

Potomac Valley Swimming

Treasurer's Report April 9, 2009

This report is divided into two sections. The first section is about finance issues that affect the current fiscal year. The second section is in regard to the proposed budget for FY '10 that begins next September. I have presented them in one document because the issues the BoD acts on this year will affect next year as well. The issues identified below will be included in the budget discussion at the April 13 BoD meeting.

FY '09 Review and Comments

1 – Membership

Through March, membership continued to be above projections for the year. Only two clubs report fewer swimmers on a year-to-year basis. At the end of the FY, PVS should be 3% or so ahead of last year, approximately 270 additional swimmers. The difficulty in projecting final numbers is caused by the bounce last year from the VSI swimmers who transferred into PVS late in the year. That will not recur this year, but we don't yet know how this will affect the remaining registrations.

2 – Cash Flow

John Ertter's projected operating statement for this year includes two non cash items, depreciation and a market adjustment for the decline in the investment portfolio. When the operating results are presented on a cash basis, the projected cash flow for the end of the year indicates a positive amount of \$49,000 as opposed to the projected operating deficit of \$7462. Presuming that PVS does not need access to the investment portfolio in the foreseeable future and, therefore, we do not have to make up this deficit, then the \$49,000 is available cash for new programs this year. Keep in mind that the depreciation of \$20,594 anticipates that PVS will have a capital spending budget at least partially funded by the depreciation account.

3 – Capital Spending

The BoD has been considering major changes to the way meet equipment is owned and used. For financial purposes, these proposed changes constitute three categories:

PVS Meet Equipment – This is equipment that is owned by PVS, used for PVS meets and made available on a rental basis for select other meets.

Team Meet Equipment – This is equipment that is owned by individual teams, used for meets that they run for themselves or PVS and for rental to other teams.

Installed Scoreboards – Several of the pools used most frequently do not have permanently installed scoreboards. This has a strong negative effect on the meet experience and is an area that needs to be addressed. Since none of the pool owners are prepared to install scoreboards, PVS has the opportunity to sponsor scoreboards in these venues and to amortize the cost against any economic value we can negotiate with the venue owner and also amortize the cost against the enhanced meet experience that will be enjoyed by thousands of swimmers and their families.

For purposes of discussion, I am making an initial proposal to begin funding all three of these initiatives this year. Even if we allocate significant dollars for these purposes, it will be difficult to spend the money before the end of the current FY, so much of the funding probably will carry over into next year.

Proposed Funding for Equipment Program:

PVS Meet Equipment	\$ 10,000
Team Meet Equipment Subsidy (\$4000 per team based on \$9000 cost)	12,000
Scoreboard Subsidy	25,000
Total Equipment Funding	\$ 47,000

FY '10 Proposed Budget Comments

1 – Items to consider adjusting in the proposed budget:

Income

Line 4180 Officials Certifications - I proposed deleting this fee

Line 4121 Family Registration – This line should be \$1350

New Line Swimposium Subsidy from USA-S - \$10,000

Expense

Line 5590 Diversity Program – increase to \$8000

New Line Open Water Clinic / Meet - \$5000

Line 5930 USAS Convention – increase to \$16,000

2 – Registration Fees

PVS collects a registration fee only from athlete members. This fee has been \$25 for over 10 years. From time to time, a proposal is made to either reduce or increase this fee. I propose that we continue with the \$25 annual fee for PVS, meaning that athlete registration will increase from \$70 to \$71 next year as USA-S continues their 10 year program of collecting \$1 in additional fees each year for 10 years.

3 – Splash Fees

Over the past few years, the splash fees collected, on average, from each swimmer have declined. This means that swimmers are, on average, entering fewer club events. This trend has been masked by the continued growth in membership. However, for PVS to fund its future growth and new programming, the HoD and BoD at some point need to consider increasing the splash fee from \$.45 back toward the previous levels that were as high as \$.75.

4 – Capital Spending Budget

The proposed budget discussion document suggests a capital spending budget of \$20,000. I propose that the capital spending budget should include any adjusted amounts not spent in FY '09 plus the proposed \$20,000, with a provision that the BoD can increase the budget if more teams agree to purchase their own equipment and/or if more venues agree to install scoreboards.