite a bump in sales. Earlier this year, Kristen McLean, the industry analyst for U.S. books at the NPD Group, [predicted a challenging year for the book business](#) as Covid-19–related changes in the business continue to shake out. This challenging environment is reflected in *Booklist* advertising sales through January. *Booklist*

anticipates that the worst may be behind us and that advertising sales will improve going forward in FY23.

- *Booklist* subscription revenue was also under pressure through Q2; however, print subscriptions to *Booklist Reader* may give boost to overall subscription revenue before the end of the fiscal year.

Booklist FY23 opportunities/challenges

- *Booklist* will launch its new sponsored video product named *Booklist Presents*. Publishers have expressed interest in sponsoring author and thought leader videos under *Booklist* branding and distributed in *Booklist* marketing channels.
- The monthly [patron-facing Booklist Reader](#) launched in print in January 2023 providing new opportunities for subscription and advertising revenue based on repackaging existing content. Publishers have purchased advertising and we expect advertising revenue to increase as subscriptions and circulation increases.

American Libraries Q2 FY23 Financial Performance Report through 1/31/23

American Libraries/ 303	FY23 performance report as of 1/31/2023	\$ and % Variance Actual/Budget	FY23 full-year budget
Total Revenues	\$357,004	\$17,302/5%	\$870,949
<i>JobLIST</i>	\$205,107	\$ 46,107/29%	\$420,000
Total Expenses – before OH and taxes	\$338,253	\$72,486/ 18% less than budget	\$989,595
Overhead paid	\$ 98,459	\$8,438 / 9%	\$230,802
Sub Equivalent (no net revenue calculated for AL)	\$26,761	(\$134,296) / - 83 %	\$349,448

- Classified ad revenue for ALA JobLIST, managed in collaboration with ACRL, ended Q2 with YTD sales for the first six months of FY23 with \$252,000/unit, or 27% (\$54,000/unit) greater than budgeted. The job market continues to be hot as Q2 sales alone were nearly \$129,000/unit, or nearly 32% (\$30,700) better than budget. With recent U.S. employment reports coming in much stronger than anticipated over the past few months, many commentators are suggesting that a recession can be avoided, which could mean that these robust sales will likely continue for the foreseeable future.
- Gross advertising sales have lagged by roughly 20% (\$40,000) due in part to a new advertising rep establishing relationships with vendors, the hesitation of marketers anticipating a recession, and staffing levels unable to sustain digital products. The effort to establish vendor relationships has been facilitated by in-person conferences at LibLearnX and ACRL, and sales approaching Annual Conference are expected to rebound at or just below budget as excitement for a Chicago show builds. Digital ad sales are also expected to pick up as a new digital editor is onboarded in Q4.

- Collaborative and creative advertising packages, in partnership with *Booklist* and other ALA units, are expected to grow in the coming fiscal year as market exposure to book publishers and other new vendors will expand *American Libraries'* sales reach.

ALA Digital Reference FY23 Financial Performance Reports through 1/31/23

RDA / 305 totals	FY22 performance report as of 1/31/2023	\$ and % Variance Actual/Budget as of 1/31/23	FY23 full-year budget
Total Revenues	\$377,916	(\$81,813)/18% less than budget	\$1,103,350
Total Expenses – before OH and taxes	\$363,451	\$(121,2820)/ 50% more than budget	\$707,336 (not including overhead)
Overhead paid	\$100,148	\$(21,681)/ 18% less than budget	\$292,388
Net revenue	\$(87,666)	\$(181,935)/ 193% under than budget	\$103,626

RDA FY23 results/numbers

- RDA: Resource Description & Access, revenue reports from Sales Force show a far brighter picture. Through January, we had sales of \$448,170 (\$14,380 or 3% short of budget), ended FY22 with 2,336 Toolkit subscribers. The cause of the large discrepancy between Prophix and Sales Force is unclear and we are investigating. As for expenses, Accounting now counts the royalty payment to the RDA Fund and Co-Publishers for the FY22 in September of FY23. This was not accounted for in the FY23 budget and thus there is a \$137,335 expense that was not expected until to hit the budget until August of 2023. The unit is in fact running \$15,516 less than budget for expenses. We expect to finish FY2023 right around the same revenue that we had in FY22 with reduced expense.

RDA FY23 opportunities/challenges

- RDA: Resource Description and Access, an important building block in ALA's international presence and participation, is currently in negotiations for a new Spanish language translation partner. The Spanish translation is critical to RDA's adoption in the Spanish-speaking countries, particularly in the Latin American region. Progress has been slow but final decisions are expected in April. The completion of an Arabic translation will open new markets for RDA Toolkit. In North America RDA is facing resistance to adoption of the revised version of RDA Toolkit by those not happy with the new organization of the Toolkit and alignment with IFLA LRM. DR and the RSC continue to work on orientation and outreach on the new toolkit, including support of new CORE in person and online events.

ALA Graphics FY23 Financial Performance Reports through 1/31/23

ALA Graphics/ 313 totals	FY23 performance report as of 1/31/23	\$ and % Variance Actual/Budget as of 1/31/23	FY23 full-year budget
Total Revenues	\$130,905	(\$52,468)/ 29% less than budget	\$477,510
Total Expenses – before OH and taxes	\$108,935	\$11,874/ 10% less than budget	\$316,907 (not including overhead)
Overhead paid	\$47,401	\$1,193/ 2% less than budget	\$126,540
Net revenue	\$(25,430)	\$(39,401)/ 282% less than budget	\$34,063

ALA Graphics FY23 results/numbers

- ALA Graphics sales from the ALA Store have been lagging and explains almost the entire budget shortfall. Royalties and licensing revenue are slightly ahead of YTD budget. Conference store sales are slightly under budget since we weren't allowed to sell merchandise at JCLC as planned.
- NLW is nearly 3 weeks later this year than last year which likely accounts for part of the slow sales and are expected to pick up by early April.

FY23 opportunities/challenges

- ALA Graphics spring/summer 2023 catalog mails on April 24 and includes more than 24 new products including several that should significantly boost sales.

DIVISIONS

AMERICAN ASSOCIATION OF SCHOOL LIBRARIANS (AASL)

FY23 January – Financial Commentary

American Association of School Librarians (AASL)

	YTD Budget	YTD Actual	Variance YTD Budget and Actual	Variance %	Remaining Current Budget
Total Revenues	\$244,741	\$246,804	\$2,063	1%	\$423,074
Expenses before OH/tax	\$249,804	\$266,127	-\$16,323	-\$6%	\$304,754

Contribution Margin	-\$5,064	-\$45,972	-\$40,908	-808%	\$118,320
Tax	0	0	0	0%	0
Overhead	\$500	\$897	-\$397	-79%	\$338
Total Expenses	\$250,304	\$267,024	\$16,720	-6%	\$331,219
Surplus (Deficit)	-\$5564	-\$20,221	-\$14,657	-263%	\$117,982

Total Revenues were at budget (actual \$246,804 vs budget \$244,741) and **Overhead** just slightly above (\$897 actual vs budget \$500). **Total Expenses** were above by 6% (actual \$267,024 vs budget \$250,304).

This is a non-conference year for AASL. Registration for the next biennial conference, the 2023 AASL National Conference to be held October 19-21 in Tampa, has launched with registration numbers currently out-pacing registrations at the same time for the 2019 conference that was held in Louisville. However, those amounts are not reflected in this report as all revenue and expense for the Tampa conference is deferred to the FY24 budget.

AASL is below membership projections, down 5.7% since January 2022, with total **dues revenue** 29% below budget (actual \$107,605 vs budget \$150,542). The climate for educators, particularly for school librarians, has not improved with the 2022-23 school year as the profession reports increased stress levels and the threat of proposed or newly implemented state regulations. District level supervisors for school libraries report they are unable to find enough qualified applicants to fill building level school librarian positions. The AASL Board of Directors has approved gathering information on recruitment to school library preparation programs and is exploring next steps on the need for more school librarians while also trying to address the concerns in the field as they face daily issues.

The sales from existing products in *ALA eLearning* were significantly above budget (actual \$4827 vs budget \$417) but the delay of an anticipated project has total revenue for **non-conference professional development** below budget. A salary savings from a vacancy since January 2022 for a professional development manager is offset somewhat by contracted professional services necessary to publish AASL journals *Knowledge Quest* and *School Library Research*. The position is on hold for ALA approval to fill and when it is the position will be responsible for AASL serial publications, developing new continuing education/PD, and related educational programming and planning for conference.

ASSOCIATION OF COLLEGE & RESEARCH LIBRARIES (ACRL)

ACRL Financial Commentary based on FY23 Performance Report, through Jan 2023

The following represent the major revenue lines. Please note that these numbers are preliminary since the ACRL conference in Pittsburgh fell during the review period.

*REVENUE

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Membership Dues:</u>	\$211,281	\$207,439	2%	\$211,334

Dues revenue is better than budget by 2% and is almost identical to the prior year's actual, which reflects an easing of the downward trend in membership. Total membership from the official November count stood at 8,303. We expect to see a bump in membership following the successful conference in Pittsburgh this past March.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Sales (Books)</u>	\$93,468	\$78,797	19%	\$84,060

Sales have recovered nicely from the -4% variance seen in the first quarter. Erin Nevius and Dawn Mueller are a marvel of efficiency as they work on multiple book projects simultaneously.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Sales (Online, etc.)</u>	\$57,721	\$81,285	-29%	\$61,837

As we adjust numbers, we expect the actual to align more closely with budget.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Advertising</u>	\$212,263	\$206,015	3%	\$237,643

Advertising continues to beat budget predictions. This revenue reflects the team's hard work.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Total Revenue</u>	<u>\$701,565</u>	<u>\$740,829</u>	<u>-5%</u>	<u>\$725,457</u>

Total revenue is slightly under budget but, again, we expect actuals to improve with adjustments.

*Please note that income from the biennial conference in March 2023, budgeted for \$1,661,073, will not be realized until after the conference.

EXPENSES

The following represent the major expense lines:

	Actual	YTD Budget	Variance %	Prior Year Actual
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<u>Payroll</u>	\$613,063	\$621,750	1%	\$481,637
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The increase from last year's actual reflects some needed staffing increases.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Outside Services</u>	\$116,926	\$109,087	-7%	\$33,499

Much of these costs have to do with web and database support for Benchmark and Project Outcome (expenses shared with PLA).

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Travel & Related Exp.</u>	\$10,939	\$40,524	73%	\$8,533

We saw considerable savings with Indiana University hosting the Executive Board for an in person meeting this past October.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Meetings & Conf.</u>	\$48,030	\$171,238	72%	\$36,091

We expect expenses to align more closely with budget after adjustments.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Pub. related Expense</u>	\$89,208	\$150,206	41%	\$169,902

Web operating expenses accounted for much of this variance.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Operating Expenses</u>	\$22,608	\$57,914	61%	\$18,752

Budgeted depreciation expenses of \$27,240 have not been fully allocated.

	Actual	YTD Budget	Variance %	Prior Year Actual
<u>Total Expenses</u>	\$976,890	\$1,228,055	20%	\$801,902

Total expenses remain ahead of budget.

Overall, finances are 43% ahead of budget, with a positive variance of \$211,901.

Choice Performance Comments FY23 Q2 close, February 2023

Choice ended the 2nd quarter of FY23 strong with a net operating income of \$108,839 on revenues of \$1,102,541 and expenses of \$998,702. Revenue was \$194,461 ahead of budget, due to better than expected results in subscriptions.¹ Our expenses were \$9,272 over budget due to higher than anticipated payroll costs. Choice's Q2 net revenue close was \$103,839 in the black, which was \$184,686 better than budget.

Jan-23							
404 UNIT REVENUES							
Source	Budget YTD	Actual YTD	Var	% Budget	Prior Year	Var	% Prior
Subscriptions	354,184	572,374	218,190	61.60%	436,754	135,620	31.05%
Advertising/Sponsored Content	338,726	318,878	(19,848)	-5.86%	370,819	(51,941)	-14.01%
Royalties	194,254	198,634	4,380	2.25%	179,739	18,895	10.51%
Other \$	20,916	12,655	(8,261)	-39.50%	580	12,075	2081.90%
Total Revenue	908,080	1,102,541	194,461	21.41%	987,892	114,649	11.61%
Total Expenses	988,927	998,702	(9,775)	-0.99%	831,416	(167,286)	-20.12%
NET REVENUE	(80,847)	103,839	184,686	228.44%	156,475	(52,636)	-33.64%

Subscriptions

All subscription products were earning ahead of budget with a surplus of \$218,190. This surplus does not align with circulation numbers so ALA finance is working with our subscription vendor to review how earned revenue for Choice products is calculated. Subscription revenue for *Resources for College Libraries* is right on budget.

Royalties

Licensing (royalty) income was slightly ahead of budget by \$4,380. We expect this earning to smooth out over the course of the year so that we will come in on budget for licensing for the year.

Advertising and Sponsored Content

Choice advertising revenues was \$19,848 behind budget this quarter, due to poor performance of print, Choice Review, and webinars. Choice360 performed well and was \$9,908 ahead of budget. We are watching webinar performance very carefully as we expect competition from live events for advertising dollars.

Expenses

On the expenses side, Choice's direct expenses are \$18,557 better than budget due to savings in outside services, publication related expenses, and operating expenses. Total expenses are \$9,977 over budget due to paying more in overhead than anticipated.

¹ Choice staff is working with the ALA finance team to validate revenue entries and to verify the accuracy of the revenue posted in the first fiscal quarter of FY23.

ASSOCIATION FOR LIBRARY SERVICE TO CHILDREN (ALSC)

	YTD Budget	YTD Actual	Variance b/n YTD Budget and Actual	Variance %	Remaining Current Budget
TOTAL REVENUES	695,189	597,503	-97,686	-14%	987,013
Total Expenses before OH and tax	-501,681	-475,731	25,950	5%	566,870
Contribution Margin	-193,507	-121,772	-71,735	-37%	420,143
Overhead	-99,338	-69,611	29,727	30%	122,365
TOTAL EXPENSES	-601,019	-545,342	55,677	9%	689,235

	YTD Budgeted	YTD Actual	Variance	Variance %
Net Revenue (Expense)	94,169	52,161	-42,009	-45%

Overall, net revenue for fiscal year 2023 in January posted at \$52,161 which is -45% under budget year-to-date.

Total revenues posted -14% or \$-97,686 under budget. The FY23 budgeted dues revenues reflect a 3% increase in revenue over FY22 and in support of ALA Pivot Strategy goals. Dues revenue performed below budget with -36% variance as our staff member dedicated to membership shifted out of ALA. Physical seals sales posted under budget by -\$30,681 or -14%, and digital licensing fees posted under budget by -13% or -\$28,587. We expect additional physical and digital seals revenue to post after January reflecting seals purchases for books awarded during the January Youth Media Awards. Online CE net revenue/expense is over budget by \$1,814 and is expected to hold just at budget this spring due to eCourses and upcoming webinars. *Children and Libraries* subscriptions are posted just over budget by 24% or \$561 and ad revenue was unprecedentedly higher than expected by 150% or \$4,785. The Every Child Ready to Read (ECRR) toolkit sales posted under budget by -54% or (\$2,002). The Día project did not have revenue budgeted for FY23 as there are currently no revenue generating products available. Revenue sources for Día are under consideration.

Total expenses across ALSC's operating budget, including overhead and tax were under budget by -9% or \$55,677, largely due to conferences expenses we expect to see applied in the next month.

Administrative expenses are over budget by -4% or -\$7,454 due to a consultant position that was brought in to support the Youth Media Awards planning and implementation. Service to Member expenses are under budget by \$19,788 or 52% due to 2023 LibLearnX expenses, soon to be applied. Total expenses for the seals project are roughly on budget with a 2% variance or \$3,946 and will see an increase in March reflecting expenses for seals replenishment in anticipation of the Youth Media Awards. Online CE expenses are under budget by \$3,616 or 61%. *Children and Libraries* expenses are slightly over budget by (\$1,457) or -7% variance. ECRR expenses are under budget by (\$6,557) as we have not yet committed to a reprint of the ECRR brochure. Expenses in the Día project are slightly over budget and reflect costs associated with annual updates made to Día resources and booklist.

CORE

Operating result through January 2023 (Month 5 of FY23)

	Jan FY23 Budget	Jan FY23 Actual	Variance
Revenues	\$421,917	\$323,612	(\$98,305)
Expenses	\$414,959	\$370,710	\$44,249
Net	\$6,958	(\$47,098)	(\$54,056)

Summary:

Both YTD revenue and expense are well under budget, resulting in a YTD negative variance of \$54,056. Note that salary savings from the open Executive Director position and the recently vacant Advocacy and EDI Program Officer position has resulted in a positive variance in the salary line. However, beneath that, are two areas of revenue concern: membership and continuing education, both detailed below. The continuing variance in membership revenue, reflective of a declining membership, is the biggest threat to the Core project. The need to increase membership through a laser focus on value, is an ongoing priority of member leaders and staff. Webinar revenue is the largest variance in YTD actuals for two main reasons: fewer webinars than planned were presented in the first half of the fiscal year and lower than anticipated registration. CE staff project that the variance will improve by fiscal year end and exceed FY22 performance. The Leadership Institute will not be held this year due to a lack of staff capacity, which will result in a negative variance in FY23.

Key Budget Areas

Note that projects with little or no revenue/expense are not shown.

ALA Overhead

Revenue: N/A

Expense: \$43,388 Budget \$31,206 Actual \$12,183 Variance

Note: With webinar and course revenue well under budget, overhead paid to ALA on CE revenue is also well under budget.

Administration/Operations

Revenue: N/A

Expense: \$243,617 Budget \$224,442 Actual \$19,175 Variance

Note: Administration has large variance due to staffing changes. There will be additional payroll variance at year-end due to vacancy of Core Executive Director and most recently, the vacancy of the Advocacy and EDI Program Officer. Plans are underway to fill the vacant Membership and Communications Manager position in April of 2023.

Advocacy (including Preservation Week and Preservation in Action)

Revenue: \$0 Budget \$0 Actual \$0 Variance

Expense: \$5,000 Budget \$0 Actual \$5,000 Variance

Note: Preservation related expenses were not recorded in January.

Awards and Scholarships

Revenue: \$3,000 Budget \$3,500 Actual \$500 Variance

Expense: \$4,500 Budget \$3,881 Actual \$619 Variance

Note: The number of awards is limited, so both fundraising and expense will be far lower than originally budgeted.

Endowment

Revenue: \$0 Budget \$749 Actual \$749 Variance

Forum

Revenue: \$104,500 Budget \$88,853 Actual (\$15,647) Variance

Expense: \$93,023 Budget \$103,313 Actual (\$10,290) Variance

Note: The revenue variance is due to lower-than-expected paid registrations, but was offset by twice the amount of sponsorship donations. An additional \$3,500 in sponsorship donations is expected to appear later in the fiscal year.

The revenue variance is due to lower than anticipated paid attendees, however sponsorship donations reached double the amount expected.

Journals/Subscriptions

Revenue: \$750 Budget \$3,728 Actual \$2,978 Variance

Expense: \$6,779 Budget \$4,214 Actual \$2,565 Variance

Note: The revenue variance is due to subscription revenue for LRTS, which was originally planned to be open access in FY22. The journal moved to Open Access in January 2023, ending subscription revenue. All three journals will move to the same Open Access platform and will be hosted by ALA. There will be some expense in FY23 to pay for the migration and setup. The first journals on the new platform will come out in Q1 of FY24.

Member Services/Dues

Revenue: \$156,042 Budget \$129,160 Actual **(\$26,881) Variance**
Expense: \$5,488 Budget \$3,615 Actual **\$1,873 Variance**

Note: The continuing variance in membership revenue, reflective of a declining membership, is the biggest threat to the Core project. The need to increase membership through a laser focus on value, is an ongoing priority of member leaders and staff. A Membership and Communications Manager will be hired in April 2023 to help lead this effort.

Publications

Revenue: \$6,042 Budget \$3,354 Actual **(\$2,688) Variance**
Expense: \$3,686 Budget \$1,501 Actual **\$2,185 Variance**

Note: The lower revenue is balanced by the lower expense. Additional royalties totaling \$12,500 are expected later in the fiscal year.

Web Courses

Revenue: \$87,500 Budget \$68,904 Actual **(\$18,596) Variance**
Expense: \$36,369 Budget \$23,805 Actual **\$12,564 Variance**

Note: Web course production and registration is in line with FY22 performance. Lower registration is balanced by lower expense. A new Fundamentals of web course on User Experience is expected to be released later in the fiscal year.

Webinars

Revenue: \$64,083 Budget \$25,150 Actual **(\$38,993) Variance**
Expense: \$16,496 Budget \$5,959 Actual **\$10,537 Variance**

Note: Webinar revenue is the largest variance in YTD actuals for two main reasons: fewer webinars were held in the first half of the fiscal year than planned, and we experienced lower than anticipated registration. The lower registration is off-set in part by lower expense. We are starting to see this trend change for the better and CE staff project that the variance will improve by fiscal year end and exceed FY22 performance.

PUBLIC LIBRARY ASSOCIATION (PLA)

FY23 Operating Budget as of January 2023

FY23 Operating Budget as of January 2023	January 2023 YTD Budget	January 2023 YTD Actual	January 2023 Variance
Total Revenues	\$335,312	\$362,784	\$27,472
Total Expenses before OH and tax	(\$518,741)	(\$451,458)	(\$67,283)
Overhead and Tax	(\$13,867)	(\$12,029)	\$(1,838)
	YTD Budget	YTD Actual	Variance
Net Revenue (Expense)	(\$197,296)	(\$100,703)	(\$96,593)

FY23 Beginning Net Asset Balance			
\$5,334,084			

In PLA's two-year budgeting cycle, FY23 is a non-conference year, budgeted with a planned deficit, readily covered by the FY22 conference year net revenue of \$827,103. FY23 is budgeted with a net deficit of (\$415,476).

Operating Budget: As of January 2023, PLA has actual expenses of \$452,458 compared to budgeted expenses of \$518,741. Our January net is (\$100,703), nearly 50% ahead of the budgeted (\$197,296). This favorable position is due to timing of publication related expenses, and an upswing in dues revenue and WebCE revenue. The standout result can be found in the Web CE registration sales, where ad sales are showing strong recovery.

Spending on administrative costs (staff, board management) is slightly below budget (5% variance), due to open positions.

- Dues revenue is 15% ahead of budget, with \$230,956 collected against a budget of \$200,518. This is due to renewals timing. "Since PLA membership dues are recognized monthly, we are also continuing to recognize revenue from the members that joined to attend PLA Conference 2022 which has had a favorable impact on our revenue." Expenses, including travel to the postponed JCLC conference in Florida, are beginning to be realized, bringing the membership net down to 12% ahead of budget.
- PLA Web CE shows a very strong performance to year to date, with higher than forecast registration bringing in \$40,860 and exceeding the budgeted \$25,000 by approximately 40%.
- PLA publications was a strong performer in January with sales of the Early Literacy Calendar and Strategic Planning for Public Libraries garnering \$22,804 in sales, against a budgeted \$6,250.

Long Term Investments

LONG TERM INVESTMENT	FY23 January 2023 Actual
Beginning Balance FY23	\$1,761,881
Interest/Dividends FY23	\$35,634
Direct Expenses FY23	(\$3,896)
Expenses FY23	\$0
Realized Gains	\$147,654
Unrealized Gains	(\$117,225)
Ending Net Assets FY23	\$1,824,048

Beginning Long Term Investment (LTI) Net Assets appear as \$1,867,022 in FY22 close, but as \$1,775,799 in the FY23Q1 Performance Reports, and the January Performance Report. Per K. Brown, ALA Senior Financial Analyst, this figure will correct to the \$1,867,022 showing as it should be.

Grant Budgets:

GRANT FUNDS (47&48)	FY23 January Budget	FY23 January Actual	FY23 January Variance
Total Revenues	\$615,670	\$1,907,272	\$1,291,602
Total Expenses before OH and tax	(\$540,771)	(\$1,493,093)	(\$952,322)
Overhead	(\$74,899)	(\$190,731)	(\$115,832)
	YTD Budget	YTD Actual	Variance
Net Revenue (Expense)	\$0	\$223,448	\$223,448

During Q1, PLA was awarded a new \$1.1 million Digital Learn Phase III grant from AT&T, as well as almost \$240,000 in funding to support Affordable Connectivity Program resources. These grants are reflected in the January YTD above. They bring spending far beyond the budgeted \$615,670. Two grants *were included in the FY23 budget*:

- Digital Learn Phase I: spending for this budget concluded in January, with PLA digital literacy goals progressing in further phases of funding.
- Gates Legacy Grant: spending is 10% under budget. A \$385,722 has been spent against a budget of \$422,947. These funds support about half of PLA's staff salary and benefits but also include continued support of Project Outcome and the Benchmark data platform.

RUSA

Financial results Through January 2023

RUSA FY2023	Actual	Budgeted	Variance	FY2022
Total revenues	\$115,784	\$148,688	\$(32,903) -22%	\$138,287
Total expenses	\$93,959	\$134,364	\$40,404 30%	\$40,130
Net revenue	\$21,825	\$14,324	\$7,501	\$96,157

SUMMARY

Through January 2023 RUSA is tracking ahead of budget by \$7,501.

Revenues were below budget by -\$32,903 (-22%). Expenses were under budget by \$40,404 (+30%). RUSA's Net Revenue through January of \$21,825, exceeded the budget figure of \$14,324 by \$7,501.

Revenue:

YTD revenue is \$115,784 against a budget of \$148,688 resulting in a negative variance to budget of -22%.

Membership revenue totaled \$56,416 which was 2% below budget of \$57,500. Continuing Education revenue was \$30,548 against a budget of \$46,667 which represented a 35% negative variance to budget.

With the number of CE programs now scheduled through the end of the fiscal year, we are cautiously optimistic that we will close the negative variance in CE over the coming months.

Expenses:

YTD expenses are \$93,959 against a budget of \$134,364, resulting in a positive variance to budget of 30%.

The variance in expense can be mostly explained by award-winner payments, and CE marketing expenses, being budgeted but not yet reflected in actuals. These are timing issues which we will try to better plan for in FY24 budget planning. As the fiscal year progresses, we anticipate this expense variance to close to better match actual budget figures.

UNITED FOR LIBRARIES

United for Libraries

	Full Year Budget	Actual (1/31/23)	YTD Budget	Variance
Revenue	452,600	79,275	147,000	-67,725
Expenses	381,704	126,176	147,667	21,490
Net	70,896	-46,901	-667	-46,235

United Ahead of Budgeted Net Revenue / (Expense) for Period Ending April 30, 2022

Overall United is tracking better than budget for overall Net Revenue / (Expense) for FY22 as of April 30, 2022. Revenues are behind budget, with the major revenue categories noted below.

REVENUE	Full Year Budget	Actual (1/31/23)	YTD Budget	Variance
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Membership	55,000	23,602	22,917	686
Webinars/eLearning	159,000	13,302	56,250	-42,948
Subscriptions	80,000	15,430	33,333	-17,903
Donations	119,100	28,120	28,000	120

Webinars/eLearning – this category is primarily revenue from statewide purchases of training. Payments of approximately \$40,635 received in January to be applied in February offset the -\$42,948.

Subscriptions – this category includes both self-paying “group membership” and statewide group memberships. Payments from two states were received late; catch-up accruals will show in later months, offsetting the -\$17,903.

Membership – Membership is tracking slightly ahead of budget. Conversion of self-paying groups to personal memberships began with November, 2022 expirations. Uptake has been slow to start with more traction seen in January and February for the self-paying group to personal membership conversion. Additionally, we continue to see a small steady incremental increase in new personal memberships week over week with access to BoardSource member benefits and United’s Learning Live as the two most popular benefits. Staff is following up by email with lapsed members, and with those who renew their ALA membership but not their United membership.

Donations – Donations are tracking on budget for FY23.

Young Adult Library Services Association (YALSA)

	YTD BUDGET	YTD ACTUAL	VARIANCE	VARIANCE %	REMAINING CURRENT BUDGET
TOTAL REVENUES	242,470	220,110	-22,360	-9%	361,817
TOTAL EXPENSES BEFORE OH	195,158	248,383	-53,225	-27%	128,112
CONTRIBUTION MARGIN	47,312	-28,273	-75,585	-160%	233,705
OVERHEAD	35,053	16,244	-1,638	-11%	18,809

YALSA continues to monitor the following areas to best strategize in alignment with the Pivot Strategy as well as a strong five-year plan for YALSA: Outside printing, Symposium budget, and YALSA Seals.

Due to unidentified payments received in FY22 for seals sales we expect an additional revenue credit to be applied after FY22.

Symposium expenses impact the Division with challenges, factors include the rising costs of AV technology, hotel food and beverage fees, registration fees and meal functions.

Sales presents an opportunity to increase revenue with plans to impact through ALA Store merchandise, increase attractiveness to member/nonmember benefits through the partnership with ALA Continuing Education to create and market webinars and E-courses. Additionally, YALSA publications present an opportunity to impact revenue. Production time of YALSA journals aligns with staff and member leader contributions to produce overall success for YALSA.

Round Table Summaries

Round Tables Summaries January 2023 (FY2023)

There are 19 individual Round Tables for FY22 and details on their financials are below. At a summary level, most Round Tables ended the year with a favorable variance with two exceptions. From a revenue perspective, membership counts and dues have been increasing across most Round Tables.

CSKBART (622)

FY23 Budget/FY23 Actual/Variance

Revenue:	\$299,130/\$63,888/-\$44,083
Expense:	\$275,605/\$41,003/\$63,253
Contribution Margin	\$24,025/\$22,924/\$19,000

EMIERT (613)

FY23 Budget/FY23 Actual/Variance

Revenue:	\$15,700/\$9,209/\$2,668
Expense:	\$11,975/\$1,326/-\$63
Contribution Margin	\$5,225/8,587/\$3,308

Summary:

FMRT (617)

FY23 Budget/FY23 Actual/Variance

Revenue:	\$5,500/\$2,220/\$345
Expense:	\$4,500/\$786/-599
Contribution Margin	\$1450/\$1,656/-\$219

Summary: FMRT current expenses are for their scholarship. The bulk of their expenses will be incurred at Annual 2023.

GAMERT (616)

FY23 Budget/FY23 Actual/Variance

Revenue:	\$3,125/\$3,220/\$95
Expense:	\$2,965/\$1,120/\$1,845
Contribution Margin	\$431/\$2,416/\$1,985

Summary: GameRT's revenue is on target thus far and their expenses are under budget. Except for costs associated with their Zoom account, their blog and other tools which usually hit their budget between September and December, their expenses are generally centered around Annual conference, so are not expected in the budget until later in the fiscal year.

GNCRT 621

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$5,917/\$5,443/- \$473
Expense:	\$3,975/\$2,811/\$1,164
Contribution Margin	\$2,233/\$3,149/\$916

Summary: GNCRT continues to have a strong dues revenue although their merchandise sales in the ALA Gift Shop have fallen off and expected donations were delayed as they worked on a new travel grant opportunity – the [GNCRT Comics Librarian Conference Travel](#) Grant launched in February. They are also working on ideas to expand or change their merchandise offerings to increase sales in FY24. Their expenses are mainly at the beginning of the year – costs for tools like Zoom, Canva, etc. – and around Annual conference. They have spent less on their webinar panelist honorariums than expected since they have hosted slightly fewer webinars and some panelist have declined the honorarium.

GODORT (604)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$10,500/\$5,125/\$750
Expenses:	\$3,865/\$5,215/- \$4,526
Contribution Margin	\$7,735/\$332/- \$3,813

Summary: A deposit has been made for GODORT's award presentation at Annual Conference. Money from their Endowment will also be moved over at the end of the fiscal year.

IFRT (605)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$13,100/\$17,015/- \$3,915
Expenses:	\$13,100/\$15,356/- \$2,256
Contribution Margin	-\$0/\$1,660/\$1,660

Summary:

IRRT (606)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$8,500/ \$4,321/ \$987
Expenses:	\$7,409/ \$1,102/ \$523
Contribution Margin	\$1,891/ \$3,551/ \$1,509

LEARNRT (614)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$7,500/ \$3,628/ \$503
Expenses:	\$5,450/ \$1,172/ \$224
Contribution Margin	\$2,800/ \$2,818/ \$777

Summary: The Pat Carterette Travel grant has been paid for FY23. You will see more expenses after the 2023 Annual Conference.

LHRT (601)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$8,000/\$3,912/\$578
Expenses:	\$2,937/\$3,030/- \$2,717
Contribution Margin	\$5,813/\$1,241/- \$2,092

Summary: LHRT Journal has exceeded what they have made so far. They are discussing converting it to electronic; however, it was stated that it might not make much of a difference. LHRT has a big concern about their membership dues being reduced.

LIRT (612)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$25,000/\$9,450/- \$967
Expenses:	\$11,315/\$1,399/- \$336
Contribution Margin:	\$16,235/\$8,898/- \$1,429

Summary: Most of LIRT expenses will be incurred at 2023 Annual Conference.

LRRT (608)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$8,500/\$3,916/\$375
Expenses:	\$3,405/\$437/\$1
Contribution Margin:	\$5,945/\$3,791/\$333

Summary: Most of LRRT expenses will be incurred at 2023 Annual Conference.

LSSRT (623A)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$4,700/ \$1,969/\$10
Expenses:	\$3,670/ \$241/\$38
Contribution Margin:	\$1,500/ \$1,916/\$41

Summary: LSSRT expenses will be incurred at 2023 Annual Conference.

MAGIRT (609)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$6,900/\$1,998/- \$827
Expenses:	\$6,080/\$409/\$2,099
Contribution Margin:	\$1,400/\$1,868/\$1,310

Summary: MAGIRT expenses will be incurred during 2023 ALA Annual Conference

NMRT (607)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$14,243/\$6,364/ \$1,617
Expenses:	\$9,113/ \$677/ \$3,586
Contribution Margin:	\$6,554/\$6,209/\$5,5250

Summary: Overall NMRT is having a good year financially. Expenses are down and revenue is up.

RMRT (615)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$5,500/\$3,073/\$781
Expenses:	\$4,840/\$406/\$1,957
Contribution Margin:	\$1,210/\$2,961/\$2,803

Summary: RMRT expenses will come from 2023 Annual Conference.

RRT (619)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$75,900/\$14,987/- \$11,222
Expenses:	\$75,040/\$3,337/\$18,880
Contribution Margin:	\$2,360/\$12,377/\$7,761

Summary:

SRRT (619)

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$27,140/\$5,778/- \$5,513
,Expense:	\$21,601/\$6,467/\$3,871
Contribution Margin:	\$6,739/- \$159/- \$1,114

Summary: It was decided to offer ALA and SRRT membership awards to a couple of individuals in financial need which was unplanned.

SUSTAINRT 620

	FY23 Budget/FY23 Actual/Variance
Revenue:	\$4,500/\$2,895/\$1,020
Expenses:	\$3,100/\$370/\$-183
Contribution Margin:	\$1,850/\$2,802/\$927

Summary: SustainRT expenses will come from their events at 2023 Annual Conference.