

## Treasurer's Report

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RE: 2016 – 2017 Fiscal Year

Three different reports are shown:

- Profit Loss Statement (PL)
- Budget vs Actual (BA)
- Balance Sheet

First change you will see is the inclusion of account numbers on the PL and BA. This aligns our accounting with GAAP<sup>1</sup> standards. Also, USA Swimming (USAS) budget<sup>2</sup> uses account numbers; NI account number do not match USAS, nor is it required.

Niagara Swimming finished the year with an operating loss of (\$4,263.56). This loss is attributed to some accounting timing that should be fixed with new efficiencies we are working on. In the BA document you will notice there are some line items that are outside of the budget. They include accounts 5120-3a, 5120-3b, 5128, 5129-1b, 5129-1c.

- Accounts 5120-3a and 5120-3b are the line item expense for the HOD Fall and Spring Meeting. For some time, those two line items had a budgeted amount of \$1,500. After review of previous records, we found that the average HOD costs about \$2,400. We have adjusted the 2017-2018 budget to move more in line with those historical averages. You will also see 5120-3a is well above our budgeted amount \$4,231.16. This represents an accounting error of an overpayment of \$1,739.00 in FY15-16. There is an offset in FY16-17 to correct the error. One sees this on account line 1400 in the Balance Sheet.
- Account 5128 is the annual USA Swimming Convention. This line item has also been understated in the past. Some expense are realized in the current year for the following year. For example, the early registration for the conference occurs prior to the end of our financial year, so we have an under budgeted over expensed line for some years. We have adjusted the 2017-2018 budget for “pre-pays” to more accurately account for Convention expenses.
- Accounts 5129-1b and 5129-1c are both athlete travel related. The expenses are well above the budgeted amount. Many of the 2015-2016 expenses in these two lines were realized in 2016-2017. Of the \$4,866.67 in 5129-1b, \$3,200 was from FY15-16. Of \$10,134 in 5129-1c, \$3,834 was from FY15-16.

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<sup>1</sup> General Accepted Accounting Principles

<sup>2</sup> <https://www.usaswimming.org/docs/default-source/usas-convention/2017-usas-convention/business-plan-summary-2017-2020-bod.pdf>

Niagara LSC also hosted the 2017 Diversity & Inclusion Camp in Buffalo. The camp brought in a positive revenue which is shown in 7000 & 7100. Eastern Zone has indicated to us that we will have to redistribute much of that revenue back to the attending LSCs.

Lastly, was saw an increase in our investment from \$490,717.80 to \$568,258.91. This estimated 13.5% increase is helpful to our asset growth.

RE: 2017-2018 Fiscal Year

Our balanced budget proposal shows a transfer of some investment saving to the operating budget. While this is in good intention, it shows the real issue: we need an increase in revenue to pay for our programming.

As we move forward with planning, we need to find a way to increase and grow our investments. Investment growth will be determined by rate of return, deposits and time, while not withdrawing gains. Once the investment balances reach a certain level, the dividends and capital gains can be used to pay for on-going programs like travel and education, moving those expenses out of the operation budget.

For operating expenses, we need to bring in more money. This should be done not by increasing existing sources, but by gains in membership. I implore our members to find ways to expand their membership and get more swimmers swimming. The increased demand may cause some growing pains, however, the additional revenue to club and LSC will allow for more athlete centric programming or driving our investment account up to pay for those programs.