

**U.S. MASTERS
SWIMMING**

Annual Meeting

2017 Proposed Budget

SEPTEMBER 2016



Financial Oversight

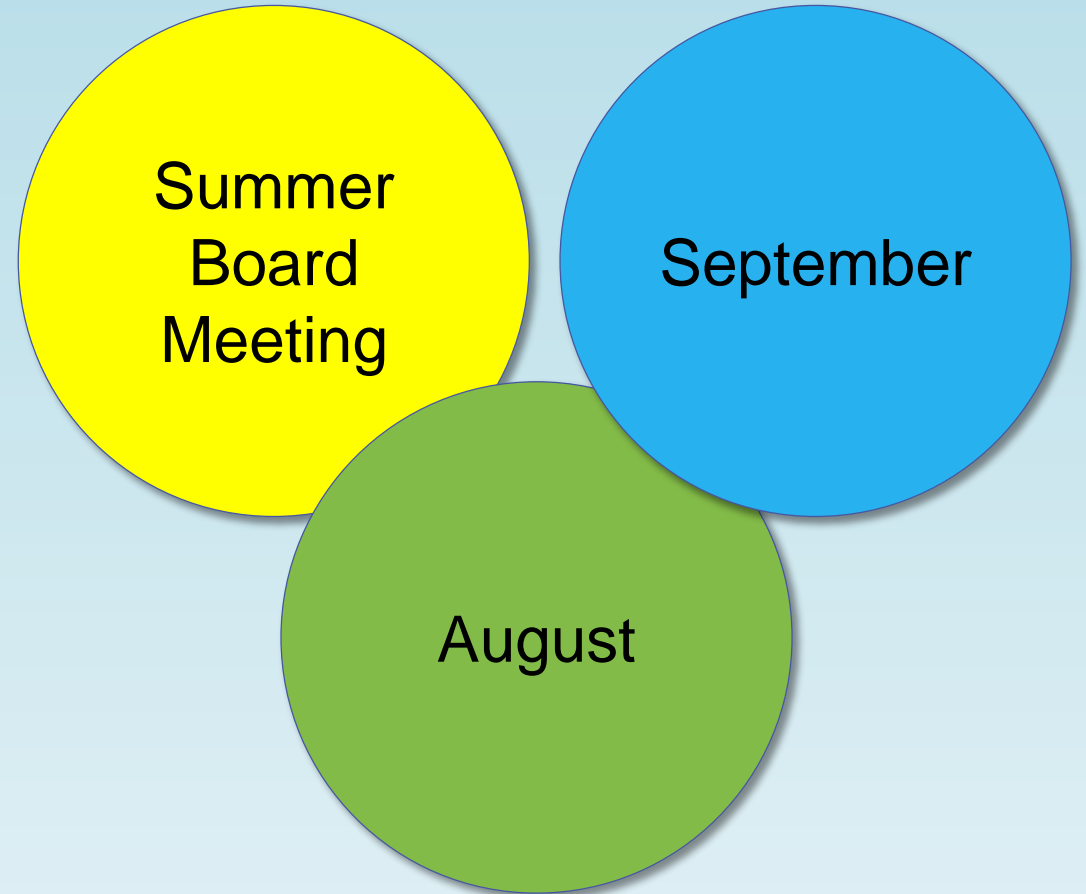
- **Monthly:** The Finance Committee reviews detailed financial statements
- **Quarterly:** Board and Finance Committee review annual forecast
- **Annually:** Outside CPA firm audits financial statements. Audit Committee oversees
- Financial Operating Guidelines outline responsibilities
- Investment Committee oversees investment strategy

Budget Process

- CEO presents organizational goals & funding priorities that support strategic plan
- The Board of Directors (BOD) provides feedback used to generate the annual budget

- CEO distributes organizational goals, funding priorities and annual budget to Finance Committee and BOD
- Finance Committee reviews budget to ensure appropriate allocation of resources to achieve goals and funding priorities

- Finance Committee approves budget and submits to Board
- Board approves budget and submits to House of Delegates for approval





2017 USMS Budget Invests in Strategic Initiatives:

- **Membership Value:** Enhance and customize value and deliver it to consumer segments based on needs and interests
- **Brand Clarity:** Simplify USMS branding and marketing to clearly communicate the essence of the USMS brand and to build affinity
- **Innovation:** Transform USMS offerings to align with the changing environment
- **Partnerships:**
 - **External:** Engage and activate partnerships with organizations that align with USMS's mission, vision and values, for the purpose of increasing benefits to our members, enhancing and expanding the USMS brand, and improving access to swimming facilities
 - **Internal:** Enhance the partnership between volunteers, coaches, and the National Office with the shared focus on providing the best membership experience possible



New USMS Reserve Funds Policy

Operating Reserve

- Maintain a flexible amount to sustain on-going operations (6 months)

Opportunity Reserve

- To meet special targets of opportunity or need that further the mission of the organization
- May or may not have specific expectation of incremental or long-term increased income
- A source of internal funds for organizational capacity building such as staff development, research and development, or investment in infrastructure that will build long-term capacity

2017 Opportunity Reserve Projects

- Fitness Program Development
- College Club Initiative



2017 Opportunity Reserve Projects

Fitness Program Development - \$44k

Survey of non-member masters swimmers:

- Average workout lasts 45 minutes
- 70% have not participated in an organized adult swim workout
- 56% are not aware of USMS

Objective and action plan:

- Offer an alternative workout for current members and attract new members
- Business plan will be submitted to the BOD during the summer 2017 meeting



2017 Opportunity Reserve Projects

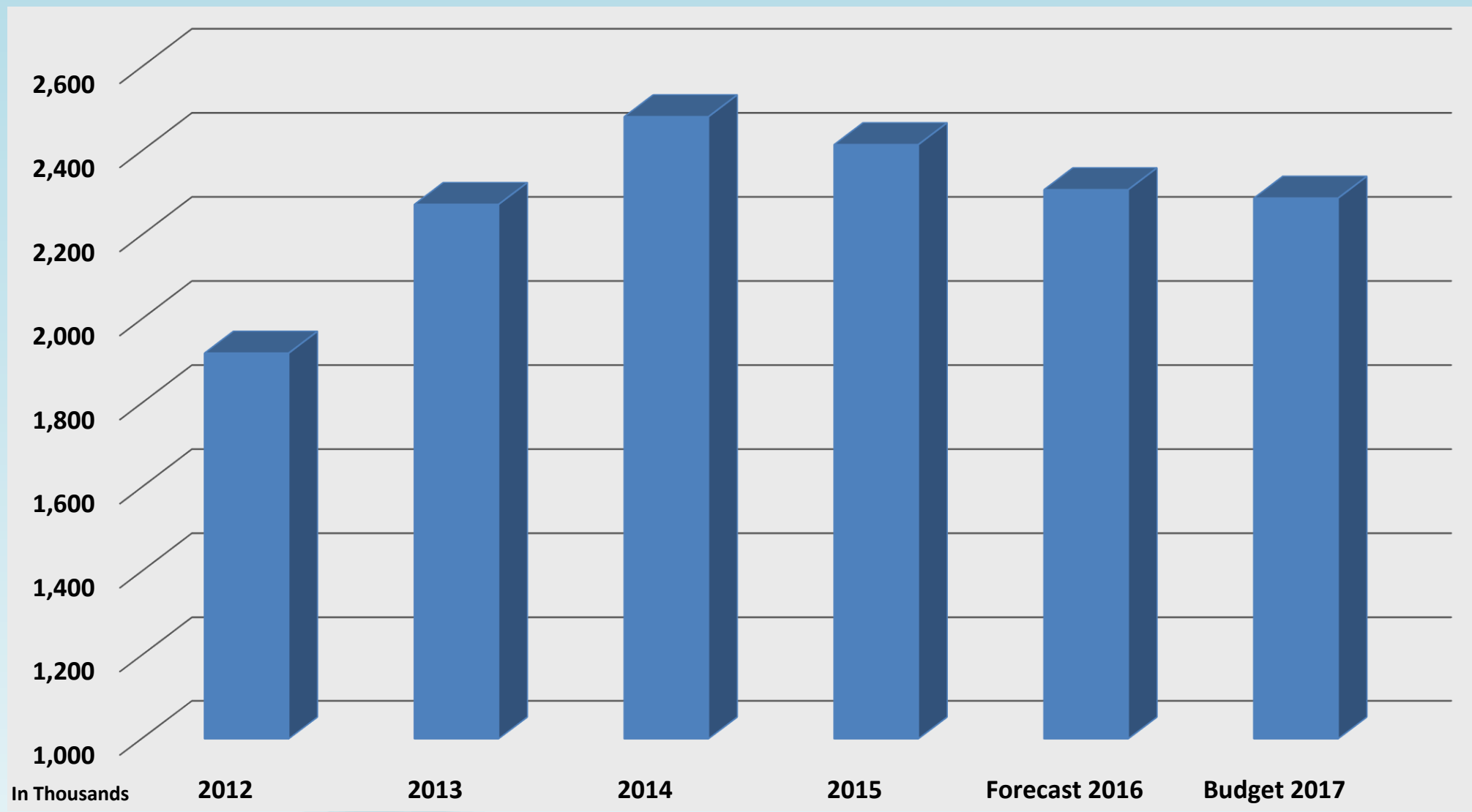
College Club Initiative - \$29K

Develop a USMS backed college club swimming organization:

- Currently there are approximately 220 college clubs with 5,500 swimmers
- Currently no governing body and no central organization
- Similar motivations and goals as USMS members
- **Objective and action plan:**
 - Marketing initiative to familiarize college-aged swimmers with USMST
 - Transition to USMS membership after graduation
 - Increase the number of college clubs and swimmers

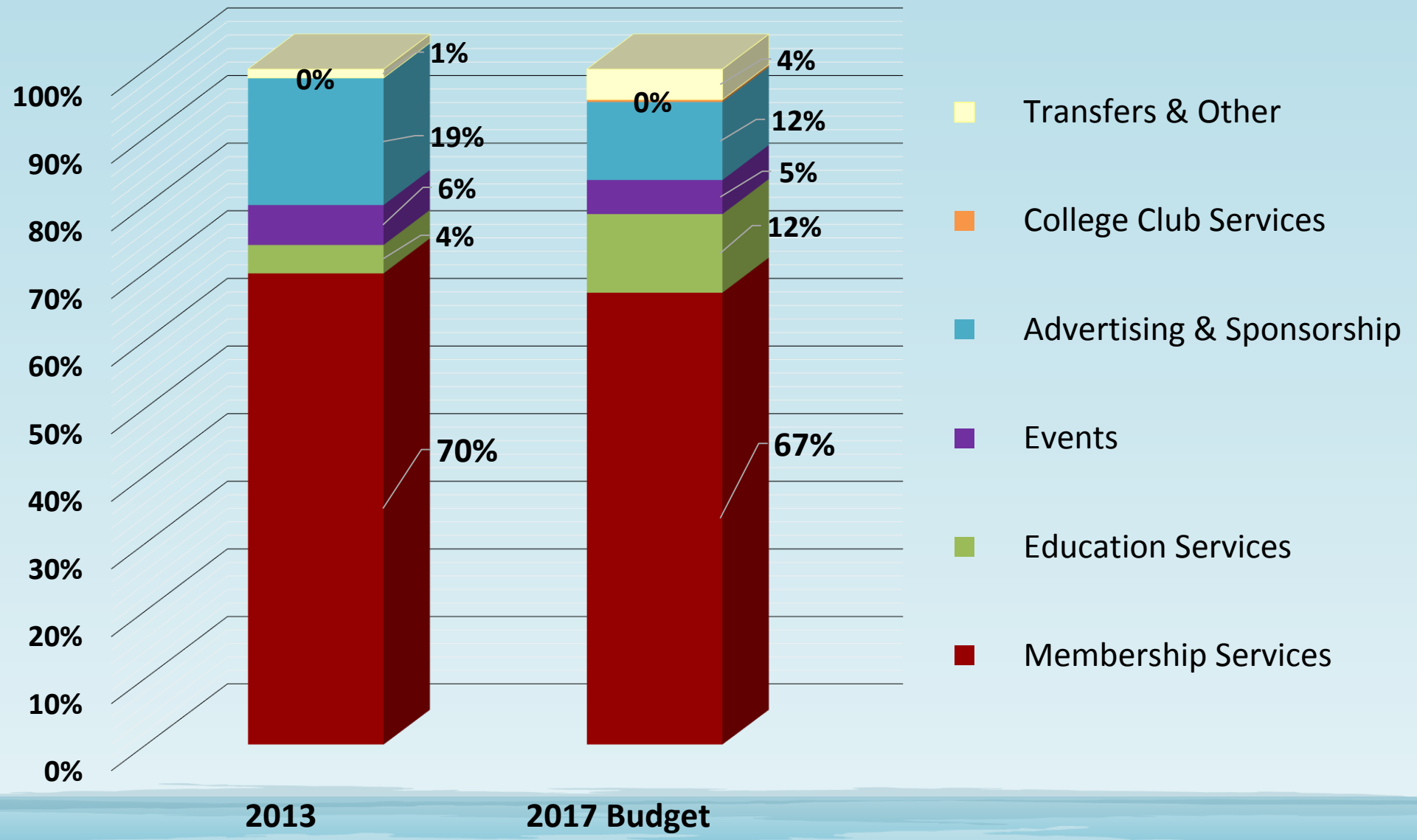


Net Assets



Revenue by Percentages

Financial Oversight





Revenue Highlights

Membership:

- 3.2% membership increase over 2016 forecast
- Membership fee increase of \$2. Year 3 of 5 year fee schedule
- The partial year-end fee will be eliminated. The year plus options will be expanded

Education Services:

- Expand stroke development clinics to 800 swimmers and 230 coaches. Companion program with certification classes
- 550 ALTS instructor participants in 25 classes
- Club/workout groups fee increases from \$25 to \$41 (avg. value of \$63)



Revenue Highlights (cont.)

Advertising/Sponsors:

- 17 sponsors and 11 magazine advertisers, \$39K in new revenues totaling \$458K
- USMS receives value-in-kind products of \$46K

College Club Initiative:

- New revenue/cost center for 2017
- Pro-rated club memberships begin August 2017

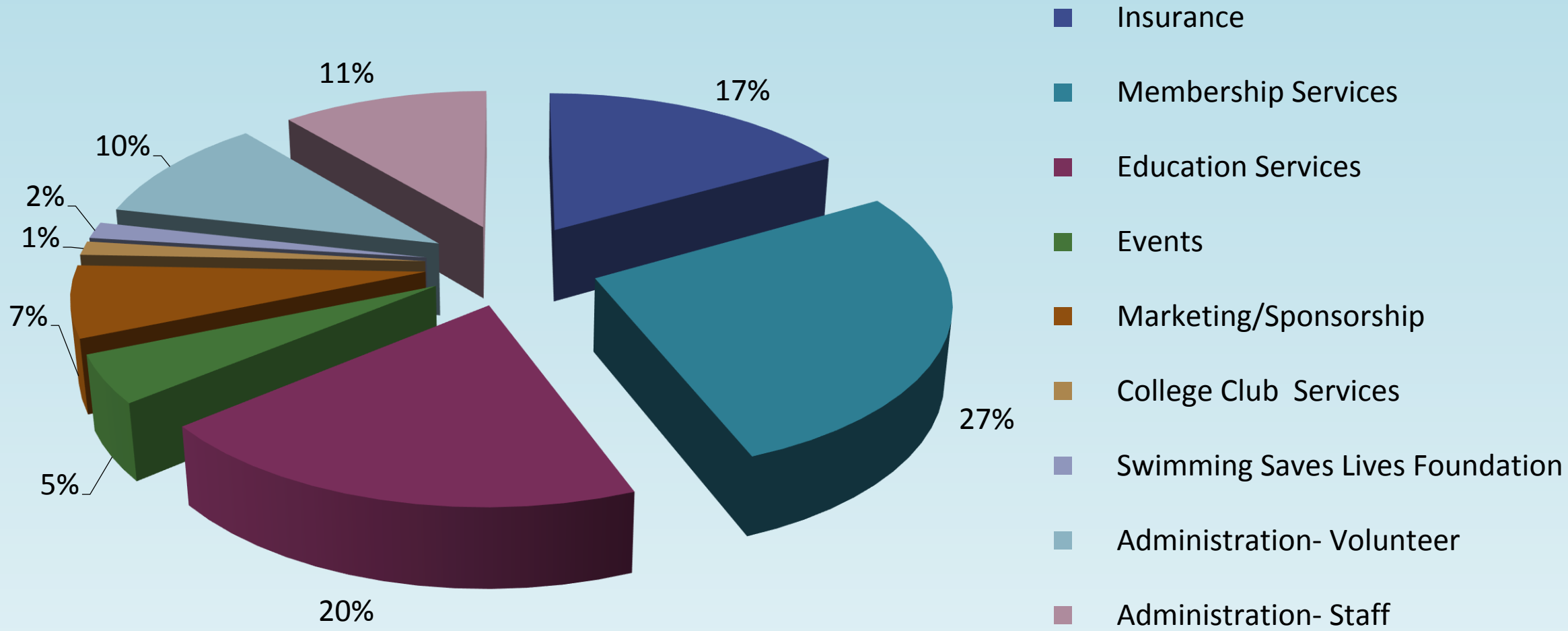
Transfers:

- Opportunity Reserve transfer for two initiatives of \$73K
- Investment Spending transfer of \$91K



Expense % - 2017 Draft Budget

Financial Oversight





Expense Highlights

Insurance Costs:

- \$21K decrease from 2016 actual

Administration – Staffing:

- Increase one part-time position to full-time. Total staff = 18

Information Technology:

- National Office IT maintenance services/functions to be outsourced - \$24K
- In-house registration system enhancements to include better reporting for LMSC registrars and treasurers
- More tools to be developed for posting results for open water and postal events
- Mobile platform support via apps and mobile-responsive website redesign



Expense Highlights (cont.)

Communications and Publications:

- During registration members will be given an option for a print or digital magazine
- Slight decrease in overall costs due to an increase in SWIMMER digital delivery

Education Expenses:

- New fitness program research and development - \$44K
- Expand stroke development clinic for 800 swimmers and 230 coaches
- Continue education outreach: more than 100 onsite visits to existing clubs, workout groups, and new facilities



Expense Highlights (cont.)

Marketing:

- Internet advertising to capture membership (Facebook & Google) \$30K
- Website redesign, social media, member messaging, consulting \$25K
- Membership drive via phone/text campaign \$10K

College Club:

- New revenue/cost center. Pro-rated club memberships begin Aug. 2017
- Expenses include:
 - college club leadership summit \$13.5K
 - events and marketing \$10K
 - 3 representatives to convention \$3K



Expense Highlights (cont.)

Administration-Volunteers:

- Increases in travel and hospitality costs
- Bi-annual LMSC Leadership Summit will be held in 2017- \$26K

Swimming Saves Lives Foundation:

- April Adult-Learn-To-Swim month expenses are now part of our charitable outreach
- Add new crowdfunding software for grassroots fundraising

Questions?



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