

**Potomac Valley Swimming
Finance Report
April 11, 2011**

The materials below are part of the effort being made by John E and me to collect all the appropriate proposals for ways to achieve a proposed balanced budget for FY '12. These, and any other ideas, will be discussed at the BoD meeting on April 11 as part of the budget consideration.

We are strongly urging the Board to adopt a balanced budget, requiring that we find a combination of new revenue and reduced expense that totals approximately \$60,000. Some of the ideas below have come from the Financial Planning committee, some are mine, and some have come from other Board members. Additional ideas are welcome.

In order to keep the meeting time line reasonable, please focus on the budget alternatives that you believe are the best choices and be prepared to indicate your support. Also, please express your concerns if you believe that some alternatives are off-target or are harmful to PVS. I'd like to work through the budget process without excessive discussion that can be done offline or beforehand.

Third DRAFT 4/8/11

Second DRAFT 4/7/11

First DRAFT 4/6/11

**Potomac Valley Swimming
FY 2012 Budget Alternatives**

Proposed by Bill Stephens, Treasurer

We have been reminded that 2012 is an Olympic year and historically PVS has provided substantial financial support to our Olympic Trials qualifiers. This expense could add as much as \$20,000 (\$800 x the number of Trials qualifiers) to the proposed travel subsidy budget, meaning that our projected deficit could be in the range of \$64,000 or more. In addition, the proposed budget does not include any line items for depreciation (a non cash expense) or equipment repair. Details will be provided by Monday.

The items below are proposals that will result in either increased revenue or decreased expenditures. The goal is to present a balanced budget proposal to the HoD on May 23. I believe that a balanced budget proposal is essential! There is no agenda or priority to any of these ideas and others can propose alternative or additional ideas or even modifications to the ones below. However we get there, we have to find at least \$43,771 (and probably \$64,000) in either revenue or savings.

Revenue Proposals

1. Increase PVS registration fees by \$2, from \$25 to \$27, for a total fee of \$75.

Estimated impact: \$20,000

2. Increase the club sanction fee (splash fee) from \$.45 to \$.55.

Estimated impact: \$14,000

3. Add a \$5 per swimmer surcharge to the entry fees for the four major championship meets (the meets with the swimmers who are candidates for the travel subsidy.) Optionally, this amount can be restricted to the travel fund.

Estimated impact: \$17,000 (est. 3400 swimmers)

4. Add \$.50 to the entry fee for all PVS meets. This is the second step of the increase approved last year (\$1 total at the rate of \$.50 each year.)

Estimated impact: \$33,000

5. PVS assume responsibility for staging the championship meets, hire a meet director, and require participating teams to provide volunteers.

Estimated impact: \$15,000

6. Move \$300,000 from low-interest bank savings account (and CDs) to a new account at First Western focused on fixed income instruments.

Estimated impact: \$ 9,000

7. Move a portion of the operating reserve fund into the operating budget. (Note that the operating reserve fund is at a lower ratio than in recent history)

Estimated impact: ??

Expense Proposals

1. Reduce the travel subsidy by \$100 per swimmer.

Estimated impact: \$ 7000

With Trials: 9500

2. Reduce the Zone team budget by setting a new cap on PVS financial subsidy, or by reducing the number of swimmers participating.

Estimated impact: \$10,000

3. Purchase a sound system to use at championship meets.

Estimated impact: \$ 8000

4. Reduce the budgets for the championship meets by cutting back on hospitality, eliminating the sound system, DJ, etc, eliminating or restricting the use of ribbons, awards, and trophies, and returning to less costly pools.

Estimated impact: \$15,000 – 30,000

These are ideas that are mine, ones that I have received from others, or ideas that have been discussed in various meetings. Some of them will require modifications in the way PVS is doing business, but the point is to focus on the money and then realign the organization as necessary. There are no proposals to change policies, just aggressive budget modifications.

In the few conversations and emails that I have had with people, there has not been much support for cutting expenses. Unless the Board is willing to go much deeper into the budget than the proposed expense decreases described above, we definitely will have to increase fees or accept other revenue measures. If you don't like these ideas, then be prepared to propose some different ones. As Treasurer, I don't have any specific programs targeted for additional revenue or for expense cuts, but I do have a commitment to produce a proposed balanced budget.

Time is short. The Board must approve a proposed budget on Monday, April 11. This means that a lot of discussion needs to take place over the next few days. I am available over the weekend (except for a meet Saturday afternoon) and all day on Monday if anyone wants to talk or work on these.