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Sent: Tuesday, October 26, 2004 11:51 AM
Attach: 2005 draft budget 1.ZIP
Subject: OSC Draft 2005 Budget

To: OSC Board of Governors, Officers and Committee Chairs:

Oct 26, 2004

Re: 2004 Full Year Estimate
 Draft 2005 Budget

Attached, and with apologies for the eye glazing detail, is a full year estimate of our expenses and income for 2004 based on YTD numbers compared to budget and 2003 actual, and where provided, any input I received from you. Also enclosed is a detail of 2003 and 2004 costs for the Spring and Fall Series.

Based on this estimate our 2004 expenses will exceed our income by \$397.10. While there are minor ups and downs the principle positive and negative variances vs budget are:

- lower revenue (\$1300) and higher expenses (\$1150) for the Spring Series;
- lower revenue (\$250) and lower expenses (\$750) for the Fall Series;
- higher income (\$1200) and higher expenses (\$800) for the annual dinner;
- unbudgeted Past Commodore award (\$600)
- unbudgeted 30/50 yr awards (\$1126) - charged to Norcross account
- use of \$2500 in budgeted but unallocated expense reserves

Using this estimate and several arbitrary assumptions the attached spreadsheet also includes a draft 2005 budget. The key assumptions are:

- no change in dues structure or number of members
- no change in number of entries or fee structure
- very minor changes in line item costs from 2004 actual

The net effect is that this draft 2005 budget would be nearly identical to 2004 except that our budgeted 'reserve' or unallocated accounts in 2005 would be significantly lower - \$1385 vs \$4055 in 2004. This is accomplished by reducing the overall Misc (Reserve) from \$3055 to \$1385, and eliminating the \$500 Misc account for the Fall Series.

10/26/2004

For 2005 we have the normal risks - lower than expected income from membership renewals offset hopefully by new members, and the general levels of entries for both Spring and Fall. We have a new risk with Fall party costs at a new venue in Greenport offset by possible lower or no Fall launch costs.

The issue we need to decide at the Oct 30 Board meeting is the dues level for 2005 as we will not meet again before the 2005 dues invoice will be mailed in late December. I recommend we leave the dues structure as is.

I think we can address any concerns, if any, with this draft 2005 budget with a renewed effort to reduce expenses, and/or, if necessary, a small increase in the entry and party fees.

Please let me know if you have any questions.

Ron