

# **USA Swimming Board of Directors Meeting Minutes**

September 11, 2019 / St. Louis - Hyatt Regency St Louis at the Arch

## **CALL TO ORDER**

Bob Vincent, Board Chair, called the September 11, 2019 Board of Directors meeting to order at 8:15 a.m. Central Time with the following members in attendance:

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

**NOT PRESENT:** Teri McKeever.

## **GUESTS**

Tim Bauer (Gulf Swimming), Clint Benton (Pacific Swimming), Rebecca Binder (Minnesota Swimming), Alex Blavatnik (USA Swimming Foundation Trustee), Kim Brackin (Florida Swimming), Robert Broyles (Inland Empire Swimming), Bill Charney (Charney Associates), Julie Chen (Metropolitan Swimming), Kenneth Chung (North Texas Swimming), Sandi Drake (Hawaii Swimming), Greg Earhart (CSCAA), Jennifer Gibson (Florida Gold Coast Swimming), Clark Hammond (Southeastern Swimming), Amy Hoppenrath (Missouri Valley Swimming), John Kline (Illinois Swimming), Pam Lowenthal (Illinois Swimming, Zone Director), Bill Maxson (USA Swimming Foundation Board Member), Arlene McDonald (Indiana Swimming), Deana Oliphant (Oklahoma Swimming), Kim O'Shea (Southern California Swimming), Ron Van Pool (Nominating Committee Chair), Kathleen Prindle (Florida Gold Coast Swimming), Jodi Rash (Inland Empire Swimming), Jim Ryan (YMCA), Bill Schalz (Illinois Swimming), David Shackley (USA Swimming Foundation Board Member), Dave Smith (Southeastern Swimming, Zone Director), Mary Jo Swalley (Southern California Swimming).

## **STAFF**

Tom Avischious, Mitch Dalton, Paula D'Amico, Dean Ekeren, Jake Grosser, Shana Ferguson, Brendan Hanson, Abigail Howard, Isabelle McLemore, Lindsay Mintenko, Mick Nelson, Sue Nelson, Eric Skufca, Joel Shinofield, MJ Truex, Mike Unger, George Ward, Morgan Weinberg.

## **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.

37 **AGENDA REVIEW**

38 Bob Vincent presented the agenda and moved Policy 1.1 Competitive Success to after CEO's  
39 Update (Attachment 1).

41 **RULES OF ENGAGEMENT / COVENANTS**

42 Bob Vincent provided an overview of the Rules of Engagement/Covenants.

44 **DECLARATION OF CONFLICT OF INTEREST (2.5.4)**

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

48  
49 If a Board member determines there to be a conflict of interest at any point during the  
50 course of the meeting when a specific subject is being discussed and / or action is being  
51 taken, a declaration of a conflict of interest should be made at that time.

53 **BOARD CHAIR'S REMARKS**

54 Bob Vincent briefly highlighted ideas and quotes from *Chapter 40: Serve the People* in "The  
55 Servant Leader."

57 **MINUTES**

58 **MOTION:** *To approve the April 26, 2019 Board of Directors meeting minutes (Attachment 2).*  
59 *Seconded. APPROVED.*

61 **MOTION:** *To approve the August 26, 2019 Special Board of Directors meeting minutes*  
62 *(Attachment 3). Seconded. APPROVED.*

64 **BOARD PROCESS**

65 **BOARD BUDGET FOR 2020 (2.10.3)**

66 Bob Vincent presented a motion to incorporate the following budget categories into the  
67 2020 budget: Board of Directors, Task Force & Consultants, Board Chair Expense & Travel,  
68 and Audit & Tax Fees.

70 Mary Turner asked clarifying questions regarding line items from the Board of Directors  
71 budget, to which Chief Financial Officer, Eric Skufca, responded.

73 **MOTION:** *To approve Board of Directors, Task Force & Consultants, Board Chair Expense &*  
74 *Travel, and Audit & Tax Fees categories and associated dollars to be incorporated into the*  
75 *2020 budget. Seconded. APPROVED.*

76 #7803 - Board of Directors \$154,643

77 #7808 - Task Force & Consultants \$166,670

*#7930 – Board Chair Expense & Travel                      \$ 44,797*  
*#8990 – Audit & Tax Fees    \$ 30,000*

**NOMINATING COMMITTEE UPDATE**

Ron Van Pool provided background on why a Nominating Committee was first formed, spoke to the process by which it operated in selecting this year’s nominees, and made recommendations for the process in the future.

Cecil Gordon suggested increased communication to the membership as the nomination process is happening.

**GOVERNANCE COMMITTEE UPDATE ON ORIENTATION/RETREAT**

Davis Tarwater provided minutes from the Governance Committee’s April 10, 2019 meeting and asked the committee members to read through the internal documents that were provided for their next meeting.

Bill Charney briefly overviewed the internal documents that Mr. Tarwater circulated to the committee, including a recap of the 2018 Board orientation and the Board orientation scheduled for October 3-4, 2019.

**FOUNDATION RESTRUCTURING UPDATE**

Cecil Gordon provided historical background regarding the changes to the governance structure of the Foundation Board of Directors and highlighted recommendations that will be implemented moving forward based on an assessment of the Foundation Board.

Tim Hinchey thanked Bill Charney for his work with the Foundation Task Force and noted the overall message of “integration” between USA Swimming and the USA Swimming Foundation with “one voice” to further assist in completing the Foundation’s mission of Saving Lives and Building Champions.

**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.

**PERSONNEL UPDATE**

Lucinda McRoberts provided a brief personnel update.

**EMPLOYEE CONTRACT UPDATE**

All USA Swimming staff left the room while the Board remained in closed session to discuss the annual CEO performance and compensation review.

**MANAGEMENT PARAMETERS MONITORING (4.4)**

Bob Vincent provided background and an overview of the Management Parameters Monitoring reports process.

**POLICY 3.4 FINANCIAL CONDITION & ACTIVITIES (QUARTERLY UPDATE)**

Bob Vincent presented Policy 3.4 Financial Condition & Activities (Attachments 4 - 8).

Eric Skufca reported that Policy 3.4 reflects where the organization is financially, where it is projected to go financially and whether it is meeting all its financial requirements.

**MOTION:** *To approve 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 3.6 BUDGET (MID-YEAR UPDATE/RE-FORECAST)**

Bob Vincent presented Policy 3.6 Budget (Attachment 9).

Eric Skufca reported that Policy 3.6 reflects budget forecasting and explained the process by which the staff forecasts their budgets over nine divisions with more than seventy-five hundred line items (Attachments 10 - 13).

The Board asked for communication during the summer months regarding material changes to the budget.

**MOTION:** *To approve the performance monitoring report on Policy 3.6, "Financial Planning & Budgeting," 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 3.10 LSC REPORTING REQUIREMENTS**

Bob Vincent presented Policy 3.10 LSC Reporting Requirements (Attachment 14).

Lucinda McRoberts described the process of creating the LSC Affiliate Agreement proposal.

**MOTION:** To approve that the performance monitoring report on Policy 3.10, "LSC reporting Requirements," 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 introduced USA Swimming's Associate Counsel and Director of Safe Sport, Abby Howard.

Ms. Howard outlined the feedback received from various constituents on the LSC Affiliation Agreement (Attachments 15 – 16).

The Board engaged in discussion around nuances of the agreement including parameters and what feedback was considered when forming the document.

**MOTION:** To approve amending the LSC Affiliate Agreement by adding "officials" to item "B" under "Recitals." Seconded. **APPROVED.**

**MOTION:** To approve the amended LSC Affiliate Agreement. Seconded. **APPROVED.**

Ms. McRoberts detailed background on changes to Athlete Representation on national committees per the U.S. Olympic and Paralympic Committee's (USOPC) Bylaws.

**MOTION:** To re-approve changes to Section 4.2.3 in the USA Swimming Bylaws to read: "three "athlete representatives" (as defined in the then current USOPC Bylaws) directly elected by athletes who meet the same standard as in "athlete representative" shall be voting members" and add the following language to Section 6.3.1: "with the exception of the three athlete representatives (as defined in the then current USOPC Bylaws) directly elected by athletes who meet the same standards as an "athlete representative" in accordance with Section 4.2.3." Seconded. **APPROVED.**

### **CHIEF FINANCIAL OFFICER**

Eric Skufca updated the Board on USA Swimming's and USA Swimming Foundation's investment portfolios through quarter two, including investment returns beating their benchmarks year-to-date, as well as the 3-year, 5-year, and 10-year benchmarks. Mr. Skufca made note that the Investment Committee has been asked to develop a policy on what percentage of the investment returns may be used in operations.

195 **CHIEF OPERATING OFFICER**

196 Mike Unger asked the Board to approve the locations for Futures Meets.

197  
198 **MOTION:** *To approve the locations for Futures Meets. Seconded. APPROVED.*

199  
200 *July 30 – August 2, 2020*

201 *Huntsville Aquatic Center, Huntsville, AL*

202 *Woollett Aquatics Center, Irvine, CA*

203 *Hulbert Aquatic Center, West Fargo, ND*

204 *McCorkle Aquatic Pavilion, Columbus, OH*

205  
206 Mr. Unger briefly touched on the proposal for increasing club dues that will be going before  
207 the House of Delegates and updated the Board on the 2020 U.S. Olympic Team Trials -  
208 Swimming, including the number of qualified athletes and ticket sales.

209  
210 **CHIEF COMMERCIAL OFFICER**

211 Shana Ferguson provided an overview of membership touchpoints from a communications  
212 standpoint, including website improvements, webinars for volunteers and leaders, MAAPP-  
213 compliant tools for coaches, and various communication avenues to reach swimmers and  
214 parents.

215  
216 Jake Grosser presented on the functionality of the Customer Relationship Management  
217 (CRM) system being developed, including the ways in which it will best serve our  
218 membership via retention, recruitment and reporting through capturing datapoints to use  
219 for targeted communication with USA Swimming members and nonmembers. Mr. Grosser  
220 also presented an overview on the integration of Deck Pass on TeamUnify as a new channel  
221 for USA Swimming to reach parents.

222  
223 **CEO'S UPDATE**

224 Tim Hinchey submitted a written report (Attachments 17 - 18) and provided a summary on  
225 meet host fees, as well as introduced a proposal from the Convention Task Force that  
226 would allow USA Swimming to book their own independent Convention for 2022.

227  
228 Mr. Hinchey also announced and congratulated Lucinda McRoberts on being a Sports  
229 Business Journal 2019 Game Changer.

230  
231 **"ENDS" MONITORING**

232 **POLICY 1.1 COMPETITIVE SUCCESS**

233 Bob Vincent presented Policy 1.1 Competitive Success (Attachment 19).

Mike Unger reported a change from 2018 to 2019 on page one of Policy 1.1 and noted that the Policy is mostly regarding National Team performance.

Lindsay Mintenko presented on the success of the National Team's international competition performance in 2019, a new mental health program, Clean Sport initiatives and increased direct athlete support.

Mr. Unger added that USA Swimming held off on requiring coaches to take the USADA tutorial, but it is now available.

**MOTION:** *To approve the performance monitoring report on End 1.1, "Competitive Success," 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.*

## **HOW USA SWIMMING FUNCTIONS INTERNATIONALLY**

Mike Unger presented background on USA Swimming's presence internationally, including organizations USA Swimming associates with, an overview of FINA leadership and committees, key relationships for USA Swimming, and key topics USA Swimming works on internationally.

## **ROLE OF THE STEERING COMMITTEE**

Lindsay Mintenko presented on the history of the Steering Committee and its current composition and discussion topics.

## **CLOSING ROUNDTABLE**

### **TASK ASSIGNMENTS REVIEW**

None to review.

## **NEXT MEETING / EVENTS**

- Saturday, September 14, 2019 in St. Louis - Convention
- 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.


273 **ADJOURN**

274 Bob Vincent, Board Chair, adjourned this meeting at 4:24 p.m. Central Time.

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276 Respectfully submitted:

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A handwritten signature in black ink that reads "Lucinda McRoberts". The signature is written in a cursive, flowing style.

Lucinda McRoberts, CAO & General Counsel

A handwritten signature in blue ink that reads "Bob Vincent". The signature is written in a cursive, flowing style.

Bob Vincent, Board Chair

## **USA Swimming Board of Directors Minutes Attachments**

September 11, 2019 / St. Louis - Hyatt Regency St Louis at the Arch

Attachment 1	Page 2 – Agenda
Attachment 2	Page 2 – DRAFT BOD Minutes April 26, 2019
Attachment 3	Page 2 – DRAFT Special BOD Minutes August 26, 2019
Attachment 4	Page 4 – Policy 3.4 Financial Condition & Activities
Attachment 5	Page 4 – 2Q 2019 Combined Quarterly Investment Review
Attachment 6	Page 4 – Foundation Financial Memo Q2 2019
Attachment 7	Page 4 – Foundation Q2 2019 Financial Report
Attachment 8	Page 4 – USA Swimming Q2 2019 Financial Statement Report
Attachment 9	Page 4 – Policy 3.6 Budget
Attachment 10	Page 4 – Swimming 2020 Quad Business Plan
Attachment 11	Page 4 – Swimming 2019 Budget to Projection Summary
Attachment 12	Page 4 – Foundation 2019 Budget to Projection
Attachment 13	Page 4 – Foundation 2020 Budget – Draft
Attachment 14	Page 4 – Policy 3.10 LSC Reporting Requirements
Attachment 15	Page 5 – LSC Affiliation Agreement - REDLINE
Attachment 16	Page 5 – LSC Affiliation Agreement - CLEAN
Attachment 17	Page 6 – CEO Report to the Board
Attachment 18	Page 6 – Meet Host Fee Summary
Attachment 19	Page 6 – Policy 1.1 Competitive Success

# AGENDA

USA Swimming

Board of Directors

Board of Directors Meeting

Wednesday, September 11, 2019, 8:00 am - 5:00 pm

St. Louis, MO

## A. Welcome

Bob 8:00

1. Call to Order / Record of Attendance (2.6.2)
2. Introductions
3. Moment of Silence
4. Agenda Review (2.3.3)
5. Rule of Engagement / Covenants
6. Declaration of Conflict of Interest (2.5.4)
7. Board Chair's Remarks
8. ACTION: Approval of April Board Meeting Minutes
9. ACTION: Approve August 2019 Special Board Meeting Minutes

## B. Board Process

1. Board Budget for 2020 (2.10.3) Bob 8:10
2. Governance Committee Update on Orientation/Retreat Davis 8:25
3. Nominating Committee Update 8:30  
Ron Van Pool - Committee Chair
4. Foundation Restructuring Update Cecil 8:45

## C. Break

9:00

## D. Closed Session (2.3.6)

1. Litigation Update Lucinda 9:15
2. Break 10:15
3. Personnel Update Lucinda 10:30
4. Employee Contract Update Natalie 10:40

## E. Management Parameters Monitoring (4.4)

1. 3.4 Financial Condition & Activities (Quarterly Update) Eric 10:55

2. 3.6 - Financial Planning 7 Budgeting (mid-year update/re-forecast)	Eric	11:15
3. 3.10 - LSC Reporting Requirements	Lucinda	11:40
F. <b>LUNCH</b>		11:50
G. <b>Staff Reports</b>		
1. Chief Administrative Officer & General Counsel	Lucinda	1:00
2. Chief Financial Officer	Eric	1:10
3. Chief Operating Officer	Mike	1:20
a. Flex Update	Joel	1:35
4. Chief Commercial Officer	Shana	1:50
5. CEO's Update	Tim	2:00
H. <b>Break</b>		2:15
I. <b>How USA Swimming Functions Internationally</b>	Mike	2:30
J. <b>Role of the Steering Committee</b>	Lindsay	2:50
K. <b>"ENDS" Monitoring</b>		3:05
1. 1.1 - Competitive Success	Mike	3:15
L. <b>Break</b>		3:30
M. <b>Closing Roundtable</b>	Bob	3:45
1. Task Assignments Review		
2. Next Meeting / Upcoming Events		
3. Meeting Assessment		
N. <b>Adjourn</b>		4:05

Total Meeting Time: 8h 5m

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

## **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?"*

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

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.**

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

## 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.**

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

**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.

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## **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).

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**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.

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

**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.

**DRAFT**

**DRAFT**

**DRAFT**

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

260 **ADJOURN**

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

262

263 Respectfully submitted:

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Lucinda McRoberts, CAO & General Counsel



Bob Vincent, Board Chair

**DRAFT**

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

### **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 6 – USA Swimming Audited Financial Statements
Attachment 18	Page 6 – USA Swimming Audit Representation Letter
Attachment 19	Page 6 – 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

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

## **USA Swimming Board of Directors Meeting Minutes**

August 26, 2019 / via video conference

### **CALL TO ORDER**

USA Swimming Board Chair, Bob Vincent, called the August 26, 2019 Board of Directors special meeting to order at 9:00 a.m. Mountain Time with the following members in attendance:

**PRESENT:** Dale Ammon, John Bradley, Chris Brearton, Maya DiRado, Cecil Gordon, Natalie Hall, Tim Hinchey, Lucinda McRoberts, John Roy, Jim Sheehan, Jeannette Skow, Davis Tarwater, Mary Turner, Tom Ugast, Bob Vincent.

**NOT PRESENT:** Teri McKeever, Jay Thomas.

### **GUESTS**

Bill Charney, Shana Ferguson, Belle McLemore, Lindsay Mintenko, Patrick Murphy, Joel Shinofield, Eric Skufca, Mike Unger.

### **AGENDA REVIEW**

Bob Vincent made opening comments and presented the meeting's agenda (Attachment 1).

Tim Hinchey commended members of the staff regarding their work on Flex Membership.

### **CONFLICT OF INTEREST**

*"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.

### **STAFF REPORTS**

#### **FLEX MEMBERSHIP**

Joel Shinofield provided background on Flex Membership, including when it was approved, when it was implemented and the original intent for Flex Membership: to target and retain younger swimmers for the growth of the sport. Mr. Shinofield went on to report on the statistical impact Flex Membership has had on membership, as well as the potential financial risk of keeping Flex Membership in its current form after a year of

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implementation. From those outcomes, Mr. Shinofield recommended future modifications to Flex Membership in order to both keep the integrity of the intent to bring more youth to the sport while also having a financially sustainable membership category for USA Swimming (Attachment 2).

The Board engaged in discussion regarding the appropriate timeframe for making changes to Flex Membership, the financial impact of Flex Membership both short and long term, including the risks to keep it in its current form, and the benefits and nuances of Flex Membership for Clubs and LSCs. While the Board asked for continual updates on the membership data, the Board committed to continue to invest in Flex Membership and continue strategic discussions regarding future changes.

#### **ADJOURN**

USA Swimming Board Chair, Bob Vincent, adjourned this meeting at 10:02 a.m. Mountain Time.

Respectfully submitted:



Lucinda McRoberts, CAO & General Counsel



Bob Vincent, Board Chair

**DRAFT**

**DRAFT**

**DRAFT**

These minutes will be officially approved by the USA Swimming Board of Directors at its September 11, 2019 meeting.

**USA Swimming Board of Directors Minutes Attachments**

August 26, 2019 / via video conference

Attachment 1

Page 1 – Agenda

Attachment 2

Page 1 – Memorandum on Flex Membership

**DRAFT**

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## Performance Monitoring Report

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TO: USA Swimming Board of Directors  
FR: Tim Hinchey, Chief Executive Officer  
Eric Skufca, Chief Financial Officer  
RE: Internal 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 June 30, 2019.

Signed , President & CEO

, CFO

Date September 4, 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 \$29,711,039 with corresponding expenses of \$19,735,951, for a year-to-date excess of \$9,975,088. Current forecast for fiscal year end is total revenue of \$38,091,172 and expenses of \$40,377,799, and we thus anticipate an operating deficit of (\$2,286,627), worse than the budget approved by this body in November 2018 by (\$49,527), or (2.2%). **We report COMPLIANCE through the Q2 reporting period, but anticipate possible non-compliance by fiscal year end. We are continuing to actively analyze and strategize areas to meet and exceed the 2019 operating budget and the 2020 quad budget goal.**

**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 \$2,481,360 at June 30, 2019. Monthly operating expenses are approximately \$3,350,000. On July 30, \$4,500,000 was drawn from our investment portfolio to meet short-term liquidity and capital project needs. It is not unusual to tap investments at the end of a membership cycle. However, the amount tapped was higher due to the operating loss and reserve spending in 2019 (primarily the office remodel construction costs and the CRM project). In the normal membership cycle, cash inflow will be received on October 10, 2019 and thus liquidity will be in excess of the threshold required by this policy. **We report NON-COMPLIANCE** as of the June 30<sup>th</sup> quarter-end date, and due to the non-routine cash flow demands of the office remodel and CRM projects.

**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 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.. 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 June 30, 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 three 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 second quarter 2019. As to credit card statements, the CEO does not currently utilize a corporate credit card. **We report COMPLIANCE.**



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**QUARTERLY INVESTMENT REVIEW**

**USA SWIMMING, INC.  
&  
USA SWIMMING FOUNDATION, Inc.**

**2nd Quarter 2019**

- I. QUARTERLY ECONOMIC AND MARKET REVIEW**
- II. PORTFOLIO PERFORMANCE**
- III. FUNDS REVIEW**
- IV. OUTLOOK**



# 3Q19 Economic & Market Update

## Points of Interest

- Through the first six months of 2019, the S&P 500 returned 18%, its best start to a year in over two decades.
- 10-Year Treasury yield fell to its lowest level since 2016, on concerns of slowing growth.
- Current economic expansion became the longest on record— 121 months— at the end of June.
- At its June meeting, the Federal Reserve intimated that it is considering rate cuts for the second half of the year.
- Unemployment fell to a 50-year low of 3.6% in April and May.

## Inside this Issue:

### Overview.....2

- S&P 500 Chronology
- Economic Scorecard

### Domestic Economic

### Review.....3

### International Economic

### Review.....4

### Equity Markets.....5

### Fixed Income Markets...6

### Disclosures.....7

## Second Quarter Recap

“It was the best of times, it was the worst of times...”. So reads the opening passage of Charles Dickens’ *A Tale of Two Cities*. Written 160 years ago, the passage is an apt analogy for current market tensions between equity and fixed income investors. Despite concerns about tariffs and slowing economic growth, the S&P 500 reached new record highs during the quarter suggesting that equity investors remain “bullish” about future growth prospects. At the same time, however, bond yields fell to their lowest levels since 2016 and the yield curve experienced its worst inversion since 2007, suggesting that bond investors are more “bearish” about future growth prospects.



In some respects, the apparent cognitive dissonance within the markets boils down to whether investors view the proverbial cup as being half full, or half empty. For equity investors, it is the former, as investors remain hopeful that the U.S. and China will ultimately resolve their trade differences in an amicable manner. Recent comments by the Fed suggesting that the central bank will reverse course and begin cutting interest rates, perhaps as early as July, has also helped boost markets. For fixed income investors, the glass is clearly half empty. Current trade tensions, slowing economic growth, and muted inflation expectations all suggest that conditions are likely to get worse before they get better. Recent comments by the Fed, rather than being seen as reassuring, seemed to confirm the central bank is also worried about a potential slowdown and taking proactive steps to avoid it.

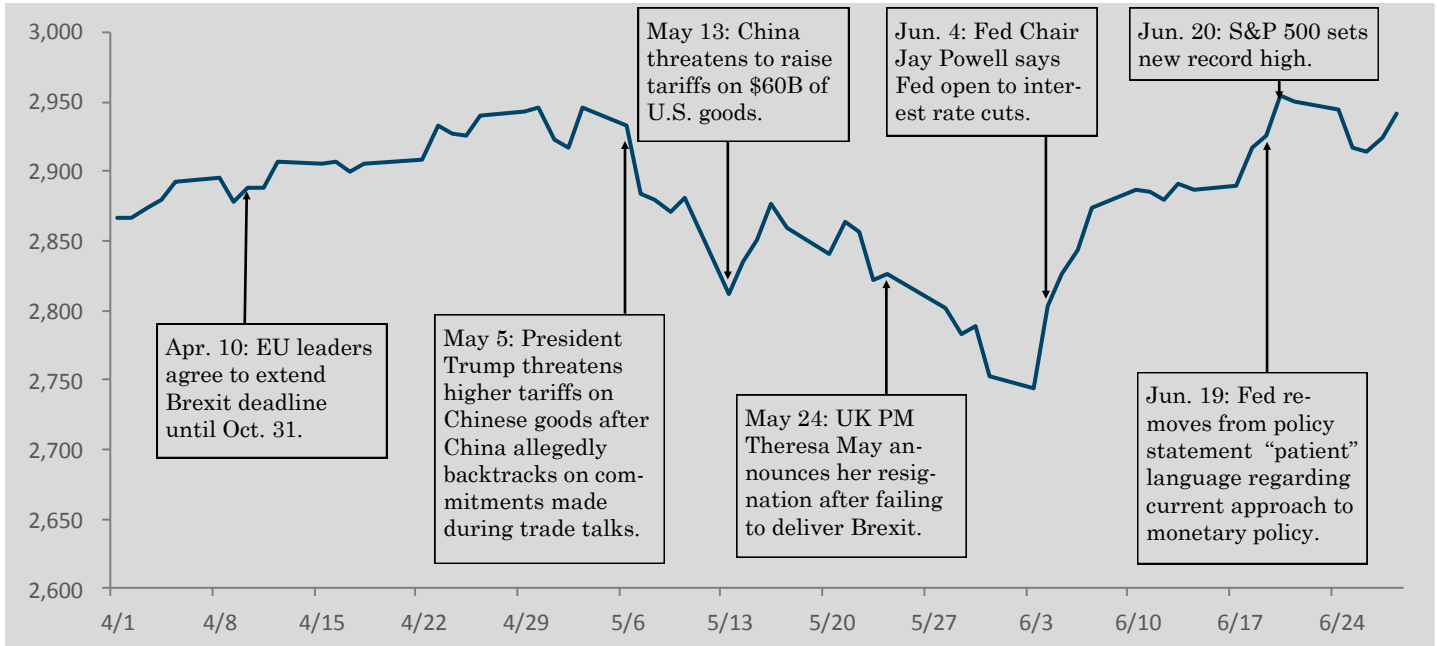
As is often the case, the answer likely lies somewhere in the middle. Current trends in economic data clearly point to slowing conditions. Ongoing trade tensions between the U.S. and China are certainly a factor. However, an amicable resolution to those tensions is unlikely to be the panacea that many investors expect. After enjoying a near-term boost from tax cuts, U.S. economic growth is now expected to settle back towards its post-recession run rate of ~2.5%. China, faced with rapidly rising debt levels, needs to de-lever which, by definition, will slow growth. Meanwhile, Europe continues to wrestle with the potential impacts of Brexit, whose outcome remains as uncertain as ever.

**Outlook**— After such a strong start to the year, especially given a number of well-known challenges, we would caution investors against chasing returns. The current disconnect between equity and bond markets, and by extension economic fundamentals, suggests that we could see bouts of heightened volatility until there is more convergence between the differing views. Additionally, any strengthening in economic data could be interpreted by markets as “good news is bad”, especially if it were to reduce the Fed’s willingness to cut rates. As a result, now is not the time to be overly aggressive, but rather review one’s current allocations against their long-term targets and make adjustments where necessary.

## OVERVIEW

### 2Q19 S&P 500 Chronology

A breakdown in U.S./China trade talks in early May resulted in a market selloff. However, more “dovish” language from the Fed, and increased expectations of possible rate cuts, helped fuel a subsequent rebound.



Source: First Western Trust.

### Economic Scorecard

Indicator	Level	Outcome	Trend*	Comment
<b>1Q19 GDP</b>	3.1%	Above Expectation	↑	Weakness in consumer spending, up just 0.9% vs. prior 2.5%, offset by stronger business and government spending.
<b>U.S. Unemployment (Jun.)</b>	3.7%	Above Expectation	↓	Nonfarm payrolls added 224k jobs in June. Unemployment increased 0.1% as 335k entered the labor force, a good thing.
<b>Housing Starts (May)</b>	1.269M	Above Expectation	↓	Multi-family starts up 13.7% Y/Y, while single-family starts down -12.5%. Permits also exceeded expectations.
<b>Case-Shiller Home Price Index (Apr.)</b>	0.0%	Below Expectation	↓	Y/Y, prices up 2.5%, slightly below expectations and smallest increase in seven years.
<b>Core CPI (Jun.)</b>	0.3%	Above Expectation	↑	June data firmed, but current level unlikely to alter Federal Reserve's approach to monetary policy. Y/Y, core CPI rose 2.1%.
<b>Consumer Spending (May)</b>	0.4%	Inline w/ Expectation	↓	Boosted by spending on automobiles. The savings rate held steady at 6.1%.
<b>Personal Income (May)</b>	0.5%	Above Expectation	↔	Wages and salaries up just 0.2%, slowest pace since Nov.
<b>Consumer Confidence (Jun.)</b>	121.5	Below Expectation	↓	Surprise drop may have been the result of a delayed reaction to renewed trade tensions between the U.S. and China in May.
<b>ISM Manufacturing (Jun.)</b>	51.7	Above Expectation	↓	Lowest level since Oct. 2016. Underlying details point to slowing manufacturing conditions. New orders at near 4-year low.

Outcome: Relative to consensus expectation. \* Trend reflects month-over-month change, except GDP which is quarter-over-quarter; ↑ indicates improvement from prior month; ↓ indicates deterioration from prior month; ↔ indicates no change from prior month.

## DISCLOSURE INFORMATION

- Information and research contained herein do not represent a recommendation of investment advice to buy or sell stocks or any financial instrument nor is it intended as an endorsement of any security or investment and it does not constitute an offer or solicitation to buy or sell any securities.
- Any forecasts, figures, or opinions set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice.
- These materials have been prepared solely for informational purposes based upon information generally available to the public from sources believed to be reliable.
- It is not possible to invest directly in an index. There is no assurance that investment products based on the index will accurately track index performance or provide positive investment returns.
- Investment and insurance products and services are not a deposit, are not FDIC-insured, are not insured by any federal government agency, are not guaranteed by the bank and may go down in value.

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## Activity Summary

	USA Swimming, Inc. - Equities - Pledged	USA Swimming, Inc. - Fixed Income	Consolidated Accounts		
	Quarter to Date	Quarter to Date	Quarter to Date	Year to Date	Since Inception 6/26/2008
<b>Beginning Value<sup>(1),(2)</sup></b>	<b>\$20,910,172</b>	<b>\$13,380,362</b>	<b>\$34,290,534</b>	<b>\$32,088,439</b>	<b>\$0</b>
Net Contributions/Withdrawals <sup>(3)</sup>	-\$579,633	\$300	-\$579,333	-\$1,159,006	\$22,703,718
Gain/Loss	\$620,324	\$450,806	\$1,071,130	\$3,852,899	\$12,078,613
<b>Ending Value<sup>(1),(2)</sup></b>	<b>\$20,950,863</b>	<b>\$13,831,468</b>	<b>\$34,782,331</b>	<b>\$34,782,331</b>	<b>\$34,782,331</b>

## Performance

Time Weighted/Net of Fees	3.13%	12.08%	5.44%
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## Asset Allocation

	Market Value	Portfolio %	Target %
US Large Cap Equities	\$9,377,724	26.96%	25.00%
US Small Cap Equities	\$1,816,761	5.22%	5.00%
International Equities	\$6,833,607	19.65%	23.00%
REITs	\$1,825,789	5.25%	4.00%
Commodities	\$843,503	2.43%	3.00%
High Yield Bonds	\$75,396	0.22%	0.00%
Fixed Income	\$13,716,083	39.43%	39.00%
Cash & Equivalents	\$293,469	0.84%	1.00%
	<b>\$34,782,331</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Values include Accrued Income.

(2) Values do not include Non-Discretionary or Non-Reportable Assets.

	Market Value <sup>(1),(2),(4)</sup> As Of 6/30/2019	Portfolio <sup>(5)</sup> Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Since <sup>(3),(4)</sup> Inception	Inception Date
<b>Broad Equity Market Index</b>										
MSCI ACW Index NR			3.61	16.23	5.74	11.62	6.16	10.15		
<b>US Large Cap Equities</b>	\$9,377,724	27%	4.22	18.38	10.37	14.42	10.69	14.01	9.19	6/26/2008
S&P 500 Index			4.30	18.54	10.42	14.19	10.71	14.70		
Russell 1000 Index			4.25	18.84	10.02	14.15	10.45	14.77		
<b>US Small Cap Equities</b>	\$1,816,761	5%	1.77	15.41	-3.85	11.24	6.31	13.25	7.84	6/26/2008
Russell 2000 Index			2.10	16.98	-3.31	12.30	7.06	13.45		
<b>International Equities</b>	\$6,833,607	20%	3.25	14.99	2.19	10.44	2.88	6.68	2.36	6/26/2008
MSCI ACW Index Ex-US			2.98	13.60	1.29	9.39	2.16	6.54		
MSCI EAFE Index			3.68	14.03	1.08	9.11	2.25	6.90		
MSCI Emerging Markets Index			0.61	10.58	1.21	10.66	2.49	5.81		
<b>REITs</b>	\$1,825,789	5%	2.25	17.92	10.66	7.28	6.27	12.17	5.93	6/26/2008
FTSE EPRA/NAREIT Developed Index			-0.07	14.51	7.68	4.46	4.85	10.57		
<b>Commodities</b>	\$843,503	2%	-0.58	8.73	-6.54	-1.63	-9.45		-6.83	7/11/2013
Bloomberg Commodity Index			-1.19	5.06	-6.75	-2.18	-9.15	-3.74		
<b>High Yield Bonds</b>	\$75,396	0%	6.57	8.53	7.71	3.86	3.32		5.15	7/12/2011
BofAML HY Master II Index			2.57	10.16	7.58	7.54	4.70	9.22		
<b>Fixed Income</b>	\$13,716,083	39%	3.47	6.87	8.58	3.04	3.42	4.38	4.43	6/26/2008
Barclays Cap Aggregate Bond Index			3.08	6.11	7.87	2.31	2.95	3.90		
<b>Cash &amp; Equivalents</b>	\$293,469	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.63	1.24	2.31	1.38	0.87	0.49		
<b>Total Portfolio</b>	<b>\$34,782,331</b>	<b>100%</b>	<b>3.13</b>	<b>12.08</b>	<b>6.98</b>	<b>7.98</b>	<b>4.97</b>	<b>7.83</b>	<b>5.46</b>	<b>6/26/2008</b>
Blended Benchmark <sup>(6)</sup>			3.22	11.87	6.64	7.29	4.53	7.46		
Inflation + 3%			3.81	3.90	4.84	5.14	4.50	4.82		

(1) Values include Accrued Income.

(2) Values do not include Non-Discretionary, Non-Reportable or Managed Alternative Assets.

(3) Returns are Annualized for periods over 1 year.

(4) Certain Sectors may not have been held for the entire reporting period of the Portfolio.

(5) Portfolio Weights reflect current holdings as of period end. Portfolio may have had varying sectors weightings over historical periods.

(6) Blended Benchmark Index is based on 53% MSCI ACW1 + 4% NAREIT Dev Index + 3% Bloomberg Commodity Index + 40% Barclay AggBond

# USA Swimming, Inc. - Equities

## Performance by Sector: As of June 30, 2019



	Market Value <sup>(1),(2),(4)</sup>	Portfolio <sup>(5)</sup>							Since <sup>(3),(4)</sup>	Inception
	As Of 6/30/2019	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
<b>US Large Cap Equities</b>	\$9,377,724	45%	4.22	18.38	10.37	14.42	10.69	14.03	9.36	6/26/2008
S&P 500 Index			4.30	18.54	10.42	14.19	10.71	14.70		
<b>US Small Cap Equities</b>	\$1,816,761	9%	1.77	15.41	-3.85	11.24	6.31	13.32	8.16	6/26/2008
Russell 2000 Index			2.10	16.98	-3.31	12.30	7.06	13.45		
<b>International Equities</b>	\$6,833,607	33%	3.25	14.99	2.19	10.44	2.88	6.66	2.67	6/26/2008
MSCI EAFE Index			3.68	14.03	1.08	9.11	2.25	6.90		
MSCI Emerging Markets Index			0.61	10.58	1.21	10.66	2.49	5.81		
<b>REITs</b>	\$1,825,789	9%	2.25	17.92	10.66	7.28	6.27	11.78	5.75	6/26/2008
Wilshire U.S. REIT Index			1.63	17.92	10.53	4.11	7.84	15.66		
FTSE EPRA/NAREIT Developed Index			-0.07	14.51	7.68	4.46	4.85	10.57		
<b>Commodities</b>	\$843,503	4%	-0.58	8.73	-6.54	-1.63	-9.45		-6.83	7/11/2013
Bloomberg Commodity Index			-1.19	5.06	-6.75	-2.18	-9.15	-3.74		
<b>Cash &amp; Equivalents</b>	\$253,479	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.63	1.24	2.31	1.38	0.87	0.49		
<b>Total Portfolio</b>	<b>\$20,950,863</b>	<b>100%</b>	<b>2.99</b>	<b>15.78</b>	<b>4.40</b>	<b>10.91</b>	<b>5.77</b>	<b>10.08</b>	<b>6.18</b>	<b>6/26/2008</b>

(1) Values include Accrued Income.

(2) Values do not include Non-Discretionary, Non-Reportable or Managed Alternative Assets.

(3) Returns are Annualized for periods over 1 year.

(4) Certain Sectors may not have been held for the entire reporting period of the Portfolio.

(5) Portfolio Weights reflect current holdings as of period end. Portfolio may have had varying sectors weightings over historical periods.

First Western Trust Bank  
**PORTFOLIO APPRAISAL**  
**USA Swimming, Inc. - Equities**  
**612422055 (Formerly Fidelity 673218332)**  
June 30, 2019

Quantity	Security	Security Symbol	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Yield
<b>US Large Cap Equities</b>								
34,842	VANGUARD INDEX FDS S&P 500 ETF SHS NEW	VOO	199.57	6,953,400.74	269.15	9,377,724.30	44.8	1.16
<b>US Small Cap Equities</b>								
26,856.517	DFA US SMALL CAP PORT INSTL	DFSTX	34.18	917,955.25	33.92	910,973.06	4.3	1.00
5,825	ISHARES RUSSELL 2000 ETF	IWM	144.53	841,899.94	155.50	905,787.50	4.3	1.08
				1,759,855.19		1,816,760.56	8.7	1.04
<b>International Equities</b>								
176,332.016	LAZARD INTL STRATEGIC EQUITY PORT INST CL	LISIX	13.22	2,331,052.07	14.88	2,623,820.40	12.5	0.60
36,942.919	OPPENHEIMER DEVELOPING MKTS FD CL I	ODVIX	34.17	1,262,320.71	43.46	1,605,539.26	7.7	0.68
62,437	VANGUARD FTSE DEVELOPED MARKETS ETF	VEA	36.47	2,276,794.80	41.71	2,604,247.27	12.4	2.80
				5,870,167.58		6,833,606.93	32.6	1.46
<b>REITs</b>								
56,543.473	VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	VGISX	29.09	1,645,017.61	32.29	1,825,788.74	8.7	2.89
<b>Commodities</b>								
142,724.759	PIMCO COMMODITY REALRETURN STRATEGY FUND INST #45	PCRIX	6.55	935,144.77	5.91	843,503.33	4.0	5.26
<b>Cash &amp; Equivalents</b>								
	DIVIDENDS DECLARED	DIVACC		48,287.53		48,287.53	0.2	0.00
	FIDELITY IMM GOV CLASS I FUND #57	FIGXX		83,091.42		83,091.42	0.4	2.23

First Western Trust Bank  
**PORTFOLIO APPRAISAL**  
**USA Swimming, Inc. - Equities**  
**612422055 (Formerly Fidelity 673218332)**  
*June 30, 2019*

Quantity	Security	Security Symbol	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Yield
	FIRST WESTERN ICS MONEY MARKET	FWICS		122,100.14		122,100.14	0.6	2.22
				253,479.09		253,479.09	1.2	1.80
<b>TOTAL PORTFOLIO</b>				<b>17,417,064.99</b>		<b>20,950,862.94</b>	<b>100.0</b>	<b>1.57</b>

# USA Swimming, Inc. - Fixed Income

## Performance by Sector: As of June 30, 2019



	Market Value <sup>(1),(2),(4)</sup>	Portfolio <sup>(5)</sup>							Since <sup>(3),(4)</sup>	Inception
	As Of 6/30/2019	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
High Yield Bonds	\$75,396	1%	6.57	8.53	7.71	1.79	4.23		4.97	1/02/2013
BofAML HY Master II Index			2.57	10.16	7.58	7.54	4.70	9.22		
Fixed Income	\$13,716,083	99%	3.47	6.87	8.58	3.23	3.53	7.47	7.48	7/31/2008
Barclays Cap Aggregate Bond Index			3.08	6.11	7.87	2.31	2.95	3.90		
Barclays Municipal 1-10 Yr. Blend Index			1.64	3.88	5.49	2.06	2.55	3.37		
Barclays Municipal 1-15 Yr. Blend Index			1.84	4.40	6.13	2.29	3.03	3.92		
Cash & Equivalents	\$39,989	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.63	1.24	2.31	1.38	0.87	0.49		
<b>Total Portfolio</b>	<b>\$13,831,468</b>	<b>100%</b>	<b>3.37</b>	<b>6.65</b>	<b>8.08</b>	<b>2.78</b>	<b>3.06</b>	<b>6.39</b>	<b>6.43</b>	<b>6/26/2008</b>

(1) Values include Accrued Income.

(2) Values do not include Non-Discretionary, Non-Reportable or Managed Alternative Assets.

(3) Returns are Annualized for periods over 1 year.

(4) Certain Sectors may not have been held for the entire reporting period of the Portfolio.

(5) Portfolio Weights reflect current holdings as of period end. Portfolio may have had varying sectors weightings over historical periods.

# USA Swimming Foundation, Inc.

## Portfolio Overview: As of June 30, 2019



### Activity Summary

	USA Swimming Foundation, Inc. - Equities	USA Swimming Foundation, Inc. - Fixed Income	Consolidated Accounts		
	Quarter to Date	Quarter to Date	Quarter to Date	Year to Date	Since Inception 11/30/2011
<b>Beginning Value<sup>(1),(2)</sup></b>	<b>\$9,887,503</b>	<b>\$6,712,751</b>	<b>\$16,600,254</b>	<b>\$15,407,195</b>	<b>\$586,463</b>
Net Contributions/Withdrawals <sup>(3)</sup>	\$162,500	-\$129,873	\$32,627	-\$77,395	\$11,944,472
Gain/Loss	\$311,992	\$221,151	\$533,143	\$1,836,225	\$4,635,090
<b>Ending Value<sup>(1),(2)</sup></b>	<b>\$10,361,995</b>	<b>\$6,804,030</b>	<b>\$17,166,025</b>	<b>\$17,166,025</b>	<b>\$17,166,025</b>

### Performance

Time Weighted/Net of Fees	3.21%	11.94%	7.05%
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### Asset Allocation

	Market Value	Portfolio %	Target %
US Large Cap Equities	\$4,582,548	26.70%	25.00%
US Small Cap Equities	\$898,092	5.23%	5.00%
International Equities	\$3,290,964	19.17%	23.00%
REITs	\$912,410	5.32%	4.00%
Commodities	\$407,713	2.38%	3.00%
High Yield Bonds	\$33,247	0.19%	0.00%
Fixed Income	\$6,736,235	39.24%	39.00%
Cash & Equivalents	\$304,816	1.78%	1.00%
	<b>\$17,166,025</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Values include Accrued Income.

(2) Values do not include Non-Discretionary or Non-Reportable Assets.

# USA Swimming Foundation, Inc.

## Performance by Sector: As of June 30, 2019



	Market Value <sup>(1),(2),(4)</sup> As Of 6/30/2019	Portfolio <sup>(5)</sup> Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Since <sup>(3),(4)</sup> Inception	Inception Date
<b>Broad Equity Market Index</b>										
MSCI ACW Index NR			3.61	16.23	5.74	11.62	6.16	10.15		
<b>US Large Cap Equities</b>	\$4,582,548	27%	4.22	18.37	10.21	14.05	10.46		13.76	11/30/2011
S&P 500 Index			4.30	18.54	10.42	14.19	10.71	14.70		
Russell 1000 Index			4.25	18.84	10.02	14.15	10.45	14.77		
<b>US Small Cap Equities</b>	\$898,092	5%	1.82	15.45	-3.22	11.29	6.31		11.81	11/30/2011
Russell 2000 Index			2.10	16.98	-3.31	12.30	7.06	13.45		
<b>International Equities</b>	\$3,290,964	19%	3.24	14.99	2.26	10.51	2.93		6.63	11/30/2011
MSCI ACW Index Ex-US			2.98	13.60	1.29	9.39	2.16	6.54		
MSCI EAFE Index			3.68	14.03	1.08	9.11	2.25	6.90		
MSCI Emerging Markets Index			0.61	10.58	1.21	10.66	2.49	5.81		
<b>REITs</b>	\$912,410	5%	2.32	18.01	10.67	7.28	6.28		9.73	11/30/2011
FTSE EPRA/NAREIT Developed Index			-0.07	14.51	7.68	4.46	4.85	10.57		
<b>Commodities</b>	\$407,713	2%	-0.53	8.77	-6.39	-1.49	-9.34		-6.73	7/11/2013
Bloomberg Commodity Index			-1.19	5.06	-6.75	-2.18	-9.15	-3.74		
<b>High Yield Bonds</b>	\$33,247	0%	6.25	8.20	7.31	3.76	3.32		5.59	11/30/2011
BofAML HY Master II Index			2.57	10.16	7.58	7.54	4.70	9.22		
<b>Fixed Income</b>	\$6,736,235	39%	3.41	6.73	8.42	3.12	3.46		3.57	12/06/2011
Barclays Cap Aggregate Bond Index			3.08	6.11	7.87	2.31	2.95	3.90		
<b>Cash &amp; Equivalents</b>	\$304,816	2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.63	1.24	2.31	1.38	0.87	0.49		
<b>Total Portfolio</b>	<b>\$17,166,025</b>	<b>100%</b>	<b>3.21</b>	<b>11.94</b>	<b>6.03</b>	<b>7.88</b>	<b>4.93</b>		<b>7.05</b>	<b>11/30/2011</b>
Blended Benchmark <sup>(6)</sup>			3.22	11.87	6.64	7.29	4.53			
Inflation + 3%			3.81	3.90	4.84	5.14	4.50	4.82		

(1) Values include Accrued Income.

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(3) Returns are Annualized for periods over 1 year.

(4) Certain Sectors may not have been held for the entire reporting period of the Portfolio.

(5) Portfolio Weights reflect current holdings as of period end. Portfolio may have had varying sectors weightings over historical periods.

(6) Blended Benchmark Index is based on 53% MSCI ACW1 + 4% NAREIT Dev Index + 3% Bloomberg Commodity Index + 40% Barclay AggBond

# USA Swimming Foundation, Inc. - Equities

## Performance by Sector: As of June 30, 2019



	Market Value <sup>(1),(2),(4)</sup>	Portfolio <sup>(5)</sup>							Since <sup>(3),(4)</sup>	Inception
	As Of 6/30/2019	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
<b>US Large Cap Equities</b>	\$4,582,548	44%	4.22	18.37	10.21	14.05	10.46		13.77	11/30/2011
S&P 500 Index			4.30	18.54	10.42	14.19	10.71	14.70		
<b>US Small Cap Equities</b>	\$898,092	9%	1.82	15.45	-3.22	11.29	6.31		11.81	11/30/2011
Russell 2000 Index			2.10	16.98	-3.31	12.30	7.06	13.45		
<b>International Equities</b>	\$3,290,964	32%	3.24	14.99	2.26	10.51	2.92		6.63	11/30/2011
MSCI EAFE Index			3.68	14.03	1.08	9.11	2.25	6.90		
MSCI Emerging Markets Index			0.61	10.58	1.21	10.66	2.49	5.81		
<b>REITs</b>	\$912,410	9%	2.32	18.01	10.67	7.28	6.28		9.74	11/30/2011
Wilshire U.S. REIT Index			1.63	17.92	10.53	4.11	7.84	15.66		
FTSE EPRA/NAREIT Developed Index			-0.07	14.51	7.68	4.46	4.85	10.57		
<b>Commodities</b>	\$407,713	4%	-0.53	8.77	-6.39	-1.49	-9.34		-6.73	7/11/2013
Bloomberg Commodity Index			-1.19	5.06	-6.75	-2.18	-9.15	-3.74		
<b>Cash &amp; Equivalents</b>	\$270,268	3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.63	1.24	2.31	1.38	0.87	0.49		
<b>Total Portfolio</b>	<b>\$10,361,995</b>	<b>100%</b>	<b>3.13</b>	<b>15.90</b>	<b>5.00</b>	<b>11.52</b>	<b>6.14</b>		<b>9.63</b>	<b>11/30/2011</b>

(1) Values include Accrued Income.

(2) Values do not include Non-Discretionary, Non-Reportable or Managed Alternative Assets.

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(4) Certain Sectors may not have been held for the entire reporting period of the Portfolio.

(5) Portfolio Weights reflect current holdings as of period end. Portfolio may have had varying sectors weightings over historical periods.

First Western Trust Bank  
**PORTFOLIO APPRAISAL**  
**USA Swimming Foundation, Inc. - Equities**  
**612422022**  
**Moderate**  
June 30, 2019

Quantity	Security	Security Symbol	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Yield
<b>US Large Cap Equities</b>								
17,026	VANGUARD INDEX FDS S&P 500 ETF SHS NEW	VOO	209.01	3,558,654.65	269.15	4,582,547.90	44.2	1.16
<b>US Small Cap Equities</b>								
13,223.525	DFA US SMALL CAP PORT INSTL	DFSTX	34.43	455,265.49	33.92	448,541.97	4.3	1.00
2,891	ISHARES RUSSELL 2000 ETF	IWM	146.35	423,089.18	155.50	449,550.50	4.3	1.08
				878,354.67		898,092.47	8.7	1.04
<b>International Equities</b>								
84,931.272	LAZARD INTL STRATEGIC EQUITY PORT INST CL	LISIX	13.36	1,134,497.45	14.88	1,263,777.33	12.2	0.60
17,617.759	OPPENHEIMER DEVELOPING MKTS FD CL I	ODVIX	37.67	663,692.70	43.46	765,667.81	7.4	0.68
30,245	VANGUARD FTSE DEVELOPED MARKETS ETF	VEA	38.87	1,175,576.79	41.71	1,261,518.95	12.2	2.80
				2,973,766.94		3,290,964.08	31.8	1.46
<b>REITs</b>								
28,256.727	VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	VGISX	29.41	831,072.93	32.29	912,409.71	8.8	2.89
<b>Commodities</b>								
68,986.956	PIMCO COMMODITY REALRETURN STRATEGY FUND INST #45	PCRIX	6.78	467,723.04	5.91	407,712.91	3.9	5.26
<b>Cash &amp; Equivalents</b>								
	DIVIDENDS DECLARED	DIVACC		23,212.44		23,212.44	0.2	0.00

First Western Trust Bank  
**PORTFOLIO APPRAISAL**  
**USA Swimming Foundation, Inc. - Equities**  
**612422022**  
**Moderate**  
June 30, 2019

Quantity	Security	Security Symbol	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Yield
	FIRST WESTERN ICS MONEY MARKET	FWICS		247,055.31		247,055.31	2.4	2.22
				270,267.75		270,267.75	2.6	2.03
<b>TOTAL PORTFOLIO</b>				<b>8,979,839.98</b>		<b>10,361,994.83</b>	<b>100.0</b>	<b>1.58</b>

# USA Swimming Foundation, Inc. - Fixed Income

## Performance by Sector: As of June 30, 2019



	Market Value <sup>(1),(2),(4)</sup>	Portfolio <sup>(5)</sup>							Since <sup>(3),(4)</sup>	Inception
	As Of 6/30/2019	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
High Yield Bonds	\$33,247	0%	6.25	8.20	7.31	1.63	4.05		4.87	1/02/2013
BofAML HY Master II Index			2.57	10.16	7.58	7.54	4.70	9.22		
Fixed Income	\$6,736,235	99%	3.41	6.73	8.42	3.19	3.51		3.60	12/06/2011
Barclays Cap Aggregate Bond Index			3.08	6.11	7.87	2.31	2.95	3.90		
Barclays Municipal 1-10 Yr. Blend Index			1.64	3.88	5.49	2.06	2.55	3.37		
Barclays Municipal 1-15 Yr. Blend Index			1.84	4.40	6.13	2.29	3.03	3.92		
Cash & Equivalents	\$34,549	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.63	1.24	2.31	1.38	0.87	0.49		
<b>Total Portfolio</b>	<b>\$6,804,030</b>	<b>100%</b>	<b>3.30</b>	<b>6.52</b>	<b>7.96</b>	<b>2.74</b>	<b>3.04</b>		<b>3.13</b>	<b>12/06/2011</b>

(1) Values include Accrued Income.

(2) Values do not include Non-Discretionary, Non-Reportable or Managed Alternative Assets.

(3) Returns are Annualized for periods over 1 year.

(4) Certain Sectors may not have been held for the entire reporting period of the Portfolio.

(5) Portfolio Weights reflect current holdings as of period end. Portfolio may have had varying sectors weightings over historical periods.



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USA Swimming  
USA Swimming Athletes Foundation

**Anthony T. Corallo, CTP**  
Executive Director  
Senior Client Strategist  
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## *Characteristics & Performance*



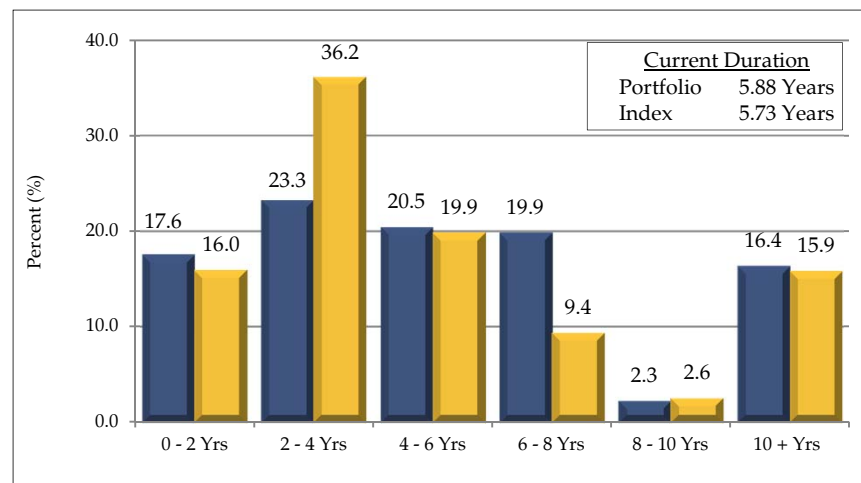
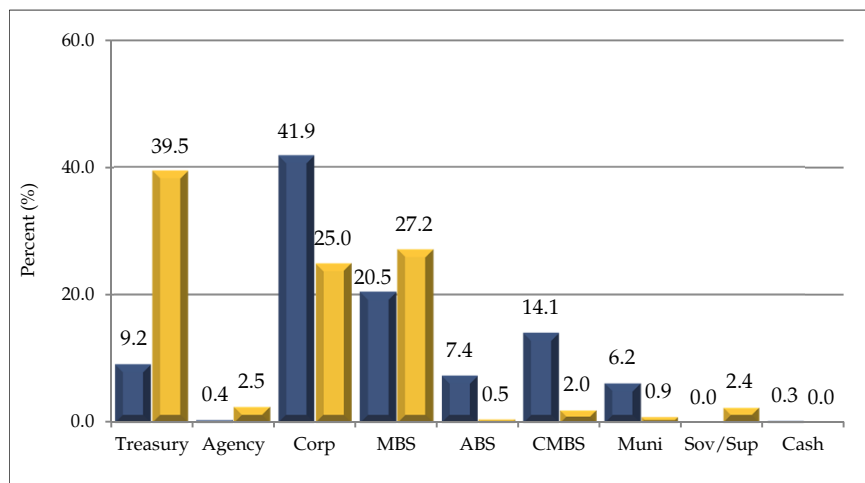
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# USA Swimming – Fixed Income Characteristics

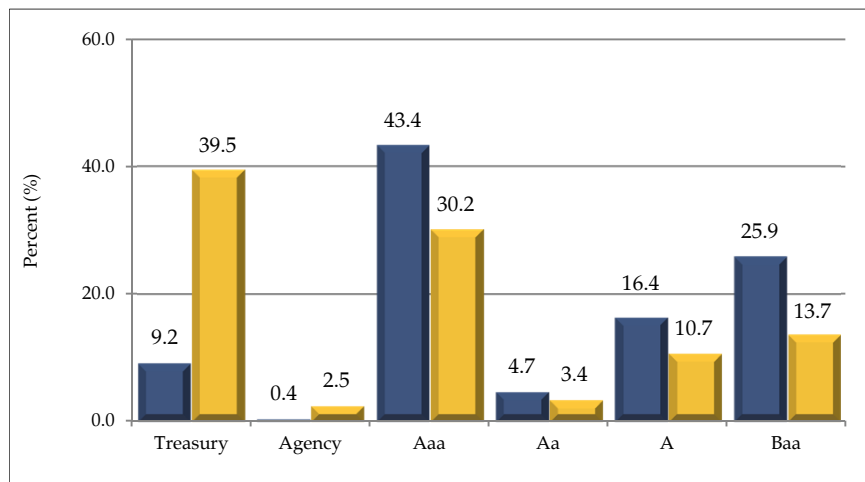
## Sector

As of 6/30/19

## Duration Distribution



## Ratings



## Characteristics

Duration	5.88 Years
Maturity	8.40 Years
Yield-to-Maturity	2.92%
Benchmark Yield-to-Maturity	2.50%
Credit Rating	Aa3

USA Swimming
Bloomberg Barclays U.S. Aggregate Bond Index



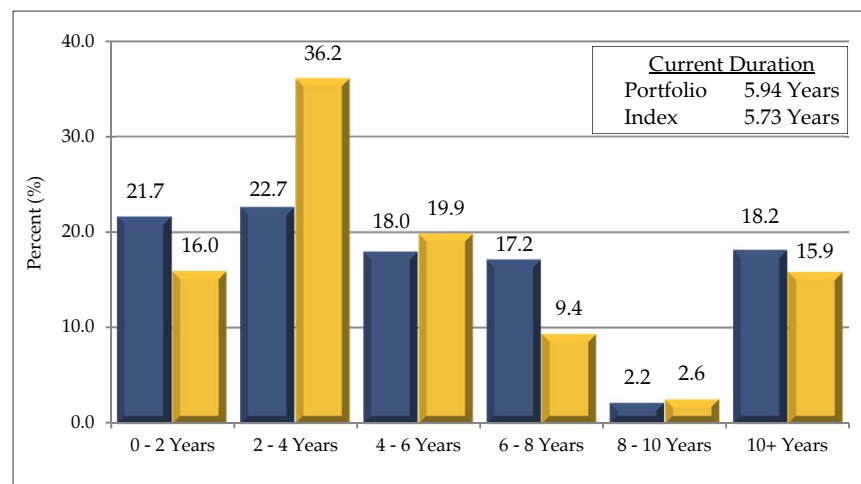
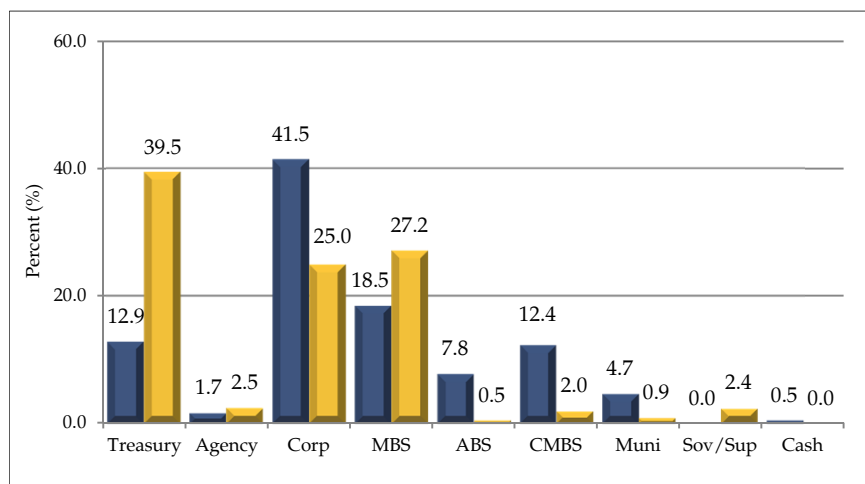
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# USA Swimming Foundation – Fixed Income Characteristics

## Sector

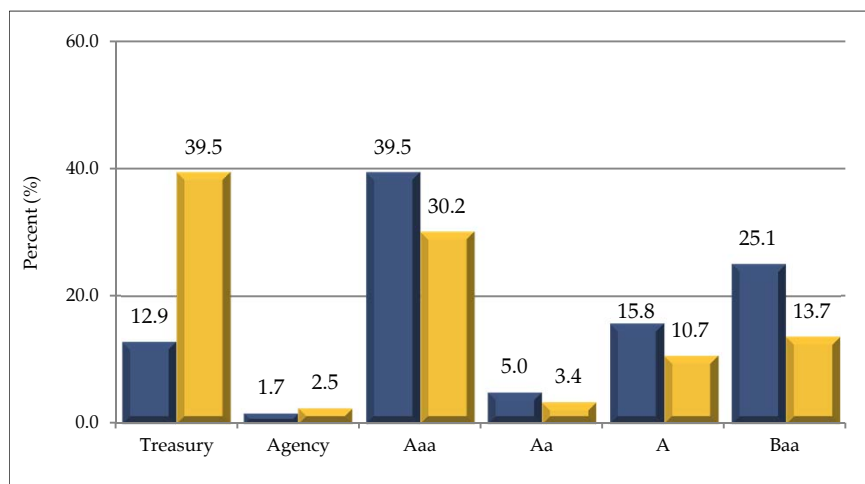
As of 6/30/19

## Duration Distribution



## Ratings

## Characteristics

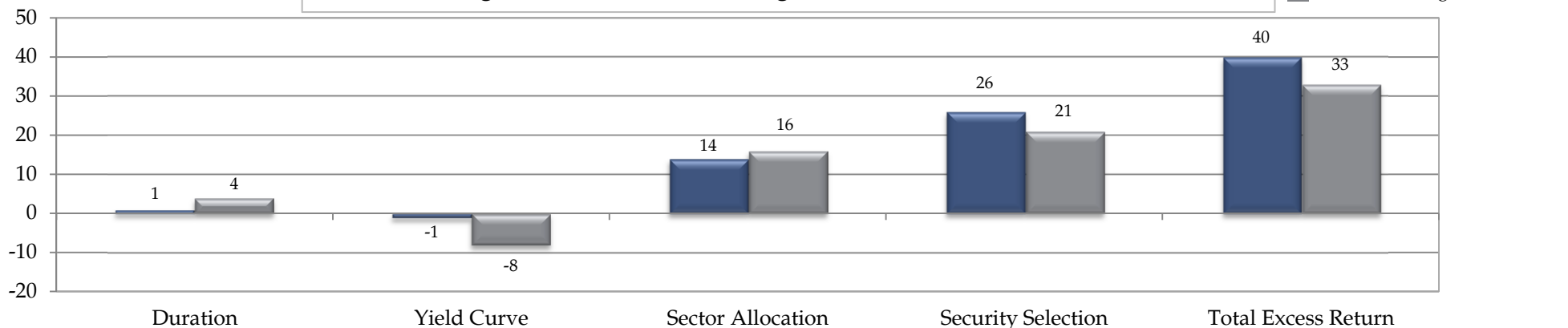


Duration	5.94 Years
Maturity	8.40 Years
Yield-to-Maturity	2.90%
Benchmark Yield-to-Maturity	2.50%
Credit Rating	Aa3

USA Swimming Foundation
Bloomberg Barclays U.S. Aggregate Bond Index



**Quarter Ended 6/30/19**  
**USA Swimming: 3.48%**    **USA Swimming Foundation: 3.41%**    **Benchmark: 3.08%**



## Active Decision

### Duration

- Duration managed approximately neutral

## Comments

- Interest rates moved lower as the FOMC continued a dovish tone in the second quarter. Additionally, trade tensions continued with China.

## Effect

- Positive

### Yield Curve

- Underweight 2-4 year, overweight the 6-8 year segment

- The yield curve steepened with 2 year rates down 52 basis points and 10 year down approximately 40 basis points in yield.

- Negative

### Sector Allocation

- Remained overweight corporate bonds; tactically reduced in May, then increased in June
- Underweight MBS bonds

- Credit outperformed for the quarter, but produced negative excess returns in May.
- Sector underperformed.

- Positive
- Positive

### Security Selection & Timing

- Allocation to lower rated credit
- Allocation to longer CMBS

- Outperformed due to demand, fundamentals and lower rates.
- Relative outperformance.

- Positive
- Positive



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## Portfolio Activity

- The FOMC continued a dovish tone in the second quarter. Additionally, trade tensions remained with China. Interest rates moved lower and the curve steepened.
- The portfolio remained overweight corporate bonds but we tactically reduced exposures in May as credit had performed well, we then increased the allocation in June. Credit outperformed for the quarter, but produced negative excess returns in May.
- The trading in corporates during the quarter included names such as AT&T, Comcast, JP Morgan, KeyCorp, Protective Life, Enable Midstream and Shell.
- The duration was managed approximately neutral in the portfolio.

## *Strategy & Outlook*



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## Investment Outlook and Strategic Positioning

### INVESTMENT OUTLOOK

- We expect full-year 2019 GDP growth to come in around 2 percent. While the U.S. consumer is in good shape and the domestic service economy remains strong, trade uncertainty has continued to weigh on manufacturing, exerting downward pressure on domestic and global growth.
- Consumer confidence has thus far remained resilient and we will be watching business confidence closely as business investment drives productivity gains, which are important for a prolonged expansion.
- We expect the Federal Reserve will make a preemptive 25 basis point rate cut this year, potentially in July, as trade concerns, disappointing global growth, and benign inflation data weigh on the FOMC's outlook. However, we do not expect the economy to roll over into a recession and expect the Fed to wait for confirmation of a more meaningful slowdown in U.S. growth before cutting rates more than once.

### STRATEGIC POSITIONING OF OUR PORTFOLIOS

- Durations will be managed neutral to slightly long benchmark durations.
- Underweight Treasury securities in favor of corporate bonds and securitized products.

# **USA Swimming Foundation**

## **2019 Q2 Financial Report**

Submitted by: Eric Skufca, CFO 8/15/2019

### **2019 Q2 HIGHLIGHTS**

- \$1,815,139 fundraising:
  - \$1,604,692 major gifts/grants including \$1,000,000 for the charitable, restricted portion of the new Phillips 66 sponsorship (\$200,000 per year for the five-year term), \$200,000 in new trustee agreements, \$159,692 in the fundraising portion of the Goldfish partnership, and \$150,000 athlete partnerships).
  - \$210,447 annual campaign including \$106,451 Champions Club, both down from Q2 2018.
- \$816,250 sponsor support including \$650,000 from the new Phillips 66 contract and \$125,000 apparel sponsors, up from Q2 2018.
- \$157,656 Swim-a-thon receipts, down from Q2 2018.
- \$17,171,190 investments increased \$1,759,671 for the year due to endowment contributions, distributions, and a +11.94% investment gain year to date.
- \$360,000 National Team grants including \$210,000 from endowments, \$100,000 from Phillips 66 and \$50,000 from donors.
- \$509,961 Make A Splash grants tracking ahead of Q2 2018.

### **EXECUTIVE SUMMARY**

Financial results from the first half of 2019 are encouraging in many areas, but there is continued work to be done as well. The operating surplus through Q2 of \$138,668 was well within our breakeven budget for the year, but yearend operating results are projected to miss the budget primarily due to:

- The budgeted Golden Goggles donation from USA Swimming (\$150,000) that will remain on USA Swimming's books in 2019.
- The budgeted sponsorship dollars from Marriott (\$50,000) and Comcast (\$50,000) that will remain on USA Swimming's books in 2019 as these contracts do not have executable Foundation components as originally budgeted.

\$1,815,139 of total fundraising included \$1,604,692 of major gifts/grants and \$210,447 annual campaign. The \$1,604,692 included \$1,350,000 of restricted major gifts that exceeded the \$750,000 budget for the full year and \$254,692 of unrestricted major gifts/grants that were applied to the \$400,000 budget. Trustee receipts are running ahead of the 2018 pace, but are currently behind the annual 2019 budget by \$50,000 based on current trustees. Sponsorship revenue is projected to miss the annual

\$960,000 budget by (\$72,500) as explained above primarily due to the pending USA Swimming deals with Marriott and Comcast not having executable Foundation components as originally budgeted.

Expenses are in line with the budget with grants for Make A Splash and USA Swimming exceeding 2018 to date. Investment returns were strong (+11.94%) through June 30 after net market losses in 2018. The year-to-date market gains have allowed strong growth of the endowments and net assets.

### **Revenue and Endowment Charts (Page 1)**

- \$1,604,692 major gifts / grants
  - \$1,350,000 restricted (charitable portion of the new Phillips 66 partnership, two new Trustee commitments, new athlete partnerships).
  - \$254,692 unrestricted.
- \$210,447 annual campaign including \$106,451 Champions Club.
- \$816,250 sponsor support including \$650,000 from Phillips 66.
- \$17,171,190 Endowments:
  - USA Swimming \$6,512,661
  - Athlete \$5,957,925
  - Dirks \$3,285,834
  - National Team Travel & Training (forfeited FINA) \$822,831
  - Other athlete \$591,939

### **Balance Sheet (Page 2)**

- \$1,619,730 – Cash and cash equivalents increased \$255,982 for the year.
- \$17,171,190 – Investments increased \$1,759,671 including investment gains of +11.94%.
- \$14,613,481 – Unrestricted net assets increased \$1,362,797 for the year.
- \$22,569,060 – Total net assets increased \$2,453,574 for the year.

### **Income Statements – Pages 3, 4 and 5**

#### **Surplus (Deficit):**

- \$138,668 operating surplus – better than Q2 2018 mainly due to Phillips 66 (timing issue) and the new fundraising portion of the Goldfish partnership.
- \$2,453,574 total net surplus – better than Q2 2018.

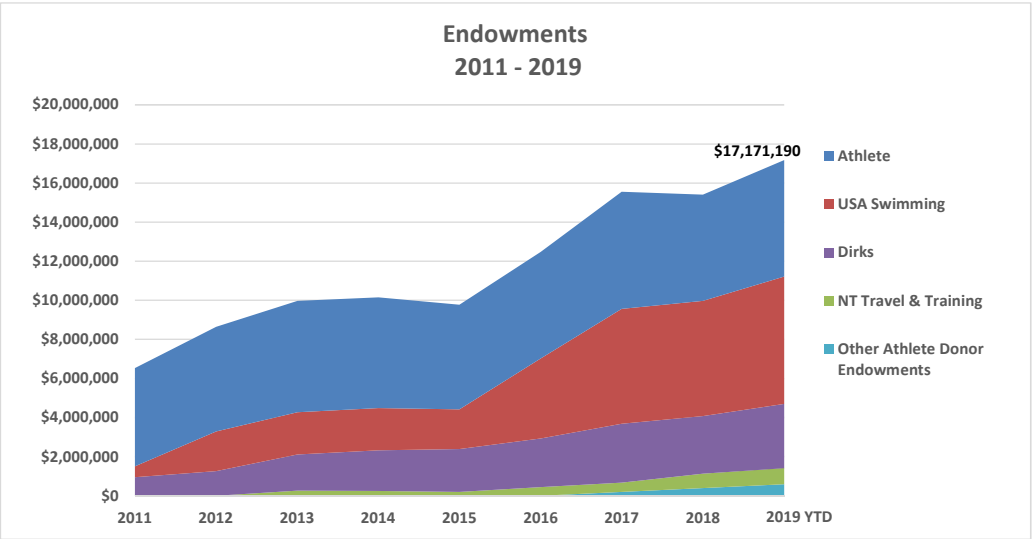
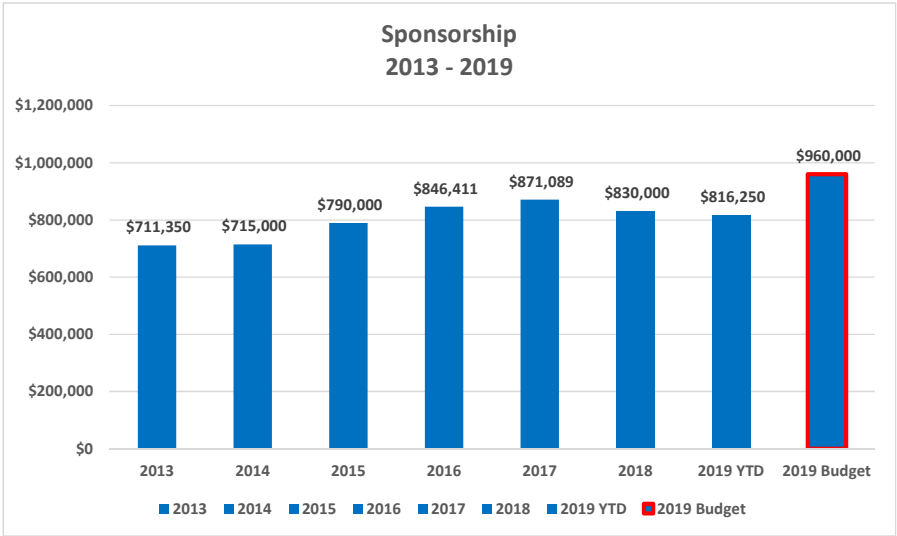
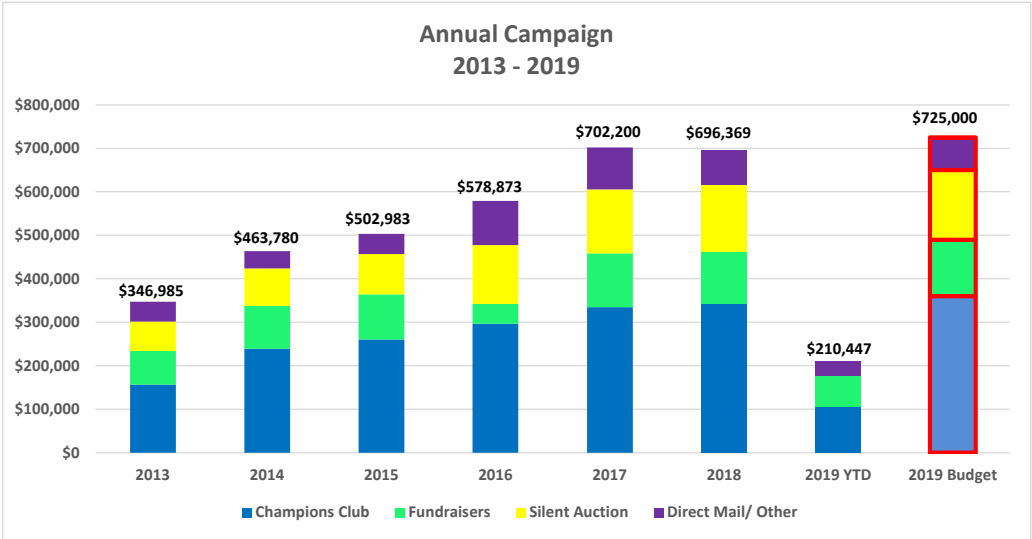
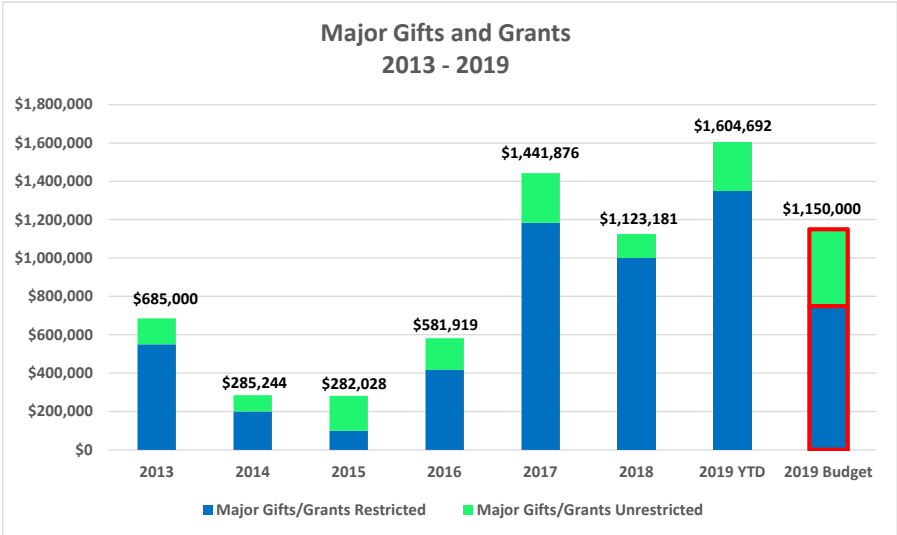
**Revenue:**

- \$210,447 annual campaign – behind Q2 2018.
- \$1,604,692 major gifts / grants – \$1,350,000 restricted and \$254,692 unrestricted.
- \$300,000 trustee receipts from previous years' and new pledges.
- \$210,000 endowment distributions.
- \$816,250 sponsorship – (detail on 'Financial Supplement' page 2).
- \$157,656 Swim-a-thon receipts – behind Q2 2018.
- \$43,449 unrestricted investment and other income – mainly interest on short-term security investments.

**Expenses (Page 6 additional detail):**

- \$704,645 supporting expenses – greater than Q2 2018 by (\$13,285).
- \$1,311,467 program expenses – greater than Q2 2018 by (\$144,358).
  - \$509,961 Make A Splash grants – greater than Q2 2018 by (\$88,346).
  - \$360,000 for National Team athlete support greater than Q2 2018 by (\$35,000).
  - \$60,000 Swim-a-Thon royalties provided grant to USA Swimming for Club development programs – same as Q2 2018.

USA Swimming Foundation  
 Revenue and Endowments  
 June 30, 2019



**USA Swimming Foundation, Inc.**  
**Balance Sheet**  
**As of June 30, 2019 and 2018**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>\$ Change</u>	<u>Audited 12/31/2018</u>	<u>\$ Change</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$1,619,730	\$1,483,456	\$136,274	\$1,363,748	\$255,982
Accounts receivable	10,000	13	9,987	127,001	(117,001)
Pledges receivable - current	476,999	89,720	387,280	771,066	(294,067)
Prepaid expenses and deferred charges	5,000	0	5,000	10,881	(5,881)
Total Current Assets	<u>2,111,730</u>	<u>1,573,190</u>	<u>538,540</u>	<u>2,272,697</u>	<u>(160,967)</u>
<b>FIXED ASSETS:</b>					
Equipment and Software	229,963	229,963	0	229,963	0
Accumulated depreciation & amortization	(222,197)	(200,183)	(22,014)	(217,020)	(5,177)
Total Fixed Assets	<u>7,766</u>	<u>29,780</u>	<u>(22,014)</u>	<u>12,943</u>	<u>(5,177)</u>
<b>LONG-TERM INVESTMENTS:</b>					
Long-term Investments	17,171,190	16,395,864	775,326	15,411,518	1,759,671
<b>OTHER ASSETS:</b>					
Pledges receivable - long-term	3,465,000	3,080,625	384,375	2,490,000	975,000
Swim-a-Thon	120,000	120,000	0	120,000	0
Total Other Assets	<u>3,585,000</u>	<u>3,200,625</u>	<u>384,375</u>	<u>2,610,000</u>	<u>975,000</u>
<b>TOTAL ASSETS</b>	<u><b>\$22,875,685</b></u>	<u><b>\$21,199,458</b></u>	<u><b>\$1,676,227</b></u>	<u><b>\$20,307,158</b></u>	<u><b>\$2,568,527</b></u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$73,151	\$30,582	\$42,568	\$31,196	\$41,955
Due from (to) USA Swimming	177,945	32,807	145,138	86,561	91,384
Accrued expenses and other liabilities	55,529	43,569	11,960	73,916	(18,387)
Total Current Liabilities	<u>306,625</u>	<u>106,958</u>	<u>199,667</u>	<u>191,673</u>	<u>114,953</u>
<b>NONCURRENT LIABILITIES:</b>					
Total Liabilities	<u>306,625</u>	<u>106,958</u>	<u>199,667</u>	<u>191,673</u>	<u>114,953</u>
<b>NET ASSETS:</b>					
Unrestricted:					
Undesignated Operating Funds	119,065	234,593	(115,528)	(19,603)	138,668
Board Designated Operating Reserves	1,201,000	1,201,000	0	1,201,000	0
Board Designated Endowments	13,293,416	12,688,782	604,635	12,069,287	1,224,129
Total Unrestricted	<u>14,613,481</u>	<u>14,124,374</u>	<u>489,107</u>	<u>13,250,684</u>	<u>1,362,797</u>
Temporarily Restricted	2,305,579	1,318,126	987,453	1,310,573	995,006
Permanently Restricted	5,650,000	5,650,000	0	5,554,229	95,771
Total Net Assets	<u>22,569,060</u>	<u>21,092,500</u>	<u>1,476,560</u>	<u>20,115,486</u>	<u>2,453,574</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><b>\$22,875,685</b></u>	<u><b>\$21,199,458</b></u>	<u><b>\$1,676,227</b></u>	<u><b>\$20,307,158</b></u>	<u><b>\$2,568,527</b></u>

**USA Swimming Foundation, Inc.**  
**Income Statement**  
**For the 6 Months Ended June 30, 2019**

	2019 Unrestricted	2019 Board Desig.	2019 Temp Restr	2019 Perm Restr	2019 YTD Total	2019 Annual Budget	2019 YTD Variance	2018 YTD Total	2018 YTD Variance
<b>Revenue:</b>									
Annual Campaign	\$210,447	\$0	\$0	\$0	\$210,447	\$725,000	(\$514,553)	\$220,903	(\$10,456)
Major Gifts/Grants	254,692	0	1,350,000	0	1,604,692	1,150,000	454,692	710,000	894,692
Major Gifts - Trustee Satisfied Restrictions	300,000	0	(300,000)	0	0	0	0	0	0
Major Gifts/Grants - Other Satisfied Restrictions	162,287	0	(162,287)	0	0	0	0	0	0
Endowment Distributions	210,000	(210,000)	0	0	0	0	0	0	0
Sponsorship	816,250	0	(200,000)	0	616,250	960,000	(343,750)	290,000	326,250
Swim-a-Thon	157,656	0	0	0	157,656	375,000	(217,344)	159,099	(1,443)
Golden Goggle Awards	0	0	0	0	0	150,000	(150,000)	0	0
USA Swimming Support - Cash	0	0	0	0	0	0	0	125,000	(125,000)
USA Swimming Support - Staff Allocation	0	0	0	0	0	311,000	(311,000)	0	0
Other Income	21,165	0	0	0	21,165	50,000	(28,835)	27,184	(6,020)
Investment Income (Loss)	22,284	1,434,129	307,293	95,771	1,859,477	700,000	1,159,477	17,815	1,841,662
<b>Total Revenue</b>	<b>2,154,780</b>	<b>1,224,129</b>	<b>995,006</b>	<b>95,771</b>	<b>4,469,686</b>	<b>4,421,000</b>	<b>48,686</b>	<b>1,550,001</b>	<b>2,919,685</b>
<b>Expenses:</b>									
<b>Supporting Expenses:</b>									
Annual Campaign	64,167	0	0	0	64,167	277,500	213,333	45,149	(19,018)
Major Gifts/Grants	53,052	0	0	0	53,052	100,400	47,348	41,502	(11,550)
Swim-a-Thon	46,765	0	0	0	46,765	77,000	30,235	65,816	19,051
Marketing	2,849	0	0	0	2,849	29,000	26,151	10,248	7,399
Operational and Administrative	537,812	0	0	0	537,812	1,627,000	1,089,188	528,644	(9,168)
<b>Total Supporting Expenses</b>	<b>704,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>704,645</b>	<b>2,110,900</b>	<b>1,406,255</b>	<b>691,360</b>	<b>(13,285)</b>
<b>Program Expenses:</b>									
Make a Splash - Grants	509,961	0	0	0	509,961	618,200	108,239	421,615	(88,346)
Make a Splash - Programs	331,962	0	0	0	331,962	565,500	233,538	328,588	(3,374)
<b>Total Make A Splash Expenses</b>	<b>841,923</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>841,923</b>	<b>1,183,700</b>	<b>341,777</b>	<b>750,203</b>	<b>(91,720)</b>
Building Champions - National Team Grants	360,000	0	0	0	360,000	735,700	375,700	325,000	(35,000)
Building Champions - Sport Dev. Grants	60,000	0	0	0	60,000	120,000	60,000	60,000	0
Building Champions - Other Programs	24,878	0	0	0	24,878	33,000	8,122	10,500	(14,378)
Building Champions - Alumni Programs	24,666	0	0	0	24,666	44,100	19,434	21,406	(3,260)
<b>Total Building Champions Expenses</b>	<b>469,544</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>469,544</b>	<b>932,800</b>	<b>463,256</b>	<b>416,906</b>	<b>(52,638)</b>
<b>Total Program Expenses</b>	<b>1,311,467</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,311,467</b>	<b>2,116,500</b>	<b>805,033</b>	<b>1,167,109</b>	<b>(144,358)</b>
<b>Total Expenses</b>	<b>2,016,112</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,016,112</b>	<b>4,227,400</b>	<b>2,211,288</b>	<b>1,858,469</b>	<b>(157,643)</b>
<b>Surplus (Deficit)</b>	<b>138,668</b>	<b>1,224,129</b>	<b>995,006</b>	<b>95,771</b>	<b>2,453,574</b>	<b>193,600</b>	<b>2,259,974</b>	<b>(308,468)</b>	<b>2,762,043</b>
<b>NET CHANGE IN TOTAL NET ASSETS</b>	<b>\$138,668</b>	<b>\$1,224,129</b>	<b>\$995,006</b>	<b>\$95,771</b>	<b>\$2,453,574</b>	<b>\$193,600</b>	<b>\$2,259,974</b>	<b>(\$308,468)</b>	<b>\$2,762,043</b>

**USA Swimming Foundation, Inc.**  
**Income Statement**  
**For the 6 months Ended June 30, 2019 and 2018**

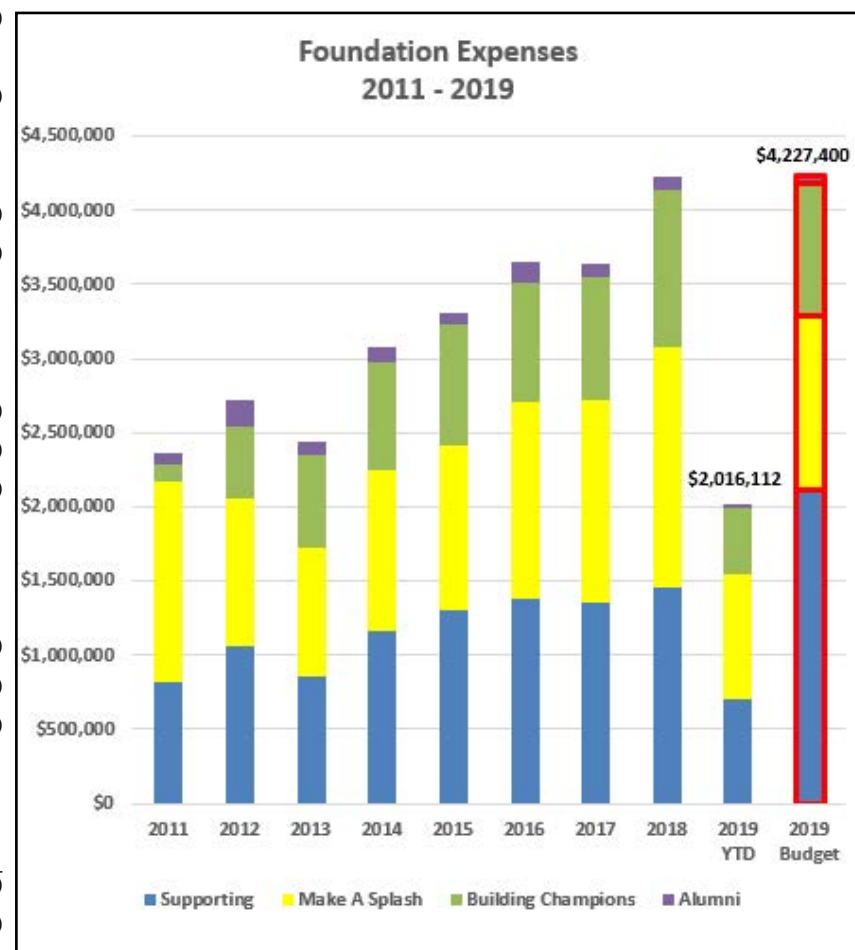
	<b>Year-To-Date 2019</b>	<b>Budget 2019</b>	<b>Budget Remaining</b>	<b>Year-To-Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>UNRESTRICTED:</b>					
<b>Revenue:</b>					
Annual Campaign	\$210,447	\$725,000	(\$514,553)	\$220,903	(\$10,456)
Major Gifts/Grants - Unrestricted	254,692	400,000	(145,308)	85,000	169,692
Major Gifts - Trustee Satisfied Restrictions	300,000	400,000	(100,000)	259,500	40,500
Major Gifts/Grants - Other Satisfied Restrictions	162,287	156,400	5,887	65,634	96,653
Endowment Distributions In	210,000	680,000	(470,000)	200,000	10,000
Sponsorship	816,250	960,000	(143,750)	640,000	176,250
Swim-a-Thon	157,656	375,000	(217,344)	159,099	(1,443)
Golden Goggle Awards	0	150,000	(150,000)	50,000	(50,000)
USA Swimming Support	0	0	0	125,000	(125,000)
USA Swimming Support - Staff Allocation	0	311,000	(311,000)	0	0
Other Income	21,165	50,000	(28,835)	27,184	(6,020)
Investment Income (Loss)	22,284	20,000	2,284	11,615	10,669
<b>Total Unrestricted Revenue</b>	<b>2,154,780</b>	<b>4,227,400</b>	<b>(2,072,620)</b>	<b>1,843,935</b>	<b>310,845</b>
<b>Expenses:</b>					
<b>Supporting Expenses:</b>					
Annual Campaign	64,167	277,500	213,333	45,149	(19,018)
Major Gifts/Grants	53,052	100,400	47,348	41,502	(11,550)
Swim-a-Thon	46,765	77,000	30,235	65,816	19,051
Marketing	2,849	29,000	26,151	10,248	7,399
Operational and Administrative	537,812	1,627,000	1,089,188	528,644	(9,168)
<b>Total Supporting Expenses</b>	<b>704,645</b>	<b>2,110,900</b>	<b>1,406,255</b>	<b>691,360</b>	<b>(13,285)</b>
<b>Program Expenses:</b>					
Make a Splash - Grants	509,961	618,200	108,239	421,615	(88,346)
Make a Splash - Programs	331,962	565,500	233,538	328,588	(3,374)
<b>Total Make a Splash Expenses</b>	<b>841,923</b>	<b>1,183,700</b>	<b>341,777</b>	<b>750,203</b>	<b>(91,720)</b>
Building Champions - National Team Grants	360,000	735,700	375,700	325,000	(35,000)
Building Champions - Sport Development Grants	60,000	120,000	60,000	60,000	0
Building Champions - Other Programs	24,878	33,000	8,122	10,500	(14,378)
Building Champions - Alumni Programs	24,666	44,100	19,434	21,406	(3,260)
<b>Total Building Champions Expenses</b>	<b>469,544</b>	<b>932,800</b>	<b>463,256</b>	<b>416,906</b>	<b>(52,638)</b>
<b>Total Program Expenses</b>	<b>1,311,467</b>	<b>2,116,500</b>	<b>805,033</b>	<b>1,167,109</b>	<b>(144,358)</b>
<b>Total Unrestricted Expenses</b>	<b>2,016,112</b>	<b>4,227,400</b>	<b>2,211,288</b>	<b>1,858,469</b>	<b>(157,643)</b>
<b>Operating Surplus (Deficit)</b>	<b>138,668</b>	<b>0</b>	<b>138,668</b>	<b>(14,535)</b>	<b>153,203</b>
Transfers to/from USA Swimming Endowment	0	0	0	(500,000)	500,000
Transfers to/from - Operating Reserve	0	0	0	(120,750)	120,750
<b>CHANGE IN UNDESIGNATED FUNDS</b>	<b>\$138,668</b>	<b>\$0</b>	<b>\$138,668</b>	<b>(\$635,285)</b>	<b>\$773,953</b>

**USA Swimming Foundation, Inc.**  
**Income Statement**  
**For the 6 months Ended June 30, 2019 and 2018**

	<u>Year-To-Date 2019</u>	<u>Budget 2019</u>	<u>Budget Remaining</u>	<u>Year-To-Date 2018</u>	<u>Favorable (Unfavorable)</u>
<b>BOARD DESIGNATED:</b>					
Endowment Distributions Out	(\$210,000)	(\$480,000)	\$270,000	(\$200,000)	(\$10,000)
Transfer to/from USA Swimming Endowment	0	0	0	500,000	(500,000)
Transfer to/from Operating Reserves	0	0	0	120,750	(120,750)
Investment Income	1,434,129	480,000	954,129	11,286	1,422,843
<b>Change in Board Designated Net Assets</b>	<b><u>\$1,224,129</u></b>	<b><u>\$0</u></b>	<b><u>\$1,224,129</u></b>	<b><u>\$432,036</u></b>	<b><u>\$792,093</u></b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b><u>\$1,362,797</u></b>	<b><u>\$0</u></b>	<b><u>\$1,362,797</u></b>	<b><u>(\$203,248)</u></b>	<b><u>\$1,566,046</u></b>
<b>TEMPORARILY RESTRICTED:</b>					
Major Gifts/Grants - Temporarily Restricted	\$1,350,000	\$750,000	\$600,000	\$625,000	\$725,000
Endowment Distributions Out - Satisfied Restrictions	0	(200,000)	200,000	0	0
Satisfied Restrictions	(662,287)	(556,400)	(105,887)	(725,134)	62,847
Investment Income	307,293	200,000	107,293	(5,086)	312,379
<b>Change in Temp. Restricted Net Assets</b>	<b><u>\$995,006</u></b>	<b><u>\$193,600</u></b>	<b><u>\$801,406</u></b>	<b><u>(\$105,220)</u></b>	<b><u>\$1,100,226</u></b>
<b>PERMANENTLY RESTRICTED:</b>					
Investment Income	95,771	0	95,771	0	95,771
<b>Change in Perm. Restricted Net Assets</b>	<b><u>\$95,771</u></b>	<b><u>\$0</u></b>	<b><u>\$95,771</u></b>	<b><u>\$0</u></b>	<b><u>\$95,771</u></b>
<b>NET CHANGE IN TOTAL NET ASSETS</b>	<b><u>\$2,453,574</u></b>	<b><u>\$193,600</u></b>	<b><u>\$2,259,974</u></b>	<b><u>(\$308,468)</u></b>	<b><u>\$2,762,043</u></b>

**USA Swimming Foundation, Inc.**  
Expense Detail  
For the Six Months Ended June 30, 2019

	<b>SUPPORTING EXPENSES</b>	<b>PROGRAM EXPENSES</b>	<b>2019 YTD EXPENSES</b>	<b>2018 YTD EXPENSES</b>	<b>Variance</b>
<b>EXPENSES:</b>					
Salaries and Benefits	\$484,944	\$0	\$484,944	\$429,040	(\$55,904)
Professional Services	21,762	236,344	258,106	211,626	(46,480)
Travel	47,526	63,811	111,337	112,959	1,622
Printing and Duplication	46,826	3,028	49,854	15,732	(34,122)
Recognition and Fulfillment	7,123	19,760	26,883	55,280	28,397
Freight and Postage	15,972	10,062	26,033	31,221	5,188
Awards and Gifts	21,808	653	22,461	14,167	(8,293)
Catering and Entertainment	6,500	10,369	16,870	15,719	(1,150)
Repairs and Equipment	767	12,316	13,083	18,347	5,265
Apparel	8,633	4,142	12,776	15,149	2,373
Dues Fees & Subscriptions	10,024	262	10,286	24,795	14,509
Video and Photography	6,588	3,400	9,988	6,368	(3,620)
Miscellaneous Expenses	7,227	1,500	8,727	4,547	(4,180)
Space/Equipment Rental	0	6,943	6,943	5,500	(1,444)
Credit Card/ Blackbaud Fees	6,820	0	6,820	9,228	2,408
Office Supplies and Expense	3,602	2,485	6,087	10,754	4,667
Depreciation and Amortization	5,177	0	5,177	28,497	23,320
Telephone and Internet Service	2,355	2,372	4,728	4,191	(536)
Graphics and Art Work	990	2,490	3,480	1,560	(1,920)
Advertising	0	1,568	1,568	1,360	(208)
Insurance	0	0	0	5,248	5,248
Rent and Overhead	0	0	0	30,000	30,000
Tickets	0	0	0	566	566
Subtotal	704,645	381,506	1,086,151	1,051,854	(34,297)
Grants - MAS	0	509,961	509,961	421,615	(88,346)
Grants - USA Swimming	0	420,000	420,000	385,000	(35,000)
<b>Total Grants</b>	<b>0</b>	<b>929,961</b>	<b>929,961</b>	<b>806,615</b>	<b>(123,346)</b>
<b>TOTAL EXPENSES</b>	<b>\$704,645</b>	<b>\$1,311,467</b>	<b>\$2,016,112</b>	<b>\$1,858,469</b>	<b>(\$157,643)</b>



**USA Swimming, Inc.**  
**Balance Sheet**  
**As of June 30, 2019 and 2018**

	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>\$ Change</b>	<b>Audited 12/31/2018</b>	<b>\$ Change</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$2,481,360	\$4,496,230	(\$2,014,870)	\$7,217,977	(\$4,736,616)
Accounts receivable	1,971,709	1,435,026	536,683	1,198,074	773,635
Prepaid expenses and deferred charges	1,205,219	201,657	1,003,562	1,402,452	(197,233)
Total Current Assets	5,658,288	6,132,913	(474,625)	9,818,503	(4,160,215)
<b>FIXED ASSETS:</b>					
Leasehold Improvements, IT Systems, FF&E, Other	16,376,779	12,812,601	3,564,178	13,609,972	2,766,806
Accumulated depreciation & amortization	(9,643,273)	(8,580,027)	(1,063,247)	(9,018,964)	(624,309)
Total Fixed Assets	6,733,505	4,232,574	2,500,931	4,591,008	2,142,497
<b>LONG-TERM INVESTMENTS:</b>					
Long-term Investments	34,658,314	36,278,523	(1,620,210)	32,023,658	2,634,655
<b>OTHER ASSETS:</b>					
Investment - Swim Trials, LLC	207,629	154,170	53,459	107,629	100,000
Prepaid rent	2,070,426	2,249,796	(179,370)	2,164,760	(94,334)
Total Other Assets	2,278,055	2,403,966	(125,911)	2,272,389	5,666
<b>TOTAL ASSETS</b>	<b>\$49,328,162</b>	<b>\$49,047,977</b>	<b>\$280,185</b>	<b>\$48,705,558</b>	<b>\$622,604</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$3,264,102	\$1,242,066	\$2,022,036	\$1,744,550	\$1,519,552
Accrued expenses and other liabilities	1,074,998	1,554,455	(479,457)	1,603,786	(528,787)
Deferred revenue	1,636,000	51,000	1,585,000	14,315,659	(12,679,659)
Total Current Liabilities	5,975,100	2,847,521	3,127,579	17,663,995	(11,688,894)
<b>NONCURRENT LIABILITIES:</b>					
Total Liabilities	5,975,100	2,847,521	3,127,579	17,663,995	(11,688,894)
<b>NET ASSETS:</b>					
Unrestricted:					
Undesignated Net Assets	24,346,430	26,474,260	(2,127,830)	12,034,931	12,311,498
Board Designated - USSIC	19,006,632	19,726,196	(719,564)	19,006,632	0
Total Unrestricted Net Assets	43,353,062	46,200,456	(2,847,394)	31,041,563	12,311,498
Total Net Assets	43,353,062	46,200,456	(2,847,394)	31,041,563	12,311,498
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$49,328,162</b>	<b>\$49,047,977</b>	<b>\$280,185</b>	<b>\$48,705,558</b>	<b>\$622,604</b>

**USA Swimming**  
**Income Statement - By Division**  
**For the Six Months Ended June 30, 2019**

	<b>Year to Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year to Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>REVENUE:</b>						
Membership	\$22,197,208	\$23,203,900	(\$1,006,692)	-4.34%	\$22,498,131	(\$300,923)
Partnership Marketing Revenue	2,596,142	5,582,500	(2,986,358)	-53.49%	2,005,818	590,324
Consumer Revenue	67,273	229,500	(162,227)	-70.69%	78,401	(11,128)
USOC Partnership	2,409,920	5,304,500	(2,894,580)	-54.57%	2,381,021	28,899
Investment Income	1,211,501	1,788,900	(577,399)	-32.28%	697,096	514,405
Foundation	370,000	915,700	(545,700)	-59.59%	415,000	(45,000)
Sport and Events	651,886	721,500	(69,614)	-9.65%	369,022	282,864
Other Income	207,109	248,400	(41,291)	-16.62%	221,785	(14,676)
<b>TOTAL REVENUE</b>	<b>29,711,039</b>	<b>37,994,900</b>	<b>(8,283,861)</b>	<b>-21.80%</b>	<b>28,666,275</b>	<b>1,044,764</b>
<b>EXPENSES:</b>						
<b>Technical/Sport:</b>						
Sport Development	2,345,363	4,907,800	2,562,437	52.21%	2,566,575	221,212
Events and Member Services	3,996,304	7,250,300	3,253,997	44.88%	3,175,608	(820,696)
National Team	4,950,399	10,892,400	5,942,001	54.55%	3,375,592	(1,574,807)
Total Technical/Sport	11,292,065	23,050,500	11,758,435	51.01%	9,117,775	(2,174,291)
<b>Other Programs:</b>						
Commercial	2,753,714	6,751,600	3,997,886	59.21%	2,831,980	78,265
Risk Management	2,038,516	3,179,200	1,140,684	35.88%	2,426,745	388,229
Foundation and MAS Support	0	311,000	311,000	100.00%	125,000	125,000
Total Other Programs	4,792,230	10,241,800	5,449,570	53.21%	5,383,725	591,495
<b>Administration:</b>						
Executive	772,433	1,552,500	780,067	50.25%	743,455	(28,978)
Finance	752,268	1,139,300	387,032	33.97%	450,142	(302,127)
Business Affairs	2,126,954	4,247,900	2,120,945	49.93%	1,667,078	(459,876)
Total Administration	3,651,655	6,939,700	3,288,044	47.38%	2,860,674	(790,981)
<b>TOTAL EXPENSES</b>	<b>19,735,951</b>	<b>40,232,000</b>	<b>20,496,049</b>	<b>50.94%</b>	<b>17,362,174</b>	<b>(2,373,778)</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$9,975,088</b>	<b>(\$2,237,100)</b>	<b>\$12,212,188</b>	<b>-545.89%</b>	<b>\$11,304,101</b>	<b>(\$1,329,014)</b>
<b>Reserves Spending:</b>						
Disaster Donations	0	0	0	0.00%	(20,606)	20,606
USOC Building Remodel	150,000	0	150,000	0.00%	0	150,000
Building Remodel	0	(120,000)	120,000	-100.00%	0	0
IT Special Projects (CRM)	(113,597)	(950,000)	836,403	-88.04%	(49,370)	(64,228)
Legal	(187,080)	0	(187,080)	0.00%	0	(187,080)
Safe Sport Contingency	(45,000)	0	(45,000)	0.00%	(409,136)	364,136
Safe Sport - Swim Assist	(1,324)	0	(1,324)	0.00%	0	(1,324)
Athlete Leadership Summit	(161,958)	(214,000)	52,042	-24.32%	(265,202)	103,244
Cost of Flex	0	(1,000,000)	1,000,000	-100.00%	0	0
Total Reserves Spending	(358,960)	(2,284,000)	1,925,040	-84.28%	(744,314)	385,354
<b>Surplus (Deficit) Before Investment Gain (Loss)</b>	<b>9,616,128</b>	<b>(4,521,100)</b>	<b>14,137,228</b>	<b>-312.69%</b>	<b>10,559,787</b>	<b>(943,659)</b>
<b>Investment Gain (Loss)</b>	<b>2,695,371</b>	<b>0</b>	<b>2,695,371</b>	<b>0.00%</b>	<b>(668,718)</b>	<b>3,364,089</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$12,311,498</b>	<b>(\$4,521,100)</b>	<b>\$16,832,599</b>	<b>-372.31%</b>	<b>\$9,891,069</b>	<b>\$2,420,429</b>

**USA Swimming**  
**Income Statement - By Category**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>REVENUE:</b>						
Membership	\$22,197,208	\$23,203,900	(\$1,006,692)	-4.34%	\$22,498,131	(\$300,923)
USOC Partnership	2,409,920	5,304,500	(2,894,580)	-54.57%	2,381,021	28,899
Partnership Marketing Revenue	2,596,142	5,582,500	(2,986,358)	-53.49%	2,005,818	590,324
Consumer Revenue	67,273	229,500	(162,227)	-70.69%	78,401	(11,128)
Sport and Events	651,886	721,500	(69,614)	-9.65%	369,022	282,864
Foundation and Swim-A-Thon	370,000	915,700	(545,700)	-59.59%	415,000	(45,000)
Investment Income	1,211,501	1,788,900	(577,399)	-32.28%	697,096	514,405
Other Income	207,109	248,400	(41,291)	-16.62%	221,785	(14,676)
Total Revenue	29,711,039	37,994,900	(8,283,861)	-21.80%	28,666,275	1,044,764
<b>EXPENSES:</b>						
Salaries and Wages	4,047,666	9,512,060	5,464,394	57.45%	3,886,914	(160,751)
Employee Benefits	976,816	2,088,327	1,111,511	53.22%	971,521	(5,294)
Employment Taxes	287,284	588,913	301,629	51.22%	285,405	(1,879)
Total Payroll and Benefits	5,311,766	12,189,300	6,877,534	56.42%	5,143,840	(167,925)
Travel and Hospitality	3,916,448	6,185,488	2,269,040	36.68%	2,624,730	(1,291,718)
Direct Athlete Support	1,500,426	4,704,300	3,203,874	68.11%	1,289,440	(210,986)
Professional Fees & Honoraria	1,842,070	3,712,275	1,870,205	50.38%	1,065,969	(776,102)
Insurance	2,008,046	3,139,300	1,131,254	36.04%	2,424,057	416,010
Television and Video Production	661,946	1,823,800	1,161,854	63.71%	775,598	113,652
Depreciation and Amortization	624,309	1,270,900	646,591	50.88%	553,252	(71,057)
Dues, Fees & Tickets	444,814	1,055,988	611,175	57.88%	637,726	192,913
Supplies and Expense	315,545	830,398	514,853	62.00%	386,762	71,217
Rent and Lease Expense	670,807	764,092	93,285	12.21%	441,561	(229,246)
Printing and Duplication	190,260	751,355	561,095	74.68%	218,780	28,520
Grants	460,253	680,000	219,747	32.32%	606,136	145,883
Apparel	514,792	608,150	93,358	15.35%	211,280	(303,512)
Gear, Equipment, & Signage	324,619	605,482	280,863	46.39%	254,724	(69,895)
Awards	66,034	481,074	415,040	86.27%	47,771	(18,263)
Information Technology Expenses	282,404	427,840	145,436	33.99%	273,488	(8,916)
Advertising	282,929	352,400	69,471	19.71%	96,207	(186,722)
Telephone and Internet Service	91,856	332,409	240,553	72.37%	66,414	(25,443)
Protocol & Gifts	118,547	151,200	32,653	21.60%	111,263	(7,284)
Contingency	0	105,000	105,000	100.00%	0	0
Miscellaneous Expenses	108,080	61,249	(46,831)	-76.46%	133,176	25,096
Total Expenses	19,735,951	40,232,000	20,496,049	50.94%	17,362,174	(2,373,778)
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$9,975,088</b>	<b>(\$2,237,100)</b>	<b>\$12,212,188</b>	<b>-545.89%</b>	<b>\$11,304,101</b>	<b>(\$1,329,014)</b>
<b>Reserves Spending:</b>						
Disaster Donations	0	0	0	0.00%	(20,606)	20,606
Athlete Leadership Camp	(161,958)	(214,000)	52,042	-24.32%	(265,202)	103,244
USOC Building Remodel	150,000	0	150,000	0.00%	0	150,000
Building Remodel	0	(120,000)	120,000	-100.00%	0	0
IT Special Projects (CRM)	(113,597)	(950,000)	836,403	-88.04%	(49,370)	(64,228)
Legal	(187,080)	0	(187,080)	0.00%	0	(187,080)
Safe Sport Contingency	(45,000)	0	(45,000)	0.00%	(409,136)	364,136
Safe Sport - Swim Assist	(1,324)	0	(1,324)	0.00%	0	(1,324)
Cost of Flex	0	(1,000,000)	1,000,000	-100.00%	0	0
<b>Total Reserve Spending</b>	<b>(358,960)</b>	<b>(2,284,000)</b>	<b>1,925,040</b>	<b>-84.28%</b>	<b>(744,314)</b>	<b>385,354</b>
<b>Surplus (Deficit) Before Investment Gain (Loss)</b>	<b>9,616,128</b>	<b>(4,521,100)</b>	<b>14,137,228</b>	<b>-312.69%</b>	<b>10,559,787</b>	<b>(943,659)</b>
<b>Investment Gains (Losses)</b>	<b>2,695,371</b>	<b>0</b>	<b>2,695,371</b>	<b>0.00%</b>	<b>(668,718)</b>	<b>3,364,089</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$12,311,498</b>	<b>(\$4,521,100)</b>	<b>\$16,832,599</b>	<b>-372.31%</b>	<b>\$9,891,069</b>	<b>\$2,420,429</b>

**USA Swimming, Inc.**  
**Statement of Revenue**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>MEMBERSHIP:</b>						
Athlete Membership	\$18,823,970	\$18,361,200	\$462,770	2.52%	\$19,310,578	(\$486,608)
Flex	232,200	413,250	(181,050)	-43.81%	0	232,200
Cost of Flex	0	1,000,000	(1,000,000)	-100.00%	0	0
Outreach Athlete Membership	49,830	56,825	(6,995)	-12.31%	55,195	(5,365)
Seasonal Athlete Membership	506,280	701,760	(195,480)	-27.86%	643,080	(136,800)
Non-Athlete Membership	2,331,170	2,413,860	(82,690)	-3.43%	2,232,594	98,576
Life Membership	35,334	36,000	(666)	-1.85%	37,668	(2,334)
Allied Membership	0	1,000	(1,000)	-100.00%	500	(500)
Club Membership	211,610	212,310	(700)	-0.33%	211,680	(70)
Seasonal Club Membership	4,600	4,560	40	0.88%	4,360	240
Affiliate Membership	500	800	(300)	-37.50%	650	(150)
Single Meet Open Water	900	1,920	(1,020)	-53.13%	1,430	(530)
Delegate Fees	200	350	(150)	-42.86%	150	50
Other Membership Income	614	65	549	844.62%	246	368
<b>TOTAL MEMBERSHIP</b>	<b>22,197,208</b>	<b>23,203,900</b>	<b>(1,006,692)</b>	<b>-4.34%</b>	<b>22,498,131</b>	<b>(300,923)</b>
<b>PARTNERSHIP MARKETING REVENUE:</b>						
Corporate Sponsorship	2,469,098	5,035,000	(2,565,902)	-50.96%	1,903,636	565,463
Supplier Income	106,250	352,500	(246,250)	-69.86%	83,750	22,500
Licensee Income	0	25,000	(25,000)	-100.00%	0	0
Web Advertising	0	135,000	(135,000)	-100.00%	0	0
Print Advertising	20,330	30,000	(9,670)	-32.23%	17,500	2,830
List Rental Income/Mailing Service	463	5,000	(4,537)	-90.73%	932	(469)
<b>TOTAL PARTNERSHIP MARKETING REVENUE</b>	<b>2,596,142</b>	<b>5,582,500</b>	<b>(2,986,358)</b>	<b>-53.49%</b>	<b>2,005,818</b>	<b>590,324</b>
<b>CONSUMER REVENUE:</b>						
SwimBiz	6,530	10,000	(3,470)	-34.70%	7,960	(1,430)
Royalties	60,303	97,500	(37,197)	-38.15%	47,490	12,813
Deck Pass App	0	0	0	0.00%	4,593	(4,593)
Publication/Video Sales	70	0	70	0.00%	270	(200)
SwimOutlet	0	120,000	(120,000)	-100.00%	17,755	(17,755)
Splash Magazine Subscriptions	370	2,000	(1,630)	-81.50%	333	37
<b>TOTAL CONSUMER REVENUE</b>	<b>67,273</b>	<b>229,500</b>	<b>(162,227)</b>	<b>-70.69%</b>	<b>78,401</b>	<b>(11,128)</b>
<b>USOC PARTNERSHIP:</b>						
USOC Performance Funding	1,511,100	3,022,200	(1,511,100)	-50.00%	1,511,100	0
USOC Performance VIK	60,000	60,000	0	0.00%	154,476	(94,476)
USOC Direct Athlete Support	826,020	2,207,300	(1,381,280)	-62.58%	711,125	114,895
USOC International Relations Grant	12,800	15,000	(2,200)	-14.67%	4,320	8,480
<b>TOTAL USOC PARTNERSHIP</b>	<b>2,409,920</b>	<b>5,304,500</b>	<b>(2,894,580)</b>	<b>-54.57%</b>	<b>2,381,021</b>	<b>28,899</b>
<b>INVESTMENT INCOME:</b>						
Investment Income - Operating Budget	1,159,266	1,738,900	(579,634)	-33.33%	660,334	498,932
Interest Income - Savings	2	0	2	0.00%	2	0
Interest Income - Short Term Securities	52,233	50,000	2,233	4.47%	36,760	15,473
<b>TOTAL INVESTMENT INCOME</b>	<b>1,211,501</b>	<b>1,788,900</b>	<b>(577,399)</b>	<b>-32.28%</b>	<b>697,096</b>	<b>514,405</b>

**USA Swimming, Inc.**  
**Statement of Revenue**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>FOUNDATION AND SWIM-A-THON:</b>						
USA Swimming Foundation	370,000	855,700	(485,700)	-56.76%	385,000	(15,000)
Foundation Rent	0	60,000	(60,000)	-100.00%	30,000	(30,000)
<b>TOTAL FOUND. AND SWIM-A-THON</b>	<b>370,000</b>	<b>915,700</b>	<b>(545,700)</b>	<b>-59.59%</b>	<b>415,000</b>	<b>(45,000)</b>
<b>SPORT AND EVENTS:</b>						
Golden Goggle Awards	408	0	408	0.00%	(49,762)	50,170
Coach Education Clinics	96,716	210,000	(113,285)	-53.95%	98,710	(1,994)
Altitude Camps	286,026	295,000	(8,974)	-3.04%	281,626	4,400
Pro Swim Series Host Fees	55,000	60,000	(5,000)	-8.33%	0	55,000
International Swim League (ISL)	75,000	0	75,000	0.00%	0	75,000
Facilities Conference	4,158	8,000	(3,842)	-48.03%	5,408	(1,250)
Club Governance Programs	235	0	235	0.00%	0	235
Custom Visits (BAP)	9,300	6,000	3,300	55.00%	0	9,300
Safe Sport Leadership Conference	3,275	0	3,275	0.00%	0	3,275
Safe Sport Materials	8,183	0	8,183	0.00%	7,604	578
International TV Rights	0	70,000	(70,000)	-100.00%	0	0
Other Registration	113,586	72,500	41,086	56.67%	25,436	88,150
<b>TOTAL SPORTS AND EVENTS</b>	<b>651,886</b>	<b>721,500</b>	<b>(69,614)</b>	<b>-9.65%</b>	<b>369,022</b>	<b>282,864</b>
<b>OTHER INCOME:</b>						
NCAA Top Times List	96,720	96,700	20	0.02%	77,500	19,220
Combined Federal Campaign	2,388	0	2,388	0.00%	1,751	637
Imputed Interest - Prepaid Rent	75,874	151,700	(75,826)	-49.98%	81,835	(5,961)
Other Revenue	32,127	0	32,127	0.00%	60,699	(28,573)
<b>TOTAL OTHER INCOME</b>	<b>207,109</b>	<b>248,400</b>	<b>(41,291)</b>	<b>-16.62%</b>	<b>221,785</b>	<b>(14,676)</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$29,711,039</b>	<b>\$37,994,900</b>	<b>(\$8,283,861)</b>	<b>-21.80%</b>	<b>\$28,666,275</b>	<b>\$1,044,764</b>
<b>INVESTMENT GAINS (LOSSES):</b>						
Investment Income (Loss) less Operating Allocation	2,739,164	111,000	2,628,164	2367.71%	(622,451)	3,361,614
Money Manager Fees	(43,793)	(111,000)	67,207	-60.55%	(46,267)	2,474
<b>TOTAL INVESTMENT GAINS (LOSSES)</b>	<b>2,695,371</b>	<b>0</b>	<b>2,695,371</b>	<b>0.00%</b>	<b>(668,718)</b>	<b>3,364,089</b>
<b>TOTAL REVENUE</b>	<b>\$32,406,409</b>	<b>\$37,994,900</b>	<b>(\$5,588,491)</b>	<b>-14.71%</b>	<b>\$27,997,556</b>	<b>\$4,408,853</b>

**USA Swimming, Inc.**  
**Quarterly Statement of Expenses - By Program**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>TECHNICAL/SPORT:</b>						
<b>SPORT DEVELOPMENT</b>						
<b><i>Athlete Development Programs</i></b>						
1117 LSC Camps	\$9,141	\$10,200	\$1,059	10.38%	\$6,251	(\$2,890)
1118 Zone Select Camps	118,020	120,600	2,580	2.14%	94,962	(23,058)
1119 National Select Camps	1,298	108,700	107,402	98.81%	5,041	3,744
1120 Camp (VIK)	16,446	25,000	8,554	34.22%	18,781	2,335
1135 Tech Services Support	29	2,900	2,871	99.00%	1,027	998
1163 Open Water Select Camp	11,272	60,500	49,228	81.37%	9,854	(1,418)
<b>Program Group Total</b>	<b>156,207</b>	<b>327,900</b>	<b>171,693</b>	<b>52.36%</b>	<b>135,918</b>	<b>(20,289)</b>
<b><i>Coach Education and Development</i></b>						
1213 Coach Education Development	13,965	62,800	48,835	77.76%	16,626	2,661
1231 USA-S Hosted Coaches Clinics	32,957	100,000	67,043	67.04%	37,457	4,500
1233 Disability Swimming Coaches Workshop	0	0	0	0.00%	444	444
1237 Non-USAS Clinic Participation	8,112	38,100	29,988	78.71%	13,262	5,150
1240 Online Coach Clinics/Podcasts	4,985	15,900	10,915	68.65%	5,581	596
1242 Coach Mentoring	62,896	116,100	53,204	45.83%	42,959	(19,937)
1245 Master Coach Program	40,149	139,400	99,251	71.20%	53,039	12,890
1290 Travel & Program Support	57,427	171,000	113,573	66.42%	62,233	4,806
<b>Program Group Total</b>	<b>220,491</b>	<b>643,300</b>	<b>422,809</b>	<b>65.73%</b>	<b>231,600</b>	<b>11,109</b>
<b><i>Club Education and Development</i></b>						
1302 Club Excellence Program	408,094	463,000	54,906	11.86%	435,702	27,608
1305 Club Recognition Program	0	7,500	7,500	100.00%	0	0
1311 Club Governance Programs	12,333	47,000	34,667	73.76%	10,120	(2,213)
1314 Club Resources	8,765	33,600	24,835	73.91%	5,508	(3,257)
1332 Club Research Technology	20,840	50,600	29,760	58.81%	57,025	36,185
1710 Learn Programs	261	0	(261)	0.00%	0	(261)
1390 Travel & Program Support	92,553	169,100	76,547	45.27%	108,343	15,790
<b>Program Group Total</b>	<b>542,846</b>	<b>770,800</b>	<b>227,954</b>	<b>29.57%</b>	<b>616,698</b>	<b>73,852</b>
<b><i>LSC Development &amp; Education</i></b>						
1470 LSC Consulting	25,782	60,000	34,218	57.03%	47,741	21,959
1475 LEAP Program	8,000	70,500	62,500	88.65%	22,799	14,799
1481 Leadership Workshops	4,105	37,300	33,195	88.99%	936	(3,170)
<b>Program Group Total</b>	<b>37,888</b>	<b>167,800</b>	<b>129,912</b>	<b>77.42%</b>	<b>71,476</b>	<b>33,588</b>
<b><i>Facilities Advocacy &amp; Development</i></b>						
1505 Build a Pool Conference	29,194	62,700	33,506	53.44%	17,747	(11,447)
1507 Aquatic Industry Relations	14,526	22,400	7,874	35.15%	24,681	10,155

**USA Swimming, Inc.**  
**Quarterly Statement of Expenses - By Program**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
1590 Travel & Program Support	7,539	11,800	4,261	36.11%	1,091	(6,448)
<b>Program Group Total</b>	<b>51,259</b>	<b>96,900</b>	<b>45,641</b>	<b>47.10%</b>	<b>43,519</b>	<b>(7,740)</b>
<b>Membership Growth and Diversity</b>						
1638 Diversity Management Support	25,815	113,500	87,685	77.26%	37,540	11,726
1640 Community Swim Team Development	17,220	65,600	48,380	73.75%	38,430	21,210
1645 Zone Diversity Camps & Meetings	17,306	45,400	28,094	61.88%	23,272	5,967
1651 Diversity VIK	12,431	15,000	2,569	17.13%	12,943	512
1665 Diversity Select Camp	73,390	71,100	(2,290)	-3.22%	62,229	(11,161)
<b>Program Group Total</b>	<b>146,161</b>	<b>310,600</b>	<b>164,439</b>	<b>52.94%</b>	<b>174,415</b>	<b>28,254</b>
<b>Committees</b>						
1823 Convention Education Committee	8,315	13,500	5,185	38.41%	10,636	2,320
1830 LSC Development Committee	17,624	26,400	8,776	33.24%	8,924	(8,701)
1841 Disability Swimming Committee	160	600	440	73.36%	1,578	1,418
1842 Diversity Committee	14,226	20,800	6,574	31.61%	8,998	(5,228)
1851 Age Group Development Committee	0	800	800	100.00%	6,226	6,226
1856 Club Development Committee	0	600	600	100.00%	8	8
1860 Governance Committee	0	0	0	0.00%	81	81
1865 Zone Director Committee	422	0	(422)	0.00%	0	(422)
1885 Senior Development Committee	0	11,200	11,200	100.00%	3,256	3,256
<b>Program Group Total</b>	<b>40,746</b>	<b>73,900</b>	<b>33,154</b>	<b>44.86%</b>	<b>39,707</b>	<b>(1,040)</b>
<b>Administration</b>						
1990 Administration & Operational Support	166,805	307,100	140,295	45.68%	141,666	(25,139)
1999 Salary and Benefits	982,960	2,209,500	1,226,540	55.51%	1,111,577	128,617
<b>Program Group Total</b>	<b>1,149,766</b>	<b>2,516,600</b>	<b>1,366,834</b>	<b>54.31%</b>	<b>1,253,243</b>	<b>103,478</b>
<b>TOTAL SPORT DEVELOPMENT</b>	<b>2,345,363</b>	<b>4,907,800</b>	<b>2,562,437</b>	<b>52.21%</b>	<b>2,566,575</b>	<b>221,212</b>
<b>EVENTS AND MEMBER SERVICES</b>						
<b>Events</b>						
2005 Olympic Trials	7,836	14,500	6,664	45.96%	2,418	(5,418)
2015 Pan Pacific Championships	0	0	0	0.00%	20,700	20,700
2018 Winter National Championships	143	239,700	239,557	99.94%	7,173	7,030
2019 National Championships/Trials	140,411	550,400	409,989	74.49%	64,412	(75,999)
2023 US Open	544	0	(544)	0.00%	29	(515)
2025 Pro Swim Series	282,270	344,300	62,030	18.02%	303,979	21,709
2027 Speedo Sectionals	115,000	215,000	100,000	46.51%	170,007	55,007
2028 IM Xtreme Games	4,000	24,000	20,000	83.33%	4,000	0
2029 Zone Championships	20,000	110,000	90,000	81.82%	50,657	30,657
2035 Futures Championships	14,008	137,800	123,792	89.83%	18,584	4,575
2040 Jr. Pan Pacific Championships	0	0	0	0.00%	34,597	34,597

**USA Swimming, Inc.**  
**Quarterly Statement of Expenses - By Program**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
2045 Jr. National Championships (Summer LC)	6,901	138,400	131,499	95.01%	6,036	(866)
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	2,070	139,500	137,430	98.52%	1,484	(586)
2069 Open Water Championships	81,882	101,500	19,618	19.33%	72,332	(9,550)
2072 FINA Championship Series	1,115,820	0	(1,115,820)	0.00%	0	(1,115,820)
2077 National Events Uniforming VIK	13,500	40,000	26,500	66.25%	34,584	21,084
2076 Bag Tags VIK	76	10,000	9,924	99.24%	175	99
2716 Omega Timing Systems VIK	0	320,000	320,000	100.00%	0	0
<b>Program Group Total</b>	<b>1,804,463</b>	<b>2,385,100</b>	<b>580,637</b>	<b>24.34%</b>	<b>791,167</b>	<b>(1,013,296)</b>
<b>Member Programs</b>						
2411 Member Dues and Services	6,875	18,300	11,425	62.43%	7,339	463
2412 Technology Projects	0	12,500	12,500	100.00%	1,249	1,249
2418 SWIMS 2.0	85,369	160,000	74,631	46.64%	35,400	(49,969)
2423 Rulebook	98,871	147,000	48,129	32.74%	112,925	14,054
2431 Swimposium	28,684	134,100	105,416	78.61%	38,572	9,888
2432 Zone Workshops	268,521	230,000	(38,521)	-16.75%	139,302	(129,218)
2434 On-Line Registration	38,415	150,000	111,585	74.39%	18,888	(19,527)
2498 Awards	520	13,200	12,680	96.06%	186	(333)
<b>Program Group Total</b>	<b>527,255</b>	<b>865,100</b>	<b>337,845</b>	<b>39.05%</b>	<b>353,861</b>	<b>(173,394)</b>
<b>Member Programs - Officials</b>						
2433 Officials Training Sessions	47,815	132,000	84,185	63.78%	38,138	(9,677)
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	800	2,300	1,500	65.20%	64,455	63,655
2441 Officials International Travel	13,574	30,100	16,526	54.90%	7,781	(5,793)
2450 Officials Mentoring & Training	442	4,300	3,858	89.72%	861	419
<b>Program Group Total</b>	<b>62,632</b>	<b>186,500</b>	<b>123,868</b>	<b>66.42%</b>	<b>111,235</b>	<b>48,603</b>
<b>Other Programs and Services</b>						
2501 Publications and Video Sales	20,074	40,000	19,926	49.81%	18,983	(1,091)
2502 Mailing Service	16	500	484	96.75%	33	16
2505 Trials Hospitality	0	1,500	1,500	100.00%	0	0
2518 Altitude Camps	292,801	300,000	7,199	2.40%	291,207	(1,594)
2519 Times Projects	13,430	38,900	25,470	65.48%	31,221	17,791
2535 Pool Environment Research & Education	0	20,000	20,000	100.00%	0	0
2715 TV/Web Cast Production	366,489	1,261,000	894,511	70.94%	644,917	278,428
<b>Program Group Total</b>	<b>692,810</b>	<b>1,661,900</b>	<b>969,090</b>	<b>58.31%</b>	<b>986,361</b>	<b>293,551</b>
<b>Committees &amp; Governance</b>						
2801 Convention	3,245	112,500	109,255	97.12%	4,203	958
2802 Convention - Athletes	393	128,200	127,807	99.69%	4,626	4,233
2825 Registration / Membership	14,346	16,200	1,854	11.44%	15,280	933

**USA Swimming, Inc.**  
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	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
2832 Awards	297	300	3	0.99%	890	593
2835 Credentials / Elections	0	3,000	3,000	100.00%	0	0
2836 Rules and Regulations	21,679	31,800	10,121	31.83%	24,407	2,728
2857 Times & Recognition Committee	5,164	23,000	17,836	77.55%	1,975	(3,189)
2862 Program & Events Committee	218	27,400	27,182	99.20%	0	(218)
2866 Officials	19,173	19,300	127	0.66%	20,589	1,415
2887 Athletes Executive Committee	19,129	30,500	11,371	37.28%	23,567	4,438
<b>Program Group Total</b>	<b>83,645</b>	<b>392,200</b>	<b>308,555</b>	<b>78.67%</b>	<b>95,537</b>	<b>11,892</b>
<b>Administration</b>						
2990 Administration & Operational Support	136,021	208,200	72,179	34.67%	119,010	(17,011)
2999 Salary and Benefits	689,479	1,551,300	861,822	55.55%	718,438	28,959
<b>Program Group Total</b>	<b>825,500</b>	<b>1,759,500</b>	<b>934,000</b>	<b>53.08%</b>	<b>837,448</b>	<b>11,948</b>
<b>TOTAL EVENTS AND MEMBER SERVICES</b>	<b>3,996,304</b>	<b>7,250,300</b>	<b>3,253,997</b>	<b>44.88%</b>	<b>3,175,608</b>	<b>(820,696)</b>
<b>NATIONAL TEAM</b>						
<b>Competitions</b>						
3001 Olympic Games	150	500	350	70.00%	0	(150)
3007 Pan Pacific Championships	0	0	0	0.00%	85,773	85,773
3013 Pan American Games	37,661	58,100	20,439	35.18%	0	(37,661)
3015 World University Games	476,132	363,400	(112,732)	-31.02%	0	(476,132)
3020 NT vs. NCAA	0	0	0	0.00%	350	350
3031 Long Course World Championships	145,412	457,500	312,088	68.22%	0	(145,412)
3033 Short Course World Championships	476	0	(476)	0.00%	0	(476)
<b>Program Group Total</b>	<b>659,831</b>	<b>879,500</b>	<b>219,669</b>	<b>24.98%</b>	<b>86,123</b>	<b>(573,708)</b>
<b>Junior Team Programs</b>						
3009 Jr. Team International Competition	116,531	202,500	85,969	42.45%	77,327	(39,205)
3012 Jr. Pan Pacific Championships	0	0	0	0.00%	58,178	58,178
3045 Junior Team Camps	40,611	60,200	19,589	32.54%	44,557	3,946
3050 FINA World Junior Championships	19,158	364,700	345,542	94.75%	0	(19,158)
3051 Jr. Team Pro Swim Series	3,850	38,500	34,650	90.00%	7,127	3,277
3053 World 100	10,991	20,600	9,609	46.65%	0	(10,991)
3992 Ntl. Jr. Team Program Support	11,601	41,000	29,399	71.71%	15,592	3,991
<b>Program Group Total</b>	<b>202,742</b>	<b>727,500</b>	<b>524,758</b>	<b>72.13%</b>	<b>202,781</b>	<b>39</b>
<b>Open Water Programs</b>						
3040 FINA Open Water Jr. Championships	0	34,500	34,500	100.00%	3,758	3,758
3061 Open Water World Championships	9,851	49,500	39,649	80.10%	0	(9,851)
3063 Open Water University Games	0	20,500	20,500	100.00%	0	0
3065 Open Water World Cup	81,778	91,500	9,722	10.63%	128,519	46,741

**USA Swimming, Inc.**  
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3067 Open Water Camps	14,947	50,200	35,253	70.22%	39	(14,908)
3068 Open Water - Foundation	421	25,000	24,579	98.32%	0	(421)
3075 Open Water International Camps	81,763	79,100	(2,663)	-3.37%	0	(81,763)
3495 Open Water Program Support	16,886	29,000	12,114	41.77%	25,663	8,777
<b>Program Group Total</b>	<b>205,646</b>	<b>379,300</b>	<b>173,654</b>	<b>45.78%</b>	<b>157,979</b>	<b>(47,667)</b>
<b>Camps</b>						
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%	21,557	21,557
3071 Altitude Training Camps	17,372	39,000	21,628	55.46%	7,232	(10,140)
3073 National Team Camps	54,018	43,000	(11,018)	-25.62%	55,855	1,837
3076 National Team International Camps	501,555	594,600	93,045	15.65%	78,580	(422,975)
3479 Advance Team Visits	15,108	21,000	5,892	28.06%	9,225	(5,884)
<b>Program Group Total</b>	<b>588,053</b>	<b>745,700</b>	<b>157,647</b>	<b>21.14%</b>	<b>172,449</b>	<b>(415,604)</b>
<b>Athlete Services</b>						
3101 Athlete Support-Stipends & Grants	826,020	1,584,800	758,780	47.88%	711,125	(114,895)
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%	6,646	6,646
3025 Pro Swim Series Athlete Support	503,575	830,000	326,425	39.33%	425,505	(78,070)
3021 World Cup Athlete Support	(3,200)	9,500	12,700	133.69%	278	3,478
3127 National Team Investment Grant	101,796	600,000	498,204	83.03%	128,229	26,433
3106 ConocoPhillips Athlete Support	7,525	100,000	92,475	92.48%	16,156	8,631
3110 National Team Uniforming (VIK)	326,409	325,000	(1,409)	-0.43%	92,287	(234,122)
3120 Athlete Support-Olympic Prep	2,086	20,000	17,914	89.57%	0	(2,086)
3130 Foundation Travel & Training	0	80,000	80,000	100.00%	14,643	14,643
3131 Foundation Athlete Endowments	22,500	80,000	57,500	71.88%	0	(22,500)
3453 Drug Control Program	5,511	70,200	64,689	92.15%	8,574	3,063
<b>Program Group Total</b>	<b>1,792,222</b>	<b>4,884,500</b>	<b>3,092,278</b>	<b>63.31%</b>	<b>1,404,460</b>	<b>(387,761)</b>
<b>Coach Services</b>						
3203 Coach Incentive & Reward Program	0	330,000	330,000	100.00%	0	0
3210 Olympic Team Prep - Coaches	15,000	20,000	5,000	25.00%	0	(15,000)
3220 Contract Labor - National Team Tech Advisor	44,905	83,700	38,795	46.35%	0	(44,905)
3222 National Team Consultant	20,258	37,100	16,842	45.40%	12,252	(8,007)
3460 Olympic Staff Recognition	0	37,000	37,000	100.00%	0	0
3010 Coach Education	16,265	34,100	17,835	52.30%	16,740	475
3077 National Team Coaches Meeting	113,272	114,000	728	0.64%	109,813	(3,459)
3079 Team Logistics Seminar	352	0	(352)	0.00%	0	(352)
<b>Program Group Total</b>	<b>210,053</b>	<b>655,900</b>	<b>445,847</b>	<b>67.97%</b>	<b>138,805</b>	<b>(71,248)</b>
<b>High Performance Support</b>						
3301 National Team Performance Support	78,453	155,600	77,147	49.58%	109,843	31,390

8/13/2019

**USA Swimming, Inc.**  
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3310 USOC Practitioner Travel Support	26,699	26,700	1	0.00%	5,953	(20,746)
<b>Program Group Total</b>	<b>105,153</b>	<b>182,300</b>	<b>77,147</b>	<b>42.32%</b>	<b>115,796</b>	<b>10,643</b>
<b>Sport Medicine &amp; Science</b>						
3353 Sport Medicine & Science Network	89,508	117,600	28,092	23.89%	65,371	(24,137)
3155 Elite Athlete Accident Coverage	35,549	35,000	(549)	-1.57%	32,825	(2,724)
3200 Athlete Life Skills	8,208	40,000	31,793	79.48%	150	(8,058)
3351 Athlete Testing & Lab Expenses	10,816	27,100	16,284	60.09%	10,682	(134)
3390 Sport Medicine & Science Program Support	6,516	51,700	45,184	87.40%	0	(6,516)
<b>Program Group Total</b>	<b>150,597</b>	<b>271,400</b>	<b>120,803</b>	<b>44.51%</b>	<b>109,028</b>	<b>(41,568)</b>
<b>Other Programs and Services</b>						
3481 National Team Equipment	6,850	18,500	11,650	62.98%	7,000	151
3499 Team Management Technology	67,068	0	(67,068)	0.00%	0	(67,068)
<b>Program Group Total</b>	<b>73,918</b>	<b>18,500</b>	<b>(55,418)</b>	<b>-299.55%</b>	<b>7,000</b>	<b>(66,917)</b>
<b>Committees</b>						
3846 Sports Medicine	0	3,300	3,300	100.00%	202	202
3850 Open Water Development	30	800	770	96.31%	45	15
3868 Open Water Committee	7,171	16,900	9,729	57.57%	5,137	(2,034)
3882 National Steering Committee	152	16,600	16,448	99.09%	1,069	917
3888 National Team Ath Committee	65	12,300	12,235	99.47%	3,584	3,519
<b>Program Group Total</b>	<b>7,417</b>	<b>49,900</b>	<b>42,483</b>	<b>85.14%</b>	<b>10,037</b>	<b>2,619</b>
<b>Administration</b>						
3990 Administration & Operational Support	164,719	222,600	57,882	26.00%	221,690	56,972
3999 Salary and Benefits	790,050	1,875,300	1,085,250	57.87%	749,443	(40,607)
<b>Program Group Total</b>	<b>954,769</b>	<b>2,097,900</b>	<b>1,143,131</b>	<b>54.49%</b>	<b>971,133</b>	<b>16,365</b>
<b>TOTAL NATIONAL TEAM</b>	<b>4,950,399</b>	<b>10,892,400</b>	<b>5,942,001</b>	<b>54.55%</b>	<b>3,375,592</b>	<b>(1,574,807)</b>
<b>TOTAL TECHNICAL/SPORT</b>	<b>11,292,065</b>	<b>23,050,500</b>	<b>11,758,435</b>	<b>51.01%</b>	<b>9,117,775</b>	<b>(2,174,291)</b>
<b>OTHER PROGRAMS:</b>						
<b>COMMERCIAL</b>						
<b>Corporate Partnerships</b>						
5901 Marketing & Contract Fulfillment	118,809	187,900	69,091	36.77%	75,283	(43,525)
5905 Sales Development Support	26,079	50,000	23,921	47.84%	32,101	6,022
<b>Program Group Total</b>	<b>144,888</b>	<b>237,900</b>	<b>93,012</b>	<b>39.10%</b>	<b>107,385</b>	<b>(37,503)</b>

**USA Swimming, Inc.**  
**Quarterly Statement of Expenses - By Program**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>Communications</b>						
5711 Splash Magazine	354,271	812,700	458,429	56.41%	296,491	(57,780)
5714 PR-USA Swimming Programs	29,261	75,000	45,739	60.99%	5,421	(23,840)
5724 Communication Operations	114,299	171,200	56,901	33.24%	90,389	(23,910)
5730 USA Swimming Productions	368,456	856,200	487,744	56.97%	377,103	8,647
<b>Program Group Total</b>	<b>866,287</b>	<b>1,915,100</b>	<b>1,048,813</b>	<b>54.77%</b>	<b>769,404</b>	<b>(96,883)</b>
<b>Marketing</b>						
5109 Athlete Partnership Fulfillment	16,542	50,000	33,458	66.92%	8,095	(8,448)
5620 Family Program	86,593	34,600	(51,993)	-150.27%	28,555	(58,038)
5709 Nationals Marketing	8,282	334,190	325,908	97.52%	208,956	200,674
5760 Jr Nationals Marketing	0	75,000	75,000	100.00%	0	0
5762 Pro Swim Series Marketing	144,318	143,340	(978)	-0.68%	0	(144,318)
5764 US Open Marketing	0	36,000	36,000	100.00%	0	0
5770 Event Marketing	2,076	38,570	36,494	94.62%	0	(2,076)
5722 Social Media Aggregation	5,850	0	(5,850)	0.00%	0	(5,850)
5710 Membership/Recruiting Promotion (SwimToday)	190,195	450,000	259,805	57.73%	194,266	4,071
5713 Deck Pass	6,231	125,000	118,769	95.02%	7,184	953
5715 SwimBiz	84,153	75,000	(9,153)	-12.20%	70,815	(13,338)
5716 Swimjitsu	5,589	0	(5,589)	0.00%	1,683	(3,905)
5755 USA Swimming House-Trials	0	10,200	10,200	100.00%	0	0
5720 Video Production Services	2,027	25,000	22,973	91.89%	1,375	(653)
5913 Multicultural Promotions	0	98,600	98,600	100.00%	34,080	34,080
5902 Merchandise Program	2,016	26,000	23,984	92.24%	3,985	1,969
5904 Marketing Contract Labor	6,500	0	(6,500)	0.00%	42,724	36,224
5911 Aqua Zone - Olympic Trials	6,840	15,000	8,160	54.40%	5,700	(1,140)
<b>Program Group Total</b>	<b>567,213</b>	<b>1,536,500</b>	<b>969,287</b>	<b>63.08%</b>	<b>607,419</b>	<b>40,206</b>
<b>Administration</b>						
5990 Administration & Operational Support	122,280	243,500	121,220	49.78%	149,346	27,066
5999 Salary and Benefits	805,210	2,291,400	1,486,190	64.86%	958,032	152,822
5718 usaswimming.org - Web site	247,836	527,200	279,364	52.99%	240,394	(7,442)
<b>Program Group Total</b>	<b>1,175,326</b>	<b>3,062,100</b>	<b>1,886,775</b>	<b>61.62%</b>	<b>1,347,771</b>	<b>172,446</b>
<b>TOTAL COMMERCIAL</b>	<b>2,753,714</b>	<b>6,751,600</b>	<b>3,997,886</b>	<b>59.21%</b>	<b>2,831,980</b>	<b>78,265</b>
<b>RISK MANAGEMENT SERVICES</b>						
<b>Member Programs</b>						
9413 Member Insurance Premiums & Retention	1,998,138	3,102,800	1,104,662	35.60%	2,391,870	393,732
9415 Other Risk Management	10,000	16,700	6,700	40.12%	10,334	334
<b>Program Group Total</b>	<b>2,008,138</b>	<b>3,119,500</b>	<b>1,111,362</b>	<b>35.63%</b>	<b>2,402,204</b>	<b>394,065</b>

**USA Swimming, Inc.**  
**Quarterly Statement of Expenses - By Program**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>Committees</b>						
9827 Operational Risk Committee	19,915	32,300	12,385	38.34%	15,438	(4,477)
<i>Program Group Total</i>	<i>19,915</i>	<i>32,300</i>	<i>12,385</i>	<i>38.34%</i>	<i>15,438</i>	<i>(4,477)</i>
<b>Administration</b>						
9490 Administration & Operational Support	10,462	27,400	16,938	61.82%	9,104	(1,359)
<i>Program Group Total</i>	<i>10,462</i>	<i>27,400</i>	<i>16,938</i>	<i>61.82%</i>	<i>9,104</i>	<i>(1,359)</i>
<b>TOTAL RISK MANAGEMENT SERVICES</b>	<b>2,038,516</b>	<b>3,179,200</b>	<b>1,140,684</b>	<b>35.88%</b>	<b>2,426,745</b>	<b>388,229</b>
<b>FOUND. &amp; MAKE A SPLASH SUPPORT</b>						
6666 Foundation Support	0	0	0	0.00%	125,000	125,000
6667 USA Swimming Staff Allocation	0	311,000	311,000	100.00%	0	0
<b>TOTAL FOUNDATION &amp; MAS SUPPORT</b>	<b>0</b>	<b>311,000</b>	<b>311,000</b>	<b>100.00%</b>	<b>125,000</b>	<b>125,000</b>
<b>TOTAL OTHER PROGRAMS</b>	<b>4,792,230</b>	<b>10,241,800</b>	<b>5,449,570</b>	<b>53.21%</b>	<b>5,383,725</b>	<b>591,495</b>
<b>SUPPORT DIVISIONS:</b>						
<b>EXECUTIVE</b>						
<b>Other Executive</b>						
7920 CEO Contingency	33,498	60,000	26,502	44.17%	18,383	(15,115)
7930 Board Chair Travel and Expenses	24,152	35,000	10,848	30.99%	16,685	(7,468)
7945 CSCAA Grant	60,000	125,000	65,000	52.00%	60,000	0
7971 Organizational Relations - Domestic	47,106	80,000	32,894	41.12%	69,146	22,040
7984 Organizational Relations - Internat'l	24,177	65,000	40,823	62.80%	16,839	(7,338)
7981 International Relations	21,998	69,100	47,102	68.17%	40,669	18,671
<i>Program Group Total</i>	<i>210,931</i>	<i>434,100</i>	<i>223,169</i>	<i>51.41%</i>	<i>221,722</i>	<i>10,790</i>
<b>Committees &amp; Governance</b>						
7803 Board of Directors	43,527	185,300	141,773	76.51%	72,302	28,775
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	63,112	34,000	(29,112)	-85.62%	42,679	(20,434)
7811 International Relations Committee	8,778	31,000	22,222	71.68%	17,828	9,050
7820 Nominating Committee	868	0	(868)	0.00%	149	(720)
<i>Program Group Total</i>	<i>116,286</i>	<i>250,300</i>	<i>134,014</i>	<i>53.54%</i>	<i>133,435</i>	<i>17,149</i>

**Administration**

**USA Swimming, Inc.**  
**Quarterly Statement of Expenses - By Program**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
7990 Administration & Operational Support	65,122	100,300	35,178	35.07%	63,157	(1,965)
7999 Salary and Benefits	380,094	767,800	387,706	50.50%	325,142	(54,953)
<i>Program Group Total</i>	<i>445,216</i>	<i>868,100</i>	<i>422,884</i>	<i>48.71%</i>	<i>388,298</i>	<i>(56,918)</i>
<b>TOTAL EXECUTIVE</b>	<b>772,433</b>	<b>1,552,500</b>	<b>780,067</b>	<b>50.25%</b>	<b>743,455</b>	<b>(28,978)</b>
<b>FINANCE</b>						
<b>Other Programs</b>						
8500 LSC/Club Financial Resources	0	10,000	10,000	100.00%	0	0
<i>Program Group Total</i>	<i>0</i>	<i>10,000</i>	<i>10,000</i>	<i>100.00%</i>	<i>0</i>	<i>0</i>
<b>Committees</b>						
8895 Investment Committee	104	300	196	65.20%	40	(65)
8880 Audit Committee	0	300	300	100.00%	11	11
<i>Program Group Total</i>	<i>104</i>	<i>600</i>	<i>496</i>	<i>82.60%</i>	<i>50</i>	<i>(54)</i>
<b>Administration</b>						
8990 Administration & Operational Support	102,438	133,200	30,762	23.09%	79,273	(23,166)
8999 Salary and Benefits	649,725	995,500	345,775	34.73%	370,818	(278,907)
<i>Program Group Total</i>	<i>752,164</i>	<i>1,128,700</i>	<i>376,536</i>	<i>33.36%</i>	<i>450,091</i>	<i>(302,073)</i>
<b>TOTAL FINANCE</b>	<b>752,268</b>	<b>1,139,300</b>	<b>387,032</b>	<b>33.97%</b>	<b>450,142</b>	<b>(302,127)</b>
<b>BUSINESS AFFAIRS</b>						
<b>Legal and NBR</b>						
9695 Legal	259,863	150,000	(109,863)	-73.24%	111,500	(148,363)
9692 National Board of Review	0	54,000	54,000	100.00%	32,143	32,143
9690 Legal - Admin. & Oper. Support	2,650	8,400	5,750	68.45%	10,716	8,066
<i>Program Group Total</i>	<i>262,513</i>	<i>212,400</i>	<i>(50,113)</i>	<i>-23.59%</i>	<i>154,359</i>	<i>(108,154)</i>
<b>Safe Sport</b>						
9335 Safe Sport - Background Checks	13,040	61,200	48,160	78.69%	14,338	1,298
9370 LSC Safe Sport Chairs Workshop	0	0	0	0.00%	344	344
9375 Safe Sport Online Education	30,000	77,200	47,200	61.14%	1,774	(28,226)
9386 Safe Sport Athlete Fellowship	9,727	21,500	11,773	54.76%	11,293	1,566
9385 Safe Sport Programs	85,636	235,800	150,164	63.68%	94,169	8,533
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	100,652	100,000	(652)	-0.65%	10,394	(90,258)
<i>Program Group Total</i>	<i>368,526</i>	<i>717,500</i>	<i>348,974</i>	<i>48.64%</i>	<i>175,211</i>	<i>(193,315)</i>

**USA Swimming, Inc.**  
**Quarterly Statement of Expenses - By Program**  
**For the Six Months Ended June 30, 2019**

	<b>Year To Date Actual</b>	<b>2019 Budget</b>	<b>Remaining Dollars</b>	<b>Remaining Percentage</b>	<b>Year To Date 2018</b>	<b>Favorable (Unfavorable)</b>
<b>Other Programs</b>						
9380 Human Resources	64,439	97,600	33,161	33.98%	49,737	(14,702)
9290 Government Affairs	6,194	167,700	161,506	96.31%	0	(6,194)
9295 Information Technology Support	306,927	640,200	333,273	52.06%	282,374	(24,553)
<b>Program Group Total</b>	<b>377,559</b>	<b>905,500</b>	<b>527,941</b>	<b>58.30%</b>	<b>332,111</b>	<b>(45,448)</b>
<b>Committees</b>						
9810 Safe Sport Committee	9,443	32,500	23,057	70.94%	9,169	(275)
<b>Program Group Total</b>	<b>104</b>	<b>600</b>	<b>496</b>	<b>82.60%</b>	<b>50</b>	<b>(54)</b>
<b>Administrative</b>						
9990 Administration & Operational Support	111,592	198,500	86,908	43.78%	86,232	(25,360)
9999 Salary and Benefits	997,321	2,181,500	1,184,179	54.28%	909,997	(87,324)
<b>Program Group Total</b>	<b>1,108,913</b>	<b>2,380,000</b>	<b>1,271,087</b>	<b>53.41%</b>	<b>996,229</b>	<b>(112,684)</b>
<b>TOTAL BUSINESS AFFAIRS</b>	<b>2,126,954</b>	<b>4,247,900</b>	<b>2,120,945</b>	<b>49.93%</b>	<b>1,667,078</b>	<b>(459,876)</b>
<b>TOTAL SUPPORT DIVISIONS</b>	<b>3,651,655</b>	<b>6,939,700</b>	<b>3,288,044</b>	<b>47.38%</b>	<b>2,860,674</b>	<b>(790,981)</b>
<b>GRAND TOTALS</b>	<b>\$19,735,951</b>	<b>\$40,232,000</b>	<b>\$20,496,049</b>	<b>50.94%</b>	<b>\$17,362,174</b>	<b>(\$2,373,778)</b>

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## Performance Monitoring Report

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TO: USA Swimming Board of Directors  
FR: Tim Hinchey, Chief Executive Officer  
Eric Skufca, Chief Financial Officer  
RE: Internal Report – Management Parameters  
Semi-Annual Monitoring on **Policy 3.6: Budget (Mid-Year Update/Re-Forecast)**

We hereby present the monitoring report on the Board's policy 3.6 "Financial Planning and Budgeting" in accordance with the monitoring schedule set forth in Board policy. The information contained in this report, and the current budget update (attached) for the remainder of this fiscal year is true as of June 30, 2019.

Signed , President & CEO

, CFO

Date: September 4, 2019

*NOTE TO BOARD: This Monitoring Report is, per Board policy 4.4, to update the Board as to a mid-year "re-forecasting" projection as to our anticipated fiscal year-end status for 2019. The 2020 budget/forecast will be presented at the November meeting in Los Angeles.*

**BROADEST PROVISION:** Financial planning for any fiscal year, the remaining part of any fiscal year, or any quadrennial cycle will not deviate materially from the Board's Ends priorities, risk financial jeopardy or fail to address multi-year planning needs and considerations.

**CEO's INTERPRETATION:** (No change since previous report) I submit that the Board has comprehensively interpreted this policy statement in its subsequent provisions, with interpretation of "multi-year planning" to be for the current quadrennial cycle, except that in the last year of a quad this will extend to the subsequent cycle.

*I also interpret this policy to indicate that, as CEO, I have the authority to revise the budget throughout the year, with it being my obligation to keep the Board apprised of material changes, which must meet all of the criteria in this policy, unless specifically waived by the Board.*

**REPORT:** The current year's budget, as approved by the Board of Directors in November of 2018, projected an operating (DEFICIT) of (\$2,237,100). Based on financial activities through June 30, 2019, our current projection is for a FYE (DEFICIT) of (\$2,286,627), which exceeds that approved by this body in November 2018 by (\$49,527), or (2.2%).

**We report NON-COMPLIANCE at this time, but are continuing to actively analyze and strategize areas to meet and exceed the 2019 operating budget and the 2020 quad budget goal.**

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**PROVISION #1:** (The CEO will not allow budgeting that...) **Risks incurring those liquidity situations or conditions described as unacceptable in the Financial Conditions and Activities policy.**

**CEO's INTERPRETATION:** (No change since previous report) We interpret this policy to mean that our budget must plan for the consistent compliance with the cash flow/liquidity requirements of that policy, e.g. that we run a positive cash-flow operation (with allowance for slight variations in the course of the quadrennial cycle and annual membership cycle), not incurring debt, not tapping into the Operating Reserve except for temporary periods, etc.

**REPORT:** As referenced above, our updated forecast projects a (DEFICIT) of (\$2,286,627). As we finish Q3 and head into Q4, the budget forecast and cash flow projections support our expectations of being able to comply with all other provisions regarding liquidity, payments and collections.

**We report COMPLIANCE.**

**PROVISION #2:** (The CEO will not allow budgeting that...) **Omits credible projection of revenues and expenses, separation of capital and operational items, and disclosure of planning assumptions.**

- A. **Investment income from Undesignated and Board-Designated Operating Reserve funds may be conservatively projected as operating revenue.**

**CEO's INTERPRETATION:** (No change since previous report) I interpret this policy to mean that the budget prepared, utilized and available for presentation must have adequate data to support the projections. It must highlight the separation of capital items from operational expenses, and convey the key assumptions used in creating the projections.

**REPORT:** The 2019 budget planning process was refined for presentation to the Board in November 2018. Business unit and department management rigorously reviewed and ensured the merit of planned expenditures. Projections of revenues were built on assumptions supported by history and current developments. A summary with variance explanations of the assumptions accompanied the presentation. The budget contains sufficient detail for subsequent auditor traceability (as was the case for the 2018 audit). Comparison of Y-T-D budget vs. actual performance, as highlighted in the P&L Statement accompanying the report on policy 3.4 "Financial Condition & Activities," reflects the overall credibility of our budget projections. Thus far in 2019, the most substantial deviations from budget have been:

- Corporate and Consumer Revenue under budget by approximately (\$345,000) total (94% of goal),
- Unbudgeted International Swim League (ISL) revenue contract of +\$225,000 (net expenses of approximately (\$50,000)),
- Commercial Flex Membership promotion +\$200,000 (able to reuse creative/campaigns)
- Summer Nationals Event production (\$200,000), and,
- Overall savings in wages and benefits of approximately +\$200,000.

**We report COMPLIANCE.**

**PROVISION #3:** (The CEO will not allow budgeting that...) **Plans the expenditure in any quadrennial cycle of more funds than are conservatively projected to be received.**

**CEO's INTERPRETATION:** (No change since previous report) This policy requires that a conservative projection of revenues is to exceed our most realistic projection of expense for any quad cycle. "Conservatism" is based on certainty. Revenues expected from established sources/contracts are projected at 100% certainty, and amounts from contracts/activities with which we don't have a track record are projected at lower amounts. Investment income is based on a conservative long-term return of 4.7% annually from a portfolio of 60% equities and 40% fixed income. We know for certain that actual returns will vary from this target, but drawing this amount (even in negative return years) will not jeopardize the long-term viability of the portfolio.

**REPORT:** Our currently projected FYE revenue and expenses for 2019 are \$38,091,172 and (\$40,377,799), respectively, resulting in a net DEFICIT of (\$2,286,627). As we approach the last year of the current quad cycle, our 2020 Business Plan (attached) is reasonable, but we are still actively working to continuously improve the 2020 quad operating results.

**We report NON-COMPLIANCE at this time, but are continuing to actively analyze and strategize areas to meet and exceed the 2019 operating budget and the 2020 quad budget goal.**

**PROVISION #4:** (The CEO will not allow budgeting that... ) Fails to allocate appropriate gross cash revenues to the Board Designated Operating Reserve, if that fund level is and has been less than 75% of its targeted threshold of six months (50% of annual) Program Funding and Operating Costs for two consecutive years.

**CEO's INTERPRETATION:** (No change since previous report) If the Operating Reserve as measured at FYE is less than 75% of the targeted threshold (50% of budget) for two consecutive years, the CEO will direct the CFO and senior staff to budget operating surpluses to raise the Operating Reserve to its targeted threshold over the following two years.

**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).

The CFO continued the calculation as of June 30, 2019 and has reported a (\$2,937,501) reserve shortage below the required Operating Reserve of \$20,116,000 (six months budgeted operating expenses) at June 30, 2019. This shortage is primarily attributable to the reserve spending on fixed assets with the building remodel (fixed assets have increased a net \$2,142,497 since 12/31/2018), other Board approved reserve spending, as well as the operating deficits in 2018 and 2019.

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. June 30, 2019 was at 85% of the targeted reserve level (or 5.12 months). 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. Operating Reserve will be calculated again after the 2019 annual audit.

Additionally, the required Operating Reserve has not been tapped in FY 2019. The corporation also has \$19,006,632 of Board Designated funds from the sale of USSIC in reserves. Only \$5,000,000 of which is dedicated to a guarantee related to the sale.

**We report COMPLIANCE.**

**PROVISION #5:** (The CEO will not allow budgeting that... ) **Omits allocation for Board activities per the Budgeting for Board Prerogatives policy (see policy in Board Process).**

**CEO's INTERPRETATION:** The annual operating budget is to ensure availability of funds to support Board functions. While this has always been the case, the new governance structure does create greater clarity and accountability regarding Board and management domains.

This policy requires that I ensure that the annual budget incorporates funding for Board prerogatives related to its governance functions. Consistent with 2018 and under the new governance structure, allocations for these functions will be addressed by the Board at its September meeting, and will subsequently appear, as approved, in the "Governance" subsection of the budget.

**REPORT:** Board-related expenditures are found within the "Executive" and "Finance" division budget files. These 2019 projections and 2020 proposed budgets with rationale will be presented for BOD review and approval at the September BOD meeting and then included in the full 2020 budget at the November meeting.

**We report COMPLIANCE.**

**USA Swimming**  
**2020 Quad Business Plan Summary**  
**As of 9/6/2019**

	Actual 2017	Actual 2018	Projection 2019	Current Budget 2020	Current 2020 Quad Budget
<b>REVENUE:</b>					
Membership	\$ 22,483,811	\$ 22,778,145	\$ 23,203,900	\$ 23,806,500	\$ 92,272,356
Corporate Revenue	4,364,233	4,203,495	5,276,375	5,940,475	19,784,578
Consumer Revenue	527,967	235,749	191,500	185,000	1,140,216
USOC Partnership	5,134,700	5,294,900	5,305,500	5,304,500	21,039,600
Investment Income	1,001,643	1,070,021	1,798,900	2,054,879	5,925,443
Foundation	792,500	963,600	1,036,250	1,005,000	3,797,350
Sport and Events	978,254	804,612	1,005,300	6,062,000	8,850,166
Other Income	331,745	749,322	273,447	239,122	1,593,636
<b>Total Revenue</b>	<b>35,614,853</b>	<b>36,099,844</b>	<b>38,091,172</b>	<b>44,597,476</b>	<b>154,403,345</b>
<b>EXPENSES:</b>					
<b>Technical/Sport:</b>					
Sport Development	4,455,110	4,653,677	4,795,218	5,329,789	19,233,794
Events and Member Services	8,581,871	7,715,136	7,462,696	5,652,713	29,412,415
National Team Division	8,004,303	9,013,587	10,818,881	11,340,453	39,177,224
<b>Total Technical/Sport</b>	<b>21,041,284</b>	<b>21,382,400</b>	<b>23,076,795</b>	<b>22,322,955</b>	<b>87,823,433</b>
<b>Other Programs:</b>					
Commercial	5,172,794	6,260,256	6,437,599	7,628,380	25,499,029
Risk Management	3,004,431	3,063,524	3,154,521	3,330,687	12,553,163
Foundation & Make a Splash Support	525,371	996,997	336,000	311,000	2,169,368
<b>Total Other Programs</b>	<b>8,702,595</b>	<b>10,320,777</b>	<b>9,928,120</b>	<b>11,270,067</b>	<b>40,221,560</b>
<b>Administration:</b>					
Executive	4,013,797	1,530,149	1,733,363	1,816,978	9,094,287
Finance	1,364,162	871,532	1,214,169	900,803	4,350,667
Business Affairs	1,240,827	3,448,770	4,425,351	4,573,767	13,688,715
<b>Total Administration</b>	<b>6,618,787</b>	<b>5,850,451</b>	<b>7,372,883</b>	<b>7,291,548</b>	<b>27,133,669</b>
<b>Total Expenses</b>	<b>36,362,666</b>	<b>37,553,628</b>	<b>40,377,799</b>	<b>40,884,570</b>	<b>155,178,662</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(747,813)</b>	<b>(1,453,784)</b>	<b>(2,286,627)</b>	<b>3,712,906</b>	<b>(775,318)</b>
<b>Reserves Spending:</b>					
Disaster Donations		(20,606)	(25,000)	(25,000)	(70,606)
Special IT Projects (CRM)		(327,086)	(622,914)	(350,000)	(1,300,000)
Safe Sport Expenses / Contingency		(719,564)	(30,436)		(750,000)
Legal Investigations			(1,000,000)	(250,000)	(1,250,000)
Cost of Flex			(700,000)	(1,000,000)	(1,700,000)
Athlete Leadership Summit		(266,618)	(214,000)		(480,618)
Foundation Endowment Donation	(1,000,000)				(1,000,000)
<b>Total Reserve Spending</b>	<b>(1,000,000)</b>	<b>(1,333,874)</b>	<b>(2,592,350)</b>	<b>(1,625,000)</b>	<b>(6,551,224)</b>
<b>Surplus (Deficit) Before Investment Gains (Losses)</b>	<b>(1,747,813)</b>	<b>(2,787,658)</b>	<b>(4,878,977)</b>	<b>2,087,906</b>	<b>(7,326,542)</b>
<b>Investment Gains (Losses)</b>	<b>3,816,462</b>	<b>(2,480,166)</b>	<b>750,000</b>	<b>0</b>	<b>2,086,296</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ 2,068,649</b>	<b>\$ (5,267,824)</b>	<b>\$ (4,128,977)</b>	<b>\$ 2,087,906</b>	<b>\$ (5,240,246)</b>

Seek BOD approval.

USA Swimming  
2019 Budget vs. 2019 Projection Summary  
As of 9/6/2019

	Approved Budget 2019	Current Projection 2019	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	Comment
<b>REVENUE:</b>					
Membership	\$ 23,203,900	\$ 23,203,900	\$ -	0.0%	Utilizing "Cost of Flex" reserves below. Projecting \$700K to be used with \$1M approved/budgeted to be used.
Corporate Revenue	5,582,500	5,276,375	(306,125)	-5.5%	Assumes Marriott, Comcast, and Ciprodex sign at full antic. amounts. More allocation expense than budgeted (-\$225K) (Team Unify, Masters). No web advertising as budgeted (-\$135K).
Consumer Revenue	229,500	191,500	(38,000)	-16.6%	See Corporate Revenue above.
USOC Partnership	5,304,500	5,305,500	1,000	0.0%	Contracted with Perf Partnership Agreement and Direct Athlete Support.
Investment Income	1,788,900	1,798,900	10,000	0.6%	Proj. \$10K more in ST Interest income. Investment Income budget/draw sch based off of 4.7% of the 12/31/17 portf balance.
Foundation	915,700	1,036,250	120,550	13.2%	Will net zero with NT exp below. Toyota, Shackley, accelerated Meyer Shaffer caused increase.
Sport and Events	721,500	1,005,300	283,800	39.3%	ISL unbudgeted \$225K, GGA \$75K (budgeted net zero with Foundation donation).
Other Income	248,400	273,447	25,047	10.1%	Forfeited athlete prize \$, nets \$0 in Foundation line below. (Rent, NCAA, and Forfeited Prize \$).
Total Revenue	37,994,900	38,091,172	96,272	0.3%	
<b>EXPENSES:</b>					<i>See Program expense projections for full detail. Material items below:</i>
<b>Technical/Sport:</b>					
Sport Development	4,907,800	4,795,218	112,582	2.3%	Club & Coach education (+\$70K), LEAP (+\$17K), Committees (+15K).
Events and Member Services	7,250,300	7,462,696	(212,396)	-2.9%	Summer Nationals Event Production (-\$200K).
National Team Division	10,892,400	10,818,881	73,519	0.7%	Competition travel including unbudgeted ISL (-\$180K). Athlete Services (+\$170K), Payroll & G&A (+67K).
Total Technical/Sport	23,050,500	23,076,795	(26,295)	-0.1%	
<b>Other Programs:</b>					
Commercial	6,751,600	6,437,599	314,001	4.7%	Payroll (+330K), Mbrship promo (Flex) (+\$200K), Event Marketing (-\$145K), Comm/Splash Mag (-\$106K), DP app (+\$88K).
Risk Management	3,179,200	3,154,521	24,679	0.8%	Insurance premiums.
Foundation & Make a Splash Support	311,000	336,000	(25,000)	-8.0%	Net zero with portion of FDN revenue line (Swimming staff allocation and unbudgeted forfeited FINA prize money (\$25K)).
Total Other Programs	10,241,800	9,928,120	313,680	3.1%	
<b>Administration:</b>					
Executive	1,552,500	1,733,363	(180,863)	-11.6%	Consultant more than was in budget (\$133K).
Finance	1,139,300	1,214,169	(74,870)	-6.6%	Staffing crossover (CFO), Sr. Accountant replacement, 401K plan moved here from Exec.
Business Affairs	4,247,900	4,425,351	(177,451)	-4.2%	Hired Sr. Software Engineer from our Consultant (less \$ in long run), add'l Safe Sport (\$34K).
Total Administration	6,939,700	7,372,883	(433,184)	-6.2%	
Total Expenses	40,232,000	40,377,799	(145,799)	-0.4%	
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(2,237,100)</b>	<b>(2,286,627)</b>	<b>(49,527)</b>	<b>-2.2%</b>	
<b>Reserves Spending:</b>					
Disaster Donations	-	(25,000)	(25,000)		BOD approved disaster relief assistance if/when properly requested and not to exceed an annual amount of ~\$25K.
Special IT Projects (CRM)	(950,000)	(622,914)	327,086		Spent the \$327K in 2018 so this will bring us to approved amount through 2019.
Remodel Depreciation	(120,000)	-	120,000		TBD based on lease ext. with USOPC. \$150K USOPC and \$25K El Pomar Grants received in '19, taking it above the line in '19.
Safe Sport Expenses / Contingency	-	(30,436)	(30,436)		Remainder of \$750K total approved in 2018.
Legal Investigations	-	(1,000,000)	(1,000,000)		To seek BOD approval.
Cost of Flex	(1,000,000)	(700,000)	300,000		Projecting less than what was approved for 2019.
Athlete Leadership Camp	(214,000)	(214,000)	-		
Total Reserve Spending	(2,284,000)	(2,592,350)	(308,350)	-13.5%	
Surplus (Deficit) Before Investment Gains (Losses)	(4,521,100)	(4,878,977)	(357,877)	-7.9%	
Investment Gains (Losses)	-	750,000	750,000		Conservatively projecting based on Q1, Q2 portfolio gains. In addition to what is taken to Investment Income "above the line".
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ (4,521,100)</b>	<b>\$ (4,128,977)</b>	<b>\$ 392,123</b>	<b>8.7%</b>	

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<u>Year to Date Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>Favorable (Unfavorable)</u>
<b>OPERATING REVENUE:</b>				
<b>MEMBERSHIP:</b>				
Athlete Membership	\$18,959,690	\$18,361,200	\$18,900,000	\$538,800
Flex	247,370	413,250	220,000	(193,250)
Cost of Flex	0	1,000,000	700,000	(300,000)
Outreach Athlete Membership	52,900	56,825	55,745	(1,080)
Seasonal Athlete Membership	548,400	701,760	657,290	(44,470)
Non-Athlete Membership	2,366,150	2,413,860	2,413,860	0
Life Membership	37,334	36,000	36,000	0
Allied Membership	500	1,000	1,000	0
Club Membership	212,380	212,310	212,310	0
Seasonal Club Membership	4,640	4,560	4,560	0
Affiliate Membership	500	800	800	0
Single Meet Open Water	910	1,920	1,920	0
Delegate Fees	500	350	350	0
Other Membership Income	624	65	65	0
<b>TOTAL MEMBERSHIP</b>	<b>22,431,898</b>	<b>23,203,900</b>	<b>23,203,900</b>	<b>0</b>
<b>PARTNERSHIP MARKETING REVENUE:</b>				
Corporate Sponsorship	2,793,084	5,035,000	5,033,500	(1,500)
Supplier Income	170,625	352,500	202,875	(149,625)
Licensee Income	10,000	25,000	15,000	(10,000)
Web Advertising	0	135,000	0	(135,000)
Print Advertising	20,330	30,000	25,000	(5,000)
List Rental Income/Mailing Service	3,121	5,000	0	(5,000)
<b>TOTAL PARTNERSHIP MARKETING REVENUE</b>	<b>2,997,160</b>	<b>5,582,500</b>	<b>5,276,375</b>	<b>(306,125)</b>
<b>CONSUMER REVENUE:</b>				
SwimBiz	6,530	10,000	6,500	(3,500)
Royalties	86,564	97,500	100,000	2,500
Publication/Video Sales	70	0	0	0
SwimOutlet	46,534	120,000	85,000	(35,000)
Splash Magazine Subscriptions	505	2,000	0	(2,000)
<b>TOTAL CONSUMER REVENUE</b>	<b>140,203</b>	<b>229,500</b>	<b>191,500</b>	<b>(38,000)</b>
<b>USOC PARTNERSHIP:</b>				
USOC Performance Funding	2,266,650	3,022,200	3,022,200	0
USOC Performance VIK	60,000	60,000	60,000	0
USOC Direct Athlete Support	1,593,202	2,207,300	2,207,300	0
USOC International Relations Grant	12,800	15,000	16,000	1,000
<b>TOTAL USOC PARTNERSHIP</b>	<b>3,932,652</b>	<b>5,304,500</b>	<b>5,305,500</b>	<b>1,000</b>
<b>INVESTMENT INCOME:</b>				
Investment Income - Operating Budget	1,159,266	1,738,900	1,738,900	0
Interest Income - Savings	2	0	0	0
Interest Income - Short Term Securities	57,216	50,000	60,000	10,000
<b>TOTAL INVESTMENT INCOME</b>	<b>1,216,485</b>	<b>1,788,900</b>	<b>1,798,900</b>	<b>10,000</b>
<b>FOUNDATION AND SWIM-A-THON:</b>				
USA Swimming Foundation	450,000	855,700	976,250	120,550
Foundation Rent	0	60,000	60,000	0
<b>TOTAL FOUND. AND SWIM-A-THON</b>	<b>450,000</b>	<b>915,700</b>	<b>1,036,250</b>	<b>120,550</b>
<b>SPORT AND EVENTS:</b>				
Golden Goggle Awards	408	0	75,000	75,000
Coach Education Clinics	125,363	210,000	188,000	(22,000)
Altitude Camps	387,083	295,000	290,000	(5,000)
Pro Swim Series Host Fees	55,000	60,000	65,000	5,000
International Swim League (ISL)	150,000	0	225,000	225,000
Facilities Conference	6,079	8,000	8,000	0
Club Governance Programs	235	0	0	0
Custom Visits (BAP)	9,300	6,000	9,300	3,300
Safe Sport Leadership Conference	3,275	0	0	0
Safe Sport Materials	12,050	0	10,000	10,000
International TV Rights	0	70,000	0	(70,000)

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<b>Year to Date Actual</b>	<b>2019 Budget</b>	<b>2019 Projected</b>	<b>Favorable (Unfavorable)</b>
Other Registration	166,932	72,500	135,000	62,500
<b>TOTAL SPORTS AND EVENTS</b>	<b>915,726</b>	<b>721,500</b>	<b>1,005,300</b>	<b>283,800</b>
<b>OTHER INCOME:</b>				
NCAA Top Times List	96,720	96,700	96,700	0
Combined Federal Campaign	2,521	0	0	0
Forfeited Prize Money	0	0	25,000	25,000
Imputed Interest - Prepaid Rent	113,811	151,700	151,747	47
Other Revenue	25,239	0	0	0
<b>TOTAL OTHER INCOME</b>	<b>238,291</b>	<b>248,400</b>	<b>273,447</b>	<b>25,047</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$32,322,415</b>	<b>\$37,994,900</b>	<b>\$38,091,172</b>	<b>\$96,272</b>

**OPERATING EXPENSES:**

**TECHNICAL/SPORT:**

**SPORT DEVELOPMENT**

***Athlete Development Programs***

1117 LSC Camps	\$9,225	\$10,200	\$10,200	\$0
1118 Zone Select Camps	118,223	120,600	118,424	2,176
1119 National Select Camps	1,630	108,700	108,700	0
1120 Camp (VIK)	16,446	25,000	25,000	0
1135 Tech Services Support	29	2,900	2,900	0
1163 Open Water Select Camp	48,116	60,500	62,718	(2,218)
<b>Program Group Total</b>	<b>193,669</b>	<b>327,900</b>	<b>327,942</b>	<b>(42)</b>

***Coach Education and Development***

1213 Coach Education Development	16,205	62,800	62,800	0
1231 USA-S Hosted Coaches Clinics	42,907	100,000	96,000	4,000
1237 Non-USAS Clinic Participation	9,620	38,100	38,100	0
1240 Online Coach Clinics/Podcasts	5,002	15,900	9,900	6,000
1242 Coach Mentoring	71,220	116,100	117,900	(1,800)
1245 Master Coach Program	49,322	139,400	124,245	15,155
1290 Travel & Program Support	84,529	171,000	171,000	0
<b>Program Group Total</b>	<b>278,805</b>	<b>643,300</b>	<b>619,945</b>	<b>23,355</b>

***Club Education and Development***

1302 Club Excellence Program	430,525	463,000	463,000	0
1305 Club Recognition Program	0	7,500	7,500	0
1311 Club Governance Programs	12,333	47,000	25,670	21,330
1314 Club Resources	9,681	33,600	33,600	0
1332 Club Research Technology	20,840	50,600	50,600	0
1390 Travel & Program Support	113,792	169,100	144,200	24,900
<b>Program Group Total</b>	<b>587,171</b>	<b>770,800</b>	<b>724,570</b>	<b>46,230</b>

***LSC Development & Education***

1470 LSC Consulting	27,864	60,000	60,000	0
1475 LEAP Program	26,902	70,500	53,500	17,000
1481 Leadership Workshops	5,537	37,300	37,300	0
<b>Program Group Total</b>	<b>60,303</b>	<b>167,800</b>	<b>150,800</b>	<b>17,000</b>

***Facilities Advocacy & Development***

1505 Build a Pool Conference	30,764	62,700	62,700	0
1507 Aquatic Industry Relations	14,597	22,400	22,400	0
1590 Travel & Program Support	9,332	11,800	11,800	0
<b>Program Group Total</b>	<b>54,692</b>	<b>96,900</b>	<b>96,900</b>	<b>0</b>

***Membership Growth and Diversity***

1638 Diversity Management Support	43,844	113,500	113,500	0
1640 Community Swim Team Development	19,278	65,600	65,600	0
1645 Zone Diversity Camps & Meetings	22,905	45,400	35,400	10,000
1651 Diversity VIK	12,431	15,000	15,000	0
1665 Diversity Select Camp	72,802	71,100	72,920	(1,820)

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<b>Year to Date Actual</b>	<b>2019 Budget</b>	<b>2019 Projected</b>	<b>Favorable (Unfavorable)</b>
<i>Program Group Total</i>	<i>171,259</i>	<i>310,600</i>	<i>302,420</i>	<i>8,180</i>
<b>Committees</b>				
1823 Convention Education Committee	8,315	13,500	9,006	4,494
1830 LSC Development Committee	18,049	26,400	26,400	0
1841 Disability Swimming Committee	191	600	600	0
1842 Diversity Committee	14,226	20,800	20,800	0
1851 Age Group Development Committee	0	800	800	0
1856 Club Development Committee	0	600	600	0
1865 Zone Director Committee	422	0	0	0
1885 Senior Development Committee	0	11,200	700	10,500
<i>Program Group Total</i>	<i>41,203</i>	<i>73,900</i>	<i>58,906</i>	<i>14,994</i>
<b>Administration</b>				
1990 Administration & Operational Support	192,890	307,100	339,450	(32,350)
1999 Salary and Benefits	1,384,202	2,209,500	2,174,285	35,215
<i>Program Group Total</i>	<i>1,577,092</i>	<i>2,516,600</i>	<i>2,513,735</i>	<i>2,865</i>
<b>TOTAL SPORT DEVELOPMENT</b>	<b>2,964,196</b>	<b>4,907,800</b>	<b>4,795,218</b>	<b>112,582</b>
<b>EVENTS AND MEMBER SERVICES</b>				
<b>Events</b>				
2005 Olympic Trials	7,836	14,500	14,500	0
2018 Winter National Championships	143	239,700	239,700	0
2019 National Championships/Trials	769,436	550,400	750,400	(200,000)
2022 International Swimming League Events	0	0	25,000	(25,000)
2023 US Open	544	0	0	0
2025 Pro Swim Series	282,692	344,300	344,300	0
2027 Speedo Sectionals	185,000	215,000	215,000	0
2028 IM Xtreme Games	4,000	24,000	24,000	0
2029 Zone Championships	60,000	110,000	110,000	0
2035 Futures Championships	104,223	137,800	137,800	0
2045 Jr. National Championships (Summer LC)	85,622	138,400	138,400	0
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	2,070	139,500	144,500	(5,000)
2069 Open Water Championships	85,140	101,500	86,500	15,000
2077 National Events Uniforming VIK	13,500	40,000	40,000	0
2076 Bag Tags VIK	896	10,000	10,000	0
2716 Omega Timing Systems VIK	0	320,000	400,000	(80,000)
<i>Program Group Total</i>	<i>1,601,104</i>	<i>2,385,100</i>	<i>2,680,100</i>	<i>(295,000)</i>
<b>Member Programs</b>				
2411 Member Dues and Services	7,841	18,300	15,864	2,436
2412 Technology Projects	0	12,500	12,500	0
2418 SWIMS 2.0	85,369	160,000	168,600	(8,600)
2423 Rulebook	99,386	147,000	137,000	10,000
2431 Swimposium	29,115	134,100	134,100	0
2432 Zone Workshops	278,494	230,000	270,900	(40,900)
2434 On-Line Registration	38,415	150,000	96,500	53,500
2498 Awards	769	13,200	12,290	910
<i>Program Group Total</i>	<i>539,388</i>	<i>865,100</i>	<i>847,754</i>	<i>17,346</i>
<b>Member Programs - Officials</b>				
2433 Officials Training Sessions	52,027	132,000	132,000	0
2437 Officials On-Line Testing	0	2,600	0	2,600
2438 Officials Certification Program	0	15,200	5,200	10,000
2440 Officials Clinic	800	2,300	2,300	0
2441 Officials International Travel	15,418	30,100	42,380	(12,280)
2450 Officials Mentoring & Training	644	4,300	3,000	1,300
<i>Program Group Total</i>	<i>68,888</i>	<i>186,500</i>	<i>184,880</i>	<i>1,620</i>
<b>Other Programs and Services</b>				
2501 Publications and Video Sales	27,954	40,000	35,000	5,000
2502 Mailing Service	16	500	500	0
2505 Trials Hospitality	0	1,500	1,500	0
2518 Altitude Camps	344,706	300,000	300,000	0
2519 Times Projects	15,624	38,900	38,900	0
2535 Pool Environment Research & Education	0	20,000	20,000	0
2715 TV/Web Cast Production	924,887	1,261,000	1,261,000	0
<i>Program Group Total</i>	<i>1,313,187</i>	<i>1,661,900</i>	<i>1,656,900</i>	<i>5,000</i>

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<b>Year to Date Actual</b>	<b>2019 Budget</b>	<b>2019 Projected</b>	<b>Favorable (Unfavorable)</b>
<b>Committees &amp; Governance</b>				
2801 Convention	18,109	112,500	120,870	(8,370)
2802 Convention - Athletes	10,737	128,200	128,200	0
2825 Registration / Membership	14,346	16,200	16,200	0
2832 Awards	297	300	300	0
2835 Credentials / Elections	725	3,000	3,000	0
2836 Rules and Regulations	21,679	31,800	28,300	3,500
2857 Times & Recognition Committee	5,652	23,000	23,000	0
2862 Program & Events Committee	750	27,400	1,000	26,400
2866 Officials	19,203	19,300	19,550	(250)
2887 Athletes Executive Committee	19,356	30,500	30,500	0
<b>Program Group Total</b>	<b>110,855</b>	<b>392,200</b>	<b>370,920</b>	<b>21,280</b>
<b>Administration</b>				
2990 Administration & Operational Support	157,733	208,200	209,390	(1,190)
2999 Salary and Benefits	940,852	1,551,300	1,512,752	38,549
<b>Program Group Total</b>	<b>1,098,585</b>	<b>1,759,500</b>	<b>1,722,142</b>	<b>37,359</b>
<b>TOTAL EVENTS AND MEMBER SERVICES</b>	<b>4,732,007</b>	<b>7,250,300</b>	<b>7,462,696</b>	<b>(212,395)</b>
<b>NATIONAL TEAM</b>				
<b>Competitions</b>				
3001 Olympic Games	150	500	500	0
3013 Pan American Games	75,696	58,100	85,100	(27,000)
3015 World University Games	481,633	363,400	490,955	(127,555)
3022 International Swimming League	0	0	25,000	(25,000)
3031 Long Course World Championships	367,316	457,500	457,500	0
3033 Short Course World Championships	476	0	0	0
<b>Program Group Total</b>	<b>925,272</b>	<b>879,500</b>	<b>1,059,055</b>	<b>(179,555)</b>
<b>Junior Team Programs</b>				
3009 Jr. Team International Competition	117,543	202,500	110,260	92,240
3045 Junior Team Camps	40,628	60,200	41,900	18,300
3050 FINA World Junior Championships	174,011	364,700	415,700	(51,000)
3051 Jr. Team Pro Swim Series	4,400	38,500	38,500	0
3053 World 100	11,654	20,600	30,050	(9,450)
3992 Ntl. Jr. Team Program Support	18,159	41,000	30,000	11,000
<b>Program Group Total</b>	<b>366,394</b>	<b>727,500</b>	<b>666,410</b>	<b>61,090</b>
<b>Open Water Programs</b>				
3040 FINA Open Water Jr. Championships	3,148	34,500	10,300	24,200
3061 Open Water World Championships	24,338	49,500	49,500	0
3062 Open Water International Competition	2,380	0	0	0
3063 Open Water University Games	0	20,500	0	20,500
3065 Open Water World Cup	78,906	91,500	87,500	4,000
3067 Open Water Camps	14,947	50,200	30,610	19,590
3068 Open Water - Foundation	20,427	25,000	25,000	0
3075 Open Water International Camps	102,680	79,100	100,100	(21,000)
3495 Open Water Program Support	18,376	29,000	24,000	5,000
<b>Program Group Total</b>	<b>265,202</b>	<b>379,300</b>	<b>327,010</b>	<b>52,290</b>
<b>Camps</b>				
3005 Olympic Games Prep Camps	0	20,000	0	20,000
3069 National Team Specialty Camps	0	28,100	28,100	0
3071 Altitude Training Camps	17,372	39,000	39,000	0
3073 National Team Camps	54,018	43,000	54,300	(11,300)
3076 National Team International Camps	467,094	594,600	550,600	44,000
3479 Advance Team Visits	15,108	21,000	26,100	(5,100)
<b>Program Group Total</b>	<b>553,592</b>	<b>745,700</b>	<b>698,100</b>	<b>47,600</b>
<b>Athlete Services</b>				
3101 Athlete Support-Stipends & Grants	1,121,952	1,584,800	1,734,800	(150,000)
3103 Athlete Support-Medals & Records	471,250	600,000	472,500	127,500
3107 Athlete Support-Op Gold Qualification Bonus	0	585,000	550,000	35,000
3025 Pro Swim Series Athlete Support	525,718	830,000	730,000	100,000
3021 World Cup Athlete Support	16,358	9,500	1,000	8,500
3127 National Team Investment Grant	131,961	600,000	515,000	85,000

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<b>Year to Date Actual</b>	<b>2019 Budget</b>	<b>2019 Projected</b>	<b>Favorable (Unfavorable)</b>
3106 ConocoPhillips Athlete Support	31,475	100,000	150,000	(50,000)
3110 National Team Uniforming (VIK)	326,409	325,000	330,000	(5,000)
3120 Athlete Support-Olympic Prep	2,086	20,000	10,000	10,000
3130 Foundation Travel & Training	56,230	80,000	80,000	0
3131 Foundation Athlete Endowments	22,500	80,000	80,000	0
3453 Drug Control Program	8,954	70,200	60,200	10,000
<b>Program Group Total</b>	<b>2,714,893</b>	<b>4,884,500</b>	<b>4,713,500</b>	<b>171,000</b>
<b>Coach Services</b>				
3203 Coach Incentive & Reward Program	0	330,000	330,000	0
3210 Olympic Team Prep - Coaches	45,000	20,000	65,000	(45,000)
3220 Contract Labor - National Team Tech Advisor	54,905	83,700	83,700	0
3222 National Team Consultant	25,305	37,100	34,100	3,000
3460 Olympic Staff Recognition	20,435	37,000	37,000	0
3010 Coach Education	17,477	34,100	34,100	0
3077 National Team Coaches Meeting	113,624	114,000	114,000	0
<b>Program Group Total</b>	<b>276,747</b>	<b>655,900</b>	<b>697,900</b>	<b>(42,000)</b>
<b>High Performance Support</b>				
3301 National Team Performance Support	98,297	155,600	155,600	0
3310 USOC Practitioner Travel Support	39,703	26,700	44,935	(18,235)
<b>Program Group Total</b>	<b>138,000</b>	<b>182,300</b>	<b>200,535</b>	<b>(18,235)</b>
<b>Sport Medicine &amp; Science</b>				
3201 Athletes and Coach Wellness Programs	0	0	60,000	(60,000)
3353 Sport Medicine & Science Network	94,373	117,600	108,975	8,625
3155 Elite Athlete Accident Coverage	35,991	35,000	35,550	(550)
3200 Athlete Life Skills	14,208	40,000	25,000	15,000
3351 Athlete Testing & Lab Expenses	11,920	27,100	27,100	0
3390 Sport Medicine & Science Program Support	11,367	51,700	20,000	31,700
<b>Program Group Total</b>	<b>167,857</b>	<b>271,400</b>	<b>276,625</b>	<b>(5,225)</b>
<b>Other Programs and Services</b>				
3481 National Team Equipment	6,850	18,500	31,500	(13,000)
3496 National Team Selection	3,250	0	0	0
3499 Team Management Technology	67,068	0	67,070	(67,070)
<b>Program Group Total</b>	<b>77,168</b>	<b>18,500</b>	<b>98,570</b>	<b>(80,070)</b>
<b>Committees</b>				
3846 Sports Medicine	0	3,300	3,300	0
3850 Open Water Development	30	800	800	0
3868 Open Water Committee	7,171	16,900	16,900	0
3882 National Steering Committee	578	16,600	16,600	0
3888 National Team Ath Committee	65	12,300	12,300	0
<b>Program Group Total</b>	<b>7,844</b>	<b>49,900</b>	<b>49,900</b>	<b>0</b>
<b>Administration</b>				
3990 Administration & Operational Support	188,019	222,600	268,700	(46,100)
3999 Salary and Benefits	1,080,575	1,875,300	1,762,576	112,723
<b>Program Group Total</b>	<b>1,268,594</b>	<b>2,097,900</b>	<b>2,031,276</b>	<b>66,624</b>
<b>TOTAL NATIONAL TEAM</b>	<b>6,761,562</b>	<b>10,892,400</b>	<b>10,818,881</b>	<b>73,519</b>
<b>TOTAL TECHNICAL/SPORT</b>	<b>14,457,765</b>	<b>23,050,500</b>	<b>23,076,795</b>	<b>(26,295)</b>
<b>OTHER PROGRAMS:</b>				
<b>COMMERCIAL</b>				
<b>Corporate Partnerships</b>				
5901 Marketing & Contract Fulfillment	186,965	187,900	222,646	(34,746)
5905 Sales Development Support	26,481	50,000	45,000	5,000
<b>Program Group Total</b>	<b>213,447</b>	<b>237,900</b>	<b>267,646</b>	<b>(29,746)</b>
<b>Communications</b>				
5711 Splash Magazine	469,826	812,700	882,700	(70,000)
5714 PR-USA Swimming Programs	29,261	75,000	35,000	40,000
5724 Communication Operations	179,986	171,200	249,000	(77,800)

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<b>Year to Date Actual</b>	<b>2019 Budget</b>	<b>2019 Projected</b>	<b>Favorable (Unfavorable)</b>
5730 USA Swimming Productions	590,828	856,200	854,700	1,500
<b>Program Group Total</b>	<b>1,269,900</b>	<b>1,915,100</b>	<b>2,021,400</b>	<b>(106,300)</b>
<b>Marketing</b>				
5109 Athlete Partnership Fulfillment	23,866	50,000	32,725	17,275
5620 Family Program	56,815	34,600	34,600	0
5709 Nationals Marketing	469,014	334,190	464,190	(130,000)
5760 Jr Nationals Marketing	2,332	75,000	35,000	40,000
5762 Pro Swim Series Marketing	170,074	143,340	188,340	(45,000)
5764 US Open Marketing	0	36,000	66,000	(30,000)
5770 Event Marketing	2,110	38,570	18,570	20,000
5722 Social Media Aggregation	5,850	0	15,000	(15,000)
5710 Membership/Recruiting Promotion (SwimToday)	190,763	450,000	249,003	200,997
5713 Deck Pass	6,231	125,000	37,082	87,918
5715 SwimBiz	84,153	75,000	85,000	(10,000)
5716 Swimjitsu	6,494	0	10,780	(10,780)
5755 USA Swimming House-Trials	7,800	10,200	10,200	0
5720 Video Production Services	2,766	25,000	16,175	8,825
5913 Multicultural Promotions	0	98,600	0	98,600
5902 Merchandise Program	9,210	26,000	25,731	269
5904 Marketing Contract Labor	6,500	0	25,000	(25,000)
5911 Aqua Zone - Olympic Trials	6,840	15,000	15,000	0
<b>Program Group Total</b>	<b>1,050,817</b>	<b>1,536,500</b>	<b>1,328,396</b>	<b>208,104</b>
<b>Administration</b>				
5990 Administration & Operational Support	170,168	243,500	318,425	(74,925)
5999 Salary and Benefits	1,167,810	2,291,400	1,961,533	329,868
5718 usaswimming.org - Web site	263,349	527,200	535,200	(8,000)
5726 Business Intelligence	0	0	5,000	(5,000)
<b>Program Group Total</b>	<b>1,601,328</b>	<b>3,062,100</b>	<b>2,820,158</b>	<b>241,943</b>
<b>TOTAL COMMERCIAL</b>	<b>4,135,492</b>	<b>6,751,600</b>	<b>6,437,599</b>	<b>314,001</b>
<b>RISK MANAGEMENT SERVICES</b>				
<b>Member Programs</b>				
9413 Member Insurance Premiums & Retention	2,482,869	3,102,800	3,077,000	25,800
9415 Other Risk Management	10,000	16,700	16,700	0
<b>Program Group Total</b>	<b>2,492,869</b>	<b>3,119,500</b>	<b>3,093,700</b>	<b>25,800</b>
<b>Committees</b>				
9827 Operational Risk Committee	19,915	32,300	32,300	0
<b>Program Group Total</b>	<b>19,915</b>	<b>32,300</b>	<b>32,300</b>	<b>0</b>
<b>Administration</b>				
9490 Administration & Operational Support	11,278	27,400	28,521	(1,121)
<b>Program Group Total</b>	<b>11,278</b>	<b>27,400</b>	<b>28,521</b>	<b>(1,121)</b>
<b>TOTAL RISK MANAGEMENT SERVICES</b>	<b>2,524,062</b>	<b>3,179,200</b>	<b>3,154,521</b>	<b>24,679</b>
<b>FOUND. &amp; MAKE A SPLASH SUPPORT</b>				
6666 Foundation Support	0	0	25,000	(25,000)
6667 USA Swimming Staff Allocation	0	311,000	311,000	0
<b>TOTAL FOUNDATION &amp; MAS SUPPORT</b>	<b>0</b>	<b>311,000</b>	<b>336,000</b>	<b>(25,000)</b>
<b>TOTAL OTHER PROGRAMS</b>	<b>6,659,554</b>	<b>10,241,800</b>	<b>9,928,120</b>	<b>313,680</b>
<b>SUPPORT DIVISIONS:</b>				
<b>EXECUTIVE</b>				
<b>Other Executive</b>				
7920 CEO Contingency	46,489	60,000	55,000	5,000
7930 Board Chair Travel and Expenses	28,802	35,000	43,991	(8,991)
7945 CSCAA Grant	80,000	125,000	120,000	5,000
7971 Organizational Relations - Domestic	48,937	80,000	65,000	15,000
7984 Organizational Relations - Internat'l	24,177	65,000	43,000	22,000
7981 International Relations	25,659	69,100	50,600	18,500

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<b>Year to Date Actual</b>	<b>2019 Budget</b>	<b>2019 Projected</b>	<b>Favorable (Unfavorable)</b>
<i>Program Group Total</i>	<u>254,064</u>	<u>434,100</u>	<u>377,591</u>	<u>56,509</u>
<b>Committees &amp; Governance</b>				
7803 Board of Directors	49,723	185,300	165,788	19,512
7808 Task Force & Other Committees	90,083	34,000	166,741	(132,741)
7811 International Relations Committee	8,778	31,000	13,000	18,000
7820 Nominating Committee	1,078	0	8,295	(8,295)
<i>Program Group Total</i>	<u>149,662</u>	<u>250,300</u>	<u>353,824</u>	<u>(103,524)</u>
<b>Administration</b>				
7990 Administration & Operational Support	79,650	100,300	134,600	(34,300)
7999 Salary and Benefits	526,055	767,800	867,348	(99,547)
<i>Program Group Total</i>	<u>605,705</u>	<u>868,100</u>	<u>1,001,948</u>	<u>(133,847)</u>
<b>TOTAL EXECUTIVE</b>	<u><b>1,009,431</b></u>	<u><b>1,552,500</b></u>	<u><b>1,733,363</b></u>	<u><b>(180,863)</b></u>
<b>FINANCE</b>				
<b>Other Programs</b>				
8500 LSC/Club Financial Resources	360	10,000	12,200	(2,200)
<i>Program Group Total</i>	<u>360</u>	<u>10,000</u>	<u>12,200</u>	<u>(2,200)</u>
<b>Committees</b>				
8895 Investment Committee	104	300	200	100
8880 Audit Committee	0	300	100	200
<i>Program Group Total</i>	<u>104</u>	<u>600</u>	<u>300</u>	<u>300</u>
<b>Administration</b>				
8100 Allocated Expenses	33,935	0	0	0
8990 Administration & Operational Support	116,404	133,200	169,800	(36,600)
8999 Salary and Benefits	782,454	995,500	1,031,869	(36,370)
<i>Program Group Total</i>	<u>932,793</u>	<u>1,128,700</u>	<u>1,201,669</u>	<u>(72,970)</u>
<b>TOTAL FINANCE</b>	<u><b>933,258</b></u>	<u><b>1,139,300</b></u>	<u><b>1,214,169</b></u>	<u><b>(74,870)</b></u>
<b>BUSINESS AFFAIRS</b>				
<b>Legal and NBR</b>				
9695 Legal	182,428	150,000	275,000	(125,000)
9692 National Board of Review	24	54,000	14,000	40,000
9690 Legal - Admin. & Oper. Support	2,884	8,400	8,400	0
<i>Program Group Total</i>	<u>185,337</u>	<u>212,400</u>	<u>297,400</u>	<u>(85,000)</u>
<b>Safe Sport</b>				
9335 Safe Sport - Background Checks	15,122	61,200	61,200	0
9375 Safe Sport Online Education	35,000	77,200	77,700	(500)
9386 Safe Sport Athlete Fellowship	11,520	21,500	21,500	0
9385 Safe Sport Programs	96,189	235,800	285,704	(49,904)
9387 Safe Sport - USOC Center for Safe Sport	155,205	158,200	158,200	0
9388 Safe Sport - Leadership Conference	47,829	63,600	47,830	15,770
9389 Safe Sport - SwimAssist	99,852	100,000	100,000	0
<i>Program Group Total</i>	<u>460,716</u>	<u>717,500</u>	<u>752,134</u>	<u>(34,634)</u>
<b>Other Programs</b>				
9380 Human Resources	77,162	97,600	112,535	(14,935)
9290 Government Affairs	8,640	167,700	14,700	153,000
9295 Information Technology Support	395,278	640,200	614,745	25,455
<i>Program Group Total</i>	<u>481,079</u>	<u>905,500</u>	<u>741,980</u>	<u>163,520</u>
<b>Committees</b>				
9810 Safe Sport Committee	9,612	32,500	32,500	0
<i>Program Group Total</i>	<u>9,612</u>	<u>32,500</u>	<u>32,500</u>	<u>0</u>
<b>Administrative</b>				
9990 Administration & Operational Support	136,567	198,500	237,634	(39,134)
9999 Salary and Benefits	1,423,223	2,181,500	2,363,703	(182,203)
<i>Program Group Total</i>	<u>1,559,791</u>	<u>2,380,000</u>	<u>2,601,337</u>	<u>(221,337)</u>
<b>TOTAL BUSINESS AFFAIRS</b>	<u><b>2,696,534</b></u>	<u><b>4,247,900</b></u>	<u><b>4,425,351</b></u>	<u><b>(177,451)</b></u>

**USA Swimming, Inc.**  
**BUDGET VS. PROJECTION**  
**2019**

	<u>Year to Date Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>Favorable (Unfavorable)</u>
<b>TOTAL SUPPORT DIVISIONS</b>	<u>4,639,223</u>	<u>6,939,700</u>	<u>7,372,883</u>	<u>(433,184)</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>\$25,756,542</u>	<u>\$40,232,000</u>	<u>\$40,377,799</u>	<u>(\$145,799)</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	<u>\$6,565,873</u>	<u>(\$2,237,100)</u>	<u>(\$2,286,627)</u>	<u>(\$49,527)</u>

USA Swimming Foundation  
2019 Budget vs. 2019 Projection  
As of 9/4/2019

	Approved Budget 2019	Projection 2019	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	Comment
<b>UNRESTRICTED:</b>					
<b>REVENUE:</b>					
Annual Campaign	\$ 725,000	\$ 675,000	\$ (50,000)	-6.9%	All categories trending slightly behind budget to date (Champions Club, Perf. Camps, Direct Mail/Other, Silent Auction).
Major Gifts/Grants	400,000	270,614	(129,386)	-32.3%	Trending behind aggressive goal (even with the Goldfish fundraising portion exceeding budget).
Major Gifts - Trustee Satisfied Restrictions	400,000	350,000	(50,000)	-12.5%	Budg. 4 new trustees starting in '19. Signed 4 trustees '19 to date, but 2 of those agreements don't start paying until '20.
Major Gifts/Grants - Other Satisfied Restrictions	156,400	283,593	127,193	81.3%	Received and satisfied new, unbudgeted funds or accelerated payments (e.g. Toyota and others).
Endowment Distributions	680,000	700,000	20,000	2.9%	Distrib. from the 3 internal funds as well as the donor endowments. Increase in USA Swimming Endowment distrib.
Commercial Sponsorships	960,000	887,500	(72,500)	-7.6%	Marriott (-\$50K), Comcast (-\$50K). Toyota will hit major gifts (-\$25K). Swimways signed not orig. budg (+\$52.5K).
Swim-a-Thon	375,000	375,000	-	0.0%	
USA Swimming Support - Staff Allocation	311,000	311,000	-	0.0%	Net zero to the Foundation, the same expenses are allocated below.
Golden Goggle Awards (net)	150,000	-	(150,000)	-100.0%	Will stay on Swimming's books in 2019. Silent auction is still on Foundation's books under Ann. Campaign above.
Other Income	50,000	50,000	-	0.0%	Apparel VIK, travel VIK, Credit Card rebates.
Investment Income / Imputed Interest	20,000	28,000	8,000	40.0%	Interest income from short-term commercial paper investments.
<b>Total Revenue</b>	<b>4,227,400</b>	<b>3,930,707</b>	<b>(296,693)</b>	<b>-7.0%</b>	
<b>SUPPORTING EXPENSES:</b>					
Annual Campaign	421,885	383,158	38,727	9.2%	Savings in payroll allocation and annual campaign other - printing & duplication, camera/photo/video.
Swim-a-Thon	190,273	185,545	4,728	2.5%	Majority of savings are in VIK, net zero affect with the S-A-T revenue line above.
Major Gifts	415,811	374,878	40,933	9.8%	Savings in payroll allocation.
Marketing	29,000	26,000	3,000	10.3%	
Salaries and Benefits	79,000	86,666	(7,666)	-9.7%	Non-allocated supporting payroll.
Board of Directors	16,200	9,900	6,300	38.9%	Space rental, food, hospitality savings.
Trustee Council	12,500	14,140	(1,640)	-13.1%	Travel, hospitality.
General and Administrative	354,995	351,050	3,945	1.1%	Travel.
<b>Total Supporting Expenses</b>	<b>1,519,664</b>	<b>1,431,337</b>	<b>88,327</b>	<b>5.8%</b>	
<b>PROGRAM EXPENSES:</b>					
Make a Splash - Grants	618,200	618,200	-	0.0%	All budgeted grants to be paid out.
Make a Splash - Programs	979,373	893,281	86,092	8.8%	Tour (+\$27K), Local Partner Prog. (+\$23K), Affiliates (+\$3K), Other (+\$33K). GGA video (if produced) will be less.
<b>Total Make A Splash</b>	<b>1,597,573</b>	<b>1,511,481</b>	<b>86,092</b>	<b>5.4%</b>	
Building Champions - Sport Development Grants	120,000	120,000	-	0.0%	Internal agreed upon amount with Swimming's Sport Development programming.
Building Champions - Other Programs	144,753	136,324	8,429	5.8%	Athlete/partner honoraria (-\$12K), payroll allocation (+20K).
Building Champions - National Team Grants	735,700	856,250	(120,550)	-16.4%	Unbudg./acceler. items include: Incr. in USA Swimming endowment distrib., Meyer Shaffer acceler, Shackley, and Toyota.
Building Champions - Alumni Programs	109,710	94,658	15,052	13.7%	Primarily reduction in Payroll allocation.
<b>Total Building Champions</b>	<b>1,110,163</b>	<b>1,207,232</b>	<b>(97,069)</b>	<b>-8.7%</b>	
<b>Total Program Expenses</b>	<b>2,707,736</b>	<b>2,718,713</b>	<b>(10,977)</b>	<b>-0.4%</b>	
<b>Total Unrestricted Expenses</b>	<b>4,227,400</b>	<b>4,150,050</b>	<b>77,350</b>	<b>1.8%</b>	
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$ 0</b>	<b>\$ (219,343)</b>	<b>\$ (219,343)</b>		Primarily (-\$150K) GGA budg. donation from Swimming, (-\$50K) budg. Marriott and (-\$50K) Comcast from Swimming.

USA Swimming Foundation  
2019 Budget vs. 2019 Projection  
As of 9/4/2019

	Approved Budget 2019	Projection 2019	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	Comment
Transfers to/from Operating Reserve	-	-	-	0.0%	
Transfers to/from USA Swimming Endowment	-	-	-	0.0%	
Incr. (Decr.) in Undesignated Net Assets	0	(219,343)	(219,343)		
BOARD DESIGNATED - ENDOWMENTS:					
Investment Income	480,000	750,000	270,000	56.3%	Projection considers strong stock market performance in Q1, Q2 2019.
Endowment Distributions	(480,000)	(500,000)	(20,000)	4.2%	3 Board Desig. funds (USA-S Endow., Athlete Endow., NT Travel & Training). Incr. In USA-S endow. Distrib.
Incr. (Decr.) in Board Designated Net Assets	-	250,000	250,000		
Incr. (Decr.) in Unrestricted Net Assets	0	30,657	30,657		
TEMPORARILY RESTRICTED:					
Major Gifts - Temporarily Restricted	750,000	1,550,000	800,000	106.7%	Restr. portion of the new P66 (\$1M total), 4 new trustees signed (2 agree. start in '19), charitable portion of Toyota deal.
Satisfied Restrictions	(556,400)	(633,593)	(77,193)	13.9%	Sum of Major Gifts/Grants - Trustee Satisfied and Other Satisfied.
Endowment Distrib. - Satisfied Restrictions	(200,000)	(200,000)	-	0.0%	
Investment Income	200,000	250,000	50,000	25.0%	Projection considers strong stock market performance in Q1, Q2 2019.
Incr. (Decr.) in Temporarily Restricted Net Assets	193,600	966,407	772,807	399.2%	
PERMANENTLY RESTRICTED:					
Major Gifts - Permanently Restricted	-	-	-		
Satisfied Restrictions	-	-	-		
Present Value Discounts Earned	-	-	-		
Investment Income	-	95,771	95,771		
Incr. (Decr.) in Perm. Restricted Net Assets	-	95,771	95,771		
TOTAL INCREASE (DECREASE) IN NET ASSETS	193,600	1,092,835	899,235	464.5%	

USA Swimming Foundation  
2019 Projection vs. 2020 Proposed Budget  
As of 9/4/2019

	Projection 2019	Proposed Budget 2020	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	Comment
<b>UNRESTRICTED:</b>					
<b>REVENUE:</b>					
Annual Campaign	\$ 675,000	\$ 675,000	\$ -	0.0%	
Major Gifts/Grants	270,614	290,000	19,386	6.7%	
Major Gifts - Trustee Satisfied Restrictions	350,000	450,000	100,000	22.2%	Two new trustees signed in 2019 to start paying in 2020. Budgeting 2 additional trustees.
Major Gifts/Grants - Other Satisfied Restrictions	283,593	230,000	(53,593)	-23.3%	Streamline Brands large amount in 2019, not currently scheduled for 2020.
Endowment Distributions	700,000	690,000	(10,000)	-1.4%	Incr. in Dirks distrib. offset plus end of Copses NT ath. grants (fully exec. in '19). NT T&T distr. \$50K in '20 vs. \$80K in '19.
Commercial Sponsorships	887,500	890,750	3,250	0.4%	Slight increase in P66 contract each year.
Olympic Trials Packages	-	168,060	168,060	100.0%	Additional sold packages above and beyond the Trustees. Projecting to net \$0 with the expense line below.
Swim-a-Thon	375,000	375,000	-	0.0%	
USA Swimming Support - Staff Allocation	311,000	335,000	24,000	7.2%	Net zero to the Foundation, the same expenses are allocated below.
Golden Goggle Awards (net)	-	-	-	0.0%	
Other Income	50,000	50,000	-	0.0%	Apparel VIK, travel VIK, Credit Card rebates.
Investment Income / Imputed Interest	28,000	20,000	(8,000)	-40.0%	Interest income from short-term commercial paper investments.
<b>Total Revenue</b>	<b>3,930,707</b>	<b>4,173,810</b>	<b>243,103</b>	<b>5.8%</b>	
<b>SUPPORTING EXPENSES:</b>					
Annual Campaign	383,158	348,642	34,516	9.9%	Primarily payroll allocation savings.
Olympic Trials Packages	-	168,060	(168,060)	-100.0%	Projecting breakeven via the add'l packages sold offset total expenses for the add'l packages and the trustee packages.
Swim-a-Thon	185,545	158,909	26,636	16.8%	
Major Gifts	374,878	318,558	56,320	17.7%	Primarily payroll allocation savings.
Marketing	26,000	52,200	(26,200)	-50.2%	Increase due to Trials booth.
Salaries and Benefits	86,666	76,556	10,110	13.2%	Primarily payroll allocation savings.
Board of Directors	9,900	10,925	(1,025)	-9.4%	
Trustee Council	14,140	13,910	230	1.7%	
General and Administrative	351,050	333,605	17,445	5.2%	Primarily payroll allocation savings.
<b>Total Supporting Expenses</b>	<b>1,431,337</b>	<b>1,481,364</b>	<b>(50,027)</b>	<b>-3.4%</b>	
<b>PROGRAM EXPENSES:</b>					
Make a Splash - Grants	618,200	515,500	102,700	19.9%	Controllable variable. To determine what local partner grants can go out in Round 2.
Make a Splash - Programs	893,281	834,979	58,302	7.0%	Primarily payroll allocation savings.
<b>Total Make A Splash</b>	<b>1,511,481</b>	<b>1,350,479</b>	<b>161,002</b>	<b>11.9%</b>	
Building Champions - Sport Development Grants	120,000	130,000	(10,000)	-7.7%	Proposed \$10K increase each year starting in 2020 until \$150K distribution annually.
Building Champions - Other Programs	136,324	85,490	50,833	59.5%	Primarily payroll allocation savings.
Building Champions - National Team Grants	856,250	825,000	31,250	3.8%	Assumes current fund schedules and current endowment holders.
Building Champions - Alumni Programs	94,658	101,060	(6,402)	-6.3%	
<b>Total Building Champions</b>	<b>1,207,232</b>	<b>1,141,551</b>	<b>65,681</b>	<b>5.8%</b>	
<b>Total Program Expenses</b>	<b>2,718,713</b>	<b>2,492,030</b>	<b>226,683</b>	<b>9.1%</b>	
<b>Total Unrestricted Expenses</b>	<b>4,150,050</b>	<b>3,973,394</b>	<b>176,656</b>	<b>4.4%</b>	
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$ (219,343)</b>	<b>\$ 200,416</b>	<b>\$ 419,759</b>		Proposing a \$200K surplus given the poten. USA-S Mgmt Fee (~\$150K-\$200K) in '20 given the absence of FND Exec Dir.

USA Swimming Foundation  
2019 Projection vs. 2020 Proposed Budget  
As of 9/4/2019

	Projection 2019	Proposed Budget 2020	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	Comment
Transfers to/from Operating Reserve	-	-	-		
Transfers to/from USA Swimming Endowment	-	-	-		
Incr. (Decr.) in Undesignated Net Assets	(219,343)	200,416	419,759	209.4%	
BOARD DESIGNATED - ENDOWMENTS:					
Investment Income	750,000	470,000	(280,000)	-59.6%	
Endowment Distributions	(500,000)	(470,000)	30,000	-6.4%	
Incr. (Decr.) in Board Designated Net Assets	250,000	-	(250,000)		
Incr. (Decr.) in Unrestricted Net Assets	30,657	200,416	169,759	84.7%	
TEMPORARILY RESTRICTED:					
Major Gifts - Temporarily Restricted	1,550,000	737,500	(812,500)	-110.2%	Restr. Portion of P66 deal in 2019.
Satisfied Restrictions	(633,593)	(680,000)	(46,407)	6.8%	Sum of Major Gifts/Grants - Trustee Satisfied and Other Satisfied.
Endowment Distrib. - Satisfied Restrictions	(200,000)	(220,000)	(20,000)	9.1%	Escalations with our endowment holders.
Investment Income	250,000	175,000	(75,000)	-42.9%	
Incr. (Decr.) in Temporarily Restricted Net Assets	966,407	12,500	(953,907)	-7631.3%	
PERMANENTLY RESTRICTED:					
Major Gifts - Permanently Restricted	-	-	-		
Satisfied Restrictions	-	-	-		
Present Value Discounts Earned	-	-	-		
Investment Income	95,771	-	(95,771)		
Incr. (Decr.) in Perm. Restricted Net Assets	95,771	-	(95,771)		
TOTAL INCREASE (DECREASE) IN NET ASSETS	1,092,835	212,916	(879,919)	-413.3%	

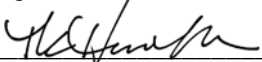
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## Performance Monitoring Report

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TO: USA Swimming Board of Directors  
FR: Tim Hinchey, Chief Executive Officer  
RE: Internal Report – Management Parameters  
Annual Monitoring on **Policy 3.10: LSC Reporting Requirements**  
DA: September 5, 2019

I hereby present the monitoring report on the Board's policy 3.10 "LSC Reporting Requirements," in accordance with the monitoring schedule set forth in Board policy. The information contained in this report is true for the year ended August 31, 2019.

Signed , President & CEO

**BROADEST PROVISION:** With respect to relationships with Local Swim Committees (LSCs), the CEO will not operate without establishing and maintaining a cohesive national organizational structure ensuring appropriate alignment between USA Swimming and its LSCs.

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

I interpret "a cohesive national organizational structure" to be consistently communicated and enforced roles, responsibilities, and expectations among the fifty-nine LSCs. A cohesive national organizational structure lends itself to similar governance models (i.e., standardized bylaws), clear expectations between USA Swimming, Inc. and the LSCs (i.e., some form of operating agreement), implementation of financial best practices (i.e., financial controls and reporting requirements), and implementation of programmatic best practices (i.e., LEAP). The ultimate value of a cohesive national organizational structure is to promote and enhance USA Swimming members' experience and protect USA Swimming's common interests.

"Appropriate alignment" will be achieved through partnerships with LSCs based on mutually agreed upon expectations and responsibilities, stipulated in Provision #1 of this policy below.

### REPORT:

This policy was crafted and adopted with recognition both that LSCs are a major asset to swimming and that more unified and consistent practices and structures will result in greater efficiencies and stronger productivity/results organization-wide.

As reported for provision #1 below, the major initiative this year is the development and roll-out of a standardized Affiliation Agreement, with the intent that the agreements be in place by January, 2020. We have moved this process forward and expect to accomplish this accordingly.

I report **COMPLIANCE**.

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**PROVISION #1:** (The CEO will not... ) Operate without standardized contractual agreements (to be in place by January 2020) between USA Swimming and the Boards of Directors of LSCs, delineating mutual expectations and responsibilities, including but not limited to:

- A. Alignment with the mission/Ends of USA-S.
- B. Protection of USA-S from assumption of financial liability for the activities of the affiliated chapters and regions.
- C. Use of USA-S' name, insignia, logo and brand.

**D. Requiring that any revisions to LSC Bylaws are submitted to USA-S' Secretary & General Counsel, or her/his designee, to verify consistency with "Required Bylaws" provisions of USA Swimming's Rules and Regulations.**

**E. Terms and conditions for disbursement of dues**

**CEO's INTERPRETATION:** *(Strike-through portion deleted since last report)*

These agreements will reflect best practices to strengthen national organizations with regional affiliate structures, maximizing the benefits of mutual association and providing for corrective measures when out of alignment. To ensure success, these will be developed with input from LSC leadership and the Board. ~~The Board will be provided initial drafts for review and comment.~~

**REPORT:**

At the April Board meeting, we presented and discussed the initial draft of the proposed Affiliation Agreement. Based on input from Board members and attending LSC representatives, a revised draft was developed. In response to concerns about requiring fiscal audits of even smaller LSCs, a key change is that those with total net assets greater than \$200,000 would agree to an independent Agreed Upon Procedures review. More detail is also added about implications of any decertification, while still codifying that the National Board of Review is the appeal body for any penalty, including decertification, that might be imposed on an LSC by the USA Swimming Board of Directors. This is reflected on a Rules change (R23) to section 407 of the Rules and Regulations, which has been recommended for approval by the Rules and Regulations Committee for action by the House of Delegates on September 14<sup>th</sup>.

The revised draft Agreement was circulated on July 29<sup>th</sup> to numerous parties, with the requested deadline for input having been last week. We are compiling the feedback, and a corresponding red-lined version of the Agreement will be presented to the Board at its September 11 meeting.

We will then present the proposed Agreement to the LSC General Chairs at convention with a plan to have signed agreements in place by January 1, 2020.

I report **COMPLIANCE**.

### Affiliation Agreement

THIS AGREEMENT, dated January 1, 2020 is by and between **USA Swimming, Inc.**, a Colorado nonprofit corporation having its principal place of business at One Olympic Plaza, Colorado Springs, Colorado 80909 (“USA Swimming”), and **[LSC name]**, a **[state]** nonprofit corporation having its principal place of business at \_\_\_\_\_ (“LSC”).

### Recitals

- A. WHEREAS, USA Swimming is the national governing body for the sport of swimming in the United States in accordance with the Ted Stevens Olympic and Amateur Sports Act, 36 U.S.C. § 220501 et seq. As the national governing body for the sport of swimming, USA Swimming is responsible for promoting and developing public interest and participation in all levels of competition for the sport of swimming in the United States.
- B. WHEREAS, LSC is engaged in the education, instruction and training of individuals to develop and improve their capabilities in the sport of swimming; and supports the development and achievement of athletes, coaches and clubs; and has jurisdiction over the sport of swimming as delegated to it by USA Swimming to conduct swimming programs consistent with LSC’s and USA Swimming’s objectives; and may sanction, approve, observe and oversee competitive swimming events and otherwise conduct competitive swimming events within the Territory, its Region and its Zone (as those terms are defined in Part Six of the USA Swimming Rules and Regulations).
- C. WHEREAS, USA Swimming and LSC desire to document their respective rights and obligations in accordance with USA Swimming’s Corporate Bylaws, LSC’s Bylaws, the USA Swimming Rules and Regulations, and all applicable policies and procedures.
- D. NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, USA Swimming and LSC agree as follows:

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Deleted: with respect to LSC’s duties and obligations as a Local Swimming Committee of USA Swimming

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### Agreement

1. Term. This agreement shall continue in force for a period of two years. Upon expiration, this Agreement shall continue in force until either party notifies the other party in writing of its intent to terminate this Agreement, in which case it shall terminate 60 days from the date of the notice.
2. Geographic Territory. The geographic territory of LSC is as set forth in Article 603 of the USA Swimming Rules and Regulations.
3. Governance. At a minimum, LSC agrees to the following governance practices:
- (a) LSC shall adopt and maintain a certificate of incorporation and bylaws complying with the USA Swimming LSC Model Bylaws. The bylaws shall be adopted no later

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than the date specified by the USA Swimming House of Delegates and shall be submitted to the USA Swimming Rules & Regulations Committee and USA Swimming's General Counsel for review within thirty (30) days of enacting the bylaws.

- (b) LSC shall comply with its bylaws.
- (c) LSC shall comply with the requirements of LEAP1 and any subsequent iterations of the LEAP program that may be developed.
- (d) LSC cannot and shall not attempt to legally bind USA Swimming to any agreement without USA Swimming's prior written consent.

**Deleted:** submit to USA Swimming (c/o LSC Services Senior Manager) its annual meeting dates and its draft minutes from its House of Delegates meeting within thirty (30) days of the meeting followed by final minutes once approved by LSC.

4. Financial Management. LSC agrees to comply with Article 8 of the USA Swimming Corporate Bylaws (LSC Reporting Requirements) and to complete the Local Swimming Committee Financial Assessment Program.

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**Deleted:** Rules and Regulations

Beginning January 1, 2021, if the prior year's total net assets of LSC exceed two hundred thousand dollars (\$200,000), LSC shall also obtain annually either (i) an independent audit; or (ii) an independent Agreed-Upon Procedures review as set forth in the current AICPA's Statements on Standards for Attestation Engagements (until such time that the prior year's total net assets are two hundred thousand dollars (\$200,000) or less).

**Deleted:** Additionally, for calendar year 2020, LSC shall, at a minimum, complete the Local Swimming Committee Financial Assessment Program. Effective

**Deleted:** the financial records of LSC shall be audited annually by an independent auditor

**Deleted:**

LSC shall submit to USA Swimming headquarters its Financial Assessment Program, annual closing Balance Sheet, Statement of Income and Expense, Form 990, and outcome of review or audit (as applicable) within five (5) months of the close of its fiscal year.

**Deleted:** or independently audited

**Deleted:** as applicable, and

Additionally, LSC agrees to enact the following USA Swimming financial and management policies. In the absence of an LSC-specific policy, the USA Swimming model policy will take effect.

- (a) Crime Policy;
- (b) Conflict of Interest Policy;
- (c) Whistleblower Protection Policy;
- (d) Document Destruction Policy;
- (e) USA Swimming Reserve Policy;
- (f) USA Swimming Investment Policy;
- (g) Any other management or financial policy required by USA Swimming.

**Deleted:** and

Finally, LSC shall ensure that all LSC Internal Revenue Service (IRS) and state tax submissions are filed timely and completely with the IRS and/or applicable state government agency.

Provided that LSC is in compliance with this Affiliation Agreement and is otherwise qualified as an organization exempt from federal taxation under Internal Revenue Code §501(c)(3) and such other requirements as imposed by law, LSC shall be entitled to use the group tax exemption obtained by USA Swimming from the Internal Revenue Service.

5. LSC Membership Payments. LSC shall comply with then-current USA Swimming Rules and policies concerning the collection of membership dues.

**Deleted:** LSC shall remit membership registration fees to USA Swimming by Automatic Clearing House (ACH) deposit. The deposit shall be generated on the 10<sup>th</sup> day of each month following the close of the membership enrollment month. If ACH results in non-sufficient funds, a check payable to USA Swimming is due immediately

6. Meet Sanctions. LSC agrees to comply with Article 202 of the USA Swimming Rules and Regulations (Sanctions and Approval). As the National Governing Body for competitive swimming in the United States and as a Federation member of FINA, USA Swimming has the sole and exclusive authority to sanction or approve domestic and international swimming competition conducted within its jurisdiction. LSC has been authorized by USA Swimming to issue the sanction and approval for all swimming competition and benefits, exhibitions, clinics and entertainment involving competitive swimming within its geographical boundaries, except that USA Swimming shall sanction national swimming competitions.
7. Use of Intellectual Property. USA Swimming is the owner of various trademarks, trade names, service marks, logos and event names ("Marks"). USA Swimming grants LSC a limited, non-exclusive license to use Marks, within the geographic territory, in connection with the education, instruction and training of individuals to develop and improve their capabilities in the sport of swimming and the promotion and advertisement of sanctioned competitive swimming events. LSC shall cause to appear the identification "®, " or "TM" on all materials prepared by LSC, its employees or agents that incorporate one or more Marks. Said registration identification shall appear below and to the right of said Mark. LSC recognizes that USA Swimming has established a great deal of goodwill through its reputation and the representation of the Marks. Therefore, LSC shall not use, commercially exploit, permit the use of or permit the commercial exploitation of any Marks in negative advertising, nor in any manner that is contrary to public morals or which has been found to be deceptive or misleading, or which reflects unfavorably on the good name, goodwill, reputation or image of USA Swimming.
8. Insurance. USA Swimming shall provide LSC with certain insurance, including directors and officers, commercial general liability, non-owned automobile liability, bodily injury, personal injury, and abuse and molestation coverages in commercially reasonable amounts. It is the responsibility of LSC to obtain workers compensation coverage in compliance with applicable state law, as well as property coverage for any property utilized by LSC.
9. Indemnification. ~~LSC shall indemnify~~ each person who is or was a director, officer, or employee of LSC (including the heirs, executors, administrators or estate of such person) ~~to the fullest extent possible by applicable state law against any liability, cost or expense incurred by him/her in his/her capacity as director, officer, or employee, or arising out of his/her status as a director, officer or employee (including serving at the request of LSC as a director, trustee, officer, employee or against of another corporation), provided such person acted in good faith and with due care.~~
10. Limitation of Liability. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NEITHER PARTY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, SHALL HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOSS OF OPPORTUNITY, REVENUES, OR PROFITS, ARISING OUT OF THIS**

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**AFFILIATION AGREEMENT, REGARDLESS OF WHETHER SUCH DAMAGES OR LOSSES WERE KNOWN OR FORESEEABLE.**

11. Penalties. In addition to any other remedies available at law or in equity, a failure by LSC to comply with any of the above provisions may result in, with written notice by the USA Swimming Board of Directors:
- (a) Inability to sanction, approve, observe and oversee competitive swimming events;
  - (b) A financial penalty in the amount of \$100.00 per day of noncompliance;
  - (c) Suspension from voting at the House of Delegates meeting at USA Swimming;
  - (d) Withholding of credentials to the annual convention; and/or
  - (e) Decertification as a Local Swimming Committee.
12. Decertification. The USA Swimming Board of Directors has the power to decertify LSC as an affiliate within the USA Swimming governance structure. Any such action shall be taken at the initiative of the USA Swimming President & CEO as a result of a compliance review undertaken by USA Swimming or pursuant to other information known to USA Swimming and shall be finally determined by the USA Swimming Board of Directors.
- If LSC is decertified, LSC shall immediately cease using any Marks, and all events and activities of LSC shall be suspended unless prior written approval of USA Swimming is obtained. LSC shall provide USA Swimming with immediate access to all books and records.
13. Opportunity To Appeal. Any penalty, including decertification, imposed by the USA Swimming Board of Directors may be appealed to the National Board of Review for a hearing pursuant to Article 407 of USA Swimming's Rules & Regulations. The decision of the National Board of Review shall be final without opportunity to appeal.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated next to their respective signatures, effective as of the date specified above.

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**USA SWIMMING:**

USA Swimming, Inc.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Tim Hinchey, III  
Title: President/CEO

**LSC:**

[LSC]

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Executive Director

## **Affiliation Agreement**

THIS AGREEMENT, dated January 1, 2020 is by and between **USA Swimming, Inc.**, a Colorado nonprofit corporation having its principal place of business at One Olympic Plaza, Colorado Springs, Colorado 80909 (“USA Swimming”), and **[LSC name]**, a **[state]** nonprofit corporation having its principal place of business at \_\_\_\_\_ (“LSC”).

### **Recitals**

- A. WHEREAS, USA Swimming is the national governing body for the sport of swimming in the United States in accordance with the Ted Stevens Olympic and Amateur Sports Act, 36 U.S.C. § 220501 et seq. As the national governing body for the sport of swimming, USA Swimming is responsible for promoting and developing public interest and participation in all levels of competition for the sport of swimming in the United States.
- B. WHEREAS, LSC is engaged in the education, instruction and training of individuals to develop and improve their capabilities in the sport of swimming; and supports the development and achievement of athletes, coaches and clubs; and has jurisdiction over the sport of swimming as delegated to it by USA Swimming to conduct swimming programs consistent with LSC’s and USA Swimming’s objectives; and may sanction, approve, observe and oversee competitive swimming events and otherwise conduct competitive swimming events within the Territory, its Region and its Zone (as those terms are defined in Part Six of the USA Swimming Rules and Regulations).
- C. WHEREAS, USA Swimming and LSC desire to document their respective rights and obligations in accordance with USA Swimming’s Corporate Bylaws, LSC’s Bylaws, the USA Swimming Rules and Regulations, and all applicable policies and procedures.
- D. NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, USA Swimming and LSC agree as follows:

### **Agreement**

- 1. Term. This agreement shall continue in force for a period of two years. Upon expiration, this Agreement shall continue in force until either party notifies the other party in writing of its intent to terminate this Agreement, in which case it shall terminate 60 days from the date of the notice.
- 2. Geographic Territory. The geographic territory of LSC is as set forth in Article 603 of the USA Swimming Rules and Regulations.
- 3. Governance. At a minimum, LSC agrees to the following governance practices:
  - (a) LSC shall adopt and maintain a certificate of incorporation and bylaws complying with the USA Swimming LSC Model Bylaws. The bylaws shall be adopted no later

than the date specified by the USA Swimming House of Delegates and shall be submitted to the USA Swimming Rules & Regulations Committee and USA Swimming's General Counsel for review within thirty (30) days of enacting the bylaws.

- (b) LSC shall comply with its bylaws.
- (c) LSC shall comply with the requirements of LEAP1 and any subsequent iterations of the LEAP program that may be developed.
- (d) LSC cannot and shall not attempt to legally bind USA Swimming to any agreement without USA Swimming's prior written consent.

4. Financial Management. LSC agrees to comply with Article 8 of the USA Swimming Corporate Bylaws (LSC Reporting Requirements) and to complete the Local Swimming Committee Financial Assessment Program.

Beginning January 1, 2021, if the prior year's total net assets of LSC exceed two hundred thousand dollars (\$200,000), LSC shall also obtain annually either (i) an independent audit; or (ii) an independent Agreed-Upon Procedures review as set forth in the current AICPA's Statements on Standards for Attestation Engagements (until such time that the prior year's total net assets are two hundred thousand dollars (\$200,000) or less).

LSC shall submit to USA Swimming headquarters its Financial Assessment Program, annual closing Balance Sheet, Statement of Income and Expense, Form 990, and outcome of review or audit (as applicable) within five (5) months of the close of its fiscal year.

Additionally, LSC agrees to enact the following USA Swimming financial and management policies. In the absence of an LSC-specific policy, the USA Swimming model policy will take effect.

- (a) Crime Policy;
- (b) Conflict of Interest Policy;
- (c) Whistleblower Protection Policy;
- (d) Document Destruction Policy;
- (e) USA Swimming Reserve Policy;
- (f) USA Swimming Investment Policy;
- (g) Any other management or financial policy required by USA Swimming.

Finally, LSC shall ensure that all LSC Internal Revenue Service (IRS) and state tax submissions are filed timely and completely with the IRS and/or applicable state government agency.

Provided that LSC is in compliance with this Affiliation Agreement and is otherwise qualified as an organization exempt from federal taxation under Internal Revenue Code §501(c)(3) and such other requirements as imposed by law, LSC shall be entitled to use the group tax exemption obtained by USA Swimming from the Internal Revenue Service.

5. LSC Membership Payments. LSC shall comply with then-current USA Swimming Rules and policies concerning the collection of membership dues.

6. Meet Sanctions. LSC agrees to comply with Article 202 of the USA Swimming Rules and Regulations (Sanctions and Approval). As the National Governing Body for competitive swimming in the United States and as a Federation member of FINA, USA Swimming has the sole and exclusive authority to sanction or approve domestic and international swimming competition conducted within its jurisdiction. LSC has been authorized by USA Swimming to issue the sanction and approval for all swimming competition and benefits, exhibitions, clinics and entertainment involving competitive swimming within its geographical boundaries, except that USA Swimming shall sanction national swimming competitions.
7. Use of Intellectual Property. USA Swimming is the owner of various trademarks, trade names, service marks, logos and event names ("Marks"). USA Swimming grants LSC a limited, non-exclusive license to use Marks, within the geographic territory, in connection with the education, instruction and training of individuals to develop and improve their capabilities in the sport of swimming and the promotion and advertisement of sanctioned competitive swimming events. LSC shall cause to appear the identification "®," or "™" on all materials prepared by LSC, its employees or agents that incorporate one or more Marks. Said registration identification shall appear below and to the right of said Mark. LSC recognizes that USA Swimming has established a great deal of goodwill through its reputation and the representation of the Marks. Therefore, LSC shall not use, commercially exploit, permit the use of or permit the commercial exploitation of any Marks in negative advertising, nor in any manner that is contrary to public morals or which has been found to be deceptive or misleading, or which reflects unfavorably on the good name, goodwill, reputation or image of USA Swimming.
8. Insurance. USA Swimming shall provide LSC with certain insurance, including directors and officers, commercial general liability, non-owned automobile liability, bodily injury, personal injury, and abuse and molestation coverages in commercially reasonable amounts. It is the responsibility of LSC to obtain workers compensation coverage in compliance with applicable state law, as well as property coverage for any property utilized by LSC.
9. Indemnification. LSC shall indemnify each person who is or was a director, officer, or employee of LSC (including the heirs, executors, administrators or estate of such person) to the fullest extent possible by applicable state law against any liability, cost or expense incurred by him/her in his/her capacity as director, officer, or employee, or arising out of his/her status as a director, officer or employee (including serving at the request of LSC as a director, trustee, officer, employee or against of another corporation), provided such person acted in good faith and with due care.
10. Limitation of Liability. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NEITHER PARTY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, SHALL HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOSS OF OPPORTUNITY, REVENUES, OR PROFITS, ARISING OUT OF THIS**

**AFFILIATION AGREEMENT, REGARDLESS OF WHETHER SUCH DAMAGES OR LOSSES WERE KNOWN OR FORESEEABLE.**

11. Penalties. In addition to any other remedies available at law or in equity, a failure by LSC to comply with any of the above provisions may result in, with written notice by the USA Swimming Board of Directors:
  - (a) Inability to sanction, approve, observe and oversee competitive swimming events;
  - (b) A financial penalty in the amount of \$100.00 per day of noncompliance;
  - (c) Suspension from voting at the House of Delegates meeting at USA Swimming;
  - (d) Withholding of credentials to the annual convention; and/or
  - (e) Decertification as a Local Swimming Committee.
12. Decertification. The USA Swimming Board of Directors has the power to decertify LSC as an affiliate within the USA Swimming governance structure. Any such action shall be taken at the initiative of the USA Swimming President & CEO as a result of a compliance review undertaken by USA Swimming or pursuant to other information known to USA Swimming and shall be finally determined by the USA Swimming Board of Directors.

If LSC is decertified, LSC shall immediately cease using any Marks, and all events and activities of LSC shall be suspended unless prior written approval of USA Swimming is obtained. LSC shall provide USA Swimming with immediate access to all books and records.
13. Opportunity To Appeal. Any penalty, including decertification, imposed by the USA Swimming Board of Directors may be appealed to the National Board of Review for a hearing pursuant to Article 407 of USA Swimming's Rules & Regulations. The decision of the National Board of Review shall be final without opportunity to appeal.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated next to their respective signatures, effective as of the date specified above.

**USA SWIMMING:**

USA Swimming, Inc.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Tim Hinchey, III

Title: President/CEO

**LSC:**

**[LSC]**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title: Executive Director



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**TO:** Board of Directors  
**FROM:** Tim Hinchey III  
**COPY:** Staff & Selected Others  
**DATE:** September 5, 2019  
**SUBJECT:** General Update

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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

<b>TECHNICAL/SPORT</b>
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**National Team**

The week of September 3 the National Team Division will be naming the 2019-2020 National Team, followed by the National Junior Team later in September.

One of the new services offered this year to National Team members who are ranked in the top eight in the world – 37 unique athletes at this time – is our new National Team Mental Health program. This program will also be offered to 2016 Olympians. Similar to the Swim Assist program, Athlete Assist will provide funds for athletes to seek help from a mental health practitioner of their choice. We will also be partnering with a mental health mobile app provider and launching a mental health peer network to increase the conversation around mental health.

With the final international competition of 2019 recently completed in Budapest (FINA World Junior Championships) and with USA Swimming athletes reaching the podium over 150 times this summer, the planning for Tokyo is in full swing. We used the 2019 pre-Gwangju training camp in Singapore as a test run for our pre-Tokyo 2020 Olympic team camp, and it was tremendously successful and a great learning tool for the team for next summer. In addition to Tokyo planning, we have already started scouting locations for the 2024 Olympic Team camp in Europe and will be making visits in early 2020.

## **Sport Development**

Over the past three months Sport Development has undergone significant staff change. The overarching goal is to provide comprehensive membership service for all constituents – athletes, coaches, families, volunteers, officials, LSCs, and Zones. Cathy Durance and the membership services team have merged into Sport Development. As part of that addition, Jane Grosser now reports to Cathy providing better alignment of our LSC services within Sport Development.

In late Spring, Brendan Hansen assumed the role of Director of Team Services reporting to Tom Avischious. Brendan's team is now fully staffed with Jaime Lewis becoming our newest Performance Development Manager. Juan Caraveo has moved from DEI (formerly D&I) to fill the vacant Western Zone Program Development Manager position. With Juan and Jaime new to their respective roles, Brendan will have the opportunity to work with them to innovate the position and find new ways to serve our clubs.

Patrick Murphy, who was promoted to Director of Analytics, is also new to Sport Development and will work to provide data and strategy to best utilize our field team to help clubs grow and thrive. Patrick will also play a vital role in our overall membership growth strategy. Finally, Ashanee Player filled our long open DEI Coordinator position. She will coordinate educational opportunities and resources for staff and membership. Ashanee has proven to be a valuable team member, and it is in part due to her early success that MJ Truex and Joel Shinofield felt that moving Juan to Team Services would leave DEI in good hands. Juan will continue to work to develop DEI initiatives that help our clubs reach new families and communities in the Western Zone and beyond. We now have an incredibly strong team, and we will be able to provide a new level of membership service.

In addition to the significant change highlighted above we have continued to move forward with our coach education and licensure program. MJ has been vital in bringing together our staff to look at our internal resources and our external needs for launching this program. We are moving forward in exploring educational platforms and should have a selection early in the fourth quarter. We look forward to partnering with other organizations to build a comprehensive educational and licensure pathway for coaches. MJ will provide additional details in her report.

Tom Avischious will provide data on the services provided by our Team Services group this summer, but I would like the board to know that the video review service for athletes and coaches the team provides at Junior Nationals and Nationals continues to be an impactful service for our members.

We have had one team request funds from our Disaster Relief Committee. The committee awarded the full \$5,000.00 grant to the team; we will process the payment early this month.

## **Diversity, Equity, and Inclusion**

### **Name Change**

Diversity & Inclusion has changed its name to Diversity, Equity, and Inclusion. A helpful analogy to understand the change is: Diversity is the invitation to the party, Inclusion is being asked to dance and Equity means everyone gets to pick a song.

USA Swimming is committed to a culture of inclusion where everyone feels welcome and differences are embraced. We are dedicated to increasing diversity, which comes in many forms including race and ethnicity, gender, gender identity, gender expression, sexual orientation, socioeconomic status, language, culture, national origin, religious commitments, age, ability and disability. Adding equity in our name involves increasing fairness within the procedures and processes of our organization, allowing for fair treatment, access, opportunity and advancement for all of our members.

### **Community Swim Team**

The Community Swim Team program continues to be a focal point for Diversity, Equity, and Inclusion. The Chicago Park District Community (CPD) Swim Team is entering its fourth year of the MOU with USA Swimming and Illinois Swimming. To date, the program is completely sustainable, so the partnership is looking for ways it can expand. This summer they piloted their first Open Water series. The program is hoping to grow the series in the upcoming years.

USA Swimming is looking to sign an MOU with LA Recreation and Park by October 1<sup>st</sup>. This partnership will be a one-year pilot and will include approximately 2,000 new athlete members. There are a handful of cities in various stages of negotiation, including Indianapolis and DC Park and Rec.

USA Swimming has been following the inclusion of gender diverse athletes not only in our sport but in many others. We are working in collaboration with multiple National Governing Bodies as well as following the discussion of the International Federations to see where we can find solutions for common questions that come up but also identifying areas that are specific to each sport. We continue to commit to a culture of inclusion and participation especially at the grassroots level and follow the IOC guidelines for elite competition. The National Eligibility Review Panel, which was created after last year's Convention, is now active and tasked with making decisions on competition category request changes.

### **LEARN**

The LEARN team has been busy working on creating a Coach Certification Licensure program to launch in the new Quad. Currently, the three focus components are:

- a. identifying what LMS platform to utilize
- b. researching e-Learning companies to help with the editing and production of content
- c. finishing up the curriculum plan

The goal for the final quarter of this year is to start pulling content for the license levels and to have the grassroots pilot program by the Spring of 2020.

### **LSC and Member Services**

In an effort to evaluate present LSC services and the development of future ones, all LSC leaders will be asked to complete a short survey in the next few weeks. A link to the survey will be available on our convention web page as well. We will share the results with you this fall. Improving communication with LSC leaders is a top priority.

There are five Swimposiums in September and October. You are cordially invited to attend any that may be in your area. For more information, contact Cathy Durance at [cdurance@usaswimming.org](mailto:cdurance@usaswimming.org).

- Allegheny Mountain – Pittsburgh, Pa. – September 21
- Indiana – Indianapolis, Ind. – September 27-28
- Oklahoma – Jenks (Tulsa), Okla. – September 28
- Utah – Provo, Utah – September 28
- Colorado – Englewood (Denver), Colo. – October 5
- San Diego-Imperial – Coronado, Calif. – October 19

LSC Athlete Leadership Summits will be a new option for Swimposiums starting in 2020. Morgan Weinberg has been working closely with the Athletes' Executive Committee (AEC) to develop the curriculum and templates for that program.

Planning is already underway for the 2020 Zone Workshop. In an effort to consolidate costs and create a uniform educational experience, all four zones will be together at one workshop scheduled for May 1-3 in Chicago. A "save the date" notice has been sent to all LSCs.

This year's convention schedule has been changed from previous years to reflect suggestions from the Convention Task Force and Executive Leadership. Recommendations from the Task Force for future conventions are being reviewed and considered.

The Officials' Committee is working through initiatives from the Strategic Plan that was developed at its meeting in April. A Referee Workshop for new referees will be conducted in October with representatives from over 50 LSCs. The Officials' Committee will announce selections for officials on the assigned team for U.S. Olympic Team Trials - Swimming at convention.

### **National Events**

Secured 2020 championship sites (highlighted items need Board of Directors' approval):

Jan. 16-19	TYR Pro Swim Series	Allan Jones Intercollegiate Aquatic Center, Knoxville, TN
Mar. 4-7	TYR Pro Swim Series	MidAmerican Energy Aquatic Center at the Wellmark YMCA, Des Moines, IA
Apr. 3-5	Open Water Championships	TBD
Apr. 16-19	TYR Pro Swim Series	Marguerite Aquatic Center, Mission Viejo, CA
May 6-9	TYR Pro Swim Series	IU Natatorium, Indianapolis, IN
June 21-28	Olympic Trials	CHI Heath Center Omaha, Omaha, NE
Jul. 30-Aug 2	Futures	Huntsville Aquatic Center, Huntsville, AL
		Woollett Aquatics Center, Irvine, CA
		Hulbert Aquatic Center, West Fargo, ND
		McCorkle Aquatic Pavilion, Columbus, OH
Aug 4-8	USA Swimming Invitational	IU Natatorium, Indianapolis, IN
Dec 2-5	Toyota US Open	TBD
Dec 9-12	Winter Juniors	TBD

## COMMERCIAL

We reshaped the structure and function of our Creative Services team by elevating long-time USA Swimming lead designer Matt Lupton to Senior Director of Creative. Previously, graphic design, video productions, and editorial content (web & Splash magazine) were separate silos and we have integrated all facets of creative into one internal agency reporting to Matt. His talent, vision, and institutional knowledge are unmatched, and we are excited about the new era of design development under Matt's leadership.

The Commercial team continues to focus on driving innovation through the "trialization" of major events, offering world-class hospitality and enhanced fan experiences. Our goal is to make top swim meets a destination for more than only the die-hard swim fan and family member. We believe we can drive premium ticket sales and revenue every year of the quad, rather than focusing our efforts on Olympic years.

The need to innovate and analyze consumer behavior continues to be a motivator for the Commercial team, as is evident with the work done on three (3) major technology projects:

1. CRM Project

The CRM project is nearing the end of development work and transitioning to the user adoption training portion of the project. Salesforce, our new CRM and donor management system, is active and the CRM team is completing admin testing while we migrate our old donor database into Salesforce. Within the next month, the Foundation will begin using Salesforce as their sole donor database and we will begin onboarding additional USA Swimming business units into the system. Automated email campaigns in Marketo will also begin distribution in the next month. After some initial "warming" of the system to avoid spam filters, the Greensboro TYR Pro Swim Series ticket sales campaign will mark our first official automated campaign, followed by the Welcome Campaign and Foundation Solicitation campaigns before the end of the calendar year.

2. Deck Pass on TeamUnify

Development work is complete on the Deck Pass on TeamUnify project, which now includes an integration with On Deck, Team Unify's mobile app. The integration will allow Team Unify users to access their Deck Pass dashboard (times, goals, patches, etc.), offers from USA Swimming partners, hand selected content, and live streaming directly on their team's website or through the mobile app. All pages include ads, allowing the USA Swimming partner team to expand the offerings within partner packages and opening a new standalone revenue stream for ad buys outside of standard agreements. Deck Pass on Team Unify will launch across all Team Unify platforms on September 4.

3. Website Enhancement

Development work is nearly complete on upgrades to the search and resource topic browser features on [www.usaswimming.org](http://www.usaswimming.org). The upgrades include improved search accuracy, the ability to filter search results by content type (all, pages, news, videos, events, documents) and the ability to sort search results by newest, oldest, or relevancy. These updates are scheduled to be released before October 15. Following the release of search and resource topic browser upgrades, we will turn our attention to visual and navigation improvements on this site. New

navigation paths and standardized visual branding will further assist users in finding specific content and refine the way we present content across the site. On the backend, we are expanding our search engine optimization (SEO) efforts to increase the site prominence on organic search engines, increase site speed, and eliminate negative user experiences like broken links.

### **Partnerships**

This summer we finalized sponsorships with Marriott, Golden Road, Xfinity and Ciprodex. We continue to look for major multiyear deals in untapped categories.

### **APA Update**

In the 2018-2019 season, USA Swimming signed 53 professional athletes to the APA program. Of those, 89 out of the 100 community appearances have been completed as of August 27, 2019. An additional 11 athlete appearances have been scheduled to finish out the 2018-2019 season.

#### **Q3 Highlighted Appearances:**

- Phillips 66 National Championships with Katie Ledecky, Ally McHugh, Katie Meili and Allison Schmitt
- USA Swimming Foundation National Team Alumni Social with Ella Eastin
- York City Swim Clinic with Justin Ress
- Brenner Children's Hospital Visit with Kathleen Baker

#### **Upcoming Appearances:**

- Harper for Kids Virtual Appearance with Abrahm DeVine, Will Licon and Kathleen Baker – September 2019
- NCSA Camp at the OTC with Jack Saunderson and Zach Apple – September 2019
- America Lunch with Chase Kalisz – September 2019
- Eagle Academy School Visit with Katie Meili – September 2019
- Mine Swimming Clinic with Jacob Pebley – September 2019
- Safe Sport Activity Book with Leah Smith – September 2019

## **BUSINESS AFFAIRS**

### **Safe Sport**

Safe Sport has focused on policy implementation and education since the last Board meeting. Notably, Safe Sport successfully implemented the USA Swimming Minor Athlete Abuse Prevention Policy (MAAPP) by the U.S. Center for SafeSport's June 23, 2019, deadline. The implementation process included all-member communications, 20 custom-designed social media graphics, launching a website containing written resources and mini-webinars, in-person presentations and countless direct member communications.

Beyond implementing MAAPP, USA Swimming extended the Athlete Protection Training (APT) requirement of membership to all adult athlete members. To ensure that athlete members turning 18

years old maintain membership in good standing, the Safe Sport team coordinated with IT staff to custom build a notification system for athlete members. To date, over 9,000 adult athlete members have completed Athlete Protection Training.

Since May 1, 2019, the Safe Sport staff conducted 17 in-person trainings with 700 individuals trained bringing our 2019 total to 1064 individuals trained.

The Safe Sport staff is excited to announce its partnership with the Futures Without Violence Coaching Boys into Men, the only evidence-based prevention program that trains and motivates coaches to teach their young male athletes healthy relationship skills and that violence never equals strength. USA Swimming will also partner with Athletes as Leaders, a complementary program for female athletes promoting healthy relationships and ending sexual violence. USA Swimming is the first National Governing Body to partner with these organizations and will roll out the partnership at Convention.

Lastly, USA Swimming is participating in the Child USA Study. Conducted by the University of Pennsylvania, the purpose of the survey is to study the incidence of abuse and neglect among elite U.S. athletes with the ultimate goal of determining how best to protect all athletes from physical, emotional and sexual abuse. The survey link communication was sent to over 230 elite athletes in July 2019.

### **Risk Management**

USA Swimming has renewed its general liability and excess abuse and molestation coverage for 2020. The total cost of general liability program for 2020 will be a 12% increase over 2019. We are also considering a strategic analysis for the next quad, given market conditions and the limited number of insurers who will write this exposure in the future.

USA Swimming has also renewed its management liability coverage. These coverages include Directors & Officers (D&O), Employment Practices Liability, Fiduciary Liability, Special Crime Coverage and Employed Lawyers insurance coverage. The limits of liability are slightly less than last year. Both public and non-profit companies have been experiencing large pricing increases with unfavorable terms and conditions, as well as large losses. In particular, USA Gymnastics filing bankruptcy created difficulties for NGBs and the USOPC.

We also continue to monitor captive runoff costs and states' legislative efforts to extend their respective statutes of limitations and/or grant look-back periods for certain sexual abuse claims.

Finally, the Operational Risk Committee presentations at the Zone Workshops in Denver and Chicago were rated Extremely Useful by 56% of the attendees and Very Useful by 44% of the attendees, and concussion education requirements were rolled out to coaches and officials with great help by the Commercial/Communications and Sport Development/Education, Programs & Services teams.

### **Human Resources**

The new Director of Human Resources & Employee Engagement has been on-boarded and has been focused on getting to know the team and the organization. After completing the mid-year performance process, the Human Resources team is preparing for several year-end initiatives. To prepare for these launches, the Human Resources team is focusing on data analysis to ensure that the information in ADP accurately reflects the organizational structure.

Additionally, in partnership with the DEI Team, Human Resources is rebranding the Wellness Committee into the Employee Engagement Committee, which will focus on ways to engage employees across the company.

Finally, the office remodel is complete, and all employees have moved into their new spaces. Everyone is enjoying the bright and open feel as well as having all employees back in the office more regularly. We'll be celebrating the new space on October 4 and have invited several stakeholders.

### **Information Technology**

Mike Meadows has joined the USA Swimming IT team in the position of Senior Software Engineer. Mike was formerly with Statera, Inc., the consulting firm that we've partnered with for large application development projects. Mike brings system architect, software design, and project management skills to the team and is also a very talented developer.

### **Website**

See Site Search and Resource Topic Browser improvement details in Commercial section.

### **Online Meet Entry**

The project to move the Online Meet Entry application from the USA Swimming legacy website to the new website is well underway. In addition to applying the look and feel of the new website, this project involves rearchitecting the application, which has seen many feature upgrades over the years, and upgrading the application to current coding standards. A release date for this project has not yet been established.

<b>FINANCE</b>
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### **Budget Season**

April commenced our 2020 (and 2019 projection) budget and projection process. Finance has met with, and continues to meet with, all divisions and program managers. The collaborative and detailed discussions include a review of all programs and accounts in order to produce as accurate (and supported) of a budget as possible while educating all involved at the same time.

### **Form 990s**

We are working with Waugh & Goodwin, our tax firm, preparing both of our Form 990s. Forms will be completed and filed ahead of the November 15, 2019 deadline.

### **Form 5500**

The annual return and report of our employee benefit plan has been successfully filed with the Department of Labor on August 14, 2019, ahead of the October 15 deadline.

## FOUNDATION

### Make a Splash

Year-to-date, nearly 2.1 million children have taken swimming lessons via the Make a Splash local partner network – a record setting year with one more reporting period remaining in 2019.

The 2019 grant awards total \$618,200 to 117 Make a Splash Local Partners, with a proposed service level of 28,627 children by the end of the year.

The Make a Splash Tour presented by Phillips 66 visited four (4) locations: New York, N.Y.; Memphis, Tenn.; San Diego, Calif.; and Corpus Christi, Texas. The recap video can be viewed here: <https://vimeo.com/343485103>

### Major Gifts and Grants

We have received a total of \$1,680,000 to date with four (4) trustees and one (1) new Donor and Athlete partnership.

### #GogglesOn Day of Giving

On May 22, the Foundation hosted its first-ever dedicated day of giving in conjunction with the 2019 Make a Splash Tour and the #GogglesOn social media campaign. Thanks to the generosity of Trustees Chris and Fiona Chandler's \$20,000 matching gift, and the donations of more than 100 people, we raised \$49,650.

### Performance Camp

On Labor Day weekend 30 children attended this year's Youth Performance Camp with Todd Schmitz, Nathan Adrian, Mel Stewart, Chase Kalisz, and Kelsi Dahlia. Adult Performance Camp is scheduled for October 4-6 and will feature Frank Busch, Maya DiRado, Missy Franklin, Rowdy Gaines, and Ryan Murphy.

### Annual Fund

Numbers as of Aug. 26:

- *Champions Club*: **\$138,800** (38% of 2019 goal). Note that most of the Champions Club donations come in Q4
- *Donations under \$1,000*: **\$44,000** (59% of 2019 goal). Same comment as above.
- *Performance Camp*: **\$100,000** (83% of 2019 goal). Still recruiting for Adult Camp

**USA Swimming**  
**Event - Meet Host Fees Summary**  
**2019-2020**  
**As of 9.6.2019**

Event	Naming Rights	USA-S Star Rating	Operation	Host Fee 2019	Host Fee 2020	Comment
Summer Nationals	P66	5	National	\$ 20,000	\$ -	RFP in 2024 Quad.
US Open	Toyota	5	National	20,000	-	RFP in 2024 Quad.
Invitational	Speedo	5	National	-	20,000	RFP in 2024 Quad.
Open Water Champs	-	5	National	30,000	25,000	
Pro Swim Series	TYR	4	National	-	-	\$20K Rights Fee to USA-S per meet.
Summer Juniors	Speedo	3	National	20,000	-	RFP in 2024 Quad.
Winter Juniors	Speedo	3	National	40,000	40,000	RFP in 2024 Quad.
Futures	-	2	National	60,000	-	
Sectionals	Speedo	1	Zone/Sectional	215,000	220,000	
Zone Champs	-	1	Zone	110,000	100,000	
IMXtreme Games	-	-	Age Group Committee	24,000	24,000	
				<b>\$ 539,000</b>	<b>\$ 429,000</b>	

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## Performance Monitoring Report

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TO: USA Swimming Board of Directors  
FR: Tim Hinchey, Chief Executive Officer  
RE: Internal Report – Ends  
Annual Monitoring on **Policy 1.1: Competitive Success**  
DA: September 3, 2019

I am pleased to present our annual monitoring report on the Board's Ends policy 1.1 "Competitive Success." The information contained in this report is true for the year ended August 31, 2018.

Signed , President & CEO

### **BROADEST PROVISION: USA Swimmers achieve sustained competitive success at the Olympic Games and other high-level international competitions.**

#### **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.

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### **PROVISION #A: National Team culture and environment promotes and cultivates sustained performance success, positive representation of the USA, and a productive partnership between USA Swimming and its best athletes.**

**CEO's VISION OF SUCCESS:** *(No change since last report)* The National Team has an environment that is conducive to competitive success and creates the expectation that all National Team members positively represent the United States.

#### Key Performance Indicators for 2020:

1. 26 Olympic Medals
2. Winning gold medal count, overall medals and team score at the 2020 Tokyo Olympics
3. No Honor Code infractions / incidents involving athlete conduct that are detrimental to the National Team.

**REPORT:** The National Team met/exceeded targets established last year for the FINA World Championships in Gwangju:

2019 Key Performance Indicators	2019 Results	Achievement
1. 30 Medals at the FINA World Championships	Total of 30 Medals (14 Gold, 9 Silver, 7 Bronze) 27 Pool (14-8-5) 3 Open Water (0-1-2)	Yes
2. Winning gold medal count, overall medals and team score at FINA World Championships	14 Gold Medals (1 <sup>st</sup> ) 30 overall medals (1 <sup>st</sup> ) Team Title (1 <sup>st</sup> )	Yes

The National Team's performance was consistent and strong through the entire summer of competitions. The summary below is in chronological order.

#### 2019 World University Games

The National Team started strong in Naples with the World University Games. This summer showed a very solid Team USA, but also a very resilient team as well. This summer provided many challenges, that will give our athletes the experience needed as we head into Tokyo. Despite the challenge of living in tight quarters on a cruise ship and dealing with transportation issues, the World University Games team won 41 total medals, the most ever at a WUGs competition.

### 2019 FINA World Championships

The strong World University Games competition transitioned into the start of the World Championships. The Open Water team started off with a total of three medals and qualifying three athletes, two female and one male, to the Olympic Games in Tokyo 2020. After a successful camp in Singapore the World Championship pool team overcame challenges both in and out of the water as well as illness to win a total of 27 medals over the 8-day pool competition in Gwangju. The team performance was led by Caeleb Dressel (6 gold, 2 silver) and Simone Manuel (4 gold, 3 silver).

### 2019 Phillips 66 National Championships

The third meet of the summer included incredibly fast swims from our athletes who had something to prove at the Phillips 66 Nationals in Palo Alto. There were fast times across the board from athletes returning from Gwangju, to those who were trying to make the FINA World Junior team, and from those who didn't qualify for a team last summer! Almost 40% of our National Team is made up from times achieved at the Nationals.

### 2019 Pan American Games

In early August in Lima, the Pan Am Games athletes, again, showed resilience and finished with a total of 45 medals, 44 in the pool and one in open water.

### 2019 FINA World Junior Championships

Finally, at the FINA World Junior Championships in Budapest, Hungary, the U.S. National Junior Team overwhelmed the competition by winning 37 medals, 18 of them gold, in a dominant performance. The 37 medals in Budapest was the most ever by a USA Swimming World Junior Team.

### Partnership with Athletes

On many occasions, we are asked what is the purpose of the National Team? In short, the relationships that are built throughout the quad with the athletes, coaches and staff make the Olympic Games a comfortable and open environment that will hopefully translate to success in Tokyo. Our partnership with our athletes has grown substantially stronger in the past year. We have had numerous opportunities to have face-to-face interactions with National Team athletes, not only on campus at the Olympic Training Center, but also through the many competitions we have had this summer. These relationships will be the strong building block for success next summer in Tokyo.

One of our biggest goals in the Olympic year is to improve performances from Trials to Games. In 2012 and 2016 we had a 63% improvement rate from Trials to Games. This summer our improvement rate from the 2018 Trials to the 2019 events was an average of 36%. While Team USA athletes were able to be on the podium over 150 times this summer, the rate of improvement from Trials to Games was not where we wanted it to be. The good news is there is room for improvement and all athletes and coaches will be focused next summer on Omaha and Tokyo.

Another major factor in our success is winning the relays. At World University Games, Team USA was victorious in all relays at the competition. At the World Championships, Team USA won 8 medals, three of them gold, set two world records and two American records in the process. At the Pan Am Games, Team USA won a total of seven medals, four of them gold. And finally, at the World Junior Championships, the U.S. relays won seven of eight gold medals and set World Junior Records in four relays! Success in relays is a key to success in Tokyo and we will continue to focus on being at the top of the podium in all seven relays.

### Athlete Representation of the United States

With a total of four international trips and competitions this summer, there were no incidents involving athletes that were detrimental to the National Team.

One of the key goals heading into Tokyo for the National Team Division is to help our athletes stay healthy this fall and winter. With the intense travel and meet schedule, our goal is to support the National Team athletes and coaches with their plans. Additionally, we will aim to be the best team in Tokyo by swimming faster at the Games than at Trials. As we prep for Tokyo, we will aim to have the best team environment, the best staff and the best plan.

The past year's National Team results, both competitively and organizationally, constitute **ACHIEVEMENT** of this End, as interpreted.

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**PROVISION B: Strong and identifiable pathways and systems retain and develop talented athletes and coaches.**

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

With support from USA Swimming, coaches and clubs are able to offer athletes a developmental system that provides an array of avenues to success. Select Camps on up through National Junior Team provide experiences (exposures to coaches, culture, team spirit, etc.) for athletes and coaches that prepare them to take next steps (e.g. scholarships, university teams and other progressions that may lead to National Team participation.)

Key Performance Indicators for 2020:

1. FINA World Junior Championships – Open Water: Winning gold medal count, overall medal count and team score
2. Win the medal count, gold medal count and team competition at the 2020 Junior Pan Pacific Championships.

**REPORT:**

2019 Key Performance Indicators	2019 Results	Achievement
1. FINA World Junior Championships – pool: Winning gold medal count, overall medal count and team score. (Budapest in August)	37 Medals (1 <sup>st</sup> ) 18 gold (1 <sup>st</sup> ) 10 silver 9 bronze Won team title (1 <sup>st</sup> )	YES

Athlete Development

Camps and competitions attended by junior teams around the country had a wide array of athlete participants and were highly successful (based on performance times). These events include education to National Team culture on topics such as anti-doping, team spirit, etc. Mid-year competitions at Mel Zajac in Vancouver and Mare Nostrum in Europe were successful. The 2019 World Junior Team had an incredibly strong showing, as evidenced by the performances in Budapest.

Coach Wellness

In 2018, we started work on a coach wellness program, including a presentation at the 2018 National Team Coaches' meeting. We also provided an extensive list of place coaches could exercise while at the National and Junior National Championships in Irvine. In late 2019, we are launching a partnership with TalkSpace, which will provide athletes with an outlet for discussing mental health challenges. We are hoping that coaches will also be able to access this program and hope in the new quad we will be able to roll out a more thorough program for our coaches.

More than 70% of this year's National Team members were past members of the National Junior Team. (This number has remained steady in the 70% range over the past years)

Based on ongoing successes both in terms of performance times, in education and in National Team culture I report **ACHIEVEMENT**.

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**PROVISION C: USA Swimming is a recognized leader in promoting a clean sport environment.**

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

USA Swimming will be continually recognized by USADA, WADA, FINA, and the USOC as a strong partner in promoting anti-doping among American athletes. 100% anti-doping compliance is aspirational, but not realistic to be achieved over a long-term continuum.

Key Performance Indicators for 2020:

1. 100% of National Team and National Junior Team members receive USADA anti-doping education on an annual basis.
2. 100% USA Swimming coaches take required USADA course.
3. Staff leadership proactively convenes meetings and information exchange with counterparts at USOC, USADA, WADA and FINA.

## REPORT:

2019 Key Performance Indicators	2019 Results	Achievement
1. 100% of National Team and National Junior Team members receive USADA anti-doping education annually	In person education, 2019 year to date: 987 athletes, 153 coaches, 33 medical professionals (does not include additional education via email, social media, regional coaches conference). National Team Members are required to take a USADA tutorial as a member of the Registered Testing Pool. All but three National Team Members are in the Registered Testing Pool (due to USADA reorganization of pool requirements). 50 National Junior Team athletes received in person education. To ensure we reach all National Team and National Junior Team emails are sent to both teams and their coaches every two weeks to provide educational information.	Yes
2. 100% of USA Swimming coaches take required USADA course.	Not achieved: USADA revises the course every other year. Since this KPI was established, we realized that if it was mandated in for the 2019 membership year, coaches would become non-compliant mid-year. We thus chose to wait until the start of the membership year.  Starting in the 2020 Membership Year all coach members will be required to take the USADA Coach Advantage Tutorial to receive their coach membership, and to re-take the course every other year. This is housed on the LEARN platform and will be available on January 1, 2020.	NO
3. Staff leadership proactively convenes meetings and information exchange with counterparts at USOC, USADA, WADA and FINA.	We do have regular meetings with our counterparts, especially USADA. Communications and meetings with USADA occur regularly, including a working group of staff members from various NGBs who focus on Anti-Doping Education. We are in communication regularly with USADA, FINA, and the USOPC.	Yes

High achievement includes recognition by USADA that we are the gold standard for anti-doping movement (conveyed to IRC). Strong relationships have been maintained through liaisons (e.g. a former swimmer is now on the USADA Board – Tobie Smith).

Communications messages continue to be strengthened in this regard.

Unfortunately, there have been notable shortcomings in the past year with adverse findings. Some of these have been positive tests from nutritional supplements. It's important that this topic be addressed as positive tests damage our position within the international community (Ex. Our "clean sport, zero tolerance" message with anti-doping does not carry as much weight internationally if we have athletes in the U.S. testing positive).

As interpreted above, while achieving 100% anti-doping compliance on a continuum is not realistic, it is vitally important that we are at the forefront in promoting clean sport and in addressing shortcomings when they occur (especially when education can help avoid preventable positive tests).

With that caveat, I report **ACHIEVEMENT**.

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### PROVISION D: National Team athletes have financial support while competing, and resources that support successful post-competition transitioning out of sport.

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

National Team athletes will financially maintain a standard of living that allows them to compete at the highest levels internationally. Provide improved opportunities for National Team athletes to transition to professional status and/or out of the sport.

#### Key Performance Indicator for 2020:

1. Athletes transitioning to professional status or retiring are proactively offered counseling to facilitate their "next stage" success.

**REPORT:**

2019 Key Performance Indicators	2019 Results	Achievement
1. Continue to increase the contributions to the National Team Endowment Fund annually.	Foundation contributions to the National Team increased by \$170,000 in 2019, an increase from \$156,000 in 2018	Yes
2. National Team monthly dividend increases by at least COLA Index annually.	US Cost of Living Index- most recent adjustment, for 2019, was 2.8%. CPI increase from December 2017 to December 2018 was 1.9%. (Source: Bureau of Labor Statistics)  Monthly dividend increased to \$3,180 (4%) for qualified National Team Athletes.	Yes
3. Increase prize money at Operation Gold Qualifying competitions each year	2017 prize money: \$900,000 2018 prize money: \$630,000* 2019 prize money: \$720,000  *The lower amount in 2018 was due to the fact that the Pan Pacific meet has a lower dollar payout per event (Operation Gold) than the Worlds.	Yes
4. Athletes transitioning to professional status or retiring are proactively offered counseling to facilitate their "next stage" success	<i>In 2019 we provided a series of webinars for our newly professional athletes in June. The entire NT will receive the webinars in September. In addition, we will start a new mental health program for our 2016 Olympians who are still competing as well as NT athletes who are in the top 8 in the world.</i>	YES

Based on this data, the results constitute **ACHIEVEMENT** of this provision.