
ARIZONA SWIMMING



Annual Report

year ending August 31, 2019

ARIZONA SWIMMING INC

CONTACT INFORMATION

Office of Arizona Swimming and Executive Director

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Heather Zick, Registration/Membership Office of AZSI	h.zick@azswimming.org office@azswimming.org

Officers & Directors

<u>Name</u>	<u>E-Mail</u>
Kelly Logan, General Chair	generalchair@azswimming.org
Joe Zemaitis, Admin Vice Chair	adminvicechair@azswimming.org
Helen Casseday, Secretary	secretary@azswimming.org
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Alex Farlow, Age Group Chair	agegroup@azswimming.org
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David Brooks, Safe Sport Chair	safesport@azswimming.org
Kendall Carlson, Athlete Rep.	athleterep3@azswimming.org
Mackenzie Kester, Athlete Rep.	athleterep@azswimming.org
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Committee Chairs & Coordinators

<u>Name</u>	<u>E-Mail</u>
Carla Morelli, Sanctions Chair	sanctions@azswimming.org
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Sandy Lee, Board of Review Chair	office@azswimming.org
Courtney Werner, Diversity Chair	diversity@azswimming.org
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ARIZONA SWIMMING INC

2019 Annual Report to the Membership

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REPORT OF THE GENERAL CHAIR TO THE MEMBERSHIP

State of the Sport

State of the Sport

The past year has been grinding, exciting and overall has been plenty rewarding. The officers to the Board of Directors have remained in their official capacity since this letter last and have been working on the items of concern brought forward by this body in the recent past as well as items brought to us by USA Swimming

The recent implementation of MAAPP and the Flex Membership were the most notable changes during the fiscal year. Although MAAPP implementation proved challenging during the long course championship season, it quickly turned into a routine for meet hosts and the membership. With support from USA Swimming, AZSI held a Diversity, Inclusion, Adaptive Camp hosted by the AZSI Chairperson, Courtney Werner. AZSI athletes competed in AG Western Zones. Preparations began at the end of this fiscal year to prepare for the All Star Meet with San Diego Imperial in Yuma in January 2020 which has created excitement.

With the quadrennial budget coming in the next year AZSI has changed the accounting and budgeting tools to a software that is much easier to use for all parties involved. As a result of this conversion it has brought to light some areas of expenditure and budgeting that is being addressed to ensure that the monies of AZSI are being utilized in the most productive manner available. It is hopeful that the new tools will be useful for all committees to have an understanding of their respective budget, and the overall tracking of expenses.

Over the past two years, USA Swimming presented a new 'By-Laws' template for all LSC's and had instructed that each LSC complete their new By-Laws by Dec 31, 2019. Therefore over the past 6 months members of the By-Law committee have worked tirelessly on transforming the provided template and merging with our existing By-Laws into what will be our new By-Laws for AZSI. These new By-Laws will make our operations more efficient and provide structure for succession planning.

We are continuing to evaluate the needs, direction and paths of implementation for certain requested changes ie...website and social media involvement. We have had discussions with website hosting companies as well as companies that will do a complete migration of our site to a new website. As always your input is greatly appreciated.

The Board of Directors, office staff, committee chairs and other volunteer are asked to be open to new ideas and to your concerns that involve this LSC and its many members. Your input is greatly encouraged and appreciated.

As always, if you have any questions, ideas and/or concerns, please feel free to contact me.

Kelly Logan
General Chair

State of the Sport

Arizona Swimming started this year in boxes with the moving van moving across town just a few miles. This move has enabled AZSI to hold meetings in our offices, increase our footprint and broaden our ability to serve our unique membership.

Arizona Swimming volunteers have been busy traveling to a variety of destinations to learn and share ideas with other LSC's. AZSI was represented at various workshops and conferences held from September 2018 through August 2019. Joal Miller and Jeremy Pickles represented AZSI Officials at the Referee Clinic held in Texas, November 2018. David Brooks attended the 2019 Safe Sport Leadership Conference held in Colorado in January. The Leadership Summit held at the Olympic Training Center was attended by athlete Sammy Buttermore and Coach Alexandra Popa in April. Also in April, Western Zones Workshops were attended by Courtney Werner, Diversity Chair; David Brooks, Operational Risk Management/Safe Sport Chair; Joe Zemaitis, Admin Vice Chair; and Tom Oliver, Officials Chair. The Officials Chair workshop was attended by Tom Oliver as Officials Chair in June. Kelly Logan, General Chair attended the General Chair's Zone meeting in August in California.

AZSI's Safe Sport Fellow, Lucy Matson hosted the Safe Sport Meet held in December at Oro Valley Aquatic Center. This relay meet was open to all members aged 10-14 and focused on the five pillars of Safe Sport: Boundaries, Accountability, Inclusion, Culture, and Respect. Lucy did an outstanding job organizing and hosting.

Diversity and Inclusion Chair, Courtney Werner hosted the first ever Diversity, Inclusion and Adaptive Clinic held at Scottsdale Aquatic Center in June. The guest speaker Tye Dutcher, member of the 2016 Paralympic Olympic Team bronze medalist inspired the athletes to be inclusive and accepting of their differences. AZSI Athlete Grace Hueber, USA Swimming Diversity Fellow gave a presentation on Diversity/Outreach.

Arizona Swimming was well represented at the September 2018 USA Swimming Convention in Dallas, Texas, by Kelly Logan (General Chair), Joe Zemaitis (Admin Vice Chair), Tom Oliver (Officials Chair), JP Greener (Athlete National Committee Member), Grant Sugaski (Athlete National Committee Member), Lucy Matson (Athlete Representative), Alex Farlow (Age Group Chair), and Jeff Leid (Senior Chair).

Congratulations to the recipients of the 2019 Arizona Swimming College Scholarship competition. The recipients, Daniel Brooks (MAC) and Justin Marbach (PSC) were represented their scholarship awards at the Spring House of Delegates meeting.

Congratulations to Arizona Swimming clubs who have achieved Club Excellence Medals in 2019: Scottsdale Aquatic Club - Silver; Tucson Ford Dealers - Silver; and Phoenix Swim Club - Bronze.

Congratulations to recipients of the AZSI Club Incentive Awards presented in November 2018: Large Clubs: MAC, 1st Place; RIO, 2nd Place; Small Clubs; ASG, 1st Place; SCCS, 2nd Place; SMAN, 3rd Place.

Arizona Swimming currently holds the LSC Leap 3 recognition in the LSC Evaluation and Achievement program after renewing Leap in 2019.

The Arizona Swimming Board of Directors, Committee Chairs and Committee members along with scores of volunteers continue to bring about programming advances in addition to continuing to build on already established Arizona Swimming policies and traditions. Congratulations to Greg Dozer (ASG) and Lisa Fail (FORD) Arizona Swimming Volunteers of the Year at the spring AZSI House of Delegates meeting.

Darian Townsend (YWSF) was voted as Senior Coach of the Year and Mark Van Voorst (HEAT) was voted the Age Group Coach of the Year. These awards were presented at their respective spring championship meets. Congratulations to these two outstanding coaches.

AZSI continues to grow and change with new ideas brought forth and implemented by scores of volunteers dedicated to every athlete and promotion of the sport of swimming.

Carla Morelli
Executive Director

REPORT OF THE AGE GROUP CHAIR TO THE MEMBERSHIP

State of the Sport

Arizona Swimming sent 22 swimmers and 3 coaches to the Western Zone Championships in Mount Hood, Oregon. We had several swimmers place in the top 3 and had exciting relays. Age Group Committee would like swimmers to be able to enter the Western Zones meet again. The Western Zone meet will be in Oregon August 5-8 2020, jointly hosted by Snake River and Inland Empire.

Arizona Swimming is also hosting a dual meet with San Diego Imperial January 4-5, 2020 held in Yuma. Coaches and Team Manager have been selected. Swimmer applications were due on November 5th and swimmers were notified by November 12, 2019.

For Junior Olympics, the new format with prelims/finals for 13&overs and timed finals session for 12&unders has received positive feedback. Sessions for the swimmers and their families all stayed within the 4 hour timelines. Age Group Committee is working with technical to evaluate the short course meet calendar since many of the meets are concurrently stacked.

In 2019, the short course Age Group State meet was held in Goodyear with 734 swimmer. The Long Course meet was held in Oro Valley with 582 swimmers. The meet participation was flat with short course being slightly higher and long course being slightly lower; less than a 2% difference in each meet from the previous year.

Our participation in the 8&under championships was down again with 192 swimmers in 2019. In previous meets, there were 216 athletes in 2018 and 234 athletes in 2017. In September, the board voted to change the name of the 8&under Championship to 8&under Spring Finale to promote younger levels to swim year round. There were also discussions on making the 8&under meet twice per year, including a Fall Finale.

Alex Farlow
Age Group Chair

TREASURER REPORT FOR YEAR ENDING AUGUST 31, 2019

As of August 31, 2019 Arizona Swimming, Inc. ("AzSI") had total assets of \$650,695. The net assets of AZSI consisted of \$501,691 for the General Fund and \$149,004 for the Athlete Travel and Endowment.

Membership:

During the fiscal year just ended overall athlete membership decreased by 70 athletes, however year round membership rose by 1.5%. This was likely due to the introduction of Flex Membership providing a low cost alternative for over 500 athletes. During the same period, non-athlete membership also decreased slightly by nine members. Membership options were increased to allow for Jr. Coach Members/Dual Athlete-Non-Athlete Membership in addition to the Flex Membership option. These options continue for the current fiscal year.

As of August 31, 2019 AZSI had 5720 total athlete members, as compared to 5,793 in 2018. Athlete members include all classes of athlete membership.

As of August 31, 2019 AzSI had 574 non-athlete members as compared to 582 in 2018. Non-athlete members include all coaches, officials and certain other members.

As of August 31, 2019 AzSI had 46 year-round clubs as compared to 45 clubs in 2018.

For the fiscal year ending August 31, 2019 AzSI recorded 1146 transfers by registered year round athletes from one USA Club to another. Of these transfers 739 were between Arizona clubs.

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 \$424,093 in total membership fees of which it passed 342,325 through to USA Swimming.

During fiscal year just ended, the expenses associated with membership income were \$66,479.

While it is anticipated this revenue source will continue, revenue will continue to fluctuate with memberships levels. Additionally, USA Swimming has added additional registrations options such as adding Flex membership, Jr Coach Membership and the ability for a non-athlete to also be an athlete member at no additional charge. These changes do affect AZSI income.

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 fiscal year just ended, AZSI issued approximately 115 sanctions and / or approvals, collecting revenue from those sanctions and approvals \$6350 in revenue from those sanctions and approvals. AZSI collects the sanction or approval fees after the conclusion of the meet.

Treasurer Report, continued

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. A portion of the athlete surcharge collected goes directly to the Athlete Travel & Endowment Fund. During the year just ended AZSI collected, in total, \$176,144 for meet surcharges.

General

Under the standardization policy, AZSI provides all awards for State Championships, Junior Olympics and the 8 & Under Championship. In doing so AZSI is able to achieve substantial savings over the normal process of ordering medals and other awards for championship meets. In addition to athletes, volunteers are recognized with customary recognition awards. During the year just ended, AZSI expended \$19,064 for awards.

During the year just ended, AZSI's expenses exceeded revenue resulting in a net decrease in Net Assets by approximately total of \$36,256.

Scholarship

During the year just ended, the Senior Swimming continued its program of granting two \$2000 scholarships to Arizona graduating high school seniors who are continuing their education. During the year just ended, both scholarships were awarded.

Treasurer Report, continued

Athlete Travel and Endowment

One dollar of each meet surcharge fee is to be split between the endowment fund and a fund that may be used to reimburse certain qualified athletes for expenses incidental to their competition at certain predetermined national level swimming meets. The equal split of the funds will continue until the Endowment meets a certain threshold, and subsequently, with the permission of the Travel Committee and the concurrence of the AZSI Board of Directors, the funds may be all allocated to the travel portion of the Fund. The adopted policy also specified that the travel fund bear all the cost associated with the administration of the Athlete Travel/Endowment Fund.

During the fiscal year just ended, the Travel Fund received \$28,652.50 from meet surcharges. As of fiscal year end, the Travel and Endowment fund had assets of \$167,799. Athlete travel reimbursement was not awarded during the fiscal year.

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 @, or substantially under, the fair value rental rates for that equipment.

During the fiscal year just ended equipment expenses were \$3286. Rental income was \$2050.

Officials

All officials volunteer their time to work sanctioned and approved meets and certain other meets. . Officials generated time trial revenue of \$2,175. Contributions, cash in-kind were \$2,882.

Legal Matters - Contingencies

Management of AZSI has resolved certain actions which were pending or threatened against AZSI by the IRS for late filing of 990 -Tax Forms.

Arizona Swimming, Inc.
Abstract of Financial Data
For the Twelve Month Ending AUGUST 31, 2019

Abstract of Revenue, Expense, & Other Changes in Net Assets - Cash Basis

		(1)	(2)	(1) - (2)	
	Combined Current	Combined	Travel Fund &	AzSI	
	Month	Year to Date	Endowment	Current	
	Actual	Actual	Actual	Year	
				Actual	
Total revenues	\$6,564	\$625,157	\$0	\$625,157	
Total payments to affiliates	a	342,325	0	342,325	
Revenue after payments to affiliates	6,564	282,832	0	282,832	
Total expenses	b	41,347	319,088	0	319,088
Net increase (decrease) in Net Assets		(\$34,783)	(\$36,256)	\$0	(\$36,256)

Additional data

a. Amount due to USA Swimming paid in subsequent month \$1,600
b. Amount of other expenses for January payable in February

Abstract of Balance Sheet Data, Cash Basis

Description	(1)	(2)	(1) - (2)
Assets	Total Balance	Travel Fund &	AzSI
		Endowment	Current
Cash & other current assets	\$646,702	\$149,004	\$497,698
Net fixed assets	3,993		3,993
Other assets	0		0
Total Assets	\$650,695	\$149,004	\$501,691
<u>Liabilities & Net Assets</u>			
Liabilities	\$150		\$150
Total net assets	650,545	149,004	501,541
Total Liabilities & Net Assets	\$650,695	\$149,004	\$501,691
DRAFT - SUBJECT TO ONGOING AUDIT			

Unaudited - for Management Purposes Only - Not for Distribution.
O:\Bottom Line Business Solutions\8-2019 Financials for BOD.xlsx

Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

Notes to Financial Statement

August 31, 2019

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, athlete protection training and background screenings along with other training.

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 generally 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 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.

Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

Notes to Financial Statement

August 31, 2019

Note 1 continued:

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. As of the end of the fiscal year, all assets were fully depreciated.

Note 2. 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 \$72 of which the Organization retains \$12. Athlete and Club seasonal memberships are available for a period of not more than 150 days.

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

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

A substantial portion of all membership fees collected by the Organization are payable to USA Swimming ("USAS") 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.

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, 2019, the Organization generally charged \$50 for a sanction or approval and \$6 for each athlete registered in a competition during the short course season. The surcharge was raised to \$8.00 for the 2019 Long course season beginning on or around April 1. Use of \$1 of the surcharge is for use in the Athletes Travel Fund.

After 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.

Arizona Swimming, Inc.

(an Arizona Not-for-Profit Corporation)

Footnotes to Financial Statement

August 31, 2019

Note 4. Temporarily & Permanently Restricted Funds - Athlete Travel

Athlete Travel & Endowment Fund:

The Organization adopted a program and policy to partially reimburse certain qualifying athletes travel to certain national level meets. The program is funded by a one dollar from the Meet Surcharge. The one dollar increase is by policy divided equally between the Fund for Current Payment fund and the Travel Fund for Future payments. The adopted policy also specified that the travel fund bear all the cost associated with the administration of the Athlete Travel Fund.

Note 5. 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 to any AZSI team for use in competitions hosted by that club.

Note 6. Scholarships

The Organization has a college scholarship fund whereby it may two unrestricted \$2,000 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. During the fiscal year just ended, both \$2,000 scholarships were awarded.

Note 9. Interest Income

During the past fiscal year the Organization earned minimal interest on its savings accounts.

Note 10. Legal Matters

Management of AZSI has resolved previously pending or threatened actions against AZSI by the IRS for late filing of 990 Tax Forms.



