

## Finance chair report – February 29, 2020 Board Meeting

The next finance committee meeting is scheduled for March 10, 2020 where we will do a quarterly review and report on the financial status of the LSC. Just a quick note though on the financials. Some of the budget items are quarterly income or expenses so there will be a discrepancy in the differences between the actual and budgeted numbers. Looking at the year to year comparison though, income is down about 6% - mainly in registrations. Expenses are down by around \$3000 after excluding the swimposium.

For the budget - there's a number of items included for consideration and discussion. This is based on inputs received from committees and vice chairs. There was no input received from the athletes, general chair, admin vice-chair or personnel committees. The attendees of the budget committee meeting based revenues of 2018 and assumed a slight bump due to the Olympic year. This follows previous cycles. The budget committee assumed an overall 8% increase from 2018 in payroll expenses based on the assumption that there would be a pay rise for the office.

The first report is the budget "as received". Increases in revenue of more than 10% over 2018 are highlighted in green while increases in expenses of more than 10% are highlighted in red. The sum of this is an overall budgeted loss for the year of \$21,118 and for the next quad a loss of \$86,832.64. Clearly fiscally irresponsible and will result in the LSC being bankrupt at the end of the quad.

The Finance Vice-Chair has already proposed an increase in LSC registrations of \$1 per year for specific memberships. The impact of this is shown in the report budget as received with 1 dollar registration increase. Note that for this and following reports, the registration increases aren't highlighted. This reduces the year's loss but it still estimated to be just under \$17,000 for the year and over \$69,000 for the quad. Still considered to be fiscally irresponsible. The budget committee then looked at what could be done to achieve a balanced budget while retaining the requested expenditures. Since splash fees were only recently increased, that left registration fees and sanction fees as an additional revenue source since the clubs manage meets (and hence splash fees) and there isn't a program to dramatically increase membership. The next report - budget as received with 5 dollar registration increase shows that a \$5 increase in registration fees would balance the budget as forecast (basically break even for the year and the quad).

However an increase of \$5 in registration fees would place the LSC amongst the highest range for LSC registration fees and, although some may consider the increase minimal given the overall costs associated with swimming, may not be acceptable to the board or HoD. So the budget committee considered some reductions in expenses as shown in the report entitled budget as amended with \$1 registration fee increase. For this and remaining reports, changes to the requests as received are shown in red. This proposal reduces office travel - one permanent office member only travels to Team Iowa Meets, and one to the Zones meeting. LSC Workshop development budget is reduced by 25%. The Diversity and Inclusion budget request is halved - on the basis that these are new endeavors that, although greatly beneficial to disadvantaged and underrepresented

member areas of the LSC, are still new endeavors. Officials conference budget request was reduced by 40%, This still results in a budgeted loss of just under \$6000 for the year and just over \$26000 for the quad. In order to balance the budget on this funding scenario, an increase of \$2 to current registration fees is considered - this report is titled budget as amended with 2 dollar registration increase. This still results in a forecast loss for the year and quad, albeit smaller at just under \$800 for the year and around \$6250 for the quad.

Finally, the finance vice chair considered what types of reductions in budget requests would be required to achieve a balanced with only a \$1 increase in registration fees.

This is the final report - budget cuts with 1 dollar registration increase. In this scenario, the payroll increase is reduced to 5%, travel for the office is reduced another \$500, The Diversity and Inclusion budget is reduced to \$6000 and the officials conference allocation is reduced to \$500. For this scenario there is a slight surplus (just over \$400) for the year and a small loss (about \$4000) for the quad.

If only a \$1 registration fee increase is available, the final scenario is proposed as the budget while if the board is willing to increase certain registration fees by \$2 per year, the amended budget with \$2 registration increase is recommended.