

ICSB Financial Report

July 6, 2020

Submitted by Rita Grant

1. The fiscal year ended on a positive note (see Budget vs. Actual for 2018-2020) in spite of the transition to the new structure as well as the impact of COVID -19. We are showing you both accrual basis and cash basis so that you can see the impact of unpaid affiliate revenues (see transition committee recommendations). Despite these significant challenges, we were able to finish in a positive position due to the following:
 - Not replacing Jordan on the payroll and substituting part-time student help (Kyle, Skye, and Tammy).
 - No travel expenses by the International Office.
 - Significant revenue from special projects.
 - Diligence by the Executive Director in maintaining control over expenditures. I want to note that Ayman pre-paid for his own travel expenses and this is something the board needs to address in the long run. We should not expect him to do this.
 - This is in spite of incurring unexpected very legal fees due to the lawsuit filed against the board.
2. The fiscal year that started April 1, 2020 has had significant challenges. Our World Congress was cancelled and the transition to the new organization model has slowed down tremendously cash inflow. Since the membership link was launched, membership is gaining traction and revenue from K-Hubs is significant. Our cash position would have been precarious from April 1 through the present if not for the signing bonus from the publisher and careful cash management.
3. The proposed budget for April 1, 2020-March 31,2021 reflects the change in the organization model. Affiliate Fee Revenues becomes membership fees. As you can see in 2019-2020, we only collected a small part of what was owed to us. Our new model has us collecting directly from all levels of membership and has already born fruit. Significant expenditures are suggested for marketing and website development as we move towards our new form of organization both in person and digitally. The budget

anticipates a small surplus which makes sense for a not-for-profit. My expectation is that we will see the need for adjustment to the budget near the end of the year as marketing efforts fuel growth. Our experience with COVID-19 shows where we are vulnerable financially. The World Congress is a significant source of revenue and we lost that this year. We have very little financial cushion. As we experience growth, we should dedicate a certain percentage of excess “revenue” to a “rainy day” account.

Motion:

- I motion that the board approve the 2020-2021 proposed budget.
- I motion that a committee be formed to review the compensation of the Executive Director soon to be changed to President & CEO.