USA Swimming Board of Directors Meeting Minutes

April 26, 2019 / Colorado Springs, CO

CALL TO ORDER

Bob Vincent, Board Chair, called the April 26, 2019 Board of Directors meeting to order at 11:00 a.m. Mountain Time with the following members in attendance:

PRESENT: Dale Ammon (via teleconference), John Bradley, Chris Brearton, Maya DiRado, Cecil Gordon, Natalie Hall, Tim Hinchey, Teri McKeever (via teleconference), Lucinda McRoberts, John Roy, Jim Sheehan, Jeanette Skow, Jay Thomas, Mary Turner, Tom Ugast, Robert Vincent, Davis Tarwater.

GUESTS

Mike Cather (U.S. Lacrosse), Bill Charney (Charney Associates), Joel Kincart (South Dakota Swimming), David Shackley (Foundation Board of Directors), Anna Summerfield (Maryland Swimming).

STAFF

Tom Avischious, Paula D'Amico, Jake Grosser, Shana Ferguson, Debbie Hesse, Abigail Howard, Isabelle McLemore, Lindsay Mintenko, Eric Skufca, Joel Shinofield, MJ Truex, Mike Unger, George Ward.

MOMENT OF SILENCE

A moment of silence was observed for USA swimming members who have passed away since the last USA swimming Board of Directors meeting.

AGENDA REVIEW

Bob Vincent presented the agenda and added a discussion on future Board meeting logistics (Attachment 1).

RULES OF ENGAGEMENT / COVENANTS

Bob Vincent added two items to the Rules of Engagement including, to always consider Safe Sport in the decisions made by the Board and to ensure the Board is in "Corner #4" as described in *Servant Leadership in Action*.

DECLARATION OF CONFLICT OF INTEREST (2.5.4)

"Is any member aware of any conflict of interest (that is, of a personal interest or direct or indirect pecuniary interest) in any matter being considered by this meeting, which should now be reported or disclosed or addressed under the USA Swimming Conflict of Interest Policy?"

If a Board member determines there to be a conflict of interest at any point during the course of the meeting when a specific subject is being discussed and / or action is being taken, a declaration of a conflict of interest should be made at that time.

BOARD CHAIR'S REMARKS

Bob Vincent expressed his appreciation for Natalie Hall, Davis Tarwater, and Maya DiRado participating on a panel during the Athlete's Leadership Summit and talked through logistics around documents posted to BoardPaq.

MINUTES

MOTION: *To approve the February 2, 2019 Board of Directors meeting minutes (Attachment 2). Seconded.* **APPROVED.**

ONLINE REGISTRATION PRESENTATION

Joel Shinofield introduced Mike Cather, Vice President & Chief Relationship Officer from U.S. Lacrosse.

Mr. Cather presented U.S. Lacrosse's evolution of online membership, including the model used, how members are engaged, and strategic planning for acquisition and retention of members.

BOARD PROCESS

BOARD WORK PLAN UPDATE (2.3.2)

Davis Tarwater provided highlights from the Governance Committee's meeting, including Board priorities such as completing the updated Mission and Vision of USA Swimming, utilizing a Customer Relationship Management system (CRM), mandatory Safe Sport club recognition, member development, and succession planning within the organization. Mr. Tarwater added the recommendation of memorializing relevant educational topics for the Board through online mechanisms instead of taking up time during Board meetings (Attachment 3).

Bob Vincent presented the recommended Governance Committee Deliverables to be added to the Governance Policy Manual.

MOTION: *To approve the addition of the Governance Committee's Deliverables to the Governance Policy Manual. Seconded.* **APPROVED.**

INVESTMENT POLICY UPDATE

Bob Vincent noted that while the USA Swimming investment policy and USA Swimming Foundation investment policy have the same language, they are separate policies.

Tom Ugast highlighted the proposed changes to the Investment Policy Statement (IPS). Proposed changes included eliminating the Money Market investment vehicle from the short-term investment options as other options are more in line with the investment strategy (better liquidity characteristics with greater yields). Other updates were housekeeping in nature (historic rates, dates, names, etc.).

MOTION: *To approve revisions to the Investment Policy Statements (IPS) as recommended by the Investment Committee (Attachments 4 - 5). Seconded.* **APPROVED.**

NOMINATING COMMITTEE UPDATE

Cecil Gordon provided an update from the Nominating Committee including that the nomination application is open online, what roles are vacant, and that the committee is working on formatting the screening and interview processes as well as reviewing questions for the first set of interviews.

The Board engaged in discussion regarding how the nomination application is being communicated and distributed.

LEGISLATIVE UPDATES

Lucinda McRoberts presented a draft LSC Affiliation Agreement for the Board's review and input (Attachment 6).

Ms. McRoberts also presented various proposed amendments to the Rulebook and Bylaws for the Board's consideration, including an emergency proposal to implement rule changes related to the Minor Athlete Abuse Prevention Policy effective June 23, 2019 (Attachment 7).

MOTION: *To approve relevant rule changes (R-1) to implement the Minor Athlete Abuse Policy, effective June 23. 2019, to submit all additional proposals to the Rules & Regulations Committee for consideration. Seconded.* **APPROVED.**

CLOSED SESSION (2.3.6)

LITIGATION UPDATE

The Board meeting went into closed session so that USA Swimming's General Counsel, Lucinda McRoberts, could give a legal update.

CEO CONTRACT REVIEW

Employee contract discussion.

"ENDS" MONITORING

1.3 – PUBLIC ENGAGEMENT WITH SWIMMING

Bob Vincent presented the monitoring report End 1.3, Public Engagement with Swimming (Attachment 8).

The Board engaged in discussion regarding needed improvements to the website, as well as opportunities for how to get larger learn-to-swim organizations to transition to competitive organizations.

MOTION: *To approve that the performance monitoring report on End 1.3, "Public Engagement with Swimming," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates achievement with the policy requirements, consistent with the CEO's interpretations. Seconded.* **APPROVED.**

WOMEN IN LEADERSHIP IN USA SWIMMING

MJ Truex presented on women in leadership within the USA Swimming organization and membership, including gender demographics, program and services offered, and recommendations for action steps to reach short- and long-term goals for women in leadership.

LSC PRESENTATION

Tom Ugast introduced General Chairs Joel Kincart and Anna Summerfield.

Mr. Kincart and Mrs. Summerfield presented on Local Swimming Committees (LSCs), including what they are, where they are located, their governance structures, the responsibilities of General Chairs, LSC strategic priorities, and the focus for the Board of Directors regarding LSCs.

INCOME STREAMS

Eric Skufca provided revenue summaries for the organization, including the various areas of revenue, their compositions and areas of interests.

CLUB DUES

Mike Unger presented a proposal to increase annual club dues, which included an overview of the proposed increase, services USA Swimming offers club-members, rationales for increasing dues, and next steps for moving forward with the proposal.

The Board engaged in discussion regarding the details of the proposal.

MOTION: *To approve the proposed increase to club dues that would go into effect in the 2021 membership year. Seconded.* **APPROVED.**

ATHELETES' EXECUTIVE COMMITTEE UPDATE

Maya DiRado provided highlights from a recent Athletes' Executive Committee (AEC) meeting, including discussion around building a pipeline of athletes who can serve on the Board of Directors, questions on how the AEC fits into the new governance structure, and reiteration of support for the Athletes Leadership Summit.

CONVENTION TASK FORCE REPORT

Bob Vincent briefly reported on the history of the Convention Task Force and USA Swimming's obligations for future Conventions (Attachment 9).

MANAGEMENT PARAMETERS MONITORING (4.4)

POLICY 3.2 – EXTERNAL RELATIONS

Bob Vincent presented Policy 3.2 – External Relations (Attachment 10).

MOTION: *To approve that the performance monitoring report on Policy 3.2, "External Relations," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded.* **APPROVED.**

POLICY 3.4 - FINANCIAL CONDITION & ACTIVITIES (INT)

Bob Vincent presented Policy 3.4 – Financial Condition & Activities (Attachments 11 - 16).

MOTION: *To approve that the performance monitoring report on Policy 3.4, "Financial Condition & Activities," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded.* **APPROVED.**

POLICY 3.4 - FINANCIAL CONDITION & ACTIVITIES (EXT)

Tom Ugast reported that the 2018 USA Swimming audit was reviewed and accepted by the Audit Committee (Attachments 17- 19).

MOTION: *To acknowledge that the Audit Committee has reviewed the Fiscal Year 2018 Audit and the accompanying Management Letter with the Auditor and to accept 2018 Financial Audit. Seconded.* **APPROVED.**

POLICY 3.5 – Asset Protection

Eric Skufca presented Policy 3.5 – Asset Protection (Attachment 20).

MOTION: *To approve that the performance monitoring report on Policy 3.5, "Asset Protection," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded.* **APPROVED.**

3.8 - EMERGENCY MANAGEMENT SUCCESSION

Bob Vincent presented Policy 3.8 – Emergency Management Succession (Attachment 21).

MOTION: *To approve that the performance monitoring report on Policy 3.8, "Emergency Management Succession," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded.* **APPROVED.**

STAFF REPORTS

CEO'S UPDATE

Tim Hinchey submitted a written report (Attachment 22) and introduced Shana Ferguson as the new Chief Commercial Officer of USA Swimming.

Mrs. Ferguson thanked everyone and provided background on herself**.**

CHIEF OPERATING OFFICER

NATIONAL TEAM MANAGING DIRECTOR

Lindsay Mintenko presented on National Team onboarding, including past and future opportunities.

MEMBER SERVICES

Mary Turner presented a Membership Proposal regarding seasonal membership.

MOTION: *To approve the Membership Proposal that only one seasonal membership may be purchased in a single membership year, and if an athlete wishes to purchase an additional seasonal membership within the same membership year, they will be required to upgrade to a premium membership by paying the difference in price. Seconded.* **APPROVED.**

MANAGING DIRECTOR OF SPORT DEVELOPMENT

Joel Shinofield reported on providing more resources to coaches through coaching education opportunities.

FUTURE BOARD MEETINGS

Maya DiRado asked the Board their thoughts on what location and which days are the best for Board meetings in the future.

CLOSING ROUNDTABLE

NEXT MEETING / EVENTS

- Wednesday, September 11, 2019 in St. Louis, MO
- Saturday, September 14, 2019 in St. Louis, MO
- Thursday and Friday, October 3-4, 2019 in Colorado Springs, CO (Board Orientation)

OCTOBER BOARD ORIENTATION / RETREAT

Bill Charney provided a brief overview of the Board Orientation in October.

MEETING ASSESSMENT

The Board engaged in a round table discussion assessing the days meeting.

Bob Vincent asked the Board to read chapter 40 of "Servant Leadership" before the next Board meeting.

ADJOURN

Bob Vincent, Board Chair, adjourned this meeting at 6:00 p.m. Mountain Time.

Respectfully submitted:

Lucinda McRoberts, CAO & General Counsel

Bob Vincent, Board Chair

USA Swimming Board of Directors Minutes Attachments

April 26, 2019 / Colorado Springs, CO

Attachment 1	Page 1 – Agenda
Attachment 2	Page 2 – DRAFT BOD Minutes February 2, 2019
Attachment 3	Page 2 – Governance Committee Meeting Minutes
Attachment 4	Page 3 – USAS Investment Policy Statement - Redline
Attachment 5	Page 3 – USAS Investment Policy Statement - Clean
Attachment 6	Page 3 – LSC Affiliation Agreement – CONFIDENTIAL
Attachment 7	Page 3 – 2019 Proposed Rule Changes
Attachment 8	Page 4 – Policy 1.3 – Public Engagement with Swimming
Attachment 9	Page 5 – Standalone Convention Proposal
Attachment 10	Page 5 – Policy 3.2 – External Relations
Attachment 11	Page 5 – Policy 3.4 – Financial Condition & Activities
Attachment 12	Page 5 – USA Swimming Financial Written Report 2018
Attachment 13	Page 5 - USA Swimming Financial Statement Report 2018
Attachment 14	Page 5 - Q1 2019 Financial Statement Report
Attachment 15	Page 5 – USA Swimming Foundation Financial Memo Q4 2018
Attachment 16	Page 5 - USA Swimming Foundation Q4 2018 Financial Report
Attachment 17	Page 5 – USA Swimming Audited Financial Statements
Attachment 18	Page 5 – USA Swimming Audit Representation Letter
Attachment 19	Page 5 - USA Swimming Audit Communication
Attachment 20	Page 6 – Policy 3.5 – Asset Protection
Attachment 21	Page 6 – Policy 3.8 – Emergency Management Succession
Attachment 22	Page 6 – CEO Report

AGENDA

USA Swimming
Board of Directors
Board of Directors Meeting
Friday, April 26, 2019, 11:00 am - 6:00 pm
Colorado Springs

A. **Welcome**	Bob	11:00
1. Call to Order / Record of Attendance (2.6.2)		
2. Introductions		
3. Moment of Silence		
4. Agenda Review (2.3.3)		
5. Rules of Engagement / Covenants		
6. Declaration of Conflict of Interest (2.5.4)		
7. Board Chair's Remarks		
8. ACTION: Approve February 2, 2019 Board Meeting Minutes		
B. **Online Registration Presentation**	Tim	11:15
Mike Cather from US Lacrosse		
C. **Board Process**		11:35
1. Board Work Plan Update (2.3.2)	Davis	
2. Investment Policy Update	Tom	
3. Nominating Committee Update	Cecil	
D. **WORKING LUNCH BREAK**		12:00
E. **Legislative Updates (Working Lunch)**	Lucinda	12:15
F. **Closed Session (2.3.6)**		12:45
1. Litigation Update	Lucinda	
2. Personnel Update	Lucinda	
3. CEO Contract Review	Natalie	
G. **Break**		1:05
H. **Ends Monitoring**		1:20

	1. 1.3 - Public Engagement with Swimming	Tim	
I.	**Women in Leadership in USA Swimming (MJ)**		1:40
J.	**LSC Presentation**	Tom	1:55
K.	**Break**		2:20
L.	**Income Streams**	Tim	2:35
M.	**Athletes' Executive Committee Update**	Maya	3:05
N.	**Convention Task Force Report**	Bob Tim	3:20
O.	**Break**		3:30
P.	**Management Parameters Monitoring (4.4)**		3:40
	1. 3.2 - External Relations	Tim	
	2. 3.4 - Financial Condition & Activities	Eric	
	3. 3.4 - Financial Condition (External Audit)	Tom	
	4. 3.5 - Asset Protection	Eric	
	5. 3.8 - Emergency Management Succession	Tim	
Q.	**Break**		4:20
R.	**Staff Reports & CEO's Update**	Tim	4:30
S.	**Closing Roundtable**	Bob	5:20
	1. Task Assignments Review		
	2. Next Meeting / Upcoming Events		
	a. October Board Orientation/Retreat		5:40
	Orientation and Deep Dive Agenda Items		
	3. Meeting Assessment		
T.	**Adjourn**		5:55

Total Meeting Time: 6h 55m

These minutes will be officially approved by the USA Swimming Board of Directors at its April 26, 2019 meeting.

USA Swimming Board of Directors Meeting Minutes

February 2, 2019 / Colorado Springs, CO

CALL TO ORDER

Bob Vincent, Board Chair, called the February 2, 2019 Board of Directors meeting to order at 9:00 a.m. Mountain Time with the following members in attendance:

PRESENT: Dale Ammon, John Bradley, Maya DiRado, Cecil Gordon, Natalie Hall, Tim Hinchey, Lucinda McRoberts, John Roy, Jeanette Skow, Jay Thomas, Mary Turner, Tom Ugast, Robert Vincent, Davis Tarwater (via teleconference).

NOT PRESENT: Chris Brearton, Teri McKeever.

GUESTS

Sean Redmond (Western Zone Director), Tristan Formon (Eastern Zone Director), Pam Lowenthal (Central Zone Director), Dave Smith (Southern Zone Director), Bill Charney (Charney Associates).

STAFF

Tom Avischious, Paula D'Amico, Jim Harvey, Debbie Hesse, Isabelle McLemore, Lindsay Mintenko, Eric Skufca, Joel Shinofield, MJ Truex, Mike Unger, George Ward.

MOMENT OF SILENCE

A moment of silence was observed for USA swimming members who have passed away since the last USA swimming Board of Directors meeting.

AGENDA REVIEW

Bob Vincent presented the agenda (Attachment 1).

RULES OF ENGAGEMENT / COVENANTS

Bob Vincent provided an overview of the Rules of Engagement.

DECLARATION OF CONFLICT OF INTEREST (2.5.4)

"Is any member aware of any conflict of interest (that is, of a personal interest or direct or indirect pecuniary interest) in any matter being considered by this meeting which should now be reported or disclosed or addressed under the USA Swimming Conflict of Interest Policy?"

If a Board member determines there to be a conflict of interest at any point during the course of the meeting when a specific subject is being discussed and / or action is being taken, a declaration of a conflict of interest should be made at that time.

BOARD CHAIR'S REMARKS

Bob Vincent thanked everyone for attending the Safe Sport Leadership Conference, emphasized the need to always talk about safety at Board meetings, and described the "Four Corners" from *Servant Leadership in Action: How You Can Achieve Great Relationships and Results*.

MINUTES

MOTION: *To approve the November 18, 2018 Board of Directors meeting minutes (Attachment 2). Seconded.* **APPROVED.**

WELCOME TO BOARDPAQ

Bob Vincent provided an overview of BoardPaq and how to use it.

BOARD WORK PLAN UPDATE (2.3.2)

Davis Tarwater provided an update on the Governance Committee's next steps regarding putting together a Board work plan.

CLOSED SESSION (2.3.6)

LITIGATION UPDATE

The Board meeting went into closed session so that USA Swimming's General Counsel, Lucinda McRoberts, could give a legal update.

BOARD PROCESS

AUDIT COMMITTEE RECOMMENDS AUDITOR ENGAGEMENT TO BOARD BY FEBRUARY 28 (2.8.3.A)

MOTION: *To approve Waugh & Goodwin, LLP as the auditing agency for USA Swimming for the year ending December 31, 2019. Seconded.* **APPROVED.**

BOARD ESTABLISHES CURRENT YEAR "CHARGE" WITH TARGETED SKILLS/ATTRIBUTES FOR NOMINATING COMMITTEE (2.9.3)

Bob Vincent provided Board and USA Swimming membership demographics to formulate criteria for the Nominating Committee when they consider nominees for the Board and added that Wendy Boglioli is coming off the committee and the Board will be approving a nominee to replace her on the committee.

John Bradley recommended someone with an advocacy background for the Board

The Board discussed deadlines for applications and the overall time frames for the nominating process.

3.7 - EXECUTIVE COMPENSATION COMMITTEE PROCESS TO UPDATE CEO EMPLOYMENT AGREEMENT (2.8.7)

Bob Vincent tasked the Executive Compensation Committee to review Tim Hinchey's contract regarding benefits and length.

MEMBER RELATIONS COMMITTEE UPDATE

Bob Vincent reported on the intentions of the Membership Relations Committee and provided tasks for the committee to complete in order to bring recommendations to the Board in April.

MANAGEMENT PARAMETERS MONITORING (4.4)

POLICY 3.3 - TREATMENT OF STAFF

Lucinda McRoberts presented the Policy 3.3 - Treatment of Staff (Attachment 3).

Bob Vincent charged the staff to ensure each volunteer committee can answer how they are furthering the goals and vision of USA Swimming, and additionally asked for the roles of Staff Lead and Committee Chair to be defined for each committee.

Mike Unger provided some background on the committee appointment process.

MOTION: *To approve the performance monitoring report on Policy 3.3, "Treatment of Staff," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded.* **APPROVED.**

POLICY 3.4 - FINANCIAL CONDITION & ACTIVITIES (INT)

Eric Skufca introduced himself as the new Chief Financial Officer and reported non-compliance on Policy Provision #2. Mr. Skufca explained that while the 2018 total operating projected expenses will be better than budgeted, it did not exceed the shortfall in total revenue (primarily corporate sponsorship and membership). Mr. Skufca added that the 2018 operating deficit is projected to miss budget by $1.12 million or 3% of 2018 projected revenue or 0.5% of the total quad projected revenue. Mr. Skufca noted the goal is to finish the Quad at budget neutral and further explained the variance in missed budget projection is due to an accounting revenue recognition related to the partnership with the Omaha Sports Commission and the choice to conservatively recognize the applicable rights

fee revenue consistent with previous quads and our current quad budget (Attachments 4 - 5).

Mr. Skufca summarized the 2018 preliminary budget projection with the expectation to close the books in February 2019.

Tim Hinchey explained the learning opportunities for staff with regards to the sales process moving forward so that sponsorship sales and projections are better accounted for in the budget. Mr. Hinchey expressed his confidence in reaching the projected 2019 revenue of $5.5 million and recommended a discussion at the next Board meeting regarding how the organization drives revenue.

Mike Unger provided background on membership projections from year to year.

The Board engaged in discussion regarding the quad budget and expenses related to Golden Goggles particularly in relation to giving to the Foundation.

MOTION: To approve the performance monitoring report on Policy 3.4, "Financial Condition and Activities," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded. **APPROVED.**

POLICY 3.7 - COMPENSATION & BENEFITS

Tim Hinchey spoke to the compensation for staff as it pertains to market value and succession planning, performance reviews, and a new bonus structure (Attachment 6).

MOTION: To approve the performance monitoring report on Policy 3.7, "Compensation and Benefits," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded. **APPROVED.**

STAFF REPORTS

CHIEF ADMINISTRATIVE OFFICER & GENERAL COUNSEL

Lucinda McRoberts provided the Board with an update regarding the hiring of a new Human Resources Director, the timeline for USA Swimming's office redesign, and the "operating agreement" between LSCs and USA Swimming to memorialize their existing relationships, including the use of intellectual property.

CHIEF FINANCIAL OFFICER
Eric Skufca provided an update on fourth quarter investments, including that the investments overall are down, but the organization beat the benchmarks for the quarter, the three year, the five year and the ten year (Attachment 7).

CHIEF OPERATING OFFICER
Lindsay Mintenko provided updates regarding the Coach Incentive Program, which provides money to coaches who put athletes on the podium at Operation Gold competitions and is supported by the USA Swimming Foundation and Carolyn Dirks; highlighted her recent trip to Hangzhou, China for the FINA World Swimming Championships, including appreciation for having the budget to have the team stay longer in order to better prepare for the competition, the quality of the accommodations, and the success of the team; and noted she is currently filling international team coaching staffs for 2019.

Mike Unger reported that the IRC endorsed Van Donkersgoed as a nominee to the UANA Executive Committee in the role of Vice President and Janet Events as a nominee for FINA Treasurer.

MOTION: *To approve Van Donkersgoed as the nominee for Vice President to the UANA Executive Committee. Seconded.* **APPROVED.**

MOTION: *To approve Janet Evans as a nominee for Treasurer of FINA. Seconded.* **APPROVED.**

Mr. Unger provided updates on the calmed relationship between FINA and the International Swim League (ISL); FINA's newly created Champions Series in which USA Swimming is hosting the final meet in Indianapolis May 31 - June 1; FINA's decision to sign with the International Testing Agency; 2020 Olympic Trials including a signed contract with Omaha and ticket sales; and, highlighted membership numbers across the country and the overall success of flex membership (Attachments 8 – 9).

MJ Truex updated the Board on transgender legislation including the creation of two panels, the Intake Panel and the National Eligibility Appeals Panel.

MANAGING DIRECTOR, COMMUNICATIONS
Belle McLemore reported that USA Swimming will be streamlining its brand throughout the organization which will include identity standards guidelines to be used by anyone who

uses USA Swimming intellectual property, and finally noted some staffing changes including that Amanda Bryant will be working within Event Marketing and taking over the AquaZone at the 2020 Olympic Trials.

CEO'S UPDATE

Cecil Gordon reported that the Foundation Task Force will take an in depth look at Board selection, size, and responsibilities with the goal of looking at the relationship between the USA Swimming Foundation and USA Swimming, and how the two can better work together.

Bob Vincent presented the motion to re-elect Cecil Gordon and Elizabeth Beisel as well as elect David Shackley to the USA Swimming Foundation Board of Directors. Mr. Hinchey provided background on Mr. Shackley.

MOTION: *To re-elect Cecil Gordon and Elizabeth Beisel to a two-year term and to elect David Shackley for a term commencing effective immediately until December 31, 2020 to the USA Swimming Foundation Board of Directors. Seconded.* **APPROVED.**

Mr. Hinchey thanked Paris Jacobs for her time on the Foundation Board as she rolls off the board and noted Jim Wood's contribution to the organization.

Debbie Hesse announced new trustees, Sara and Steve Schramm.

Mr. Hinchey reported on signed agreements with Phillips 66, Toyota, Streamline Brands, and Neptune Benson; verbal agreements with Comcast XFINITY, Golden Road Brewery and Marriott; and pending agreements with Counsilman Hunsaker and Beecher Carlson. Mr. Hinchey lastly provided an update on the Chief Commercial Officer position to which he decided to not hire a search firm and gave some background on candidates with the objective of having someone hired by the end of March and start by the beginning of April (Attachment 10).

ZONE DIRECTORS PRESENATION

Tristan Formon presented on what Zones are and how they fit into the governance structure of USA Swimming, including how they are comprised, responsibilities of the Zone Directors, and how Zones build and retain the base of USA Swimming (Attachment 11).

Dave Smith provided a brief overview of how the Southern Zone has been proactive through their Zone Board of Review process.

Sean Redmond reported on the strategic priorities of the Zones as well as the strategic focus of the USA Swimming Board from the perspective of the Zones.

Pam Lowenthal briefly described the partnership between USA Swimming, Local Swimming Committees (LSCs), and inner-city clubs, specifically the Chicago Park District with the focus on promotion and sustainability of their swim programs including open water.

"ENDS" MONITORING
1.0 – BROADEST (GROWTH/SUCCESS OF SWIMMING)
Bob Vincent presented the Policy 1.0 – Broadest End: Growth and Success of Swimming (Attachment 12).

MOTION: *To approve the performance monitoring report on Policy 1.0, "Broadest End – Growth and Success of Swimming," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded.* **APPROVED.**

GUEST PRESENTATION
DAN MCGINN & REX REPASS – MEMBER SURVEY & MISSION VALUES
Belle McLemore introduced Rex Repass, the President of Research America.

Mr. Repass presented the results of his research on the awareness and opinions of USA Swimming members and non-members regarding our programs, and their understanding and thoughts about our organization as a way to assess USA Swimming's mission, vision and values.

CLOSING ROUNDTABLE
TASK ASSIGNMENTS REVIEW
Bob Vincent reviewed the tasks handed out over the course of the meeting.

NEXT MEETING / EVENTS

- Friday, April 26, 2019 in Colorado Springs, CO
- Wednesday, September 11, 2019 in St. Louis, MO
- Saturday, September 14, 2019 in St. Louis, MO
- Thursday and Friday, October 3-4, 2019 in Colorado Springs, CO (Board Orientation)

MEETING ASSESSMENT
The Board engaged in a round table discussion assessing the days meeting.

Bob Vincent asked the Board to reach chapters 2 and 19 of "Servant Leadership" before the next Board meeting.

ADJOURN

Bob Vincent, Board Chair, adjourned this meeting at 2:50 p.m. Mountain Time.

Respectfully submitted:

Lucinda McRoberts, CAO & General Counsel

Bob Vincent, Board Chair

DRAFT

USA Swimming Board of Directors, Governance Committee
Conference Call, April 10, 2019
Meeting Minutes

1. The meeting was convened at 11:15am EST by Committee Chair, Davis Tarwater. Also present were committee members John Roy and Jeanette Skow.

2. Davis stated the purpose of the meeting was to review a list of proposed Board priorities as well as a slate of proposed topics for Board education. The lists had been prepared by Tim Hinchey, CEO and Bob Vincent, Board Chair. The tasks were to rank order the priorities (short and long term), as well as provide feedback upon the education topics.

3. It was agreed upon that first and foremost, this committee must have/develop a mission and/or charge. This is imperative for all committees of the BOD.

4. Discussion was had on all 13 items on the proposed priority list.

- Mission and vision are paramount, should be clear and set the tone for everything else
- CRM is crucial to communicate with the entire membership; heavy focus on the national team is good but we cannot forget about the rest of the base (such as young age group swimmers who will eventually become the national team)
- Club USA concept was viewed upon favorably
- Online membership may be desirable, but didn't seem like a strong priority by itself, and perhaps should be considered as a subset of CRM
- Coach Accreditation is a valid step toward developing clubs, LSCs and the NGB
- 1 Olympic Plaza remodel was discussed as not being a priority for the Board at this time in that it approved funding in Oct, construction is in progress, and the remodel is due to be completed within a few days of the next BOD meeting
- Mandatory Safe Sport Club is extremely important as if the sport is not safe we will not have members joining, staying and/or succeeding; it is also significant from an optics perspective
- Increase Rights fee for Trials was discussed; there was an agreement that this did not seem like a matter for the BOD but should inquire as to what help the staff may possibly need from the BOD
- USA Swimming High Performance Center was discussed, though there was a lack of clarity on the scope of the proposed center in terms of where it would be, for what additional purposes it may be used, how it aligns with the function of an NGB, and what would be needed from the BOD (perceived as a staff function). It was further discussed that this would possibly be an opportunity to leverage partnerships (e.g., Marriott for mass reservations for a national event). It was agreed we need more information on this matter.
- Leveraging TeamUnify was discussed as being valuable and connected and complimentary to CRM; it is particularly valuable to USA Swimming given it is an NBC property and our relationship with NBC
- It was agreed that successful succession planning would certainly be a high priority. A look at recent USA Swimming leaderships positions (e.g., Chuck Wielgus's and Matt Farrell's

departures) demonstrates the need for early planning. This concept of succession planning should be expanded across the staff, BOD, and committees.

- It was discussed that NBC rights broadcast was not a strategic item for the Board's function, specifically regarding renewal. Rather, the BOD should be engaged to ensure USA Swimming is in the best position to obtain a favorable renewal. The committee resolved to inquire as to what help the staff may possibly need from the BOD on this matter.
- Establishment of a swim "season" was briefly discussed; however there was not much of a clear understanding by the committee as to what the term means. Some ideas were tossed such as having an 18&U national tournament. The committee will seek more clarity on this matter and in the meantime consider it as member development.

5. The committee unanimously ranked the priorities as follows:

1. Finishing Mission and Vision (this will inform and direct all other efforts/ventures within USA Swimming)
2. CRM (wtih two sub-priorities) - Communication is key to the effectiveness of our mission execution
    - 2a. Online membership
    - 2b. Leverage TeamUnify
3. Mandatory Safe Sport Club recognition
4. Member Development (with three sub-priorities)
    - 4a. Club USA
    - 4b. Coach Accreditation
    - 4c. Swim "Season"
5. Successful succession planning within USA Swimming (staff, BOD, and committees)

6. The committee also reviewed and discussed the list of topics for BOD education.

- It was agreed that education during the BOD meetings is valuable; however, it should be prefaced with read-ahead background information at least a couple weeks prior to the meeting. As a strategic body, we should not be learning <u>at</u> the meeting, but rather should be having substantive discussions regarding the subject matter while we are all convened in person.
- Educational tools should be memorialized, perhaps in webisodes, that can be accessed both before and after the BOD meeting at which the topic is discussed. This would be particularly valuable during the time between BOD meetings to keep members both informed and engaged. In addition, the studio could be leveraged to accomplish this task.
- There were no objections or additions to the proposed topics. However, the committee discussed that specifically with Financial Education, this should be focused on items such as the history of our money, how we spend our money, and relationship of funds between the organization and the Foundation. This would be significant information to give perspective to all Board members. Additionally, this session should be closed.
- It was also discussed that the annual Board Orientation should be very heavy on these types of education sessions, so that Board members have the foundation going forward and aren't doing the bulk of the learning at future BOD meetings.

7. Davis stated he would discuss our meeting with Bob and then reconvene the committee in approximately one week to finalize items for the committee's presentation to the BOD at the April 25, 2019 meeting.

8. The meeting was adjourned at 12:34pm EST.

Meeting Notes: 4/15/19 Tim Hinchey Davis Tarwater
Commenced at 10:30AM

1. Davis asks for further clarity on the purpose of this committee?

-Tim explained his desire to establish 10 things that this organization can deliver in the next ten years? Providing background, he explained that Jim Sheehan had established that 'Mission and Vision' were the top priority of his tenure as president. In speaking further with Tim, and given the Congressional hearings, the two of them decided that the new board is more well suited to really tackle this challenge. Tim agrees with this committee that paring down the mission and vision to achieve greater clarity moving forward is of paramount importance. He expressed a need to be focused on the "354,000 members who may never compete on a National Team. During the congressional hearing Dan Mcginn, began the process of researching, polling and collecting data in order to inform the process of honing the mission. As such, he opined that the board should lead this prioritization in conjunction with staff.

2. Prioritizing the "Top-5"

-Tim believes points #2,3,4,5 are very staff heavy, and that the board should be focused on #1. In working on priority #1, the need to work with the external group, led by Rex and Dan McGinn, utilizing designated funds would maximize the impact this subgroup could have.

3. Assessment of the "top-5"
   -Tim appreciated the work of the subgroup to identify the top 5 and believes doing so creates helpful and appropriate guardrails with which staff can operate to achieve the collective vision. He believes that while there may be nuanced differences in the "Top-5" list this will allow for rich and productive discussion at the board level. He cited as an example, 4b may be more important that 4a, but discussion needs to be around the inherent value of each of these.
4. Educational Priorities
   -The desire to fold in deeper financial background training in the BOD orientation was discussed and Tim was in agreement that it needed to happen. Davis believed this education needed to happen at the next board meeting in enough detail to allow the committee to fulfill its obligations. Davis will notify Bob Vincent of the desire for this be added to the April BOD agenda.
5. Next Steps
   -These notes will be submitted to the subcommittee for a follow up call in the next week.
   - Davis will collect the information for presentation at the full BOD level.
   - The Subgroup will take the input at the BOD level and initiate a collaboration with relevant staff, and hired outside consultants in perhaps an in-person meeting in Washington DC later this summer.

-A more complete presentation of recommendations will be submitted to the entire BOD at a meeting later in the fall.

Meeting commenced at 10:58AM EST

Investment Policy Statement
For USA Swimming, Inc. and
USA Swimming Foundation, Inc.
April~~May~~ 2019~~8~~

Overview

USA Swimming, Inc. and USA Swimming Foundation, Inc. are~~is a~~ not-for-profit organizations with~~ its~~ national headquarters located in Colorado Springs, Colorado. USA Swimming, Inc. and~~-~~ USA Swimming Foundation, Inc. maintain~~s~~ an investment portfolio for the benefit of its members and mission.

Purpose of Investment Policy Statement

The purpose of this Investment Policy Statement is to assist the Investment Committee of USA Swimming, Inc. and USA Swimming Foundation, Inc. (sometimes referred to herein as the "Committee") in effectively establishing, supervising, monitoring and evaluating the investments maintained in the portfolio (referred to as "The Portfolio" which includes all USA Swimming~~ Foundation, Inc.~~ portfolio assets, including operating funds, unless specifically stated otherwise~~.~~).

The Policy:

1. Defines the investment goals and objectives of The Portfolio;
2. Documents the material facts considered and the process used to arrive at the investment decisions reached;
3. Establishes an asset allocation and investment management strategy designed to have a high probability of meeting the goals and objectives of The Portfolio;
4. Establishes a disciplined decision-making process to be followed by the investment advisors and managers in implementing the investment strategies decided upon;
5. Establishes a criterion for evaluating the success of the investment management of The Portfolio; and
6. Documents the procedural prudence followed by the Committee in taking the investment course of action followed.

With respect to the investment portion of the portfolio (referred to as "the Investments") that are managed by the Investment Advisor "Advisor," this statement also establishes a clear understanding between the Investment Committee and the Advisor concerning the investment policies and objectives of USA Swimming, Inc. and USA Swimming Foundation, Inc. It is contemplated that the Advisor will employ Investment Managers "Manager(s)" to manage specific segments of the Investments. The Advisor will be responsible for overseeing the Investments, monitoring individual manager performance and compliance with this document with respect to the Investments, and making asset allocation recommendations.

Goals and Objectives

Portfolio Goals

It is a primary goal of USA Swimming, Inc. and USA Swimming Foundation, Inc. to invest the financial assets of the organization, in excess of funds needed for current operations, and to provide maximum earnings growth, based on a total return, consistent with a policy of prudent investment and protection of

assets. It is also the policy of the organization to maintain operating funds to provide for liquidity to meet current operating and capital expenditure needs.

Investment Objectives

A. Investment Funds

The invested assets of USA Swimming, Inc. and USA Swimming Foundation, Inc. are invested and maintained in a balanced investment program. The primary objective is to provide maximum growth consistent with a policy of prudent investment and protection of assets. Growth will be attained through appreciation of assets, the inclusion of additional funds when available, and from retention of earnings of the fund except earnings caused to be withdrawn as hereinafter provided.

B. Short Term Operating Account

The Short Term Operating Account is comprised of primarily operating funds that could reasonably be expected to be spent over the next 3 to 12 months. The account will be managed by the Chief Financial Officer. The securities in the account will be limited to the following investment vehicles and restrictions:

	Single Security Limit	Minimum Quality	Maximum Maturity
Money Market Funds	None	N/A	N/A
~~CD's – brokered, adj. rate~~	~~$1,000,000~~	~~N/A~~	~~1 yr~~
US Treasuries	None	N/A	1 yr
Agency Discount Notes	None	None	None
Commercial Paper	$1,000,000	A2/P2	1 yr
Corporate Bonds	$1,000,000	A3/A-	1 yr

Asset Allocation

The asset allocation under the Investment Policy will meet the stated goals and objectives. The asset allocation is based upon the following:

A. That it is not productive to "time" the markets. Rather, long-term strategic asset allocation, based upon the principles of Modern Portfolio Theory, is the most prudent investment approach. That is, effective diversification can reduce risk. In utilizing this methodology, it is important to diversify into all the major asset classes as set out below, and to diversify by investment style and money manager.

B. That gains and losses have a significant impact upon the Investments' growth objective.

C. That portfolios with a greater amount of stock allocations and a lesser amount of bond allocations have a higher probability of short-term losses and of long-term higher returns than portfolios with lesser amounts of stocks.

Therefore, since long-term higher returns are very important in meeting the objectives of the Investments, the asset allocation shall contain a mixture of stocks and bonds that subject the portfolio to the potential of

moderate, but not devastatingly large short-term losses, and provide the potential for higher long-term returns.

Asset Allocation Mix	Minimum	Target	Maximum
Stocks	**43%**	**53%**	**63%**
Real Estate	**3%**	**4%**	**7%**
Commodity	**0%**	**3%**	**7%**
Bonds	**28%**	**39%**	**48%**
Cash	**0%**	**1%**	**5%**

Historic* and Expected Returns

The long-term un-audited historic rate of return on the Investments is shown below. It is based on the historic expected long-term total return for each asset class, and then adjusted for interest rate environment and each asset class' percentage weighting in your portfolio. This is compared against the assumed long-term average rate of inflation (as measured by the Consumer Price Index). The difference between the nominal rate of return and the inflation rate is your real (after-inflation) expected return. Actual performance will vary from these assumed rates and there is no guarantee that this return objective will be achieved either in any single year or over the longer term. The portfolio return will also be reduced by the deduction of advisory and money management fees.

	Year 1	**Year 3**	**Year 5**	**Year 10**	**Year 20**
95th Percentile	21.25~~26.08~~	14.22~~17.36~~	12.11~~14.68~~	10.27~~12.28~~	9.07~~10.77~~
Expected Value	5.4~~6.64~~	5.77~~6.57~~	5.88~~6.68~~	5.92~~6.47~~	5.98~~6.48~~
5th Percentile	-5.87~~-9.00~~	-1.17~~-2.97~~	0.27~~-0.87~~	1.87~~1.35~~	3.01~~2.68~~

*Mathematically calculated returns are based on historic asset class returns. Based on First Western Investment Advisor's capital market assumptions, the expected value returns are believed to be in the ~~4.85% - 7.1~~5% - 6% range gross of investment advisory fees.

At least two benchmarks for each asset class shall be selected to compare future performance against. One or more passive indices that are reflective of the universe of securities within that asset class shall be selected. In addition, one or more active manager benchmarks will be used to compare relative performance of the investment vehicle used herein to other managers investing within a particular asset class.

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 53% MSCI All Country World Index, 4% NAREIT Dev Index, 3% Bloomberg Commodity Index and 40% Barclays Aggregate Bond Index over a three year rolling period after fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%. The Committee recognizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such period, the Committee expects rational explanations for such under-performance.

Risk will be measured by standard deviation and may be more or less risky than the blended index benchmark. Risk in excess of 15% plus or minus the benchmark may require additional examination. Returns will also be monitored on a risk adjusted basis as measured by the Sharpe Ratio. (Return of the portfolio minus the risk free rate divided (the risk free rate is measured by the 5 year Treasury note) by the standard deviation.

Investment Vehicles

In implementing the asset allocation policy, it is intended that there be extensive diversification by investment style. Actively managed Mutual Funds, Exchange Traded Funds (ETF's), and an individually managed Fixed Income portfolio have been selected as the primary methods of effectively implementing the asset allocation strategy.

First Western Trust Investment Advisors, the registered investment advisor to the Investments, will monitor the performance of each fund or manager and report to the Committee. First Western Trust Investment Advisors will recommend replacement of funds or managers.

Rebalancing

The asset allocation shall be rebalanced to the target allocations set out above after any quarter in which one or more of the minimum or maximum allocations are exceeded. Furthermore, in the event of a sudden or significant change in the asset allocation attributable to market conditions, the asset allocation may be rebalanced between quarters.

Costs

The costs associated with the management of each asset class shall be reviewed at least annually. It is the Investments' objective that the total costs of managing the funds, including the investment advisory fees, shall be average or below when compared to the average fees for a similar mix of mutual funds. Averages from Morningstar Analytical Service shall be used for determining the appropriate average.

Communications

Unless otherwise requested, the Advisor must furnish the Investment Committee with a quarterly account review detailing investment performance (time-weighted), portfolio holdings, an investment strategy, and the value of the Investments. The Investment Committee will also receive timely information about changes in investment philosophy, management, ownership, and key personnel of investment vehicles.

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REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19
IRS TAX IDENTIFICATION: # 20-4264282
CUSTODIAN: BMO Harris Bank N.A. Trust
INVESTMENT ADVISOR: First Western Trust

Execution

This Investment Policy Statement is hereby approved and adopted on __April_____, 2019_.

By: _____

Printed Name: _____Eric Skufca _____

Title: _____CFO_____

By: _____

Printed Name: ___Douglas Barker_____

Title: _____Sr. Portfolio Manager_____

Investment Policy Statement
For USA Swimming, Inc. and
USA Swimming Foundation, Inc.
April 2019

Overview

USA Swimming, Inc. and USA Swimming Foundation, Inc. are not-for-profit organizations with national headquarters located in Colorado Springs, Colorado. USA Swimming, Inc. and USA Swimming Foundation, Inc. maintain an investment portfolio for the benefit of its members and mission.

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The purpose of this Investment Policy Statement is to assist the Investment Committee of USA Swimming, Inc. and USA Swimming Foundation, Inc. (sometimes referred to herein as the "Committee") in effectively establishing, supervising, monitoring and evaluating the investments maintained in the portfolio (referred to as "The Portfolio" which includes all USA Swimming portfolio assets, including operating funds, unless specifically stated otherwise).

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Execution

This Investment Policy Statement is hereby approved and adopted on __April____ __, 2019_.

By: _____

Printed Name: _____Eric Skufca _____

Title: _____CFO_____

By: _____

Printed Name: ___Douglas Barker_____

Title: _____Sr. Portfolio Manager_____

USA SWIMMING

BOARD OF DIRECTORS

PROPOSED

AMENDMENTS TO RULEBOOK & BYLAWS

No.	Description	Location
R-1	To align USA Swimming Rules with U.S. Center for SafeSport-required Minor Athlete Abuse Prevention Polices and direct resolution to the local level	304.3.3 (p.94); 305 (pp. 96-97); Corporate Bylaws 2.6.2, 2.6.3, 2.6.8 (pp. 3-4)
R-2	To delete redundant language between USA Swimming Code of Conduct and U.S. Center for SafeSport Code re: failure to report	304.3.4 (p.94)
R-3	To delete redundant language between USA Swimming Code of Conduct and USA Swimming Criminal Background Check Policy	304.3.6 (p. 94)
R-4	To delete redundant language between USA Swimming Code of Conduct and U.S. Center for SafeSport Code re: aiding and abetting	304.3.11 (p. 95)
R-5	To direct resolution of conflict involving Officials to the local level	304.3.13 (p. 95)
R-6	To direct resolution of team conflict to the local level and provide NBOR with jurisdiction over appeals arising from LSC Affiliation Agreements and National Team Honor Codes	304.3.15 (p.95); 403.2.1 (p.100)
R-7	To omit consideration of image or reputation in the assessment of potential bad acts	304.3.16 (p. 95)
R-8	To update reporting requirements consistent with federal law	306.1 (p. 97)
R-9	To align USA Swimming Board athlete representative elections with USOC requirements	Corporate Bylaws 4.2.3 (p.5)
R-10	To eliminate the Zone Board of Review structure	402 (p.99), 403 (p.100), 404 (p.101), 406 (p.104), 408 (p. 111), 413 (p. 115)

R-1	ACTION:	Adopted	Defeated	Adopted/Amended

Location: Page 94: 304.3.3

Pages 96-97: 305 .1 – 305.8

Corporate Bylaws Pages 3-4: 2.6.2, 2.6.3, 2.6.6

304.3 CODE OF CONDUCT

.3 Repeated violations of any of the ~~Athlete Protection~~ Minor Athlete Abuse Prevention Policies ~~set forth in Article 305~~ [see page].

305 MINOR ATHLETE ABUSE PREVENTION ~~PROTECTION~~ POLICIES

~~The following policies related to Athlete Protection are mandatory components of the USA Swimming Code of Conduct:~~

~~305.1 Inappropriate touching between an athlete and an adult non-athlete member or Participating Non-Member (as defined in 401.1) is prohibited, including, but not limited to, excessive touching, hugging, kissing, and having an athlete sit on a non-family member adult's lap.~~

~~305.2 Any inappropriate sexual conduct or advance, or other inappropriate oral, written, visual, or physical conduct of a sexual nature at any time, past or present toward any person under the age of eighteen (18) by (i) a coach member or other non-athlete member, or (ii) any other adult participating in any capacity whatsoever in the activities of USA Swimming (whether such adult is a member or not) is prohibited.~~

~~305.3 Any rubdown or massage performed on an athlete by any adult member or Participating Non-Member, excluding the spouse, parent, guardian, sibling, or personal assistant of such athlete, is prohibited unless such adult is a licensed massage therapist or other certified professional. Any rubdown or massage performed at a swim venue by a licensed professional must be conducted in open/public locations and must never be done with only the athlete and licensed massage therapist in the room. Even if a coach is a licensed massage therapist, the coach shall not perform a rubdown or massage of an athlete under any circumstances.~~

~~305.4 Use of audio or visual recording devices, including a cell phone camera, is not allowed in changing areas, rest rooms or locker rooms.~~

~~305.5 Employees and volunteers of USA Swimming, Zones, LSCs and member clubs who interact directly and frequently with athletes as a regular part of their duties and individuals with any ownership interest in a member club must be non-athlete members of USA Swimming and satisfactorily complete criminal background checks as required by USA Swimming. This does not apply to volunteers such as timers, marshals, computer operators, etc., who only have limited contact with athletes during a meet. Any individual who is banned, currently suspended or ineligible for membership is prohibited from serving as a timer, marshal, or computer operator, or otherwise being on deck at any time in connection with a USA Swimming activity.~~

~~305.6 TRAVEL~~

~~.1Regardless of gender, a coach shall not share a hotel room or other sleeping arrangement with an athlete unless the coach is the parent, guardian, sibling, or spouse of that particular athlete.~~

~~.2Team managers and chaperones must be members of USA Swimming and have success-fully passed a USA Swimming-required criminal background check.~~

~~.3When only one athlete and one coach travel to a competition, the athlete must have his/her parent's (or legal guardian's) written permission in advance to travel alone with the coach.~~

~~.4 Clubs and LSCs shall develop their own travel policies. USA Swimming will provide a model club travel policy as an example. Club travel policies must be signed and agreed to by all athletes, parents, coaches and other adults traveling with the club.~~

305.7 Clubs shall establish their own action plans for implementing ~~USA Swimming's anti-bullying policy~~ the Minor Athlete Abuse Prevention Policies (see page). ~~USA Swimming shall provide a model plan as an example which shall serve as the default for any club that fails to establish its own plan. Club anti-bullying plans must be reviewed and agreed to annually by all athletes, parents, coaches and other non-athlete members of the club.~~

305.8 Clubs shall establish their own ~~electronic communication/social media~~ anti-bullying policy. USA Swimming shall provide a model policy as an example, which shall serve as the default for any club that fails to establish its own policy. Club ~~electronic communication~~ anti-bullying policies should be reviewed and agreed to annually by all athletes, parents, coaches and other non-athlete members of the club.

2.6 PRIVILEGES AND RESPONSIBILITIES OF MEMBERSHIP

.2 All non-athlete members of USA Swimming must have satisfactorily completed criminal background checks ~~and athlete protection education~~ as required by USA Swimming. The criminal background check requirement is waived for Junior Coach members.

.3 All adult members of USA Swimming, including athletes, must have satisfactorily completed athlete protection education as required by the U.S. Center for SafeSport.

.6 Employees and volunteers of USA Swimming, Zones, LSCs and member clubs who interact directly and frequently with athletes as a regular part of their duties and individuals with any ownership interest in a member club must be non-athlete members of USA Swimming. This does not apply to volunteers such as timers, marshals, computer operators, etc., who only have limited contact with athletes during a meet; however, any individual who is banned, currently suspended or ineligible for membership is prohibited from serving as a timer, marshal, or computer operator, or otherwise being on deck at any time in connection with a USA Swimming activity.

[Re-Number remaining.]

R-2	ACTION:	Adopted	Defeated	Adopted/Amended

Location: Page 94: 304.3.4

304.3 CODE OF CONDUCT

~~.4 Violation of any of the Sexual Misconduct Reporting Requirements set forth in Article 306 or the Prohibitions against Retaliation for Good Faith Reporting of Abuse set forth in Article 307.~~

R-3	ACTION:	Adopted	Defeated	Adopted/Amended

Location: Page 94: 304.3.6

304.3 CODE OF CONDUCT

. ~~.6 Conviction of, imposition of a deferred sentence for, or any plea of guilty or no contest at any time, past or present, or the existence of any pending charges, for (i) any felony or (ii) any offense involving use, possession, distribution or intent to distribute illegal drugs or substances.~~

R-4	ACTION:	Adopted	Defeated	Adopted/Amended

Location: Page 95: 304.3.11

Article 304.3 CODE OF CONDUCT

~~.11 For any USA Swimming member club or coach to knowingly:~~

~~A allow any person who has been sanctioned with a membership suspension by the Center for SafeSport or USA Swimming to coach or instruct any of its athlete members,~~

~~B aid or abet coaching or instruction of athletes by any person who has been sanctioned with a membership suspension by the Center for SafeSport or USA Swimming or~~

~~C allow any person who has been sanctioned with a membership suspension by the Center for SafeSport or USA Swimming to have an ownership interest in such USA Swimming club or its related entities.~~

R-5	ACTION:	Adopted	Defeated	Adopted/Amended

Location: Page 95: 304.3.13

304.3 CODE OF CONDUCT

~~.13 Any non-consensual physical contact, obscene language or gesture, or other threatening language or conduct directed towards any meet official and which is related to any decision made by such official in connection with a USA Swimming sanctioned competition.~~

R-6 ACTION: Adopted Defeated Adopted/Amended

Location: Page 97: 304.3.15

Page 100: 403.2

304.3 CODE OF CONDUCT

~~.15 Violation of any team misconduct rule as established by the USOC, USA Swimming, any Zone or LSC team authority.~~

403.2.1 JURISDICTION OF THE NATIONAL BOARD OF REVIEW

F Any appeal initiated pursuant to adverse action taken by the USA Swimming Board of Directors against an LSC for alleged violations of an LSC Affiliation Agreement.

G Any appeal initiated pursuant to adverse action taken against an athlete for alleged violations of the applicable USA Swimming Honor Code.

R-7 ACTION: Adopted Defeated Adopted/Amended

Location: Page 95: 304.3.16

304.3 CODE OF CONDUCT

.16 Any other material and intentional act, conduct or omission not provided for above, which is detrimental to ~~the image or reputation of~~ USA Swimming, a LSC or the sport of swimming.

R-8 ACTION: Adopted Defeated Adopted/Amended

Location: Page 97: 306.1

306 ~~SEXUAL MISCONDUCT~~ CHILD ABUSE REPORTING REQUIREMENTS

306.1 Pursuant to federal law, it is every member's responsibility to ~~promptly~~ immediately (i.e., within 24 hours) report any incident of child abuse, including physical or sexual abuse, ~~regarding sexual misconduct by a member~~ ~~as described in the SafeSport Code for the U.S. Olympic and Paralympic Movement~~ to law enforcement and the U.S. Center for SafeSport. Reporting must occur when an individual has firsthand knowledge of misconduct or where specific and credible information has been received from a victim or knowledgeable third party. Various state laws may also require reporting to law enforcement or to a designated child protection agency.

R-9 ACTION: Adopted Defeated Adopted/Amended

Location: Corporate Bylaws Page 5: 4.2.3

4.2 BOARD VOTING BOARD MEMBERS

.3 Three "athlete representatives" (as defined in the then-current USOC Bylaws) directly elected by ~~the Athletes Committee~~ athletes who meet the same standards as an "athlete representative" shall be voting members.

R-10	ACTION:	Adopted	Defeated	Adopted/Amended

Location: Page 99: 402
Page 100: 403
Page 101: 404
Page 104: 406
Page 111: 408
Page 115: 413

402 BOARD OF REVIEW MEMBERSHIP

~~.1 ZONE BOARD OF REVIEW – The selection and composition of the membership of the Zone Board of Review shall be governed by the Required Zone Board of Review Procedures.~~

403 JURISDICTION

~~.1 JURISDICTION OF THE ZONE BOARD OF REVIEW — In matters involving a member or members of only one Zone, matters arising in regional or zone competition and any complaint alleging violations of 304.3.12 through 304.3.16 inclusive of the USA Swimming Code of Conduct involving one or more members or prospective members of the Zone, and/or one or more Participating Non-Members, and not brought by USA Swimming, shall be filed directly with the respective Zone. Any appeal of the Zone Board of Review's decision shall be made to the National Board of Review pursuant to Article 408 hereof. The resolution of any dispute regarding jurisdiction of the Zone or the National Board of Review with regard to a particular case shall be determined by the Chair of the National Board of Review, which resolution shall be binding on all parties and non-appealable.~~

.2 JURISDICTION OF THE NATIONAL BOARD OF REVIEW

C Any complaint under 304.3 through 304.3.1~~1~~6 against any member of USA Swimming, including any athlete, coach, manager, official, member of any committee, or a Participating Non-Member

404 AUTHORITY OF BOARDS OF REVIEW

404.1 [Strike]

406 ZONE BOARD OF REVIEW HEARINGS AND PROCEDURES

[Strike]

408 APPEAL FROM ZONE BOARD OF REVIEW TO NATIONAL BOARD OF REVIEW

[Strike]

413 REQUIRED ZONE BOARD OF REVIEW PROCEDURES

[Strike]

And other such housekeeping edits as may be required.

Performance Monitoring Report

TO: USA Swimming Board of Directors

FR: Tim Hinchey, Chief Executive Officer

RE: Internal Report – Ends

Annual Monitoring on **Policy 1.3: Public Engagement with Swimming**

DA: April 18, 2019

I hereby present the monitoring report on the Board's Ends policy 1.3 "Public Engagement with Swimming," in accordance with the monitoring schedule set forth in Board policy. The information contained in this report is true for the year ended March 31, 2019.

(Note: In 2018, this report was postponed until the Convention meeting. With only a 7-month interval since then, some annual data points are unavailable, but these will resume with the regular reporting schedule.)

Signed _____, President & CEO

BROADEST PROVISION: There is growth in swimming participation and interest.

CEO's VISION OF SUCCESS: (No change since last report)

I interpret achievement of sub-points A-D below to constitute fulfillment of this End. *Interpretations/visions of success and Key Performance Indicators for each are presented and reported on below.*

PROVISION #A: Water safety awareness and swimming skills save lives.

CEO's VISION OF SUCCESS: *(Italicized portion changed since last report)*

Highest awareness priority is all Americans have the opportunity to learn how to swim – developing safety skills in, on, and around water.

Highest drowning reduction priority is youth 19 & under, diverse and under-served communities.

Key Performance Indicators:

1. Annual reduction in per-capital drownings
2. Priority for reduction – age 19 and under
3. *Increase annual swim lesson enrollment in Make A Splash Local Partner programs by 135,000/year, based on 152 new Partners each year, with each averaging service to 900 children. (Note: with this growth target, Foundation previously set goal of 2.5 million lessons annually by 2028. With exceptional growth last year, these targets will be revisited as part of the Foundation Board restructuring.)*

REPORT:

<table>
<tr><th>Key Performance Indicators</th><th>2019 Results</th><th>Achievement</th></tr>
<tr><td>1. Annual reduction in per-capital drownings (to be assessed using bi-annual CDC data)</td><td>
<table>
<tr><td>CDC DATA</td><td>2016</td><td>2017*</td></tr>
<tr><td>Drowning Deaths – All ages</td><td>4,628</td><td>3,708</td></tr>
<tr><td>Highest rate</td><td>Children 4 & under: 499</td><td>Children 4 & under: 467</td></tr>
<tr><td>2nd highest rate</td><td>Age 20-24 : 351</td><td>Age 55-59: 273</td></tr>
</table>

**2017 data is new since last report. No 2018 CDC data yet available.*</td><td>Yes</td></tr>
</table>

<table>
<tr>
<td>2. Priority for reduction – age 19 and under (to be assessed using bi-annual CDC data)</td>
<td>
<table>
<tr><td>CDC DATA</td><td>2016</td><td>2017*</td></tr>
<tr><td>Drowning Deaths – Ages 1-19</td><td>1,046</td><td>913</td></tr>
</table>
Based on CDC fatality data, highest reported age group continues to be children ages 4 & under at 467 (slight decrease from 499 previous year)

*2017 data is new since last report. No 2018 CDC data yet available
</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Increase annual swim lesson enrollment in Make A Splash Local Partner programs.</td>
<td>
<table>
<tr><td></td><td>2016</td><td>2017</td><td>2018</td></tr>
<tr><td>Total Enrollments - Make A Splash Local Partner Programs</td><td>1,030,964</td><td>1,042,117 (+1.1%)</td><td>1,371,962* (+31.7%)</td></tr>
</table>
</td>
<td>Yes</td>
</tr>
</table>

<u>Drowning Reductions</u>: With recognition that we cannot control drowning reductions, but aim to have long-term demonstrable impact, we are pleased to report the positive trends on the CDC data.

<u>*Swim Lessons</u>: Enrollment numbers for Make A Splash Local Partner Programs is based on data submitted by Local Partners. Foundation staff has shared that collecting this data has been difficult over time. The 2018 increase reported is due partly because we now ask for average enrollments as part of the application process. In addition, the reporting by our corporate partner Streamline contributed significantly to the enrollment data. In other words, while the data we receive does reflect increases, I now realize the enrollment numbers are based on estimates and had previously been only partially reported.

Among initiatives underway, notable developments also include:

- The Foundation is a founding member of a collective called Water Safety USA, which working on a national water safety plan per the recommendation of the World Health Organization. An overview of the plan's draft template is currently being presented at conferences nationwide to gain support and secure involvement from additional stakeholders. The goal is to finalize and roll out an initial document in 2019.
- The Swim Lesson Finder on the Foundation website is starting to show substantial growth in utilization, with staff reporting many instances of outside organizations and agencies are directing parents to us. The highest # of pageviews in a calendar quarter so far was in Q3 of 2018, with 3004, a 106% increase YOY. Pageviews in Q4 '18 and Q1 '19 were 1,283 and 1,976, reflecting YOY increases of 20% and 70%, respectively.

I'm pleased to report **ACHIEVEMENT.**

PROVISION B: Swimming is recognized as a "Sport for Life" for all.

CEO's VISION OF SUCCESS: *(Italicized portion changed)*

Swimming is widely viewed as both an essential life skill and a lifelong sport, a "cradle to grave" ability that also opens doors to other benefits e.g. competitive, health/fitness, family time, etc.

Highest priority to address "essential life skill" is swimming introduction at early age. "For all" is further defined in Ends provision 1.3.C.

Strategically, a long-term goal is to incorporate all the major national franchises/chains as "curriculum providers" to extend the Make a Splash Local Partner Network, and ultimately to convert Make a Splash learn-to-swim graduates to USA Swimming programs (ex. Flex or Premium membership)

<u>Key Performance Indicators</u>:

1. Make a Splash Local Partner Network annual growth – *152 partners/year.*
2. Sports & Fitness Industry Association's (SFIA) annual "aspiration" research data (which looks at all age groups' <u>desire, or aspiration, to get involved in swimming</u> activity) shows aggregate Y-T-Y elevation of combined ranking of fitness/team swimming among 6-12 year olds.

<table>
<tr><th>Key Performance Indicators</th><th>2018 Results</th><th>Achievement</th></tr>
<tr><td>1. Year-to-year growth in the Make a Splash Local Partner Network</td><td>
<table>
<tr><td>Make A Splash</td><td>2016</td><td>2017</td><td>2018</td></tr>
<tr><td>New Local Partners Added</td><td>167</td><td>252</td><td>195</td></tr>
<tr><td>Total # of Active/ Reporting Local Partners</td><td>491 (as of 12/31/16)</td><td>645 (as of 12/31/17)</td><td>955 (as of 12/31/18)</td></tr>
</table>
</td><td>Yes</td></tr>
<tr><td>2. Growth in “aspiration” to participate in Swimming for Fitness and Swimming on a Team from individuals not currently involved in swimming, according to SFIA research.</td><td>
<table>
<tr><td>SFIA DATA: ASPIRE to participate</td><td>(BASELINE) 2018</td><td>2019</td></tr>
<tr><td>Ages 6-12 Swimming for Fitness</td><td>Rank # 7</td><td>Not yet published</td></tr>
<tr><td>Ages 6-12 Swimming on a Team</td><td>Rank # 9</td><td>Not yet published</td></tr>
<tr><td>Ages 13-17 Swimming for Fitness</td><td>Rank # 3</td><td>Not yet published</td></tr>
</table>
Additional Note: in 2018 data, Swimming for Fitness ranked in Top 10 in all age categories from 6-65+
</td><td>Pending New Data</td></tr>
</table>

REPORT:
Make a Splash Local Partner Network:

Actively reporting Local Partners increased by 195 in 2018 over 2017, with an increase in total enrollments of 329,845 students. USA Swimming Foundation funding provided for 18,901 children (vs. 20,794 in 2017), with additional funding provided by local program and partnership sources to service another 76,034 children in 2018. 2018 shows the highest level of service being provided to children ages 5 & under with fairly equal focus on both sexes, at 19% female and 17% male participants. While our data shows a slightly higher percentage of service in the ethnic category of “other”, which includes Caucasian, many providers do not report this information as by federal law they cannot require this information of their participants.

The very substantial growth in 2017 was particularly attributable to the relationships with Streamline schools and Starfish Aquatics Institute. Despite the Foundation having been without a program coordinator/ manager for all of 2018, and there not having been a staff member dedicated towards program expansion, the growth target was exceeded.

Foundation staff also reports that efforts to market the swim lesson finder launched in 2016, providing a platform to showcase our programs and provide Partners with free advertising as we promote the Foundation’s Make a Splash initiative nationwide. The “Find, Get, Give” campaign was helpful in driving parents to the website and provided a platform for us to share how valuable being a Local Partner is, creating more buy-in from our currently active Local Partners; Expectation is that Partners will increasingly “get” the power of the brand and how being affiliated with the Foundation, and by extension, USA Swimming, can aid them.

Positive developments include a new agreement with Bear Paddle Swim Schools (8 locations) and in the pipeline, agreements we expect to finalize with Aqua-Tots (100 locations) and SwimAmerica (500-900 locations).

Large increases in the Local Partner network can be attributed to partnerships with learn to swim operations such as Starfish Aquatics Institute and Streamline Brands, whose programs and franchisees automatically qualify for participation in the Make a Splash Local Partner network. While we continue to recruit individual swim lesson programs, partnerships with large agencies provide a stronger tie to the individual programs, helping to provide us with more comprehensive data via enrollment reports, and additional opportunities to secure and distribute funding in service to targeted audiences.

Based on the year-to-year growth in Make A Splash Local Partners, I report **ACHIEVEMENT.**

Growth in Aspiration to Participate in Swimming: As there is no new SFIA data since the last report 7 months ago, we have no updates on this KPI. These will resume as a regular part of this reporting on an annual basis.

PROVISION C: Swimming achieves sustained growth in participation at all levels.

CEO's VISION OF SUCCESS: (*Italicized portion changed since last report)*

Growth in participation is interpreted to emphasize all levels nationally. Participants in swim schools, rec swimming, etc. will engage on a continuum that will convert into membership growth.

Key Performance Indicators:

1. Sports and Fitness Industry Association (SFIA) data shows average annual growth (AAG) in age 6-17 team swimming participation.
2. SFIA data shows average annual growth (AAG) in age 6-17 core (> 50x per year) team swimming participation.
3. SFIA data shows year-to-year growth age 6-12 (both overall and core) team swimming participation.
4. USA Swimming athlete membership to finish Y/E 8/31/19: (Updated KPI as of April 2019)
   - *Premium: Projecting decrease of -20,345 (-6.1%) (NOTE: This is a change of projection from last September's report, which projected Premium at flat (having projected the decrease that would occur with the addition of Flex. However, in our FY 2019 budget, we initially projected a decrease of 29,325 Premium members (8.7% decrease).*
   - *Flex: Projecting ~22,000 Flex members (first year). Year over Year comparison TBD after 2018-19 season.*

REPORT:

<table>
<tr><th>Key Performance Indicators</th><th>2018 Results</th><th>Achievement</th></tr>
<tr><td>1. SFIA data shows average annual growth (AAG) in Swimmers on a Team participation for ages 6-17</td><td><table>
<tr><td>SFIA DATA:
Swimming on a Team Participation</td><td>2018
BASELINE</td><td>2019</td></tr>
<tr><td>Ages 6-17
3-year growth</td><td>+4.1%</td><td>Not yet published</td></tr>
<tr><td>Ages 6-17:
5-year growth</td><td>+4.1%</td><td>Not yet published</td></tr>
<tr><td>Previous year growth</td><td>2016-2017
Down 10.7%</td><td>Not yet published</td></tr>
</table></td><td>Pending New Data</td></tr>
<tr><td>1. SFIA data shows average annual growth (AAG) in <u>core</u> (> 50x per year) Swimmers on a Team participation for ages 6-17</td><td><table>
<tr><td>SFIA DATA:
Swimming on a Team Participation
Core (>50X/year)</td><td>2018
BASELINE</td><td>2019</td></tr>
<tr><td>Team Swimmers 6-17:
CORE - 3-year growth</td><td>Down 2.6%</td><td>Not yet published</td></tr>
<tr><td>Team Swimmers 6-17:
CORE – 5-year growth</td><td>Down 1.2%</td><td>Not yet published</td></tr>
<tr><td>Previous year growth</td><td>2016-2017
Down 9.8%</td><td>Not yet published</td></tr>
</table></td><td>Pending New Data</td></tr>
<tr><td>2. SFIA data shows year-to-year growth in age 6-12 (both overall and core) team swimming participation</td><td><table>
<tr><td>SFIA DATA:
Swimming on a Team Participation Total
(Both overall and core)</td><td>2018
BASELINE</td><td>2019</td></tr>
<tr><td>ges 6-12 – Total Participants</td><td>741,000</td><td>Not yet published</td></tr>
<tr><td>Participation rate by group*</td><td>2.5%</td><td>Not yet published</td></tr>
</table>• = % of total U.S. population age 6-12 who are participants</td><td>Pending New Data</td></tr>
</table>

3. Updated KPIs for 8/31/19 (as of April 2019: • Premium: Projecting decrease of -20,345 (-6.1%) • Flex: Projecting ~22,000 Flex members (first year). Year over Year comparison TBD after 2018-19 season.		***Pending Data as of 8/31/19***

Athlete Members	8/31/16	8/31/17	8/31/18	8/31/19 Budget Proj.	8/31/19 Revised Proj.
Premium – Full year	327,595	343,850	335,345	306,020	315,000
Flex	0	0	0	41,325	22,000
Total*	363,141	383,431	374,672	385,441	374,880

** total includes Premium, Flex, Open Water Single Meet, Athlete Outreach, Athlete Seasonal and Club memberships.*

Growth in Swimming Participation: Again, as there is no new SFIA data since the last report 7 months ago, we have no updates on this KPI. These will resume as a regular part of this reporting on an annual basis.

As we look to build sustained growth in swimming participation, our CRM investment will help us not only to enhance connections with current members, but also to connect a larger audience with USA Swimming as members or fans.

Growing Premium and Flex membership will be priorities. Once the new CRM platform is in operation (late 2019), we will be able to engage in more robust analysis of opportunities to engage with and build our audience. This is an area in which we anticipate revisiting and being more aggressive with growth targets/KPIs.

USA Swimming Athlete Membership: Total Athlete members increased by 5.6% from 2016 to 2017 (Olympic year bump), and decreased by (2.3%) from 2017 to 2018. We are currently projecting an increase of 0.1% from 2018 to 2019. For comparison, Year 3 of the previous Quad was decrease of (1.3%) (2014 to 2015).

- *(NOTE: The current Flex projection is revised downward from the 41,000 initially budgeted, and projected number of Total Athlete members has decreased 10,561. However, as we are seeing more Premium members than initially budgeted, updated membership revenue projections (as of early April) are $345,000 to the good in these two categories.*

Since the last report was submitted after August 31st, and pending new SFIA data, the interval is too short and data lacking to assess overall growth in participation. Reporting and assessment will resume with the regular annual schedule.

PROVISION C.i: Priority: Growth in participation in all cultures, ages, genders, economic backgrounds, and levels of ability.

CEO's VISION OF SUCCESS: (No changes since last report)

Swimming participation reflects society from a demographic standpoint. Shorter term priorities are demographic targets identified in the USOC Diversity Study, with primary focus on ages 6-12, then 13-17.

Key Performance Indicator: Year-to-year growth of the multi-cultural component of USA Swimming's membership (internal demographic guide).

REPORT:

Key Performance Indicators	2019 Updated Results	Achievement
1. Year-to-year growth of the multi-cultural component of USA Swimming's membership (internal demographic guide).		

	As of August 2017	As of August 2018
Multi-cultural component of USA-S membership	18.61%	18.79%

Though the gain last year was very modest, this statistic has long hovered in the 17-18% range. Our aim is to see a trend showing sustained incremental growth in this statistic. While Y-T-Y assessment is helpful, trends over 4-year cycles will be more telling as to success in diversifying the swimming population.

A positive development in the past year is the broader definition of Community Swim Teams, providing other partnership models. The somewhat successful Chicago Park District program has led to re-signing another 3 year MOU and sparked Indianapolis Park and Rec MOU discussions.

Additional results anticipated in the coming year include signing of MOU's for Indianapolis and LA2028, smaller Community Swim Team programs coming on board, increased focus on D&I education driving the culture of inclusion and attracting more to our sport.

As to gaps, or opportunities that deserve higher prioritization, as we proceed towards the Foundation restructuring, we need to be direct and purposeful in betting attracting and tracking Learn-to-Swim athletes into the USA Swimming system.

Based on the data we do have, albeit it incremental and a modest increase in our multi-cultural component of our membership, I report ACHIEVEMENT.

PROVISION D: There is growth in audience engagement.

CEO's INTERPRETATION / VISION OF SUCCESS: *(Italicized portion changed since last report)*

Growth of swimming audience engagement through attending swimming events, and an array of platforms (reading, listening, viewing). A key strategy and impact towards this will be showcasing swimming stars and events.

Key Performance Indicators:

1. TV/Digital Viewership: Annual growth in Digital Swimming Index (DSI), which is an internal measure that aggregates total engagement *(followers and users)* with USA Swimming digital & media properties (e.g., USASwimming.org visitors, Webcast viewers, Social Media followers, Email subscribers and web site / Deck Pass accounts) in a combined index.
2. Event attendance at USA-S events (TYR Pro Swim Series, Nationals and Winter Nationals): Growth in attendance as % of venue capacity (aggregate per event).
    a. Targets: Trials and Nationals – 90%; TYR Pro Swim Series 80%.

REPORT:

<table>
<tr><th>Key Performance Indicators</th><th>2019 Report</th><th>Achievement</th></tr>
<tr><td>1. TV/Digital Viewership: Annual growth in Digital Swimming Index (DSI), which is an internal measure that aggregates total engagement (followers and users) with USA Swimming digital & media properties (ex. USASwimming.org visitors, Webcast viewers, Social Media followers, Email subscribers and web site / Deck Pass accounts) in a combined index.
(NOTE: TV viewership not reported here. See note below)</td><td>
<table>
<tr><td></td><td>2017</td><td>2018</td></tr>
<tr><td>Total DSI</td><td>9.4mm</td><td>6.4mm</td></tr>
<tr><td colspan="3">Components</td></tr>
<tr><td>.org unique visitors</td><td>5,426,775</td><td>2,243,083</td></tr>
<tr><td>Deck Pass live views</td><td>1,822,948</td><td>1,826,260</td></tr>
<tr><td>Social Media followers</td><td>1,246,810</td><td>1,321,568</td></tr>
<tr><td>Unique Email subscribers</td><td>340,000</td><td>408,441</td></tr>
<tr><td>Total Deck Pass Accounts</td><td>611,331</td><td>648,424</td></tr>
</table>
</td><td></td></tr>
</table>

2. Growth in attendance as % of venue capacity	Venue	Ticket Sales	Tickets Sold/ Capacity	% of Capacity	
	Knoxville	$23,900	1,200 / 2,100	57%	
	Des Moines	$49,300	2,200 / 2,300	95% (approx.)	
	Richmond (#s not final)			100%	

REPORT:

Digital Swimming Index: Last year, we developed and introduced this aggregate measure of total engagement with our digital and media properties.

The DSI has dropped from 2017 to 2018, due to a huge decline in website visitors. Positive news is that each of the other four components of the DSI had increases in 2018:

	2017	2018
Total DSI	9.4mm	6.4mm
Components		
.org unique visitors	5,426,775	2,243,083
Deck Pass live views	1,822,948	1,826,260
Social Media followers	1,246,810	1,321,568
Unique Email subscribers	340,000	408,441
Total Deck Pass Accounts	611,331	648,424

As usaswimming.org is the primary gateway through which people access information, due to the 31% decrease in visitors from the previous year, I report **NON-ACHIEVEMENT** with regard to digital fan engagement.

We are aggressively addressing this issue. Following a review and audit of usaswimming.org, along with feedback from staff and members, we will undergo updates to the current website functionality and design. The primary areas of focus will be the site search function/navigation, the resource topic browser and the visual design. Backend SEO issues will also be addressed, reducing the site's load time, increasing search equity and reducing 404 error pages. The key objective of the redesign is to provide an overall better user experience, which should in turn increase site usability and traffic to usaswimming.org.

An internal taskforce, led by the Commercial Division, has been put into place to oversee the redesign. Efforts are already underway, with a phase 1 targeted completion date of September 2019.

With regard to TV, we have accumulated data, but as we implement the DSI tool for the first time, we have not yet succeeded in tracking sufficient data to provide apples to apples comparisons. A key reason is that overall broadcast numbers represent bulk airings versus airings in the same hour timeslots. Also, as many of our TYR Pro Swim Series broadcasts are airing in primetime on the Olympic Channel, those numbers have not previously been tracked, and we are looking to include them.

Our aim is to further develop the DSI to be a concise, understandable and meaningful tool to understand and monitor our success in fan engagement via media and digital channels. As to TV viewership, the variances in scheduling each year in a quad adds to the challenge of effective benchmarking. I'm not yet confident enough in the data we have in place to assess the growth of TV audience engagement this year. With Shana's recent arrival, this will clearly be an area of focus, and we will update the Board in September as to material developments.

Event Attendance at USA-S Events:

USA Swimming moved the TYR Pro Swim Series for 2019 to five new host cities. Some of these venues have smaller seating capacities, but there is still great interest in swimming in those communities. USA Swimming is also tracking attendance more closely through its ticket partner Vendini. Thus far, we have had competitions in Knoxville, Des Moines and Richmond. Numbers for Richmond, while sold out, have not yet been finalized.

Knoxville attendance was significantly below target. We attribute this to three factors:

1. Knoxville was announced relatively late in the fall, and thus didn't have the same amount of time as Des Moines and Richmond to sell tickets.
2. UT students were not in school during the competition (they were just getting back from winter break).
3. The UT men's and women's teams were at the University of Virginia for a dual meet on the same dates, so those in the university community who might have attended in order to watch UT swimmers, did not attend.

In the aggregate, attendance at these three events, as a percent of capacity, averaged 84%. Our KPI for the series targets at least 80%. **I report achievement.**

April 10, 2019

CONVENTION TASK FORCE PROPOSAL

Hold the USA Swimming Convention as an independent Convention in 2022.

Background: The Convention Task Force was assembled to examine the makeup of USA Swimming's annual Convention and to determine what (if any) changes should be made to the Convention. Currently the USA Swimming Convention is held as a part of the United States Aquatic Sports (USAS) Convention with attendees from USA Diving, US Masters Swimming, USA Synchro and USA Water Polo (in a very limited capacity). USAS has made agreements with hotels and locations for 2019, 2020 and 2021.

The task force has met several times over the past year and one-half to discuss the annual Convention. We considered not only our own Convention experience, but also examined the results of the post-convention surveys of our delegates. Survey responses indicate a desire from Convention attendees for a shorter Convention with more networking and "best practices" sharing opportunities as well as content that is more globally-appealing and not necessarily targeted to only one group (officials, coaches, LSC leaders, etc.),

After considering all facets of Convention (attendees – both athlete and non-athlete, governance content, educational content, legislation and election requirements, social events, networking opportunities, affiliated member attendance) it was determined that USA Swimming should pursue booking their own independent Convention for 2022. This Convention would be for USA Swimming delegates only. The following outlines our reasoning.

Rationale:

- We can control our meeting space, logistics, schedule and special events tied to Convention. We would not be obligated or constricted by the needs of the other sports.
- We would be able to source the Convention location through our Marriott sponsorship. Currently, USAS is contracted with Hyatt properties.
- A USA Swimming-only Convention would mean fewer attendees. This would give us much more flexibility in possible locales, timing of Convention, and host hotels.
- With the progression of the Zone Workshops, there is less need for targeted educational opportunities. Education presented at Convention could be more globally-oriented to all convention attendees instead of niche groups. LSCs might send fewer delegates to convention and place more focus on Zone workshops.
- Convention could focus on governance and being a celebratory event for the sport of swimming.
- We might have the option to hold Convention in conjunction with a larger USA Swimming event, such as a national championship.
- We may be able to partner with ASCA for a future Convention (they are booked through 2023). Many of our delegates and exhibitors also attend the ASCA Convention. If we were able to combine events or make them back-to-back, we benefit on logistics, timing and finances for those attendees.
- We could also consider holding Convention in conjunction with US Masters, who shares many of our same needs/interests and are the second largest (USA Swimming is first) group at the USAS Convention.

If we were to hold our own Convention, the following is a ***possible*** schedule.

Wednesday – athlete leadership/education as needed. Networking and Arrivals. Keynote speaker opening session.
Thursday – Board of Directors and Committees (if needed) meetings, educational workshops as needed
Friday – Zone meetings and House of Delegates, other meetings as needed
Saturday – conclusion of House of Delegates followed by a "Celebration of Swimming" luncheon banquet

With this type of schedule, LSCs could focus on sending voting delegates and delegates involved in governance. Expenses would be less – many could arrive Wednesday and the majority could depart Saturday afternoon.

Respectfully submitted, Convention Task Force

2019 Convention Task Force Members – Mary Jo Swalley (Chair), Jayne Spittler, Sean Redmond, Ellaine Cox, CJ Fiala (Athlete Rep), Janelle Nguyen (Athlete Rep, AEC Convention Chair), Dakota Noble (Athlete Rep), Gina Mensay (Staff Leader)

TO: USA Swimming Board of Directors
FROM: Tim Hinchey III, President & CEO
RE: Internal Report – Annual Monitoring on **Policy 3.2- External Relations**
DATE: April 17, 2019

I hereby present my monitoring report on Management Parameters Policy 3.2 "External Relations," per the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true as of this date.

Signed_____, President & CEO

POLICY PROVISION: With respect to USA Swimming's interactions with other entities, the CEO will not operate without cultivating and maintaining senior leadership level relationships with all relevant national and international organizations, including but not limited to: USOC, FINA, NCAA, ASCA, CSCAA, ACES, USADA, etc.

CEO's INTERPRETATION: Maintaining the respect of and positive relations with key agencies is integral to long-term fulfillment of our Ends. I interpret this to also include local and swimming related media entities. While I am the official spokesperson for the operating organization, I also rely on and expect key staff members to actively contribute to and guide necessary relationship development.

REPORT: Over the past year, I have continued to develop existing relationships and cultivate new relationships with key stakeholders both within and outside of the Olympic Movement.

Examples include:

- USOC – Susanne Lyons, Board Chair; Sarah Hirshland, CEO; Sarah Wilhelmi, Director of Collegiate Partnerships; Dr. Bill Moreau, VP Sports Medicine; and I serve on the NGB/AAC Collegiate Working Group.
- NGBs & Constituent Organizations – Chris Ramsey, USA Water Polo; Kirsten Corio, USTA; Jay Berhalter, US Soccer; Tom Crawford, USA Ultimate; Pat Kelleher, USA Hockey; Rocky Harris, USA Triathlon; Dawson Hughes, USMS; and Bill Smith, U.S. Aquatics Sports.
- International Bodies – Cornel Marculescu, FINA; Ali Khan, ISL; Sarah Keanu, Swim Ireland; Jack Buckner, British Swimming; Leigh Russell, Swimming Australia; Ahmed El-Awadi, Swimming Canada; Frank Flowers; Flowers Open Water / Cayman Islands.
- Commercial – Geoff, Speedo; Matthew Payne, Denver Sports Commission; Peter Gansler, Under Armour; Chris Foy, Impression Sports; Anita Sayed, Playcore; Gary Zenkel, NBC, Dr. Bill Ramos, IU Health & Aquatics; Manny, Rodriguez, UC Health, and the Chicago Park District and Indy Sports Commission.
- Congress – I continued to meet with various House and Senate Members and staffers through my October 2018 testimony.

Following the naming of our Olympic Head Coaches, I have also cultivated even stronger working relationships with Dave Durden and Greg Meehan.

Additionally, Mike Unger, Lucinda McRoberts, and Belle McLemore have grown and maintained relationships with, among others, John Leonard, ASCA; Rick Mack, ACES; and Travis Tygart and Skip Gilbert, USADA.

In the next year, I will focus in particular on strengthening my relationships with FINA and the USOC, as I serve on the FINA global swimming calendar task force and prepare for the 2020 Olympic Games, respectively.

I am pleased to report COMPLIANCE.

"FINANCIAL CONDITION & ACTIVITIES" POLICY MONITORING REPORT

TO: USA Swimming Board of Directors

FR: Tim Hinchey, Chief Executive Officer

Eric Skufca, Chief Financial Officer

RE: INTERNAL MONITORING REPORT — MANAGEMENT LIMITATIONS

Quarterly Monitoring on Policy 3.4: ***FINANCIAL CONDITION & ACTIVITIES***

We hereby present the monitoring report on the Policy 3.4 "Financial Condition and Activities" in accordance with the monitoring schedule set forth in Board policy. We certify that the information contained in this report and the accompanying Income Statement and Balance Sheet, are true for the quarterly period ending March 31, 2019 on a preliminary basis.

Signed _____, President & CEO

_____, CFO Date April 19, 2019

BROADEST POLICY PROVISION: ***"With respect to financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies."***

CEO's INTERPRETATION: (No change since previous report) I submit that the Board's concerns about avoiding fiscal jeopardy are comprehensively interpreted in this policy's subsequent provisions. Regarding expenditures, I interpret "material deviation from Ends priorities" to mean avoidance of waste, such that all expenditures be viewed and can be correlated as investments towards the achievement of USA Swimming's Ends.

REPORT: As to expenditures deviating from Ends policies, anticipated expenditures were itemized in our approved FY 2019 budget and are subject to review by the Board, using its monitoring system to ensure adherence to our Budget Policy (3.6). All expenditures/procurements during this reporting period have been authorized and determined to be consistent with the FY 2019 budget and Ends achievement. **We therefore report COMPLIANCE.**

Interpretations and reporting data on the fiscal jeopardy provisions are presented with those provisions, below.

POLICY PROVISION #1: "*The CEO will not manage finances without adherence to applicable Generally Accepted Accounting Principles (GAAP), as promulgated by the Financial Accounting Standards Board (FASB)."*

CEO's INTERPRETATION: (No change since previous report) I interpret this to be a clearly articulated standard, addressed to the best of our Chief Financial Officer's ability throughout the year, with compliance verified at the conclusion of each fiscal year in the report of the independent auditor.

REPORT: The organization's financial statements as of and for the year ended December 31, 2018 were audited and issued a clean opinion. The Chief Financial Officer continues to abide by GAAP. **We report COMPLIANCE.**

POLICY PROVISION #2: "*The CEO will not expend more funds than have been projected to be received in the fiscal year, except up to the amount of any Board-approved operating deficit for such fiscal year."*

CEO's INTERPRETATION: (No change since previous report) This policy requires that annual operating expenses be less than total projected revenues, with the exception being up to the amount of a deficit-spend that the Board may have approved for a given fiscal year.

REPORT: Year-to-date revenues were $23,971,279 with corresponding expenses of $8,362,125, for a year-to-date excess of $15,609,154. Current forecast for fiscal year end is total revenue of $37,994,900 and

expenses of $40,232,000, and we thus anticipate an operating deficit of ($2,237,100), unchanged from the budget approved by this body in November 2018. **We report COMPLIANCE.**

POLICY PROVISION #3: ***"The CEO will not allow cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 30-day period."***

CEO's INTERPRETATION: (No change since previous report) This policy requires that we maintain liquid investments adequate to meet one month of operating expenses. I interpret these to include cash expenses only (not depreciation).

REPORT: Cash and cash equivalents were $6,884,078 at March 31, 2019. Monthly operating expenses are approximately $3,350,000. Liquidity was in excess of the threshold required by this policy throughout the quarter. **We report COMPLIANCE**.

POLICY PROVISION #4: "***The CEO will not borrow funds (with exception of credit cards used for normal business purposes and paid in full each month.)***

CEO's INTERPRETATION: (No change since previous report) CEO/Staff are not authorized to borrow funds or use corporate assets as security for any purchase contracts. Use of credit cards by staff is permitted, with each card paid in full on a monthly basis.

REPORT: Strategy Team members are not currently utilizing corporate credit cards, but approximately twelve other staff have corporate credit cards, with balances paid in full through the last statements. We have no other current debt. **We report COMPLIANCE.**

POLICY PROVISION #5: ***"The CEO will not use Board-designated Operating Reserve funds."***

CEO's INTERPRETATION: (No change since previous report) Accessing the Operating Reserve fund is purely at the discretion of, and requires explicit authorization by, the Board of Directors.

REPORT: The CFO calculates the Operating Reserve requirement (at least) annually after our annual audit per the policy and has reported a ($521,178) reserve shortage below the required Operating Reserve of $20,116,000 (six months budgeted operating expenses) at December 31, 2018. This shortage was primarily due to the Q4 2018 market performance on the portfolio which can significantly affect the reserve calculation ($2,480,166 total investment loss in 2018).

As such, the CFO calculated the Operating Reserve requirement again as of March 31, 2019 and has reported $2,180,601 of excess reserves above the required Operating Reserve of $20,116,000 (six months budgeted operating expenses).

Note the December 31, 2018 calculation was at 97% of the targeted reserve level (or 5.84 months vs. the targeted 6 months) and has rebounded to 111% (or 6.65 months) as of March 31, 2019. Policy states:

> *"If the Operating Reserve is and has been less than 75% of the targeted reserve level for two consecutive years, the Board of Directors, in the absence of any extraordinary circumstances, will adopt an operational budget that includes a projected surplus sufficient to rebuild the Operating Reserve Fund to its targeted reserve level over the following two years."*

Given our historical position, market performance in 2018, projected operating results in 2019 and 2020, and the current reserve calculation, the Vice Chair of Fiscal Oversight and CFO recommend no changes or concern at this point.

Additionally, the required Operating Reserve has not been tapped in FY 2019. **We report COMPLIANCE.**

POLICY PROVISION #6: ***"The CEO will not operate without settling payroll obligations and payables in a timely manner."***

CEO's INTERPRETATION: (No change since previous report) Payroll must meet its obligations every two weeks starting Friday, January 4, 2019. For other payables, I interpret "timely" to mean by the date stipulated in agreement with the vendor, or if not explicit, within thirty days of invoice (assuming provision of goods or services has been completed).

REPORT: Payroll has met the schedule as interpreted above. USA Swimming processes payables weekly. There were no invoices in dispute as of March 31, 2019 and all payables have been paid on time. **We report COMPLIANCE.**

POLICY PROVISION #7: ***"The CEO will not allow tax or other government-ordered payments or filings to be overdue or inaccurately filed."***

CEO's INTERPRETATION: (No change since previous report) All tax and governmentally required payments or filings (payroll, Form 990, 1099's, etc.) must be made in a timely and accurate manner.

REPORT: All withholding taxes and other such payroll payments and filings have been made within deadline by our payroll provider, ADP. Forms 1099/1096 were filed by January 31, 2019. Form 990 is under a filing extension to November 15, 2019. There are no outstanding filings and there have been no late penalties. **We report COMPLIANCE.**

POLICY PROVISION #8: ***"The CEO will not execute a purchase commitment, check or electronic funds transfer for greater than $250,000, unless such expenditure was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.***

CEO's INTERPRETATION: (No change since previous report) Any expenditure in excess of $250,000 that was not disclosed as part of our budget plan must be approved by the Board.

REPORT: No such expenditures in excess of $250,000 have been incurred that were not part of our approved budget plan thus far in this fiscal year. **We report COMPLIANCE.**

POLICY PROVISION #9: ***"The CEO will not acquire, encumber, lease or dispose of real property."***

CEO's INTERPRETATION: (No change since previous report) All decisions regarding the purchase, lease, sale or other claim of/on land, buildings, office or warehouse space are considered to be at the discretion of the Board.

REPORT: No decisions or changes with respect to real property were made during this reporting quarter. **We report COMPLIANCE.**

POLICY PROVISION #10: ***"The CEO will not operate without aggressively pursuing material receivables after a reasonable grace period."***

CEO's INTERPRETATION: (*Italicized portion* changed since previous report) USA Swimming is not to be lackadaisical regarding collections. "Material" is interpreted to be receivables that, when collected, are of greater value than the cost of collection (including staff time), but generally anything *over $10,000.00 (previously $100,000.00)*. "Aggressively" is interpreted to mean that we will seek legal counsel after a "grace period" of 60 days and reasonable collection efforts have been unsuccessful.

REPORT: Primary receivables are membership dues, sponsorship payments, event fees, etc. At quarter end, there were two sponsorship receivables that were over 60 days past due. We anticipate successful resolutions of these receivables without legal intervention. **We therefore report COMPLIANCE.**

POLICY PROVISION #11: ***"The CEO will not operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets."***

CEO's INTERPRETATION: (No change since previous report) Controls must be in place that ensure that all disbursements are appropriately authorized. Further, all payments (checks, credit card purchases, petty cash, etc.) and capitalized assets must have corresponding documentation sufficient to satisfy the auditor. I interpret fulfillment of this policy to be evidenced by written Policies and Procedures that the auditor considers when performing audit procedures. Complete implementation (or absence) of recommendations brought forth by the auditor in a Management Letter is further evidence of compliance.

REPORT: Controls in place are consistent with Board policy. The 2017 and 2018 fiscal audits were not accompanied by any Management Letter recommendations. **We therefore report COMPLIANCE.**

#11A: "*The CEO will not operate without clearly delineated procedures and limitations for reimbursement of authorized expenses incurred by board members and committee members, and others who are entitled to reimbursement from USA-S."*

CEO's INTERPRETATION: (No change since previous report) Staff is to maintain, disseminate and ensure adherence to travel/expense reimbursement policies applicable to staff, Board members and other volunteers.

REPORT: All travel/expense reimbursement processes have been uniformly applied with minimal exceptions (e.g. a missing cab receipt) that are neither material nor regular. **We report COMPLIANCE.**

#11B: "*CEO credit card statements and/or expense reimbursements must be reviewed and authorized for payment by the Vice Chair-Fiscal Oversight. CEO credit card statements must be reviewed and approved within 30 days of payment."*

CEO's INTERPRETATION: (No change since previous report) Documentation/receipts for CEO credit card statements and expense reports are to be provided electronically (Concur) to the Vice Chair – Fiscal Oversight for approval before payment.

REPORT: Vice Chair-Fiscal Oversight reviewed and approved all expense reimbursements submitted by the CEO during the first quarter 2019. As to credit card statements, the CEO does not currently utilize a corporate credit card. **We report COMPLIANCE.**

USA Swimming
2018 Annual Financial Report – Final

Submitted by: Eric Skufca, CFO 3/13/2019

2018 SUMMARY

- Missed 2018 operating budget by ($955,683)* with an operating deficit of ($1,453,784). *Note this operating deficit variance is better than the ($1.12M) projected variance given at the February 2, 2019 Board meeting primarily due to fewer amateur athlete prize money payouts than projected (dependent upon NCAA compliance officers) as well as fixed asset capitalization vs. expense.
- Overall expense savings were $832,273 compared to budget, but did not overcome sponsorship and membership revenue shortfalls of ($1,370,005) and ($616,855) respectively.
- Investment balance decreased ($4,972,093) as fully explained within the 'Informational Commentary' section below. Note our portfolio market loss of (4.58%) beat our blended benchmark loss of (5.41%).

INFORMATIONAL COMMENTARY

Below is additional background on two areas of the financial statements intended as pre-reading to the 'Financial Statement Analysis' that follows.

Investment Balance and Revenue:

The 2018 investment revenue budget was based on the 12/31/2016 portfolio balance of $33,263,000 and a 4.7% return or $1,563,500. $990,500 was allocated to the operating budget and $573,000 was allocated for growth of reserves.

The 2018 actual performance was a loss of ($1,489,666) or (4.58%) (note our loss fared better than our blended benchmark loss of (5.41%)). $990,500 was transferred to operations regardless of performance in much the same way a retiree would take an IRA distribution regardless of investment performance. Investment returns are unpredictable year-to-year, but are expected to be positive in the long term. In 2017 for comparison, the portfolio had a gain of $4,806,962 or +14.78% and the same amount ($990,500) was transferred to operations.

Operating investment revenue was $1,070,021 including the $990,500 transfer plus $79,521 of interest earnings from invested cash. The investment loss "below the line" of ($2,480,166) equals the actual loss of ($1,489,666) plus the ($990,500) transfer.

The investment portfolio decreased by ($4,972,093) primarily due to ($1,489,666) investment loss, ($990,500) transfer to operations, and ($2,500,000) of other transfers. The other transfers helped to fund the operating loss ($1,453,784) and reserve spending of ($1,333,874) as further explained in the 'Income Statements' section below.

Expense Breakout:

Within the 'Financial Statement Analysis' below, variance explanations are detailed by business unit and division (e.g. National Team, Commercial, etc.). Given organizational restructure and expense allocation methodologies, the following two expense areas can be misinterpreted when analyzed by division. As such, please see below:

- Total Payroll and Benefits of $11,366,088 were over budget by ($99,788) or (0.89%) (page 4). Organizational restructuring resulted in severance costs and wide variances in the separate business units and divisions.
- Administration & Operational Support programs were over budget (pages 7-15 by division). The main factor was allocating in-house travel agency costs to these budgets rather than to the individual programs as budgeted.

FINANCIAL STATEMENT ANALYSIS

Accompanying this written summary are the final, unaudited USA Swimming financial statements for 2018. The following are key items and variances as highlighted in the statements:

2020 Quad Update (page 1) – The 2020 Business Plan has been updated with the 2018 results. Using the approved 2019 budget and 2020 projection, we currently show a ($955,596) deficit for the quad or (0.6%) of total quad revenue. We will provide an amended 2019 budget along with the final 2020 budget with the goal of a breakeven quad.

Balance Sheet (page 2) – Our cash position decreased year over year by ($1,082,340) to $7,217,977 as reflected in the decrease of accrued expenses and other liabilities which included paying out forfeited FINA prize money that was collected in 2017 as well as fulfilling contractual obligations to the previous CEO.

Long-term investments decreased by ($4,972,093) to $32,023,658 as explained in the 'Investment Balance and Revenue' section above.

Total net assets decreased by ($5,267,824) to $31,041,563 due to the operating loss ($1,453,784), reserve spending ($1,333,874), and aforementioned "below the line" investment loss of ($2,480,166).

Income Statements (pages 3 - 4) – Operating deficit of ($1,453,784) missed the budget by ($955,683). Total operating revenue of $36,099,844 fell short of the budget by ($1,787,956) or (4.72%). Total operating expenses of $37,553,627 beat the budget by $832,273 or 2.17%. National Team and Commercial divisions produced the largest budget savings.

Excluded from the operating budget are items approved by the Board to be funded by reserves totaling ($1,333,874) including Safe Sport contingency, CRM project, Athlete Leadership Summit, and disaster relief grants.

As explained in the 'Investment Balance and Revenue' section above, the "below the line" investment loss of ($2,480,166) equals the actual loss of ($1,489,666) plus the ($990,500) transfer.

Statement of Revenue (pages 5 - 6) – Total operating revenue of $36,099,844 was ($1,787,956) short of the budget.

Membership dues of $22,778,145 missed the budget by ($616,855) or (2.64%) primarily due to athlete membership.

USOC funding of $5,294,900 was $200,200 greater than the budget.

Partnership Marketing revenue of $4,203,495 missed the budget by ($1,370,005) or (24.58%) primarily due to not signing any new partners ($500,000 budgeted), a paused partnership with Marriott ($200,000 shortfall in 2018, but renewed a heightened multi-year agreement starting in 2019), non-renewal of Chobani ($150,000), web advertising ($133,740), among others. Additionally, apparel VIK was underutilized by ($164,711). This underutilization is reflected as budget savings including National Team program #3110 of $127,090.

Sport Development (pages 7 - 8)
Total expenses of $4,653,677 represented a budget savings of $193,323. The largest savings came from the coach education and development programs primarily due to travel and contract labor savings on the Master Coach program and hosted coach clinics.

- +$107,766 Coach Education and Development (program group)

Events & Member Services (pages 8 - 10)
Total expenses of $7,715,136 were over budget by ($297,836). National Championships "Trialization" was an emphasis in 2018 (see also Commercial below). The budgeted 'National Team vs. NCAA' event was not held. Member programs finished under budget due to Swims 2.0 and online registration software, among others. Administration was over due to the Payroll and Administration & Operational Support explanation within the 'Expense Breakout' section above.

- ($651,619) National Championships
- +$178,900 National Team vs. NCAA
- +$230,190 Member Programs (program group)
- +$68,718 TV/Web Cast Production
- ($173,257) Administration (program group)

National Team (pages 10 - 12)
Total expenses of $9,013,587 represented a budget savings of $519,913. The budgeted 'National Team vs. NCAA' event was not held. The National Junior Team had fewer events than budgeted resulting in travel savings. Also, fewer Junior Team athletes qualified for Pro Swim Series reimbursements than budgeted. As mentioned within Partnership Marketing revenue above, apparel VIK was underutilized resulting in program savings. Salaries and Benefits reflected savings from restructuring.

- +$82,150 National Team vs. NCAA
- +$156,006 Junior Team (program group)
- +$127,090 National Team Uniforming (VIK)
- +$143,606 Salaries and Benefits

Commercial (pages 12 - 13)
Total expenses of $6,260,256 represented a budget savings of $249,945. In reaction to the expected sponsorship revenue shortfall, the division tightened many expense areas such as Marketing & Contract Fulfillment, Communications, Swim Today, and Deck Pass. National Championships "Trialization" was an unbudgeted emphasis in 2018 (advertising, hospitality areas, etc.).

- +$115,117 Marketing & Contract Fulfillment
- +$462,485 Communications (program group)
- ($554,771) Nationals Marketing
- +$107,582 Swim Today
- +$173,735 Deck Pass

Risk Management (page 13)
Total expenses of $3,063,524 represented a budget savings of $43,276 or 1.39%.

Foundation & Make a Splash Support (page 13)
Total expenses of $996,997 were over budget by ($31,997) due to greater USA Swimming payroll allocation costs ($31,921). $250,000 of cash support was paid as budgeted (discontinued in 2019). The budget was adjusted for forfeited FINA prize money of $404,076 that was transferred to the National Team Travel & Training Endowment.

Executive (pages 13 - 14)
Total expenses of $1,530,149 were under budget by $46,552. Executive programs were less than budget by $90,067 primarily due to not spending the full CEO contingency budget. Consulting fees for Board structure and task force related items were greater than the budget by ($96,377) due to scope of work. Salaries and Benefits were over due to the payroll explanation within the 'Expense Breakout' section above.

- +$90,067 Executive (program group)
- ($96,377) Task Force & Other Committees
- ($49,184) Admin & Operational Support (primarily travel)
- +$67,368 Salaries and Benefits

Finance (page 14)
Total expenses of $871,532 were under budget by $42,468.

Business Affairs (pages 14 - 15)
Total expenses of $3,448,770 were under budget by $66,630. Legal and National Board of Review (NBR) are dependent upon the legal needs that arise during the year. Our in-house legal commitment also reduced the utilization of external counsel. Safe Sport programs ended under budget as we capitalized applicable software costs. Salaries and Benefits were over due to the payroll explanation within the 'Expense Breakout' section above.

- +$236,230 Legal & NBR (program group)
- +$89,832 Safe Sport (program group)
- ($251,089) Salaries and Benefits

Capital Budget (page 16) – The capital spending of $154,103 was less than the budgeted $161,400. These variances will vary from year to year depending on the optimum timing of replacing IT hardware systems.

USA Swimming
2020 Business Plan

	2017 Actual	2018 Actual	2019 Budget	2020 Projection	TOTAL 2020 QUAD
REVENUE:					
Membership	$22,483,811	$22,778,145	$23,203,900	$23,806,500	$92,272,356
Partnership Marketing Revenue	4,352,754	4,203,495	5,582,500	6,145,800	20,284,549
Consumer Revenue	539,446	235,749	229,500	229,500	1,234,195
USOC Partnership	5,134,700	5,294,900	5,304,500	5,304,500	21,038,600
Investment Income	1,001,643	1,070,021	1,788,900	1,813,900	5,674,464
Foundation	792,500	963,600	915,700	933,200	3,605,000
Sport and Events	978,254	804,612	721,500	5,981,500	8,485,865
Other Income	331,745	749,322	248,400	239,100	1,568,566
TOTAL REVENUE	**35,614,853**	**36,099,844**	**37,994,900**	**44,454,000**	**154,163,596**
EXPENSES:					
Technical/Sport:					
Sport Development	4,455,110	4,653,677	4,907,800	4,922,200	18,938,787
Events and Member Services	8,581,871	7,715,136	7,245,300	6,909,900	30,452,207
National Team	8,004,303	9,013,587	10,892,400	11,017,700	38,927,991
Total Technical/Sport	21,041,284	21,382,400	23,045,500	22,849,800	88,318,985
Other Programs:					
Commercial	5,172,794	6,260,256	6,751,600	7,581,600	25,766,250
Risk Management	3,004,431	3,063,524	3,184,200	3,332,900	12,585,055
Foundation and MAS Support	525,371	996,997	311,000	311,000	2,144,368
Total Other Programs	8,702,595	10,320,777	10,246,800	11,225,500	40,495,672
Administration:					
Executive	4,013,797	1,530,149	1,552,500	1,740,500	8,836,946
Finance	1,364,162	871,532	1,139,300	887,400	4,262,394
Business Affairs	1,240,827	3,448,770	4,247,900	4,267,700	13,205,197
Total Administration	6,618,786	5,850,450	6,939,700	6,895,600	26,304,536
TOTAL EXPENSES	**36,362,665**	**37,553,627**	**40,232,000**	**40,970,900**	**155,119,193**
OPERATING SURPLUS (DEFICIT)	**($747,813)**	**($1,453,784)**	**($2,237,100)**	**$3,483,100**	**($955,596)**
Reserves Spending:					
Foundation Donations	(1,000,000)	0	0	0	(1,000,000)
Disaster Donations	0	(20,606)	0	0	(20,606)
Building Remodel	0	0	(120,000)	(180,000)	(300,000)
IT Special Projects (CRM)	0	(327,086)	(950,000)	(350,000)	(1,627,086)
Safe Sport Contingency	0	(719,564)	0	0	(719,564)
Athlete Leadership Summit	0	(266,618)	(214,000)	0	(480,618)
Cost of Flex	0	0	(1,000,000)	(700,000)	(1,700,000)
Total Reserves Spending	**(1,000,000)**	**(1,333,874)**	**(2,284,000)**	**(1,230,000)**	**(5,847,874)**
Surplus (Deficit) Before Investment Gain (Loss)	**(1,747,813)**	**(2,787,657)**	**(4,521,100)**	**2,253,100**	**(6,803,470)**
Investment Gain (Loss)	**3,816,462**	**(2,480,166)**	**0**	**0**	**1,336,296**
NET SURPLUS (DEFICIT)	**$2,068,649**	**($5,267,824)**	**($4,521,100)**	**$2,253,100**	**($5,467,175)**

3/7/2019

USA Swimming, Inc.
Balance Sheet
As of December 31, 2018 and 2017

	12/31/2018	12/31/2017	$ Change
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$7,217,977	$8,300,316	($1,082,340)
Accounts receivable	1,198,074	1,030,969	167,105
Prepaid expenses and deferred charges	1,402,452	1,584,398	(181,947)
Total Current Assets	9,818,503	10,915,684	(1,097,181)
FIXED ASSETS:			
Leasehold Improvements, IT Systems, FF&E, Other	13,609,972	12,037,734	1,572,238
Accumulated depreciation & amortization	(9,018,964)	(8,054,468)	(964,497)
Total Fixed Assets	4,591,008	3,983,266	607,742
LONG-TERM INVESTMENTS:			
Long-term Investments	32,023,658	36,995,751	(4,972,093)
OTHER ASSETS:			
Investment - Swim Trials, LLC	107,629	154,170	(46,541)
Prepaid rent	2,164,760	2,334,832	(170,072)
Total Other Assets	2,272,389	2,489,002	(216,613)
TOTAL ASSETS	**$48,705,558**	**$54,383,702**	**($5,678,145)**
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	$1,744,550	$1,166,561	$577,989
Accrued expenses and other liabilities	1,603,786	2,515,894	(912,109)
Deferred revenue	14,315,659	14,391,860	(76,201)
Total Current Liabilities	17,663,995	18,074,316	(410,321)
NONCURRENT LIABILITIES:			
Total Liabilities	17,663,995	18,074,316	(410,321)
NET ASSETS:			
Unrestricted:			
Undesignated Net Assets	12,034,931	16,583,191	(4,548,260)
Board Designated - USSIC	19,006,632	19,726,196	(719,564)
Total Unrestricted Net Assets	31,041,563	36,309,387	(5,267,824)
Total Net Assets	31,041,563	36,309,387	(5,267,824)
TOTAL LIABILITIES AND NET ASSETS	**$48,705,558**	**$54,383,702**	**($5,678,145)**

USASwimming
Income Statement - By Division
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
REVENUE:							
Membership	$1,606	$22,778,145	$23,395,000	($616,855)	-2.64%	$22,483,811	$294,334
Partnership Marketing Revenue	814,579	4,203,495	5,573,500	(1,370,005)	-24.58%	4,352,754	(149,259)
Consumer Revenue	97,402	235,749	357,000	(121,251)	-33.96%	539,446	(303,697)
USOC Partnership	1,156,805	5,294,900	5,094,700	200,200	3.93%	5,134,700	160,200
Investment Income	12,664	1,070,021	1,010,500	59,521	5.89%	1,001,643	68,377
Foundation	403,600	963,600	815,000	148,600	18.23%	792,500	171,100
Sport and Events	53,942	804,612	971,500	(166,888)	-17.18%	978,254	(173,642)
Other Income	468,165	749,322	670,600	78,722	11.74%	331,745	417,577
TOTAL REVENUE	**3,008,763**	**36,099,844**	**37,887,800**	**(1,787,956)**	**-4.72%**	**35,614,853**	**484,991**
EXPENSES:							
Technical/Sport:							
Sport Development	1,132,793	4,653,677	4,847,000	193,323	3.99%	4,455,110	(198,567)
Events and Member Services	1,206,082	7,715,136	7,417,300	(297,836)	-4.02%	8,581,871	866,735
National Team	2,325,115	9,013,587	9,533,500	519,913	5.45%	8,004,303	(1,009,285)
Total Technical/Sport	4,663,990	21,382,400	21,797,800	415,400	1.91%	21,041,284	(341,117)
Other Programs:							
Commercial	1,496,741	6,260,256	6,510,200	249,945	3.84%	5,172,794	(1,087,462)
Risk Management	167,977	3,063,524	3,106,800	43,276	1.39%	3,004,431	(59,094)
Foundation and MAS Support	809,497	996,997	965,000	(31,997)	-3.32%	525,371	(471,626)
Total Other Programs	2,474,215	10,320,777	10,582,000	261,223	2.47%	8,702,595	(1,618,182)
Administration:							
Executive	434,743	1,530,149	1,576,700	46,552	2.95%	4,013,797	2,483,648
Finance	190,323	871,532	914,000	42,468	4.65%	1,364,162	492,631
Business Affairs	952,258	3,448,770	3,515,400	66,630	1.90%	1,240,827	(2,207,942)
Total Administration	1,577,324	5,850,450	6,006,100	155,650	2.59%	6,618,786	768,337
TOTAL EXPENSES	**8,715,529**	**37,553,627**	**38,385,900**	**832,273**	**2.17%**	**36,362,665**	**(1,190,962)**
OPERATING SURPLUS (DEFICIT)	**($5,706,766)**	**($1,453,784)**	**($498,100)**	**($955,683)**	**191.87%**	**($747,813)**	**($705,971)**
Reserves Spending:							
Foundation Donations	0	0	0	0	0.00%	(1,000,000)	1,000,000
Disaster Donations	0	(20,606)	0	(20,606)	0.00%	0	(20,606)
IT Special Projects (CRM)	(243,719)	(327,086)	0	(327,086)	0.00%	0	(327,086)
Safe Sport Contingency	(174,803)	(719,564)	(750,000)	30,436	-4.06%	0	(719,564)
Athlete Leadership Summit	(108)	(266,618)	(240,000)	(26,618)	11.09%	0	(266,618)
Total Reserves Spending	**(418,630)**	**(1,333,874)**	**(990,000)**	**(343,874)**	**34.73%**	**(1,000,000)**	**(333,874)**
Surplus (Deficit) Before Investment Gain (Loss)	**(6,125,396)**	**(2,787,657)**	**(1,488,100)**	**(1,299,557)**	**87.33%**	**(1,747,813)**	**(1,039,845)**
Investment Gain (Loss)	**(2,226,471)**	**(2,480,166)**	**573,000**	**(3,053,166)**	**-532.84%**	**3,816,462**	**(6,296,628)**
NET SURPLUS (DEFICIT)	**($8,351,867)**	**($5,267,824)**	**($915,100)**	**($4,352,723)**	**475.66%**	**$2,068,649**	**($7,336,473)**

3/7/2019

USA Swimming
Income Statement - By Category
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
REVENUE:							
Membership	$1,606	$22,778,145	$23,395,000	($616,855)	-2.64%	$22,483,811	$294,334
USOC Partnership	1,156,805	5,294,900	5,094,700	200,200	3.93%	5,134,700	160,200
Partnership Marketing Revenue	814,579	4,203,495	5,573,500	(1,370,005)	-24.58%	4,352,754	(149,259)
Consumer Revenue	97,402	235,749	357,000	(121,251)	-33.96%	539,446	(303,697)
Sport and Events	53,942	804,612	971,500	(166,888)	-17.18%	978,254	(173,642)
Foundation and Swim-A-Thon	403,600	963,600	815,000	148,600	18.23%	792,500	171,100
Investment Income	12,664	1,070,021	1,010,500	59,521	5.89%	1,001,643	68,377
Other Income	468,165	749,322	670,600	78,722	11.74%	331,745	417,577
Total Revenue	3,008,763	36,099,844	37,887,800	(1,787,956)	-4.72%	35,614,853	484,991
EXPENSES:							
Salaries and Wages	2,910,491	8,875,813	8,504,598	(371,215)	-4.36%	9,403,424	527,611
Employee Benefits	478,735	1,924,175	2,222,420	298,245	13.42%	1,996,232	72,058
Employment Taxes	154,931	566,101	539,282	(26,819)	-4.97%	517,695	(48,406)
Total Payroll and Benefits	3,544,157	11,366,088	11,266,300	(99,788)	-0.89%	11,917,351	551,263
Travel and Hospitality	1,206,983	5,655,175	5,872,313	217,138	3.70%	5,662,014	6,839
Direct Athlete Support	1,010,753	3,950,436	3,987,850	37,414	0.94%	3,189,909	(760,527)
Insurance	161,649	3,032,730	3,052,100	19,370	0.63%	2,955,177	(77,553)
Professional Fees & Honoraria	499,181	2,609,260	3,245,017	635,757	19.59%	3,159,721	550,461
Rent and Lease Expense	204,182	1,771,069	768,813	(1,002,256)	-130.36%	696,905	(1,074,164)
Television and Video Production	117,069	1,397,422	2,183,751	786,329	36.01%	1,580,082	182,661
Grants	528,568	1,244,908	1,346,000	101,092	7.51%	881,756	(363,152)
Depreciation and Amortization	308,840	1,158,333	1,081,983	(76,350)	-7.06%	927,080	(231,253)
Dues, Fees & Tickets	180,985	1,080,174	1,011,212	(68,962)	-6.82%	1,169,639	89,465
Supplies and Expense	266,307	781,836	794,707	12,871	1.62%	819,474	37,638
Gear, Equipment, & Signage	113,597	771,634	622,396	(149,238)	-23.98%	784,027	12,394
Printing and Duplication	228,085	552,704	801,348	248,644	31.03%	649,404	96,701
Awards	59,047	517,728	468,998	(48,730)	-10.39%	502,297	(15,431)
Information Technology Expenses	67,208	442,837	358,496	(84,341)	-23.53%	527,471	84,634
Apparel	127,738	438,194	661,890	223,696	33.80%	481,676	43,482
Advertising	8,068	291,506	294,500	2,994	1.02%	84,650	(206,857)
Telephone and Internet Service	52,354	171,246	269,079	97,833	36.36%	118,230	(53,016)
Protocol & Gifts	21,833	166,950	140,700	(26,250)	-18.66%	188,994	22,045
Miscellaneous Expenses	8,924	153,397	54,548	(98,849)	-181.21%	66,807	(86,590)
Contingency	0	0	103,900	103,900	100.00%	0	0
Total Expenses	8,715,529	37,553,627	38,385,900	832,273	2.17%	36,362,665	(1,190,962)
OPERATING SURPLUS (DEFICIT)	**($5,706,766)**	**($1,453,784)**	**($498,100)**	**($955,683)**	**191.87%**	**($747,813)**	**($705,971)**
Reserves Spending:							
Foundation Donations	0	0	0	0	0.00%	(1,000,000)	1,000,000
Disaster Donations	0	(20,606)	0	(20,606)	0.00%	0	(20,606)
Athlete Leadership Camp	(108)	(266,618)	(240,000)	(26,618)	11.09%	0	(266,618)
Safe Sport Contingency	(174,803)	(719,564)	(750,000)	30,436	-4.06%	0	(719,564)
IT Special Projects (CRM)	(243,719)	(327,086)	0	(327,086)	0.00%	0	(327,086)
Total Reserve Spending	**(418,630)**	**(1,333,874)**	**(990,000)**	**(343,874)**	**34.73%**	**(1,000,000)**	**(333,874)**
Surplus (Deficit) Before Investment Gain (Loss)	**(6,125,396)**	**(2,787,657)**	**(1,488,100)**	**(1,299,557)**	**87.33%**	**(1,747,813)**	**(1,039,845)**
Investment Gains (Losses)	**(2,226,471)**	**(2,480,166)**	**573,000**	**(3,053,166)**	**-532.84%**	**3,816,462**	**(6,296,628)**
NET SURPLUS (DEFICIT)	**($8,351,867)**	**($5,267,824)**	**($915,100)**	**($4,352,723)**	**475.66%**	**$2,068,649**	**($7,336,473)**

USA Swimming, Inc.
Statement of Revenue
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017 Actual	Favorable (Unfavorable)
MEMBERSHIP:							
Athlete Membership	$116	$19,451,286	$20,136,034	($684,748)	-3.40%	$19,255,600	$195,686
Outreach Athlete Membership	0	56,845	44,450	12,395	27.89%	53,885	2,960
Seasonal Athlete Membership	1,410	742,470	674,190	68,280	10.13%	755,430	(12,960)
Non-Athlete Membership	0	2,269,250	2,287,172	(17,922)	-0.78%	2,165,184	104,066
Life Membership	0	37,668	32,000	5,668	17.71%	29,332	8,336
Allied Membership	0	500	1,000	(500)	-50.00%	1,000	(500)
Club Membership	0	212,380	210,700	1,680	0.80%	212,100	280
Seasonal Club Membership	80	4,720	5,080	(360)	-7.09%	5,120	(400)
Affiliate Membership	(50)	600	800	(200)	-25.00%	800	(200)
Single Meet Open Water	0	1,930	3,440	(1,510)	-43.90%	4,710	(2,780)
Delegate Fees	50	250	100	150	150.00%	350	(100)
Other Membership Income	0	246	34	212	623.53%	300	(54)
TOTAL MEMBERSHIP	**1,606**	**22,778,145**	**23,395,000**	**(616,855)**	**-2.64%**	**22,483,811**	**294,334**
PARTNERSHIP MARKETING REVENUE:							
Corporate Sponsorship	789,816	4,020,160	5,006,000	(985,840)	-19.69%	4,135,147	(114,987)
Supplier Income	9,375	140,000	372,500	(232,500)	-62.42%	155,000	(15,000)
Licensee Income	15,000	15,000	25,000	(10,000)	-40.00%	25,000	(10,000)
Web Advertising	0	1,260	135,000	(133,740)	-99.07%	0	1,260
Print Advertising	0	22,560	30,000	(7,440)	-24.80%	31,110	(8,550)
List Rental Income/Mailing Service	389	4,515	5,000	(485)	-9.71%	6,498	(1,983)
TOTAL PARTNERSHIP MARKETING REVENUE	**814,579**	**4,203,495**	**5,573,500**	**(1,370,005)**	**-24.58%**	**4,352,754**	**(149,259)**
CONSUMER REVENUE:							
SwimBiz	0	7,960	10,000	(2,040)	-20.40%	8,325	(365)
SwimJitsu	0	0	127,500	(127,500)	-100.00%	320,000	(320,000)
Phillips 66 Summer Nationals	0	3,500	0	3,500	0.00%	0	3,500
Royalties	57,404	133,000	97,500	35,500	36.41%	120,198	12,802
Deck Pass App	475	7,774	0	7,774	0.00%	11,478	(3,705)
Publication/Video Sales	0	330	0	330	0.00%	5,740	(5,410)
SwimOutlet	39,153	82,229	120,000	(37,771)	-31.48%	72,655	9,574
Splash Magazine Subscriptions	370	956	2,000	(1,044)	-52.20%	955	1
Shipping/Handling	0	0	0	0	0.00%	94	(94)
TOTAL CONSUMER REVENUE	**97,402**	**235,749**	**357,000**	**(121,251)**	**-33.96%**	**539,446**	**(303,697)**
USOC PARTNERSHIP:							
USOC Performance Funding	755,550	3,022,200	3,022,200	0	0.00%	3,022,200	0
USOC Performance VIK	0	60,000	60,000	0	0.00%	60,000	0
USOC Direct Athlete Support	400,175	2,207,300	1,997,500	209,800	10.50%	1,997,500	209,800
USOC International Relations Grant	1,080	5,400	15,000	(9,600)	-64.00%	5,000	400
USOC Other Support	0	0	0	0	0.00%	50,000	(50,000)
TOTAL USOC PARTNERSHIP	**1,156,805**	**5,294,900**	**5,094,700**	**200,200**	**3.93%**	**5,134,700**	**160,200**
INVESTMENT INCOME:							
Investment Income - Operating Budget	0	990,500	990,500	0	0.00%	990,500	0

3/7/2019

USA Swimming, Inc.
Statement of Revenue
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017 Actual	Favorable (Unfavorable)
Interest Income - Savings	(947)	(944)	0	(944)	0.00%	(766)	(178)
Interest Income - Short Term Securities	13,611	80,465	20,000	60,465	302.32%	11,909	68,556
TOTAL INVESTMENT INCOME	**12,664**	**1,070,021**	**1,010,500**	**59,521**	**5.89%**	**1,001,643**	**68,377**
FOUNDATION AND SWIM-A-THON:							
USA Swimming Foundation	388,600	903,600	755,000	148,600	19.68%	732,500	171,100
Foundation Rent	15,000	60,000	60,000	0	0.00%	60,000	0
TOTAL FOUND. AND SWIM-A-THON	**403,600**	**963,600**	**815,000**	**148,600**	**18.23%**	**792,500**	**171,100**
SPORT AND EVENTS:							
Golden Goggle Awards	(49,759)	(93,376)	0	(93,376)	0.00%	(87,050)	(6,326)
Coach Education Clinics	44,505	194,966	210,000	(15,034)	-7.16%	191,073	3,893
Altitude Camps	117,960	661,442	655,000	6,442	0.98%	513,099	148,343
Olympic Trials	(46,541)	(46,541)	0	(46,541)	0.00%	(91,372)	44,831
Facilities Conference	3,345	14,287	8,000	6,287	78.59%	16,258	(1,971)
FINA World Juniors	0	0	0	0	0.00%	336,074	(336,074)
Custom Visits (BAP)	0	500	6,000	(5,500)	-91.67%	3,500	(3,000)
Safe Sport Materials	1,205	15,884	0	15,884	0.00%	14,522	1,362
International TV Rights	0	0	70,000	(70,000)	-100.00%	0	0
Bad Debts	(15,000)	(15,000)	0	(15,000)	0.00%	0	(15,000)
Other Registration	(1,773)	72,450	22,500	49,950	222.00%	82,151	(9,701)
TOTAL SPORTS AND EVENTS	**53,942**	**804,612**	**971,500**	**(166,888)**	**-17.18%**	**978,254**	**(173,642)**
OTHER INCOME:							
NCAA Top Times List	0	93,000	93,000	0	0.00%	93,000	0
Combined Federal Campaign	2,083	6,728	10,000	(3,272)	-32.72%	7,935	(1,207)
Forfeited Prize Money	404,076	404,076	404,000	76	0.02%	44,310	359,766
Imputed Interest - Prepaid Rent	40,917	163,669	163,600	69	0.04%	174,382	(10,712)
Credit Card Rebate	22,322	22,322	0	22,322	0.00%	0	22,322
Other Revenue	(1,234)	59,526	0	59,526	0.00%	12,118	47,408
TOTAL OTHER INCOME	**468,165**	**749,322**	**670,600**	**78,722**	**11.74%**	**331,745**	**417,577**
TOTAL OPERATING REVENUE	**$3,008,763**	**$36,099,844**	**$37,887,800**	**($1,787,956)**	**-4.72%**	**$35,614,853**	**$484,991**
INVESTMENT GAINS (LOSSES):							
Investment Income (Loss) less Operating Allocation	(2,202,835)	(2,386,608)	672,800	(3,059,408)	-454.73%	3,905,552	(6,292,160)
Money Manager Fees	(23,636)	(93,558)	(99,800)	6,242	-6.25%	(89,090)	(4,468)
TOTAL INVESTMENT GAINS (LOSSES)	**(2,226,471)**	**(2,480,166)**	**573,000**	**(3,053,166)**	**-532.84%**	**3,816,462**	**(6,296,628)**
TOTAL REVENUE	**$782,292**	**$33,619,677**	**$38,460,800**	**($4,841,123)**	**-12.59%**	**$39,431,314**	**($5,811,637)**

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
TECHNICAL/SPORT:							
SPORT DEVELOPMENT							
Athlete Development Programs							
1117 LSC Camps	$86	$6,338	$10,200	$3,862	37.87%	$7,029	$692
1118 Zone Select Camps	26,375	141,167	100,300	(40,867)	-40.74%	102,340	(38,827)
1119 National Select Camps	77,342	94,282	105,400	11,118	10.55%	154,059	59,777
1120 Camp (VIK)	0	18,781	25,000	6,219	24.88%	29,706	10,925
1135 Tech Services Support	2,784	6,639	2,900	(3,739)	-128.93%	6,018	(621)
1163 Open Water Select Camp	0	58,440	55,500	(2,940)	-5.30%	54,028	(4,412)
Program Group Total	*106,587*	*325,646*	*299,300*	*(26,346)*	*-8.80%*	*353,180*	*27,534*
Coach Education and Development							
1213 Coach Education Development	13,835	38,283	62,800	24,517	39.04%	43,025	4,742
1231 USA-S Hosted Coaches Clinics	45,079	120,579	146,700	26,121	17.81%	85,712	(34,866)
1233 Disability Swimming Coaches Workshop	0	444	9,200	8,756	95.18%	0	(444)
1237 Non-USAS Clinic Participation	3,642	32,093	36,800	4,707	12.79%	31,144	(949)
1240 Online Coach Clinics/Podcasts	20	5,601	21,600	15,999	74.07%	14,272	8,672
1242 Coach Mentoring	36,541	121,355	124,600	3,245	2.60%	73,585	(47,770)
1245 Master Coach Program	58,916	118,724	164,500	45,776	27.83%	102,215	(16,509)
1290 Travel & Program Support	46,021	139,257	117,900	(21,357)	-18.11%	138,479	(778)
Program Group Total	*204,054*	*576,334*	*684,100*	*107,766*	*15.75%*	*488,433*	*(87,901)*
Club Education and Development							
1302 Club Excellence Program	5,855	459,261	464,300	5,039	1.09%	471,753	12,491
1305 Club Recognition Program	0	0	7,500	7,500	100.00%	0	0
1311 Club Governance Programs	13,603	26,110	35,700	9,590	26.86%	37,410	11,301
1314 Club Resources	0	5,508	13,600	8,092	59.50%	14,949	9,441
1332 Club Research Technology	21,865	113,446	107,200	(6,246)	-5.83%	145,833	32,387
1390 Travel & Program Support	33,800	182,918	157,900	(25,018)	-15.84%	148,358	(34,560)
Program Group Total	*75,123*	*787,243*	*786,200*	*(1,043)*	*-0.13%*	*818,304*	*31,060*
LSC Development & Education							
1470 LSC Consulting	17,137	82,377	58,000	(24,377)	-42.03%	45,431	(36,946)
1475 LEAP Program	13,591	50,123	59,000	8,877	15.05%	64,256	14,133
1481 Leadership Workshops	14,664	16,918	36,300	19,382	53.39%	16,236	(682)
Program Group Total	*45,391*	*149,418*	*153,300*	*3,882*	*2.53%*	*125,923*	*(23,494)*
Facilities Advocacy & Development							
1505 Build a Pool Conference	19,354	50,966	62,100	11,134	17.93%	68,781	17,815
1507 Aquatic Industry Relations	220	26,399	22,000	(4,399)	-19.99%	23,355	(3,044)
1590 Travel & Program Support	2,202	4,995	11,600	6,605	56.94%	4,345	(651)
Program Group Total	*21,776*	*82,360*	*95,700*	*13,340*	*13.94%*	*96,481*	*14,121*
Membership Growth and Diversity							
1638 Diversity Management Support	7,725	65,600	90,900	25,300	27.83%	58,164	(7,436)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
1640 Community Swim Team Development	8,230	56,807	52,200	(4,607)	-8.83%	43,164	(13,644)
1645 Zone Diversity Camps & Meetings	0	25,430	28,800	3,370	11.70%	24,748	(682)
1651 Diversity VIK	0	12,973	15,000	2,027	13.51%	14,893	1,920
1665 Diversity Select Camp	0	62,811	68,500	5,689	8.30%	57,600	(5,212)
Program Group Total	*15,955*	*223,622*	*255,400*	*31,778*	*12.44%*	*198,568*	*(25,054)*
Committees							
1823 Convention Education Committee	1,801	14,553	14,700	147	1.00%	9,680	(4,874)
1830 LSC Development Committee	6,702	20,661	34,000	13,339	39.23%	23,054	2,393
1841 Disability Swimming Committee	386	2,021	7,400	5,379	72.68%	4,421	2,399
1842 Diversity Committee	2,284	11,325	15,700	4,375	27.87%	18,055	6,730
1851 Age Group Development Committee	812	7,038	10,800	3,762	34.83%	1,014	(6,025)
1856 Club Development Committee	184	192	400	208	51.97%	670	478
1860 Governance Committee	75	156	800	644	80.46%	9,432	9,275
1885 Senior Development Committee	680	3,936	700	(3,236)	-462.32%	9,609	5,673
Program Group Total	*12,924*	*59,884*	*84,500*	*24,616*	*29.13%*	*75,934*	*16,050*
Administration							
1990 Administration & Operational Support	93,515	310,301	304,200	(6,101)	-2.01%	286,488	(23,814)
1999 Salary and Benefits	557,468	2,138,868	2,184,300	45,432	2.08%	2,011,799	(127,069)
Program Group Total	*650,983*	*2,449,169*	*2,488,500*	*39,331*	*1.58%*	*2,298,287*	*(150,883)*
TOTAL SPORT DEVELOPMENT	**1,132,793**	**4,653,677**	**4,847,000**	**193,323**	**3.99%**	**4,455,110**	**(198,567)**
EVENTS AND MEMBER SERVICES							
Events							
2005 Olympic Trials	381	4,468	10,000	5,532	55.32%	250	(4,218)
2015 Pan Pacific Championships	0	48,289	5,000	(43,289)	-865.78%	0	(48,289)
2018 Winter National Championships	104,823	113,668	126,000	12,332	9.79%	96,191	(17,477)
2019 National Championships/Trials	(75,305)	969,019	317,400	(651,619)	-205.30%	332,069	(636,950)
2023 US Open	0	29	0	(29)	0.00%	83,313	83,284
2025 Pro Swim Series	34,778	428,078	329,200	(98,878)	-30.04%	204,616	(223,462)
2026 National Team vs NCAA	0	0	178,900	178,900	100.00%	165,688	165,688
2027 Speedo Sectionals	10,000	220,007	215,000	(5,007)	-2.33%	210,000	(10,007)
2028 IM Xtreme Games	4,000	8,000	24,000	16,000	66.67%	8,000	0
2029 Zone Championships	0	90,657	110,000	19,343	17.58%	100,395	9,739
2035 Futures Championships	0	118,104	135,800	17,696	13.03%	124,200	6,095
2040 Jr. Pan Pacific Championships	0	25,000	12,800	(12,200)	-95.31%	8,337	(16,663)
2045 Jr. National Championships (Summer LC)	422	143,387	140,100	(3,287)	-2.35%	74,147	(69,241)
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	107,007	110,138	132,600	22,462	16.94%	147,960	37,822
2055 FINA Jr. World Championships	0	0	0	0	0.00%	1,260,358	1,260,358
2069 Open Water Championships	2,240	77,516	99,600	22,084	22.17%	92,042	14,526
2077 National Events Uniforming VIK	0	47,998	40,000	(7,998)	-20.00%	31,500	(16,498)
2076 Bag Tags VIK	16,452	16,627	10,000	(6,627)	-66.27%	17,175	549
2716 Omega Timing Systems VIK	0	400,000	400,000	0	0.00%	436,850	36,850
2092 Club Marketing & Event Mgmt. Symposium	0	0	10,000	10,000	100.00%	0	0
Program Group Total	*204,798*	*2,820,985*	*2,296,400*	*(524,585)*	*-22.84%*	*3,393,090*	*572,105*

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
Member Programs							
2411 Member Dues and Services	131	8,010	26,500	18,490	69.78%	7,841	(168)
2412 Technology Projects	21,456	25,000	35,000	10,000	28.57%	563	(24,437)
2418 SWIMS 2.0	39,398	111,939	150,000	38,061	25.37%	62,357	(49,582)
2421 Membership Directory	0	0	10,100	10,100	100.00%	5,593	5,593
2423 Rulebook	3	113,685	146,600	32,915	22.45%	100,463	(13,222)
2431 Swimposium	29,690	84,427	137,800	53,373	38.73%	101,113	16,686
2432 Zone Workshops	0	139,508	153,100	13,592	8.88%	209,601	70,093
2434 On-Line Registration	9,693	38,026	100,000	61,974	61.97%	6,415	(31,611)
2498 Awards	2,977	21,516	13,200	(8,316)	-63.00%	9,939	(11,577)
Program Group Total	*103,348*	*542,110*	*772,300*	*230,190*	*29.81%*	*503,885*	*(38,225)*
Member Programs - Officials							
2433 Officials Training Sessions	50,112	89,834	123,800	33,967	27.44%	127,311	37,478
2437 Officials On-Line Testing	0	0	5,100	5,100	100.00%	0	0
2438 Officials Certification Program	0	21,000	34,400	13,400	38.95%	2,564	(18,436)
2440 Officials Clinic	22	64,479	74,900	10,421	13.91%	1,045	(63,434)
2441 Officials International Travel	1,814	22,439	13,300	(9,139)	-68.71%	10,803	(11,636)
2450 Officials Mentoring & Training	172	1,167	6,000	4,833	80.56%	502	(665)
Program Group Total	*52,121*	*198,918*	*257,500*	*58,582*	*22.75%*	*142,225*	*(56,693)*
Other Programs and Services							
2501 Publications and Video Sales	3,791	22,784	40,000	17,216	43.04%	23,665	881
2502 Mailing Service	14	158	500	342	68.40%	280	122
2518 Altitude Camps	80,473	678,926	665,000	(13,926)	-2.09%	537,523	(141,403)
2519 Times Projects	(271)	51,240	60,100	8,860	14.74%	54,368	3,128
2715 TV/Web Cast Production	215,662	1,320,082	1,388,800	68,718	4.95%	1,154,685	(165,397)
Program Group Total	*299,669*	*2,073,190*	*2,154,400*	*81,210*	*3.77%*	*1,770,521*	*(302,668)*
Committees & Governance							
2801 Convention	16,038	98,890	105,000	6,110	5.82%	86,771	(12,120)
2802 Convention - Athletes	21,855	107,240	122,500	15,260	12.46%	102,175	(5,066)
2825 Registration / Membership	653	15,933	16,800	867	5.16%	12,411	(3,522)
2832 Awards	123	1,013	300	(713)	-237.52%	0	(1,013)
2835 Credentials / Elections	868	2,667	2,400	(267)	-11.13%	1,952	(715)
2836 Rules and Regulations	1,415	25,822	37,800	11,978	31.69%	37,241	11,419
2857 Times & Recognition Committee	15,648	20,581	20,900	319	1.53%	15,935	(4,646)
2862 Program & Events Committee	0	0	5,500	5,500	100.00%	2,045	2,045
2866 Officials	1,874	22,462	18,800	(3,662)	-19.48%	17,540	(4,923)
2887 Athletes Executive Committee	0	23,567	18,200	(5,367)	-29.49%	14,964	(8,603)
Program Group Total	*58,473*	*318,176*	*348,200*	*30,024*	*8.62%*	*291,034*	*(27,142)*
Administration							
2990 Administration & Operational Support	70,287	259,238	179,100	(80,138)	-44.74%	291,477	32,238
2999 Salary and Benefits	417,387	1,502,519	1,409,400	(93,119)	-6.61%	2,189,640	687,120
Program Group Total	*487,674*	*1,761,757*	*1,588,500*	*(173,257)*	*-10.91%*	*2,481,116*	*719,359*

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
TOTAL EVENTS AND MEMBER SERVICES	**1,206,082**	**7,715,136**	**7,417,300**	**(297,836)**	**-4.02%**	**8,581,871**	**866,735**
NATIONAL TEAM							
Competitions							
3001 Olympic Games	78	78	2,800	2,722	97.21%	9,446	9,368
3007 Pan Pacific Championships	(1,408)	369,335	367,600	(1,735)	-0.47%	0	(369,335)
3013 Pan American Games	0	0	2,500	2,500	100.00%	0	0
3015 World University Games	0	0	0	0	0.00%	254,557	254,557
3020 NT vs. NCAA	0	350	82,500	82,150	99.58%	97,259	96,909
3031 Long Course World Championships	0	0	0	0	0.00%	329,497	329,497
3033 Short Course World Championships	283,369	293,375	307,500	14,126	4.59%	1,867	(291,507)
Program Group Total	*282,039*	*663,138*	*762,900*	*99,763*	*13.08%*	*692,627*	*29,489*
Junior Team Programs							
3009 Jr. Team International Competition	(691)	79,245	164,900	85,655	51.94%	76,818	(2,428)
3012 Jr. Pan Pacific Championships	6,350	283,729	290,800	7,071	2.43%	2,900	(280,829)
3045 Junior Team Camps	1,260	46,122	64,300	18,178	28.27%	34,598	(11,524)
3050 FINA World Junior Championships	0	0	0	0	0.00%	208,847	208,847
3051 Jr. Team Pro Swim Series	2,869	14,371	40,000	25,629	64.07%	23,874	9,503
3053 World 100	698	698	0	(698)	0.00%	0	(698)
3992 Ntl. Jr. Team Program Support	9,736	30,229	50,400	20,171	40.02%	22,747	(7,482)
Program Group Total	*20,221*	*454,394*	*610,400*	*156,006*	*25.56%*	*369,784*	*(84,610)*
Open Water Programs							
3040 FINA Open Water Jr. Championships	(8)	83,348	51,800	(31,548)	-60.90%	23,690	(59,658)
3061 Open Water World Championships	0	0	0	0	0.00%	65,004	65,004
3063 Open Water University Games	0	0	0	0	0.00%	3,427	3,427
3065 Open Water World Cup	0	129,114	97,100	(32,014)	-32.97%	77,774	(51,339)
3067 Open Water Camps	10,009	10,048	46,200	36,152	78.25%	42,887	32,839
3075 Open Water International Camps	0	0	22,000	22,000	100.00%	73,264	73,264
3495 Open Water Program Support	4,464	37,728	36,500	(1,228)	-3.36%	15,086	(22,642)
Program Group Total	*14,464*	*260,237*	*253,600*	*(6,637)*	*-2.62%*	*301,131*	*40,894*
Camps							
3069 National Team Specialty Camps	0	21,797	46,400	24,603	53.02%	0	(21,797)
3071 Altitude Training Camps	5,633	35,794	55,500	19,706	35.51%	31,984	(3,810)
3073 National Team Camps	0	55,855	137,700	81,845	59.44%	43,323	(12,532)
3076 National Team International Camps	161,709	284,848	221,900	(62,948)	-28.37%	366,532	81,684
3479 Advance Team Visits	3,580	17,997	22,600	4,603	20.37%	29,962	11,965
Program Group Total	*170,922*	*416,291*	*484,100*	*67,809*	*14.01%*	*471,802*	*55,511*
Athlete Services							
3101 Athlete Support-Stipends & Grants	429,001	1,508,376	1,452,300	(56,076)	-3.86%	1,294,337	(214,039)
3103 Athlete Support-Medals & Records	18,750	450,000	450,000	0	0.00%	708,750	258,750
3107 Athlete Support-Op Gold Qualification Bonus	100,747	479,935	430,000	(49,935)	-11.61%	309,111	(170,825)
3024 Swim Squads	0	32,076	0	(32,076)	0.00%	12,000	(20,076)

3/7/2019

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
3025 Pro Swim Series Athlete Support	98,524	616,893	641,600	24,707	3.85%	352,689	(264,204)
3021 World Cup Athlete Support	(17,995)	4,539	30,000	25,461	84.87%	2,801	(1,738)
3127 National Team Investment Grant	312,244	589,396	600,000	10,604	1.77%	216,421	(372,974)
3106 ConocoPhillips Athlete Support	39,781	142,129	108,000	(34,129)	-31.60%	94,313	(47,816)
3110 National Team Uniforming (VIK)	77,251	197,910	325,000	127,090	39.10%	263,754	65,844
3120 Athlete Support-Olympic Prep	0	0	30,000	30,000	100.00%	13,632	13,632
3130 Foundation Travel & Training	14,138	30,985	50,000	19,015	38.03%	38,782	7,797
3131 Foundation Athlete Endowments	5,000	62,500	25,000	(37,500)	-150.00%	27,500	(35,000)
3310 USOC Practitioner Travel Support	11,460	21,426	0	(21,426)	0.00%	38,617	17,190
3453 Drug Control Program	2,546	17,896	51,400	33,504	65.18%	28,515	10,619
Program Group Total	*1,091,447*	*4,154,060*	*4,193,300*	*39,240*	*0.94%*	*3,401,222*	*(752,839)*
Coach Services							
3203 Coach Incentive & Reward Program	(3,536)	326,464	330,000	3,536	1.07%	330,001	3,537
3210 Olympic Team Prep - Coaches	15,000	20,000	35,000	15,000	42.86%	7,370	(12,630)
3220 Contract Labor - National Team Tech Advisor	32,451	50,073	0	(50,073)	0.00%	0	(50,073)
3222 National Team Consultant	8,650	30,044	37,000	6,956	18.80%	0	(30,044)
3460 Olympic Staff Recognition	0	11,760	27,000	15,240	56.44%	31,110	19,350
3010 Coach Education	8,787	28,750	34,100	5,350	15.69%	27,986	(764)
3077 National Team Coaches Meeting	0	109,813	128,900	19,087	14.81%	97,612	(12,201)
3079 Team Logistics Seminar	0	0	4,700	4,700	100.00%	0	0
Program Group Total	*61,352*	*576,904*	*596,700*	*19,796*	*3.32%*	*494,080*	*(82,824)*
High Performance Support							
3301 National Team Performance Support	24,225	156,927	162,600	5,673	3.49%	145,877	(11,049)
Program Group Total	*24,225*	*156,927*	*162,600*	*5,673*	*3.49%*	*145,877*	*(11,049)*
Sport Medicine & Science							
3311 Sport Science Grants	0	0	30,000	30,000	100.00%	0	0
3353 Sport Medicine & Science Network	13,318	113,299	91,000	(22,299)	-24.50%	48,896	(64,402)
3155 Elite Athlete Accident Coverage	426	33,251	48,000	14,749	30.73%	34,222	971
3200 Athlete Life Skills	0	867	40,000	39,133	97.83%	50	(817)
3351 Athlete Testing & Lab Expenses	5,396	19,357	22,100	2,743	12.41%	22,140	2,783
Program Group Total	*19,140*	*166,774*	*231,100*	*64,326*	*27.83%*	*105,309*	*(61,465)*
Other Programs and Services							
3481 National Team Equipment	3,084	13,090	28,500	15,410	54.07%	12,402	(689)
3496 National Team Selection	7,294	7,294	7,600	306	4.03%	164	(7,130)
3499 Team Management Technology	0	64,800	0	(64,800)	0.00%	0	(64,800)
Program Group Total	*10,377*	*85,184*	*36,100*	*(49,084)*	*-135.97%*	*12,566*	*(72,618)*
Committees							
3846 Sports Medicine	0	202	5,300	5,098	96.19%	517	315
3850 Open Water Development	568	613	800	187	23.42%	1,063	450
3868 Open Water Committee	64	5,588	21,600	16,012	74.13%	11,471	5,882
3882 National Steering Committee	120	11,366	13,300	1,934	14.54%	4,310	(7,056)
3888 National Team Ath Committee	430	4,014	9,800	5,786	59.04%	3,739	(274)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
Program Group Total	*1,182*	*21,783*	*50,800*	*29,017*	*57.12%*	*21,100*	*(683)*
Administration							
3990 Administration & Operational Support	74,876	315,501	265,900	(49,601)	-18.65%	273,908	(41,593)
3999 Salary and Benefits	554,869	1,742,394	1,886,000	143,606	7.61%	1,714,898	(27,496)
Program Group Total	*629,746*	*2,057,895*	*2,151,900*	*94,004*	*4.37%*	*1,988,806*	*(69,090)*
TOTAL NATIONAL TEAM	**2,325,115**	**9,013,587**	**9,533,500**	**519,913**	**5.45%**	**8,004,303**	**(1,009,285)**
TOTAL TECHNICAL/SPORT	**4,663,990**	**21,382,400**	**21,797,800**	**415,400**	**1.91%**	**21,041,284**	**(341,117)**
OTHER PROGRAMS:							
COMMERCIAL							
Corporate Partnerships							
5901 Marketing & Contract Fulfillment	10,704	104,984	220,100	115,117	52.30%	189,187	84,203
5905 Sales Development Support	11,070	51,523	60,000	8,477	14.13%	51,690	167
Program Group Total	*21,774*	*156,506*	*280,100*	*123,594*	*44.12%*	*240,876*	*84,370*
Communications							
5711 Splash Magazine	377,237	815,806	1,129,400	313,594	27.77%	899,812	84,006
5714 PR-USA Swimming Programs	0	5,422	75,000	69,578	92.77%	39,476	34,054
5718 usaswimming.org - Web site	110,079	473,453	535,000	61,547	11.50%	360,683	(112,770)
5724 Communication Operations	58,413	231,407	233,400	1,993	0.85%	134,675	(96,732)
5730 USA Swimming Productions	173,754	881,727	897,500	15,773	1.76%	566,173	(315,554)
Program Group Total	*719,483*	*2,407,815*	*2,870,300*	*462,485*	*16.11%*	*2,000,820*	*(406,995)*
Marketing							
5109 Athlete Partnership Fulfillment	6,178	19,579	50,000	30,421	60.84%	23,083	3,505
5620 Family Program	27,443	55,137	30,000	(25,137)	-83.79%	24,183	(30,955)
5709 Nationals Marketing	(21,196)	554,771	0	(554,771)	0.00%	0	(554,771)
5770 Event Marketing	47,811	47,811	0	(47,811)	0.00%	0	(47,811)
5710 Membership/Recruiting Promotion (SwimToday)	18,516	372,418	480,000	107,582	22.41%	364,895	(7,523)
5713 Deck Pass	(8,084)	11,265	185,000	173,735	93.91%	71,305	60,040
5715 SwimBiz	0	70,815	107,000	36,185	33.82%	71,214	399
5716 Swimjitsu	2,799	7,548	0	(7,548)	0.00%	283,423	275,875
5720 Video Production Services	280	4,711	25,000	20,289	81.15%	9,418	4,707
5913 Multicultural Promotions	12,287	88,355	120,000	31,645	26.37%	147,192	58,836
5902 Merchandise Program	6,940	17,279	25,000	7,721	30.88%	20,628	3,349
5904 Marketing Contract Labor	19,500	95,600	25,000	(70,600)	-282.40%	19,212	(76,388)
5911 Aqua Zone - Olympic Trials	0	5,700	0	(5,700)	0.00%	5,408	(292)
Program Group Total	*112,475*	*1,350,989*	*1,047,000*	*(303,989)*	*-29.03%*	*1,039,961*	*(311,028)*
Administration							
5990 Administration & Operational Support	76,605	303,299	264,200	(39,099)	-14.80%	234,767	(68,532)
5999 Salary and Benefits	566,403	2,041,646	2,048,600	6,954	0.34%	1,656,369	(385,276)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
Program Group Total	*643,008*	*2,344,945*	*2,312,800*	*(32,145)*	*-1.39%*	*1,891,136*	*(453,809)*
TOTAL COMMERCIAL	**1,496,741**	**6,260,256**	**6,510,200**	**249,945**	**3.84%**	**5,172,794**	**(1,087,462)**
RISK MANAGEMENT SERVICES							
Member Programs							
9413 Member Insurance Premiums & Retention	161,649	3,000,544	3,003,100	2,556	0.09%	2,909,865	(90,679)
9415 Other Risk Management	1,984	12,318	16,700	4,382	26.24%	24,270	11,953
Program Group Total	*163,634*	*3,012,862*	*3,019,800*	*6,938*	*0.23%*	*2,934,135*	*(78,726)*
Committees							
9827 Operational Risk Committee	839	34,466	55,000	20,534	37.33%	48,050	13,584
Program Group Total	*839*	*34,466*	*55,000*	*20,534*	*37.33%*	*48,050*	*13,584*
Administration							
9490 Administration & Operational Support	3,505	16,197	32,000	15,803	49.38%	22,246	6,049
Program Group Total	*3,505*	*16,197*	*32,000*	*15,803*	*49.38%*	*22,246*	*6,049*
TOTAL RISK MANAGEMENT SERVICES	**167,977**	**3,063,524**	**3,106,800**	**43,276**	**1.39%**	**3,004,431**	**(59,094)**
FOUND. & MAKE A SPLASH SUPPORT							
6666 Foundation Support	62,500	250,000	250,000	0	0.00%	250,000	0
6667 USA Swimming Staff Allocation	342,921	342,921	311,000	(31,921)	-10.26%	231,061	(111,860)
6668 Unclaimed Prize Endowment	404,076	404,076	404,000	(76)	-0.02%	44,310	(359,766)
TOTAL FOUNDATION & MAS SUPPORT	**809,497**	**996,997**	**965,000**	**(31,997)**	**-3.32%**	**525,371**	**(471,626)**
TOTAL OTHER PROGRAMS	**2,474,215**	**10,320,777**	**10,582,000**	**261,223**	**2.47%**	**8,702,595**	**(1,618,182)**
SUPPORT DIVISIONS:							
EXECUTIVE							
Other Executive							
7920 CEO Contingency	5,699	26,860	70,000	43,140	61.63%	186,358	159,499
7930 Board Chair Travel and Expenses	5,672	29,833	35,000	5,167	14.76%	27,412	(2,422)
7945 CSCAA Grant	30,000	120,000	125,000	5,000	4.00%	120,005	5
7971 Organizational Relations - Domestic	3,980	84,164	80,000	(4,164)	-5.20%	59,302	(24,862)
7984 Organizational Relations - Internat'l	2,840	33,577	65,000	31,423	48.34%	27,582	(5,995)
7981 International Relations	12,507	59,463	70,500	11,037	15.66%	45,743	(13,720)
7937 Splash Makers II	0	1,536	0	(1,536)	0.00%	1,321	(215)
Program Group Total	*60,699*	*355,433*	*445,500*	*90,067*	*20.22%*	*467,723*	*112,290*
Committees & Governance							
7803 Board of Directors	87,423	174,281	178,600	4,319	2.42%	168,291	(5,990)
7805 Executive Committee	(461)	0	13,000	13,000	100.00%	10,436	10,436

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
7806 Committee Chairs	0	0	0	0	0.00%	31,149	31,149
7807 Zone Administration	5,354	5,370	0	(5,370)	0.00%	2,532	(2,839)
7808 Task Force & Other Committees	41,454	140,077	43,700	(96,377)	-220.54%	173,306	33,228
7811 International Relations Committee	1,684	19,522	42,400	22,878	53.96%	29,734	10,211
7820 Nominating Committee	0	149	0	(149)	0.00%	0	(149)
Program Group Total	*135,454*	*339,400*	*277,700*	*(61,700)*	*-22.22%*	*415,448*	*76,048*
Administration							
7990 Administration & Operational Support	31,684	130,084	80,900	(49,184)	-60.80%	149,966	19,882
7999 Salary and Benefits	206,905	705,232	772,600	67,368	8.72%	2,980,660	2,275,428
Program Group Total	*238,589*	*835,316*	*853,500*	*18,184*	*2.13%*	*3,130,626*	*2,295,311*
TOTAL EXECUTIVE	**434,743**	**1,530,149**	**1,576,700**	**46,552**	**2.95%**	**4,013,797**	**2,483,648**
FINANCE							
Other Programs							
8500 LSC/Club Financial Resources	536	4,529	33,900	29,371	86.64%	36,344	31,815
Program Group Total	*536*	*4,529*	*33,900*	*29,371*	*86.64%*	*36,344*	*31,815*
Committees							
8895 Investment Committee	24	83	300	217	72.48%	280	197
8880 Audit Committee	0	11	300	289	96.34%	23	12
Program Group Total	*24*	*94*	*600*	*506*	*84.41%*	*303*	*209*
Administration							
8990 Administration & Operational Support	37,703	143,348	144,700	1,352	0.93%	204,697	61,349
8999 Salary and Benefits	152,060	723,561	734,800	11,239	1.53%	1,122,819	399,257
Program Group Total	*189,763*	*866,909*	*879,500*	*12,591*	*1.43%*	*1,327,516*	*460,607*
TOTAL FINANCE	**190,323**	**871,532**	**914,000**	**42,468**	**4.65%**	**1,364,162**	**492,631**
BUSINESS AFFAIRS							
Legal and NBR							
9695 Legal	56,463	116,306	250,000	133,694	53.48%	184,469	68,163
9692 National Board of Review	343	34,152	129,000	94,848	73.53%	131,617	97,465
9690 Legal - Admin. & Oper. Support	2,026	19,011	26,700	7,689	28.80%	13,829	(5,181)
Program Group Total	*58,832*	*169,470*	*405,700*	*236,230*	*58.23%*	*329,916*	*160,447*
Safe Sport							
9335 Safe Sport - Background Checks	13,135	31,962	41,200	9,238	22.42%	54,612	22,649
9370 LSC Safe Sport Chairs Workshop	0	344	0	(344)	0.00%	0	(344)
9375 Safe Sport Online Education	5,610	7,796	0	(7,796)	0.00%	0	(7,796)
9386 Safe Sport Athlete Fellowship	1,483	14,258	0	(14,258)	0.00%	0	(14,258)
9385 Safe Sport Programs	(30,574)	207,567	270,600	63,033	23.29%	228,824	21,257
9387 Safe Sport - USOC Center for Safe Sport	1,750	44,650	60,000	15,350	25.58%	42,900	(1,750)
9388 Safe Sport - Leadership Conference	169	169	2,500	2,331	93.26%	62,373	62,204

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2018

	Quarter Actual	2018 Actual	2018 Budget	Favorable (Unfavorable)	Percentage	2017	Favorable (Unfavorable)
9389 Safe Sport - SwimAssist	9,177	27,722	50,000	22,278	44.56%	23,047	(4,675)
Program Group Total	*750*	*334,468*	*424,300*	*89,832*	*21.17%*	*411,754*	*77,287*
Other Programs							
9380 Human Resources	21,919	96,954	47,200	(49,754)	-105.41%	42,626	(54,328)
9295 Information Technology Support	77,715	490,942	510,100	19,158	3.76%	435,438	(55,504)
Program Group Total	*99,634*	*587,896*	*557,300*	*(30,596)*	*-5.49%*	*478,064*	*(109,832)*
Committees							
9810 Safe Sport Committee	523	11,565	25,500	13,935	54.65%	21,093	9,528
Program Group Total	*24*	*94*	*600*	*506*	*84.41%*	*303*	*209*
Administrative							
9990 Administration & Operational Support	51,045	180,683	189,000	8,317	4.40%	0	(180,683)
9999 Salary and Benefits	741,474	2,164,689	1,913,600	(251,089)	-13.12%	0	(2,164,689)
Program Group Total	*792,519*	*2,345,372*	*2,102,600*	*(242,772)*	*-11.55%*	*0*	*(2,345,372)*
TOTAL BUSINESS AFFAIRS	**952,258**	**3,448,770**	**3,515,400**	**66,630**	**1.90%**	**1,240,827**	**(2,207,942)**
TOTAL SUPPORT DIVISIONS	**1,577,324**	**5,850,450**	**6,006,100**	**155,650**	**2.59%**	**6,618,786**	**768,337**
GRAND TOTALS	**$8,715,529**	**$37,553,627**	**$38,385,900**	**$832,273**	**2.17%**	**$36,362,665**	**($1,190,962)**

USA Swimming
2018 Capital Budget Report

Month	Description	2018 Capital	2018 Expense	2018 Total Spend	2018 Budget	Variance
3/30/18	Microsoft Surface Pro	2,158		2,158		
3/30/18	Apple MacBook Pro	3,620		3,620		
3/30/18	Dell Latitude 7490 Laptop	4,194		4,194		
3/30/18	Microsoft Surface Pro	1,771		1,771		
6/30/18	Microsoft Surface Pro	1,447		1,447		
6/30/18	Apple iMac Pro	7,357		7,357		
6/30/18	Apple MacBook Pro	3,111		3,111		
6/30/18	Network Storage	16,716		16,716		
6/30/18	Power Edge 440 Server	8,473		8,473		
9/30/18	Laptops	29,507		29,507		
9/30/18	Power Edge Server	22,884		22,884		
12/31/18	Laptops	6,983		6,983		
12/31/18	Server	9,717		9,717		
12/31/18	Software	4,014		4,014		
Computer Hardware, Software, & Equip		**121,953**	**-**	**121,953**	**141,400**	**19,448**
6/30/18	Toyota Minivan - trade up	32,150		32,150		
Office Furniture & Equip		**32,150**	**-**	**32,150**	**10,000**	**(22,150)**
Leasehold Improvements		**-**	**-**	**-**	**10,000**	**10,000**
	Capital Budget	**154,103**	**-**	**154,103**	**161,400**	**7,297**

USA Swimming, Inc.
Balance Sheet
As of March 31, 2019 and 2018

	3/31/2019	3/31/2018	$ Change	Audited 12/31/2018	$ Change
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$6,884,078	$8,611,748	($1,727,669)	$7,217,977	($333,898)
Accounts receivable	1,786,652	2,189,930	(403,277)	1,198,074	588,578
Prepaid expenses and deferred charges	709,818	206,091	503,726	1,402,452	(692,634)
Total Current Assets	9,380,549	11,007,769	(1,627,220)	9,818,503	(437,954)
FIXED ASSETS:					
Leasehold Improvements, IT Systems, FF&E, Other	14,954,602	12,250,498	2,704,104	13,609,972	1,344,630
Accumulated depreciation & amortization	(9,327,804)	(8,330,257)	(997,547)	(9,018,964)	(308,840)
Total Fixed Assets	5,626,798	3,920,240	1,706,557	4,591,008	1,035,790
LONG-TERM INVESTMENTS:					
Long-term Investments	34,197,510	36,443,002	(2,245,492)	32,023,658	2,173,852
OTHER ASSETS:					
Investment - Swim Trials, LLC	107,629	154,170	(46,541)	107,629	0
Prepaid rent	2,117,593	2,292,314	(174,721)	2,164,760	(47,167)
Total Other Assets	2,225,222	2,446,484	(221,262)	2,272,389	(47,167)
TOTAL ASSETS	**$51,430,079**	**$53,817,495**	**($2,387,416)**	**$48,705,558**	**$2,724,521**
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	$1,065,284	$766,474	$298,810	$1,744,550	($679,266)
Accrued expenses and other liabilities	1,317,171	1,682,625	(365,454)	1,603,786	(286,615)
Deferred revenue	285,000	50,000	235,000	14,315,659	(14,030,659)
Total Current Liabilities	2,667,455	2,499,099	168,355	17,663,995	(14,996,540)
NONCURRENT LIABILITIES:					
Total Liabilities	2,667,455	2,499,099	168,355	17,663,995	(14,996,540)
NET ASSETS:					
Unrestricted:					
Undesignated Net Assets	29,755,992	31,592,199	(1,836,208)	12,034,931	17,721,060
Board Designated - USSIC	19,006,632	19,726,196	(719,564)	19,006,632	0
Total Unrestricted Net Assets	48,762,624	51,318,395	(2,555,772)	31,041,563	17,721,060
Total Net Assets	48,762,624	51,318,395	(2,555,772)	31,041,563	17,721,060
TOTAL LIABILITIES AND NET ASSETS	**$51,430,079**	**$53,817,495**	**($2,387,416)**	**$48,705,558**	**$2,724,521**

4/18/2019

USA Swimming
Income Statement - By Division
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
REVENUE:						
Membership	$20,523,473	$23,203,900	($2,680,427)	-11.55%	$20,740,085	($216,612)
Partnership Marketing Revenue	1,190,166	5,582,500	(4,392,334)	-78.68%	1,438,416	(248,250)
Consumer Revenue	17,046	229,500	(212,454)	-92.57%	18,267	(1,221)
USOC Partnership	1,140,409	5,304,500	(4,164,091)	-78.50%	1,113,247	27,163
Investment Income	607,737	1,788,900	(1,181,163)	-66.03%	349,572	258,165
Foundation	135,000	915,700	(780,700)	-85.26%	145,000	(10,000)
Sport and Events	242,597	721,500	(478,903)	-66.38%	183,908	58,690
Other Income	114,851	248,400	(133,549)	-53.76%	134,043	(19,192)
TOTAL REVENUE	**23,971,279**	**37,994,900**	**(14,023,621)**	**-36.91%**	**24,122,538**	**(151,259)**
EXPENSES:						
Technical/Sport:						
Sport Development	889,380	4,907,800	4,018,420	81.88%	1,141,241	251,862
Events and Member Services	1,186,130	7,250,300	6,064,171	83.64%	1,364,800	178,671
National Team	1,628,896	10,892,400	9,263,504	85.05%	1,415,265	(213,631)
Total Technical/Sport	3,704,406	23,050,500	19,346,095	83.93%	3,921,307	216,901
Other Programs:						
Commercial	1,295,089	6,751,600	5,456,511	80.82%	1,225,271	(69,818)
Risk Management	1,241,584	3,179,200	1,937,616	60.95%	1,673,395	431,811
Foundation and MAS Support	0	311,000	311,000	100.00%	62,500	62,500
Total Other Programs	2,536,673	10,241,800	7,705,127	75.23%	2,961,166	424,493
Administration:						
Executive	372,395	1,552,500	1,180,106	76.01%	380,567	8,173
Finance	508,243	1,139,300	631,057	55.39%	224,749	(283,494)
Business Affairs	1,240,409	4,247,900	3,007,491	70.80%	966,206	(274,203)
Total Administration	2,121,046	6,939,700	4,818,653	69.44%	1,571,522	(549,524)
TOTAL EXPENSES	**8,362,125**	**40,232,000**	**31,869,875**	**79.22%**	**8,453,995**	**91,870**
OPERATING SURPLUS (DEFICIT)	**$15,609,154**	**($2,237,100)**	**$17,846,254**	**-797.74%**	**$15,668,543**	**($59,389)**
Reserves Spending:						
Disaster Donations	0	0	0	0.00%	(20,606)	20,606
Building Remodel	0	(120,000)	120,000	-100.00%	0	0
IT Special Projects (CRM)	(62,136)	(950,000)	887,864	-93.46%	0	(62,136)
Athlete Leadership Summit	(28,442)	(214,000)	185,558	-86.71%	(92,807)	64,365
Cost of Flex	0	(1,000,000)	1,000,000	-100.00%	0	0
Total Reserves Spending	**(90,578)**	**(2,284,000)**	**2,193,422**	**-96.03%**	**(113,413)**	**22,835**
Surplus (Deficit) Before Investment Gain (Loss)	**15,518,576**	**(4,521,100)**	**20,039,677**	**-443.25%**	**15,555,130**	**(36,553)**
Investment Gain (Loss)	**2,202,484**	**0**	**2,202,484**	**0.00%**	**(546,121)**	**2,748,605**
NET SURPLUS (DEFICIT)	**$17,721,060**	**($4,521,100)**	**$22,242,160**	**-491.96%**	**$15,009,009**	**$2,712,052**

4/18/2019

USA Swimming
Income Statement - By Category
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
REVENUE:						
Membership	$20,523,473	$23,203,900	($2,680,427)	-11.55%	$20,740,085	($216,612)
USOC Partnership	1,140,409	5,304,500	(4,164,091)	-78.50%	1,113,247	27,163
Partnership Marketing Revenue	1,190,166	5,582,500	(4,392,334)	-78.68%	1,438,416	(248,250)
Consumer Revenue	17,046	229,500	(212,454)	-92.57%	18,267	(1,221)
Sport and Events	242,597	721,500	(478,903)	-66.38%	183,908	58,690
Foundation and Swim-A-Thon	135,000	915,700	(780,700)	-85.26%	145,000	(10,000)
Investment Income	607,737	1,788,900	(1,181,163)	-66.03%	349,572	258,165
Other Income	114,851	248,400	(133,549)	-53.76%	134,043	(19,192)
Total Revenue	23,971,279	37,994,900	(14,023,621)	-36.91%	24,122,538	(151,259)
EXPENSES:						
Salaries and Wages	2,179,931	9,512,060	7,332,129	77.08%	2,032,281	(147,650)
Employee Benefits	518,988	2,088,327	1,569,339	75.15%	518,084	(904)
Employment Taxes	160,698	588,913	428,215	72.71%	159,565	(1,133)
Total Payroll and Benefits	2,859,617	12,189,300	9,329,683	76.54%	2,709,930	(149,687)
Travel and Hospitality	1,019,888	6,185,488	5,165,600	83.51%	996,288	(23,601)
Direct Athlete Support	683,472	4,704,300	4,020,828	85.47%	557,046	(126,426)
Professional Fees & Honoraria	550,224	3,712,275	3,162,051	85.18%	354,935	(195,289)
Insurance	1,257,781	3,139,300	1,881,519	59.93%	1,674,905	417,124
Television and Video Production	164,487	1,823,800	1,659,313	90.98%	259,816	95,329
Depreciation and Amortization	308,840	1,270,900	962,060	75.70%	275,789	(33,050)
Dues, Fees & Tickets	272,935	1,055,988	783,054	74.15%	350,539	77,604
Supplies and Expense	72,322	830,398	758,076	91.29%	188,975	116,654
Rent and Lease Expense	281,400	764,092	482,692	63.17%	255,811	(25,590)
Printing and Duplication	83,960	751,355	667,395	88.83%	116,582	32,622
Grants	30,000	680,000	650,000	95.59%	108,500	78,500
Apparel	40,178	608,150	567,972	93.39%	71,001	30,822
Gear, Equipment, & Signage	81,409	605,482	524,073	86.55%	134,516	53,108
Awards	32,718	481,074	448,356	93.20%	18,918	(13,800)
Information Technology Expenses	202,592	427,840	225,248	52.65%	189,301	(13,292)
Advertising	270,345	352,400	82,055	23.28%	15,555	(254,790)
Telephone and Internet Service	43,711	332,409	288,698	86.85%	30,427	(13,284)
Protocol & Gifts	19,905	151,200	131,295	86.84%	40,781	20,876
Contingency	0	105,000	105,000	100.00%	0	0
Miscellaneous Expenses	86,341	61,249	(25,092)	-40.97%	104,382	18,041
Total Expenses	8,362,125	40,232,000	31,869,875	79.22%	8,453,995	91,870
OPERATING SURPLUS (DEFICIT)	**$15,609,154**	**($2,237,100)**	**$17,846,254**	**-797.74%**	**$15,668,543**	**($59,389)**
Reserves Spending:						
Disaster Donations	0	0	0	0.00%	(20,606)	20,606
Athlete Leadership Camp	(28,442)	(214,000)	185,558	-86.71%	(92,807)	64,365
Building Remodel	0	(120,000)	120,000	-100.00%	0	0
IT Special Projects (CRM)	(62,136)	(950,000)	887,864	-93.46%	0	(62,136)
Cost of Flex	0	(1,000,000)	1,000,000	-100.00%	0	0
Total Reserve Spending	**(90,578)**	**(2,284,000)**	**2,193,422**	**-96.03%**	**(113,413)**	**22,835**
Surplus (Deficit) Before Investment Gain (Loss)	**15,518,576**	**(4,521,100)**	**20,039,677**	**-443.25%**	**15,555,130**	**(36,553)**
Investment Gains (Losses)	**2,202,484**	**0**	**2,202,484**	**0.00%**	**(546,121)**	**2,748,605**
NET SURPLUS (DEFICIT)	**$17,721,060**	**($4,521,100)**	**$22,242,160**	**-491.96%**	**$15,009,009**	**$2,712,052**

4/18/2019

USA Swimming, Inc.
Statement of Revenue
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
MEMBERSHIP:						
Athlete Membership	$17,821,400	$18,361,200	($539,800)	-2.94%	$18,283,920	($462,520)
Flex	176,490	413,250	(236,760)	-57.29%	0	176,490
Cost of Flex	0	1,000,000	(1,000,000)	-100.00%	0	0
Outreach Athlete Membership	44,625	56,825	(12,200)	-21.47%	47,885	(3,260)
Seasonal Athlete Membership	93,990	701,760	(607,770)	-86.61%	101,610	(7,620)
Non-Athlete Membership	2,142,900	2,413,860	(270,960)	-11.23%	2,061,726	81,174
Life Membership	34,334	36,000	(1,666)	-4.63%	35,668	(1,334)
Allied Membership	0	1,000	(1,000)	-100.00%	0	0
Club Membership	207,690	212,310	(4,620)	-2.18%	207,060	630
Seasonal Club Membership	1,240	4,560	(3,320)	-72.81%	1,160	80
Affiliate Membership	0	800	(800)	-100.00%	550	(550)
Single Meet Open Water	90	1,920	(1,830)	-95.31%	280	(190)
Delegate Fees	150	350	(200)	-57.14%	0	150
Other Membership Income	564	65	499	767.69%	226	338
TOTAL MEMBERSHIP	**20,523,473**	**23,203,900**	**(2,680,427)**	**-11.55%**	**20,740,085**	**(216,612)**
PARTNERSHIP MARKETING REVENUE:						
Corporate Sponsorship	1,155,791	5,035,000	(3,879,209)	-77.04%	1,393,961	(238,170)
Supplier Income	34,375	352,500	(318,125)	-90.25%	26,875	7,500
Licensee Income	0	25,000	(25,000)	-100.00%	0	0
Web Advertising	0	135,000	(135,000)	-100.00%	0	0
Print Advertising	0	30,000	(30,000)	-100.00%	17,580	(17,580)
List Rental Income/Mailing Service	0	5,000	(5,000)	-100.00%	0	0
TOTAL PARTNERSHIP MARKETING REVENUE	**1,190,166**	**5,582,500**	**(4,392,334)**	**-78.68%**	**1,438,416**	**(248,250)**
CONSUMER REVENUE:						
SwimBiz	5,050	10,000	(4,950)	-49.50%	7,660	(2,610)
Royalties	11,726	97,500	(85,774)	-87.97%	8,009	3,717
Deck Pass App	0	0	0	0.00%	2,191	(2,191)
Publication/Video Sales	70	0	70	0.00%	200	(130)
SwimOutlet	0	120,000	(120,000)	-100.00%	0	0
Splash Magazine Subscriptions	200	2,000	(1,800)	-90.00%	208	(8)
TOTAL CONSUMER REVENUE	**17,046**	**229,500**	**(212,454)**	**-92.57%**	**18,267**	**(1,221)**
USOC PARTNERSHIP:						
USOC Performance Funding	755,550	3,022,200	(2,266,650)	-75.00%	755,550	0
USOC Performance VIK	0	60,000	(60,000)	-100.00%	29,627	(29,627)
USOC Direct Athlete Support	372,059	2,207,300	(1,835,241)	-83.14%	323,750	48,309
USOC International Relations Grant	12,800	15,000	(2,200)	-14.67%	4,320	8,480
TOTAL USOC PARTNERSHIP	**1,140,409**	**5,304,500**	**(4,164,091)**	**-78.50%**	**1,113,247**	**27,163**
INVESTMENT INCOME:						

USA Swimming, Inc.
Statement of Revenue
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
Investment Income - Operating Budget	579,633	1,738,900	(1,159,267)	-66.67%	330,167	249,466
Interest Income - Savings	1	0	1	0.00%	1	0
Interest Income - Short Term Securities	28,103	50,000	(21,897)	-43.79%	19,404	8,699
TOTAL INVESTMENT INCOME	**607,737**	**1,788,900**	**(1,181,163)**	**-66.03%**	**349,572**	**258,165**
FOUNDATION AND SWIM-A-THON:						
USA Swimming Foundation	135,000	855,700	(720,700)	-84.22%	130,000	5,000
Foundation Rent	0	60,000	(60,000)	-100.00%	15,000	(15,000)
TOTAL FOUND. AND SWIM-A-THON	**135,000**	**915,700**	**(780,700)**	**-85.26%**	**145,000**	**(10,000)**
SPORT AND EVENTS:						
Golden Goggle Awards	502	0	502	0.00%	(41,249)	41,750
Coach Education Clinics	55,565	210,000	(154,435)	-73.54%	60,137	(4,572)
Altitude Camps	102,632	295,000	(192,368)	-65.21%	118,354	(15,722)
Pan Pacific Championships	20,000	60,000	(40,000)	-66.67%	0	20,000
Facilities Conference	3,465	8,000	(4,535)	-56.69%	3,895	(430)
Custom Visits (BAP)	5,000	6,000	(1,000)	-16.67%	0	5,000
Safe Sport Leadership Conference	3,275	0	3,275	0.00%	0	3,275
Safe Sport Materials	7,674	0	7,674	0.00%	2,300	5,374
International TV Rights	0	70,000	(70,000)	-100.00%	0	0
Other Registration	44,485	72,500	(28,015)	-38.64%	40,470	4,015
TOTAL SPORTS AND EVENTS	**242,597**	**721,500**	**(478,903)**	**-66.38%**	**183,908**	**58,690**
OTHER INCOME:						
NCAA Top Times List	48,360	96,700	(48,340)	-49.99%	54,250	(5,890)
Combined Federal Campaign	1,805	0	1,805	0.00%	276	1,529
Imputed Interest - Prepaid Rent	37,937	151,700	(113,763)	-74.99%	40,917	(2,980)
Other Revenue	26,749	0	26,749	0.00%	38,600	(11,851)
TOTAL OTHER INCOME	**114,851**	**248,400**	**(133,549)**	**-53.76%**	**134,043**	**(19,192)**
TOTAL OPERATING REVENUE	**$23,971,279**	**$37,994,900**	**($14,023,621)**	**-36.91%**	**$24,122,538**	**($151,259)**
INVESTMENT GAINS (LOSSES):						
Investment Income (Loss) less Operating Allocation	2,224,697	111,000	2,113,697	1904.23%	(523,061)	2,747,758
Money Manager Fees	(22,213)	(111,000)	88,787	-79.99%	(23,061)	847
TOTAL INVESTMENT GAINS (LOSSES)	**2,202,484**	**0**	**2,202,484**	**0.00%**	**(546,121)**	**2,748,605**
TOTAL REVENUE	**$26,173,763**	**$37,994,900**	**($11,821,137)**	**-31.11%**	**$23,576,417**	**$2,597,346**

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
TECHNICAL/SPORT:						
SPORT DEVELOPMENT						
Athlete Development Programs						
1117 LSC Camps	$1,066	$10,200	$9,134	89.55%	$1,980	$914
1118 Zone Select Camps	3,848	120,600	116,752	96.81%	10,481	6,632
1119 National Select Camps	857	108,700	107,843	99.21%	3,947	3,090
1120 Camp (VIK)	546	25,000	24,454	97.82%	14,043	13,497
1135 Tech Services Support	29	2,900	2,871	99.00%	1,027	998
1163 Open Water Select Camp	499	60,500	60,001	99.18%	916	418
Program Group Total	*6,845*	*327,900*	*321,055*	*97.91%*	*32,395*	*25,549*
Coach Education and Development						
1213 Coach Education Development	6,659	62,800	56,141	89.40%	9,297	2,638
1231 USA-S Hosted Coaches Clinics	11,308	100,000	88,692	88.69%	17,578	6,270
1233 Disability Swimming Coaches Workshop	0	0	0	0.00%	444	444
1237 Non-USAS Clinic Participation	4,899	38,100	33,201	87.14%	8,748	3,849
1240 Online Coach Clinics/Podcasts	4,917	15,900	10,983	69.08%	748	(4,169)
1242 Coach Mentoring	7,574	116,100	108,526	93.48%	17,258	9,684
1245 Master Coach Program	552	139,400	138,848	99.60%	16,051	15,499
1290 Travel & Program Support	28,937	171,000	142,063	83.08%	31,325	2,388
Program Group Total	*64,846*	*643,300*	*578,454*	*89.92%*	*101,448*	*36,602*
Club Education and Development						
1302 Club Excellence Program	3,543	463,000	459,457	99.23%	34,399	30,855
1305 Club Recognition Program	0	7,500	7,500	100.00%	0	0
1311 Club Governance Programs	10,060	47,000	36,940	78.60%	10,057	(3)
1314 Club Resources	5,508	33,600	28,092	83.61%	5,508	0
1332 Club Research Technology	21,552	50,600	29,048	57.41%	27,525	5,973
1710 Learn Programs	261	0	(261)	0.00%	0	(261)
1390 Travel & Program Support	48,610	169,100	120,490	71.25%	63,076	14,466
Program Group Total	*89,534*	*770,800*	*681,266*	*88.38%*	*140,565*	*51,031*
LSC Development & Education						
1470 LSC Consulting	10,096	60,000	49,904	83.17%	17,855	7,760
1475 LEAP Program	1,000	70,500	69,500	98.58%	10,776	9,776
1481 Leadership Workshops	2,925	37,300	34,375	92.16%	15	(2,910)
Program Group Total	*14,021*	*167,800*	*153,779*	*91.64%*	*28,646*	*14,625*
Facilities Advocacy & Development						
1505 Build a Pool Conference	19,398	62,700	43,302	69.06%	12,753	(6,645)
1507 Aquatic Industry Relations	7,865	22,400	14,535	64.89%	12,839	4,974
1590 Travel & Program Support	3,835	11,800	7,965	67.50%	362	(3,473)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
Program Group Total	*31,098*	*96,900*	*65,802*	*67.91%*	*25,954*	*(5,144)*
Membership Growth and Diversity						
1638 Diversity Management Support	14,915	113,500	98,585	86.86%	17,457	2,542
1640 Community Swim Team Development	7,980	65,600	57,620	87.84%	21,711	13,732
1645 Zone Diversity Camps & Meetings	0	45,400	45,400	100.00%	4,609	4,609
1651 Diversity VIK	1,791	15,000	13,209	88.06%	6,324	4,533
1665 Diversity Select Camp	30,543	71,100	40,557	57.04%	29,426	(1,117)
Program Group Total	*55,230*	*310,600*	*255,370*	*82.22%*	*79,528*	*24,298*
Committees						
1823 Convention Education Committee	8,313	13,500	5,187	38.42%	10,604	2,291
1830 LSC Development Committee	14,052	26,400	12,348	46.77%	8,774	(5,279)
1841 Disability Swimming Committee	61	600	539	89.77%	1,515	1,454
1842 Diversity Committee	14,198	20,800	6,602	31.74%	2,369	(11,829)
1851 Age Group Development Committee	0	800	800	100.00%	5,711	5,711
1856 Club Development Committee	0	600	600	100.00%	8	8
1860 Governance Committee	0	0	0	0.00%	68	68
1885 Senior Development Committee	0	11,200	11,200	100.00%	3,256	3,256
Program Group Total	*36,624*	*73,900*	*37,276*	*50.44%*	*32,305*	*(4,319)*
Administration						
1990 Administration & Operational Support	79,375	307,100	227,725	74.15%	70,573	(8,803)
1999 Salary and Benefits	511,807	2,209,500	1,697,693	76.84%	629,829	118,022
Program Group Total	*591,182*	*2,516,600*	*1,925,418*	*76.51%*	*700,401*	*109,219*
TOTAL SPORT DEVELOPMENT	**889,380**	**4,907,800**	**4,018,420**	**81.88%**	**1,141,241**	**251,862**
EVENTS AND MEMBER SERVICES						
Events						
2005 Olympic Trials	7,476	14,500	7,024	48.44%	1,138	(6,339)
2018 Winter National Championships	143	239,700	239,557	99.94%	3,418	3,275
2019 National Championships/Trials	1,975	550,400	548,425	99.64%	3,348	1,373
2023 US Open	544	0	(544)	0.00%	0	(544)
2025 Pro Swim Series	113,186	344,300	231,114	67.13%	118,967	5,780
2027 Speedo Sectionals	85,000	215,000	130,000	60.47%	115,000	30,000
2028 IM Xtreme Games	4,000	24,000	20,000	83.33%	2,000	(2,000)
2029 Zone Championships	5,000	110,000	105,000	95.45%	15,000	10,000
2035 Futures Championships	6,180	137,800	131,620	95.51%	10,580	4,400
2040 Jr. Pan Pacific Championships	0	0	0	0.00%	25,000	25,000
2045 Jr. National Championships (Summer LC)	3,897	138,400	134,503	97.18%	1,266	(2,631)
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	2,070	139,500	137,430	98.52%	1,484	(586)
2069 Open Water Championships	13,443	101,500	88,057	86.76%	17,134	3,692
2072 FINA Championship Series	3,048	0	(3,048)	0.00%	0	(3,048)
2077 National Events Uniforming VIK	13,500	40,000	26,500	66.25%	31,750	18,250

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
2076 Bag Tags VIK	15	10,000	9,985	99.85%	0	(15)
2716 Omega Timing Systems VIK	0	320,000	320,000	100.00%	0	0
Program Group Total	*259,478*	*2,385,100*	*2,125,622*	*89.12%*	*346,085*	*86,607*
Member Programs						
2411 Member Dues and Services	4,729	18,300	13,571	74.16%	6,116	1,387
2412 Technology Projects	0	12,500	12,500	100.00%	0	0
2418 SWIMS 2.0	39,398	160,000	120,602	75.38%	13,930	(25,469)
2423 Rulebook	95,255	147,000	51,745	35.20%	107,901	12,646
2431 Swimposium	3,767	134,100	130,333	97.19%	4,249	482
2432 Zone Workshops	4,726	230,000	225,274	97.95%	13,896	9,170
2434 On-Line Registration	9,444	150,000	140,556	93.70%	9,444	0
2498 Awards	129	13,200	13,071	99.02%	111	(18)
Program Group Total	*157,447*	*865,100*	*707,653*	*81.80%*	*155,646*	*(1,802)*
Member Programs - Officials						
2433 Officials Training Sessions	3,774	132,000	128,226	97.14%	1,436	(2,337)
2437 Officials On-Line Testing	0	2,600	2,600	100.00%	0	0
2438 Officials Certification Program	0	15,200	15,200	100.00%	0	0
2440 Officials Clinic	217	2,300	2,083	90.58%	130	(87)
2441 Officials International Travel	5,301	30,100	24,799	82.39%	570	(4,731)
2450 Officials Mentoring & Training	442	4,300	3,858	89.72%	365	(77)
Program Group Total	*9,733*	*186,500*	*176,767*	*94.78%*	*2,501*	*(7,232)*
Other Programs and Services						
2501 Publications and Video Sales	20,069	40,000	19,931	49.83%	16,730	(3,339)
2502 Mailing Service	0	500	500	100.00%	0	0
2505 Trials Hospitality	0	1,500	1,500	100.00%	0	0
2518 Altitude Camps	111,028	300,000	188,972	62.99%	135,414	24,386
2519 Times Projects	4,628	38,900	34,272	88.10%	17,325	12,697
2535 Pool Environment Research & Education	0	20,000	20,000	100.00%	0	0
2715 TV/Web Cast Production	154,416	1,261,000	1,106,584	87.75%	244,787	90,371
Program Group Total	*290,141*	*1,661,900*	*1,371,759*	*82.54%*	*414,256*	*124,116*
Committees & Governance						
2801 Convention	1,150	112,500	111,350	98.98%	617	(533)
2802 Convention - Athletes	0	128,200	128,200	100.00%	2,841	2,841
2825 Registration / Membership	14,346	16,200	1,854	11.44%	15,273	927
2832 Awards	294	300	6	2.00%	0	(294)
2835 Credentials / Elections	0	3,000	3,000	100.00%	0	0
2836 Rules and Regulations	6,120	31,800	25,680	80.75%	0	(6,120)
2857 Times & Recognition Committee	3,473	23,000	19,527	84.90%	155	(3,319)
2862 Program & Events Committee	0	27,400	27,400	100.00%	0	0
2866 Officials	4,360	19,300	14,940	77.41%	14,952	10,593

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
2887 Athletes Executive Committee	6,113	30,500	24,387	79.96%	5,094	(1,019)
Program Group Total	*35,857*	*392,200*	*356,343*	*90.86%*	*38,932*	*3,076*
Administration						
2990 Administration & Operational Support	69,832	208,200	138,368	66.46%	56,127	(13,705)
2999 Salary and Benefits	363,642	1,551,300	1,187,658	76.56%	351,253	(12,389)
Program Group Total	*433,474*	*1,759,500*	*1,326,026*	*75.36%*	*407,380*	*(26,094)*
TOTAL EVENTS AND MEMBER SERVICES	**1,186,130**	**7,250,300**	**6,064,171**	**83.64%**	**1,364,800**	**178,671**
NATIONAL TEAM						
Competitions						
3001 Olympic Games	0	500	500	100.00%	0	0
3007 Pan Pacific Championships	10,000	0	(10,000)	0.00%	0	(10,000)
3013 Pan American Games	137	58,100	57,963	99.76%	0	(137)
3015 World University Games	20,145	363,400	343,255	94.46%	0	(20,145)
3031 Long Course World Championships	828	457,500	456,672	99.82%	0	(828)
Program Group Total	*31,110*	*879,500*	*848,390*	*96.46%*	*0*	*(31,110)*
Junior Team Programs						
3009 Jr. Team International Competition	10,431	202,500	192,069	94.85%	4,371	(6,060)
3045 Junior Team Camps	37,589	60,200	22,611	37.56%	40,477	2,888
3050 FINA World Junior Championships	320	364,700	364,380	99.91%	0	(320)
3051 Jr. Team Pro Swim Series	2,750	38,500	35,750	92.86%	2,200	(550)
3053 World 100	0	20,600	20,600	100.00%	0	0
3992 Ntl. Jr. Team Program Support	5,686	41,000	35,314	86.13%	10,924	5,238
Program Group Total	*56,776*	*727,500*	*670,724*	*92.20%*	*57,972*	*1,196*
Open Water Programs						
3040 FINA Open Water Jr. Championships	0	34,500	34,500	100.00%	0	0
3061 Open Water World Championships	0	49,500	49,500	100.00%	0	0
3063 Open Water University Games	0	20,500	20,500	100.00%	0	0
3065 Open Water World Cup	47,182	91,500	44,318	48.43%	13,106	(34,076)
3067 Open Water Camps	7,165	50,200	43,035	85.73%	39	(7,126)
3068 Open Water - Foundation	421	25,000	24,579	98.32%	0	(421)
3075 Open Water International Camps	0	79,100	79,100	100.00%	0	0
3495 Open Water Program Support	8,461	29,000	20,539	70.82%	5,126	(3,335)
Program Group Total	*63,230*	*379,300*	*316,070*	*83.33%*	*18,271*	*(44,959)*
Camps						
3005 Olympic Games Prep Camps	0	20,000	20,000	100.00%	0	0
3069 National Team Specialty Camps	0	28,100	28,100	100.00%	4,252	4,252
3071 Altitude Training Camps	7,750	39,000	31,250	80.13%	3,374	(4,376)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
3073 National Team Camps	48,748	43,000	(5,748)	-13.37%	39,230	(9,517)
3076 National Team International Camps	8,103	594,600	586,497	98.64%	39,290	31,187
3479 Advance Team Visits	9,670	21,000	11,330	53.95%	4,952	(4,718)
Program Group Total	*74,271*	*745,700*	*671,429*	*90.04%*	*91,099*	*16,828*
Athlete Services						
3101 Athlete Support-Stipends & Grants	372,059	1,584,800	1,212,741	76.52%	323,750	(48,309)
3103 Athlete Support-Medals & Records	0	600,000	600,000	100.00%	0	0
3107 Athlete Support-Op Gold Qualification Bonus	0	585,000	585,000	100.00%	1,017	1,017
3024 Swim Squads	0	0	0	0.00%	3,365	3,365
3025 Pro Swim Series Athlete Support	239,603	830,000	590,397	71.13%	157,698	(81,905)
3021 World Cup Athlete Support	(3,200)	9,500	12,700	133.69%	278	3,478
3127 National Team Investment Grant	74,272	600,000	525,728	87.62%	68,677	(5,595)
3106 ConocoPhillips Athlete Support	350	100,000	99,650	99.65%	3,731	3,381
3110 National Team Uniforming (VIK)	8,860	325,000	316,140	97.27%	7,131	(1,729)
3120 Athlete Support-Olympic Prep	0	20,000	20,000	100.00%	0	0
3130 Foundation Travel & Training	0	80,000	80,000	100.00%	10,223	10,223
3131 Foundation Athlete Endowments	0	80,000	80,000	100.00%	0	0
3310 USOC Practitioner Travel Support	8,221	26,700	18,479	69.21%	2,153	(6,068)
3453 Drug Control Program	2,177	70,200	68,023	96.90%	565	(1,611)
Program Group Total	*702,342*	*4,911,200*	*4,208,858*	*85.70%*	*578,590*	*(123,752)*
Coach Services						
3203 Coach Incentive & Reward Program	0	330,000	330,000	100.00%	0	0
3210 Olympic Team Prep - Coaches	0	20,000	20,000	100.00%	0	0
3220 Contract Labor - National Team Tech Advisor	19,365	83,700	64,335	76.86%	0	(19,365)
3222 National Team Consultant	7,829	37,100	29,271	78.90%	4,000	(3,829)
3460 Olympic Staff Recognition	0	37,000	37,000	100.00%	0	0
3010 Coach Education	5,675	34,100	28,425	83.36%	4,945	(730)
3077 National Team Coaches Meeting	13,465	114,000	100,535	88.19%	26,431	12,966
Program Group Total	*46,333*	*655,900*	*609,567*	*92.94%*	*35,376*	*(10,957)*
High Performance Support						
3301 National Team Performance Support	40,933	155,600	114,667	73.69%	55,777	14,844
Program Group Total	*40,933*	*155,600*	*114,667*	*73.69%*	*55,777*	*14,844*
Sport Medicine & Science						
3353 Sport Medicine & Science Network	23,216	117,600	94,384	80.26%	16,731	(6,485)
3155 Elite Athlete Accident Coverage	24,349	35,000	10,651	30.43%	32,825	8,476
3200 Athlete Life Skills	0	40,000	40,000	100.00%	150	150
3351 Athlete Testing & Lab Expenses	5,081	27,100	22,019	81.25%	3,245	(1,836)
3390 Sport Medicine & Science Program Support	0	51,700	51,700	100.00%	0	0
Program Group Total	*52,646*	*271,400*	*218,754*	*80.60%*	*52,951*	*305*

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
Other Programs and Services						
3481 National Team Equipment	3,759	18,500	14,741	79.68%	1,223	(2,537)
3499 Team Management Technology	67,068	0	(67,068)	0.00%	0	(67,068)
Program Group Total	*70,827*	*18,500*	*(52,327)*	*-282.85%*	*1,223*	*(69,605)*
Committees						
3846 Sports Medicine	0	3,300	3,300	100.00%	0	0
3850 Open Water Development	30	800	770	96.31%	33	3
3868 Open Water Committee	3,940	16,900	12,960	76.69%	521	(3,419)
3882 National Steering Committee	152	16,600	16,448	99.09%	24	(128)
3888 National Team Ath Committee	0	12,300	12,300	100.00%	3,571	3,571
Program Group Total	*4,121*	*49,900*	*45,779*	*91.74%*	*4,149*	*28*
Administration						
3990 Administration & Operational Support	79,923	222,600	142,678	64.10%	138,080	58,157
3999 Salary and Benefits	406,384	1,875,300	1,468,916	78.33%	381,778	(24,606)
Program Group Total	*486,307*	*2,097,900*	*1,611,593*	*76.82%*	*519,857*	*33,551*
TOTAL NATIONAL TEAM	**1,628,896**	**10,892,400**	**9,263,504**	**85.05%**	**1,415,265**	**(213,631)**
TOTAL TECHNICAL/SPORT	**3,704,406**	**23,050,500**	**19,346,095**	**83.93%**	**3,921,307**	**216,901**
OTHER PROGRAMS:						
COMMERCIAL						
Corporate Partnerships						
5901 Marketing & Contract Fulfillment	32,122	187,900	155,779	82.91%	42,801	10,680
5905 Sales Development Support	14,849	50,000	35,151	70.30%	26,684	11,835
Program Group Total	*46,970*	*237,900*	*190,930*	*80.26%*	*69,485*	*22,515*
Communications						
5711 Splash Magazine	21,854	812,700	790,846	97.31%	74,725	52,871
5714 PR-USA Swimming Programs	4,572	75,000	70,428	93.90%	5,421	849
5718 usaswimming.org - Web site	123,161	527,200	404,039	76.64%	122,900	(260)
5724 Communication Operations	67,329	171,200	103,871	60.67%	43,486	(23,843)
5730 USA Swimming Productions	190,207	856,200	665,993	77.78%	191,497	1,290
Program Group Total	*407,122*	*2,442,300*	*2,035,178*	*83.33%*	*438,030*	*30,908*
Marketing						
5109 Athlete Partnership Fulfillment	4,804	50,000	45,196	90.39%	7,636	2,832
5620 Family Program	86	34,600	34,514	99.75%	198	112
5709 Nationals Marketing	13,595	334,190	320,595	95.93%	18,674	5,078

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
5760 Jr Nationals Marketing	0	75,000	75,000	100.00%	0	0
5762 Pro Swim Series Marketing	27,508	143,340	115,832	80.81%	0	(27,508)
5764 US Open Marketing	0	36,000	36,000	100.00%	0	0
5770 Event Marketing	61,733	38,570	(23,163)	-60.06%	0	(61,733)
5710 Membership/Recruiting Promotion (SwimToday)	190,127	450,000	259,873	57.75%	73,938	(116,189)
5713 Deck Pass	4,578	125,000	120,422	96.34%	4,496	(82)
5715 SwimBiz	7,071	75,000	67,929	90.57%	4,996	(2,076)
5716 Swimjitsu	2,670	0	(2,670)	0.00%	875	(1,794)
5755 USA Swimming House-Trials	0	10,200	10,200	100.00%	0	0
5720 Video Production Services	195	25,000	24,805	99.22%	554	359
5913 Multicultural Promotions	3,564	98,600	95,036	96.39%	17,056	13,492
5902 Merchandise Program	872	26,000	25,128	96.64%	1,930	1,058
5904 Marketing Contract Labor	13,000	0	(13,000)	0.00%	19,724	6,724
5911 Aqua Zone - Olympic Trials	53,004	15,000	(38,004)	-253.36%	0	(53,004)
Program Group Total	*382,808*	*1,536,500*	*1,153,692*	*75.09%*	*150,077*	*(232,731)*
Administration						
5990 Administration & Operational Support	63,473	243,500	180,027	73.93%	70,180	6,706
5999 Salary and Benefits	394,716	2,291,400	1,896,685	82.77%	497,500	102,784
Program Group Total	*458,189*	*2,534,900*	*2,076,711*	*81.92%*	*567,679*	*109,490*
TOTAL COMMERCIAL	**1,295,089**	**6,751,600**	**5,456,511**	**80.82%**	**1,225,271**	**(69,818)**
RISK MANAGEMENT SERVICES						
Member Programs						
9413 Member Insurance Premiums & Retention	1,233,481	3,102,800	1,869,319	60.25%	1,642,660	409,179
9415 Other Risk Management	0	16,700	16,700	100.00%	10,334	10,334
Program Group Total	*1,233,481*	*3,119,500*	*1,886,019*	*60.46%*	*1,652,994*	*419,513*
Committees						
9827 Operational Risk Committee	3,534	32,300	28,766	89.06%	14,508	10,974
Program Group Total	*3,534*	*32,300*	*28,766*	*89.06%*	*14,508*	*10,974*
Administration						
9490 Administration & Operational Support	4,568	27,400	22,832	83.33%	5,893	1,325
Program Group Total	*4,568*	*27,400*	*22,832*	*83.33%*	*5,893*	*1,325*
TOTAL RISK MANAGEMENT SERVICES	**1,241,584**	**3,179,200**	**1,937,616**	**60.95%**	**1,673,395**	**431,811**
FOUND. & MAKE A SPLASH SUPPORT						
6666 Foundation Support	0	0	0	0.00%	62,500	62,500
6667 USA Swimming Staff Allocation	0	311,000	311,000	100.00%	0	0
TOTAL FOUNDATION & MAS SUPPORT	**0**	**311,000**	**311,000**	**100.00%**	**62,500**	**62,500**

4/18/2019

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
TOTAL OTHER PROGRAMS	**2,536,673**	**10,241,800**	**7,705,127**	**75.23%**	**2,961,166**	**424,493**
SUPPORT DIVISIONS:						
EXECUTIVE						
Other Executive						
7920 CEO Contingency	3,174	60,000	56,826	94.71%	17,402	14,228
7930 Board Chair Travel and Expenses	6,468	35,000	28,532	81.52%	7,521	1,053
7945 CSCAA Grant	30,000	125,000	95,000	76.00%	30,000	0
7971 Organizational Relations - Domestic	11,432	80,000	68,568	85.71%	15,350	3,918
7984 Organizational Relations - Internat'l	4,160	65,000	60,840	93.60%	1,771	(2,389)
7981 International Relations	10,852	69,100	58,248	84.29%	29,271	18,419
Program Group Total	*66,086*	*434,100*	*368,014*	*84.78%*	*101,315*	*35,229*
Committees & Governance						
7803 Board of Directors	58,614	185,300	126,686	68.37%	37,658	(20,956)
7805 Executive Committee	0	0	0	0.00%	461	461
7807 Zone Administration	0	0	0	0.00%	17	17
7808 Task Force & Other Committees	37	34,000	33,963	99.89%	31,143	31,106
7811 International Relations Committee	8,369	31,000	22,631	73.00%	10,713	2,344
7820 Nominating Committee	255	0	(255)	0.00%	91	(165)
Program Group Total	*67,275*	*250,300*	*183,025*	*73.12%*	*80,082*	*12,807*
Administration						
7990 Administration & Operational Support	41,670	100,300	58,630	58.46%	23,290	(18,379)
7999 Salary and Benefits	197,364	767,800	570,436	74.29%	175,880	(21,484)
Program Group Total	*239,033*	*868,100*	*629,067*	*72.46%*	*199,170*	*(39,864)*
TOTAL EXECUTIVE	**372,395**	**1,552,500**	**1,180,106**	**76.01%**	**380,567**	**8,173**
FINANCE						
Other Programs						
8500 LSC/Club Financial Resources	0	10,000	10,000	100.00%	0	0
Program Group Total	*0*	*10,000*	*10,000*	*100.00%*	*0*	*0*
Committees						
8895 Investment Committee	51	300	249	82.95%	23	(28)
8880 Audit Committee	0	300	300	100.00%	0	0
Program Group Total	*51*	*600*	*549*	*91.48%*	*23*	*(28)*

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
Administration						
8990 Administration & Operational Support	34,878	133,200	98,322	73.82%	31,482	(3,397)
8999 Salary and Benefits	473,313	995,500	522,186	52.45%	193,245	(280,069)
Program Group Total	*508,192*	*1,128,700*	*620,508*	*54.98%*	*224,727*	*(283,465)*
TOTAL FINANCE	**508,243**	**1,139,300**	**631,057**	**55.39%**	**224,749**	**(283,494)**
BUSINESS AFFAIRS						
Legal and NBR						
9695 Legal	228,177	150,000	(78,177)	-52.12%	83,850	(144,328)
9692 National Board of Review	0	54,000	54,000	100.00%	31,714	31,714
9690 Legal - Admin. & Oper. Support	1,217	8,400	7,183	85.51%	1,295	77
Program Group Total	*229,394*	*212,400*	*(16,994)*	*-8.00%*	*116,858*	*(112,536)*
Safe Sport						
9335 Safe Sport - Background Checks	4,990	61,200	56,210	91.85%	7,975	2,985
9370 LSC Safe Sport Chairs Workshop	0	0	0	0.00%	344	344
9375 Safe Sport Online Education	15,000	77,200	62,200	80.57%	1,360	(13,640)
9386 Safe Sport Athlete Fellowship	6,318	21,500	15,182	70.62%	7,405	1,087
9385 Safe Sport Programs	36,253	235,800	199,547	84.63%	40,358	4,105
9387 Safe Sport - USOC Center for Safe Sport	82,621	158,200	75,579	47.77%	42,900	(39,721)
9388 Safe Sport - Leadership Conference	46,851	63,600	16,749	26.34%	0	(46,851)
9389 Safe Sport - SwimAssist	7,184	100,000	92,816	92.82%	2,575	(4,609)
Program Group Total	*199,217*	*717,500*	*518,283*	*72.23%*	*102,917*	*(96,300)*
Other Programs						
9380 Human Resources	37,446	97,600	60,154	61.63%	26,627	(10,819)
9290 Government Affairs	0	167,700	167,700	100.00%	0	0
9295 Information Technology Support	201,754	640,200	438,446	68.49%	192,571	(9,183)
Program Group Total	*239,200*	*905,500*	*666,300*	*73.58%*	*219,198*	*(20,002)*
Committees						
9810 Safe Sport Committee	9,443	32,500	23,057	70.94%	9,009	(434)
Program Group Total	*51*	*600*	*549*	*91.48%*	*23*	*(28)*
Administrative						
9990 Administration & Operational Support	50,763	198,500	147,737	74.43%	38,056	(12,707)
9999 Salary and Benefits	512,391	2,181,500	1,669,108	76.51%	480,168	(32,223)
Program Group Total	*563,154*	*2,380,000*	*1,816,845*	*76.34%*	*518,224*	*(44,930)*
TOTAL BUSINESS AFFAIRS	**1,240,409**	**4,247,900**	**3,007,491**	**70.80%**	**966,206**	**(274,203)**

4/18/2019

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2019

	Year To Date Actual	2019 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2018	Favorable (Unfavorable)
TOTAL SUPPORT DIVISIONS	2,121,046	6,939,700	4,818,653	69.44%	1,571,522	(549,524)
GRAND TOTALS	$8,362,125	$40,232,000	$31,869,875	79.22%	$8,453,995	$91,870

USA Swimming Foundation
2018 Financial Report

2018 HIGHLIGHTS

- $1,123,181 major gifts/grants exceeded $850,000 budget by $273,181 or 32%.
- $696,369 annual campaign exceeded $675,000 budget by $21,369 or 3%.
- $830,000 sponsor support including $625,000 from Phillips 66 (5-year renewal beginning 2019). Missed budget by ($70,000) of which ($50,000) was budgeted from Marriott.
- $361,920 Swim-a-Thon receipts missed annual budget of $400,000, but up $6,514 or 1.8% from 2017.
- ($267,731) operating deficit missed the ($200,000) annual budget.
- $15,411,518 investments decreased ($139,320) for the year including $500,000 transfer from reserves to USA Swimming Endowment, $250,000 Dirks annual contribution, less ($713,600) distributions, and (5.25%) investment loss.
- $783,600 National Team grants (most in history) including $623,600 from endowments, $100,000 from Phillips 66, and $60,000 from other donors.
- $701,591 USA Swimming Foundation grants to Make a Splash local partners – ($206,854) more than 2017 and most in history.

EXECUTIVE SUMMARY

Operating Deficit:

The 2018 operating deficit was ($267,731) compared to the budgeted deficit of ($200,000). The budget deficit was a result of the Board approving additional grants to MAS Local Partners using the prior year surplus. At the same time, the Board also approved moving $500,000 from Foundation reserves to the USA Swimming Endowment (no effect on operating deficit). The Marriott sponsorship was the primary factor in missing the operating budget by ($67,731).

Revenue:

2018 surpassed the annual budget in two key revenue areas of major gifts (exceeded by $273,181 or 32%) and annual campaign (exceeded by $21,369 or 3%), but both areas fell short of 2017 results by a combined total of ($324,526) or (15%) primarily due to the large commitment from the Copses family in 2017.

Sponsorship revenue continued to be a major funding source at $830,000 for the year, but missed budget by ($70,000) of which ($50,000) was budgeted from Marriott who paused their sponsorship in 2018 (out of Foundation's control). Furthermore, Goldfish Swim School signed a sponsorship contract through 2024 ($20,000 partial year in 2018,

$60,000 per year starting 2019) which includes separate fundraising components for the Foundation.

Other material 2018 revenue included forfeited athlete prize money of $404,076. These unbudgeted funds received from USA Swimming increased the National Team Travel & Training endowment. Additionally, USA Swimming committed $250,000 for Foundation operational support in 2018 which discontinues in 2019.

Expense:

Total expenses of $4,229,192 were over budget by ($51,192) or (1.2%). Total expense breakout was 65.5% program and 34.5% supporting expenses. National Team grants of $783,600 comprised the largest budget to actual expense variance of ($143,600). The extra grants paid for increased athlete travel costs and were all funded via endowments and other donors.

USA Swimming staff payroll allocation (net $0 to Foundation) was higher than 2017 by ($111,860) as the CEOs did not spend a material amount of time on the Foundation in 2017.

Endowments:

The endowment portfolios decreased ($139,320) year-over-year to $15,411,518. Primary additions included the $500,000 transfer from reserves to the USA Swimming Endowment, $404,076 forfeited prize money, and $250,000 Dirks annual contribution. Reductions were distributions of ($713,600) and the (5.25%) investment loss. As of 12/31/2018, the permanently restricted endowments are underwater by ($95,771).

Net Assets:

Total net assets decreased ($1,285,482) year over year primarily attributed to the net investment loss of ($852,583) and operating deficit of ($267,731).

Another factor that reduced total net assets (by $200,000) was the satisfaction of the final year of the ten-year Phillips 66 agreement that started in 2009. Total net assets increased by $4M in 2009 and subsequent annual payments of $400,000 increased the operating budget, but reduced restricted net assets (net zero). Required annual grants of $200,000 (to National Team and MAS Houston) then reduced net assets. Note the 2019 Phillips 66 renewal will be fully booked as a sponsorship rather than a philanthropic gift and thus the net asset satisfaction accounting treatment won't be applicable starting in 2019.

Note the Undesignated operating fund balance is negative as of 12/31/2018 ($19,603). This negative balance is temporary and primarily due to not receiving the Marriott funds and missing the operating budget by ($67,731).

Revenue, Endowments, Expense Chart Detail:

- $1,123,181 major gifts/ grants
    - $1,003,181 restricted including $500,000 trustees (five new commitments), $275,000 athlete support donations, and $228,181 MAS.
    - $120,000 unrestricted.

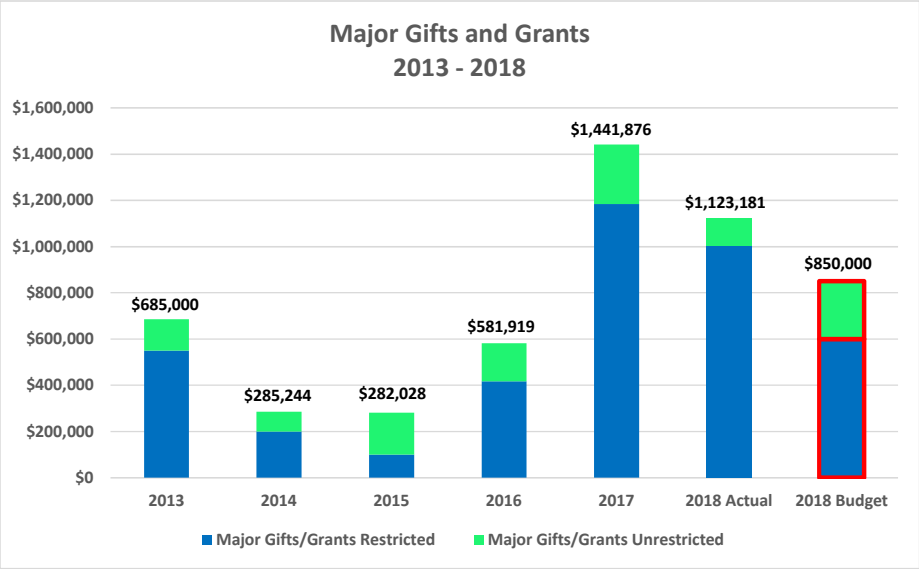
- $696,369 annual campaign including $342,247 Champions Club, Silent Auction $155,175, and $112,500 Performance Camp receipts.

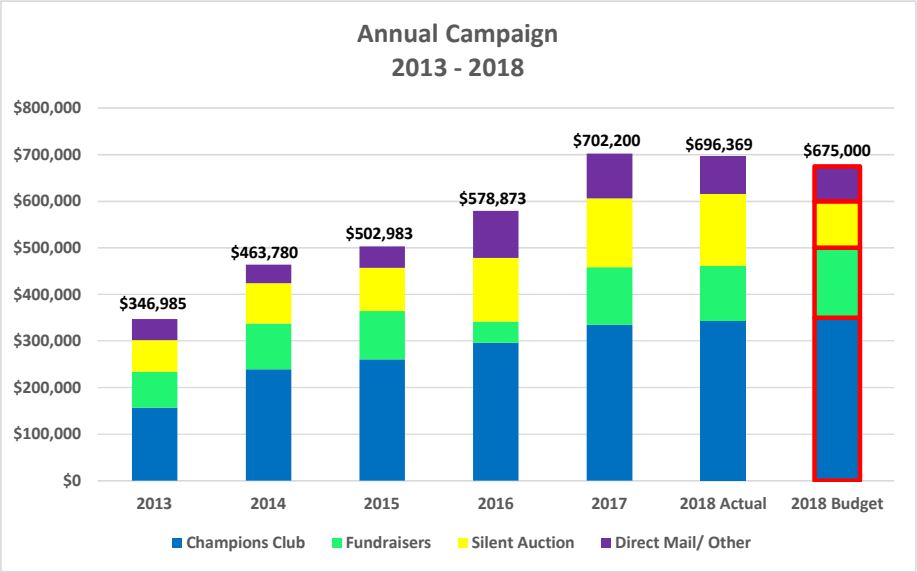
- $830,000 sponsor support including $625,000 from Phillips 66.

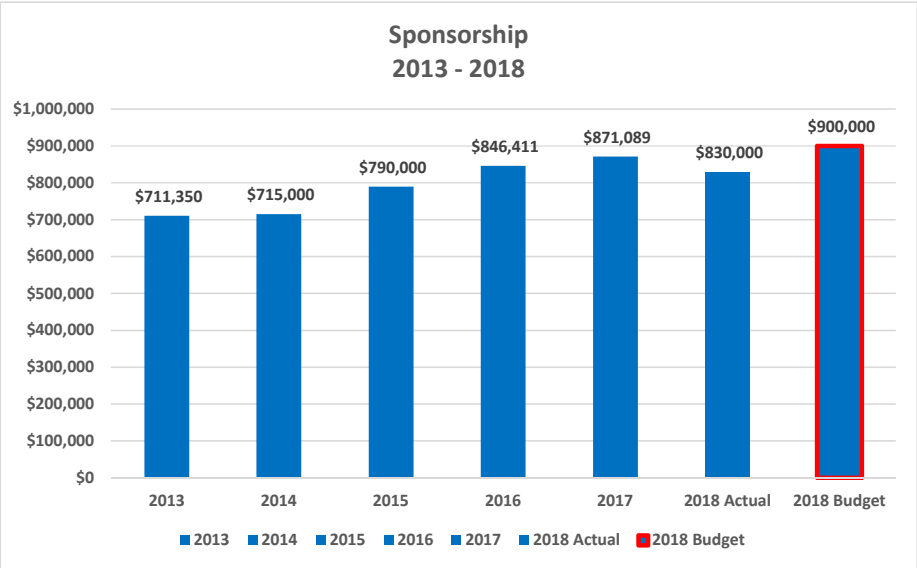
- $15,411,518 Endowments:
    - USA Swimming $5,898,718
    - Athlete $5,440,346
    - Dirks $2,936,073
    - National Team Travel & Training (forfeited FINA) $735,245
    - Other athlete $401,136

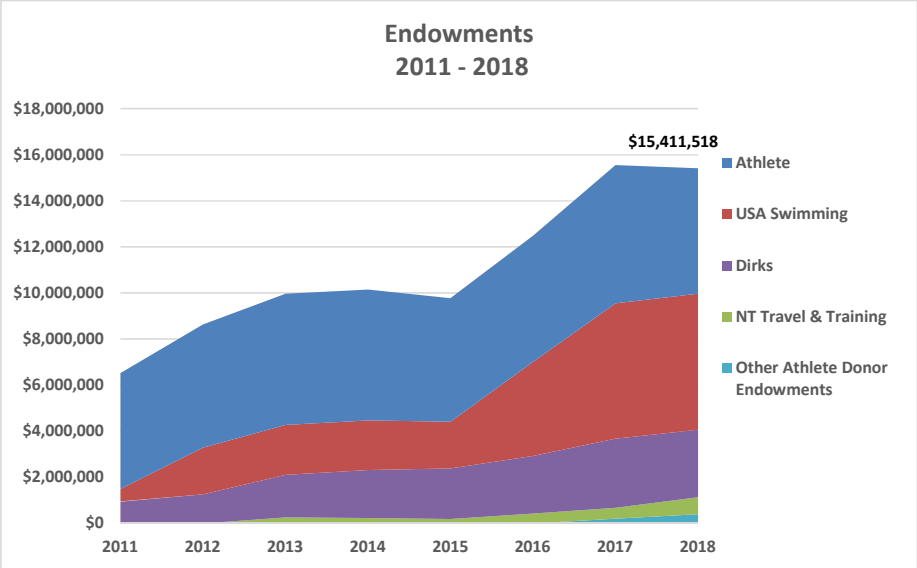
- $4,229,192 total expense
    - Make a Splash $1,622,376
    - Supporting $1,461,720
    - Building Champions $1,048,354
    - Alumni $96,742

USA Swimming Foundation
Revenue and Endowments
December 31, 2018









USA Swimming Foundation, Inc.
Balance Sheet
As of December 31, 2018 and 2017

	12/31/2018	12/31/2017	$ Change
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$1,363,748	$1,866,742	($502,994)
Accounts receivable	127,001	111,851	15,150
Pledges receivable - current	771,066	1,061,715	(290,648)
Prepaid expenses and deferred charges	10,881	21,840	(10,959)
Total Current Assets	2,272,697	3,062,148	(789,451)
FIXED ASSETS:			
Equipment and Software	229,963	229,963	0
Accumulated depreciation & amortization	(217,020)	(171,687)	(45,334)
Total Fixed Assets	12,943	58,277	(45,334)
LONG-TERM INVESTMENTS:			
Long-term Investments	15,411,518	15,550,838	(139,320)
OTHER ASSETS:			
Pledges receivable - long-term	2,490,000	2,680,625	(190,625)
Swim-a-Thon	120,000	120,000	0
Total Other Assets	2,610,000	2,800,625	(190,625)
TOTAL ASSETS	**$20,307,158**	**$21,471,887**	**($1,164,729)**
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	$31,196	$30,358	$837
Due from (to) USA Swimming	86,561	(31,437)	117,998
Accrued expenses and other liabilities	73,916	59,581	14,335
Deferred revenue	0	12,417	(12,417)
Total Current Liabilities	191,673	70,919	120,754
NONCURRENT LIABILITIES:			
Total Liabilities	191,673	70,919	120,754
NET ASSETS:			
Unrestricted:			
Undesignated Operating Funds	(19,603)	869,877	(889,481)
Board Designated Operating Reserves	1,201,000	1,080,250	120,750
Board Designated Endowments	12,069,287	12,377,495	(308,208)
Total Unrestricted	13,250,684	14,327,622	(1,076,938)
Temporarily Restricted	1,310,573	1,423,346	(112,773)
Permanently Restricted	5,554,229	5,650,000	(95,771)
Total Net Assets	20,115,486	21,400,968	(1,285,482)
TOTAL LIABILITIES & NET ASSETS	**$20,307,158**	**$21,471,887**	**($1,164,729)**

2/21/2019

USA Swimming Foundation, Inc.
Income Statement
For the Year Ended December 31, 2018

	2018 Unrestricted	2018 Board Desig.	2018 Temp Restr	2018 Perm Restr	2018 TOTAL	2018 Budget	2018 Variance	2017 TOTAL	2017 Variance
Revenue:									
Annual Campaign	$696,369	$0	$0	$0	$696,369	$675,000	$21,369	$702,200	($5,831)
Major Gifts/Grants	120,000	0	1,003,181	0	1,123,181	850,000	273,181	1,441,876	(318,695)
Major Gifts - Trustee Satisfied Restrictions	315,500	0	(315,500)	0	0	0	0	0	0
Major Gifts/Grants - Other Satisfied Restrictions	121,266	0	(121,266)	0	0	0	0	0	0
Endowment Distributions	713,600	(533,600)	(180,000)	0	0	0	0	0	0
Sponsorship	830,000	0	(350,000)	0	480,000	550,000	(70,000)	521,089	(41,089)
Swim-a-Thon	361,920	0	0	0	361,920	400,000	(38,080)	355,405	6,514
Golden Goggle Awards	150,000	0	(50,000)	0	100,000	100,000	0	100,000	0
USA Swimming Support - Cash	250,000	0	0	0	250,000	250,000	0	1,250,000	(1,000,000)
USA Swimming Support - Forfeited Prize Money	0	404,076	0	0	404,076	0	404,076	44,310	359,766
USA Swimming Support - Staff Allocation	342,921	0	0	0	342,921	311,000	31,921	231,061	111,860
Other Income	37,827	0	0	0	37,827	50,000	(12,173)	82,117	(44,290)
Present Value Earned (Discount)	0	0	0	0	0	0	0	10,605	(10,605)
Investment Income (Loss)	22,060	(679,684)	(99,188)	(95,771)	(852,583)	629,500	(1,482,083)	1,976,133	(2,828,716)
Total Revenue	**3,961,461**	**(809,208)**	**(112,773)**	**(95,771)**	**2,943,710**	**3,815,500**	**(871,790)**	**6,714,796**	**(3,771,086)**
Expenses:									
Supporting Expenses:									
Annual Campaign	401,460	0	0	0	401,460	389,600	(11,860)	393,535	(7,924)
Major Gifts/Grants	361,357	0	0	0	361,357	393,200	31,843	353,937	(7,420)
Swim-a-Thon	213,165	0	0	0	213,165	233,400	20,235	225,788	12,623
Marketing	19,647	0	0	0	19,647	12,500	(7,147)	456	(19,191)
Operational and Administrative	466,092	0	0	0	466,092	495,100	29,008	379,947	(86,145)
Total Supporting Expenses	**1,461,720**	**0**	**0**	**0**	**1,461,720**	**1,523,800**	**62,080**	**1,353,663**	**(108,057)**
Program Expenses:									
Make a Splash - Grants	701,591	0	0	0	701,591	692,500	(9,091)	494,737	(206,854)
Make a Splash - Programs	920,785	0	0	0	920,785	957,600	36,815	870,290	(50,496)
Total Make A Splash Expenses	**1,622,376**	**0**	**0**	**0**	**1,622,376**	**1,650,100**	**27,724**	**1,365,027**	**(257,350)**
Building Champions - National Team Grants	783,600	0	0	0	783,600	640,000	(143,600)	612,500	(171,100)
Building Champions - Sport Dev. Grants	120,000	0	0	0	120,000	120,000	0	120,000	0
Building Champions - Other Programs	144,753	0	0	0	144,753	142,500	(2,253)	93,158	(51,595)
Building Champions - Alumni Programs	96,742	0	0	0	96,742	101,600	4,858	91,654	(5,088)
Total Building Champions Expenses	**1,145,096**	**0**	**0**	**0**	**1,145,096**	**1,004,100**	**(140,996)**	**917,312**	**(227,783)**
Total Program Expenses	**2,767,472**	**0**	**0**	**0**	**2,767,472**	**2,654,200**	**(113,272)**	**2,282,339**	**(485,133)**
Total Expenses	**4,229,192**	**0**	**0**	**0**	**4,229,192**	**4,178,000**	**(51,192)**	**3,636,002**	**(593,191)**
Surplus (Deficit)	**(267,731)**	**(809,208)**	**(112,773)**	**(95,771)**	**(1,285,482)**	**(362,500)**	**(922,982)**	**3,078,794**	**(4,364,277)**
Transfers to/from USA Swimming Endowment	(501,000)	501,000	0	0	0	0	0	0	0
Transfers to/from - Operating Reserve	(120,750)	120,750	0	0	0	0	0	0	0
NET CHANGE IN TOTAL NET ASSETS	**($889,481)**	**($187,458)**	**($112,773)**	**($95,771)**	**($1,285,482)**	**($362,500)**	**($922,982)**	**$3,078,794**	**($4,364,277)**

2/21/2019

USA Swimming Foundation, Inc.
Income Statement
For the Years Ended December 31, 2018 and 2017

	Quarter Actual	Year-To-Date 2018	Budget 2018	Budget Remaining	Year-To-Date 2017	Favorable (Unfavorable)
UNRESTRICTED:						
Revenue:						
Annual Campaign	$347,543	$696,369	$675,000	$21,369	$702,200	($5,831)
Major Gifts/Grants - Unrestricted	10,000	120,000	250,000	(130,000)	258,126	(138,126)
Major Gifts - Trustee Satisfied Restrictions	25,000	315,500	275,000	40,500	200,000	115,500
Major Gifts/Grants - Other Satisfied Restrictions	37,210	121,266	86,300	34,966	122,490	(1,224)
Endowment Distributions In	413,600	713,600	618,700	94,900	576,250	137,350
Sponsorship	32,500	830,000	900,000	(70,000)	871,089	(41,089)
Swim-a-Thon	118,946	361,920	400,000	(38,080)	355,405	6,514
Golden Goggle Awards	100,000	150,000	150,000	0	150,000	0
USA Swimming Support	62,500	250,000	250,000	0	250,000	0
USA Swimming Support - Staff Allocation	342,921	342,921	311,000	31,921	231,061	111,860
Other Income	2,218	37,827	50,000	(12,173)	82,117	(44,290)
Investment Income (Loss)	903	22,060	12,000	10,060	7,089	14,971
Total Unrestricted Revenue	**1,493,341**	**3,961,461**	**3,978,000**	**(16,539)**	**3,805,827**	**155,635**
Expenses:						
Supporting Expenses:						
Annual Campaign	266,424	401,460	389,600	(11,860)	393,535	(7,924)
Major Gifts/Grants	297,105	361,357	393,200	31,843	353,937	(7,420)
Swim-a-Thon	117,075	213,165	233,400	20,235	225,788	12,623
Marketing	9,039	19,647	12,500	(7,147)	456	(19,191)
Operational and Administrative	(352,484)	466,092	495,100	29,008	379,947	(86,145)
Total Supporting Expenses	**337,159**	**1,461,720**	**1,523,800**	**62,080**	**1,353,663**	**(108,057)**
Program Expenses:						
Make a Splash - Grants	25,900	701,591	692,500	(9,091)	494,737	(206,854)
Make a Splash - Programs	487,619	920,785	957,600	36,815	870,290	(50,496)
Total Make a Splash Expenses	**513,519**	**1,622,376**	**1,650,100**	**27,724**	**1,365,027**	**(257,350)**
Building Champions - National Team Grants	358,600	783,600	640,000	(143,600)	612,500	(171,100)
Building Champions - Sport Development Grants	30,000	120,000	120,000	0	120,000	0
Building Champions - Other Programs	126,991	144,753	142,500	(2,253)	93,158	(51,595)
Building Champions - Alumni Programs	65,308	96,742	101,600	4,858	91,654	(5,088)
Total Building Champions Expenses	**580,899**	**1,145,096**	**1,004,100**	**(140,996)**	**917,312**	**(227,783)**
Total Program Expenses	**1,094,418**	**2,767,472**	**2,654,200**	**(113,272)**	**2,282,339**	**(485,133)**
Total Unrestricted Expenses	**1,431,577**	**4,229,192**	**4,178,000**	**(51,192)**	**3,636,002**	**(593,191)**
Operating Surplus (Deficit)	**61,764**	**(267,731)**	**(200,000)**	**(67,731)**	**169,825**	**(437,556)**
Transfers to/from USA Swimming Endowment	0	(501,000)	(500,000)	(1,000)	(220,000)	(281,000)
Transfers to/from - Operating Reserve	0	(120,750)	0	(120,750)	121,300	(242,050)
CHANGE IN UNDESIGNATED FUNDS	**$61,764**	**($889,481)**	**($700,000)**	**($189,481)**	**$71,125**	**($960,606)**

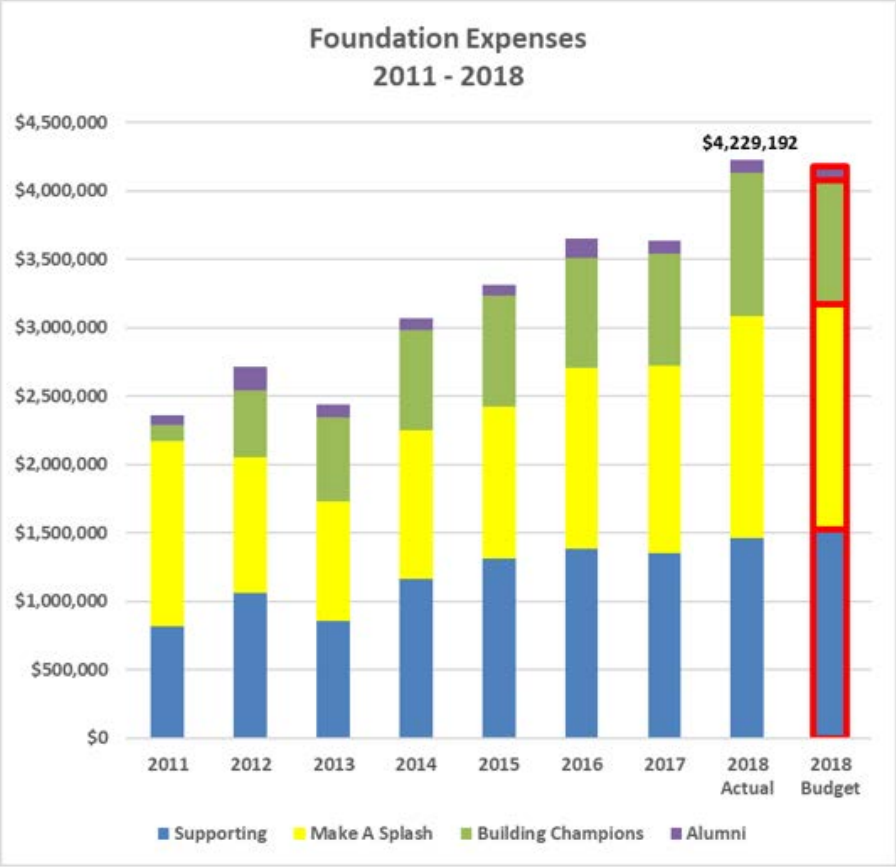
2/21/2019

USA Swimming Foundation, Inc.
Income Statement
For the Years Ended December 31, 2018 and 2017

	Quarter Actual	Year-To-Date 2018	Budget 2018	Budget Remaining	Year-To-Date 2017	Favorable (Unfavorable)
BOARD DESIGNATED:						
Endowment Distributions Out	($233,600)	($533,600)	($450,000)	($83,600)	($430,000)	($103,600)
Donation from USA Swimming	0	0	0	0	1,000,000	(1,000,000)
Transfer to/from USA Swimming Endowment	0	501,000	500,000	1,000	220,000	281,000
Transfer to/from Operating Reserves	0	120,750	0	120,750	(121,300)	242,050
USA Swimming - Forfeited Prize Money	404,076	404,076	0	404,076	44,310	359,766
Investment Income	(957,820)	(679,684)	450,000	(1,129,684)	1,554,227	(2,233,911)
Change in Board Designated Net Assets	**($787,344)**	**($187,458)**	**$500,000**	**($687,458)**	**$2,267,237**	**($2,454,695)**
CHANGE IN UNRESTRICTED NET ASSETS	**($725,580)**	**($1,076,938)**	**($200,000)**	**($876,938)**	**$2,338,362**	**($3,415,300)**
TEMPORARILY RESTRICTED:						
Major Gifts/Grants - Temporarily Restricted	$178,181	$1,003,181	$600,000	$403,181	$583,750	$419,431
Endowment Distributions Out - Satisfied Restrictions	(180,000)	(180,000)	(168,700)	(11,300)	(146,250)	(33,750)
Satisfied Restrictions	(62,210)	(836,766)	(761,300)	(75,466)	(722,490)	(114,276)
Present Value Discount Earned	0	0	0	0	10,605	(10,605)
Investment Income	(172,035)	(99,188)	167,500	(266,688)	414,817	(514,005)
Change in Temp. Restricted Net Assets	**($236,064)**	**($112,773)**	**($162,500)**	**$49,727**	**$140,432**	**($253,205)**
PERMANENTLY RESTRICTED:						
Major Gifts - Permanently Restricted	$0	$0	$0	$0	$600,000	($600,000)
Investment Income	(95,771)	(95,771)	0	(95,771)	0	(95,771)
Change in Perm. Restricted Net Assets	**($95,771)**	**($95,771)**	**$0**	**($95,771)**	**$600,000**	**($695,771)**
NET CHANGE IN TOTAL NET ASSETS	**($1,057,415)**	**($1,285,482)**	**($362,500)**	**($922,982)**	**$3,078,794**	**($4,364,277)**

USA Swimming Foundation, Inc.
Expense Detail
For the Year Ended December 31, 2018

EXPENSES:	SUPPORTING EXPENSES	PROGRAM EXPENSES	2018 EXPENSES	2017 EXPENSES	Variance
Salaries and Benefits	$501,804	$450,773	$952,577	$946,835	($5,742)
Professional Services	72,773	382,975	455,748	477,944	22,197
Salaries and Benefits - USAS	275,094	67,827	342,921	231,061	(111,860)
Travel	109,667	99,298	208,965	179,548	(29,417)
Printing and Duplication	103,856	4,431	108,287	96,527	(11,760)
Recognition and Fulfillment	59,218	33,342	92,560	59,819	(32,742)
Freight and Postage	58,389	19,296	77,685	63,990	(13,696)
Rent and Overhead	60,000	0	60,000	60,000	0
Depreciation and Amortization	45,334	0	45,334	57,063	11,729
Catering and Entertainment	31,690	10,295	41,986	37,527	(4,459)
Dues Fees & Subscriptions	19,382	19,957	39,338	11,011	(28,328)
Apparel	32,622	1,738	34,360	45,473	11,113
Video and Photography	2,135	29,048	31,183	22,340	(8,843)
Repairs and Equipment	293	24,357	24,650	10,220	(14,430)
Awards and Gifts	22,061	784	22,845	39,562	16,717
Credit Card/ Blackbaud Fees	21,492	25	21,517	17,631	(3,887)
Miscellaneous Expenses	17,378	0	17,378	8,023	(9,355)
Office Supplies and Expense	11,580	4,956	16,536	13,199	(3,336)
Space/Equipment Rental	8,551	7,778	16,329	16,222	(107)
Telephone and Internet Service	6,390	2,815	9,205	8,225	(980)
Graphics and Art Work	1,445	1,225	2,670	2,159	(511)
Advertising	0	1,360	1,360	3,310	1,950
Tickets	566	0	566	1,077	511
Subtotal	1,461,720	1,162,281	2,624,001	2,408,765	(215,237)
Grants - MAS	0	701,591	701,591	494,737	(206,854)
Grants - USA Swimming	0	903,600	903,600	732,500	(171,100)
Total Grants	**0**	**1,605,191**	**1,605,191**	**1,227,237**	**(377,954)**
TOTAL EXPENSES	**$1,461,720**	**$2,767,472**	**$4,229,192**	**$3,636,002**	**($593,191)**



USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.

Financial Statements and Supplemental Schedules

For the Years Ended December 31, 2018 and 2017

WAUGH & GOODWIN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

Independent Auditor's Report 1
Consolidated Statements of Financial Position 3
Consolidated Statements of Activities and Changes in Net Assets 4
Consolidated Statement of Functional Expenses 5
Consolidated Statements of Cash Flows 6
Notes to Consolidated Financial Statements 7
Consolidating Statement of Financial Position 25
Consolidating Statement of Activities and Changes in Net Assets 26

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Swimming, Inc.
Colorado Springs, Colorado

We have audited the accompanying consolidated financial statements of USA Swimming, Inc. and USA Swimming Foundation, Inc. (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2018, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of USA Swimming, Inc. and USA Swimming Foundation, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited USA Swimming, Inc.'s consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated April 20, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 25 through 26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Emphasis of Matter

As described in Note A to the financial statements, in 2018, USA Swimming, Inc. adopted Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. Our opinion is not modified with respect to this matter.

Waugh & Goodwin, LLP
Colorado Springs, Colorado
April 18, 2019

USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.
Consolidated Statements of Financial Position
December 31, 2018 and 2017

ASSETS

	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,609,263	$ 2,979,133
Short-term investments	6,972,461	7,187,924
Accounts receivable	1,224,560	1,059,232
Short-term pledges receivable	796,066	1,061,715
Prepaid expenses and deferred charges	1,413,332	1,606,238
Total current assets	12,015,682	13,894,242
PROPERTY AND EQUIPMENT	13,699,943	12,267,704
Less accumulated depreciation	(9,235,980)	(8,226,150)
Property and equipment, net	4,463,963	4,041,554
LONG-TERM INVESTMENTS	47,510,692	52,630,178
LONG-TERM PLEDGES RECEIVABLE, net	2,490,000	2,680,625
OTHER ASSETS:		
Prepaid rent	2,164,760	2,334,832
Deposit	140,000	
Olympic trials joint venture	107,629	154,170
Swim-A-Thon	120,000	120,000
Total other assets	2,532,389	2,609,002
TOTAL ASSETS	$ 69,012,726	$ 75,855,601

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$ 1,775,746	$ 1,196,931
Accrued expenses and other liabilities	1,764,262	2,544,039
Deferred revenue	14,315,659	14,404,277
Total current liabilities	17,855,667	18,145,247
NET ASSETS:		
Without donor restrictions	31,021,970	37,179,264
Without donor restrictions - Board designated	13,270,287	13,457,745
With donor restrictions	6,864,802	7,073,345
Total net assets	51,157,059	57,710,354
TOTAL LIABILITIES AND NET ASSETS	$ 69,012,726	$ 75,855,601

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.

USA SWIMMING FOUNDATION, INC.

Consolidated Statements of Activities and Changes in Net Assets

For the Years Ended December 31, 2018 and 2017

	2018	2017
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUE:		
Membership	$ 22,778,145	$ 22,483,811
USOC grants	5,294,900	5,259,700
Partnership marketing	4,683,496	4,873,843
Sport and events, net of special event expenses of $855,300 and $543,497	904,610	953,254
Contributions	816,369	960,326
Other income	623,478	239,485
Swim-A-Thon	361,920	355,405
Consumer revenue	235,749	539,445
Investment income (loss)	(1,904,101)	6,553,803
Satisfied program restrictions	1,016,766	868,740
Total revenue	34,811,332	43,087,812
EXPENSES:		
Program services:		
National Team	9,013,588	8,004,303
Events and member services	8,002,357	8,581,871
Commercial	6,260,264	5,172,861
Sport development	4,653,646	4,455,110
Risk Management	3,063,526	3,004,431
Foundation programs	1,868,253	1,549,840
Total program services	32,861,634	30,768,416
Supporting services:		
Business affairs	4,495,421	1,240,827
Executive	1,530,156	4,013,737
Fundraising	1,397,338	1,293,661
Finance	871,534	1,364,162
Total supporting services	8,294,449	7,912,387
Total expenses	41,156,083	38,680,803
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(6,344,751)	4,407,009
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	1,003,181	1,194,355
Investment income (loss)	(194,959)	414,817
Satisfied program restrictions	(1,016,766)	(868,740)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(208,544)	740,432
CHANGE IN NET ASSETS	(6,553,295)	5,147,441
NET ASSETS, beginning of year	57,710,354	52,562,913
NET ASSETS, end of year	$ 51,157,059	$ 57,710,354

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.

USA SWIMMING FOUNDATION, INC.

Consolidated Statement of Functional Expense

For the Year Ended December 31, 2018

	National Team	Events & Member Services	Commercial	Sport Development	Risk Management	Foundation Programs	Total Program Services
Salaries	$ 1,377,070	$ 1,156,386	$ 1,544,942	$ 1,642,717	$	$ 518,600	$ 6,239,715
Travel and hospitality	1,959,557	1,752,141	498,657	1,093,269	25,902	109,595	5,439,121
Direct athlete support	3,824,536	3,500	121,400	1,000		196,650	4,147,086
Professional fees and honoraria	191,780	965,397	795,388	223,515	16,856	186,325	2,379,261
Insurance	32,825				2,999,905		3,032,730
Employee benefits	269,508	275,696	392,188	372,134		4,380	1,313,906
Rent and lease expense	107,222	969,143	453,059	149,956	961	7,779	1,688,120
Dues, fees and tickets	50,917	675,288	94,125	71,305	1,975	19,982	913,592
Television and production	18,540	1,202,956	169,309	4,616		20,000	1,415,421
Grants		20,606		470,832		701,591	1,193,029
Depreciation and amortization	79,001	217,887	498,500	177,673			973,061
Office supplies and expense	136,044	124,477	400,212	77,325	7,419	24,251	769,728
Gear, equipment & signage	49,392	290,429	365,928	49,210		33,405	788,364
Printing and duplication	7,019	102,018	392,366	16,295	9,168	4,431	531,297
Payroll taxes	96,151	70,438	104,515	126,767			397,871
Information technology expenses	629	200	2,876	7,164			10,869
Awards and gifts	396,665	69,799	1,450	49,104		784	517,802
Apparel	296,570	58,526	24,291	55,157		1,738	436,282
Advertising			289,601			1,360	290,961
Protocol	19,069	14,928	23,361	29,660		33,341	120,359
Telephone and internet service	31,691	29,640	45,650	29,921	1,340	2,816	141,058
Miscellaneous expenses	69,402	2,902	42,446	6,026		1,225	122,001
Recognition & fulfillment							
	$ 9,013,588	$ 8,002,357	$ 6,260,264	$ 4,653,646	$ 3,063,526	$1,868,253	$ 32,861,634

	Business Affairs	Executive Division	Fundraising	Finance	Total Supporting Services	Total Expenses
Salaries	$ 1,690,548	$ 592,877	$ 584,127	$ 528,351	$ 3,395,903	$ 9,635,618
Travel and hospitality	96,508	393,101	145,399	2,831	637,839	6,076,960
Direct athlete support			6,750		6,750	4,153,836
Professional fees and honoraria	955,987	125,849	45,873	34,481	1,162,190	3,541,451
Insurance						3,032,730
Employee benefits	368,120	90,149	141,491	156,380	756,140	2,070,046
Rent and lease expense	53,987	33,910	8,834	24,475	121,206	1,809,326
Dues, fees and tickets	433,594	41,667	49,153	2,070	526,484	1,440,076
Television and production	2,000				2,000	1,417,421
Grants		120,000			120,000	1,313,029
Depreciation and amortization	147,195	11,460	45,333	26,620	230,608	1,203,669
Office supplies and expense	25,109	7,213	69,687	11,959	113,968	883,696
Gear, equipment & signage	19,028	270	2,428	13	21,739	810,103
Printing and duplication	15,340	7,886	103,856	3,308	130,390	661,687
Payroll taxes	107,282	22,207	46,406	38,741	214,636	612,507
Information technology expenses	534,743		26,235	13,906	574,884	585,753
Awards and gifts	284	425	22,062		22,771	540,573
Apparel	2,772	6,356	32,621	28	41,777	478,059
Advertising		150		1,755	1,905	292,866
Protocol	16,332	64,132	50,567	18	131,049	251,408
Telephone and internet service	20,337	7,542	6,391	5,245	39,515	180,573
Miscellaneous expenses	6,255	4,962	1,475	21,353	34,045	156,046
Recognition & fulfillment			8,650		8,650	8,650
	$ 4,495,421	$ 1,530,156	$ 1,397,338	$ 871,534	$ 8,294,449	$ 41,156,083

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.

USA SWIMMING FOUNDATION, INC.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (6,553,295)	$ 5,147,441
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	1,203,669	984,142
Net realized and unrealized (gains) losses on investments	3,518,222	(5,679,912)
Change in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(165,328)	357,582
Pledges receivable	456,274	(52,945)
Prepaid expenses and deferred charges	192,906	(131,200)
Deposit	(140,000)	
Olympic trials joint venture	46,541	216,372
Increase (decrease) in liabilities:		
Accounts payable, accrued expenses and other liabilities	(200,974)	(651,577)
Deferred revenue	(88,618)	162,998
Contributions restricted for long-term investments		(400,000)
Total adjustments	4,822,692	(5,194,540)
Net cash used by operating activities	(1,730,603)	(47,099)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-term investments, net	215,463	(7,187,924)
Proceeds from sale of long-term investments	42,498,691	27,455,174
Purchase of long-term investments	(40,897,415)	(28,768,337)
Decrease in prepaid rent	170,072	152,815
Acquisition of property and equipment	(1,626,078)	(1,057,309)
Net cash provided (used) by investing activities	360,733	(9,405,581)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Collection of pledges receivable restricted for endowment		400,000
Net cash provided by financing activities		400,000
NET DECREASE IN CASH	(1,369,870)	(9,052,680)
CASH AND CASH EQUIVALENTS, beginning of year	2,979,133	12,031,813
CASH AND CASH EQUIVALENTS, end of year	$ 1,609,263	$ 2,979,133

See Notes to Consolidated Financial Statements

USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2018

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying financial statements include USA Swimming, Inc. and USA Swimming Foundation, Inc.

USA Swimming, Inc. is a Colorado non-profit corporation. USA Swimming is the national governing body for amateur swimming, making it responsible for the conduct and administration of amateur swimming in the United States.

The USA Swimming Foundation, Inc. (the Foundation), is a Colorado non-profit corporation. The purpose of the Foundation is to operate for charitable and educational purposes, to foster national or international amateur sports competition, and to serve as a supporting organization for USA Swimming, Inc.

Basis of Presentation

The financial statements of USA Swimming, Inc. are presented on a consolidated basis with USA Swimming Foundation, Inc. (the Organization) in order to conform to the requirements of Financial Accounting Standards Board ASC 958.

Transactions between the entities are shown as eliminating entries and removed in order to properly reflect consolidated totals.

Accounting Standards Update

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting Standards Update - continued

- The temporarily restricted and permanently restricted net asset classes, if any existed, have been combined into a single net asset class called net assets with donor restrictions.

- The unrestricted net asset class has been renamed net assets without donor restrictions.

- The financial statements now include a presentation of expenses that describes both the functional nature of the expenses and their natural classification according to the actual usage of resources.

- The financial statements include a new disclosure about liquidity and availability of resources (Note B).

The changes have the following effect on net assets at December 31, 2017:

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	$ 37,179,264	$
Unrestricted - Board designated	13,457,745	
Temporarily restricted net assets	1,423,345	
Permanently restricted net assets	5,650,000	
Net assets without donor restrictions		50,637,009
Net assets with donor restrictions		7,073,345
Total net assets	$ 57,710,354	$ 57,710,354

In addition, certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Income Taxes

USA Swimming, Inc. and USA Swimming Foundation, Inc. are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, these entities qualify for the charitable contribution deduction and have been classified as organizations that are not private foundations.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

USA Swimming, Inc. and USA Swimming Foundation, Inc.'s Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by various taxing authorities, generally for three years after the date they were filed.

Management of the Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less, and which are not held for long-term investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long-term investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition. In the unlikely event of a bank or brokerage firm failure, the Organization might only be able to recover the amounts insured.

Supplemental Cash Flow Disclosure

The Organization paid no interest or income taxes during either of the years ended December 31, 2018 and 2017.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that no allowance for doubtful accounts was necessary at December 31, 2018 and 2017.

The delinquency and collectability of receivables is determined on a case by case basis and receivables are charged to bad debt expense when determined to be uncollectible.

Pledges Receivable

Pledges receivable consist of unconditional promises to give that are expected to be collected in current and future periods. Pledges expected to be collected within one year are recorded at their estimated net realizable values. Pledges receivable expected to be collected in more than one year are recorded at the present value of their estimated future cash flows, computed using risk-adjusted interest rates. Amortization of the discount is included in contribution revenue. Pledges receivable are reported as support with donor

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pledges Receivable - continued

restrictions unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period. Pledges receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary.

Revenue Recognition

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

Sponsorship and other related revenues are recognized in the period in which they are earned.

Contributed Services

USA Swimming, Inc. and USA Swimming Foundation, Inc. receive a substantial amount of donated services in carrying out their programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 605.

Donated Materials

Donated materials are recorded as both a revenue and expenditure in the accompanying statements of activities at their estimated values.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Some of the expenses which are allocated include utilities and depreciation, which are allocated on a square footage basis, as well as salaries, which are allocated on the basis of time and effort estimates.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Prior-Year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 18, 2019, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

USA Swimming, Inc.

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments.

The table on the following page reflects the Organization's financial assets as of December 31, 2018 and 2017, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations. Amounts not available include a Board-designated special projects fund that is intended to fund special Board initiatives not considered in the annual operating budget. In the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

USA Swimming Foundation, Inc.

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose or time restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated quasi-endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

USA Swimming Foundation, Inc. - continued

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation's Executive Management and applicable Organizational staff meet regularly to review and approve grant requests which are then approved by the Board of Directors at least annually. The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected grant commitment payments, which typically represents approximately 25% of the expected annual grant cash needs. Additionally, in the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution.

The table below presents financial assets available for general expenditures within one year at December 31:

	2018	2017
Financial assets at year-end:		
Cash and cash equivalents	$ 1,609,263	$ 2,979,133
Contributions receivable	3,286,066	3,742,340
Other receivables	1,500,075	1,142,820
Short-term investments	6,972,461	7,187,924
Total financial assets	13,367,865	15,052,217

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

	2018	2017
Less amounts not available to be used within one year:		
Board - designated special projects fund	1,333,874	1,000,000
Contribution receivable - for for restricted gifts, net	796,066	1,061,715
Contribution receivable - due after one year, net	2,490,000	2,680,625
Financial assets not available to be used within one year	4,619,940	4,742,340
Financial assets available within one year	$ 8,747,925	$ 10,309,877

C. FAIR VALUE MEASUREMENTS

The Organization applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels are recorded at the end of the period.

C. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2018 and 2017:

Assets at Fair Value as of December 31, 2018

	Level 1	Level 2	Level 3	Total
Fixed income securities:				
Corporate and other notes	$	$ 19,757,102	$	$ 19,757,102
US Treasury and agencies	6,434,048			6,434,048
Exchange traded funds	16,736,985			16,736,985
Mutual funds	11,066,511			11,066,511
Money market	488,507			488,507
	$ 34,726,051	$ 19,757,102	$	$ 54,483,153

Assets at Fair Value as of December 31, 2017

	Level 1	Level 2	Level 3	Total
Fixed income securities:				
Corporate and other notes	$	$ 20,022,536	$	$ 20,022,536
US Treasury and agencies	6,804,777			6,804,777
Exchange traded funds	19,658,873			19,658,873
Mutual funds	12,806,755			12,806,755
Money market	525,161			525,161
	$ 39,795,566	$ 20,022,536	$	$ 59,818,102

Investments are included in the consolidated statements of financial position under the following categories as of December 31:

	2018	2017
Short-term investments	$ 6,972,461	$ 7,187,924
Long-term investments	47,510,692	52,630,178
Total	$ 54,483,153	$ 59,818,102

Investment income included in the consolidated statements of activities for the years ended December 31, 2018 and 2017 consists of the following:

C. FAIR VALUE MEASUREMENTS - Continued

	2018	2017
Interest and dividends	$ 1,553,220	$ 1,412,827
Less investment fees	(134,058)	(124,119)
Net realized and unrealized gains (losses)	(3,518,222)	5,679,912
Total investment income (loss)	$ (2,099,060)	$ 6,968,620

USA Swimming, Inc. and USA Swimming Foundation, Inc. record realized gains and losses in their financial statements based on historical cost basis.

D. PLEDGES RECEIVABLE

As of December 31, 2018 and 2017, the Foundation had pledges receivable of $3,286,066 and $3,742,340, respectively, representing unconditional promises to give made during the current and prior years. The pledges will be received by the Foundation in future years and have been discounted using the risk-free interest rate for the year in which they were received. The interest rates used range from .11% to 2.69%.

Total pledges receivable at December 31, 2018 and 2017 were as follows:

	2018	2017
Short-term pledges receivable	$ 796,066	$ 1,601,715
Long-term pledges receivable	$ 2,490,000	$ 2,680,625

At December 31, 2018 and 2017, two and three donors account for 70% and 82% of the pledges receivable, respectively.

E. PREPAID EXPENSES AND DEFERRED CHARGES

Prepaid expenses and deferred charges consist of the following at December 31, 2018 and 2017:

	2018	2017
Prepaid insurance	$ 930,153	$ 1,023,618
Deferred charges	483,179	582,620
	$ 1,413,332	$ 1,606,238

E. PREPAID EXPENSES AND DEFERRED CHARGES - Continued

Expenses incurred in connection with events are recognized in the year the events take place. Membership expenses incurred in connection with the subsequent membership year are deferred.

Other non-current assets include prepaid rent of $2,164,760 and $2,334,832 at December 31, 2018 and 2017, respectively.

In 1996 and 1997 USA Swimming, Inc. paid approximately $3,400,000 to construct a headquarters office building at the Olympic Training Center. The building is owned by the United States Olympic Committee (USOC). In consideration for USA Swimming, Inc.'s payment of the construction costs, the USOC agreed that USA Swimming, Inc. would be allowed to occupy the building free of any obligation to pay rent or operating costs for a 30-year period commencing March 1, 1997.

The building construction costs were recorded as prepaid rent, which are being amortized over the 30-year life of the agreement. USA Swimming, Inc. has recorded rent at fair market rates and interest income to reflect the discount received from the prepayment.

Rent expense recorded in 2018 and 2017 amounted to $333,741 and $327,197 and interest income recorded in 2018 and 2017 amounted to $163,669 and $174,382, respectively.

F. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and depreciation is recorded using the straight-line method over the estimated useful lives of three to 10 years. Acquisitions with an initial cost over $1,000 and a useful life of over one year are capitalized. Expenditures for repairs and maintenance which do not materially prolong the useful lives of the assets are charged to expense as incurred.

Property and equipment consists of the following at December 31, 2018 and 2017:

	2018	2017
Software and website	$ 9,153,635	$ 8,481,531
Building and leasehold improvements	2,334,855	2,334,855
Furniture and equipment	1,498,630	1,423,625
Construction in progress	673,673	
Vehicles	39,150	27,693
	13,699,943	12,267,704
Less accumulated depreciation	(9,235,980)	(8,226,150)
Property and equipment - net	$ 4,463,963	$ 4,041,554

F. PROPERTY AND EQUIPMENT - Continued

Depreciation expense for the years ended December 31, 2018 and 2017 was $1,203,669 and $984,142, respectively.

G. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2018 and 2017:

	2018	2017
Membership	$ 14,076,754	$ 14,260,035
Other	107,200	93,417
Corporate sponsorships	2,025	50,825
	$ 14,185,979	$ 14,404,277

Membership revenue is recognized on a calendar year basis. Corporate sponsorships are recognized over the term of the related agreement.

H. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions are available for the following purposes at December 31:

	2018	2017
Time restrictions	$ 759,500	$ 575,000
Purpose restrictions	551,073	848,345
Total	$ 1,310,573	$ 1,423,345

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. Net assets were released from temporary restrictions by satisfying the following restricted purposes at December 31:

	2018	2017
Time restrictions	$ 665,500	$ 556,399
Make A Splash program	152,516	181,716
National team	148,750	80,625
Golden Goggles	50,000	50,000
Total	$ 1,016,766	$ 868,740

I. NET ASSETS WITH DONOR RESTRICTIONS: PERPETUAL IN NATURE

During the year ended December 31, 2008, the Foundation received a perpetually restricted pledge of $5,000,000. This pledge was recorded at the present value of $4,967,466, net of a discount in the amount of $32,534. Funds collected under the pledge are recognized as endowment funds. During the years ended December 31, 2018 and 2017, the Foundation received perpetually restricted contributions of $0 and $600,000, respectively. The Foundation only recognizes contributions as endowment funds upon receipt. During the years ended December 31, 2018 and 2017, the Foundation received perpetually restricted contributions of $0 and $400,000, respectively, which were recognized as endowment funds.

Perpetually restricted net assets consist of the following at December 31:

	2018	2017
Endowment funds	$ 3,254,229	$ 2,950,000
Pledges receivable	2,300,000	2,700,000
Total	$ 5,554,229	$ 5,650,000

J. ENDOWMENTS

The Foundation's endowment funds consist of funds without donor restrictions functioning as endowment through designations by the Board and donor restricted endowment funds. The earnings of the Board-designated endowment are designated for athlete support. The earnings of the perpetually restricted endowment support Make a Splash and the USA Swimming Dirks/Gould Coaches Incentive Program.

The Foundation has adopted investment and spending policies based on the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions - perpetual in nature (a) the original value of gifts donated to the perpetual endowment, and (b) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in net assets with donor restrictions - perpetual in nature is classified as net assets with donor restrictions - temporary in nature until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the

J. ENDOWMENTS - Continued

standard of prudence prescribed by UPMIFA. Each year, the Foundation is required to spend no less than 3% and no more than 5% of the donor restricted endowment funds for specific purposes.

The Foundation does not include uncollected pledges receivable, that are perpetually restricted, as part of endowment net assets. Amounts are included with endowment net assets as the pledges receivable are collected. As of December 31, 2018 and 2017, perpetually restricted uncollected pledges were $2,300,000 and $2,700,000, respectively.

	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, January 1, 2017	$ 9,988,958	$ 2,550,000
Investment return:		
Investment income	241,596	63,226
Net appreciation (net realized and unrealized	1,312,631	345,192
Total investment return	1,554,227	408,418
Contributions	1,264,310	400,000
Expenditures	(430,000)	(146,250)
Endowment net assets, December 31, 2017	12,377,495	3,212,168
Investment return:		
Investment income	272,896	78,277
Net depreciation (net realized and unrealized	(958,979)	(273,236)
Total investment return	(686,083)	(194,959)
Contributions	905,076	
Expenditures		(180,000)
Endowment net assets, December 31, 2018	$13,063,718	$ 2,837,209

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in four donor-restricted endowment funds, which together have an original gift value of $5,650,000, a current fair value of $5,554,229, and a deficiency of $95,771 as of December 31, 2018.

J. ENDOWMENTS - Continued

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as Board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

K. UNITED STATES SPORTS INSURANCE COMPANY INC. PROVISION FOR LOSSES

United States Sports Insurance Company, Inc. (USSIC) was a wholly owned captive insurer of USA Swimming, Inc. USSIC provided insurance protection on a run off basis to USA Swimming, Inc. and its committees and clubs located throughout the United States of America. Effective September 22, 2016, USA Swimming, Inc. entered into an Equity Purchase Agreement, selling all of the issued and outstanding equity membership interest in USSIC.

The USSIC provision for insurance losses and loss expenses was based on circumstances reported and a review of individual cases for each respective policy year and an actuarial study which takes into account the past loss experience and the potential of significant losses which might arise.

As these provisions are necessarily based on estimates, the ultimate liability may be significantly in excess of or less than the amounts provided. The methods of making such estimates and for establishing the resulting provisions are continually reviewed and any adjustments resulting therefrom are reflected in current earnings. The reserve for losses was transferred as part of the sale of USSIC on September 22, 2016.

In accordance with the Equity Purchase Agreement, USA Swimming obtained a letter of credit (the LOC) for benefit of the buyer in the amount of $5,000,000. The LOC collateralizes indemnity

K. USSIC PROVISION FOR LOSSES - Continued

reserves and allows the buyer to draw against the LOC once per quarter for the payment of claims that exceed $3,265,599, which is the referenced loss reserves as defined in the agreement. If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are equal to or greater than $5,000,000 USA Swimming, Inc. may, but is not obligated to, release the entire LOC to the buyer. If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are less the $5,000,000 USA Swimming may release a portion of the LOC to the buyer or reduce the LOC amount. The LOC will be terminated on the tenth anniversary of the date of sale.

L. RELATED PARTY TRANSACTIONS

The United States Olympic Committee (USOC) provides grants to USA Swimming, Inc. for sports development, international competition, and team preparation. In addition, the USOC designates a portion of their funding for athlete support, and this amount is paid directly to eligible athletes.

Total grants from the USOC for the years ended December 31, 2018 and 2017 consist of the following project categories:

	2018	2017
NGB Funding	$ 3,082,200	$ 3,082,200
Direct athlete support	2,207,300	1,997,500
International relations	5,400	130,000
Other USOC support		50,000
	$ 5,294,900	$ 5,259,700

During the years ended December 31, 2018 and 2017, NGB funding provided as value-in-kind was $60,000 for each year. At December 31, 2018 and 2017, payables to the USOC amounted to $229,272 and $324,478, respectively.

M. PENSION PLAN

USA Swimming, Inc. and USA Swimming Foundation, Inc.'s 401(k) retirement plan covers all employees over 18 years of age with one year of service. During the years ended December 31, 2018 and 2017, contributions to the plan were $728,062 and $724,341, respectively.

Effective January 1, 2004, USA Swimming, Inc. entered into a deferred compensation agreement under Section 457 of the Internal Revenue Code with its former Chief Executive Officer.

M. PENSION PLAN - Continued

The purpose of the plan is to provide retirement benefits for this individual. This plan contains two components, a Qualified Deferred Compensation account, and a Nonqualified account. All amounts credited to the Qualified Deferred Compensation account are fully vested. In January 2013, all funds held in the non-qualified account were distributed to the former Chief Executive Officer.

As of December 31, 2012, the deferred compensation plan was fully funded, and no additional contributions have been made. However, earnings of 8% are added to the fund annually. At December 31, 2018 and 2017, the vested balance in the Qualified Deferred Compensation account was $237,940 and $305,923, respectively.

N. INVESTMENT IN JOINT VENTURE

USA Swimming, Inc. is a party to a joint venture agreement with Omaha Sports Commission (OSC) for the purpose of operating, promoting, and managing the US Olympic Team Trials (the Trials). The two parties agree to share equally the difference between the Trials revenues and the Trials expenses from the operation of the Trials. The joint venture agreement states that any amounts received from the USOC and certain sponsors will accrue solely to the benefit of USA Swimming, Inc. and likewise any amounts paid to OSC from various Nebraska municipalities will accrue to the benefit of OSC.

The following is an unaudited condensed balance sheet of the joint venture as of December 31:

	2018	2017
ASSETS		
Cash	$ 126,741	$ 86,412
Accounts receivable	500	
Property and equipment, net	158,519	221,929
Total assets	$ 285,760	$ 308,341
LIABILITIES AND EQUITY		
Liabilities	$ 70,500	$
Equity	215,260	308,341
Total liabilities and equity	$ 285,760	$ 308,341

O. CONTINGENCIES

Occasionally, in the conduct of business, the Organization may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Organization, as of December 31, 2018, are either without merit or will not exceed insurance limits.

USA Swimming, Inc. has entered into a contract for renovations to the National Headquarters building, with an estimated cost of $4,000,000. Construction began during the year ended December 31, 2018, and it is anticipated to be completed during 2019. As of December 31, 2018, costs of $673,673 had been incurred for this project. USA Swimming, Inc. is soliciting partners to support a portion of the costs of these renovations.

USA SWIMMING, INC.
USA SWIMMING FOUNDATION, INC.
Consolidating Statement of Financial Position
December 31, 2018
(With Consolidated Totals for 2017)

ASSETS

	USAS	USASF	Eliminations	Consolidated Totals 2018	Consolidated Totals 2017
CURRENT ASSETS:					
Cash and cash equivalents	$ 1,244,753	$ 364,510	$	$ 1,609,263	$ 2,979,133
Short-term investments	5,973,222	999,239		6,972,461	7,187,924
Accounts receivable, net	1,122,559	102,001		1,224,560	1,059,232
Due from USA Swimming Foundation, Inc.	86,561		(86,561)		
Short-term pledges receivable		796,066		796,066	1,061,715
Prepaid expenses and deferred charges	1,402,451	10,881		1,413,332	1,606,238
Total current assets	9,829,546	2,272,697	(86,561)	12,015,682	13,894,242
PROPERTY AND EQUIPMENT	13,469,980	229,963		13,699,943	12,267,704
Less accumulated depreciation	(9,018,960)	(217,020)		(9,235,980)	(8,226,150)
Property and equipment - net	4,451,020	12,943		4,463,963	4,041,554
LONG-TERM INVESTMENTS	32,099,174	15,411,518		47,510,692	52,630,178
LONG-TERM PLEDGES & OTHER RECEIVABLES		2,490,000		2,490,000	2,680,625
OTHER ASSETS:					
Prepaid rent	2,164,760			2,164,760	2,334,832
Deposit	140,000			140,000	
Olympic trials joint venture	107,629			107,629	154,170
Swim-A-Thon		120,000		120,000	120,000
Total other assets	2,412,389	120,000		2,532,389	2,609,002
TOTAL ASSETS	$ 48,792,129	$ 20,307,158	$ (86,561)	$ 69,012,726	$ 75,855,601

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:					
Accounts payable	$ 1,744,550	$ 31,196	$	$ 1,775,746	$ 1,196,931
Due to USA Swimming, Inc.		86,561	(86,561)		
Accrued expenses and other liabilities	1,690,346	73,916		1,764,262	2,544,039
Deferred revenue	14,315,659			14,315,659	14,404,277
Total current liabilities	17,750,555	191,673	(86,561)	17,855,667	18,145,247
NET ASSETS:					
Unrestricted	31,041,574	(19,604)		31,021,970	37,179,264
Without donor restrictions - Board designated		13,270,287		13,270,287	13,457,745
With donor restrictions		6,864,802		6,864,802	7,073,345
Total net assets	31,041,574	20,115,485		51,157,059	57,710,354
TOTAL LIABILITIES AND NET ASSETS	$ 48,792,129	$ 20,307,158	$ (86,561)	$ 69,012,726	$ 75,855,601

USA SWIMMING, INC.

USA SWIMMING FOUNDATION, INC.

Consolidating Statement of Activities and Changes in Net Assets

For the Year Ended December 31,2018

(With Consolidated Totals for 2017)

	USAS	USASF	Eliminations	Consolidated Totals 2018	Consolidated Totals 2017
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
REVENUE:					
Membership	$ 22,778,145	$	$	$ 22,778,145	$ 22,483,811
USOC grants	5,294,900			5,294,900	5,259,700
Partnership marketing	4,203,496	480,000		4,683,496	4,873,843
Sport and events, net of special event expenses of $855,300 and $543,497	804,610		100,000	904,610	953,254
Contributions	783,600	916,369	(883,600)	816,369	960,326
Other income	645,652	37,826	(60,000)	623,478	239,485
Swim-A-Thon	120,000	361,920	(120,000)	361,920	355,405
Consumer revenue	235,749			235,749	539,445
USA Swimming support		996,997	(996,997)		
Investment income	(1,246,476)	(657,625)		(1,904,101)	6,553,803
Satisfied program restrictions		1,016,766		1,016,766	868,740
Total revenue	33,619,676	3,152,253	(1,960,597)	34,811,332	43,087,812
EXPENSES:					
Program services:					
National Team	9,013,588			9,013,588	8,004,303
Events and member services	8,002,357			8,002,357	8,581,871
Commercial	6,260,264			6,260,264	5,172,861
Sport development	4,653,646			4,653,646	4,455,110
Risk Management	3,063,526			3,063,526	3,004,431
Foundation programs	996,997	2,771,853	(1,900,597)	1,868,253	1,549,840
Total program services	31,990,378	2,771,853	(1,900,597)	32,861,634	30,768,416

Supporting services:					
Business affairs	4,495,421			4,495,421	1,240,827
Executive	1,530,156			1,530,156	4,013,737
Fundraising		1,457,338	(60,000)	1,397,338	1,293,661
Finance	871,534			871,534	1,364,162
Total supporting services	6,897,111	1,457,338	(60,000)	8,294,449	7,912,387
Total expenses	38,887,489	4,229,191	(1,960,597)	41,156,083	38,680,803
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,267,813)	(1,076,938)		(6,344,751)	4,407,009
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:					
Contributions		1,003,181		1,003,181	1,194,355
Investment income		(194,959)		(194,959)	414,817
Satisfied program restrictions		(1,016,766)		(1,016,766)	(868,740)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		(208,544)		(208,544)	740,432
CHANGE IN NET ASSETS	(5,267,813)	(1,285,482)		(6,553,295)	5,147,441
NET ASSETS, beginning of year	36,309,387	21,400,967		57,710,354	52,562,913
NET ASSETS, end of year	$ 31,041,574	$ 20,115,485	$	$ 51,157,059	$ 57,710,354

WAUGH & GOODWIN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

April 18, 2019

To the Board of Directors
USA Swimming, Inc.
Colorado Springs, Colorado

We have audited the consolidated financial statements of USA Swimming, Inc. (the Organization) for the year ended December 31, 2018, and have issued our report thereon dated April 18, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by USA Swimming, Inc. are described in Note A to the financial statements. As described in Note A, the Organization changed accounting policies related to presentation of financial statements by adopting FASB Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, in 2018. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material misstatements detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 18, 2019.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * *

This information is intended solely for the use of the Board of Directors and management of USA Swimming, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Waugh & Goodwin, LLP

Client: ***USSI - USA Swimming, Inc.***
Engagement: ***USA Swimming, Inc.***
Trial Balance: ***3000.02 - USA Swimming Inc.***
Workpaper: ***3220 - Reclassifying Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 101		**3600**		
To adjust net assets to PY audited financials				
30100.0000	NET ASSETS - UNRESTRICTED		12.00	
60036.2518	OTHER LODGING			12.00
Total			**12.00**	**12.00**
Reclassifying Journal Entries JE # 102		**4200.20**		
To eliminate deferred revenue and other receivable.				
25099.0000	OTHER DEFERRED REVENUE		200,000.00	
13520.0000	RECEIVABLE - OTHER			200,000.00
Total			**200,000.00**	**200,000.00**
Reclassifying Journal Entries JE # 104		**3700.20**		
Record liability for December remodeling work in progess. Client posted entry during fieldwork.				
17201.0000	BLDG REMODEL 2018 - CONSTRUCTION		233,717.00	
20999.0000	OTHER PAYABLES			233,717.00
Total			**233,717.00**	**233,717.00**

WAUGH & GOODWIN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

April 18, 2019

To the Board of Directors
USA Swimming, Inc.
Colorado Springs, Colorado

We have audited the financial statements of USA Swimming, Inc. (the Organization), for the year ended December 31, 2018 and have issued our report thereon dated April 18, 2019. As a part of our audit, we made a study and evaluation of the Organization's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluations are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist us in planning and performing our audit of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

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Our audit, including the study and evaluation of Organization's system of internal accounting control that was made for the purposes set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data. Such study and evaluation disclosed no conditions that we believe to be material weaknesses.

Recommendations

Revenue Recognition Accounting Standards Update 2014-09

During our audit procedures, we noted that an update to generally accepted accounting principles may impact the Organization's revenue recognition in the future. In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This new revenue recognition standard affects all entities, including public, private, and not-for-profit entities, that have contracts with customers.

This new revenue recognition standard effectively eliminates the transaction-specific and industry-specific revenue recognition guidance and replaces it with a principles-based approach for determining an entity's revenue recognition policies. The core principle of the new revenue recognition standard is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new revenue recognition standard is effective for non-public entities' annual reporting periods beginning after December 15, 2018. We recommend that Management monitors its revenue sources for instances where this ASU may impact revenue recognition in the future.

Revenue Recognition Accounting Standards Update 2018-08

During our audit procedures, we noted that an update to generally accepted accounting principles may impact the Organization's revenue recognition in the future. In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This new standard applies to resource providers and resource recipients.

This new guidance includes decision trees to assist in evaluating a transaction to determine whether the transaction is reciprocal, an exchange, or a nonreciprocal contribution. The first decision for both parties to consider is whether each party directly receives commensurate value. If the transaction is reciprocal, the recipient will follow ASU 2014-09 and the contributor will follow the guidance in ASC 958-720, *Not-for-Profit Entities, Other Expenses*. If the transaction is nonreciprocal, the recipient would apply contribution guidance. We recommend that management monitors its revenue sources for instances where this ASU may impact revenue recognition in the future.

For non-public entities who are resource recipients, this standard is effective for annual reporting periods beginning after December 15, 2018. For non-public entities who are resource providers, this standard is effective for annual reporting periods beginning after December 15, 2019. Management monitors its revenue sources for instances where this ASU may impact revenue recognition in the future.

Lease Accounting Standards Update 2016-02

During our audit procedures, we noted that an update to generally accepted accounting principles may impact the Organization's lease accounting in the future. In February 2016, FASB issued ASU 2016-02 - *Leases*, which created a new topic section of the Accounting Standards Codification (ASC), ASC 842. The update to accounting standards requires one primary change to the reporting of leases: all leases must be presented on the Statement of Financial Position as assets and liabilities of the Organization. For nonpublic entities, the update is effective for fiscal years beginning after December 15, 2019. However, ASU 2016-02 requires a modified retrospective implementation approach as of the first day of the earliest comparative period presented. We recommend that Management consider the impact of this standard for information needed for financial statements with comparative information covering December 31, 2019, which is the year prior to implementation.

* * * * *

The preceding comments are based on observations made incident to our normal auditing procedures.

If you have any questions regarding any of the above comments, please contact us. We will be pleased to assist you in any way with respect to these or other matters.

Sincerely,

Waugh & Goodwin, LLP

TO: USA Swimming Board of Directors

FROM: Tim Hinchey III, President & CEO

RE: Internal Report – Annual Monitoring on **Policy 3.5: Asset Protection**

DATE: April 16, 2019

I hereby present my monitoring report on Management Parameters Policy 3.5, "Asset Protection," per the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true as of this date.

Signed _____, President & CEO

BROADEST PROVISION: ***The CEO will not cause or allow USA Swimming's assets to be unprotected, inadequately maintained or unnecessarily risked.***

CEO's Interpretation: It is my obligation to ensure that our organization's intellectual property, financial assets, facilities, equipment and other assets are protected in a manner that ensures our ongoing viability and reputation. I interpret "unprotected" to mean assets being easily subject to theft or misuse. I interpret "inadequately maintained" to mean assets not receiving recommended or standard upkeep. And, I interpret "unnecessarily risked" to mean assets that are jeopardized in ways that can easily be avoided.

It is my interpretation that this broad policy statement is comprehensively defined by the subsequent provisions, each of which are interpreted and reported on below.

POLICY PROVISION #1: The CEO will not allow USA Swimming to be without sufficient insurance coverage, including (A) casualty losses and properly losses to at least replacement value; (B) liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations; (C) employee theft and dishonesty; and (D) cyber-security.

CEO's Interpretation: The property and casualty expectation is explicit, but I interpret it as meaning that we have some leeway in determining what our deductible should be, with discretion based upon the best value for insurance premiums paid. As to liability insurance, I interpret this to require that we be insured in an amount at least equal to the average of comparably large NGBs. I interpret the provision on employee theft and dishonesty as requiring coverage that meets or exceeds the risks given the levels of access to cash, and giving us the option of carrying such a rider on our theft and casualty policy, or to protect our interests by purchasing a fidelity bond on all employees having access to our cash and bank accounts. I also interpret this policy to mean that we must maintain cyber liability insurance coverage and implement best practices to protect our digital files, website, email and other digital assets.

REPORT:

#1A: Regarding property and casualty losses, coverage for our building is carried by the USOC. They survey the building values on a periodic basis to maintain proper limits of liability. Our responsibility is to cover replacement of our physical assets (furnishings, computers, media, merchandise, etc.). The replacement cost of these assets is estimated at $1,282,704. We also carry $1,000,000 extra expense coverage for relocation of our office due to a casualty loss. Our current property/inland marine insurance policy provides coverage for full replacement value, so **I report compliance.** After the current remodeling project is completed, the finance department will update the values and provide the information to risk management for any adjustments required on our insurance policy values.

#1B: As to determination of the amount of D&O/Management Liability coverage required by this policy, our Senior Director of Risk Management, George Ward, corresponds with his counterparts at the USOC and other large NGBs. The USOC requires NGBs to have a minimum of $1M. Based on recent assessments, the amount of coverage for other larger NGBs ranges from $1 Million to $10 Million, with an average of $5 Million. Our current coverage amount is $20 million, which is higher than 66% of all non-profits, and 80% of non-profits with revenue under $100M. **I report compliance.**

#1C: As to employee theft and dishonesty, we have coverage of $1,000,000 per incident, which includes coverage for the CEO and CFO. These coverage levels have been in place since 2000 and are assessed annually by George Ward and the CFO. **I report compliance.**

#1D: Our cyber liability policy addresses technology solutions liability, media and intellectual property liability, network security and privacy liability, business interruption, increased operational costs, and cyber extortion insurance. Media and IP liability coverage was added for USA Swimming Productions in 2016. Given overall scope of cyber-liability concerns, and new CRM, Aggregate Limits were increased from $1 million to $3 million in 2018. **I report compliance.**

POLICY PROVISION #2: ***The CEO will not subject USA-S' facilities and equipment to improper wear and tear or insufficient maintenance.***

CEO's Interpretation: Our facilities and equipment must be maintained in a manner that protects their longevity and long-term value. Capitalized equipment is to be maintained according to manufacturers' specifications and the opinions of vetted experts.

REPORT: Our office equipment is routinely maintained, updated and replaced if necessary, in accordance with a regular maintenance schedule for all capitalized equipment. All major equipment (copiers, computers, etc.) is covered under extended warranties or service agreements. There are no deferred maintenance issues or liabilities. The Dirks Building exterior is maintained, per the lease, by the USOC. **I report compliance.**

POLICY PROVISION #3: ***The CEO will not operate without employing risk management practices to minimize exposure of the organization, the Board, staff or their agents to claims of liability.***

CEO's Interpretation: Recognizing that any organization is subject to litigation, efforts must be made to minimize our vulnerability to liability claims, be they through personnel issues, programs, services, access to/use of our facilities, and especially athlete safety, which as the last year has demonstrated, will remain an utmost priority.

REPORT: Our status as a large NGB, and especially our reach with hundreds of thousands of young athletes, puts risk management at the forefront of our work, operationally and programmatically. Our Risk Management division, led by George Ward, is also augmented by our Operational Risk Committee and professional advisors who consistently focus on identifying areas in which we can minimize risk/liability exposure. USA Swimming provides participant accident insurance of $25,000 for excess accident medical expenses of our athletes and primary sports accident coverage of $25,000 for elite athletes. Examples of areas of assessment and modified practices in the past year include operational risk/safety manual update, compliance with state concussion regulations, adoption of a hypoxic training protocol, and educational meetings at Zone Workshops and convention. Considerations continually address risk management at our facilities, at USA Swimming sanctioned events/meets and increasingly, how we make Safe Sport practices pervasive at all levels of our organization and its affiliated LSCs and clubs. **I report compliance.**

POLICY PROVISION #4: ***The CEO will not allow procurements without reasonable protection against conflicts of interest.***

CEO's Interpretation: Staff are to be aware of and use clearly delineated purchase requisition procedures and understand that conflict of interest situations are to be identified, and either avoided or resolved by non-conflicted parties in a transparent manner. Definitions of related-party transactions are to be included in the Employee Handbook, as are procedures to ensure avoidance or resolution of conflicts of interest. We are to avoid anything the auditor would consider to be a related-party transaction, such as buying products/services from companies with which a staff/Board member has a close association/relationship, unless there has been an open process through which multiple quotes have been solicited.

REPORT: The USA Swimming Employee Handbook, last revised in January 2019, has an extensive section, entitled "Ethical Behavior and Conflict of Interest," that explicitly addresses definitions and examples of conflicts of interest, procedures to avoid them, and how violations will be addressed. All employees annually sign a

statement affirming that they have received, read, understand and commit to comply with the policy. All staff involved in purchasing are thoroughly aware and trained in these.

There are a number of parties with whom we do business which are "related-parties," but in all cases the process was an open selection, per Board policy, with no disclosure of privileged information. The USA Swimming Foundation and the United States Olympic Committee (USOC) are the Organization's two largest "related-parties." The annual audit references both these "related-parties" and concludes appropriate interaction and reporting. **I report compliance.**

POLICY PROVISION #5: ***The CEO will not allow a*** **purchase of** ***any material amount without having compared prices and quality.***

CEO's Interpretation: All purchases over $50,000 of commonly available items must be comparative shopped through at least two reputable and approved vendors. Price and quality should be taken into account. I interpret this provision to exclude "sole source" vendors that provide products or services recognized as otherwise not commonly available. I interpret this provision to mean that it is my duty to ensure that all staff who have authority for making purchases are aware of these purchase requirements.

REPORT: USA Swimming will employ sound business practices when purchasing goods and services to reduce costs and avoid conflicts of interest. The USA Swimming Accounting Policies and Procedures Manual, last revised in December 2018, has an extensive section, entitled "Purchasing," that explicitly addresses the purchase requisition, bid processes, and outlines the authorization and approval guidelines. In practice, we comparison shop for nearly all purchases above $5,000, with appropriate approval signatures and supporting documentation attached to all applicable transactions. **I report compliance.**

POLICY PROVISION #6: ***The CEO will not allow USAS' intellectual property, information, resources and files to be exposed to loss, improper access, misuse or significant damage.***

CEO's Interpretation: Steps must be taken to ensure that our files and intellectual property are protected against theft, loss, damage or disclosure to inappropriate parties. I interpret "intellectual property, information, resources and files" to be proprietary programs, processes or services for which our organization holds a trademark, trade name, service mark, or registered logo, and all digital files, emails, websites and social media accounts held in our name.

REPORT: All computer systems are protected by (anti-hacker and anti-virus) security systems, and an offsite backup system is in place to keep electronic data protected. Hardcopy information and files are kept in locked, fire-safe filing cabinets. Our computers require staff members to change their passwords quarterly and maintain security software on their mobile devices and computers to protect remote access and ensure security can be maintained in the case of employee termination.

One area in which we have had greater exposure to misuse is the lack of consistency in the terms of agreement between USA-S and LSCs. This concern was a primary impetus to the Board's establishment of policy 3.10 (LSC Reporting Requirements), which requires that we establish a "cohesive national organizational structure," including a license for the use of the USA Swimming name, insignia logo and brand. This initiative is underway, with compliance anticipated by January 2020, as reported to the Board last September. With this exception already noted, **I report compliance.**

POLICY PROVISION #7: ***The CEO will not operate without adhering to a Records Retention Schedule, approved by the Secretary & General Counsel, for the maintenance of documents and records.***

CEO's Interpretation: I interpret this policy to mean that we must maintain and adhere to a written policy/schedule for the retention, protection and discard of all sensitive records.

REPORT: USA Swimming currently employs a multifaced approach to the maintenance of documents and records that accounts for (i) financial records; (ii) records subject to pending litigation; and (iii) business records containing personal identifying information. USA Swimming also maintains an information technology system that maintains a copy of all digital records indefinitely. **I report compliance.**

POLICY PROVISION #8: ***The CEO will not operate without internal controls over receipts and disbursements, and to prevent dissipation of assets, sufficient to meet the Board-appointed auditor's standards (as set forth in the auditor's Management Letter and/or other communications).***

CEO's Interpretation: Internal controls recommendations brought forth by Waugh & Goodwin, LLP (our Auditing Firm), whether in a Management Letter (if provided) or in other correspondence, are to be implemented. If staff disagrees with any of the suggestions, the decision not to implement, or to adopt alternative recommendations, is to be made by the Board.

REPORT: Our last audit, dated April 20, 2018, reported on our financial position as of December 31, 2017. The applicable Management Representation Letter for the 2018 audit was not accompanied by any Management Letter recommendations for changes to our internal controls processes/systems. The auditor has not separately conveyed any concerns or recommendations. **I therefore report compliance.**

POLICY PROVISION #9: ***The CEO will not compromise the independence and transparency of the Board's relationships with auditors or other providers of governance support. Such entities may not be engaged by the CEO unless explicitly Board authorized.***

CEO's Interpretation: This policy requires that the Board have the basis for confidence in the independence of its auditors and advisers, and that any of those entities are not also benefiting from undisclosed business dealings with the CEO or staff. If, as CEO, I wish to engage a party already retained by the Board for any operational purpose, such engagement must first be explicitly authorized by the Board.

REPORT: We have not retained the auditor for operational purposes during the past year. Earlier this month, we extended our contract with Bill Charney for continued governance support for the Board, and for support to me and Strategy Team related to Board issues and other special projects (e.g., Foundation Board restructuring). As this was allocated for in our current budget, Board Chair Bob Vincent authorized our entering into this extended Agreement (through 2020) with Bill. **I report compliance.**

POLICY PROVISION #10: ***The CEO will not invest operating capital or reserve funds in a manner inconsistent with the Investment Policy.***

CEO's Interpretation: I interpret "operating capital" to mean the Short-Term Operating Account, which, per the Investment Policy, is operating funds that could reasonably be expected to be spent over the next 3-12 months, management of which is assigned to the Chief Financial Officer.

REPORT: We adhere to and comply with USA Swimming's Investment Policy Statement, last revised in April 2019, for all our investing practices (short-term and long-term). Other than our business operating and savings accounts at Wells Fargo Bank (FDIC insured), at which we keep an average balance of 30 days of operating cash, all other operating funds are invested in market-rate interest bearing investment vehicles (Commercial Paper, Money Market Funds, US Treasuries, Agency Discount Notes, Corporate Bonds) also through Wells Fargo. Board designated reserves and all restricted funds are invested as directed by the Board through its Investment Committee. **I report compliance.**

POLICY PROVISION #11: ***The CEO will not endanger USA-S' public image or credibility.***

CEO's Interpretation: I interpret this provision as emphasizing the importance of protecting the organization's name and reputation as its most vital asset. In addition to commonly accepted ethical business practices, all employees, particularly in management, must recognize that their actions and public behaviors affect public perception of USA Swimming. Any such behaviors that bear negatively on those perceptions are to be addressed and mitigated.

REPORT: As emphasized by End 1.4 (Recognition as Best In Class NGB), elevating and protecting our reputation is integral to all aspects of our sustainable success. Whether through courtesies and friendliness exhibited in member/customer service, the building of collaborative relationships with business partners and other entities/NGBs, or our steadfast commitment to leadership in Safe Sport, our Strategy and Executive Leadership Teams are building a culture of excellence and accountability for performance. This requires that

we acknowledge mistakes and areas/causes of underperformance (e.g. previously acknowledged inconsistencies in volunteer communications, etc.), and continually build systems to improve. I am proud that, to our knowledge, there have been no situations brought to our attention in which the CEO and/or staff's public presentations or demeanor have been alleged to be less than professional. The early 2018 article in the *Orange County Register* and subsequent Congressional hearings put USA Swimming in a very bright spotlight, and that adversity became an opportunity to project authenticity and credibility to the public. Feedback about this key reputation management episode has been consistently positive, as reinforced by the *Member Survey & Mission Values* third-party research presented to the Board at its February 2019 meeting. **I report compliance.**

POLICY PROVISION #12: ***The CEO will not substantially alter the organization's corporate identity.***

CEO's Interpretation: I interpret this policy to mean that it is not within my latitude to change our name or make any material changes to our corporate identity or well-earned "brand" image. If I am contemplating any such changes, I must first notify the Board, and I must receive Board input in the form of policy parameters or expectations for such an action.

REPORT: No such changes have been made. **I report compliance.**

TO: USA Swimming Board of Directors

FROM: Tim Hinchey III, President & CEO

RE: Internal Report – Annual Monitoring on **Policy 3.8: Emergency Management Succession**

DATE: April 18, 2019

I hereby present my monitoring report on Management Parameters Policy 3.8 "Emergency Management Succession," per the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true as of this date.

Signed _____, President & CEO

BROADEST PROVISION: The CEO will not operate without management succession planning processes to facilitate smooth and competent operation of the organization during key personnel transitions.

CEO's INTERPRETATION *(No change since last report)*:

For purposes of this policy, "key personnel" is interpreted to include the four Strategy Team positions (see below).

"Management succession planning processes" are interpreted as those that ensure personnel support and documentation is in place to preserve continuity of the responsibilities and key functions if and when any of these positions becomes vacant (either planned or unplanned). This capability is to guide and lead the respective departments, and to support and communicate with other staff and the CEO, with ability to maintain regular operations without material disruption if we experience departure or unavailability of a key staff member.

REPORT: As of this report date, the CEO is primarily supported by four executives, which we refer to as the Strategy Team. These include:

Mike Unger, Chief Operating Officer

Lucinda McRoberts, Chief Administrative Officer

Eric Skufca, Chief Financial Officer

Shana Ferguson, Chief Commercial Officer

Each Strategy Team member is supported by directors and managers who can work independently and function in a supporting role to their departmental executive. In the instance of sudden unavailability of an executive, the circumstances will dictate whether the workload would be temporarily assigned to/shared by other executives/business units and/or directors/managers in their respective departments.

As to CAO, CFO, and CCO, all of these departments have reasonable short-term capabilities in-house, and/or we can leverage outside support with relative ease.

Last year, I identified that an unanticipated departure of Mike Unger, COO, would potentially cause substantial disruption due to the unique make-up of his position responsibilities, his historical knowledge, and his high-level relationships internationally with media, federation, and athletes.

In order to address and prevent such a disruption, Joel Shinofield, former Executive Director of the College Swimming & Diving Coaches Association of America, was hired in September as the Managing Director of Sport Development. Joel and Lindsay Mintenko, National Team Managing Director, are now well-positioned to lead the Technical/Sport Business Unit in Mike's absence. Additionally, I have dedicated a considerable amount of time over the past year to cultivating my relationships with international stakeholders.

I committed to the Board last year that building "bench strength" throughout the organization, and especially in Mike's department, would be a priority. While Mike's historical knowledge and

relationships remain unparalleled and invaluable, the addition of Joel to his team, and Lindsay's growth in her role, make us far less vulnerable to disruption compared to one year ago.

In recent months, we have also had departures of long-tenured Strategy Team members Matt Farrell (CMO) and Jim Harvey (CFO). Matt departed in November and his CMO responsibilities were shared between Belle McLemore, Managing Director of Communications, and me until this month's hiring of Shana Ferguson as our new Chief Commercial Officer. Jim retired in March, and with the considerable amount of advanced notice provided by his announcement last September, we hired Eric Skufca as CFO in December. This enabled Jim and Eric to work together for close to three months and facilitated a seamless transition of leadership in the Finance Business Unit. As continued evidence of the depth and skill of our staff, we had very few member-facing disruptions in functions during these periods of transition.

With the departure of two key executives in the past year, the systems and depth of staff in place to ensure continuity and successful transition were tested, and they proved sufficient to ensure smooth and competent operations during key personnel transitions.

Therefore, I am pleased to report COMPLIANCE.

PROVISION #1: The CEO will not have fewer than two (2) other members of the management team sufficiently familiar with Board and CEO issues and processes to enable either take over with reasonable proficiency as an interim successor.

CEO's INTERPRETATION *(No change since last report)***:**

I interpret this as meaning I am to ensure that at least two senior executives (i.e. Strategy Team members) have the capability of filling in as an interim CEO, as may be designated by the Board of Directors, if I become unavailable. This capability is to lead the operational organization and support and communicate with the Board with ability to fulfill the Board's expectations of the CEO (i.e. the Ends and Management Parameters policies) on an interim basis.

REPORT: Mike Unger, COO is already designated in our Bylaws as Interim CEO and can (and has) ably served in that role.

Our CAO and General Counsel, Lucinda McRoberts, is also capable of filling in on an interim basis in the event of my unavailability. Lucinda has been with USA Swimming for seven years (the first three as outside counsel and the last four in-house) and serves as an ex-officio Board member.

Operationally, the entire Strategy Team work closely together, and Eric is quickly learning the business and operational plans. All four Strategy Team members will continue to work with me on the generation of these monitoring reports. They are looped in on other Board communications (and are specifically aware of the Board policy (3.9) titled "Board Awareness and Support") and all share my commitment to assure its fulfillment.

Therefore, I am pleased to report COMPLIANCE.

TO: Board of Directors
FROM: Tim Hinchey III
COPY: Staff & Selected Others
DATE: April 22, 2019
SUBJECT: General Update

Dear USA Swimming Board of Directors,

In advance of our busy agenda, please see below some additional updates from our staff regarding current ongoing business at USA Swimming.

Best regards,

Tim Hinchey III
USA Swimming President & CEO

TECHNICAL/SPORT

FINA Champions Series

As you know, USA Swimming will be collaborating with FINA to host the final leg of the FINA Champions Swim Series, May 31 and June 1 in Indianapolis. This will be a "finals only" competition, beginning at 7:00 p.m. each evening. The competition, which will be broadcast on NBCSN and the Olympic Channel, will have four athletes per event and will offer over $1 million in prize money. As of this date, there are 23 athletes participating from the U.S. FINA will be covering the expenses of producing the event. Dean Ekeren, USA Swimming's National Events Director, is leading our efforts on this project. The first two legs of the FINA series will be in China (April 27-28) and Budapest (May 11-12).

International Swim League

To follow up on the background that was provided to you in November, the International Swim League (ISL) has launched its fall competition schedule in Europe and the U.S. There will be four U.S.-based clubs and four European-based clubs, and there will be a series of four-way competitions from early October through the middle of November, with each club taking part in three two-day events. The U.S. teams are led by Tina Andrew, Lenny Krayzelburg, Jason Lezak, and Kaitlin Sandeno, and the U.S. regular-season competitions will be in Indianapolis, Texas and at the University of Maryland. A "super-final" between the top two European teams and top two U.S. teams will take place on Dec. 20-21 at Mandalay Bay in Las Vegas.

National Team

Summer Competitions

We have a total of five competitions, domestic and international, within a two-month period this summer. The 2020 U.S. Olympic Team is more than likely to be comprised of athletes from each of the international competitions: World University Games, World Championships, Pan American Games and the World Junior Championships, as well as from our National Championships. In comparison, 10 athletes from the 2015 World University Games made the 2016 U.S. Olympic Team, and three won individual medals. From the 2015 Pan Am Games, five athletes went on to make the 2016 team with one winning an individual medal. In 2015, there were four athletes who were on the 2016 U.S. Olympic Team who did not make a 2015 international team, and two won individual medals. The results from all competitions this summer will impact the 2020 Olympic Team and all of the National Team programs leading into the Games.

Coaches announcement

The coaches' announcement for the 2019 international teams is still a work in progress, with the hope of an announcement in early May.

Coach Seminar

The final coach seminar of the quad will be May 7-9 in Denver. The keynote speaker will be Kikkan Randall with the focus on "preparing for the moment". More information on Kikkan can be found here: http://www.espn.com/espnw/feature/26032552/kikkan-randall-shares-journey-rough-terrain

2020 High Performance Plan

As we prepare for the summer, we are also starting the process for the 2020 High Performance Plan. While we don't anticipate many changes to the National Team programs in 2020, we will focus on keeping athletes healthy, making sure our athletes use the fall professional meets to their advantage, to be on the podium in Tokyo, and supporting coaches and athletes to focus on being faster at the Games then at Trials.

Member Services

Membership

We continue to track membership very closely and review the recently-launched Flex Membership. Premium membership is down for this year by almost the exact number as new Flex members. More will be discussed on this topic during the board meeting regarding revenue streams. An LSC by LSC breakdown on Flex Membership is attached to this report.

Member Services staff have been busy with the logistics for the Leadership Summit, which the board will attend Thursday afternoon and Friday morning. A little about the Summit: each LSC was invited to send one athlete and one coach who have demonstrated leadership potential. All but seven LSCs are participating. There will be 80 athletes and 55 coaches at the Summit. All housing is in the Olympic Training Center dorms and pool sessions will be held in the OTC pool. Course content centers around

servant leadership, recognizing different leadership types and their own leadership strengths, and how to use these strengths in their own clubs, LSCs, schools and community. The mayor of Colorado Springs will speak to the group on Saturday about creating a positive legacy and then they will spend the afternoon working at the Great American Clean-Up project in one of our large downtown city parks. On Saturday night, they will watch The Last Gold documentary and learn about the swimming history of the 1976 Olympic Games. The Summit will also include a USA Swimming governance session.

The Athletes' Executive Committee met in Washington D.C. from April 5-7. Maya DiRado was in attendance and Natalie participated via speaker phone, so they can provide further information to the board. Hot topics included the development of a mentoring program for LSC athlete reps, LSC Leadership Summits, and how to get more elite-level athletes involved in governance. Guests who attended the meeting included Tom Ugast, Anthony Ervin, Andrew Gemmell and Maggie Vail.

Upcoming events: North Carolina and North Dakota Swimposiums (April 27); Southern/Western Zone Workshop (Denver, May 9-11); Eastern/Central Zone Workshop (Chicago, May 17-19), and the Rules & Regulations Committee meeting in Fort Lauderdale (May 31 – June 1).

Diversity and Inclusion

D&I continues to be an integral part of the USA Swimming culture, and we continue to work to integrate it into all aspects of our organization.

- Community Swim Team: Chicago Park District (CPD) and Illinois Swimming have renewed our partnership for three years. Bob Groseth, former Northwestern University Head Coach, will serve as our first Mentor Coach for the CPD. Bob will work on coach development, assist with program structure, and serve as a general resource to the program. Bob, Tim Hinchey, Shaun Anderson, and Joel Shinofield attended the CPD Championship in early April.

- Indianapolis and Los Angeles are potential new partners for Community Swim Teams. We have met on several occasions with the Indianapolis Aquatic Alliance and the Indianapolis Parks and Recreation Department. We are waiting on the return of a memorandum of understanding, similar to CPD, from the Indy Park and Rec department. We look to launch the Indy program in the fall of 2019. Shaun Anderson has been working with LA2028 to develop a community swim team in LA in advance of the 2028 Games and there will be a follow-up meeting in early May.

- The National Diversity Select Camp will take place the first weekend in May.

- The D&I Coordinator position has been filled. Ashanee Player will begin July 1. Ashanee will help create and disseminate educational resources as well as assist with the creation and management of a solid D&I volunteer structure (e.g., National D&I Committee, Zone Diversity Coordinators, and LSC D&I Chairs). The D&I team recently concluded their annual Strategic Planning session mid-December to plan the upcoming year and remainder of the Quad

- MJ Truex will provide a D&I report to the board, specifically around the Women's Leadership Summit in April.

USA Swimming's D&I internal working group met April 17. The meeting included guest speaker Adam Hutchinson who discussed successful inclusion strategy. The group also discussed D&I messaging throughout USA Swimming. The group preliminarily set an all staff D&I learning opportunity for June 10 with Dr. Nicholas Pearce:
https://www.kellogg.northwestern.edu/faculty/directory/pearce_nicholas.aspx

Sport Development

Coach Education/Licensure/LEARN (Leadership, Education And Resource Network)

- There are 70 coach interviews underway. The focus is on "what educational resources do you want from USA Swimming?" The goal completion date May 1. The individual interviews, conducted by 10 staff members of both Sport Development and the National Team, include 11 primary questions and 15 sub-questions tracked through a Qualtrics survey instrument completed by the staff interviewer after the interview. Response themes will be tracked by frequency and utilized in curriculum development. We have also contacted the USOC for assistance with data analysis.

- U.S. Soccer visited USA Swimming on Wednesday, April 17, to begin conversations about a potential partnership utilizing the U.S. Soccer Digital Coaching Center, whereby USA Swimming could leverage Soccer's work in developing their Learning Management System and sublicense the technology. U.S. Soccer provided a demo to Sport Development Staff; met with John Burbidge, MJ Truex, Joel Shinofield, and Maggie Vail to discuss initial platform capabilities and IT requirements. The visit concluded with a next steps discussion with COO Mike Unger.

- Update of the progress on Coach Education/Licensure will be presented at the April Board Meeting.

- Curriculum specialist Jennifer LeForce has agreed in principle to help design the curriculum map and aid with program development. Her contract is in progress.

Disaster Relief Grant Program for Teams

A Disaster Relief Grant Program Review Panel has been created and includes:

- Luke Day, MN-LSC General Chair Representative lday@umn.edu
- David Anderson, WI- Coach Representative danderson@wsacltd.org
- Bergen Davis, At-Large Member of the AEC bergentd2000@gmail.com
- Joel Shinofield, USA Swimming staff leader

USA Swimming will be offering grant assistance (up to $5,000) to clubs affected by the hurricanes and wildfires in 2018. Similar assistance was offered after the hurricanes and wildfires in 2017. To be eligible to apply for a disaster relief grant, teams must have suffered material losses from one of the recent hurricanes or wildfires. To be able to use grants to provide swim team dues relief, teams must have team members and families that have suffered the loss of their homes for an extended period.

Video Review at National Level Meets

Athletes and coaches can review any of their races almost immediately following the race on poolside monitors with the option of verbal analysis from USA Swimming's Sport Performance Consultants. Each race is recorded and viewed "Full Field." Most of our computers have the ability for slow motion, frame-by-frame, and zoom to highlight an individual athlete. This program has provided an opportunity to provide service to both the NCSA and YMCA, a great opportunity for us to serve the sport. We had our three performance consultants, led by Tom Avischious, at both the NCSA Spring Junior National Championships and Y Nationals:

	Views	Downloads	Total
NCSA	1,597	1,434	3,484
Y Nationals	1,281	377	1,969

Regional Coach Clinics

The Regional Coach Clinic program brings affordable clinics directly to teams near their LSCs. These clinics are designed (and priced) for the entire coaching staff to attend, from the novice coach to the senior level coach. We normally run four clinics in the spring and four in the fall (one per zone). We have run two so far this spring in Charleston, SC, and Albany, OR. We have another one scheduled for the first weekend in May in Rochester, NY. Unfortunately, we had to cancel the Sioux Falls clinic in April due to the blizzard in South Dakota and the cancellation of all flights into Sioux Falls as well as the closure of the interstates leading to the city. We are trying to reschedule this one for the fall. All participants received a refund and were called personally by our staff to inform them of the cancellation.

YMCA National Championship Meet

Bob Vincent, Tim Hinchey, Joel Shinofield, and Jeff Allen met with YMCA staff and volunteer leadership at the YMCA Championship in Greensboro in early April. YMCA leadership included YMCA V.P. and COO Paul McEntire, the highest-ranking executive to attend the swimming championship. We had an opportunity to share the benefits of our partnership, which include the video review program, over $800,000 in grants to local YMCAs over the past four years through the Foundation's Make-a-Splash grant program and attracting new members to YMCAs through our USA Swimming teams hosted at YMCA facilities.

12-Under Tech suits

Tom Avischious continues to work with consultant Stu Isaac on implementation of the 12 and under tech suit legislation. Tom and Jim Fox have had phone calls with manufacturers regarding eligible suits and appropriate marking required for those suits, that are also approved FINA Tech suits that fall within the acceptable guidelines for use by 12 and under athletes after the restriction implementation in September 2020. Tom will work with Communications and Commercial on a communication plan for parents, athletes, coaches, and officials.

COMMERCIAL

The Commercial team has evolved in the last few months, replacing and adding several talented team members to further the organization's progress and services offered.

On April 22, Shana Gritsavage Ferguson will join the organization as the new Chief Commercial Officer, leading the Commercial Division. A former collegiate swimmer at the United States Naval Academy, a veteran of the United States Marine Corps and a long-time sports-industry executive, Shana brings with her an unparalleled level of professionalism, dedication and grit to her new role. Following a decade with sportswear giant Under Armour as the Head of Global Experiential Marketing, Head of Global Corporate Social Responsibility and Head of Marketing for UA Canada, Shana was most recently Vice President of Integrated Marketing & Communications at Icahn Automotive Group, an automotive aftermarket conglomerate.

Jessica Delos Reyes and Kyle Sagendorph join the communications team as Senior Manager, Corporate Communications and Digital Communications Coordinator, respectively. In their roles, they will further develop meaningful communication to key internal and external stakeholders and bolster USA Swimming's digital content offerings.

Amanda Bryant has moved to the Commercial Division and taken on the role of Senior Manager, Event Marketing. Having been involved in the planning and execution of USA Swimming events including Olympic Trials, Nationals, and Golden Goggles, Amanda brings knowledge and experience to assist in moving our events to the next level.

Samantha Clark will be joining the team on May 13 as the Partnership Marketing Coordinator. A former swimmer, Sam comes to us from the Detroit Red Wings and the Cleveland Cavaliers, with experience in event marketing. Sam will assist in tracking ROI for existing partners and fulfilling contractual elements for the USA Swimming partner family.

In response to feedback from our athletes, Wendy Bartlett has recently transitioned into her new role of Manager, Athlete Marketing. She will be handling all athlete event and appearance requests for USA Swimming and the USA Swimming Foundation. She has been tasked with streamlining appearance opportunities and assuring there is consistency across all requests for National Team & Junior National Team athletes.

Website redesign

Following a review and audit of usaswimming.org, along with feedback from staff and members, the organization will undergo updates to the current website functionality and design. The primary areas of focus will be the site search function/navigation, the resource topic browser and the visual design. Backend SEO issues will also be addressed, reducing the site's load time, increasing search equity and reducing 404 error pages. The key objective of the redesign is to provide an overall better user experience, which should in turn increase site usability and traffic to usaswimming.org.

CRM Project

The CRM task force is beginning the main and final build of the new data architecture. This build is slated to take 14-16 weeks and will complete the implementation process. Following this phase, we will start staff training on the new systems and still expect to be "fully operational" by the end of the year.

Deck Pass on Team Unify

The teams at Team Unify and USA Swimming have developed a fully functional test version of Deck Pass on Team Unify to demo at the upcoming #SwimBiz conference. Users will have access to all Deck Pass functionality (Goals, Times Search, Patches, Perks, etc.), live streaming and parent-targeted content, all without leaving their local team's website.

Deck Pass Hybrid Web App

Development continues on the Deck Pass hybrid app. Following a limited release to select android users, the team gathered feedback on pain points and are close to finishing version 2 of the app. Improvements in version 2 include mobile-optimized layouts, removal of horizontal scrolling and updated terminology for non-athlete member navigation. The sponsorship team is currently in negotiations with Active, hoping to add Live Results back into the app.

Sponsorships

We are seeing great activity in the sponsorship world, both with renewals and new business. A verbal report will be given during the board meeting in Colorado Springs.

APA Update

In the 2018-2019 season, USA Swimming has signed 54 professional athletes to the APA program. Fourteen (14) of the athletes recently committed to the program following their NCAA eligibility. Overall, 52 of the 98 community appearances have been completed since September 1, 2018. We currently have an additional 16 athlete appearances scheduled for April tor August 2019.

Highlighted Appearances:

- Simone Manuel appeared at the Salvation Army Boy's & Grills Club Pool Grand Opening in Richmond, Va.
- Caeleb Dressel participated in the official ground break of the ISHOF Aquatic Center in Fort Lauderdale, Fla.
- Ryan Murphy & Nathan Adrian made an appearance at the National Team Alumni Social during the Men's NCAA National Championships
- Katie Ledecky gave back to the USA Swimming Foundation by appearing at the National Team Alumni Social during the Women's NCAA National Championships

#SwimBiz

The fifth annual #SwimBiz: Social Media, Sponsorship & Swimming conference will be held at the Colorado Springs Marriott April 28-30, 2019. The event focuses on social media, advertising, branding, communications and sponsorship. USA Swimming expects 150 attendees for the conference, ranging from Swim Clubs, LSCs, NGBs to USA Swimming partners.

Keynote speakers include:

- John Cashion, The Ritz-Carlton Leadership Center
- David Shackley, Marriott International
- Kaitlin Sandeno, Olympian and Motivational Speaker
- David Burke, Kroenke Sports & Entertainment

Off the Blocks

We have released two episodes for Season 2 of "Off the Blocks," a digital video series designed to showcase the lives and training of top National Team swimmers. Episode 1, released March 4, featuring Caeleb Dressel, and episode 2, released April 8, featuring Kathleen Baker, have done very well on USA Swimming's YouTube channel. Both videos are currently the top-performing featured content on the YouTube channel.

BUSINESS AFFAIRS

Safe Sport

Since the February board meeting, the Safe Sport team has focused its efforts in the areas of training, education and compliance. To start, USA Swimming hosted 144 members, non-members, coaches and staff at its biennial Safe Sport Leadership Conference January 31-February 1, 2019. The event was very highly reviewed and focused on a holistic approach to abuse prevention, including introducing attendees to community-based organizations that can support local prevention and response efforts. Additionally, on March 13, Liz Hahn and Abigail Howard presented a webinar on Mandatory Reporting: The Who, What, When, Where, Why and How. The webinar drew an audience of 64 individuals and generated positive feedback from attendees. The staff has trained an additional 352 members through USOC campus visits, Regional Coaches Clinics and the like.

The Safe Sport Committee met in-person following the Leadership Conference. In 2019, the Committee will support the staff in expanding the reach of the Safe Sport Recognized Club Program, LSC and Zone support and effective membership communication. With the Committee's assistance, the Safe Sport Recognized Club Program continues to grow. To date, 26 clubs have achieved recognition and 774 have initiated the process (an increase of 15 and 24, respectively, since January 2019).

February saw the successful launch of the U.S. Center for Safe Sport's Core training on USA Swimming's LEARN platform. The U.S. Center for Safe Sport now requires all USA Swimming members complete athlete protection and abuse prevention training on an annual basis. Previously, members were required to complete USA Swimming athlete protection training every two years, but in order to comply with the Center's policy, all USA Swimming members will be required to complete athlete protection

training on an annual basis. Members will complete the Core training in the first year of this requirement and thereafter will complete a refresher course along with swimming-specific training options.

The Center released its model Minor Athlete Abuse Prevention Policy in January. USA Swimming Safe Sport staff updated the template policy to make it swimming-specific, which was approved by the Center and will be implemented by the its June 23, 2019, deadline. The Safe Sport team has worked with Communications and Sport Development staff to develop a robust communication and implementation plan for the membership.

Finally, Praesidium delivered its recommendations following its audit of Safe Sport content. Staff has reviewed the recommendations and developed a plan to implement them in 2019. The Safe Sport team also met with TeamUnify to continue to work towards delivering Safe Sport content on TeamUnify club and LSC websites.

Risk Management

Risk Management is working with Beecher Carlson to update the original risk financing study performed in 2013. Given the insurance industry's concern with headline risk from the USOC and NGBs, it is appropriate to explore our options for upcoming renewals or insurance policy expirations. This study will examine the trending of casualty losses over USA Swimming's history, as well as the last five years. The losses will help indicate if the current insurance programs are providing value to USA Swimming or if alternative options should be explored.

Meetings with insurance underwriters are planned over the next several months to strengthen current relationships and develop additional options for our insurance policy expirations.

Many of the smaller NGBs are experiencing difficult issues with their renewals and have developed a working group to see if their collective premium can draw more interest from the insurance industry. We are monitoring the progress of the working group but not actively participating.

Legal and Risk Management traveled to Philadelphia to visit with Randall & Quilter Investment Holdings (R&Q), who purchased USSIC in September of 2016. The purpose of the trip was to review outstanding litigation under the captive years and to discuss the transaction with a new management team at R&Q, who is handling the runoff of the legacy liabilities of USSIC. Additionally, AIG, the original fronting and excess insurer on the USSIC program, as well as USA Swimming, are planning a meeting in June to discuss allocation of loss payments between AIG and R&Q that would apply to settlements or judgements rendered in the outstanding litigation.

The Operational Risk Committee continues to meet monthly to focus on educational presentations at the two Zone workshops in May. Operational Risk, Sports Medicine, Sport Development, and Educational Programs and Services will be working together in the development of standardized continuing education for officials and coaches in the handling of concussions to satisfy state requirements. Many states have also started passing mandatory education requirements for cardiac arrest.

Human Resources

USA Swimming has hired a new Director of Human Resources & Employee Engagement. Robyn Beresh will be joining the organization in mid-May. In addition to being a talented human resources professional, Robyn is also a passionate open water swimmer.

Office redesign construction is halfway complete. On April 29, staff will move into updated work spaces on the second floor, and demolition and redesign work will begin on the first floor. Human Resources will sponsor a welcome breakfast on the 29th and is issuing an updated set of standard operating procedures for the new space. We are still targeting an August completion of the entire project.

Information Technology

Online Membership Services Project

The Member Data Validation Service (MDVS) project that provides for integrating vendor-hosted club databases with the SWIMS membership database is now complete and is available to all clubs using TeamUnify, Active HyTek, and Swim-Smarter software. More than 700 clubs are now using MDVS and nearly 3,000 registration files have been successfully submitted electronically via the new service.

FINANCE

Staffing

We are pleased to announce Sophie Graf will be joining our Finance team at the end of April as our Senior Accountant. Sophie joins us from Stockman Kast Ryan + Company, a large Colorado Springs CPA Firm. She was previously with Ernst & Young and will be a great addition to the team. Sophie will be replacing Tyler Foote, our former Accounting Coordinator, who will be continuing his career in public accounting. We thank Tyler for his time with the organization over the past three plus years.

Budget Season

April commenced our 2020 (and 2019 revised) budget and projection meetings. We will meet with all divisions over the next couple months. The collaborative and detailed discussions will include review of all programs and accounts in order to produce a successful and supported budget while educating all involved at the same time (including the new members of the Finance team).

Financial Audits

Our external auditors at Waugh & Goodwin performed their annual audit of the 2018 USA Swimming and USA Swimming Foundation financials. Their fieldwork was conducted in March, Eric Skufca reviewed drafts with the Audit Partner on April 18, and the Audit Committee approved and accepted the Audits and accompanying reports on April 22. Both audits had clean opinions with no qualifications.

FOUNDATION

- In 2018, more than 1.3 million children took swimming lessons via the Make a Splash local partner network – a record setting year.
- The Foundation awarded $507,461 on March 26 in the first round of annual grant funding to 85 Make a Splash Local Partners, serving an estimated 25,705 children. This year's grant application pool was the largest ever with 241 eligible applicants.
- Major Gifts and Grants total $220,000 to date with one (1) new Trustee and one (1) new Donor and Athlete partnership
- We have two new Charitable Partners: Leslie's Pool Supply and Pool Scouts (a pool cleaning franchise business). Both are raising funds this summer in support of the Foundation and the Make a Splash initiative.
- More information on the 2019 Make a Splash Tour will be presented at the April Board of Directors meeting.

These minutes will be officially approved by the USA Swimming Board of Directors at its April 26, 2019 meeting.

USA Swimming Board of Directors Minutes Attachments

February 2, 2019 / Colorado Springs, CO

Attachment 1	Page 1 – Agenda
Attachment 2	Page 2 – DRAFT BOD Minutes November 18, 2018
Attachment 3	Page 3 – Policy 3.3: Treatment of Employees & Volunteers
Attachment 4	Page 4 – Policy 3.4: Financial Condition & Activities
Attachment 5	Page 4 – Financial Update
Attachment 6	Page 4 – Policy 3.7: Compensation and Benefits
Attachment 7	Page 5 – USA Swimming Q4 2018 Investment Summary
Attachment 8	Page 5 – Membership Dashboard
Attachment 9	Page 5 – Flex Dashboard
Attachment 10	Page 6 – CEO Report to the Board
Attachment 11	Page 6 – Zone Directors' Presentation
Attachment 12	Page 7 – Policy 1.1: Broadest End – Growth & Success of Swimming

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