

Finance Committee Report (revised) – 2/2/2018

- (1) A Financial Review of the 2016-17 fiscal year transactions by the Finance Committee is currently in progress and will be completed in early February.
- (2) The Finance Committee will meet in April to prepare the 2018-19 fiscal year budget. Please submit any inputs or new spending requests for next year's budget by April 1.
- (3) Karen Sizemore attended the 2017 USAS Treasurer's Workshop last summer. Here is Karen's report from the Workshop.

As you may recall I did go to the USA Swimming Treasurers Workshop last summer. The number one question that all the LSCs treasurers had was about reserves. Some LSCs have a huge reserve and others basically none. USA Swimming has 6 months of reserves and their financial officer recommended having between 3 to 12 months in reserves. Both Mississippi and Louisiana LSC also brought up their experiences with Katrina and their reserves. One of them had a reserve and the other LSC didn't. Both LSC's had to help rebuild the infrastructure after Katrina. One of the LSC's was able to tap into their reserves and the other had to borrow funding. They experienced a drop of 50% in swimmers after Katrina even with helping to rebuild. As you can imagine the municipals didn't have rebuilding pools and meet equipment as a high priority.

Given the risk of a hurricane to Virginia, maintaining our reserves should also be a priority. I remember Isabella and the damage that just tropical storm did to Tidewater Area and Central Virginia. I can't imagine the damage that could result if Virginia ever took a direct hit from a major hurricane.

Additionally, VSI could consider utilizing USA Swimming Investment Manager, First Western Trust. The minimum investment amount for a LSC is \$250K. The Long Term Investment strategy would be very similar to USA Swimming of 60% Equity and 40% Fixed Income. Might help us earn a little bit more of a return then \$97 on our reserves. USA Swimming invest 2/3 of their operational reserve.

The other item from my notes that I should have shared is that each LSC has available to them 2 free hours of consulting with the USA Swimming CPA, Jill Goodman. This can be utilized for such things as questions on tax issues or QuickBooks issues.

Also kudos to Bob. Virginia was one of a handful of LSCs that had all their financial reports in on time. Thanks to Bob I got a gift of a couple of USA Swimming glasses.

Submitted by Bill Geiszler, Finance Committee Chair