

POTOMAC VALLEY SWIMMING
Board of Directors Meeting
July 12, 2011

Treasurer's Report

This is my last report as Finance VC / Treasurer. In addition to two routine action items, I want to call attention to two continuing items that will carry over into the next administration. Treasurer-elect Bob Vincent and I have talked numerous times and we plan to conduct a comprehensive meeting with the Controller in August, so there should be a clean hand-off with no unresolved issues or questions regarding financial matters. In addition, I will remain available to assist with continuing items (or to at least provide my opinion!) Generally speaking, the outside auditors and your finance team are pleased with the procedures and administration of the PVS finances, so no substantive changes are planned. Of course, Bob and John Ertter will establish their own day-to-day procedures that fit their schedules, but I am positive that these will continue to provide for smooth financial operations.

Current Action Items

1. The outside auditors, Sarfino and Rhoades, have requested that the Chair of the PVS Audit Committee be the PVS representative who signs their engagement letter. While this request is perfectly acceptable, the formal P&P of PVS restricts the signing of contracts to the GC and Treasurer. Therefore, the Board should authorize the signature of the engagement letter. There are no substantive issues, just formalities.

MOVED, that the Chair of the PVS Audit Committee is authorized to sign the engagement letter for the outside audit of the fiscal year ending on August 31, 2011.

2. The Eagle Bank CD matured on July 1 and the balance of approximately \$122,000 has been deposited in the PVS Reserve Operating Account at Wachovia / Wells Fargo. Until other issues are resolved, I recommend that this amount, plus an additional amount from the ROA, be used to purchase the best available one year CDs available. While there is a slim chance that PVS might need some of this extra money (from the ROA) during the next year, the penalty for early withdrawal is modest and, at the very least, PVS will earn some interest at the rate of 1% or so instead of the virtually 0% that the ROA account earns.

MOVED, that the Treasurer and Treasurer-elect be authorized to work with the Controller to identify the best available one year CD rates available in the market and to purchase CDs with a face value not to exceed \$200,000.

Deferred / Continuing Items

1. The PVS investment policy needs to be revised to reflect the difference between fixed income investments and equity investments, and to further define each and to provide investment limits for each.
2. Conduct a review of the PVS investment advisor arrangement with a view toward either affiliating with First Western, the investment advisor to USA-S, or finding a local advisor.