



2022-2023 Budget Approved by the 2022 House of Delegates

PVS 2022-2023 Budget and Discussion

- 1) The 2021-2022 budget was developed under vastly greater uncertainty than normal, for obvious reasons. The proposed budget was also developed under exceptional uncertainty, though less so. Extra caution remains warranted. The budget and associated cash flow and reserve ratio analysis are attached.
- 2) Regarding income for the current year:
 - a. Projected registrations significantly exceed what was anticipated in the budget;
 - b. PVS meet income essentially matches the budget;
 - c. Splash fee income somewhat exceeds budget;
 - d. The current net combined capital loss reflects circumstances as of the end of February and will likely change by the end of year.
 - e. Adjustments to revenues under “Registration Income for Next Year” reflect a recommended change in accounting practices, reducing reported current year revenues by \$65,223 and next year revenues by \$4,500. These adjustments affect the timing of income recognition, not PVS cash flow or viability.
- 3) Regarding expenses for the current year, variances from budget appear within normal ranges.
- 4) The proposed budget assumes essentially pre-pandemic operations regarding registrations, swim meets, etc. With the recent surge in inflation, PVS should anticipate that many costs will rise notably in coming years. For the budget under consideration, this appears most prominently in categories relating to travel. Otherwise, the budget continues previous policies and practices, with two exceptions:
 - a. A \$5,000 increase in the budget for conferences, as requested by the General Chair.
 - b. A new program labeled “Athlete Wellness” is included to focus on athlete mental health, with a budget of \$10,000.
- 5) USA Swimming may announce a new policy regarding Marshalls. The particulars are unknown, as is how PVS would respond. Thus, this new policy is not reflected in the budget, but the House of Delegates should be aware the Board may adopt a related policy with budgetary consequences during the year.
- 6) On net, the projections for the current year show a net operating deficit of just over \$12,000 on gross revenue of about \$1 million. This result compares to a budgeted deficit of over \$24,000 on revenues of just under \$1 million.
- 7) The coming year’s budget shows a net operating surplus of about \$27,000 on revenues of nearly \$1.2 million. These results and the budget for next year essentially portray PVS as breaking even financially.

- 8) The reserve ratio indicates an organization's financial strength by showing total cash and cash-equivalent assets compared to typical annual expenses. According to PVS Policies and Procedures, the PVS reserve ratio should fall between 60% and 100%. The reserve ratio projected for the current year is 84% and for next year is 78%.

Respectfully submitted,

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Vice Chair Finance
Potomac Valley Swimming
March 29, 2022

	Actuals 8/31/2020	Actuals 8/31/2021	Budget 2021-22	EOY 2021-2022 Projections	Proposed Budget 2022-23
Revenue					
Registration -- Athletes					
Registration Income	1,005,840	653,846	812,630	1,100,000	1,150,000
Flex to Premium Reg	21,870	42,320	21,150	27,000	28,000
USA Swimming -- Athlete/Flex	-705,310	-484,282	-585,420	-789,400	-824,600
Seasonal & Flex Registration	25,183	34,070	33,975	22,000	23,000
USA Swimming -- Seasonal/Flex	-12,750	-17,530	-17,100	-11,000	-11,500
PVS Relief Funds	-164,338	-107,296	0	0	0
Total Registration	170,495	121,128	265,235	348,600	364,900
Registration -- Non-Athletes					
Registration Income	55,242	44,032	49,962	52,000	55,000
USA Swimming --Reg Income	-55,242	-44,032	-49,962	-52,000	-55,000
Total Registration	0	0	0	0	0
Registration -- Clubs					
Registration Income	5,000	4,400	4,500	4,600	4,600
Associate Club Reg Fee	0	0	0	0	0
USA Swimming -- Clubs	-3,500	-3,080	-3,150	-3,220	-3,220
Total Registration -- Clubs	1,500	1,320	1,350	1,380	1,380
Registration Income for Next Year	0	-27,777	0	-93,000	-97,500
From Previous Year	0	0	0	27,777	93,000
Total Registration Income	1,113,135	750,891	922,217	1,137,157	1,256,100
Total USA Swimming	-941,140	-656,220	-655,632	-852,400	-894,320
Total PVS	171,995	94,671	266,585	284,757	361,780
PVS Meet Entries					
Entry Income	295,385	161,550	493,030	400,000	425,000
Athlete Surcharge	0	47,120	0	100,000	105,000
Other	0	7,282	0	0	0
Outreach Refunds	-75	0	-450	-200	-500
Total PVS Meets	295,310	215,952	492,580	499,800	529,500
Other Meets					
Splash Fees	89,287	41,863	99,380	140,000	145,000
Open Water Event	0	0	5,000	0	5,000
Total Other Meets	89,287	41,863	104,380	140,000	150,000
Zone Team Fees	0	5,400	84,530	85,000	85,000
Diversity Select Camp	0	0	0	0	0
Equipment Rental Income	7,711	10,344	9,000	10,000	10,000
Swimposium	0	0	0	3,400	0
Financial & Other Income					
Miscellaneous	11,625	30,405	7,000	30,000	5,000
Dividend & Interest	5,728	3,688	5,400	4,000	4,000
Cap Gain/Loss (Unrealized)	44,657	50,292	0	-60,000	-30,000
Cap Gain/Loss (Realized)	1,484	7,132	0	28,000	30,000
PPP & Deferred Revenue	0	0	-2,760	0	0
Total Financial & Other	63,494	91,517	9,640	2,000	9,000
Total Revenue	627,797	459,747	966,715	1,024,957	1,145,280

	Actuals 8/31/2020	Actuals 8/31/2021	Budget 2021-22	EOY 2021-2022 Projections	Proposed Budget 2022-23
Expenses					
PVS Meets					
Meet Management Fees	65,059	19,622	85,055	140,000	140,000
Pool Rent	160,538	151,264	360,190	360,000	380,000
Hospitality	25,266	13,159	33,090	50,000	53,000
Other	10,429	18,075	41,350	32,000	32,000
Total PVS Meets	261,292	202,120	519,685	582,000	605,000
Open Water Event	0	0	14,000	0	14,000
Officials' Support					
USA Registration	20,462	20,928	22,000	18,000	25,000
Background Screening	1,055	1,583	2,800	1,300	1,800
Evaluators OQM Events	4,495	1,044	5,750	6,000	6,000
Travel	10,717	18,880	36,200	25,000	28,000
Other	5,752	995	2,500	3,000	3,000
Total Officials	42,481	43,430	69,250	53,300	63,800
Equipment Operations	28,727	14,160	24,750	20,000	22,000
Zone Teams	0	20,344	98,485	115,000	120,000
Athlete Travel Assistance	31,500	51,283	61,600	65,000	50,000
Meetings/Conf/Seminars	24,106	0	14,000	10,000	20,000
Other PVS Programs					
Strategic Planning	0		1,250	1,000	1,000
Diversity, Equity, and Inclusion	1,575	7,300	13,000	5,000	13,000
Safe Sport	2,500	0	2,800	0	2,800
Outreach Registration	100	10	410	200	400
Club & Coach Development	189	125	2,500	2,000	2,500
Athlete Wellness	0	0	0	0	10,000
Athlete Awards & Grants	0	0	1,000	1,000	1,000
Swimposium	0	0	2,500	3,600	0
Total Other Programs	4,364	7,435	23,460	12,800	30,700
General Administration					
Computer Expenses	3,237	3,242	3,500	3,000	4,000
Lifetime & Staff Registration	124	1,192	1,192	200	1,132
Home Office Expenses	1,659	1,443	1,600	1,500	1,500
Merchant Fees/QB & PP	1,103	1,344	1,600	1,000	1,500
Outside Contractor Services	9,453	7,200	7,500	8,000	8,000
Accounting -- Audit	7,000	12,000	7,000	7,000	13,000
Professional Services	9,999	59	100	0	1,000
Employee Salaries	119,758	129,840	130,000	143,000	146,000
Payroll Taxes	9,161	9,933	9,945	10,970	11,200
Invest. Advisory Fee -- RBC	1,821	2,850	3,100	3,100	3,200
Relief Grant and Expenses	27,265	18,000	0	0	0
Miscellaneous	1,352	739	1,528	1,500	2,000
Total General Administration	191,932	187,842	167,065	179,270	192,532
Total Expenses	584,402	526,614	992,295	1,037,370	1,118,032
Operating Surplus (Deficit)	43,395	-66,867	-25,580	-12,413	27,248
Total Current Assets	950,521	882,325	881,571	863,038	890,286
Reserve Ratio	163%	168%	89%	84%	78%

	End of August					Projected	Budget
	2017	2018	2019	2020	2021	2022	2023
Cash Inflows							
Total Revenue	1,066,964	1,018,190	1,090,789	627,797	437,618	1,024,957	1,180,280
<u>Less: Realized/ unrealized gain/loss</u>	<u>-13,111</u>	<u>-8,083</u>	<u>11,533</u>	<u>-44,657</u>	<u>-57,425</u>	<u>-42,000</u>	<u>0</u>
Total Inflows	1,053,853	1,010,107	1,102,322	583,140	380,193	982,957	1,180,280
Cash Outflows							
Total Expenses	1,042,403	992,279	1,016,151	584,402	505,685	1,028,756	1,145,977
Less Depreciation	-5,305	-6,957	-4,041	-3,288	-729	-700	-700
Plus: Capitalized Equipment Purchases	8,688	3,437	0	0	0	0	0
Total Outflows	1,045,786	988,759	1,012,110	581,114	504,956	1,028,056	1,145,277
Net Change in Cash Position	8,067	21,348	90,212	2,026	-124,763	-45,099	35,003
Reserve at End of Year							
Cash & Investments at End of Year	883,258	892,991	877,123	979,539	920,172	892,967	890,286
Plus Receivables	25,696	32,350	35,992	2,364	42,009	87,068	0
<u>Less Payables, club credits, escrow funds</u>	<u>-113,959</u>	<u>-100,915</u>	<u>-14,977</u>	<u>-42,786</u>	<u>-24,904</u>	<u>-116,997</u>	<u>0</u>
Total Cash Equivalents	794,995	824,426	898,138	939,117	937,277	863,038	890,286
Total Annual Cash Expenditures	1,037,098	985,322	1,012,110	581,114	504,956	1,028,056	1,145,277
Rserve as Percent of Total Expenses	77%	84%	89%	162%	186%	84%	78%