

Treasurer and Finance Committee Report
Board of Governors – September 2004
(report submitted 8/1/04)

Summary

We continue to use our strategic planning process for the organization to determine where we should allocate our resources. This continues to be important, as these goals are our guiding principals in deciding how to spend our resources, and when spending is tight, they are our guiding principals in deciding how to make cuts. As a reminder, the goals are as follows:

Overall Goal: Increase Participation

Specific Goals:

- Strive for excellence in the National Team program
- Financial diversification and development
- Develop and implement programs to increase participation and quality performance for judges, athletes, and coaches.

Our focus for the year was on the National teams, including the Olympic team, as well as continued focus on education and marketing. Membership growth continues to be an important focus, as larger membership will drive all other sources of revenues. Also, as we planned for this year, we were looking to increase corporate sponsorships and to drive a new source of revenue through exhibitions, and began planning for the Long Beach event and the Japan event. This was part of our strategic plan to continue financial diversification.

The year has seen some highs and lows...

- Evamor and AFLAC are new sponsors in the current year.
- An anonymous donation was made to the organization that allowed for the funding of education programs.
- The USSS Foundation continues to support the organization, as well as our recurring sponsors.
- The National Team II was able to be funded out of the efforts of many in the organization to raise the funds for them.
- We have not seen significant growth in our membership numbers.
- Exhibition income was negatively impacted by the cancellation of the Long Beach Synchronized Swimming Showcase, and the USA will not be participating the Japan Exhibition.

Early in the year, the Executive Committee did approve additional spending at the request of the National Team Director to assure that the Olympic Team was adequately funded to be able to deliver a medal; hence the budgeted deficit shown below. At the mid-year review of financial performance, the Executive Committee and the staff took action to cut spending and increase revenues to address the things that had occurred during the year, and to help assure that no further use of reserves were required beyond what had been approved early in the year. It is clear that we need to continue to be focused on membership growth, sponsorship opportunities and other new sources of revenue.

Below is a summary of 2002-03 actual results (w/o VIK), the 2003-04 budget with approved variances, and the 2003-04 results through June 2004. The June 30, 2004 financial statements are shown here for your information, as they are the most recent available. It is often difficult to review these financial statements as of June 30, and understand the position of the organization because at this point in the year, the activities related to the Age Group Nationals, and US Open and the Olympics have not been reflected.

The Executive Committee reviews projected year-end estimates at the mid-year review, and reviews these again, as they begin the budgeting process for Convention. Based on those reviews, we expect to finish the year close to the budgeted net income amount. An updated estimate of the year-end results will be provided to the Finance Committee and the Board of Directors at Convention.

United States Synchronized Swimming

Revenue Summary	2002-03 Actual*	% of Total	Annual Budget**	% of Total	Nine Mths Ended June '04
USOC Funding	665,523	55%	806,000	55%	401,252
Foundation Grant	40,000	3%	50,000	3%	50,000
Memberships	270,011	22%	290,000	20%	275,023
Corporate Sponsorships	80,920	7%	138,500	9%	148,250
Education Revenue	33,450	3%	46,000	3%	36,381
Advertising	8,470	1%	10,000	1%	5,740
Net Merchandise Income	18,463	2%	25,000	2%	5,422
Sanction/Entry Fees	63,538	5%	65,000	4%	35,158
Exhibition Income	7,606	1%	25,000	2%	2,000
Olympic Ticket Income		0%	-	0%	31,924
Other	20,162	2%	23,300	2%	38,182
Total Revenue	1,208,143	100%	1,478,800	100%	1,029,332
Expense Summary					
Administrative	587,256	45%	631,250	41%	456,396
Olympic Ticket Expense		0%	-	0%	31,924
Officers	29,075	2%	33,600	2%	17,184
Membership	105,589	8%	142,200	9%	95,158
Technical	19,755	2%	25,250	2%	15,963
Education	52,066	4%	68,250	4%	49,002
Officials	16,201	1%	26,500	2%	1,371
Marketing	59,382	5%	76,200	5%	40,109
Olympic/International	434,885	33%	548,655	35%	332,819
Total Expenses	1,304,209	100%	1,551,905	100%	1,039,926
Net Income/(Loss)	(96,066)		(73,105)		(10,594)

* Per audited financial statements, not considering VIK revenue and expenses

** Annual budget adjusted for approved variances

Other Items

- USOC Audit – The USOC has just completed their periodic audit. There are some audit recommendations which need to be addressed. The President, Treasurer and Executive Director will make the initial response to the USOC, and then all recommendations will be referred to the Finance Committee for review and action, as required.
- Annual Financial Audit – The audit by Dunbar, Cook, and Shepard went well. They had a few management recommendations that will be reviewed by the Finance Committee at Convention.
- Financial Procedures – The Finance Committee has been asked for recommendations throughout the year. These were presented to the Board of Directors for consideration in May 2004. We will be reviewing/addressing all of the audit reports and other requests of the Board in meetings prior to and at the Convention.
- 2004-2005 Budget – The Executive Committee is in the process of completing the Proposed Annual Budget for presentation to the Finance Committee. The Finance Committee will review this at Convention prior to presentation to the Board of Governors for their approval.
- Long-Range Plans – The Finance Committee will review and update these at Convention to pass on to the next Finance Committee.
- National Center – Daytona Beach – The Treasurer supported a small sub-group in developing financial forecasts for the Board of Directors and the organization as they reviewed the proposal for a National Synchronized Swimming Center. The Board voted to moved ahead with this concept, and now there is an Implementation Team that lead how such a concept is executed and implemented.