**TO:** PLA Board of Directors

**FROM:** Barb Macikas

**RE:** PLA FY18 Budget as of 3rd close

**DATE:** October 19, 2018

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

**OVERVIEW**

Results for PLA’s operations and grants, as well as PLA’s long-term investment follow.

**PLA Operating Budget**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Annual Budget** | **FY18 Close 3** | **Variance** | **Variance %** |
| **Beginning Net Assets** |  | **3,053,857** |  |  |
|  |  |  |  |  |
| **Total Revenues**  | **4,679,317** | **4,438,375** | **240,942** | **-5%** |
|  |  |  |  |  |
| **TOTAL EXPENSES** ***BEFORE OH & TAXES*** | **3,624,011** | **2,777,336** | **846,675** | **23%** |
| CONTRIBUTION MARGIN | 1,055,306 | 1,661,038 | 605,732 | 57% |
| IUT/OVERHEAD | 882,102 | 864,093 | 18,009 | 2% |
| TAXES/INCOME | 547 | 0 | 547 | 100% |
| TOTAL OVERHEAD/TAXES | 882,649 | 864,093 | 18,009 | 2% |
| **TOTAL EXPENSES** | **4,506,660** | **3,641,429** | **865,231** | **19%** |
|  |   |  |  |  |
| **NET REVENUE/EXPENSE** | **172,657** | **796,945** | **624,288** | **362%** |
|  |  |  |  |  |
| **ENDING NET ASSET BALANCE** |  | **3,850,802** |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Operating Budget Revenues

As of the FY18 3rd close, PLA revenues in the operating budget are under budget by 5%. Revenues are on or over budget for conference, virtual conference, and sponsorships/donations. Membership was slightly under budget (off by 3%). As has been the trend for the last few years, advertising and webinars were significantly under budget.

Operating Budget Expenses and Overhead

Expenses (including overhead) are 19% under budget. Despite the high cost of producing a conference in Philadelphia, several (non-conference) project lines were significantly underspent including: family engagement; Project Outcome regional training; and EDI regional training. These are timing issues as PLA was not able to roll out these programs as planned in FY18. They will be launched or expanded in FY19.

**PLA Grants**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Annual Budget** | **FY18 Close 3** | **Variance** | **Variance %** |
| **TOTAL GRANT REVENUE/EXPENSES BEFORE OH**  | **2,762,791** | **2,896,802** | **134,011** | **5%** |
|  |   |  |  |  |
| CONTRIBUTION MARGIN | 433,922 | 389,219 | -44,703 | 10% |
|  |   |  |  |  |
| IUT/OVERHEAD | 433,922 | 389,219 | 44,703 | 10% |
|  |   |  |  |  |
| **TOTAL EXPENSES** | **2,762,791** | **2,896,802** |  |  |
|  |   |  |  |  |
| **NET REV/(EXP) FROM OPERATIONS** | **0** | **0** |  |  |

Grant Overview

PLA manages foundation and government grants totaling $2.9M. For government grants, PLA is managing an IMLS grant, Inclusive Internships, for $457,202 (FY18 portion) and an IMLS grant related to early literacy research that concluded earlier in the fiscal year ($30K). For private grants, the Gates Foundation funds account for $2.2M through legacy, data impact, Project Outcome (which concluded in FY18) and AfLIA grants. The balance of grant funding comes from the Knight Foundation, the National Network of Libraries of Medicine, and a subcontract with the Robert Woods Johnson Foundation.

Grant Overhead

Grant overhead for FY18 is $389,219. The majority of the overhead is generated from private grants as the IMLS grants earned little overhead due to the “pass through” nature of the projects.

**Long-Term Investment (LTI)**

The PLA LTI was at $1,362,579 at the 3rd close (compared to $1,232,433 at the same time last year).

**PLA STRATEGIC GOAL LINK (check all that apply)**

[ ]  TRANSFORMATION [ ]  LEADERSHIP [ ]  ADV. & AWARENESS [ ]  E.D.I.S.J. [x]  ORG. EXCELLENCE