

**HAL-PC**  
**May 31, 1999 Budget Comments**  
 Prepared by Ray Shasteen, Treasurer — Ph 713-465-7084, Fax 713-465-9784

**Finance Committee** meetings of October 14, 21 & 26 were held to discuss and finalize this budget for presentation to the Board of Directors. Attending (members and others) were: Ray Shasteen, Ray Morris, Carla Cawlfeld, Gill Boyd, David Pausky, Gus Hrcir, Nick Streater, and Joe Whinery.

**Total budget** is a **LOSS** of **(\$76,042)**, broken down as follows:

	<u>Operations</u>	<u>Equipment</u>	<u>Leasehold</u>	<u>Total</u>
<b>Internet</b>	\$ 441,826	\$ (286,860)	\$ (40,000)	\$ 119,756
<b>Non-Internet</b>	(12,833)	(154,175)	(20,000)	(191,798)
<b>Total</b>	<u>\$ 428,993</u>	<u>\$ (441,035)</u>	<u>\$ (60,000)</u>	<u>\$ (72,042)</u>

**General** -----

This is a deficit budget, and now,  
**HAL-PC is funding non-internet costs with internet revenues and accumulated earnings.**

This budget has been developed using current membership growth trends. We need to develop aggressive membership growth goals, specific fund raising objectives, grant income, and new income opportunities. Accomplishing these objectives would signal an authorization to proceed with more aggressive expenditures. Only with much higher revenues can we justify funding significant equipment purchases.

**Specifics** -----

**Membership Dues** - Revenue budget of \$539,000, a 21.6% dollar increase over 1998. Provides for 14,800 total members, of which 600 are pegged to an "Amnesty" program. Consideration should be given to implementing an aggressive membership drive as that would be the quickest way to generate revenue. Remember that additional HALNet members also result in increased membership dues.

**Ent. & Meals** - Budget of \$3,500 compared to \$11,000 last year actual. Note that Food - Volunteer Development was created out of this category.

**Food - Volunteer Development** - New category, extracted in part from Entertainment and Meals, was -0- last year and is \$18,200.

**Office supplies and expense**- Budget of \$28,870 compared to \$9,338 last year actual.

**Repairs**- Budget of \$40,360 compared to \$5,671 last year actual. This was not reduced, primarily because of the concern regarding the timing of the purchase of new equipment for SIG's and Daytime Classes.

**Scholarship** - Dropped to \$0

**Travel** - Budget of \$27,500 compared to \$15,577 last year actual.

**Internet** - Without additional members from a major membership drive, HALNet is budgeted to grow at a slower pace than in the prior year. Additionally, a considerable amount of the equipment expenditures are those that were deferred from last year. This is our primary source of revenue and should be emphasized in membership drives. We do not expect to have the excess cash generated from HALNet this year as in the past.

**Capital Expenditures** -In recent years we have attempted to fund these from current operations, and have been very close to successful. With the space expansion, it has become a more significant item. **It is imperative that we continue to watch income before purchasing significant assets unless we spend funds accumulated in prior years.**

**Budgeted Capital Expenditures**

<u>Num.</u>	<u>Department</u>	<u>Amount</u>	
10	General & Admin.	\$ 15,000	2 to 3 pc's
15	Volunteers	5,900	3 pc's
20	BBS	1,000	Misc
22	SIGS	55,575	2 projectors \$16k, 6 sig pc's \$15k, 6 game pc's \$15k 1 server \$4k, 3 audio/spkrs \$3k, 5% over \$2.575k
30	Gen. Mtg.	5,300	Not detailed
40	Magazine	20,000	Prtr and FTP server for Merideth, pc for Durhmon
52	Membership	5,000	Election scanner
60	Day Classes	34,050	Inst. Pc \$2.5k, 15 student pc's \$22.5, 1 server \$4k, 1 audio/spkrs \$1k, copier \$2.5k, 5% over \$1.550
70	Clear Lake	<u>12,350</u>	Not itemized (Note, covered by projected revenues.)
	Subtotal	<u>\$154,175</u>	
21	Internet	<u>286,860</u>	Not itemized
	Total	\$ <u>441,035</u>	

**Leasehold Improvements** (Expended prior to October 1, 1998)

10	General & Admin	\$ 20,000
21	Internet	<u>40,000</u>
	Total	\$ <u>60,000</u>

**Proposal** -----

The following amounts were initially included in the budget by various departments and removed during the budget process by the members of the Finance Committee.

**The approval of these expenditures is tied to membership growth, additional departmental income, and/or donations of money or equipment:**

	<u>Amount</u>		<u>Members</u>
<b>Current approximate membership</b>			<b>13,000</b>
<b>Projected additional from internet growth</b>			<b>1,200</b>
<b>Proposed from amnesty program</b>			<b><u>600</u></b>
<b>Subtotal</b>			<b>14,800</b>
<b>Non-Internet equipment</b>	<b>\$154,175</b>	<b>/\$40</b>	<b>3,850</b>
<b>Travel</b> (Cut from various departments)	<b>10,000</b>	<b>/\$40</b>	<b>250</b>
<b>Video Production</b>	<b>28,000</b>	<b>/\$40</b>	<b>700</b>

**Other** -----

**Insurance** - Need to contact Debbie Foster about adequacy of insurance coverage. Dillard and Cawlfild will be working up an inventory on HALNet. Pausky needs to work up inventory for the SIGs and Daytime Classes.

**MOTION BY  
RAY SHASTEEN, TREASURER  
CONCERNING ANNUAL BUDGET**

**WHEREAS:** HAL-PC's Treasurer has presented the attached budget to the Board for the year ending May 31, 1999 showing a combined net loss of \$ (72,042), (after capital expenditures of \$441,035 and leasehold improvements of \$60,000).

**NOW THEREFORE BE IT RESOLVED** by the Board of Directors at its meeting on November 5, 1998:

That the Board of Directors hereby approves the above referred to Budget.