



# Arizona Swimming

2013 Annual Report to the Membership

Including...

State of the Sport,  
Management Discussion  
and Analysis  
&  
Financial Statements for  
the year ending  
August 31, 2013

# Arizona Swimming Contact Information Sheet

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# Arizona Swimming, Inc.

## 2013 Annual Report to the Membership Index

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# REPORT OF THE GENERAL CHAIR TO THE MEMBERSHIP

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## State of the Sport

Arizona had a banner year in fiscal year 2013 for swimming. Here are a few of the highlights:

- Arizona Swimming membership increased over 13% which again beat the national average;
- learn to swim programs were boosted by a national campaign market test in Phoenix;
- there were more Athlete members elected to our board giving more athlete representation to our Board and House of Delegates;
- there was an influx of new officials;
- our Athlete travel program was approved by the House of Delegates;
- our age group coaches stepped up to the plate and worked with our age group athletes to take on the challenge of new and difficult State time cuts; and
- Arizona has seen new notoriety on the National level with numerous Olympians using Arizona as their training ground and the excitement of the Grand Prix Meet in Mesa.
- Arizona is currently the location for the Western Zone General Chair's meeting each year.

In the last year Arizona Swimming has concentrated on the foundations that are necessary to support our athletes in competitive swimming in Arizona. These include programs for Officials, Coaches and Facilities. Without each of these groups, we cannot continue to provide the opportunities for competition for our Athlete Members. Arizona Swimming has in the last year implemented programs to foster, develop and build each grouping to support out Athletes, including:

- Officials programs have increased the total number of AZSI Officials by 62 with an increase of 27 more Officials volunteering for over 17 meets per year and 15 more Officials are now Nationally Certified. Training programs and a sense of community have become the status quo for our Officials Corps.
- Coach mentoring and training was prevalent last year when the Western Zone Coaches Clinic was brought into Arizona. Upwards of 100 coaches were in attendance at the training program. Additional opportunities for mentoring and training are planned for the next year by our Coach Representatives.
- Although some facilities are apparently on their way out, a new facility in Oro Valley was brought on-line in time for the 2013 8&U Championships and two new pools in the Phoenix area are currently planned for 2014 openings.

Many ask why I think that swimming is so important to our community. Arizona Swimming continues to boast swimming as the best overall sport in the world for a reason. No other sport can be named a true life safety sport. Last year I told you that Swimming *is not just a competition*. It is a series of life lessons on how dedication and discipline creates opportunity, and that a loss can be turned into gain. This is truly evident when you look at the statistics for Swimming. Did you know that swimming presents opportunity no matter who you are, how wealthy you are, where you came from, or if you are privileged and talented.

- 80% of swimmers who are swimming when they graduate high school go to college.
- Three times more swimmers are active in three activities in High School than any other group.
- Swimmers have an average GPA of 0.5 points higher than any other athletic group in High Schools.
- Swimmers have a 99.9% graduation rate in High School.

# REPORT OF THE GENERAL CHAIR TO THE MEMBERSHIP

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## State of the Sport, cont.

- Club swimming is cheaper than most all other club sports.
- And finally, but not the least important, swimming will save your life.

Swimming is a great sport because it makes a difference in all of our lives. Discipline, dedication, focus and sportsmanship is what our Athletes come away with our sport.

Arizona Swimming has made strides to support our sport but we have much to do in the next year to catch up with our membership growth. Our Executive Director, Carla Morelli, and our Membership Chair, Heather Coghill, administer our sport in the office and have been of immeasurable help to our members. If you need help and guidance through the USA Swimming process, the Arizona Swimming Office is who to call.

Now let us move from the successes of the past to our future. Some of the programs that we plan to emphasize this year include the following.

Athlete Retention and Technical Planning: As part of the management of membership growth, we will need to focus our efforts in retention and technical planning. Of most importance with retention is that we all need keep our competitions from driving away our Athletes, their parents and fans. Our long meets are not only wearing on our athletes, coaches and volunteers but are considered a dis-service to our sport. I noted last year that Arizona Swimming was to dedicate more efforts in achieving compliance with the **4 hour meet rule** for 12 and under athletes. Many of you have received my emails either thanking your for planning well or asking you to reduce the size of your meet and to better plan to complete competition within the guidance of the rules. I have had many comments on this effort and many good discussions on how to shorten our meets. Now it is time to act.

I am asking all meet hosts that they seriously consider the timelines and management of their proposed meets during the upcoming 2014 long course season bid. I have instructed our newly established Technical Committee to review all bids for potential timeline issues. Bids may require additional scrutiny before sanctioning if they appear to be in non-compliance with the rules of our sport.

Additionally, I have requested that our Technical Committee evaluate the draft calendar as submitted by potential hosts for “holes” in the schedule. During the bid meeting, the Technical Chair will provide the opportunity for host teams to fill those “holes” with specified types of meets that will serve our athletes. In this way, our Technical Committee becomes advocates for all of our Athletes and provides suggestions that will facilitate their needs for competition.

Safe Sport Programs: Arizona Swimming established a Safe Sport Coordinator this year and is implementing Safe Sport training programs as they are rolled out by USA Swimming. We will continue to do our part to protect our athletes from abuse of any form. We anticipate that new bullying guidance will be developed in the next year. Additionally, parent training is available through web training programs. Arizona Swimming will continue to get the word out on these resources to protect our Athletes.

Health and Safety and Risk Management: We need to continue to protect our athletes from injury during all aspects of our sport. Arizona Swimming will maintain our current Meet Marshal program as well as continue our notifications of key health and safety issues on our web site. Awareness level training for concussions as well as a host of other programs that are now available on our web site.

# REPORT OF THE GENERAL CHAIR TO THE MEMBERSHIP

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## State of the Sport, cont.

Additionally, Arizona Swimming is the first LSC in the nation to ban the sales of energy drinks and dietary supplements at our competitions. The nation as a whole is coming to realize that these substances are simply drugs that are being sold by dealers for use by our Athletes with reckless abandon to the potential health effects. Parents have been given the impression by the dealers that these drugs are safe and will help their young athlete to achieve better success. This is an absolutely false impression and Arizona Swimming will work to vigorously protect our athletes from this continuous threat.

Coaches Programs: To assist in supporting the growth of our athletes, all committees have been asked to consider additional training programs for Coaches and Clubs. The recent Western Zone Coaches Clinic and Club Development programs held in Phoenix this year has sparked new interest in continuing these types of training events. Arizona has been blessed with new Coaches and new Clubs. We will endeavor to provide additional supportive training that will be used to help our Athletes and Coaches to achieve success.

Competitions: I am dedicated to make our State Championships the main event for our Athletes. To assist in improving competition opportunities in Arizona, we have already initiated new ways to make our State Championships more meaningful. This was facilitated by migrating qualifying times to be more competitive and allow the top 24 to 32 age group athletes to compete in the State Championships. Senior programs have started a similar process. This will continue to challenge and encourage our Athletes.

With fewer Athletes making the State Championships, Arizona Swimming will need a season ending meet for the Athletes that do not make the State time cuts. Although the regional concept has its place, I sincerely believe Arizona Swimming has grown to a size that requires new programming for the host of Athletes who will not qualify for the State Championships. I am asking the Age Group Committee to assist in developing new concepts to support these Athletes in a season culminating competition platform to start in January, 2015.

Arizona Swimming will also continue to support bids for National Level meets. Last year Arizona Swimming and the Mesa Aquatic Club teamed to bid for the Senior Zone Championship meet in 2014. Although we were not successful, the Western Zone is more aware of Arizona as a place for competition. At the time of this writing, we are working with teams to again submit a formidable bid in for the 2015 Senior Zones Championships.

Our time standards for Age Group have been gradually getting us to the top 24 to 32 athletes entering our Age Group State Championships. Arizona Swimming anticipates that our database evaluation project will have completed the goals over the next year. The Age Group Committee will be tasked the evaluation on the next step that the LSC should take for establishing future time standards.

In closing, as your General Chair, I will encourage each and every one of you to get involved, get excited about swimming and persevere to support our sport. If you look around, it is likely that an Arizona Athlete will be a contributor to our society and possibly an Olympic Athlete. They need our help to get there.

Gregory J. Dozer  
General Chair



## REPORT OF THE EXECUTIVE DIRECTOR TO THE MEMBERSHIP

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Athlete membership increased in 2013 by 658 athletes resulting in a total of 5,544 athlete members. Non-athlete membership increased from 479 in 2012 to 579 for the 2013 registration year. 2013 ended with 42 Year Round Clubs, 2 Seasonal Clubs and one affiliated Organization.

Arizona Swimming was represented at the September 2013 USA Swimming Convention in Garden Grove, CA., by Greg Dozer (General Chair), Ron Corbin (Administrative Vice Chair), Starre Haney (Safety Chair), Art Gramer (Officials Chair), Martin Reichgott (Coaches Rep), Maureen Rankin (Age Group Chair), Duncan Scott (USA Swimming Committee Member) and Paul Jacobs (Athlete Representative). Among noteworthy programming for the annual convention were programming on the use of OME, Safe Sport Programming and the administration of the four hour rule.

USA Swimming held their annual Regional Coaching Clinic in September of 2012 in Phoenix. The attendance at this clinic included many coaches from Arizona as well as coaches from various LSC's. Bill Krumm, USA Swimming Sport Development Consultant, for the Western Zone held the Club Leadership and Business Management Class in coordination with the Regional Coaching Clinic. This class satisfies the first year requirement for club membership in USA Swimming. Both the Regional Coaching Clinic and the CLBMS provided outstanding educational opportunities for all of Arizona Swimming.

Arizona Swimming volunteers attending USA Swimming workshops in 2012 were Art Gramer, Officials Workshop in October 2012, Ron Corbin, Safe Sport Leadership Conference, January 2013; Sherry Gage, Safety Workshop June 2013; and Starre Haney, Safety Workshop June 2013.

Congratulations to the four recipients of the 2013 Arizona Swimming College Scholarship competition. The following scholarships recipients were announced at the AzSI House of Delegates held in April 2013: Logan Bianchi (PSC), Erin Earnest (AZM), Kristina McKissick (PR), and Tanguy Toulouse (SDA).

Congratulations to Arizona Swimming clubs who have achieved a high level of athlete performance as well as organizational success which have been recognized by USA Swimming's 2013 Club Excellence Program. Arizona Gold Swimming, Phoenix Swim Club, Scottsdale Aquatic Club were recognized as Silver Medal Clubs.

The Arizona Swimming Board of Directors, Committee Chairs and Committee members along with scores of volunteers have all worked hard to continue to bring about programming advances in addition to continuing to build on already established Arizona Swimming policies and traditions. Congratulations to David Brace (WSF), Kelly Logan (ASG) and Jane Stump (FAST) who were selected by their peers as the Arizona Swimming Volunteers of the Year at the spring AzSI House of Delegates meeting.

Ryan Kent (WSF) was voted as Age Group Coach of the Year and Johnathan Fergusson (FORD) was voted the Senior Coach of the Year. These awards were presented at their respective spring championship meets. Congratulations to these two outstanding coaches.

As a leader in Safe Sport programming, Arizona Swimming continues using the photo ID Badge system for all non-athletes.

As we begin the 2014 registration year Arizona Swimming, with the dedication of hundreds of volunteers, continues to strive to provide the membership with the opportunity to reach their full potential in and out of the pool.

Carla Morelli  
Executive Director

## REPORT OF THE AGE GROUP CHAIR TO THE MEMBERSHIP

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This past year proved to be a very exciting year for Age Group Swimming in Arizona. We have succeeded in keeping our membership numbers at a high level. We have increased the level of competition at our Championship meets by increasing the time standards and allowing for better management of the State Championship events. Our age group athletes have stepped up to the challenge of the increase in time standards and achieved them. The number of athletes in attendance at our Championship meets is still high, including Age Group Regionals. We have been able to provide a successful 10 & Under series of swim meets, meeting the demands of the increase in numbers in those age groups, as well as a very successful and even more popular 8 & Under Championship. This is in large part due to the hard work of our 2012/2013 Age Group Chair Samantha Kramer and the 2012/2013 Age Group Committee; as well as Russell Ewers and his time and work on the development of a revised Age Group Qualification Time Standard Program for Arizona Swimming.

This past year brought quite a few new AZ Swimming State records in all age groups as well as some new National Age Group records that were established by Arizona swimmers. I see the level of our Age Group Swimming in Arizona increasing, with this comes the challenge of having our athletes compete at the highest level of Age Group Swimming with the other LSC's in the Country. There is a need for the Arizona Swimming to have an All-Star Team or a Western Zone's Team allowing our top age group swimmers to compete against the other top age group swimmers in the Country.

There are challenges still ahead in Age Group Swimming for our LSC as well as USA Swimming. It is important to keep the numbers up in our Age Group Swimming programs in hopes that they will transfer over to our Senior Swimming. USA Swimming's statistics show that it is hardest to retain 11-16yrs old in our sport. There is a perception that swimmers are pushed too hard at too young of an age, as age group Coaches we need to make sure we keep our sport safe and fun for our swimmers keeping them motivated. There are more choices today for children in youth sports, making for more competition to swimming. We have to make swimming the sport of choice and reach out to more youth in our community. We have to work on better development and understanding of "play" in our sport and remember we are working with children. The number one reason athletes quit swimming is "it's no fun". Can we continue to keep our numbers up and produce such high levels of swimmers while keeping our sport fun? YES! I look forward to the challenge.

Maureen Rankin, Age Group Chair Arizona Swimming



## REPORT OF THE SAFETY CHAIR TO THE MEMBERSHIP

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The Safety Training for Coaches curriculum changes are up and running. If you are hosting a Red Cross course at your pool, please share the instructor information and date with the AZ Swimming office. We can add it to our web site for others to see and sign up for the class. The American Red Cross web site will be slowly adding course site information to their web page in 2014. Please read and follow the instructions on the web site for correctly completing the training requirement. You will need to plan ahead to get into a course. Contact the local Red Cross office for instructor contacts or to schedule a course at your location. Don't expect a last minute course opening to meet your needs. If your coaching certification expires because you have not met this requirement, you will not be allowed on deck to coach at meets and USA Swimming insurance will not cover you at practices or other activities until your certifications are current.

In August a new policy was passed by the board of directors that states the sale of supplements or energy drinks at any Arizona Swimming sanctioned or approved meets will not be allowed. This includes sales by clubs or vendors contracted or invited by the host club. This policy is for the safety of swimmers, following recommendations of USA swimming that does not support the use of energy drinks or supplements.

It is important that injuries be reported within a short time of the incident. Please advise all of your coaches and parents to report injuries promptly and complete the USA Swimming on-line Report of Occurrence form. Remember to submit the form to the AZ Swimming office.

The Meet Marshal training and verification program is being updated. Current Meet Marshals will be required to take the new on-line education program and test and will be provided a new vest and credentials. An email has been sent to all current Meet Marshals regarding the new course that is coming. Another email and AZ Swimming web site announcements will be sent when the new course is available on the web site. Remember that Meet Marshals must be affiliated with a club or approved by the Arizona Swimming General Chair.

Please remember to have your Meet Marshals report to the Referee prior to the meet warm up. Meet warm up cannot start until the required number of meet marshals and the meet referee is on deck. The Meet Referee should list the meet marshals on the report submitted to Arizona Swimming following the meet. The Meet Marshal cannot be someone who is also coaching or performing another duty at the meet. Only verified Meet Marshals may wear the Meet Marshal vest. Starting January 1, 2014, all Meet Marshals must have the new vest and card to work as a Meet Marshal at an AZSI Meet.

The USA Swimming Operational Risk committee is working on a policy statement regarding concussions. We are one of the few major sports that does not have a policy. Although, concussions are infrequent in the sport of swimming, it still can happen. Be alert to the possibility any time a swimmer has hit their head or collided with another person in the water or in dryland activities. We will continue to monitor the injuries that have occurred in Arizona Swimming and provide prevention education as needed.

Committee members meet by teleconference. If anyone is interested on being on the committee, please have him or her email starreh@cox.net. I need a couple of more members and an Athlete reps for the 2013-2014 year.-The athlete nominated must be the team's athlete rep to be appointed to an LSC committee.

Starre Haney  
Safety Chair

## REPORT OF THE COACH REPRESENTATIVES TO THE MEMBERSHIP

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The primary goal of the coaches for the 2013-2014 season is to help Arizona Swimming define 'success' and to publicize the goals and achievements needed to be successful. Within our own clubs, it is not enough to say that we want to go faster or have more swimmers. The same can be said about an LSC, who can better serve their members by stating in detail what the vision is for the sport within the parameters of USA Swimming's core objectives. By sharing best practices of the coaches and clubs, and publicizing the goals of the LSC, we can redefine the relationship and create a stronger organization.

Towards that goal of defining the core objectives, the coaches worked together this past year to create and pass the 'Arizona Swimming Travel Fund' that will allow this LSC to once again financially support athletes who strive to achieve success at the highest levels of the sport. We can now say to our athletes and coaches that it is important for the LSC that our athletes dream big.

For the next year, the coaches' representatives will focus on the following three items, to strengthen their contributions to the LSC:

- Bring back the coaches' meetings at championships, to increase the communication between clubs. Previous meetings have led to valuable solutions on swimmer retention and age-appropriate competition.
- Support and actively work with coaches who are in leadership positions in the LSC, to maximize the value of board and committee chair positions.
- Work with the Arizona Swimming Board to facilitate completion of a VVMOST (Values, Vision, Mission, Objectives, Strategies, and Tactics) planning program for Arizona Swimming. The written plan will give coaches and membership an identifiable and published measure of goals.

We know that the LSC is improving by citing increased membership numbers, the addition of new teams, USA Swimming's decision to host international events here, and the introduction of stricter qualifying times for our championships. By empowering coaches to contribute towards the bigger picture, something larger than their own clubs, we can create more opportunities for success for our athletes.

Submitted by Kevin Zacher and Martin Reichgott

Arizona Swimming Coaches' Representatives

## **MANAGEMENT'S DISCUSSION & ANALYSIS FOR YEAR ENDING AUGUST 31, 2013**

As of August 31, 2013 AzSI had total assets of \$507,474 of which \$484,440 is held in the form of cash or near-cash investments. Of those assets, \$10,000 were Permanently Restricted as part of the Athlete Travel Endowment Fund.

### **Membership:**

During the fiscal year just ended membership increased by 13% over the prior year.

As of August 31, 2013 AzSI had 5,544 total athlete members, as compared to 4,886 and 4,712 at the end of fiscal 2012 and 2011 respectfully.

As of August 31, 2013 AzSI had 579 non-athlete members as compared to 496 and 519 at the end of fiscal 2012 and 2011 respectfully. Non-athlete members include all coaches, officials and certain other volunteers.

As of August 31, 2013 AzSI had 42 year-round clubs, 2 seasonal clubs and 1 organization member. unchanged from fiscal 2012.

For the fiscal year ending August 31, 2013 AzSI recorded 1,286 transfers by registered year round athletes from one USA Club to another. Of these transfers 892 were within Arizona. In the fiscal year ended August 31, 2012 AzSI recorded 1,342 transfers of which 994 were within Arizona.

AzSI collects on behalf of USA Swimming certain membership fees from athletes, non-athletes and clubs / organizations. AzSI also assesses a membership fee that is collected contemporaneously with the USA membership fees. During the year just ended, AzSI collected a total of \$372,296 in total membership fees of which it passed \$295,224 through to USA Swimming. In the last fiscal year AzSI collected \$320,528 in membership fees and passed \$252,604 through to USA Swimming.

During fiscal 2013, the expenses attributable to the production of the membership income were \$67,313 including depreciation.

By action of the House of Delegates of USA Swimming the registration fees will continue to increase at a rate of \$1 per year ending with the 2014 registration year. By action of the House of Delegates of USA Swimming the registration fees will increase by \$2 per year for a period of ten years beginning with the 2015 membership year. This increased revenue will be passed directly to USA Swimming and will not effect revenue available for programs at AzSI. While it is anticipated this revenue source will continue, revenue will continue to fluctuate with memberships levels.

### **Administration**

#### **Operations**

AzSI has been granted permission by USA Swimming to grant sanctions and approvals of certain swimming competitions. AzSI charges a fee for such sanctions or approvals. During the year just ended, AzSI issued approximately 100 sanctions and / or approvals, collecting revenue from those sanctions and approvals. \$6,662 in revenue from those sanctions and approvals.

## **Administration, continued**

AzSI collects the sanction or approval fee after the conclusion of the meet.

AzSI charges all registered athletes a surcharge when they participate in either a sanctioned or approved meet. Host Clubs collect the surcharge on behalf of AzSI and remit it subsequent to the conclusion of the meet. During the year just ended AzSI collected \$132,086 for such surcharges as compared to 2012 when we collected \$125,328 in surcharges.

While it is anticipated that income from sanctions, approvals, and surcharges will remain constant, it is dependent on the numbers of meets and splashes. See Athlete Travel Endowment discussion regarding increase in athlete surcharge fee.

### General

Under the standardization policy, AzSI generally orders medals for a two year cycle of state championships, regional and other AzSI meets including Fall League and 8 & Under Championships. In doing so AzSI was able to achieve substantial savings over the normal process of ordering medals and other awards for individual meets. In some cases the savings were greater than 50%. Teams hosting the AzSI meets covered by the standardization policy reimburse AzSI at cost for these medals plus freight.

During the year just ended, AzSI's expenditures exceeded revenues resulting in a net decrease in Net Assets by a total of \$3,752. The budgeted change in assets called for a decrease in assets of \$29,560. The difference between actual decrease and budgeted decrease was the result of unspent budgeted expenditure by many of the committees of Arizona Swimming.

## **Athlete Programs**

### Age Group Swimming

This year Age Group Swimming continued the program of providing reimbursements to clubs for actual costs of enhancing certain meets. Certain Regional, State Championship, Fall League as well as the 8 & Under Championship meets hosted by various Clubs are entitled to reimbursement of up to, in the case of State Championship meets \$2,500, 8 & Under Championship \$1,000 and regional and fall league championship meets \$500 each for extra costs incurred to enhance these meets. Reimbursement requires submission of receipts for actual expenditures.

For the fiscal year just ended total income, including interdepartmental allocations, for Age Group Swimming was \$34,550. Actual expenditures including meet enhancements and other program costs were \$26,771.

It is anticipated that funding for Age Group Swimming will remain relatively constant for the next year.

### Senior Swimming

During the year just ended the Senior Swimming continued its program of meet enhancements for certain meets as well as the funding of a college scholarship plan for AzSI athletes. Certain State Championship meets hosted by various Clubs are entitled to reimbursement of up to \$2,500 each for extra costs associated with these championship meets. The scholarship program provides a up to four \$1,000 college

## **Athlete Programs, continued**

scholarships to AzSI athletes who are graduating seniors, met certain requirements and are not swimming in a Division I or II NCAA college program. During the fiscal year, four \$1,000 scholarships were awarded.

For fiscal year just ended, senior programs had total income, including interdepartmental allocation was \$28,550. Actual expenses including meet enhancements and other program expenses totaled \$19,057. It is anticipated that funding for Senior Swimming will remain relatively constant for the next year.

### Athlete Travel Endowment

In April of 2013 the AzSI House of Delegates authorized the initial funding of \$10,000 as the initial funding of the endowment portion of the Travel Fund. That initial funding is not to be used for reimbursement of any travel expenses for athletes but as the initial funding for the endowment.

In April of 2013 the AzSI House of Delegates authorized an increase in the LSC Athlete Surcharge of one dollar, from five dollars to six. The increase is effective January 2014. The revenue generated from this increase will be divided equally between the endowment portion of the Athlete Travel Fund and that available for current reimbursement of athletes who qualify. Currently no procedure for the allocation and or distribution of available travel fund, if any, has been written or approved.

## **Operations**

### Equipment

Arizona Swimming owns and maintains various complete sets of Colorado Electronic Timing equipment for rental to member Teams and others. AzSI rents this equipment to its members for an amount substantially under the fair value rental rates for that equipment. During the fiscal year just ended equipment expenses after depreciation, were \$6,527. Revenue for period including interdepartmental allocation was \$15,223. Because of the sensitive nature of this equipment it is impossible to project in which period major expenditures for replacements or upgrades of such electronic equipment will be necessary. It is anticipated that funding for equipment will remain relatively constant for the next year.

### Officials Fund

The Officials Committee administers a Temporarily Restricted Fund (the "Fund") that can only be spent on Officials operations and training.

All officials volunteer their time to work sanctioned and approved meets and certain other meets. The Fund received revenue from the AzSI general fund, time trials and certain contributions. During the fiscal year just ended the total revenue for Officials Fund was \$19,645 of that, \$18,050 of total revenue came from the General Fund and \$1,595 from time trials. During the fiscal year just ended officials expenses were \$39,589.

In April of 2013 the AZSI House of Delegates authorized an increase in the Officials budget of approximately \$12,000. These funds will come from reductions in available budgets for other Arizona Swimming departments. Currently no allocation has been made or approved. It is anticipated that this level of support from the General Fund will continue.

### Legal Matters—Contingencies

Arizona Swimming, along with USA Swimming and others, has been named in a civil action filed in Maricopa County. While the case is ongoing and the outcome and any liability for AZSI can not be determined as of this date AZSI believes it has sufficient insurance to cover any possible future award. AZSI has retained counsel to represent it in this matter and will vigorously defend itself regarding this matter. During the year just ended AZSI incurred \$6,077 in legal fees and paid a \$10,000 retainer covering future legal fees. Other than the case noted above management knows of no other action pending or threatened litigation.

# **Arizona Swimming, Inc.**

(an Arizona Not-for-Profit Corporation)

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## **Cash Basis Financial Statements**

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August 31, 2013

November 5, 2013  
Phoenix, AZ

# Arizona Swimming, Inc.

(an Arizona Non-Profit Corporation)

## Statement of Assets, Liabilities & Net Assets - Cash Basis

August 31, 2013

Assets	Other Funds			Total
	General Fund	Officials Fund	Athletes Travel Endowment	
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Cash (Notes 1, 2, 6 & 8)	\$ 11,926	\$ -	\$ 10,000	\$ 21,926
Investments (Notes 2 & 8)	462,514			462,514
Equipment, net of depreciation (Note 1, 3 & 9)	4,733			4,733
Other assets and other prepaids (Note 14)	18,301			18,301
<b>Total Assets</b>	<b>\$ 497,474</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 507,474</b>
<b>Liabilities &amp; Net Assets</b>				
Liabilities (Notes 1 & 2)	\$ 392	\$ -	\$ -	\$ 392
Deferred revenue (Note 3)	-	-	-	-
<b>Total Liabilities</b>	392	-	-	392
Unearned revenue/contingencies (Note 3, 14)	-	-	-	-
<b>Total Liabilities and Unearned Revenue</b>	392	-	-	392
Unrestricted	497,082			497,082
Temporarily restricted (Notes 1 & 4)	-	-	-	-
Permanently restricted (Note 1 & 5)	-		10,000	10,000
<b>Net Assets</b>	497,082	-	10,000	507,082
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 497,474</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 507,474</b>



# Arizona Swimming, Inc.

(an Arizona Non-Profit Corporation)

## Statement of Revenue, Expenditures and Other Changes in Net Assets - Cash Basis

For the Twelve Months Ending August 31, 2013

	Other Funds			Total
	General Fund	Officials' Fund	Athletes' Travel Endowment	
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Net Assets</b>				
<u>Revenue</u>				
Registration dues and fees (Note 1 & 3)	\$ 372,296	\$ -	\$ -	\$ 372,296
Officials fund revenue (Note 4)		1,595		1,595
Athletes travel endowment (Note 5)				
Sanction fees & meet surcharges (Note 3)	138,748			138,748
Equipment rental revenue (Note 9)	5,000			5,000
Interest & miscellaneous income (Note 12)	9,449			9,449
Interdepartmental allocation		18,050	11	18,061
Total revenue	525,493	19,645	11	545,149
 <u>Required payments to affiliates</u>				
Membership payments made to USA Swimming (Note 3)	295,224			295,224
Revenue after required payments to affiliates	230,269	19,645	11	249,925
 <u>Expenses</u>				
Office & administrative expenses	36,070	6,482	11	42,563
Professional fees (Note 14)	5,202			5,202
Wages, salaries, benefits and related	78,998	13,029		92,027
Training, convention, meetings & travel	20,293	11,084		31,377
Program expenses	14,660			14,660
Meet enhancements	12,477			12,477
Scholarships	4,000			4,000
Office rent and related expenses	12,871	2,330		15,201
Awards, promotion & web site maint.	9,078	6,664		15,742
Depreciation and interest	2,366			2,366
Interdepartmental allocation	18,061			18,061
Total expenditures	214,076	39,589	11	253,676
Increase (decrease) in Net Assets	16,193	(19,944)	0	(3,751)
 <b>Net Assets at Beginning of Year</b>	 500,833	 0	 10,000	 510,833
 <b>Net Assets at End of Year</b>	 \$ 517,026	 \$ (19,944)	 \$ 10,000	 \$ 507,082

Internally prepared without audit. See footnotes to financial statements.

# Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

## Footnotes to Financial Statements

August 31, 2013

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### Note 1. Significant Accounting Policies

#### Nature of Activities

Arizona Swimming, Inc. (the "Organization") is an Arizona Not-for-Profit Corporation. The Organization is a member of USA Swimming, Inc. ("USAS") and as such, holds a designation as a Local Swimming Committee ("LSC"). In 1981 the Internal Revenue Service granted the Organization tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

USAS is the national governing body for competitive swimming in the United States. USAS was formed in 1978 with the passage of the Amateur Sports Act that specified that all Olympic Sports would be individually administered. In addition to the formulation and implementation of rules, policies and procedures, USAS, through a wholly owned subsidiary, provides general liability and excess liability insurance for its member clubs, member athletes and certain member non-athletes. USAS also provides its members with certain excess accident medical insurance through a third party insurer.

Currently, 59 Local Swimming Committees administer USAS activities within defined geographic areas. The Organization's defined geographic area is Arizona. As a result of its membership, the Organization is entitled to participate in the annual USAS House of Delegates meeting that decides on matters of rules, policies and procedures for the sport of amateur swimming in the United States.

All athletes training or competing in competitive swimming must be a currently registered member of Arizona Swimming / USA Swimming. Additionally, certain non-athletes who are either officials, coaches or hold other administrative positions within the various clubs or the Organization are required to be members of Arizona Swimming / USA Swimming and to complete certain safety, first-aid and background screenings along with other training.

As of the fiscal year-end, the Organization had 42 year-round clubs. Additionally, the Organization had 6,123 individual members, of whom 5,544 were athlete members and 579 were non-athlete members such as coaches, officials, and volunteers. This represents an increase in athlete members of 658, or 13.4%, and a increase in non-athlete members of 83, or 16.8% over the last fiscal year.

#### Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This method differs from generally accepted accounting principles primarily because the Organization has not recognized any memberships or fees receivable, accounts payable to vendors and their related effects on the change in net assets.

#### Basis of Presentation

Financial statement presentation follows recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required

# Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

## Footnotes to Financial Statements

August 31, 2013

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### Note 1. Significant Accounting Policies (continued)

to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of year-end, the Organization has no permanently restricted net assets.

#### Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Equipment and Property and Depreciation

It is the Organization's policy to capitalize equipment and property in excess of \$2,500 and depreciate it over its useful life. Equipment and property are stated at cost. The equipment is depreciated over its useful life using a declining balance method with an average asset life of five years. This method is similar to that used for income tax reporting purposes. Current tax law provides for immediate write off of certain capital equipment. The Organization has adopted that methodology for book and tax.

### Note 2. Cash & Cash Equivalents, Investments & Banking Relationships

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of year end the Company has no investments other than money market accounts.

Currently, all funds are in financial institutions located in greater Phoenix area. All institutions at which funds are deposited are insured by the Federal Deposit Insurance Corporation. See Concentration of Risk. (Note 7).

The Organization has an unsecured credit card line with a maximum credit line of \$25,000 with a financial institution in Phoenix, Arizona. The line of credit is renewable annually and calls for certain minimum monthly payments and provides for interest to accrue on the outstanding balance at a rate of 12.5% if funds have been drawn against the line of credit and are outstanding for more than 25 days. As of the end of the fiscal year there was a balance outstanding of \$368. Subsequent to year-end, that entire balance was paid within the grace period. Subsequent to year end, the Organization renewed this line of credit.

The Organization has entered into an agreement with a Phoenix based financial institution for a \$25,000 unsecured line of credit. Terms of the agreement provide for advances at the discretion of the Organization. Interest is payable on a monthly basis. Outstanding advances against the line of credit bear interest rate of 5.25%. As of year end there were no outstanding balances against the line. The line of credit will expire on September 11, 2013. Subsequent to year end, the Organization renewed its line of credit.

### Note 3. Membership Dues, & Various Other Revenue

#### Membership Dues

The Organization collects annual memberships throughout the year, although the majority of the membership dues are received in the fall in the form of athlete, club and non-athlete membership dues. Annual memberships purchased after September 1 of each year also provides membership for the next calendar year. During the year just ended, annual athlete memberships are \$61 of which the Organization

# Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

## Footnotes to Financial Statements

August 31, 2013

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### **Note 3. Membership Dues, & Various Other Revenue (continued)**

Annual memberships purchased after September 1 of each year also provides membership for the next calendar year. During the year just ended, annual athlete memberships are \$61 of which the Organization retains \$12. Athlete and Club seasonal memberships are available for a period of not more than 150 days. All memberships expire on December 31.

Because the Organization prepares its financial statements on a cash basis, the Organization does not defer income from membership fees and recognize it over the period to which the dues and fees apply.

A substantial portion of all membership fees collected by the Organization are payable to USA Swimming for membership by clubs, athletes and non-athletes in the national association.

Membership dues are payable by the Organization to USAS on behalf its members only upon receipt of membership registrations payments from the clubs, athletes or non-athletes. No liability for dues to USAS exists prior to the receipt of membership dues from members. As of year-end, the Organization had no material memberships due to USAS.

It is anticipated that this source of income will continue in the future.

#### Sanction and Surcharge Revenue

The Organization, in its capacity as the LSC, is responsible for sanctioning or approving swimming competitions. Generally, clubs registered with the Organization pay a fee for the issuance of the sanction or approval and each athlete participant will pay the Organization a surcharge to be entered in the competition. During the fiscal year ended August 31, 2011, the Organization generally charged \$50 for a sanction or approval and \$5 for each athlete registered in a competition. Effective in January 2014 the athlete surcharge will increase by \$1.00 (see footnote 4).

Subsequent to the conclusion of sanctioned events, the Clubs have 21 days to remit funds due to the Organization. As of year-end, no receivables which would have a material effect upon these financial statements existed.

This source of income is anticipated to continue.

### **Note 4. Temporarily Restricted Funds**

#### Officials' Fund

The Officials' Fund receives one half of funds collected for time trials at sanctioned competitions. This revenue is restricted to use in the Officials' Fund. During the year just ended such time trials provided \$1,595 in income for the Officials' Fund. The company's general fund provided \$18,050 of additional funding for the Officials Fund.

The Officials' Fund supports training of local officials as well as certain travel expenses of Officials to various national conferences, workshops and other special swimming events. The Officials' Committee of the Organization is responsible for selecting the conferences, workshops or event and the participants. During this past year the Officials' Fund relied on allocation of funds from the Organization general fund for much of its operations. Expenditures by the Officials Fund in the fiscal year just ended were \$39,589. It is anticipated that this level of support from the Organizations general fund will continue.

Beginning in fiscal 2014 the budget for the Officials Fund will increase by approximately \$12,000. Funding for this increase will come from a reduction in other departmental budgets. As of fiscal year end no allocation methodology has been made or approved.

# Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

## Footnotes to Financial Statements

August 31, 2013

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### **Note 5. Permanently Restricted Funds**

#### Athlete Travel Endowment Fund:

During the year just ended the Organization contributed \$10,000 to the Athlete Endowment Fund. Funds are solely for establishment of Athlete Gravel Endowment Fund and such fund has various restrictions. It is uncertain whether any level of support will be maintained.

In April of 2013 the AzSI House of Delegates authorized an increase in the LSC Athlete Surcharge of one dollar, from five dollars to six. The increase is effective January 2014. The revenue generated from this increase will be divided equally between the endowment portion of the Athlete Travel Fund and that available for current reimbursement of athletes who qualify.

Currently no procedure for the allocation and or distribution of available travel fund, if any, has been written or approved.

### **Note 6. Income Taxes**

As a result of the determination by the Internal Revenue Service that the Organization is tax exempt within the meaning of Section 501(c)(3) of the Internal Revenue Code, no provision for income taxes has been provided. In addition, the Organization qualifies for charitable contributions deduction under Section 107(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

### **Note 7. Donated Services**

Generally, under the terms of SFAS No. 116, *Accounting for Contributions and Contributions Made*, an organization would record the value of specialized services performed by its volunteers that would otherwise be purchased. Because of the use of the cash basis of accounting, no amounts have been reflected in the financial statements for donated general services. Many individuals volunteer their time and perform a variety of tasks for the Organization including various committee assignments, administrative duties and officiating at meets of various levels.

Additionally, certain professionals donate legal, accounting and tax services to the Organization. These professionals receive no compensation for their services other than reimbursement of certain out of pocket expenses. The value of these services for this year is estimated at \$3,000. While not reflected in the financial statements, this support is expected to continue.

### **Note 8. Concentration of Credit Risk**

The Organization maintains its cash balances in two financial institution located in Phoenix, Arizona. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each financial institution. At year-end the Organization effectively had no uninsured cash balances. The Organization has no other significant concentrations of credit risk.

### **Note 9. Equipment and Equipment Rental**

The Organization owns and maintains an extensive array of electronic timing equipment. The sole use of such equipment is the administration of swim meets. For a nominal fee, this equipment is available

# Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

## Footnotes to Financial Statements

August 31, 2013

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to any team for use in competitions hosted by that club. This equipment is also used at certain competitions run by the Organization. Major purchase of such equipment are capitalized while certain expendables such as cables etc. are expensed as a period expense.

### **Note 10. Operating Leases**

The Organization leases storage facilities in Tempe, Arizona from an unrelated third party for storage of the electronic timing equipment and other supplies. The lease for this facility is an operating lease. The lease is for a period of one year. Current rental expenses for that lease were \$1,892. It is expected this expense will continue.

The Organization leased office space in Phoenix, Arizona from an unrelated third party. The lease for the property is an operating lease with a term of two year with an expiration date of August 2014. For the year ending August 31, 2013 rental expenses on this lease was \$13,202. Subsequent to year end additional total remaining obligations under this lease are \$12,927 of which all is due within the next fiscal year. It is expected this expense will continue.

### **Note 11. Scholarships**

The Organization has a college scholarship fund whereby it may award four unrestricted \$4,000 college scholarships to athletes who have participated in competitive swimming for two years and are not going to continue their swimming at the NCAA Division I or II level. The scholarships are awarded to graduating High School Seniors by a committee appointed by the General Chair based upon applications for such scholarships as made by the athletes and reviewed by a committee. During the fiscal year just ended, \$4,000 in scholarships were awarded. It is expected that this program will be continued.

### **Note 12. Interest Income**

During the past fiscal year the Organization earned \$1,573 in interest on its investments. During such time all funds were FDIC insured. It is anticipated that this income will continue.

### **Note 13. Meet Standardization**

During the current year, the Organization acquired medals for the State Championship, Regional and other AzSI meets. Generally, these medals were purchased for a two year cycle. Host Clubs are required to purchase the medals for these meets at cost plus freight. As of year just ended, the Organization has \$1,123 in medals for next season. The Organization also maintains an inventory of officials attire. As of year end the Organization had \$3,901 of such attire.

### **Note 14. Legal Matters**

Arizona Swimming, along with USA Swimming and others, has been named in a civil action filed in Maricopa County. While the case is ongoing and the outcome and any liability for AZSI can not be determined as of this date AZSI believes it has sufficient insurance to cover any possible future award. AZSI has retained counsel to represent it in this matter and will vigorously defend itself regarding this matter. During the year just ended AZSI incurred \$6,077 in legal fees and paid a \$10,000 retainer covering future legal fees. Other than the case noted above management knows of no other action pending or threatened litigation.



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## 2012/2013 Board of Directors

Greg Dozer

Ron Corbin

Sharon Campbell

Erin Shields

Samantha Kramer

Scott Lathrop

Kevin Zacher

Laura Logan

Starre Haney

Paul Jacobs

John Womack

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## 2013/2014 Board of Directors

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Maureen Rankin

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Martin Reichgott

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Nick Mitchell

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