

## Treasurer's Report Convention 2010

### Overview of the Year

This has been a busy year for the organization, including several successful competitions, hosting a successful Jr. World Championships, certifying our coaches, and National Team programs that now include 13-15 and 11-12 National Teams that competed in Peru. We have experienced financial challenges this year, and the Board is working to manage the organization to a profitable finish for the year. We will need to continue to think differently, to operate efficiently, and to utilize technology to continue to be profitable, as we look ahead to 2011.

### 2010 Budget and Year-to-date Results

The following is a summary of the 2010 budget and the financial results thru July 31, 2010:

	2010 Annual		Year to Date	
	Budget	% of Total	31-July-10	% of Total
<b>Revenues:</b>				
USOC Funding	537,656	43%	288,888	40%
Grants Received	66,943	5%	62,563	9%
Member Services	330,500	27%	185,355	26%
Education & Certification	50,000	4%	15,130	2%
Donations & Marketing Income	76,500	6%	51,209	7%
Merchandise, net	23,000	2%	3,954	1%
Competitive Operations	128,500	10%	97,732	13%
Olympic International Revenue	9,000	1%	10,000	1%
Administrative Income	21,000	2%	11,241	2%
<b>Total Revenue</b>	<b>1,243,099</b>	<b>100%</b>	<b>726,072</b>	<b>100%</b>
<b>Expenses:</b>				
Administration	555,793	45%	311,433	48%
Officers	13,700	1%	8,175	1%
Membership	96,000	8%	46,960	6%
Education & Certification	36,000	3%	8,725	1%
Marketing	26,500	2%	14,690	2%
Competitive Operations	51,500	4%	22,348	3%
Olympic International	463,606	37%	245,897	34%
Jr World Championships, net			(34,623)	-5%
Age Group National Teams, net			29,033	4%
<b>Total Expenses</b>	<b>1,243,099</b>	<b>100%</b>	<b>652,638</b>	<b>90%</b>
<b>Net Income</b>	<b>-</b>		<b>73,434</b>	<b>10%</b>

2010 Budget – As we planned for the year, we had revenue streams and planned expenses similar to last year. We had slight increases in USOC revenue and membership revenue. We had decreases in the donations and marketing income. We also had two additional and significant items—Jr World Championships and the 11-12 and 13-15 National teams.

The Jr. World Championships had its own operating budget, and the age group national teams were self-funded this year.

2010 Results to Date – At our January Board meeting, we committed to a mid-year review of our results. We did this review in July, and have been reviewing and discussing our projected year-end results approximately twice per month since. At the mid-year review we noted:

- Our membership revenue was short of plan
- Sponsorship revenue was less than plan
- Merchandise revenue was less than plan.
- National Team expenses were higher than expected; largely due to travel costs
- Expenses were projected to exceed revenues by approximately \$80,000.

The Board took the following actions after the mid-year review:

- Made changes in fee structure for membership and sanctions, including adding a Trial Membership
- Decided not to attend Trophy Cup
- Reviewed the travel costs for Team I to China
- Decided not to have all staff travel to Convention
- Reduced some membership promotion expense
- Committed to getting 6-7 new life members
- Began a review of administrative costs for reduction.
- We also held the June Board meeting telephonically, instead of in-person.

At Convention, Duke Zielinski and Terry Harper reported on the new sponsorship from Le Reve. With this information, and the earlier actions from the Board, the expenses are now projected to exceed revenues by approximately \$30,000. We will continue to manage this gap, as the Board and staff are committed to closing the gap.

### **Use of Reserves**

No reserves have used in 2010.

### **Foundation Grants**

Thank you to the Foundation for their continued support. In addition to our annual grant, we were given a special grant to pay for judges to travel to international competitions. This helped our swimmers, and our judges were able to advance their ratings.

### **2011 Budget**

Following the planning and discussions at Convention, we will begin our budgeting process for 2011. We asked for the USOC \$1M in our High Performance Plan; however, we anticipate that we will receive less financial support from the USOC than in previous years. We will be working on this, as well as the gap closure for 2010, in the next three months, and expect to have the 2011 budget finalized prior to year-end.