

O*H*I*O Masters Swim Club
End-of-Year Treasurer's Report
July 1, 2020 - June 30, 2021

Keith's Last Report

Fiscal Year 2021 was, predictably, a very bad year financially. Our operations sustained a total loss of just over \$5700. It would have been twice as bad had we not received a \$5280 pandemic grant in January from United States Masters Swimming. The loss was driven by the Board's decision to continue swimming at Lakewood and Orange with severely restricted capacity. We also increased coach pay (paying for an additional 1/2 hour for planning and prep for each workout) and added additional workouts and an additional coach position. We now engage four coaches and provide seven weekly workouts at Lakewood. Orange continues with one coach and 2-3 weekly workouts.

The loss, however, was easily funded by our overabundant accrued reserves. Even after sustaining over \$11,000 in pandemic-caused losses for Fiscal Years 2020 and 2021, we still have over \$29,000 cash in hand. That is far in excess of the not-for-profit best practice of having six months of normal operating expenses in reserve (approximately \$4000/month). As bad as the pandemic has been, we are in solid financial condition going forward.

As we increase numbers of Lakewood and Orange swimmers and resume hosting swim meets, revenues will increase substantially. The summer "punch card" method of collecting Lakewood swim fees has dramatically increased revenue. From May 1 - August 15, 2019, the last time we operated under "normal" circumstances in the summer, we collected about \$5000 in swim fees. From May 28th to today, just one month, we have collected over \$8000 in swim fees! The "leakage" I described in asking you to embrace this system was far greater than I imagined. If this level of fee collection efficiency continues throughout the year, we could be looking at a 30% or more increase in overall Lakewood swim fee revenue over "normal." This is not new revenue, this is revenue due that was simply uncollected in previous years. I will have more to say on this in the accompanying interim report on the system.

One other item I will note in the profit and loss statement. When you remove the USMS grant from "general club revenues" we are left with less than \$100.

"General club expenses," on the other hand, exceeded \$2000. Several hundred dollars of those expenses were pandemic-related or one-time, but most are normal club expenditures. Nevertheless, we have no meaningful general club revenues to offset them. This is because we ceased collecting local club member dues in 2019. Unless individual club members swim at Lakewood or Orange or participate in swim meets, they contribute nothing to club operations. This is a question for further Board discussion and action.

In summary, FY 2021 was a pretty bad year. On the bright side, however, we still have more than enough money in reserve. Moreover, the year provided very important clarifying insights into some long-standing sloppiness in our club financial practices. If the Board learns from these insights and acts appropriately upon them, the club's financial situation will become much stronger and the Board will have significant freedom to explore new club programs and possibilities. This could include, but is not limited to, actually reducing swim fees at Lakewood.

I have enjoyed serving as your Treasurer these last four years and I remain at your disposal to help in any way I am able. You're in great hands with Bob Boyce.

Respectfully submitted,

Keith Owen

Attached below is an interim assessment of the punchcard payment system at Lakewood.

Initial assessment of the "Punch Card" fee collection method at Lakewood

I encouraged (some could accurately say bullied) the Board to try this method for the summer because I wanted to check my gut intuition that our pre-pandemic fee collection method failed to collect all the fees we were due. In designing the system, I tried to balance three competing needs:

- A cost-based fee structure and efficient collection of all swim fees due
- Convenience and ease of pay method for club members
- Minimize time and effort required of volunteer club leaders to administer the system

One month into this trial run, these facts are very clear:

1. The punch card method has increased fee collection by 60% over 2019 collections, the last time we operated under "normal" summer circumstances.
2. Some folks have complained that the "unlimited" fee is double what it used to be. That is true, but the old fee was effectively plucked out of the air and had no discernible relationship to the actual cost of providing the swims. We lost over \$1000 on summer swimming in 2019.
3. A handful of folks have complained that you can no longer pay as you go by paying cash on deck.
4. Several folks have inquired about what happens if cards expire with punches still available. That remains to be decided by leadership, but refunds via Paypal are very easy to effect.
5. Paying for punch cards via the club website and Paypal is now easier than before. Only two persons so far have chosen to pay by check.
6. E-mailing the passes to folks has proven to be easy, if not glitch-free, but members do not always read their e-mails or follow instructions very well.
7. It is mildly inconvenient for members to have to bring their punch cards, but they like the bag sleeves we provided them to accommodate this. No one has yet asked for a replacement card.
8. The punch card method requires significant time and effort from club volunteers (read Lori Luken and me). We now have a volunteer rotation in place, but it must be coordinated. Andrew McCollister is doing that. Someone has to be on deck at every workout to punch the cards. This is the single biggest friction point in the system.
9. The Lakewood coaches are freed from the task of checking folks' payment status or collecting (and remitting to the treasurer) on-deck payments. They like this.
10. There has been some grumbling on deck about the changes, but the overwhelming majority of swimmers have taken it in stride and have changed their behaviors accordingly.
11. Tuesday and Thursday morning swim attendance has dropped precipitously, sometimes as few as three swimmers. Attendance at Foster Pool has been down from normal pre-pandemic levels, but is increasing steadily.

Recommendations:

- Steady as she goes for another month, then review.
- Board must decide in early August:
 - Resume Tuesday and Thursday morning workouts? Unless many more swimmers swell the ranks in the Fall, we will lose significant money on these workouts.
 - Whether and how to continue the payment method for Fall and beyond, assuming we are done with the pandemic and don't have to limit indoor capacity.

I depart on July 1 and will be out of town at least until the first week of August, perhaps longer. I will not be out of touch, however, and am willing to continue monitoring the system remotely. Andrew McCollister has volunteered to coordinate the on-deck punchers. He could use some volunteers. Lori Luken will handle distribution of swim passes.

8:25 AM

OHIO Masters FY 2021 and following

07/01/21

Balance Sheet

Cash Basis

As of June 30, 2021

	<u>Jun 30, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
Huntington Fast Track Checking	573.76
Huntington Money Market	28,734.94
Total Checking/Savings	<u>29,308.70</u>
Total Current Assets	<u>29,308.70</u>
TOTAL ASSETS	<u>29,308.70</u>
LIABILITIES & EQUITY	
Equity	
Unrestricted Net Assets	35,021.97
Net Income	-5,713.27
Total Equity	<u>29,308.70</u>
TOTAL LIABILITIES & EQUITY	<u>29,308.70</u>

OHIO Masters FY 2021 and following
Profit & Loss
July 2020 through June 2021

	<u>Jul '20 - Jun 21</u>
Income	
Club General Income	
Bank Interest	28.40
Grants and Other Income	5,280.00
Merchandise Sales	6.00
USMC/LEMSC Income	60.00
Total Club General Income	<u>5,374.40</u>
Swim Meets Income	
2021-Brogan Open Water	808.87
Total Swim Meets Income	<u>808.87</u>
Workout Groups Income	
Lakewood	19,043.86
Orange	5,790.00
Total Workout Groups Income	<u>24,833.86</u>
Total Income	<u>31,017.13</u>
Expense	
Club General Expenses	
Administrative Expenses	270.27
Awards & Prizes	35.00
Computer/Website	910.03
Contributions and Gifts	425.75
Grants to Members	80.00
Merchandise Purchases	315.00
Total Club General Expenses	<u>2,036.05</u>
Swim Meet Expenses	
2021 Brogan Open Water	216.12
Total Swim Meet Expenses	<u>216.12</u>
Workout Group Expenses	
2020 Pandemic Refunds	584.00
Lakewood	27,044.23
Orange	6,850.00
Total Workout Group Expenses	<u>34,478.23</u>
Total Expense	<u>36,730.40</u>
Net Income	<u><u>-5,713.27</u></u>