**TO:** PLA Board of Directors

**FR:** Scott Allen, Deputy Director

**RE:** **PLA FY20 Operating Budget as of December 2019**

**DATE:** January 31, 2020

**ACTION REQUESTED/INFORMATION/REPORT:** Information

**ACTION REQUESTED BY:** N/A

**DRAFT OF MOTION:** N/A

**FY20 Overview (Operating, or General Fund and Conference, Only)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Dec 2019****YTD Budget** | **Dec 2019** **YTD Actual** | **Dec 2019 Variance** | **Dec 2019 Variance %** | **Remaining Current Budget** |
| **Total Revenues** | $371,174  | $337,984 | -$33,190 | -9% | $4,380,631 |
| **Total Expenses before OH and tax** | $930,670 | $693,284 | $237,387 | 26% | $2,971,968 |
| **Contribution Margin** | -$559,497 | -$355,300 | $204,197 | 36% | $1,408,663 |
| **Overhead and Tax** | $29,213 | $19,422 | $9,791 | 34% | $922,467 |
|  |  |  |  |  |  |
|  | **YTD Budget** | **YTD Actual** | **Variance** | **Variance %** |  |
| **Net Revenue (Expense)** | -$588,710 | -$374,722 | $213,988 | 36% | $468,197 |
| **Beginning NAB** | **Ending NAB** | **Net Revenue** | **Increase in NAB** |  |  |
| TBD | TBD | -$374,722 | TBD |  |  |

*Note: Actual revenue and OH paid above includes $1,226 and $162 respectively, which were attributed to PLA in error, and will be corrected by February 2020.*

Operating Budget: As of December 2019, PLA has an actual operating loss of $374,722, compared to a budgeted operating loss of $588,710. Revenue is generally on track, so this significant (36%) variance can be attributed to lower/slower expenses during the first 4 months of Fiscal Year 2020. The majority of PLA revenues and expenses are derived from the PLA 2020 conference; revenue for that conference will appear in March financials and much of the expense will appear post-conference as well.

* Operating Revenue: At the close of December 2019, PLA had budgeted for $371,174 in revenue and is under budget by about 9%. Dues revenue is 13% ($29,229) under budget, and donations are also lagging by 60% ($7,240). Publications (collectively, Public Libraries and publication sales including Every Child Ready to Read) are under budget by $7,660, or 29%. The Space Planning workshops are on target, however Project Outcome Regional Trainings were eliminated (resulting in negative $39,309 variance as of December 2019), and Equity Starts With Us training events are 29% under budget ($11,425) primarily because revenue was budgeted across FY20 months before the 2020 schedule was determined, and PLA’s first event is not until May 2020 as opposed to earlier as expected. The brightest spot in PLA revenue (other than PLA 2020 Conference) is paid webinars, which were budgeted to generate $5,967 by December but have received $40,918.
* Operating Expenses: At the close of December 2019, PLA had budgeted to spend $930,670 and has spent $693,284, for a favorable variance of about 26%. A few projects are over PLA’s predicted expenses as of December 2019: Space Planning Workshops are 62% ($10,683) over; paid Webinars are 148% ($4,645) over; and DigitalLearn is 224% ($39,188) over because of needed upgrades to the platform and expenses to build two new subsites (which also increased revenue). Also PLA’s fundraising (Partners) project is over budget by $10,674 because most donations to fund the PLA 2020 scholarships came in during FY19, but scholarships were paid out in FY20. Other core projects – Administration, Public Libraries, Family Engagement, EDISJ, and ECRR – are all under budget. The primary reason for the very large favorable variance in expenses, however, is the PLA 2020 Conference, for which promotional expenses have been much lower than budgeted and some facility and speaker payments did not occur as early as budgeted.

Grant Budgets: By the close of December 2019, PLA had spent $651,378 in grant funds compared to a budgeted amount of $718,794, for a modest (9%) positive variance.

PLA Long-Term Investment: FY19 closing figures for PLA’s long-term investment are not yet available in Prophix for reporting.

Overhead: As of December 2019, PLA was budgeted to provide a total of $60,611 in overhead and taxes to ALA and had paid $21,365. The variance is due to timing of registration fee income for paid CE events. In addition, ALA did not yet assess about $20,000 in overhead it is due, based on expenses paid in one grant project.