



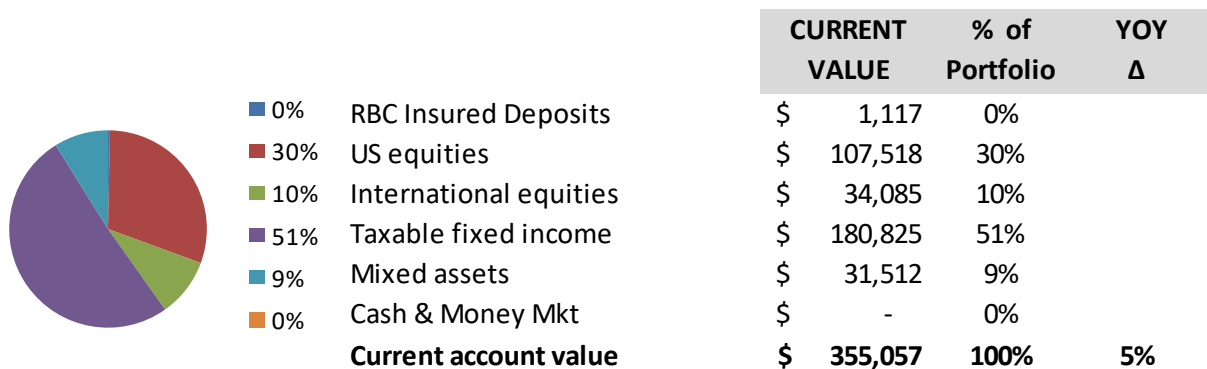
# Potomac Valley Swimming Finance Report HOD Meeting 2020

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## Financial Performance

Our investment portfolio with RBC Wealth Management is managed in accordance with our balanced growth objective coupled with a low risk profile. Four meetings have been held with our investment advisor since the beginning of this season, two of which have been with the PVS Finance committee. Our investment strategy continues to ensure overall steady growth consistent with our growth benchmark. The following provides a summary level view of the allocation and performance of our assets as well as YOY comparative results vs this time in 2019.

### As of 30 Jun 2020 ASSET ALLOCATION SUMMARY



Investment Objective - **Balanced Growth**  
Risk Tolerance - **Low Risk**

Our General Operating Account (GOA), Restricted Operating Account (ROA) and Special Accounts remain within the Wells Fargo Banking Institution.

## Budget Performance and Projection

Our 2019-2020 budget is projected to end the fiscal year in August with a surplus of \$33,500 vs. a budgeted deficit of \$29,620. The revised operating surplus is the result of changes in both expenses as well as revenue, primarily due to the impact of COVID-19 and cessation of all meets as well as most activities and events. These changes result in a projected reserve ratio of 159%.



# Potomac Valley Swimming

## Finance Report

### HOD Meeting 2020

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Our 2020-2021 budget is submitted for HOD approval with a net income deficit of \$161,535 and a reserve ratio of 84%. For further explanation and details, please refer to the budget package posted on the PVS website.

#### **Reserve Rate Trend**

Our reserve rate over the last several years, excluding the current pandemic-impacted season, has continued to remain within the guidelines outlined in P&P and has been averaging reserves of approximately 80%. The 2020 reserve rate is an anomaly and forecasted to be 159%, 59% above the max of our target reserve range as a result of the pandemic's disruption to both planned revenue and meet related expenses. The 2021 budget is proposed to have a reserve rate of 84%. We continue to review the budget details and recommend ways to thoughtfully manage our reserves which are in place to sustain financial operations in the unanticipated event of significant unbudgeted increases in operating expenses or a reduction in operating revenues, such as what we experienced this current season. The reserves also serve to support Potomac Valley Swimming's ability to enhance and expand current programs to support our athletes, coaches, clubs, officials, and our community.

#### **Accounting Review, Audit, and Taxes**

Independent accounting firm, Kositzka & Wicks Company, KWC, conducted an accounting review of Potomac Valley Swimming, Inc.'s financial position as of 31-Aug-2019. The review involved applying analytical procedures to PVS' financial data and included inquiries of selected Board members. The result of this review was that our financial statements were fairly presented in all material respects in accordance with accounting principles generally accepted in the United States of America and no modifications to financial statements were required. PVS' Form 990 was filed with the IRS and a copy of the Maryland Personal Property tax and Fairfax County Property tax returns for PVS were also filed and considered the final tax return for the year. Additionally, Form 990 and the accounting review documents (produced by KWC) for PVS were provided to USA Swimming in February 2020, per USAs' requirements. We have included the cost of an accounting audit in the 2020 - 2021 budget.



# Potomac Valley Swimming

## Finance Report

### HOD Meeting 2020

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#### **Organization & Procedures**

During this season, we have implemented and expanded a number of systems and procedural efforts to build on our efficiency and efficacy:

- simpler and faster bill processing and reimbursements,
- more efficient invoice approval and payment,
- more secure handling of all accounts,
- maximized interest income and dividends by maintaining a process of routine checking and investment account reviews and transfers allowing for increased interest and dividends while maintaining compliance with Finance P&P and by-laws,
- programs that improve organizational efficiency, internal controls and segregation of duties, and
- continued improving the level of transparency into as well as understanding and ownership of all PVS financials by the board and new members.

#### **Specific accomplishments this season include:**

1. Secured Sales Tax Exemption with State.
2. Secured new equipment insurance policy given the previous policy had lapsed in 2013.
3. Filed Fairfax County Property Tax returns based on new equipment storage location.
4. Replaced Treasurer unexpectedly in February due to previous Treasurer's illness. Kim Bullers, has fully transitioned into the PVS Treasurer's role, has completed her Background check, APT, and is now a registered member of USA Swimming.
5. Submitted PVS Relief Program proposal to PVS BOD on April 7<sup>th</sup> and it was approved.
  - a. PVS Refund Relief checks were issued beginning April 10<sup>th</sup> to 50+ teams as well as a credit memo for one team. Total dollar value of the refunds processed has been ~\$165,000.
  - b. The PVS Grant Relief team completed its efforts of creating an application, guidelines, requirements, and the process for clubs to apply for the PVS Grant. 26 teams' submitted applications which were reviewed and all 26 were awarded \$1,000 each in grant money.



## **Potomac Valley Swimming Finance Report HOD Meeting 2020**

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6. Payroll Protection Program (PPP) - application for the SBA PPP was submitted through Wells Fargo Bank on April 8<sup>th</sup>, 2020 and funds of \$21,305 were received and classified as a loan on May 7<sup>th</sup>, 2020. The subsequent loan forgiveness application is in progress and will be submitted via the Wells Fargo site by end of July.
7. Unattached athletes, new coaches, and officials who wish to register and pay with a credit card may now do so via PayPal. This option is provided on the PVS website and includes a transaction fee to offset PayPal's transaction fee.
8. Created a monthly reconciliation process to be used by the registrar for membership registrations, e.g., club invoices occur in the same month as submissions to USA Swimming.
9. P&L report option created to report income and expenses (NI) by meet and as well as YOY comparisons.
10. 99% of billings for PVS and club meets occurred in the same month meets took place.
11. Reduction in monthly Accounts Receivable balances by more than 80% compared to prior year. A significant decline in receivables occurred between March and May when clubs were applying for relief grants which required clubs to be in good standing as part of the application criteria.
12. Created an improved procedure for communicating A/P approval of invoices and payment requests. Additionally, supported an improved notification process to accounting of equipment rentals so that invoices are processed in an efficient manner.
13. Transmitted guidelines to each PVS Meet Director to remind each host organization about the requirements for organizing, managing and submitting their financials, tracking and retaining incoming cash, assembling entry reports, and other supporting documents to ensure timely club billings and host reimbursements.
14. Ongoing management of PVS' investment portfolio to ensure we continue to meet / exceed our growth target.
15. Launched Finance Committee comprised of 6 members, 4 of which are new to the committee this season. We met with our Investment advisor to review, discuss, and make changes to our portfolio consistent with the governance of our P&P and Bylaws.



# Potomac Valley Swimming Finance Report HOD Meeting 2020

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16. Provided monthly summaries of:

- a. our P&L including comparisons to last season by account and by meet,
- b. investment performance summary along with a YOY comparative results, and
- c. streamlined view of our financial assets' position.

**Planned efforts looking forward include:**

We continue to evaluate other opportunities and procedures to further streamline and create efficiencies.

Respectfully submitted,

A handwritten signature in black ink that reads "E Colket".

Ellen Colket  
Vice Chair Finance  
Potomac Valley Swimming  
10-Jul-2020