**Public Library Association - FY21 – February 2021 Financial Narrative (mid-point)**

**FY21 Operating Budget as of February 2021**

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| --- | --- | --- | --- |
| **GENERAL FUND*****Including Conference*** | **Feb 2021****YTD Budget** | **Feb 2021****YTD Actual** | **Feb 2021 Variance** |
| **Total Revenues** | $386,800 | $434,996 | $48,196 |
| **Total Expenses before OH and tax** | ($621,927) | ($385,982) | $235,945 |
| **Overhead and Tax** | ($31,003) | ($9,259) | $21,744 |
|  |  |  |  |
|  | **YTD Budget** | **YTD Actual** | **Variance** |
| **Net Revenue (Expense)** | ($266,130) | $39,755 | $305,885 |
| **Beginning NAB** |  | **Ending NAB** |  |  |  |
| TBD |  | TBD |  |  |  |

Operating Budget: As of February 2021, PLA has actual net revenue of $39,755, compared to a budget net expense (loss) of $266,130. (FY21 is a non-conference year for PLA, so PLA is budgeted for a total net loss of $563,947.) This favorable position is due to the following:

* Dues income is exceeding budget substantially. Dues revenue was exactly on target as of the first quarter reports. At the six-month mark, dues is nearly one-third, or $80,728, over budget. ALA divisions including PLA budgeted dues income at about 2/3 of a normal year, anticipating that the COVID-19 pandemic and other factors would reduce membership. While a normal non-conference year might yield $550,000 in PLA member dues, only $387,200 was budgeted. At the current rate, PLA is likely to see dues near $550,000 as usual.
* PLA’s paid webinars were already selling well, with six-month revenue at $38,259 against budgeted revenue of $26,000. On top of that, PLA received a $100,000 fund transfer from the Washington Office to underwrite PLA’s census data literacy project work, credited to PLA’s Web CE account (because most activity will be webinars). Therefore, as of February 2021, PLA’s Web CE account is showing net revenue of $126,768. Even with the additional expenses due to the census data webinars, PLA will end the year significantly higher than the budgeted net revenue of $39,875. (Note, the census data literacy project will continue into FY22. Because all revenue was credited to FY21, PLA’s Web CE project may show less net revenue or even a loss in FY22 as this sub-project spends down its funds.)
* Live professional development activities were optimistically budgeted for FY21, and they will not be held. These include space planning, Equity Starts with Us, and Project Outcome trainings. Since these events are not being held, expenses have been minimal, and it only took one pivot (offering the new EDISJ Leadership Lab series, virtually) to generate net revenue *higher than what all three activities would have generated if they’d been held as planned.* As of February 2021, the Leadership Lab/EDISJ project has generated net revenue of $36,797. The activities planned in the budget would have generated a combined $29,572 in net revenue. Clearly, the margin on virtual events is better than live events, which require travel, food and other costs.
* Publication revenue is also a bright spot, with sales of general publications exceeding budgeted net revenue as of February 2021 ($12,520 vs -$495) and the same with Every Child Ready to Read ($16,001 vs $2,504).
* PLA’s only active conference account, Conference Planning, was budgeted to spend $94,500 during FY21 on conference promotion, site visits, facility deposits and other “off year” expenses. As of February 2021, only $15,765 had been spent, and it is projected this account will end at half of less of its budgeted expenses.

The significant positive variance is mainly attributed to the factors above. Otherwise, spending on administrative costs (staff, board management) continues to be about 10% under budget, due to open positions. Public Libraries magazine, projected to lose $39,537 by mid-year, has only lost $5,268 to date due to lower production costs and delays in processing expenses. Family Engagement’s virtual trainings are on budget, with net revenue at $16,725 slightly ahead of the budgeted $14,035. DigitalLearn’s net loss as of February 2021 is $82,365, but as revenue from a 2020 subsite sale and the new AT&T grant comes in, that will be reduced to be closer to budget.

**FY21 Grant Budgets as of February 2021**

As of February 2021, PLA had spent $708,693 in grant funds compared to a budgeted amount of $474,455, for a difference of $234,238.

Grant spending is far exceeding budget because PLA confirmed over $400,000 in new and renewed grant funding in late summer and early fall of 2020. Given the late stage of FY20 budgeting, these projects were not included in the budget. Only spend down on the Gates grants was included.

* Spending in the grant projects *which were included in the FY21 budget* (Gates funds) are running ahead of budget: a total of $555,043 has been spent against a budget of $476,423. These funds support about half of PLA’s staff salary and benefits but also include professional services, such as continued support of Project Outcome and PLA’s new data initiatives, strategic planning consulting, and PLA’s conference manager. Staff costs are near budget, however professional services have exceeded budget significantly. Almost $300,000 has been spent as of February 2021 against a *full-year* budget of only $150,000. Some of this will be offset because almost none of the $126,000 budgeted for travel/meal/meetings will be spent. Also, the consulting/professional services overage includes costs for PLA’s data projects, which are intended to generate revenue in future years.
* Other active grants (health insurance promotion, Latinx family engagement project, Microsoft projects, short story project) are generally on track.