

Finance Division Report
House of Delegates Meeting
Potomac Valley Swimming
May 23, 2012

Taxes and Regulatory Compliance

All taxes and regulatory compliance (including USA Swimming requirements) have been completed.

2012 – 2013 Budget

The proposed budget was submitted and approved by the Board of Directors. That budget is respectfully submitted for your approval. Included are some cost saving/revenue generating ideas that were mentioned during the budget preparation process.

2011 Financial Audit

The Audited Financials for the prior year (2011) have been presented from the Audit Committee to the Board of Directors in accordance to our Bylaws and Policy and Procedures. That audit has been provided for your convenience and review.

We would like to thank Bill Stephens, Ed Dona, and Mark (Mel) Eldridge for their time in support of the Audit Committee.

Investment Committee

Currently there are two vacancies on the investment Committee. Most of the focus this year was on understanding our budget and the budgeting process. We are now ready to take a look at our assets and how we manage them. We will be seeking two additional people to serve on that committee.

Reserve Balance

The proposed 2012 – 2013 budget, if approved and met, would keep our reserves at about 75% of our operating budget. While this is in line with our P&P, it should be noted that we are at the bottom of our goal of staying between 75% and 125% of our operating budget. The balance of the reserve has been consistent while our expenses continue to grow. We will be looking at this again as we prepare for the next year's budget, but feel that currently we are fine.

Procedures and Policies Update

The Finance Section of the Policies and Procedures are under review. Because of a banking merger to Wells Fargo, there were excessive fees associated with making deposits into the reserve account and not the operating account. After discussion with the General Chair, the Controller, and our CPA we put procedures into place that would allow for the internal controls of making deposits directly into the operating account. We have attached the P&P with suggested changes in regard to making deposits into PVS accounts.

Respectfully Submitted,

Robert D. Vincent
PVS Finance Chair

Proposed changes to P&P.

Additions in **RED** – Deletions in ~~strikethroughs~~

F-2 PVS Investment Policy

Potomac Valley Swimming, Inc. (PVS) Investment Policy Statement (03/07)

This statement of investment policy has been adopted by the Board of Directors of Potomac Valley Swimming, Inc. to provide instructions regarding investments held by the Corporation. This policy statement assumes that PVS maintains a system of internal controls sufficient to safeguard assets against fraud and malfeasance and to monitor compliance with this policy. This policy may only be modified by formal action of the Board of Directors in response to changes in the business environment in which PVS operates and/or external economic conditions.

The following definitions identify the types of funds held by PVS:

General Operating Funds or Checking Account (GOA):

Funds in the GOA are checking account funds to cover cash needs for the next 10 days. All checks issued by PVS are issued from this account. As such, the balance in this account should not exceed short-term cash needs plus a \$10,000 cash cushion. **Deposits/transfers into this account shall be made in a manner that allows for good internal controls, as reviewed during the audit/review.**

Restricted Operating Funds or Money Market Deposit Accounts (ROA):

Funds in the ROA are unrestricted operating funds invested in one or more money market deposit 14 accounts. ~~All receipts of PVS shall be deposited to these accounts.~~ **Deposits/transfers into this account shall be made in a manner that allows for good internal controls, as reviewed during the audit/review.** These accounts are used to fund the GOA account through electronic funds transfers. No checks are written against these accounts. Funds in these accounts are held to provide sufficient liquidity to meet current business cycle expenses. While the balance allowed to be maintained in these accounts is not specified in this policy, the Board of Directors should formally review the balances on a quarterly basis to insure (1) adequate liquidity to meet short term cash requirements and (2) insure that funds in excess of short term needs are invested in CD_s or mutual funds.