

Potomac Valley Swimming
2018-2019 Budget
Budget Notes

2017/2018

The 2017/2018 original budget estimated revenues of \$1,106,400 and expenses of \$1,123,000 with a deficit of \$16,600. Current projections indicate that both revenue and expenses will miss these targets. Revenue is expected to be down by approximately \$2,700 and expenses down by a much greater rate by about \$43,000, resulting in a net income surplus of \$24,455. The reduction in expenses is due to a decrease in salaries and overhead, elimination of the Swimposium and PVS camps, and fewer equipment purchases than planned.

Details and additional factors contributing to the delta are as follows:

Revenues

1. Athlete membership registrations are not on track with the budgeted growth of 2.5%. Actual growth for the year is down by about 2.7% from the budget figure, resulting in a reduction in registration revenue of approximately \$30,250, thus, a net decrease in PVS income of \$9,840.
2. Swimposium and camp fees budgeted for \$4,600 will not be recognized as they will not take place.
3. Miscellaneous income is up primarily due to the Leap 3 recognition check.

Expenses

1. A change in personnel 1-Jan-2018 (from Controller to bookkeeper) resulted in a reduction of salary, payroll additives and other expenses by approximately \$21,700.
2. Swimposium, PVS camps and Open Water support budgeted for \$20,000 will not occur as planned.
3. PVS Meet expenses are down by 4% due to lower meet management and support fees.
4. Overall, there has been a 6% reduction in the line item titled officials support as a result of less expenditures on background screening, apparel and supplies. However, this is partially offset by the Officials USA registration which is up by 18% due to an increase in the number of officials who are exempt from paying registration fees. This trend is expected to continue.
5. Equipment Operations' expenses are down due to reduced storage space fees and less expenditures on maintenance, supplies and repairs.

2018-2019

The 2018/2019 budget proposal projects a deficit of \$40,700 and a reserve ratio of 70%. Details supporting these figures are as follows:

Revenues

1. Revenue from Splash fees is likely to increase \$13,500 due to additional club meets and expected increase in entries.

Expenses

1. PVS meets expenses are increasing due to anticipated 5% increase in pool rental rates plus the addition of a 3rd pool rental for the Senior LC Championship meet in July. The CCM decided to split the Junior and Senior LC Championship meets, necessitating rental of another pool/facility.
2. Equipment Operations are increasing due to planned purchases of new meet equipment necessary to replace older/retiring equipment.
3. Officials Support expenses are up primarily due to:
 - expected increase of 6% in the number of "no-pay" officials from 354 to 375;
 - increase in evaluator and local Officials Qualifying Meet (OQM) costs;
 - increase in travel stipend allowance by \$100 per national championship meet type and allowance for attendance at 3 vs 2 national level meets per swim 2018-2019 season;
4. Inclusion of \$10,000 for meet equipment grants - \$5000 for up to two eligible clubs.
5. General Administration costs up slightly due to the cost for a full audit.

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2018-2019 – Potential Net Income opportunities

Three proposed opportunities that would generate additional income are reflected below. If approved by HOD, the approximate increase in net income would be \$28,100, resulting in a deficit of \$12,600 and a reserve ratio of 72%. These opportunities are as follows:

1. Increase in PVS portion of athlete registration by \$1 taking this fee from \$27 to \$28. The PVS portion of athlete registration has not been increased since 2012.
2. Initiate a transfer fee of \$20/athlete. PVS has never charged athletes transferring into PVS whereas many LSC's do assess a transfer fee. Transfers result in administrative time and costs and this would help to offset these expenses. Based on the average number of athletes transferring into PVS over the last 10 years, we estimate the number of transfer athletes to be 320.
3. Incentivize clubs to attend two out of three Competition Committee Meetings (CCM) as well as the House of Delegates (HOD) meeting by implementing a rebate on club dues. PVS would increase the club dues by an additional \$300 and then rebate that same amount to those clubs who attend the CCM and HOD meetings per the criteria stated. The projection, based on past years' attendance at these meetings, is that 22 clubs will forego the additional \$300.

	2016-2017 Actual	2017-2018 Budget	2017-2018 EOY Projection	2018-2019 Proposed Budget
Income				
Memberships Registration	1,092,802	1,154,800	1,125,113	1,156,343
Registrations - USA Swimming	(775,003)	(804,600)	(784,630)	(814,480)
> Net PVS Registrations	317,799	350,200	340,483	341,863
> Total PVS Meets	417,828	438,400	438,315	437,820
> Total Other Meets	133,513	125,300	125,300	138,760
> Total Zones Teams Fees	166,046	173,700	173,700	174,600
> Total Equipment Rentals	5,330	6,400	6,400	6,400
> Total Program Fees	-	4,600	-	-
> Financial & Other Income	26,449	7,800	19,912	9,400
Total Income	1,066,965	1,106,400	1,104,110	1,108,843
Expense				
> Total PVS Meets Expenses	455,768	487,000	486,800	534,170
> Total Officials' Support	37,984	58,000	54,590	78,225
> Total Equipment Operations	19,737	17,900	14,561	23,900
> Total Zone Teams	239,725	200,600	200,600	202,370
> Athlete Travel Assistance	34,450	69,000	65,000	57,400
> Meetings/Conf/Seminars	32,037	40,100	40,100	42,100
> Total Other PVS Programs	27,078	39,700	23,325	33,000
> General Administration	195,625	210,700	194,679	178,378
Total Expense	1,042,404	1,123,000	1,079,655	1,149,543
Net Income	24,561	(16,600)	24,455	(40,700)
Net Income incl. unrealized gain/loss of RBC Wealth Mgmt account assets	11,450	(16,600)	24,053	(40,700)
Reserve Ratio	77%	66%	77%	70%
Capitalized Equipment Budgets	25,000	25,000		15,000
Capital Equipment Expenditures	8,688		4,525	15,000

Potomac Valley Swimming, Inc 2017-2019 Budget Details

	2016-2017 Actual	2017-2018 Budget	2017-2018 EOY Projection	2018-2019 Budget
Income				
Registration - Athletes				
Athlete Registration Income	1,041,206	1,097,000	1,066,750	1,096,200
USA Swimming - Athlete Reg	(699,572)	(748,500)	(728,090)	(756,190)
Total Registration - Athletes	341,634	348,500	338,660	340,010
Registration - Non Athletes				
Non Athlete Regist Income	44,737	51,500	51,500	53,280
USA Swimming - Non Athlete Reg	(70,421)	(51,500)	(51,500)	(53,280)
Total Registration - Non Athletes	(25,684)	-	-	-
Registration - Clubs				
Club Registration Income	4,800	4,700	4,700	4,700
USA Swimming - Club Reg	(3,360)	(3,300)	(3,290)	(3,290)
Total Registration - Clubs	1,440	1,400	1,410	1,410
Registration - Seasonal				
Season Registration Income	2,059	1,500	2,063	2,063
USA Swimming - Seasonal Reg	(1,650)	(1,200)	(1,650)	(1,650)
Total Registration - Seasonal	409	300	413	413
Registrations - Assoc Organiz				
Assoc Organiz Reg	-	100	100	100
USA Swimming - Assoc Org	-	(100)	(100)	(70)
Total Registrations - Assoc Org	-	-	-	30
Memberships Registration	1,092,802	1,154,800	1,125,113	1,156,343
Registrations - USA Swimming	(775,003)	(804,600)	(784,630)	(814,480)
Net PVS Registrations	317,799	350,200	340,483	341,863
PVS Meet Entries				
PVS Meet Entry Income	418,035	438,600	438,600	438,120
Outreach PVS Entry Refund	(207)	(200)	(285)	(300)
Total PVS Meets	417,828	438,400	438,315	437,820
Other Meets				
Splash Fees	131,113	122,900	122,900	136,360
Sanction Fees	2,400	2,400	2,400	2,400
Total Other Meets	133,513	125,300	125,300	138,760
Zone Teams Fees				
SC Zone Teams	40,122	-	-	-
LC Zone Teams	125,924	173,700	173,700	174,600
Total Zones Teams Fees	166,046	173,700	173,700	174,600
Equipment Rentals				
Equipment Rental Income	5,330	6,400	6,400	6,400
Total Equipment Rentals	5,330	6,400	6,400	6,400
Program Fees				
Camp Registrations	-	3,000	-	-
Swimposium Fees	-	1,600	-	-
Total Program Fees	-	4,600	-	-
Financial & Other Income				
Miscellaneous Income	459	300	6,000	1,500
Dividend Income	5,639	6,800	6,800	7,000
Interest Income	687	700	700	900
Cap Gain/Loss (Unrealized)	19,664	-	-	-
Cap Gain/Loss (Realized)	-	-	6,412	-
Financial & Other Income	26,449	7,800	19,912	9,400
Total Income	1,066,965	1,106,400	1,104,110	1,108,843
Expense				
PVS Meets				
Meet Management Fees	118,499	108,400	108,400	100,390
Pool Rent	272,302	307,400	307,400	363,070
Hospitality	49,389	43,700	43,700	43,550
Meet Support & Other Exp	15,578	27,500	27,300	27,160
Total PVS Meets Expenses	455,768	487,000	486,800	534,170

Potomac Valley Swimming, Inc 2017-2019 Budget Details

	2016-2017 Actual	2017-2018 Budget	2017-2018 EOY Projection	2018-2019 Budget
Officials Support				
Officials USA Registration *	-	18,300	21,590	22,500
Lifetime & Registrar USA Registration	-			
Background Screening	2,218	7,000	5,000	7,125
Officials Apparel/Supplies	8,716	8,000	5,000	5,000
Clinics	749	1,000	1,000	1,000
Officials Misc Expenses	5,594	5,300	3,000	3,500
Evaluators	2,149	3,000	2,000	6,500
Local OQM Meets	-		1,600	1,600
Officials Travel & Stipends	18,558	15,400	15,400	31,000
Total Officials Support	37,984	58,000	54,590	78,225
Equipment Operations				
Equipment Storage	4,500	5,400	4,800	4,800
Equipment Manager	4,415	-	-	-
Equipment Repairs & Maint	37	2,000	-	-
Meet Equipment Purchases	5,691		1,088	15,000
Supplies, Maint & Repair		3,000	2,000	-
Depreciation - Meet Equip	5,094	7,500	6,673	4,100
Total Equipment Operations	19,737	17,900	14,561	23,900
ZoneTeams				
SC Zones	63,320	-	-	-
LC Zones	176,405	200,600	200,600	202,370
Total Zone Teams	239,725	200,600	200,600	202,370
Athlete Travel Assistance	34,450	69,000	65,000	57,400
Meetings/Conf/Seminars	32,037	40,100	40,100	42,100
Other PVS Programs				
Open Water Support	-	2,000	-	-
Strategic Planning	1,912	100	650	2,000
PVS Camps	3,362	6,000	-	-
Swimposium	-	12,000	-	-
Safe Sport Program	1,558	2,800	2,500	2,800
Inclusion/Diversity Prog	8,883	11,600	10,500	13,000
Athlete Awards & Grants	374	1,500	1,000	1,500
Outreach Registration	-	200	175	200
Equipment Purchase Grant	-		5,000	10,000
Club & Coach Development & Awards	10,989	3,500	3,500	3,500
Total Other PVS Programs	27,078	39,700	23,325	33,000
General Administration				
Computer Expenses	637	2,800	2,500	2,400
Office Supplies	1,428	1,400	800	600
Postage & Delivery	559	1,100	600	600
Repairs and Maintenance	-	300	-	-
Home Office Expenses	6,305	5,500	3,000	3,000
Advertising & Promotion	715	600	600	750
Bank Service Charges	303	400	79	100
Merchant Fees	1,346	5,500	2,700	3,000
Outside Contractor Services	-	16,200	16,200	16,200
Accounting - Audit	-	11,000	10,200	15,000
Professional Services	9,530	46,189	30,780	40,800
Employee Salaries	173,023	108,789	116,463	87,863
Payroll Taxes	-	8,322	8,350	5,365
Payroll Expenses - QB	-		444	1,000
Investment Advisory Fee - RBC	1,568	1,700	1,700	1,700
Depreciation Expense	211	900	263	-
General Administration	195,625	210,700	194,679	178,378
Total Expense	1,042,404	1,123,000	1,079,655	1,149,543

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Net Income	24,561	(16,600)	24,455	(40,700)
Net Income incl. unrealized gain/loss of RBC Wealth Mgmt account assets	11,450	(16,600)	24,053	(40,700)
Reserve Ratio	77%	66%	77%	70%
Capitalized Equipment Budgets	25,000	25,000		15,000
Capital Equipment Expenditures	8,688		4,525	15,000

**Potomac Valley Swimming, Inc.
Reserve Analysis**

	ACTUALS					8/31/18	8/31/19
	8/31/13	8/31/14	8/31/15	8/31/16	8/31/17	Projection	Budget
<u>Cash Inflows</u>							
Total Revenue	1,028,586	1,079,938	1,042,386	1,072,544	1,066,964	1,104,110	1,108,843
Less: Annual unrealized (gain)/loss in RBC	-5,078	-17,813	23,047	-4,115	-13,111	-402	0
Total Cash Inflows	1,023,508	1,062,125	1,065,433	1,068,429	1,053,853	1,103,708	1,108,843
<u>Cash Outflows</u>							
Total Expenses (net of non-capital equip)	934,161	988,650	1,023,087	1,107,810	1,042,403	1,078,567	1,134,543
Less: Depreciation	-12,784	-13,090	-10,879	-9,258	-5,305	-6,936	-4,100
Plus: Capitalized equipment purch	20,934	0	13,398	632	8,688	4,525	15,000
Total Cash Outflows	942,311	975,560	1,025,606	1,099,184	1,045,786	1,076,156	1,145,443
Net Change in Cash Positon	81,197	86,565	39,827	-30,755	8,067	27,552	-36,600
<u>Reserve at Year End</u>							
Cash & Investments at end of Year	683,142	867,436	874,746	875,802	883,258	822,949	786,349
Plus: Receivables	17,435	43,262	84,755	18,546	25,696	0	0
Less: Payables, club credits & escrow funds	-21,278	-127,021	-159,044	-120,531	-113,959	0	0
Total Cash Equivalents	679,299	783,677	800,457	773,817	794,995	822,949	786,349
Total Annual Cash Expenditures	921,377	975,560	1,012,208	1,098,552	1,037,098	1,071,631	1,130,443
Reserve as % of Total Expenses	74%	80%	79%	70%	77%	77%	70%
Book Income/(Loss)	94,425	91,288	19,299	-35,266	24,561	24,455	-40,700
Book Income/(Loss) excluding unrealized (gain)/loss RBC	89,347	73,475	42,346	-39,381	11,450	24,053	-40,700