

2025 Preliminary Business Plan and Financial Recommendations



Board of Directors provides:

- **Strategy**
- **Direction**
- **Oversight**
- **Approve Budget**

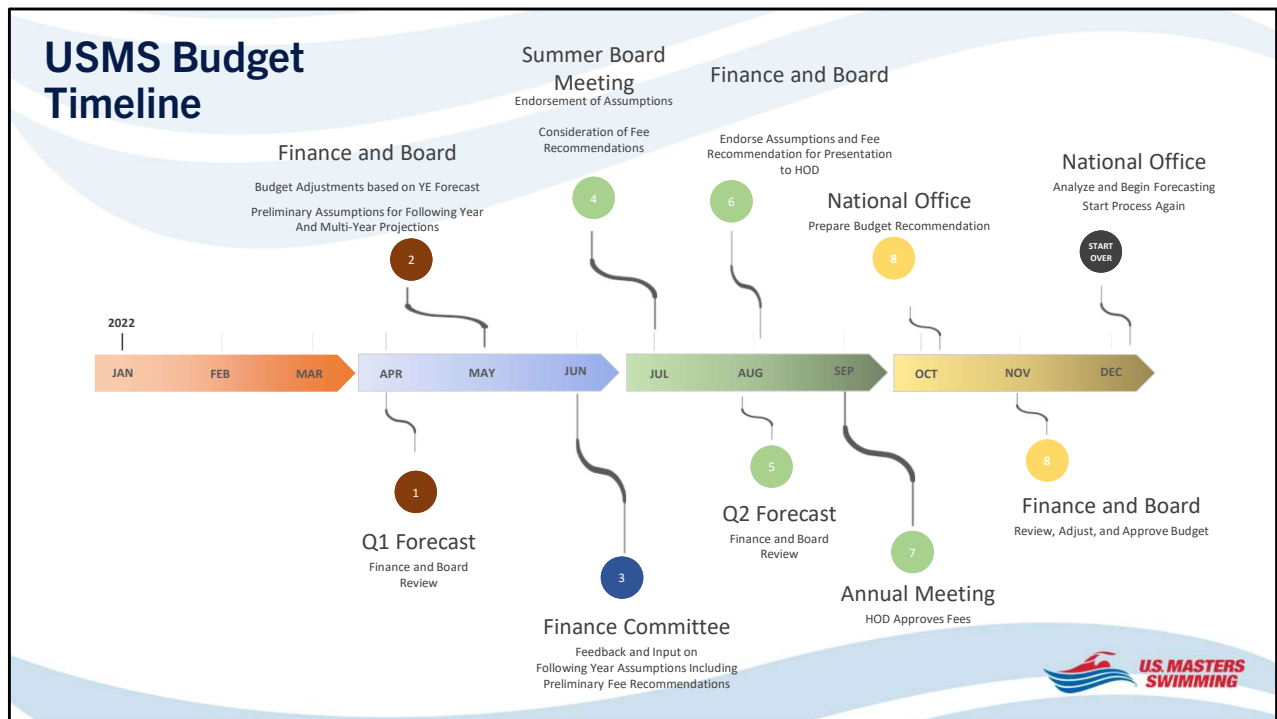


Financial Committees provide:

- **Finance:** Oversight, advice, guidance, regular accountability
 - **Investment:** strategy, oversight, advice, and adjustment
 - **Comp and Benefits:** HR and benefits expertise, professional compensation and market analysis, recommendations and advice
 - **Audit:** Annual accountability and oversight
- committees + board + staff = 50+ people with oversight and input on financial decisions and recommendations.



GUY:



Guy

2025 Business Plan



Dawson

Key Points

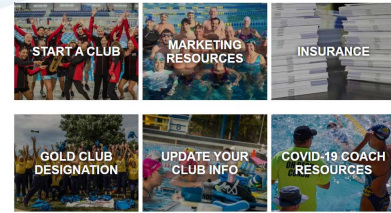
- An underlying part of our business plans is continuing to deliver on the long-standing benefits and services for the membership.
- Insurance, club, coach and event support, administrative expenses for volunteers, business infrastructure, marketing and communications and even mundane things like credit card transaction fees all have to be planned for.
- The typical, standard, and required operations expenses are part of the plan but aren't covered here.
-
- But these next few slides provide an overview of some of the ongoing strategic programs and newer initiatives that have recently been put in place or will be for 2025

Club and Event Development Strategies

Continue to promote and encourage

LMSC involvement:

- Find clubs ripe for growth, provide support.
- Find facilities for new Masters clubs.
- Find coaches with interest AND potential.
- Clinic



RELAY2025
CLUB DEVELOPMENT
COACH SUPPORT
— KANSAS CITY —

October 24-26, 2025



DAWSON

Key Points:

- Continued focus on Club and Events as the primary driver of USMS membership.
- Provide support, consulting, and marketing for clubs and events to get start and to grow.
- Connect coaches to opportunities

Clinics

- Evaluating hosting larger scale clinics in coordination with LMSCs or Zones – 4-6 to as part of strategy to integrate CCS, LaneMate, and Grown-Up Swimming into the community.
- Locations and timing will be determined later based on best opportunities.

Relay

- Rotating back to Club Development and placing a focus on coach support
- Moving to KC
- I also want to recognize the handful of events being hosted this weekend across the country. While we're taking care of governance these events are taking care of the mission

- **The North Texas LMSC has a meet in Dallas.**
- **The Pacific LMSC has sanctioned an Open Water event in the Richmond in the Bay Area.**
- **Grown-Up Swimming meets are taking place in Atlanta, Melbourne, FL and Walnut Creek in the Bay Area in CA.**
- **This next LMSC I want to highlight because it's the first sanctioned event held in the LMSC since 2018**
 - **The LMSC has unique geography and has had challenges since before the Pandemic with local volunteer support**
 - **They recently hosted and funded a coach education weekend and a clinic,**
 - **they've provided funding support for their clubs and have plans to host 2 more events and a locally operated clinic in the near future,**
 - **And they have delegates attending the annual meeting for the first time since 2015 and will have representation at Relay.**
 - **The recent uptick in activity has been a combination of local determination and focus, national volunteer support, and national office involvement and what we can accomplish as a team.**
 - **Membership in Hawaii is up 5% to over 600 members this year as a result which is the most members they've had since 2018**
 - **Thanks Nadine Day and Mark Noetzel for being here and please pass along my thanks to Anne and the rest of the team in Hawaii for their work. Also Mark – Go Blue!**

Marketing (Clubs and Events)

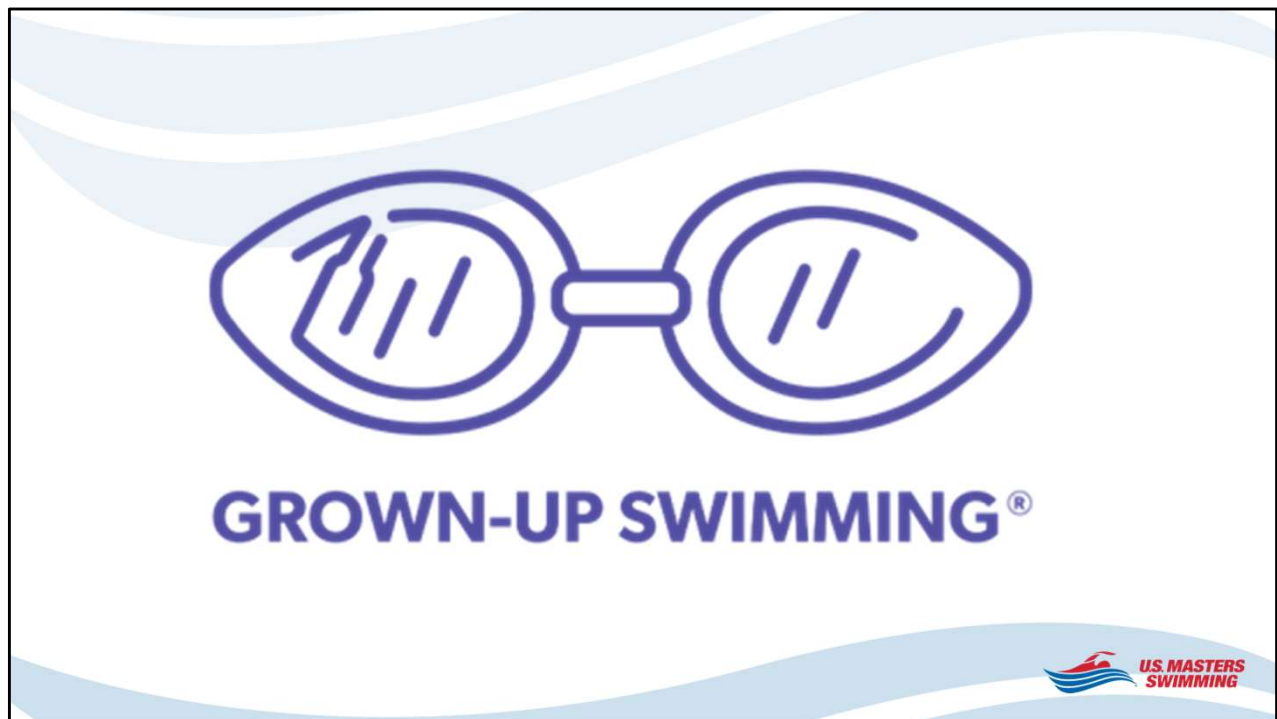
- Continue year-round digital marketing campaigns through club finder and for events.
- Further refine Try Masters Swimming – perhaps move to more targeted campaigns on club or region-specific timeframes.
- Incorporate campaigns specific to CCS, Grown-Up Swimming, and LaneMate to include encouraging membership.



DAWSON

Key Points:

- Try Masters Swimming has been positive but hasn't resulted in the membership conversion desired.
- Additional resources to focus on incorporating audience specific messaging.



Dawson

Key Points

- **Start with some of the background to clarify some misperceptions I've heard**
- **In 2024 Grown-Up Swimming is projected to generate about \$160k in revenue and leagues will be profitable to the tune of about \$75k.**
- **There is overhead nationally for this program and the cost of the acquisition. Our original projections suggested that USMS would invest \$175k - \$200k. Much of that being in year one.**
- **2025 is projected to be a small loss and in 2026 grown up is projected to be profitable and begin to return the USMS investment for future years.**
- **We expect that somewhere between year 4 and 5 year of Grown Up we will have recouped our initial investment, and this will be a profit center for USMS.**

2025 Plans:

- **Continue to scale up number of leagues and participation**
- **20+ league directors are already secured with evaluation of interest from 25+ more potential markets**

New Product Integration



Dawson

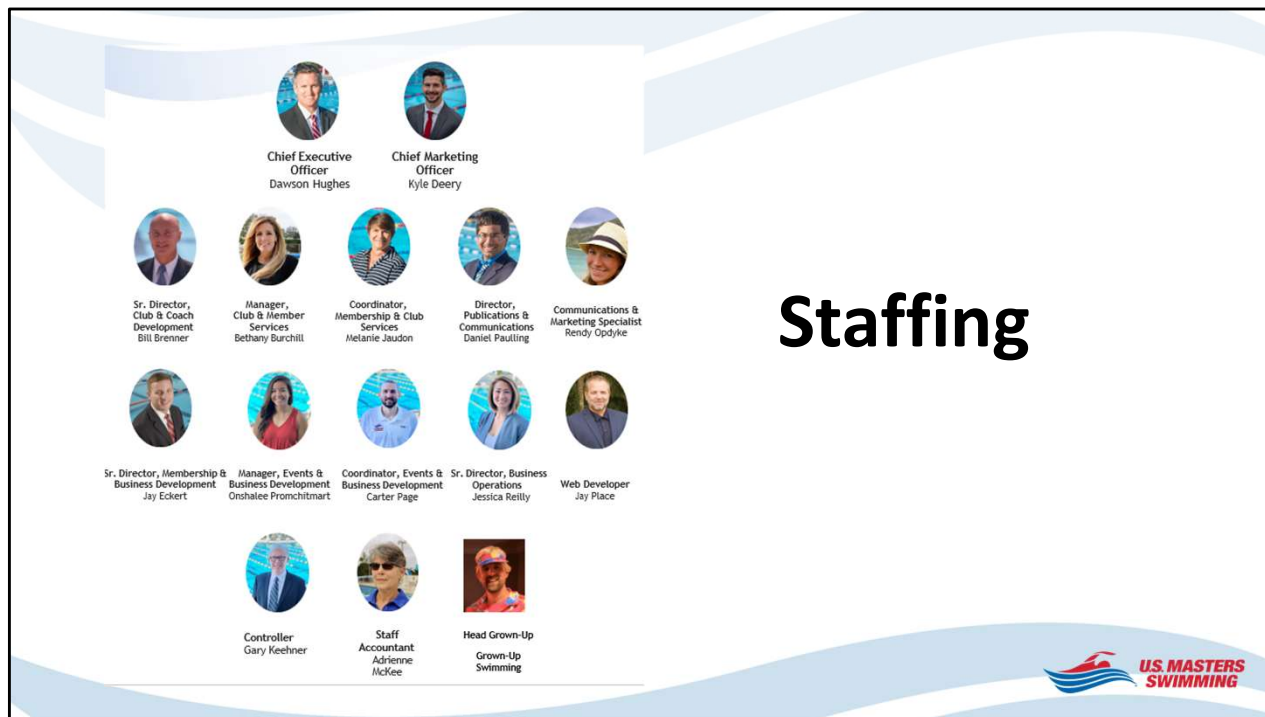
- I covered much of this last night and you can refer to the presentation and the key points that will be posted to the Annual Meeting page in the CEO Address link
- Key Points CCS
- Continue to foster the organic growth of these programs on campuses
- First National Championship on the West Coast – Mesa, AZ as part of efforts to expand westward.
- Incorporate CCS members as USMS Bridge members –
 - simplify the process for event directors to include CCS swimmers – larger pool of potential swimmers
 - Clubs can sanction their events and include USMS members
 - greater access to university facilities

Key Points LaneMate

- Soft launch in October to include stroke analysis
- Full roll out after first of year
- Expand stroke analysis to members and grown-up later in the year

Key Points

- **Craft messaging, campaigns, and opportunities for College Club Swimmers, Grown-Up Swimmers, and LaneMate Subscribers to try out Masters events, clubs, and clinics.**



Dawson

Key Points

- Staff has been very lean since the start of the pandemic. Currently have 15.25 Full Time Equivalent employees. For comparison in 2017 USMS had 18 FTE.
- We have been careful not to increase payroll before revenues are available to cover the cost.
- But we have over-extended the bandwidth of numerous positions and have run out of room for anything unexpected.
- Every position is operating at over 100% and often are managing more than one roll.
- One of the reason we can do this is the investment in digital transformation
- One planned marketing position is unfilled and currently planning hire for that at beginning of the year.
- Another services position is expected to be needed at some point next year.
- Still under evaluation is the creation of regional development roles. These position would be entirely focused on strategic initiatives with a given region. Likely West Coast, Central and East Coast.
- Tasked with working with local LMSC representative, Zone Chairs, aquatics facilities, coaches, meet operators, Grown-Up league directors to grow USMS programming
- Plan to start as contractors with a path to full time employment over time.

➤ **2025 = 17.25 FTE**

2024 Financials 2025-27 Projections



Finance Philosophy

- ✓ Continue to execute the strategic plan and provide great membership value and services.
- ✓ Return to relative breakeven budgets including capital expenses moving forward.
- ✓ Plan for slow membership growth similar to 2023 and projections for 2024 (~2%).
- ✓ Membership fees increase at or lower than inflation.
- ✓ Stability in membership fee for 3 years (2025-2027).
- ✓ Ensure LMSC revenues allow for continued investment in strategic programs locally without increasing collective LMSC reserve levels at the current pace.
- ✓ Continue the format of the annual meeting alternating between hybrid and virtual.



Guy

Key Points: Listed

History and Forecast (000's)

	Total Revenue	Net Operating Income	Capital Investments	Gov't Programs / Grants**	Total
2019	\$ 3,903	\$ 51	\$ (339)		\$ (288)
2020	\$ 3,292	\$ (126)	\$ (84)	\$ 215	\$ 5
2021	\$ 3,403	\$ (276)	\$ (269)	\$ 276	\$ (269)
2022	\$ 3,633	\$ (117)	\$ (300)		\$ (417)
2023	\$ 4,140	\$ (69)	\$ (275)		\$ (344)
2024 Projection	\$ 4,461	\$ 85	\$ (325)		\$ (240)
2025 Projection	\$ 5,044	\$ 166	\$ (175)		\$ (9)
Projected Total Net since 2019					\$ (1,562)

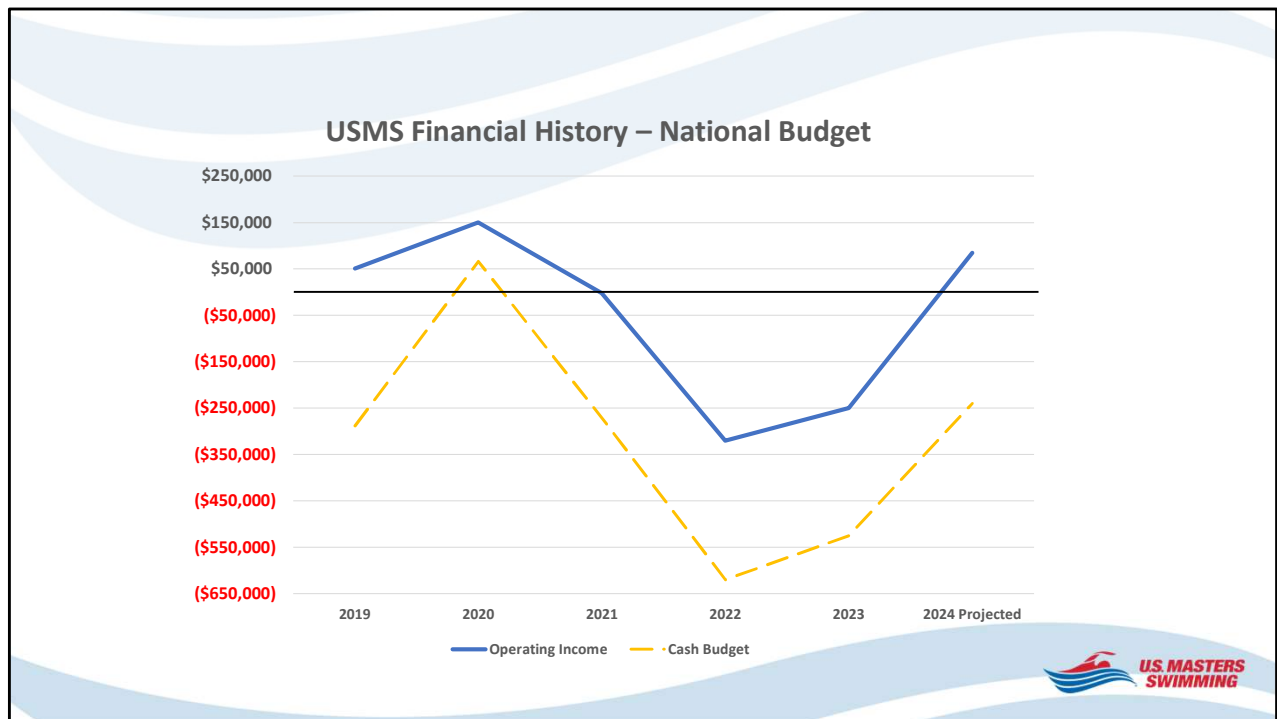
**Payroll Protection Program (PPP)



Guy:

Key Points:

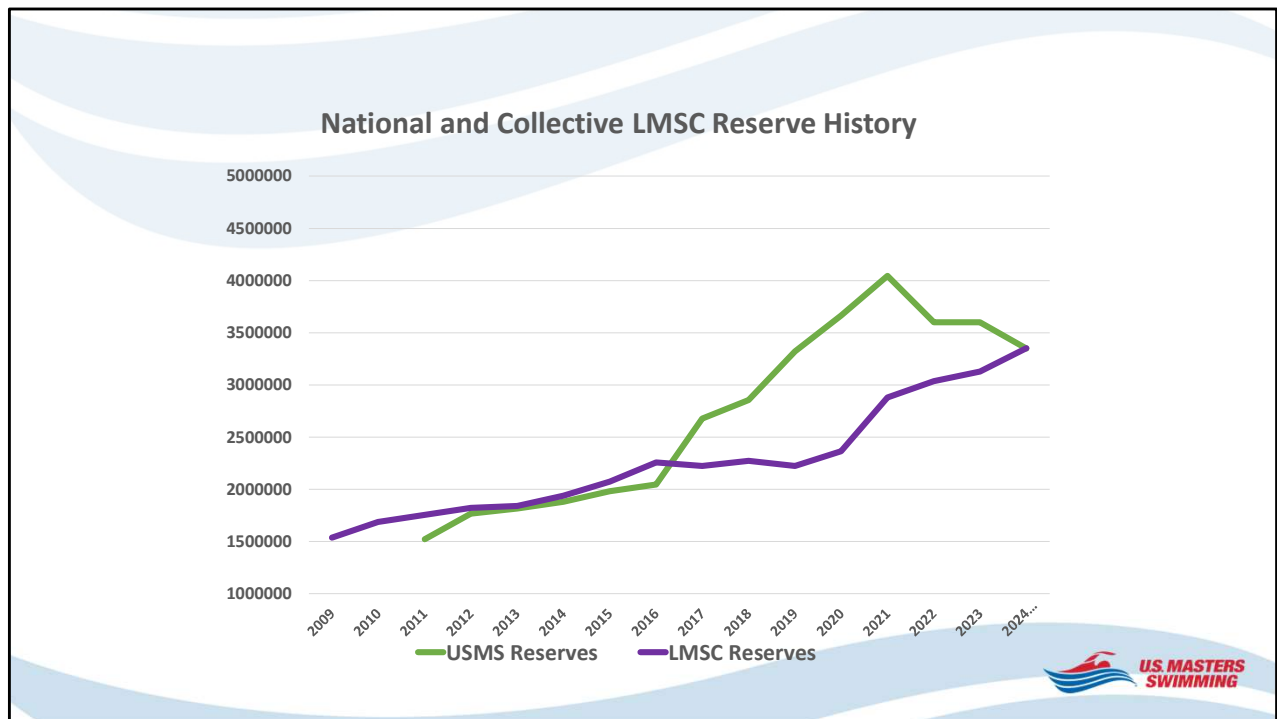
- 7-year history and forecast for this year and next. Ultimately, we have a path back to breakeven budget in 2025
- Capital includes combination of digital transformation, building back from the pandemic and, and the investment in grown-up swimming.



Dawson:

Key Points:

- Brief explanation of operating income (i.e. no depreciation) and cash budget (i.e. capital included).
- Planned investments – digital transformation, lag from pandemic membership declines (managed cash flow to not use investments), Grown-Up Swimming),



Key Points:

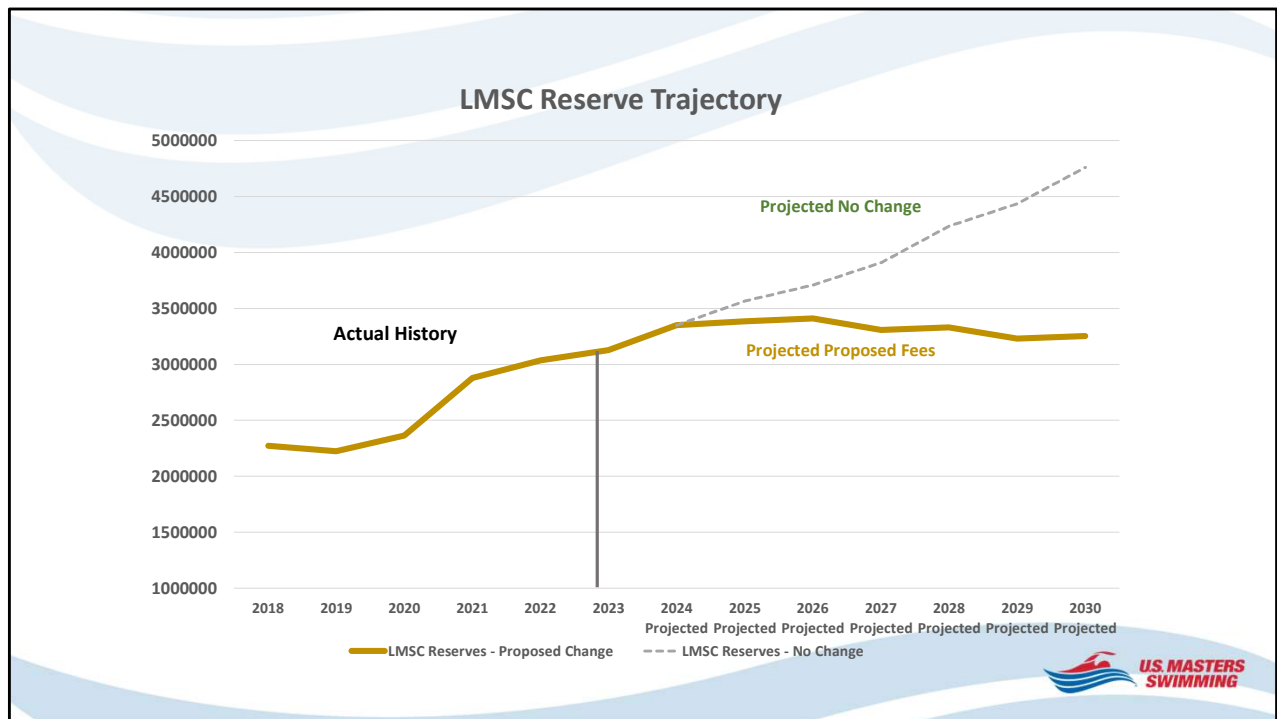
Dawson:

National

- Despite deficits and continued investment in programs and digital transformation reserves remain strong
- benefit from well managed investments returns and income
- After many years we are no having to use investment to cover operations

Key Points: LMSC

- Reserves have grown to same level as national budget
- All driven by revenue exceeding the expenses – not investments
- Accelerated growth due to pandemic has continued to grow for 3+ years post pandemic



Key Points:

Dawson:

- **National**
- **Despite deficits and continued investment in programs and digital transformation reserves remain strong**
- **benefit from well managed investments returns and income**
- **After many years we are no having to use investment to cover operations**

Key Points: LMSC

- **Reserves have grown to same level as national budget**
- **All driven by revenue exceeding the expenses – not investments**
- **Accelerated growth due to pandemic has continued to grow for 3+ years post pandemic**
- **Financial Hardship Program created to ensure no LMSC doesn't have resources to run strategic programming**
- **If you have any idea**

2025-27 Operating Projections

Draft Assumptions Summary	2022 Actual	2023 Actual	2024 Budget	2024 Q2 Forecast	2025 Projection	2026 Projection	2027 Projections
Net Operating Income incl Capex	\$ (529,674)	\$ (464,225)	\$ (327,000)	\$ (190,000)	\$ 19,816	\$ 145,851	\$ 16,099
Net Net (including Grown Up)	\$ (529,674)	\$ (464,225)	\$ (471,579)	\$ (334,579)	\$ (8,650)	\$ 133,849	\$ 163,763



Key Points:

Dawson:

- **Fee proposal meets primary financial goals and provides LMSC with appropriate resources to continue delivering on strategy at the local level**
- **Is a base to achieve financial and business goals through 2027**
- **Stability through pre-planned adjustments that both LMSCs and board can use in forward looking planning.**
- **NOTE!!!**
- **2026 and 2027 show profitability. It's important to note that it provides some buffer in the event of unplanned adjustments, but that profitability is also roughly equivalent to the annual planned investment transfer and doesn't represent profit from revenues.**
- **To make all these happen the proposals presented need to work in tandem. Changes in any of them have impact on the others and the overall financial projections.**

Fee and Inflation

	History							Projected		
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
USMS Membership	\$ 58.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 67.50	\$ 70.00	\$ 75.00	\$ 75.00	\$ 75.00
2018 Membership - Adjusted for Inflation		\$ 59.39	\$ 60.46	\$ 61.19	\$ 64.06	\$ 69.57	\$ 71.73	\$ 74.96	\$ 77.13	\$ 79.45



Key Points:

Guy:

- Meets the goal of keeping membership fee in line with or less than inflation.



Proposals and Process

1) Sanction:

Motion to reduce pool and open water sanction fees, including the open water national championship surcharge, to \$0.

2) College Club Swimming:

Motion to approve reducing the College Club Swimming Bridge membership fee to \$0.



Proposals and Process

3) Membership and distribution of revenue to LMSCs:

Motion to approve the membership and club membership fee for 2025-2027 with revenue distribution to LMSCs as follows:

SUMMARY OF PROPOSED MEMBERSHIP FEES		2025 Membership Year				2026 & 2027 Membership Years		
MEMBERSHIP FEES		USMS	LMSC	Total	Change	USMS	LMSC	Total
Membership	Nov 1 - Oct 31	\$63	\$12	\$75	\$5	\$65	\$10	\$75
Membership: Year-Plus	July 1 - Oct 31	\$105	\$20	\$125	\$10	\$108	\$17	\$125
Membership: Clubs and Workout Groups	Oct 1 - Sept 30	\$63	\$12	\$75	\$5	\$65	\$10	\$75

