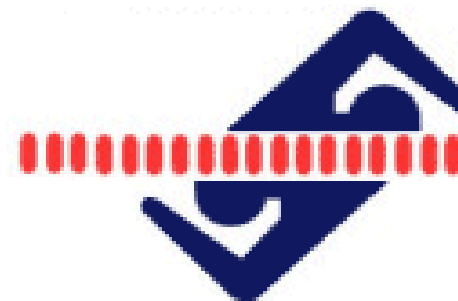


United States Masters Swimming 2007 Convention



Financial Overview

1. The 2006 Financial audit & statement preparation was completed by USMS' independent auditors, Clifton Gunderson LLP. They issued a "clean" opinion, with no booked adjustments or management letter comments.
2. The 2006 Tax return was completed. USMS incurred \$1,060 of Unrelated Business Income Tax for 2006 activity.
3. 2006 Change in Unrestricted Net Assets ("net income)" was \$34,827. (\$32,873 from Endowment Fund, \$1,954 from USMS operations).
4. Cash and Investments balance at 12/31/06 was \$989,000, up 3% over prior year-end.
5. Total Unrestricted Net Assets at 12/31/06 were \$1,350,000.
6. 2006 Memberships were a record 43,462.

Prepared By:
Margaret Bayless
June 24, 2007

USMS FINANCIAL OVERVIEW

2006 Financial Highlights

Revenues:

Membership Dues	\$ 892,340
Publication Income	94,829
Interest Income	50,853
Other	<u>157,073</u>
Total	\$ 1,195,095

Expenses:

Publications Costs	\$ 381,935
XI FINA World Meet bad debt expense	167,324
Other Program Costs	402,048
General & Administrative	<u>208,961</u>
Total	<u>\$ 1,160,268</u>

Change in Unrestricted Net Assets \$ 34,827

Independent Auditor's Report is available at Convention.

USMS FINANCIAL OVERVIEW

2006 Financial Highlights

At 12/31/06

Assets:

Cash & CD's	\$ 988,940
Accounts Receivable	261,685
Endowment Fund	215,388
XI FINA World Meet Note (net of Bad Debt Allow.)	98,000
Other	<u>178,667</u>
Total	<u>\$ 1,742,680</u>

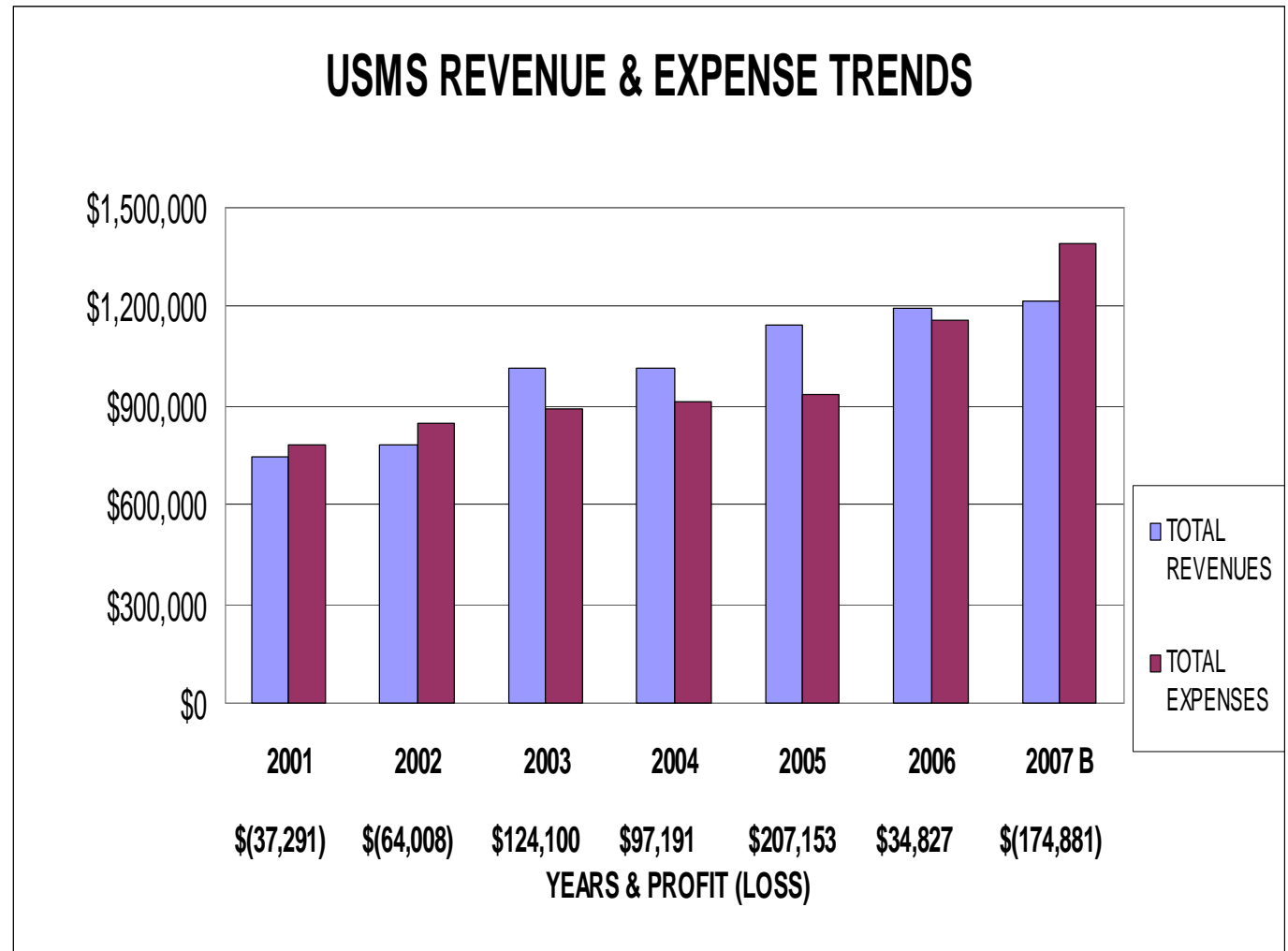
Liabilities and Net Assets:

Deferred Revenue	\$ 349,788
Other Liabilities	42,786
Insurance & General Reserves	270,000
Undesignated Net Assets	<u>1,080,106</u>
Total	<u>\$ 1,742,680</u>

Independent Auditor's Report is available at Convention.

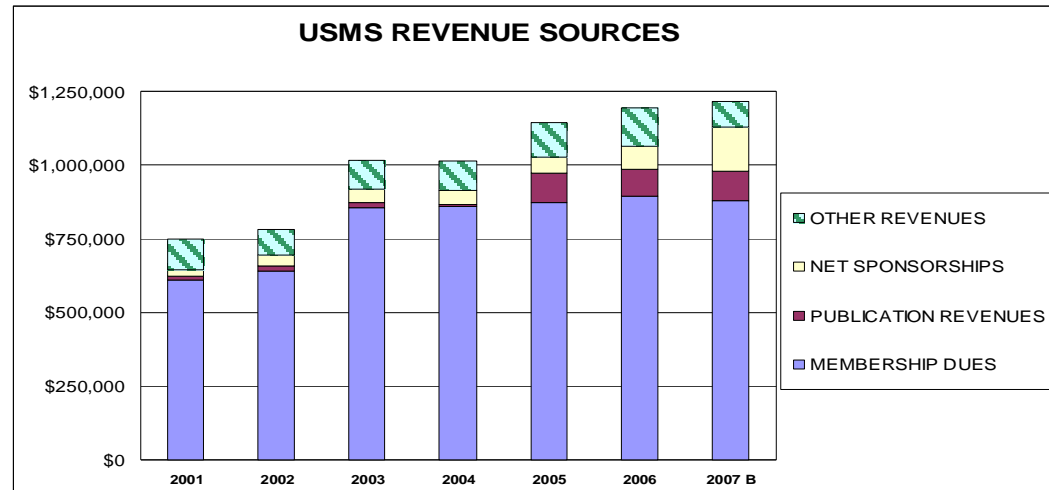
USMS FINANCIAL OVERVIEW

- Year-over-year revenues have increased or held flat.
- 2003 revenue increase due to dues increase.
- 2006 revenues 2% over 2005.
- 2006 expenses 24% over 2005: XI FINA note reserve & ED Search.

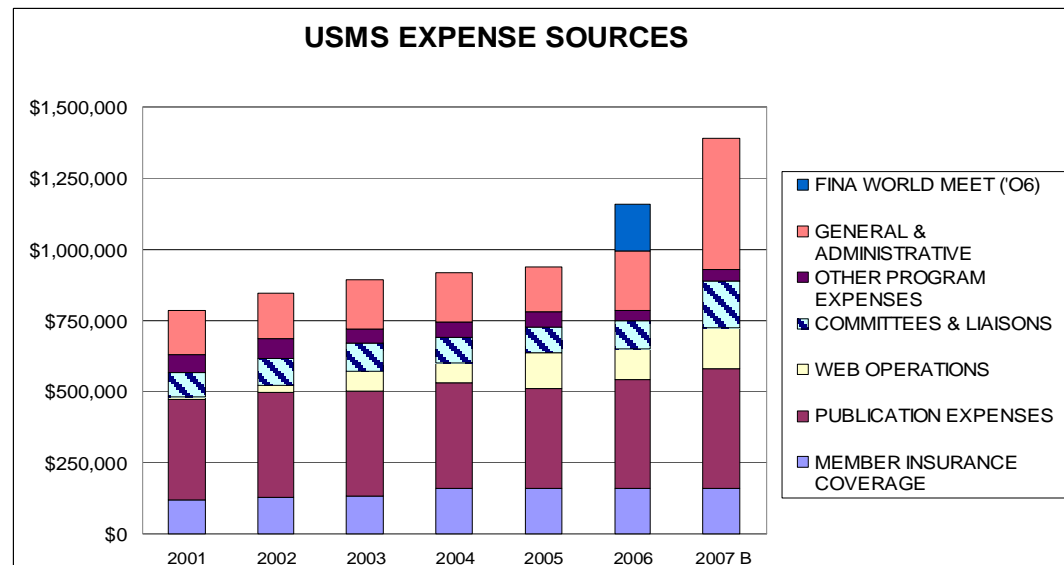


USMS FINANCIAL OVERVIEW

- Membership revenue has been relatively flat since 2003 dues increase.
- Advertising revenue increased in 2005 with SWIMMER contract.
- Sponsor revenue has consistently contributed to the bottom line.
- Other revenues include Interest, Meet surcharges, Endowment Fund contributions.

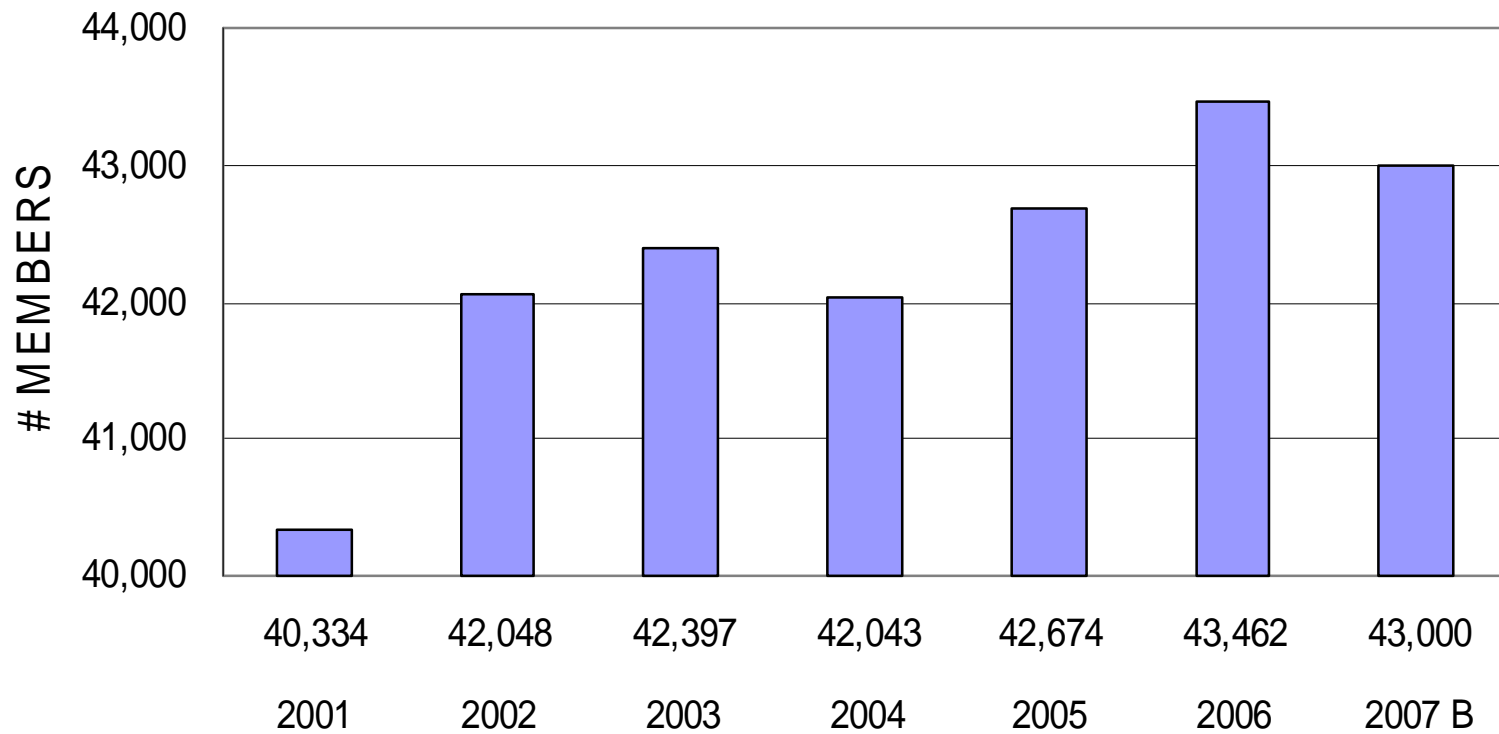


- Costs growing slightly, but relatively constant until 2006.
- 2006: G&A higher due to ED search;
- 2006: recorded bad debt reserve re XI FINA note receivable: \$98K of \$265K note was repaid in '07; balance was recorded as expense in 2006 P&L



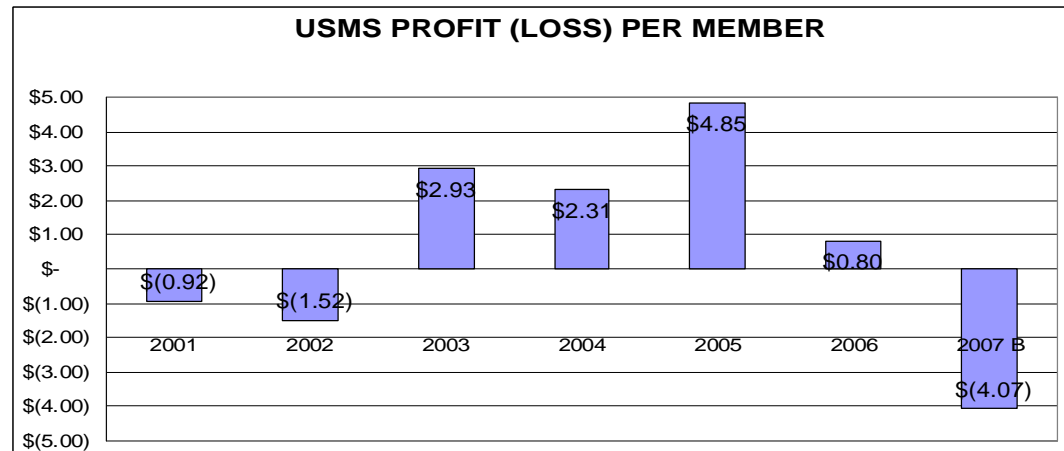
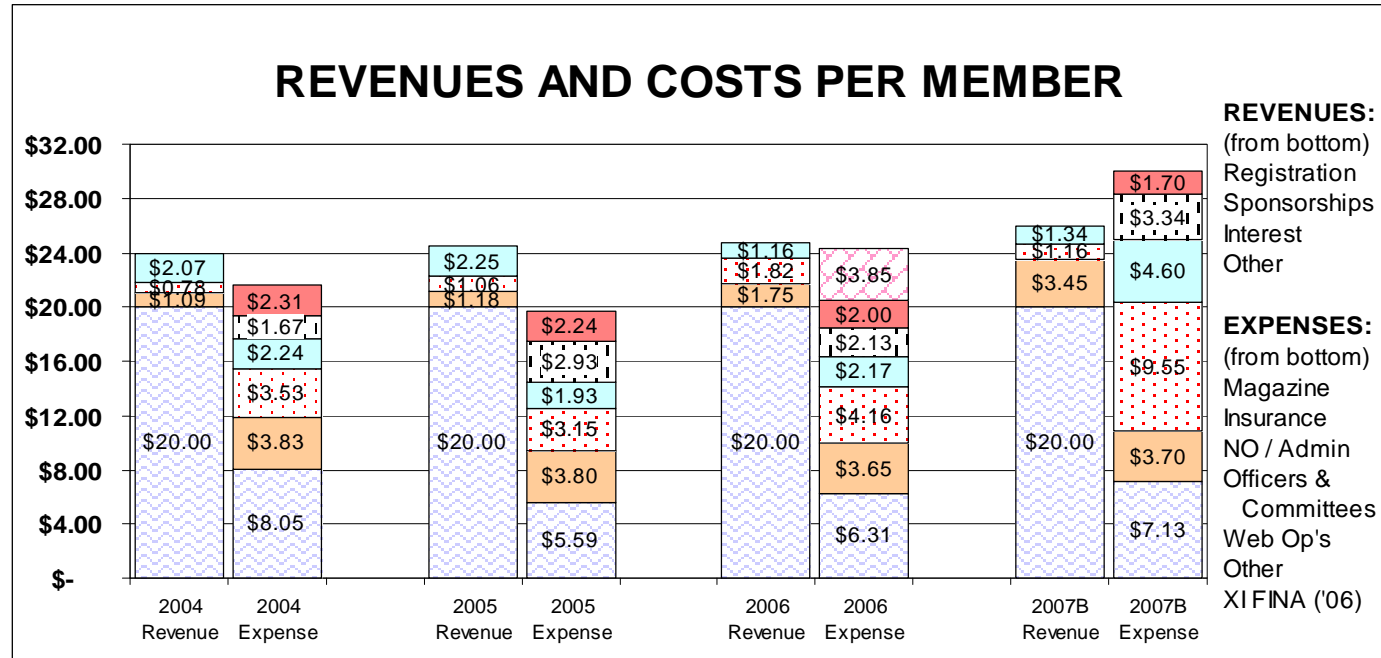
USMS FINANCIAL OVERVIEW

USMS MEMBERSHIP



USMS FINANCIAL OVERVIEW

- Other income includes: meet surcharges, misc. product sales, misc. other.
- Costs per member exceed \$20.00 dues in 2004, 2006 & 2007 budget.
- XI FINA note reserve cost \$3.85 per member in 2006.



USMS FINANCIAL OVERVIEW

BALANCE SHEET

- Cash and CD position has been strong and consistent.
- Endowment fund has grown each year since 2000.
- FINA World meet final advance totaled \$265,324; after reserve, 12/31/06 balance was \$98,000.
- Unrestricted Net Assets have increased from \$887,000 at 12/31/02, to \$1,350,000 at 12/31/06.

