



**2016**

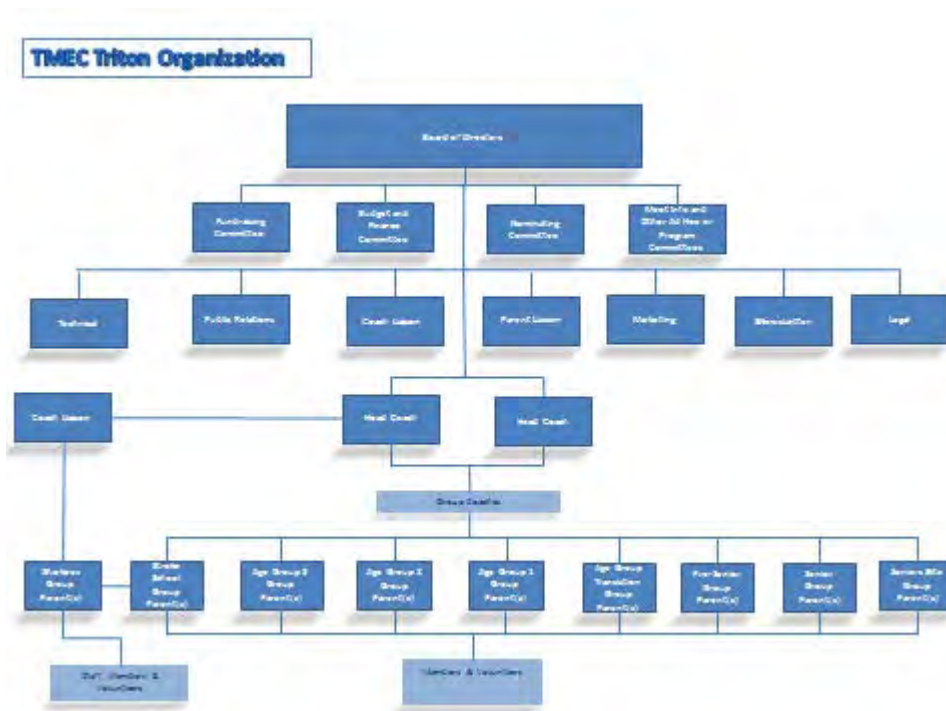
**Annual Report**

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# Executive Summary

The business aspect at TMEC in 2016 has been very successful. The year can be highlighted as one of implementation, organization, and communication. TMEC is structured as a business; it has grown and evolved to what is on the verge of becoming a premier club.



First thing on the agenda for 2016 was to conduct an audit by an independent third party to find out exactly where the club was financially. Next was to work to insure Legal-Directors & Officer insurance was in place. A Murrieta business license was obtained, and Coaches contracts put in place. All this was to assure compliance with the IRS as a non-profit 501(c) (3) organization.

As for implementation, the next major undertaking was to put much needed recommend policy in place for proper governance. Following USA swimming recommendation as part of the Club Recognition program, (14) such polices where implemented. The policies were handed down from USA Swimming, modified to fit specifically to California law and tailored for TMEC. We were in advance of the requirement to implement the concussion policy issued by the state of California. All policy was then reviewed by the legal department. Most noteworthy is our 2016 Handbook which contains the vision, club policy and a wealth of information.

The goal of 2016 is a new image. A website was designed so that users could find information and communicate in one location. TMEC changed its domain from .COM to .ORG and presented a new image. TMEC obtained ownership of its logo and trademarked thus setting the stage for advertisement, sales of apparel, new donations and sponsorship. Taking advantage of the social media network, a public Facebook site was opened as a means of free advertisement.

2016 is marked by club organization. A business structure was created to facilitate club operation following known business practice. TMEC has grown from 189 swimmers to as high as 398, most swim clubs average about 180 according to USA Swimming. Membership is holding steady at around 320 families and 350 swimmers.



More than (33) initiatives were implemented or close to completion in 2016. Most noteworthy, communication was established by such means as a Club ENewsletter as well other ways of communicating throughout the membership. Programs such as New Parent Orientation to educate parents and Parent Liaison, and Group Parents were created to make a means for parent to communicate and be informed.

Lastly, the platform of 2016 was to be transparent. It was always the intention to have an informed membership of which the Board of Directors can communicate. Concerning TMEC, and true with any business, certainly growth is necessary. The Club is in transition to a higher level and with that comes growing pains. In 2016 the foundation has been set and the club is positioned to take full advantage of its 501(c)(3) status. TMEC is a wonderful swim club, has great potential, and the future looks bright.

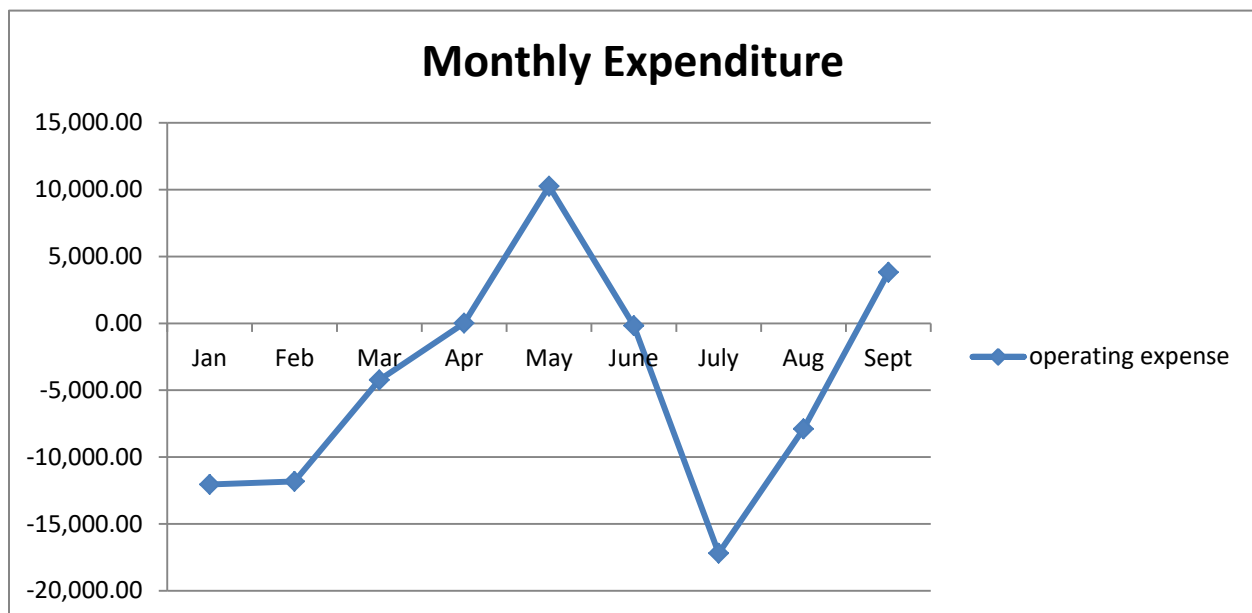
## Operating Review

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Due to the condition of the books, figures could not be used or trusted from January to May. The board consulted with two accounting companies and chose one that was most readily available for the club needs ongoing and as well cost effective. These accounting firms were hired to correct the bad accounting practices which included changing from Accrual to Cash Basis accounting. The first firm failed to sort out the accounts due to time constraints and commitment but the second one was able to restructure to better track finances.

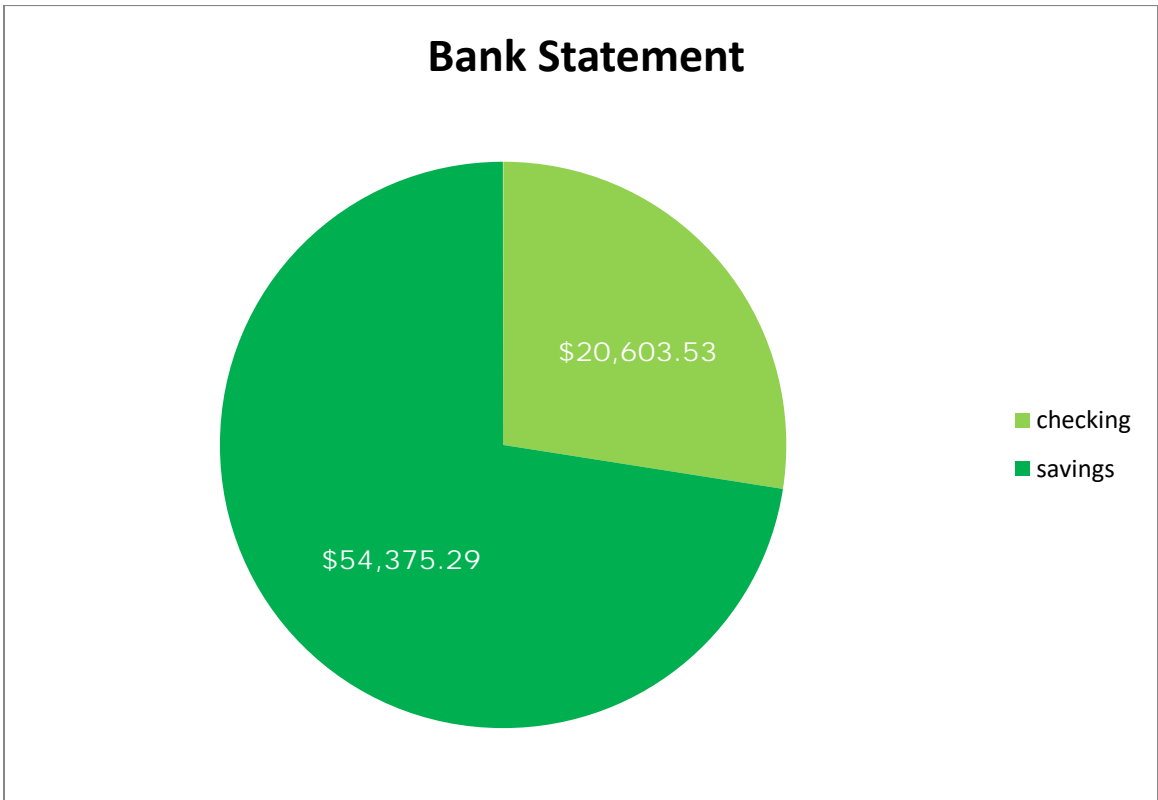
The monthly operating expense for TMEC averaged about \$45,000 a month with a fluctuation between a plus \$10,000 to a minus \$15,000. Using a base figure of \$41,619.23, taken from San Diego County Credit Union (SDCCU) January's bank statement and while the books were being corrected, the Board and Coaching staff closely monitored monthly profit and loss confirmed with the months bank's checking account statement.

The base amount is determined by the amount of \$95,976.43 (total bank account) minus \$54,357.20 (savings). This is the true operating expense account of TMEC. The spike was our May hosted meet and the dip in July was primarily senior travel which the club fronted and then recovered. The profit/loss for September is \$3,816.91.

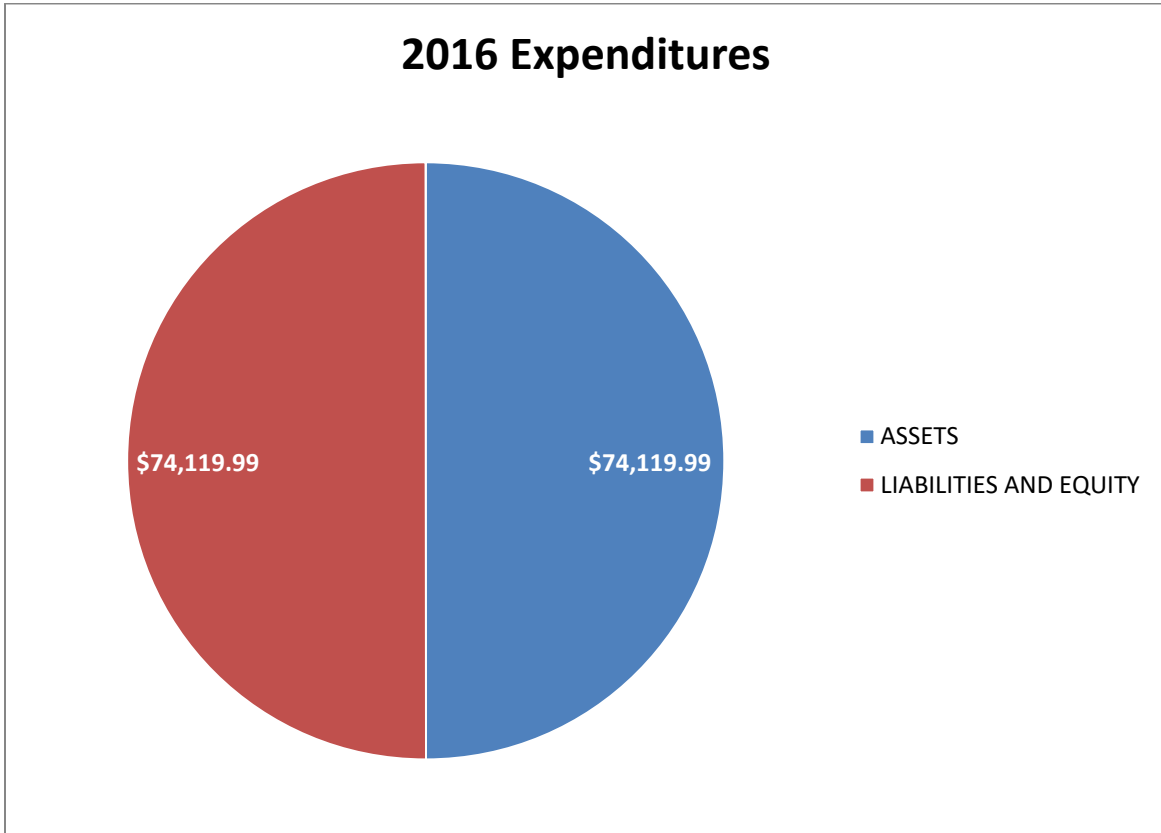


**\$54,375.29** has been sitting in a standard savings account earning .20% interest for some time and has earned TMEC \$24.94 during this term. With accurately tracking account and the ability to forecast with a tight budget, this money should be considered for some type of investment to earn a higher yield to reinvest in the Club.

TMEC finances are deposited in San Diego County Credit Union. The TMEC statement as of Oct 17, 2016.



Assets and Liabilities (Balance Sheet)



As represented by \$0 in the balance sheet are place holders for future accounts and pass through accounts.

Temecula Tritons Swim Club Balance Sheet As of October 6, 2016		Total
<b>ASSETS</b>		
Current Assets		
Bank Accounts		
Bill.com Money In Clearing		6,435.54
Bill.com Money Out Clearing		-1,285.17
Chase Account		0
Chase Account Credit Recvd		0
Total Chase Account		0
Chase CD		0
Petty Cash		376
SDCCU Checking		16,286.71
SDCCU Savings		54,375.29
Sharkeze Paypal		0
Total Bank Accounts		\$76,188.37
Accounts Receivable		
Accounts Receivable (A/R)		-3,017.50

Total Accounts Receivable	\$ -3,017.50
Other current assets	
Allowance for bad debt	0
Swim Dues	0
Travel Meet Fees	0
Total Allowance for bad debt	0
Apparel Inventory	0
Other Receivables	0
Prepaid Expenses	0
Prepaid Pool Rent	0
Uncategorized Asset	0
Undeposited Funds	832.5
Total Other current assets	\$832.50
Total Current Assets	\$74,003.37
Fixed Assets	
Machinery & Equipment	116.62
Total Fixed Assets	\$116.62
<b>TOTAL ASSETS</b>	<b>\$74,119.99</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	0
Total Accounts Payable	\$0.00
SDCCU Credit Card	-818.36
Total Credit Cards	\$ -818.36
Other Current Liabilities	
Accrued Expenses	0
Direct Deposit Payable	0
Payroll Liabilities	
CA PIT / SDI	0
CA SUI / ETT	827.31
Federal Taxes (941/944)	-2,098.19
Total Payroll Liabilities	-1,270.88
Pool Rent Payable	0
Sharkeze - A/P	0
Total Other Current Liabilities	\$ -1,270.88
Total Current Liabilities	\$ -2,089.24
Total Liabilities	\$ -2,089.24
Equity	
Opening Balance Equity	0
Retained Earnings	105,863.07
Net Income	-29,653.84
Total Equity	\$76,209.23
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$74,119.99</b>

## Profit and Loss

For TMEC the two largest expenses are **water** and **coaches wages**.

### Water:

Community Recreation Center (CRC):	\$18,910.12
Chaparral High School (CHS):	\$19,402.19
Murrieta Mesa High School (MMHS):	\$27,615.38
Drop zone:	\$4,500.00
Water paid to date total this year.	<b>\$70,427.69</b>

The standard hourly rates by location:      CRC: \$26.45                      CHS: \$36.00                      MMHS: \$40.00

The city of Temecula has historically been behind on billing 9 to 12 months at the CRC for many years. With the city budget tightening they have billed TMEC in September to bring the pool expenses near current by the end of the year. TMEC in essence is paying twenty months of water in one year. In addition, the CRC increased its hourly rate from \$22.00 to \$26.45.

Last year's CRC water for period Jan 15 to Oct 15 in the amount of \$18,910.12 was paid January 28, 2016. November 2015 to August 2016 invoice was received Sept 2016 in the amount of \$21,691.32 for water and \$3,052.01 (part of the Jan. invoice overlooked by the city) as well as a \$1,270 non-resident fees has been paid. A total of \$18,639.31 will be paid before December 31<sup>st</sup>.

### Coaches:

**Total Wages and taxes paid:                      \$181,325.23**

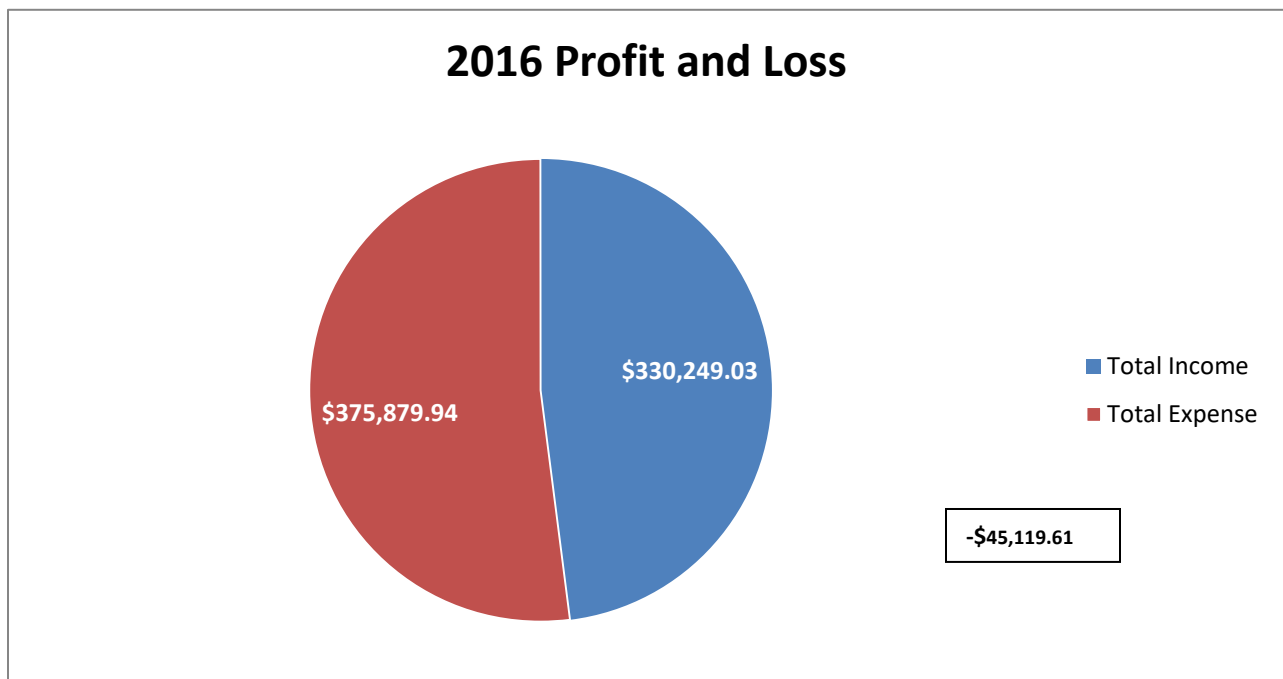
Coaches summer program (Great Oak):  
**Expense    \$ 9,082.60**

## Deficit

Starting with a base of **\$112,797.54** (saving and checking from December 2015) and subtracting the bank account total at the time the accounting firm gathered information for this report, Sept 1<sup>st</sup> which was \$67,677.93, we show a deficit of **-\$45,119.61**.

If we subtract the CRC water bill from 2015 (Jan to Sept rental and an additional Oct rental for a total of \$21,525.70) the deficit would be -\$23,593.91. TMEC absorbed this inherited bill and continued to press forward with operations.

The Board of Directors reasoned that with initiatives in place, the May Hosted Meet, and the summer program, the negative numbers would be recuperated which has happened. Figures are reconciled and we understand the deficit is a business expense that is being managed with plans of implementation.





**Temecula Tritons Swim Club**  
**Profit and Loss**  
**January - September, 2016**

**Total**

**Income**

Fundraising	3,519.57
Hosted Meet Income	
Meet Entry Fees	10,336.50
Vendor Payout	170.00
<b>Total Hosted Meet Income</b>	<b>\$10,506.50</b>
Meet Entry Fees	30,812.50
Meet Travel (Pass Through Costs)	12,062.20
Membership Fees	
Late Fees	-105.00
Monthly Dues	217,726.63
<b>Total Membership Fees</b>	<b>\$217,621.63</b>
Non Profit Income	
Apparel Sales	240.00
Apparel	7,504.83
Apparel - Pass Through Cost	1,742.21
<b>Total Apparel Sales</b>	<b>\$9,487.04</b>
Donations	-92.00
Misc	300.00
Sponsorship	223.15
<b>Total Non Profit Income</b>	<b>\$9,918.19</b>
Registrations	
Team	
LongCourse*	10,398.68
ShortCourse	5,089.19
<b>Total Team</b>	<b>\$15,487.87</b>
USA Registrations - In	1,743.00
<b>Total Registrations</b>	<b>\$17,230.87</b>
Shark Attack Income	19,378.86
Sharkeez Swim School Income	305.54
Unapplied Cash Payment Income	1,370.71
Uncategorized Income	4,497.46
USA Swimming Travel Grant	3,025.00
<b>Total Income</b>	<b>\$330,249.03</b>
<b>Gross Profit</b>	<b>\$330,249.03</b>

**Expenses**

Advertising	2,105.80
Advertising/Promotional	59.25
Annual Banquet/Meeting	
Refreshments	2,443.72
Team Awards	263.10

<b>Total Annual Banquet/Meeting</b>	<b>\$2,706.82</b>
Apparel Purchases	18,619.80
Bad debt	44.00
Bank Charges	84.00
Credit Card Processing Fees	3,393.91
NSF Fees	10.71
<b>Total Bank Charges</b>	<b>\$3,488.62</b>
Bill.com A/R & A/P Mgmt	949.62
Dues & Subscriptions	168.32
Cont. Education	120.50
USA Swimming Membership	8.00
Athlete Renewal	1,798.00
Registrations - Out	33.00
Athlete	188.00
<b>Total Registrations - Out</b>	<b>\$221.00</b>
<b>Total USA Swimming Membership</b>	<b>\$2,027.00</b>
<b>Total Dues &amp; Subscriptions</b>	<b>\$2,315.82</b>
Equipment	2,977.90
Gifts	28.23
Hosted Meet Expenses	144.25
Hospitality	12.95
Meet Official/Admin Fees	1,511.00
Snack Bar	1,676.02
<b>Total Hosted Meet Expenses</b>	<b>\$3,344.22</b>
Insurance	2,366.17
Legal & Professional Fees	2,899.65
Meals and Entertainment	477.86
Meet Entry Fees - Out	35,454.97
Office Expenses	3,156.00
Post Office Box Rental	106.00
Postage	151.56
Room Rental - Meeting	144.00
Web Hosting	997.23
<b>Total Office Expenses</b>	<b>\$4,554.79</b>
Payroll Expenses	152.10
Taxes	14,374.02
Wages	
Bonus	4,886.66
Commission	450.30
HeadCoach	
Salary	66,155.01
<b>Total HeadCoach</b>	<b>\$66,155.01</b>
Health Ins Stipend	3,286.24
Meet Travel	7,800.00
PTCoach	
Regular Pay	71,461.54

<b>Total PTCOach</b>	<b>\$71,461.54</b>
<b>Total Wages</b>	<b>\$154,039.75</b>
Workers Compensation	12,759.36
<b>Total Payroll Expenses</b>	<b>\$181,325.23</b>
Refunds	100.00
Reimbursements	
Cell Phone (Bus Use)	1,176.24
Mileage Reimb.	4,433.92
Reimbursement	1,968.75
<b>Total Reimbursements</b>	<b>\$7,578.91</b>
Rent or Lease	
Pool Rental	70,427.69
Storage	1,628.15
<b>Total Rent or Lease</b>	<b>\$72,055.74</b>
Repair & Maintenance	349.56
Supplies	120.64
Taxes & Licenses	1,689.00
Training Expense	330.00
Travel	5,707.05
Fuel	571.96
Lodging	19,369.69
Transportation	3,826.68
<b>Total Travel</b>	<b>\$29,475.38</b>
Travel Meals	373.02
Uncategorized Expense	88.94
<b>Total Expenses</b>	<b>\$375,879.94</b>
<b>Net Operating Income</b>	<b>-\$45,630.91</b>
Other Income	
Interest Earned	20.40
Reimbursed Expenses	54.00
<b>Total Other Income</b>	<b>\$74.40</b>
Other Expenses	
Reconciliation Discrepancies	-436.90
<b>Total Other Expenses</b>	<b>-\$436.90</b>
<b>Net Other Income</b>	<b>\$511.30</b>
<b>Net Income</b>	<b>-\$ 45,119.61</b>

## Department of Labor

A major future expense initiated by the Federal Government that will affect our coaching staff and TMEC is the Overtime Final Rule. On May 18, 2016, President Obama announced the publication of the Department of Labor's final rule updating overtime regulations.

This new rule, which goes into effect December 1, 2016, will automatically extend overtime pay protections to over 4 million workers. This action will impact nearly every employer in America, including USA Swimming member clubs. This impacts both our Head Coaches in regards to time spent at meets. The 2016 Board of Directors took this ruling into consideration in the calculation for members' dues increase.

## Dues Increase

Having determined a membership count, correctly charting accounts, and any cost savings, the Board has carefully considered operations for the past months, and we have projected operation costs for the upcoming year. As confirmed, unfortunately expenses have risen to outpace current incoming dues and fundraising. While there is enough to cover expenses for the remainder of the budget year, we found it necessary to take concrete steps in an attempt to remove our deficit that has been occurring monthly for the past few years. For this reason, during the September 19<sup>th</sup> Board of Directors meeting, the vote was cast and recorded in the minutes to raise membership dues to offset rising costs, with fundraising as a considerable contribution.

The Directors then determine how to best implement the Club dues increase. This will be the first increase in membership dues since 2014, and will cover the many rising costs associated with water rental, paying for (3) pools all in the same year, janitor and life guard requirements, increased coaching staff along with coaches' salaries due to minimum wage increases, taxes, and insurances, along with the desire to offer additional services to members. The goals and plans which were presented by the Board, Coaching staff and membership are ambitious and will need added revenue to bring into reality.

Accordingly, the Board concluded that an increase of 19% to 25% is necessary to sustain, with a slight cushion, proper operation at the current level and up to the level a club our size offering should be, while staying competitive with surrounding clubs.

### Overview:

Due to the Summer Olympics this year, TMEC experienced a surge of swimmers and our totals are higher than ever topping out at 395, a club record. Unfortunately, historical data proves this number is unsustainable all year long. Therefore, we have adjusted the total to 337, a 15% or 49 swimmer reduction (to reflect a loss of swimmers during the winter months). This value will reflect a closer average yearlong total and will serve as the total swimmer base calculation value (337).

### Numbers:

Based on an equal swimmer count of 337 in the new group structure and attendance, current monthly dues total are \$30,645. Adjusting for proposed dues increase, the monthly total is \$36,510. This reflects an increase of \$5,865 per month.

Our current monthly dues based upon 395 swimmers in the old group structure, and attendance, are at \$33,920. Proposed dues increase total is \$36,510 based on 337 swimmers in new group structure. This reflects an increase of \$2,590.

Our current revenue per swimmer based on 337 and current dues of \$30,645 is \$90.94.

Proposed revenue per swimmer based on 337 and new dues of \$36,510 is \$108.34.

This represents an average increase of \$17.40 or 19.13%

### Increase execution:

The increase is going to be split in two increments. Following is the timing of the increase.

The initial notification of dues increase was announced at the Mandatory Membership Meeting on September 6, 2016.

A written notice to membership was sent by email on October 1, 2016.

The first increase, half of the full increased amount, due on December 1, 2016.

The second increased half is due on January 1, 2017.

All measures are fully explained in the October 1<sup>st</sup> ENewsletter Issue 7S.

## Fundraising

Fundraising is a huge financial aspect for the club. As referenced in the TMEC Handbook, at the beginning of each season (short and long course), every family (no matter what group/level) are responsible for a seasonal \$100.00 fundraising fee. The Board waved the season fee for first part of the year because by the time Fundraising policy was in place only two months remained. The Board didn't think it was fair to the membership to only give members two months to raise money. The Board felt the cost could be recouped with the Summer Program and Olympic growth surge. TMEC must fundraise as this fee is pivotal in the financial role to the club as it aids in the standard operating costs not covered by dues and unforeseen expenses.



## Overdue Member Summary

Dues are the primary source for income for TMEC therefore, late or non-payment of membership obligations affects income. Ongoing efforts are being taken to recover these funds. Moving the membership to automatic billing will help remedy this problem.

January 2016 to September 2016

31 to 60 days overdue	
Aging Sum of Open Balance	\$3,153.00
61 to 90 days overdue	
Aging Sum of Open Balance	\$755.00
+91days overdue	
Aging Sum of Open Balance	\$5,642.50
<b>Total</b>	<b>\$9550.50</b>

## Bank Charges

The Credit Card processing fee of \$3,393.90 was looked at as to how we can reduce cost by how we process member's credit cards. Areas to explore include PayPal and other forms of auto payment. The Coaches no longer use credit cards; instead they have been replaced with debit cards thereby eliminating processing fees. No balance was carried on a credit card long enough to incur interest. All card charges were paid off in full to avoid interest charges.

## Bill.com

Bill.com has giving TMEC problems syncing to QuickBooks and the Board has worked hard to correct this. Most notable have been member sign in problems, billing done manually for all meets, apparel, dual entry for new or returning members, attendance done manually. The Board is currently looking to break ties with Bill.com and handle all billing through Team Unify (TU)

Following recommendation of USA Swimming, TMEC will be experimenting with TU which 2/3rds of the swim community is currently using. At a slightly higher cost of 1-1.5% however, this will be justified in savings by addressing all situations above by auto billing, reducing errors and double entry, data based attendance tracking, automated to help accounts receivable. Most importantly the change to TU will reduce labor cost.

## Vendors

### Temecula Tritons Swim Club Expenses by Vendor Summary January - September, 2016

	Total
Abbey Party Rents	\$127.05
Active Network	-\$15,427.39
Amazon.com	\$641.26
American Express Card Fees	\$457.35
Amy Frederick (reimbursement)	\$175.06
Ashley Pedler (reimbursement)	\$1,400.00
Attorney General's Registry of Charitable Trusts	\$75.00
Audra Woods (reimbursement)	\$2,000.00
BC Sports	\$6,899.85
Best Buy	\$59.38
BEST WESTERN	\$4,466.50
Bill Berryman (reimbursement)	\$106.11
Bill.com	\$949.62
Black, Jason & Amy	-\$143.97
Blake Wettlaufer (reimbursement)	\$436.69
Bruce Scott (reimbursement)	\$190.50
CA EDD	-\$0.05
Chipotle	-\$361.18
City of Murrieta	\$75.00
City of Temecula	\$22,017.70
Coachnite	\$629.93
Competitive Aquatic Supply	\$8,009.13
Conway	-\$200.00
Copeland Benner & Assoc Acct	\$630.00
Costco	\$121.34
CUBESMART 713	\$1,628.15
Cushing	-\$80.00
CVS Pharmacy	\$8.62
Dollar Tree	\$60.42
Dropzone Waterpark	\$4,500.00
FedEx	\$111.37
Finis	\$1,139.90
Franchise Tax Board	\$10.00
General	-\$7,517.85
Guitar Center	\$10.79
Haghighi	-\$360.00
Harland Clarke	\$36.40
Hasty Awards	\$263.10
Hilton and Associates	\$845.00

Home Depot	\$203.55
Hotels.com	-\$3,005.51
In Kap International	\$1,250.21
Intuit - Payroll	\$152.10
Intuit - Quickbooks	\$401.02
Jan Szreszkiewicz (reimbursement)	-\$40.00
Jennifer Beech (reimbursement)	\$144.00
Jennifer Vanderhyden (reimbursement)	\$1,561.56
Kap7 International, INC	\$2,105.09
Keenan	-\$240.00
Kona Ice of Temecula	-\$120.00
Lindsey	-\$155.00
Lowe's	\$39.90
Lungbusters Swim & Sport	\$50.00
Martinez	-\$160.00
McMurray	-\$150.00
MMHS Athletic Department	\$6,682.00
MMHS boys girls polo agreement	\$2,000.00
Mr. Bill's Body Shop	\$1,900.00
Murrieta Valley Unified School District (v)	\$5,772.31
Nicole Allen	\$62.00
O'Neill, Erin	-\$80.00
Office Depot	\$575.54
Paradise Retreats	-\$875.00
Party City	\$12.95
Patterson Medical	\$83.70
Paytrace	\$2,776.68
PeachJar	\$340.00
Quality Inn	\$3,480.40
Rama World, Inc	\$245.00
Rebecca McGovern (Professional Services)	\$1,424.65
RingCentral	\$512.12
Risk Management Services, Inc.	-\$147.00
Rite Aid	\$28.23
Rosa's Cantina	\$2,378.95
SCS	\$28,012.50
SDCCU Credit Union	\$20.00
Shell	\$158.50
Siegel, Moreno & Stettler	-\$500.00
Silverthorne	-\$80.00
Solorza, Robert & Angie	-\$143.97
Southern California Swimming	-\$11,641.50
Staples, Inc.	\$878.27
Starbucks	\$90.00
State Compensation Insurance Fund	\$12,906.36

Stater Bros	\$59.25
Target	\$120.64
Team Unify, Inc.	\$899.55
TVUSD	\$16,294.51
United Airlines	\$1,568.60
UPS	\$26.00
USPS	\$147.75
Vantage Card Services	\$159.88
Wal Mart	\$17.42
Wilcox, Carol & Terry	-\$100.00
Wilcox, Stephen & Karen	-\$100.00
WinCo Foods	\$797.52
<b>TOTAL</b>	<b>\$112,791.51</b>

## Budget

The Budget for TMEC is a work in progress. Having corrected the accounts to a point of being something managers can make decisions and seeing some consistent numbers, the Board ratified a budget as a starting point. This budget will have to be closely monitored and adjusted but as the newly charted accounts give accurate numbers based on reconciliation the budget will become more useful.

2016 Budget Year to Date			
Account	Oct 6 Actual	Budget	Over/Under Budget
<b>Income</b>			
Apparel - Pass Through Cost	\$1,782.21	\$2,268.00	(\$485.79)
Fundraising	\$3,519.57	\$5,268.00	(\$1,748.43)
<b>Hosted Meet Income</b>			
Meet Entry Fees	\$10,336.50	\$15,468.00	(\$5,131.50)
Snack Bar	\$0.00	\$2,000.00	(\$2,000.00)
Vendor Payout	\$170.00	\$252.00	(\$82.00)
Total Hosted Meet Income	\$10,506.50	\$17,720.00	\$ -7,213.50
Meet Entry Fees	\$32,732.00	\$41,796.00	(\$9,064.00)
Meet Travel (Pass Through Costs)	\$12,484.24	\$12,084.00	\$400.24
Membership Fees	\$0.00	\$0.00	\$0.00
Annual Membership	\$0.00	\$0.00	\$0.00
Late Fees	(\$105.00)	\$0.00	(\$105.00)
Monthly Dues	\$236,486.37	\$283,692.00	(\$47,205.63)
Total Membership Fees	\$236,381.37	\$283,692.00	\$ -47,310.63
<b>Non Profit Income</b>			
Apparel Sales	\$240.00	\$0.00	\$240.00
Apparel	\$8,197.83	\$8,136.00	\$61.83
Total Apparel Sales	\$8,437.83	\$8,136.00	\$301.83
Donations	(\$92.00)	\$0.00	(\$92.00)
Fundraising - Swim A Thon	\$0.00	\$0.00	\$0.00
Misc	\$300.00	\$456.00	(\$156.00)
Sponsorship	\$223.15	\$336.00	(\$112.85)
Total Non Profit Income	\$8,868.98	\$8,928.00	\$ -59.02



Registrations	\$0.00	\$0.00	\$0.00
Team	\$0.00	\$0.00	\$0.00
LongCourse*	\$10,398.68	\$15,600.00	(\$5,201.32)
ShortCourse	\$5,637.45	\$3,900.00	\$1,737.45
Total Team	\$16,036.13	\$19,500.00	\$ -3,463.87
USA Registrations - In	\$1,743.00	\$2,520.00	(\$777.00)
Total Registrations	\$17,779.13	\$22,020.00	\$ -4,240.87
Shark Attack Income	\$19,378.86	\$29,064.00	(\$9,685.14)
Sharkeez Swim School Income	\$305.54	\$456.00	(\$150.46)
Unapplied Cash Payment Income	\$1,295.71	\$1,956.00	(\$660.29)
Uncategorized Income	\$4,497.46	\$6,744.00	(\$2,246.54)
USA Swimming Travel Grant	\$3,025.00	\$1,236.00	\$1,789.00
Total Income	\$352,556.57	\$433,232.00	\$ -80,675.43
<b>Gross Profit</b>	<b>\$352,556.57</b>	<b>\$433,232.00</b>	<b>\$ -80,675.43</b>
<b>Expenses</b>			
Advertising	\$2,105.80	\$3,156.00	(\$1,050.20)
Annual Banquet/Meeting	\$0.00	\$0.00	\$0.00
Refreshments	\$64.77	\$0.00	\$64.77
Team Awards	\$263.10	\$396.00	(\$132.90)
Total Annual Banquet/Meeting	\$327.87	\$396.00	\$ -68.13
Apparel Purchases	\$17,811.80	\$11,088.00	\$6,723.80
Bad debt	\$44.00	\$72.00	(\$28.00)
Bank Charges	\$84.00	\$0.00	\$84.00
Credit Card Processing Fees	\$3,893.11	\$4,428.00	(\$534.89)
NSF Fees	\$10.71	\$12.00	(\$1.29)
Total Bank Charges	\$3,987.82	\$4,440.00	\$ -452.18
Bill.com A/R & A/P Mgmt	\$949.62	\$1,224.00	(\$274.38)
Dues & Subscriptions	\$252.48	\$204.00	\$48.48
Cont. Education	\$120.50	\$180.00	(\$59.50)
USA Swimming Membership	\$8.00	\$0.00	\$8.00
Athlete Renewal	\$1,798.00	\$2,700.00	(\$902.00)
Registrations - Out	\$33.00	\$132.00	(\$99.00)
Athlete	\$188.00	\$0.00	\$188.00
Total Registrations - Out	\$221.00	\$132.00	\$89.00
Total USA Swimming Membership	\$2,027.00	\$2,832.00	\$ -805.00
Total Dues & Subscriptions	\$2,399.98	\$3,216.00	\$ -816.02
Equipment	\$2,660.61	\$3,996.00	(\$1,335.39)
Gifts	\$28.23	\$48.00	(\$19.77)
Hosted Meet Expenses	\$0.00	\$11,496.00	(\$11,496.00)
Hospitality	\$12.95	\$24.00	(\$11.05)
Meet Official/Admin Fees	\$1,511.00	\$0.00	\$1,511.00
Snack Bar	\$1,586.02	\$2,376.00	(\$789.98)
Total Hosted Meet Expenses	\$3,109.97	\$13,896.00	\$ -10,786.03
Insurance	\$2,366.17	\$3,540.00	(\$1,173.83)
Legal & Professional Fees	\$3,166.40	\$4,740.00	(\$1,573.60)
Meals and Entertainment	\$2,946.81	\$4,416.00	(\$1,469.19)

Meet Entry Fees - Out	\$37,483.77	\$49,080.00	(\$11,596.23)
Non Resident Fees	\$0.00	\$0.00	\$0.00
Office Expenses	\$1,846.81	\$2,628.00	(\$781.19)
Post Office Box Rental	\$106.00	\$156.00	(\$50.00)
Postage	\$151.56	\$192.00	(\$40.44)
Room Rental - Meeting	\$144.00	\$0.00	\$144.00
Web Hosting	\$1,896.78	\$2,640.00	(\$743.22)
Total Office Expenses	\$4,145.15	\$5,616.00	\$ -1,470.85

#### Payroll Expenses

Taxes	\$14,374.02	\$19,596.00	(\$5,221.98)
Wages	\$0.00	\$0.00	\$0.00
Bonus	\$4,886.66	\$7,332.00	(\$2,445.34)
Commission	\$450.30	\$672.00	(\$221.70)
HeadCoach	\$0.00	\$0.00	\$0.00
Salary	\$66,155.01	\$87,984.00	(\$21,828.99)
Total HeadCoach	\$66,155.01	\$87,984.00	\$ -21,828.99
Health Ins Stipend	\$3,286.24	\$4,100.00	(\$813.76)
Meet Travel	\$7,800.00	\$11,328.00	(\$3,528.00)
PTCoach	\$0.00	\$0.00	\$0.00
Regular Pay	\$71,461.54	\$96,552.00	(\$25,090.46)
Total PTCoach	\$71,461.54	\$96,552.00	\$ -25,090.46
Total Wages	\$154,039.75	\$207,968.00	\$ -53,928.25
Workers Compensation	\$12,759.36	\$17,028.00	(\$4,268.64)
Total Payroll Expenses	\$181,173.13	\$244,592.00	\$ -63,418.87
Refunds	\$100.00	\$156.00	(\$56.00)

#### Reimbursements

Cell Phone (Bus Use)	\$1,176.24	\$1,536.00	(\$359.76)
Mileage Reimbursement.	\$4,433.92	\$6,408.00	(\$1,974.08)
Reimbursement	\$1,968.75	\$2,364.00	(\$395.25)
Total Reimbursements	\$7,578.91	\$10,308.00	\$ -2,729.09

#### Rent or Lease

Pool Rental	\$64,059.76	\$97,716.00	(\$33,656.24)
Storage	\$1,628.15	\$2,160.00	(\$531.85)
Total Rent or Lease	\$65,687.91	\$99,876.00	\$ -34,188.09
Repair & Maintenance	\$146.01	\$216.00	(\$69.99)
Shark Attack (deleted)	\$0.00	\$0.00	\$0.00
Pool Rental (deleted)	\$0.00	\$0.00	\$0.00
Total Shark Attack (deleted)	\$0.00	\$0.00	\$0.00

#### Stationery & Printing

Supplies	\$120.64	\$180.00	(\$59.36)
Taxes & Licenses	\$1,689.00	\$2,532.00	(\$843.00)
Training Expense	\$330.00	\$492.00	(\$162.00)
Travel	\$4,491.59	\$6,732.00	(\$2,240.41)
Fuel	\$571.96	\$852.00	(\$280.04)
Lodging	\$19,369.69	\$29,052.00	(\$9,682.31)
Transportation	\$3,826.68	\$5,736.00	(\$1,909.32)

Total Travel	\$28,259.92	\$42,372.00	\$ -14,112.08
Travel Meals	\$282.57	\$420.00	(\$137.43)
Uncategorized Expense	\$11,712.96	\$2,880.00	\$8,832.96
<b>Total Expenses</b>	<b>\$380,615.05</b>	<b>\$512,948.00</b>	<b>\$ -132,332.95</b>
Net Operating Income	\$ -28,058.48	\$ -79,716.00	\$51,657.52
<b>Other Income</b>			
Interest Earned	\$20.40	\$24.00	(\$3.60)
Reimbursed Expenses	\$54.00	\$84.00	(\$30.00)
Total Other Income	\$74.40	\$108.00	\$ -33.60
<b>Other Expenses</b>			
Miscellaneous	\$355.66	\$180.00	\$175.66
Reconciliation Discrepancies	(\$436.90)	\$0.00	(\$436.90)
Total Other Expenses	\$ -81.24	\$180.00	\$ -261.24
Net Other Income	\$155.64	\$ -72.00	\$227.64
<b>Net Income</b>	<b>\$ -27,902.84</b>	<b>\$ -79,788.00</b>	<b>\$51,885.16</b>

## Book Keeper Report

October 3, 2016

General Statement

TMEC – Bookkeeping

This is a general statement as to the condition of the books, past and present, for Temecula Tritons Swim Club.

I was contacted by Heather Elizondo, and later by Blake Wettlaufer and Bruce Scott, to have a look at the Quickbooks Online account for TMEC. This was approximately April/May 2016.

Essentially, I found the following problems with the books:

1. Overstated income
2. Unapplied payments from members
3. Multiple syncing errors
4. Services accounts tracking to expense accounts instead of income
5. No reconciliation of the accounts in months
6. Duplicate accounts within the COA
7. Journal transactions used to balance the accounts

At present:

1. Income is correct – all payments are matched and applied to member accounts, which was a two-fold process involving matching up payments, as well as fixing syncing errors on Bill.com.
2. Services now all track to income...as opposed to tracking to an expense account.
3. All bank accounts are fully reconciled each month. The credit card account has not been completely reconciled yet due to other pressing concerns in the books and the need to stay within budget, however all transactions are entered.
4. The consolidation of the COA is an ongoing process. I rely heavily on Coach Jennifer Beech for input as to what transactions can actually be combined. With Jennifer's input, a class list has been created so that income and expense by program can be seen. This is just beginning to generate results.

Please note that I am not a CPA and I always recommend the retention of a CPA, or tax professional (Enrolled Agent) to review financials and/or prepare tax filings.

Thank you,  
Rebecca McGovern  
Bookkeeper

# Market Conditions

TMEC is a competitive swim organization for the Temecula Valley, Murrieta Valley, and other surrounding Inland Empire residents. The target customer is families with 5 - 18 year olds who want to improve their swimming skills, get ready for high school level competition, to have healthy lifestyles, and compete at the highest swimming level possible.

Our main competitors in this area are STAR Aquatics, MESA Aquatics, and Circle City Aquatics (CCAQ). But what makes TMEC unique is our centrally located position to serve the surrounding communities of Temecula and Murrieta. These communities are enjoying a higher than national average income.

The median household income is \$78,668 for Temecula and \$75,485 for Murrieta. Most challenging for our competitors and an advantage for TMEC is our geographical area and the communities we serve. The club is comprised of young forward thinkers and top notch coaches. The corporation is organized and believes that its success in achieving the team's goals is dependent upon the cooperation of all members.

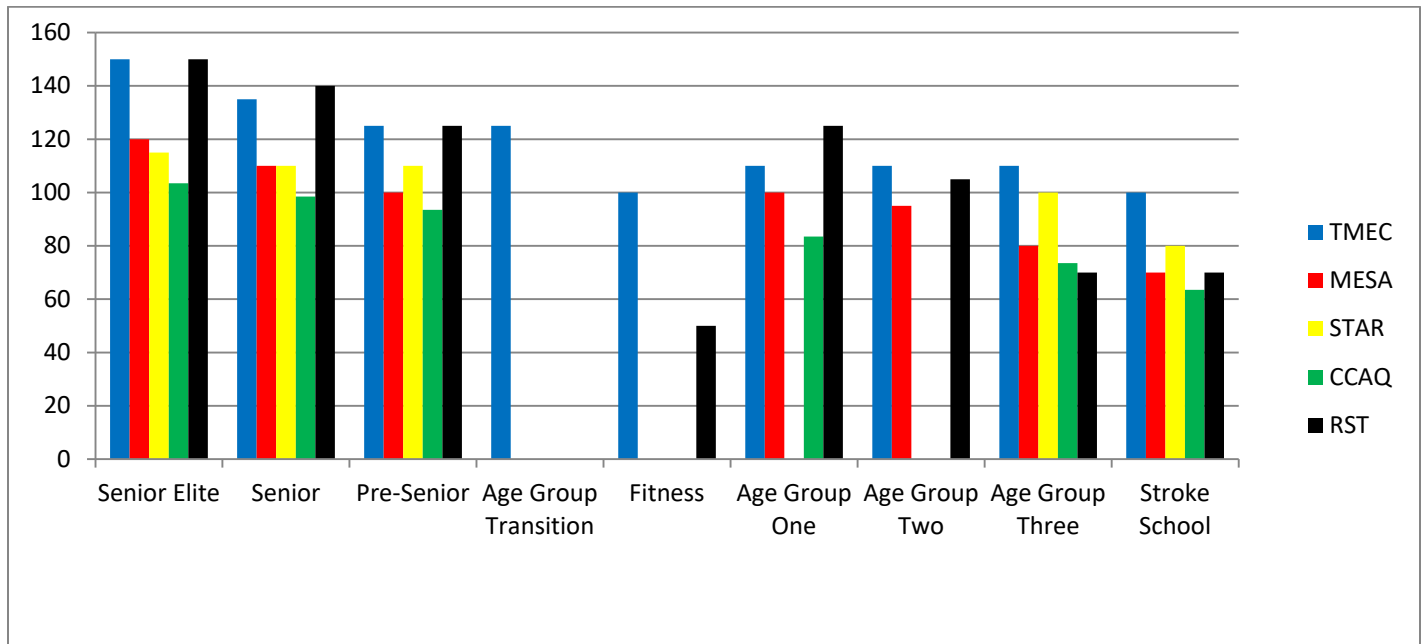


In addition, another big advantage that we have over our competition is that we have built very strong relationships with the City of Temecula, Temecula Valley Unified School District, Chaparral High School, Murrieta Valley Unified School District, and Murrieta Mesa High School. The City gives us first priority on pool time at the CRC and CHS during summer season. Working around the school district scheduling, we also get priority with both CHS and MMHS pool decks. Having access to several different facilities we are usually able to modify practices to get all our swimmers in practices when one pool goes down for whatever reason; the other teams usually find themselves out of the water when this happens.

Most noteworthy advantage for TMEC is the longest standing club in the area. Our club is governed by the United States Swimming, Inc. and Southern California Swimming (SCS) organizations as well as the California Nonprofit Public Benefit Corporation Law for the public for charitable purposes.

Lastly, our price structure covers our expenses yet keeps us competitive with other swim clubs in the area. Considering the value for what is offered at TMEC makes the club a real value.

## Team Cost Structure Comparison



# 2016 Highlights

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## Level 2 Club Recognition

Following the criteria as outline by USA Swimming during the course of 2016, TMEC was able to satisfy requirements to secure Level 1 status and is within a few points of obtaining Level 2 Club Recognition.



## New Website

A new website was designed and implemented in 2016. This site was designed by a parent volunteer to be more user friendly than the previous site. As a prototype, the main objective was to be a one stop solution to provide information and communication. At no cost to TMEC, 550 hours went into development and is fully maintained. The new website features an online store to buy swim gear and apparel.

## ENewsletter

TMEC is proud of the ENewsletter as a way to inform the membership with up to date information directly from the source. The ENewsletter captures news events, provides education and gives recognition.

## Facebook

TMEC launched a public Facebook page for the primary purpose of free advertisement. With the popularity of social media this is a great platform to let others know about the Club.

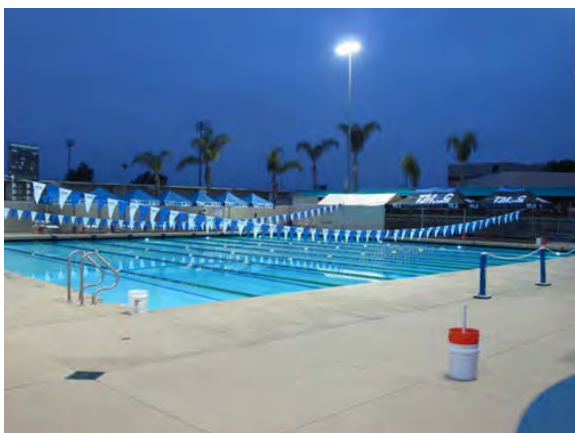
## Apparel

Apparel has been a big success and proudly displays the new image. TMEC went with a new vendor and products are of better quality. Sales have been quite strong with the introduction of this new line.



## Hosted Meets

In May, we hosted a Red/White meet with 640 swimmers, which is an incredible turnout, and brought in \$10,308.90! TMEC managed 640 swimmers in one day and according to officials, events were handled better and ran smoother this one day as compared to other clubs handling similar events in two days.



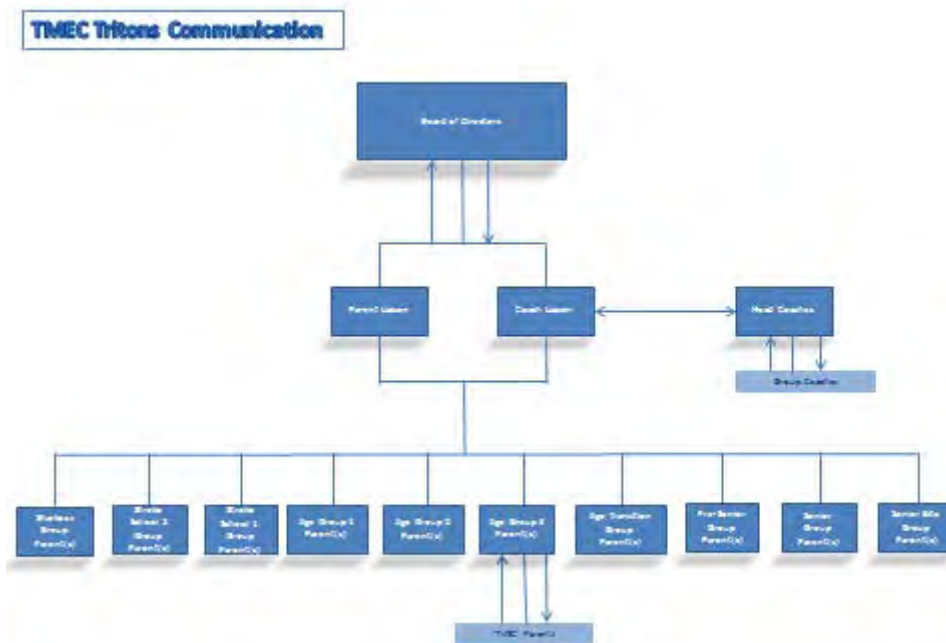
In addition raffle ticket sales brought in \$1,072.43. Our snack bar is an area we are looking to improve on, it brought in just \$1,122.38, which is on the low side for a snack bar.

We are looking forward to hosting another Red/White meet on Saturday, December 17th and are hoping to do better with our snack bar sales. We are looking to bring in more donations so that the snack bar sales will be mostly, if not all profit. In order to do this we have asked for outside donations from businesses.

In 2017 our club will be hosting 2 meets with the first being a one day Red/White meet on Saturday, March 11th. This will be followed by a two day Blue/Red/White meet the weekend of October 14th and 15th.

## Group Parents

As a prime source of communication, the volunteering of the Group Parents and Parent Liaisons has been invaluable to the success of TMEC in 2016. Group Parents are the heads of their group and lead such programs as fundraising, swimmer activities, team bonding, and are a source of information.



The Liaisons are a go between the membership and the Board of Directors. Their function is to facilitate good and correct information between the Board and membership. The New Parent orientation classes are a direct result of the dedication of the Liaisons. New families as well as long time members benefit from group presentations. Most notable is the organization of a car pool network to assist parents with swimmers at different locations.



## Appendix

### Tasks in Progress

- Budget

### Completed Tasks

- Adjusted dues
- New Parent Orientation Program
- Employee Handbook
- Human Resource Management
- Process for hiring
- Head Coaches Contracts
- Jr Coaches Contracts
- New Hire Package
- May Hosted Meet
- Vetting process, right to refuse service
- Quick Books Manager (Accountant hired)
- Nathan's Reconciliation
- Online management portal (Website)
- Name of Club Complete/ "Temecula Tritons Swim Club" or "TMEC Tritons Swim Club" – Website Committee
- \*Sharkeez" Financial Integration
- Team Handbook
- Trademark logo for printed material, apparel
- Communication to Members via Text
- E-NewsLetter
- New Website
- Logo is owned by TMEC
- Created new corporate accounts
- Accounts Receivable Management
- Audit/Taxes
- Legal Department/ insurances/ Review policies
- Liability Insurance/ Submission to USA Swimming for additional coverage
- Created and implemented Liaison (Parent & Coach)
- Facebook (public)

### Implemented Policy

- Team Handbook
- Fundraising
- Allocation of Reimbursement Funds
- Electronic Communication
- Team Sponsored Trip (Travel)
- Finance
- Spending Authorization Procedure
- Communication
- Dual Coach Governing
- Interclub Transfer
- Vetting process, right to refuse service
- Media Release
- Conflict of Interest
- Group Parent

### 2016 Board of Directors



(L to R) Blake Wetlaufer, Marcel Geegbae, Bruce Scott  
Nolan McGaughy, Amy Frederick, Heather Elizondro