

## 2018 Apereo Foundation Balance Sheet

During the course of 2019, the Apereo Foundation Board Finance Group has examined accounts for the period in which former Jasig and Sakai memberships transitioned to a new Apereo-wide dues structure. In October 2019 the Apereo Board approved a one time reallocation of funds between the general Apereo account and the Sakai account. The rationale is presented in the note reproduced below. This reallocation will be enacted in the 2019 Apereo Foundation balance sheet, which will be published, prior to audit, in the last week of January 2020.

## Sakai Historical Accounting Issues - Notes

**Agreed by the Apereo Foundation Board of Directors, October 22<sup>nd</sup> 2019**

1. Until 2015, the Foundation had an interim dues structure established at its formation. This essentially merged the old Jasig and Sakai dues levels, whilst establishing dues based on member budget.
2. In [October 2015](http://bit.ly/2XKb7yM) [ <http://bit.ly/2XKb7yM> ] the Foundation Board agreed to move to a more permanent structure based around a core foundational element and a “per software community” supporting subscription for those communities that chose to fundraise. Revenue was modelled around the introduction of a Sakai supporting subscription covering Sakai-specific costs after the transition.
3. We began to incorporate the Sakai Supporting Subscription into invoicing from 28 October 2015. This involved a process of communication explaining the structure, requesting members self-assess their dues level, then generating and transmitting an invoice. Given the practical experience of communication with members, estimated transition time was 2 to 3 years.
4. The Board noted that, until the transition was completed, the newly established Sakai budget lines would appear notionally negative until revenue from dues grew to match expenditure. The Board recognized that members that had been paying Sakai Foundation dues (in some cases three years ahead) paid in the anticipation that Sakai would continue to be supported financially from those funds.
5. The Board continued to monitor the situation, but it became apparent in early 2018 that the decline in large institutional Sakai supporting subscriptions would not provide the revenue we required to support a full time community coordinator. Sakai community support was therefore remodelled around services provided by Longsight, a Apereo Foundation vendor, within the budget of \$96K PA from the supporting subscription.
6. A range of costs had also been misattributed to Sakai budget lines prior to the introduction of the Sakai supporting subscription, particularly in 2014 and 2015. These will be corrected.