

Members of the Board:

1. By now, Board members should have received an electronic copy of the Audited Financial Statements for the FY ended August 31, 2007. Yesterday, John Ertter, Manga Dalizu and I met with our accountants to discuss the audit process and to review several of their suggestions. The meeting was mutually useful and, in particular, Manga's participation helped give Susan Brown and Greg Sarafino a better understanding of the actual business of PVS. As Board members are aware, PVS is USA Swimming's national poster child for financial management and our goals are to continue with exemplary financial operations. John Ertter gets the most credit for our financial operations, but the members of the Board over the past few years also share much of the credit for our disciplined approach and detailed methodology. John E's report noted the discussion items with the auditors and PVS already has taken steps to address these issues.

2. The budget for FY 2009 that begins on September 1, 2008, has to be approved by the House of Delegates in May. Therefore, the Board must consider the budget for next year and have it ready for presentation to the House by early May. John E and I will be meeting to prepare the budget and we would welcome any and all input. If you have wish list items or even dreams, now is the time to put them on the table. You don't even have to have specific dollar amounts. Just forward the ideas to us and we will try to work them into a presentation.

3. John E's report noted the new requirements from USAS's underwriter for its LSC insurance coverage that includes employee or volunteer crime. These requirements clearly were intended for smaller LSCs that do not have paid staff or audited records. I plan to ask for an exception since our procedures and controls far exceed those asked for by the underwriter, even though our approach is different.

4. The February financial statements will be forwarded when they are ready. Unfortunately, it takes a week or so after the end of the month to close the books and reconcile the bank statement.

Bill Stephens
Treasurer