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## RE: Money problems prevent pool opening?

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From: **Steve Morrow** (stevem@broadstripe.net)

Sent: Fri 6/20/14 2:41 PM

To: 'Dustin Frederick' (dustin@local519.org); 'chris hendrickson' (hendrickcj@gmail.com); 'Ed Delahanty' (whshed@live.com); 'Fred Salmon' (pheffy@aol.com); 'Kurt S. Blankenship' (kblankenship@bluewilliams.com); 'Suzy Palmer' (suzypalmer1@me.com)

Kurt/Dustin:

Have we vetted a collection attorney / agency?

Regardless of pool opening or not, we need to get moving on collections!

Steve Morrow

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**From:** Dustin Frederick [mailto:dustin@local519.org]

**Sent:** Friday, June 20, 2014 12:40 PM

**To:** Steve Morrow; 'chris hendrickson'; 'Ed Delahanty'; 'Fred Salmon'; 'Kurt S. Blankenship'; 'Suzy Palmer'

**Subject:** RE: Money problems prevent pool opening?

Other facts to consider;

The budget was written before the TRO and rulings by the court re maintaining the pool

The budget was written purposely to exclude the operation of the pool

We need to ramp up our collection efforts

We need to open or cover the pool

Bottom line---I vote we open and make adjustments to the hours of operation, lifeguards whatever---but we open!!

Simply put---we can't afford not to open.

Dustin

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**From:** Steve Morrow [<mailto:stevem@broadstripe.net>]  
**Sent:** Friday, June 20, 2014 11:34 AM  
**To:** 'chris hendrickson'; Dustin Frederick; 'Ed Delahanty'; 'Fred Salmon'; 'Kurt S. Blankenship'; 'Suzy Palmer'  
**Subject:** Money problems prevent pool opening?  
**Importance:** High

As Ed has collected final estimates on repair and operation of the pool, I've been collecting current financial information and looking at what budget we would need to approve to incorporate pool repair and operation. What I've included below is the expense side of the equation. 2014 YTD is actual expense through May, 2014 Budget is the approved budget, 2014 REV2 incorporates our best guesses for the remainder of the year with actuals and pool estimates.

Bottom line is expenses including repair and operation of the pool would be **\$80,405**.

The original budget showed projected income of **\$60,112**.

Our unrestricted bank account balance is **\$65,317**.

Adding **\$4,000** of pool revenue from 8 weeks would still leave us in the hole.

Any way we slice it, we come up short.

While we could spend the funds from the money market account (\$19,823), Ed & I don't feel this would be prudent. Lifeguards might be eliminated as well, but we would need to spend to secure unsupervised access to an unguarded pool and there would seem to be increased liability with no lifeguard. Further, Ed's repair costs are good estimates but don't preclude additional expenses for problems discovered during repair.

Read the numbers and let's discuss ... note that lines in purple were on the budget but don't correlate directly with lines in the accounting reports.

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	<u>2014 YTD</u>	<u>2014 BUD</u>	<u>2014 REV2</u>
<b>Expense</b>			
<b>Bank Charges and Fees</b>	49.90	10.00	10.00
<b>Equipment Rental</b>	165.00		165.00
<b>Fines &amp; Penalties Expense</b>	5.35	90.00	50.00
<b>IRS back taxes / penalties</b>		3,000.00	1,500.00
<b>Insurance Expense</b>			
<b>Crime Insurance</b>	276.00		
<b>General Liability Insurance</b>	8,286.44		
<b>Lump Sum Insurance Expense</b>		25,000.00	24,000.00
<b>Discretionary Emergency Fund</b>		3,000.00	1,000.00
<b>Insurance Deductible</b>		6,000.00	6,000.00
<b>Total Insurance Expense</b>	8,562.44	34,000.00	31,000.00
<b>Operating Permits &amp; Inspections</b>			
<b>Pool Permit (Health Dept)</b>	286.00		300.00
<b>Total Operating Permits &amp; Inspections</b>	286.00	0.00	300.00
<b>Payroll Expenses</b>	0.00		
<b>Employer Taxes Expense</b>	129.24		

<b>Wages Expense</b>	1,320.00		
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<b>Total Payroll Expenses</b>	1,449.24	0.00	18,000.00
<b>Office Supplies</b>	137.50	1,000.00	1,000.00
<b>Pest Control</b>	0.00	300.00	300.00
<b>Postage and Delivery</b>	460.56	2,000.00	2,000.00
<b>Printing and Reproduction</b>	162.35	1,000.00	1,000.00
<b>Professional Fees</b>			
<b>Accounting Expense</b>	3,289.50	4,800.00	4,800.00
<b>Consulting Fees</b>	300.00	500.00	500.00
<b>Audit</b>		3,500.00	3,500.00
<b>Tax Preparation</b>		1,200.00	1,200.00
<b>Legal Expense</b>	0.00	2,500.00	2,500.00
<b>Recording Fees</b>	0.00	50.00	50.00
<b>Registered Agent Services</b>	50.00		50.00
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<b>Total Professional Fees</b>	3,639.50	12,550.00	12,600.00
<b>Repairs and Maintenance</b>	1,214.84	1,670.00	4,200.00
<b>Security Expense</b>	522.58	250.00	750.00
<b>Small Tools and Equipment</b>	13.94		
<b>State Record Copy</b>		50.00	50.00
<b>Taxes - Property</b>	141.94	130.00	130.00

<b>Advertising</b>		50.00	50.00
<b>Supplies Expense</b>			
<b>Hospitality Supplies Expense</b>	94.86	1,200.00	1,200.00
<b>Pool Supplies Expense</b>	99.99		1,000.00
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<b>Total Supplies Expense</b>	194.85	1,200.00	2,200.00
<b>Utilities</b>			
<b>Broadband Expense</b>	66.41		
<b>Electricity Expense</b>	359.74	500.00	1,200.00
<b>Garbage Expense</b>	40.60	300.00	300.00
<b>Propane Expense</b>	358.62	500.00	2,700.00
<b>Telephone Expense</b>	256.16	500.00	500.00
<b>Water Expense</b>	51.42	350.00	250.00
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<b>Total Utilities</b>	1,132.95	2,150.00	4,950.00
<b>Website Expenses</b>	125.00	150.00	150.00
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<b>Total Expense</b>	22,811.51	59,100.00	80,405.00
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