

P. V. August

From: P. V. August <pete@edc.uri.edu>
Sent: Tuesday, July 16, 2013 2:57 PM
To: Alan Desbonnet; Alisa Morrison (alisa.morrison@yahoo.com); Helen Drew; Mal Grant (magrant2@verizon.net)
Cc: Chris J. Fox (Chris@wpwa.org)
Subject: 2012 Budget
Attachments: 2012 WPWA Budget Summary Memo.pdf

Dear Executive Committee:

In reviewing my budget synopsis that I provided you and the WPWA Board last month I discovered an arithmetic error in my calculations. Chris, Kristy and I have re-evaluated the 2012 figures in multiple ways and come up with a deficit of approximately \$21,000 for 2012 (see attached Budget Summary). This is due to higher personnel costs and higher grant expenses.

Our current cash flow appears to be strong and our current 2013 budget year has no surprises. Our \$15,000 rainy day fund is in a separate bank account and it has not been touched. So the question is -- how can we incur a \$21,000 budget deficit and not feel it? It is hard to say why this is so. Our collective best guess is our cash flow position has been very strong due to annual budget surpluses of past years that were not officially carried over to subsequent budgets but do rollover in our bank account. Our scrutiny of books and accounts is now very thorough and end of year balances are accounted for, however, I don't think this was the case prior to having Kristy minding our books.

What do we do? Chris, Kristy, and I feel the best thing to do at this point is monitor our 2013 spending and be frugal. Our cash flow appears healthy and we do not appear to be in any sort of financial danger. Kristy has her finger on the panic button should she see anything that would signal financial problems for the organization. If we were to have cash flow issues, she would know many months in advance.

This 2012 deficit does, however, point to the need for having a budget Plan B so we know how to respond should a shortfall present itself.

We can present this to our Board at the next Business Board meeting in August (versus discussion Board meeting this week).

Pete
WPWA Treasurer