**Public Library Association**

**FY20 Operating Budget as of January 2020**

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| --- | --- | --- | --- | --- | --- |
|  | **Jan 2020****YTD Budget** | **Jan 2020****YTD Actual** | **Jan 2020 Variance** | **Jan 2020 Variance %** | **Remaining Current Budget** |
| **Total Revenues** | $516,330  | $414,290 | $102,040 | -20% | $4,304,325 |
| **Total Expenses before OH and tax** | $1,250,173  | $845,120 | $405,053 | 32% | $2,820,132 |
| **Contribution Margin** | -$733,843 | -$430,830 | $303,013 | 41% | $1,484,194 |
| **Overhead and Tax** | $31,748  | $21,422 | $10,326 | 33% | $920,467 |
|  |  |  |  |  |  |
|  | **YTD Budget** | **YTD Actual** | **Variance** | **Variance %** |  |
| **Net Revenue (Expense)** | -$765,591 | -$452,252 | $313,339 | 41% | $563,727 |
| **Beginning NAB** |  | **Ending NAB** | **Net Revenue** | **Increase in NAB** |  |  |
| $3,493,338 |  | $3,041,087 | -$452,252 | -12.9% |  |  |

Operating Budget: As of January 2020, PLA has an actual operating loss of $452,252, compared to a budgeted operating loss of $765,591. PLA had significant variances in both revenue and expenses during the first 5 months of Fiscal Year 2020, but the large (41%) variance is mostly expense-related, because some expenses turned out lower than anticipated and some conference-related expenses did not occur yet.

* Operating Revenue: At the close of January 2020, PLA had budgeted for $516,330 in revenue but only saw $414,290. Our variance has grown from about -5% (November 2019) to -20% (January 2020).
	+ In terms of **budgeted revenue shortfalls,** dues revenue is behind, with $252,563 collected against a budget of $340,000 (-26% variance). This does not reflect a true shortfall. PLA inaccurately allocated the revenue, and dues income will catch up to budget later in the spring. Donations are also lagging significantly ($5,095 received against a budget amount of $22,000) because PLA has not undertaken the fundraising campaigns anticipated during budgeting. Revenue for fee-based CE/PD activity (regional trainings on equity, space planning, and outcomes, as well as paid webinars) are not far behind budget (19%, with $95,530 collected against $118,300 budgeted). The current shortfall is still primarily due to timing, as these events were scheduled later in 2020 than anticipated. However, whereas this fee-based CE/PD activity seemed to be a bright spot earlier in the fiscal year, and PLA was anticipating a strong finish to FY20, the postponements and cancellations of events due to COVID-19, along with a significant reduction in Project Outcome regional trainings, suggests PLA will not meet budget on these activities.
	+ In terms of **meeting budget,** collectively PLA’s publications (which includes Public Libraries ad and subscription revenue, Every Child Read to Read, PLA’s early literacy calendar, and miscellaneous back catalog sales) are about even with budget.
	+ In terms of **exceeding revenue,** two products will help. PLA’s new online Family Engagement product did not budget revenue, but the product evolved and launched successfully in January, and just over $17,000 in registrations will show up in February and March reports. PLA’s DigitalLearn also sold two library subsites and the $30,000 in revenue has yet to show up in reports. Any additional subsite sales or other revenue will exceed budget. Finally, the majority of PLA revenues and expenses are derived from the PLA 2020 conference. In total across registrations, meal tickets, exhibit fees, and sponsorships, PLA has budgeted to receive $3,712,365 in revenue. While PLA will not see results until the February 2020 reports, preliminary indications suggest we will exceed budgeted revenue due to high registrations and a large exhibit floor.
* Operating Expenses: At the close of January 2020, PLA had budgeted to spend $1,250,173 and has spent $845,120, for a favorable variance of about 32%.
	+ The primary reason for the favorable variance are **conference expenses**. Many payments related to the PLA 2020 Conference (February 2020) were expected to occur by January 2020 but did not get issued. For instance, no charges were yet recorded for general session speaker and entertainment fees, audiovisual rental, facilities rental, security, meal functions, and other large costs. For many of those expenses, PLA budgeted to spend a portion by January, due to prepayments, deposits and similar fees, which is why expenses as of January are under budget. However, overall, PLA should remain under budget for conference expenses in FY20, since certain items such as shuttle buses were budgeted but did not occur, and promotional expenses were much lower than budgeted (the planning and promotion budgets are showing an 83% positive variance, with only $37,922 spent against $221,543 budgeted).
	+ In terms of **administrative and project expenses**, many accounts have positive or negative variances, but few are significant, and none are projected to end FY20 radically different than budgeted. The exception is DigitalLearn, which is projected to have a large unanticipated negative variance due to increased consulting costs for hosting and updating the site (as of January, PLA had spent $63,849 versus the $23,250 budgeted).

Grant Budgets: By the close of January 2020, PLA had spent $785,156 in grant funds compared to a budgeted amount of $890,869. Since the last report in November 2019, this positive variance increased from 6% to 12%, suggesting slower or reduced grant spending. PLA is experiencing reduced grant expenses in professional services (under budget by about $34,000) and travel and lodging (collectively under budget by about $43,000). This is likely because grant projects moved slower than anticipated while PLA was focused on the PLA 2020 Conference, and fewer grant-funded staff required travel to participate in the fall board meeting and ALA 2020 Midwinter Meeting.

PLA Long-Term Investment: As of January 2020, PLA’s long-term investment stood at $1,542,087 compared to $1,455,604 at the same time last year. Interest was budgeted at $40,778 for FY20, and as of January 2020 revenue was ahead of budget by $7,562 or 45%. However, investments may suffer due to the COVID-19 crisis affecting the markets, so predictions are difficult as of this report.

Overhead

Total overhead to ALA for FY20 was budgeted at $997,610 ($941,889 from conference and operating accounts, and $55,722 from grants). As of January 2020, PLA had paid ALA $23,953 in overhead, against a budgeted amount of $70,808. About $20,000 in overhead should have been processed from a grant project, but is not showing up as of the January reports, so the true variance is about $27,000, which is due to slower grant spending and the lag in CE registrations. Once PLA Conference registrations and exhibit fees are realized, PLA should be near or exceeding budgeted overhead.