

POTOMAC VALLEY SWIMMING

Finance Report April 12, 2010

I. First Western Response

Following the January BoD meeting, I contacted FW to ask them to provide a pro forma statement for the PVS FY '09 so that we could see what our results would have been during that time period if we had used their advisory services. Their response is attached.

II. Posting of Financial Information

Until recently, PVS historically has posted periodic financial statements for public viewing. While this is not required by USA-S or any government agency, all non-profits are required to make their annual reports to the IRS available to anyone who makes a request. A non-scientific review with several Board members indicates support for making appropriate financial information available on our web site. The question is what to post and how often to post it. Discussion is needed. Below are several options, but not the only options:

- a. Post full form 990, including non-financial operating data
- b. Post full form 990 plus summaries of the monthly operating statements.
- c. Post only the summary financial data from the 990, noting that anyone can request to see the full report
- d. Post 990 as in "c.", but add summary monthly financial data

III. Capital Expenditures

As part of the budget process in recent years, it has been noted that PVS anticipates spending \$25,000 each FY as capital expenditures. However, since there is not a formal budget for these expenses, the actual process has been continuous discussion and even bickering regarding what to buy, when to buy it, who can buy it, and how much to spend. Since PVS recently disposed of all obsolete and non-working equipment, added new replacement equipment and generated an accurate, up-to-date inventory, it appears that now is a good time to implement a formal process of planning for capital expenditures. This will allow all interested parties to voice their ideas and for PVS to develop a priority list of future acquisitions. Of course, there will always need to be a

reserve budget to replace equipment that unexpectedly dies on us, but most of the budget will be available for planned expenditures.

To start the discussion, I am proposing the items below for the capital spending budget in FY '11:

- Additional portable eight line scoreboard plus event / heat board \$ 10,000
- Portable loud speaker system – amp, mixer, 3 mics, 8 speakers, cables 8,000

The purpose of these expenditures is to improve the meet experience for the swimmers and their families. While both items are important, the scoreboard is almost essential since our most frequently used venues do not have installed scoreboards and the one-line scoreboards that we have used for decades do not meet the expectations of our families. As for the speaker system, we currently rent these systems at rates that would allow us to recapture the capital expense in about one year. These items are rugged and are built to be portable. With even modest efforts to care for them, they should last more than five years. And, in addition to use at PVS hosted events, they can be available for teams to rent.