



## Draft Budget for 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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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
<b>Revenue</b>					
<b>Registration -- Athletes</b>					
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	<b>170,495</b>	<b>121,128</b>	<b>265,235</b>	<b>348,600</b>	<b>364,900</b>
<b>Registration -- Non-Athletes</b>					
Registration Income	55,242	44,032	49,962	52,000	55,000
USA Swimming --Reg Income	<u>-55,242</u>	<u>-44,032</u>	<u>-49,962</u>	<u>-52,000</u>	<u>-55,000</u>
Total Registration	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Registration -- Clubs</b>					
Registration Income	5,000	4,400	4,500	4,600	4,600
Associate Club Reg Fee	0	0	0	0	0
USA Swimming -- Clubs	<u>-3,500</u>	<u>-3,080</u>	<u>-3,150</u>	<u>-3,220</u>	<u>-3,220</u>
Total Registration -- Clubs	<b>1,500</b>	<b>1,320</b>	<b>1,350</b>	<b>1,380</b>	<b>1,380</b>
<b>Registration Income for Next Year</b>	<b>0</b>	<b>-27,777</b>	<b>0</b>	<b>-93,000</b>	<b>-97,500</b>
<b>From Previous Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,777</b>	<b>93,000</b>
<b>Total Registration Income</b>					
Total USA Swimming	<u>-941,140</u>	<u>-656,220</u>	<u>-655,632</u>	<u>-852,400</u>	<u>-894,320</u>
Total PVS	<b>171,995</b>	<b>94,671</b>	<b>266,585</b>	<b>284,757</b>	<b>361,780</b>
<b>PVS Meet Entries</b>					
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	<u>-75</u>	<u>0</u>	<u>-450</u>	<u>-200</u>	<u>-500</u>
Total PVS Meets	<b>295,310</b>	<b>215,952</b>	<b>492,580</b>	<b>499,800</b>	<b>529,500</b>
<b>Other Meets</b>					
Splash Fees	89,287	41,863	99,380	140,000	145,000
Open Water Event	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Other Meets	<b>89,287</b>	<b>41,863</b>	<b>104,380</b>	<b>140,000</b>	<b>150,000</b>
<b>Zone Team Fees</b>	<b>0</b>	<b>5,400</b>	<b>84,530</b>	<b>85,000</b>	<b>85,000</b>
<b>Diversity Select Camp</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equipment Rental Income</b>	<b>7,711</b>	<b>10,344</b>	<b>9,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Swimposium</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,400</b>	<b>0</b>
<b>Financial &amp; Other Income</b>					
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	<u>0</u>	<u>0</u>	<u>-2,760</u>	<u>0</u>	<u>0</u>
Total Financial & Other	<b>63,494</b>	<b>91,517</b>	<b>9,640</b>	<b>2,000</b>	<b>9,000</b>
<b>Total Revenue</b>	<b>627,797</b>	<b>459,747</b>	<b>966,715</b>	<b>1,024,957</b>	<b>1,145,280</b>

	Actuals 8/31/2020	Actuals 8/31/2021	Budget 2021-22	EOY 2021-2022 Projections	Proposed Budget 2022-23
<b>Expenses</b>					
<b>PVS Meets</b>					
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
<b>Total PVS Meets</b>	<b>261,292</b>	<b>202,120</b>	<b>519,685</b>	<b>582,000</b>	<b>605,000</b>
<b>Open Water Event</b>	<b>0</b>	<b>0</b>	<b>14,000</b>	<b>0</b>	<b>14,000</b>
<b>Officials' Support</b>					
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
<b>Total Officials</b>	<b>42,481</b>	<b>43,430</b>	<b>69,250</b>	<b>53,300</b>	<b>63,800</b>
<b>Equipment Operations</b>	<b>28,727</b>	<b>14,160</b>	<b>24,750</b>	<b>20,000</b>	<b>22,000</b>
<b>Zone Teams</b>	<b>0</b>	<b>20,344</b>	<b>98,485</b>	<b>115,000</b>	<b>120,000</b>
<b>Athlete Travel Assistance</b>	<b>31,500</b>	<b>51,283</b>	<b>61,600</b>	<b>65,000</b>	<b>50,000</b>
<b>Meetings/Conf/Seminars</b>	<b>24,106</b>	<b>0</b>	<b>14,000</b>	<b>10,000</b>	<b>20,000</b>
<b>Other PVS Programs</b>					
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
<b>Total Other Programs</b>	<b>4,364</b>	<b>7,435</b>	<b>23,460</b>	<b>12,800</b>	<b>30,700</b>
<b>General Administration</b>					
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
<b>Total General Administration</b>	<b>191,932</b>	<b>187,842</b>	<b>167,065</b>	<b>179,270</b>	<b>192,532</b>
<b>Total Expenses</b>	<b>584,402</b>	<b>526,614</b>	<b>992,295</b>	<b>1,037,370</b>	<b>1,118,032</b>
<b>Operating Surplus (Deficit)</b>	<b>43,395</b>	<b>-66,867</b>	<b>-25,580</b>	<b>-12,413</b>	<b>27,248</b>
<b>Total Current Assets</b>	<b>950,521</b>	<b>882,325</b>	<b>881,571</b>	<b>863,038</b>	<b>890,286</b>
<b>Reserve Ratio</b>	<b>163%</b>	<b>168%</b>	<b>89%</b>	<b>84%</b>	<b>78%</b>

	End of August					Projected	Budget
	2017	2018	2019	2020	2021	2022	2023
<b>Cash Inflows</b>							
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
<b>Cash Outflows</b>							
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
<b>Net Change in Cash Position</b>	8,067	21,348	90,212	2,026	-124,763	-45,099	35,003
<b>Reserve at End of Year</b>							
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
<b>Rserve as Percent of Total Expenses</b>	77%	84%	89%	162%	186%	84%	78%