

# USA Swimming Board of Directors Meeting Minutes

January 31, 2020 / Virtual Zoom Conference Call

1 **CALL TO ORDER**

2 Bob Vincent, Board Chair, called the January 31, 2020 Board of Directors meeting to order  
3 at 8:07 a.m. Mountain Time with the following members in attendance:

4  
5 **PRESENT:** Chris Brearton, Kenneth Chung, Bruce Gemmell, Jennifer Gibson, Cecil Gordon,  
6 Natalie Hall, Tim Hinchey, Lucinda McRoberts, Kathleen Prindle, Bill Schalz, Jeanette Skow,  
7 Jim Sheehan, Davis Tarwater, Jay Thomas, Tom Ugast, Bob Vincent.

8  
9 **NOT PRESENT:** Maya Andrews.

10

11 **GUESTS**

12 Dale Ammon (Western Zone Non-Coach Representative), Bill Charney (Charney  
13 Associates), Tristan Formon (Eastern Zone Coach Director), Sean Redmond (Western Zone  
14 Coach Director), Michael White (Central Zone Coach Representative).

15

16 **STAFF**

17 Paula D'Amico, Shana Ferguson, Jake Grosser, Isabelle McLemore, Lindsay Mintenko,  
18 Patrick Murphy, Eric Skufca, Joel Shinofield, Mike Unger.

19

20 **MOMENT OF SILENCE**

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

23

24 **AGENDA REVIEW**

25 Bob Vincent presented the agenda and moved the Closed Session to the end of the meeting  
26 (Attachment 1).

27

28 **RULES OF ENGAGEMENT / COVENANTS**

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

30

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

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

35

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

39

#### 40 **CEO WELCOME**

41 Tim Hinchey welcomed the Board and staff, expressed his excitement for the upcoming  
42 year with the Trials and Olympics, and thanked the Board for their CEO feedback from  
43 2019.

44

#### 45 **BOARD CHAIR'S REMARKS**

46 Bob Vincent remarked on the exciting new culture at headquarters after the office redesign,  
47 the importance of using data to compile useful information to solve organizational issues,  
48 and lastly mentioned the abbreviated timeline for the day's Board of Directors meeting.

49

#### 50 **MINUTES**

51 ***MOTION:** To approve the November 23, 2019 Board of Directors meeting minutes*  
52 *(Attachment 2). Seconded. **APPROVED.***

53

#### 54 **BOARD PROCESS**

##### 55 **CEO BONUS/INCENTIVE COMP (2.3.5)**

56 Bob Vincent informed the Board that their qualitative feedback was given to the Chief  
57 Executive Officer and that the compensation adjustment was implemented.

58

##### 59 **"CHARGE" TO NOMINATING COMMITTEE (2.9.3)**

60 Bob Vincent reported that two Board member's terms would be ending at the end of 2020  
61 and thus there will be two vacancies on the Board of Directors come this fall. An emphasis  
62 on financial literacy was noted as a competency for any potential candidates for the Board  
63 of Directors.

64

#### 65 **ENDS MONITORING**

##### 66 **BROADEST - GROWTH/SUCCESS OF SWIMMING (1.0)**

67 Bob Vincent presented Policy 1.0 Broadest/Growth and Success of Swimming (Attachment  
68 3).

69

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

74

75 **MANAGEMENT PARAMETERS MONITORING (4.4)**

76 **POLICY 3.3 TREATMENT OF EMPLOYEES AND VOLUNTEERS**

77 Bob Vincent presented Policy 3.3 Treatment of Employees and Volunteers (Attachment 4).

78

79 Lucinda McRoberts clarified that Policy 3.3 refers to broad changes in operational  
80 committees that are staff lead, not standing Board committees.

81

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

86

87 **POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES**

88 Bob Vincent presented Policy 3.4 Financial Condition & Activities (Attachments 5 - 7).

89

90 Eric Skufca reported that the 2019 financials are not yet final but will be finalized in late  
91 February. Mr. Skufca noted that while there are still material entries to be made for 2019,  
92 finances are trending positively towards reducing the previously reported quad operating  
93 deficit.

94

95 Tim Hinchey spoke to the paradigm shift of bringing in revenue and then making decisions  
96 as to where USA Swimming will invest and spend money, and additionally noted the  
97 importance of retention and renewal of key partners.

98

99 Mr. Skufca remarked on the net gains of the 2019 market performance of USA Swimming's  
100 investment portfolio.

101

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

106

107 **STAFF UPDATES**

108 **CEO'S UPDATE**

109 Tim Hinchey submitted a written report (Attachment 8).

110

111

112

113 **COO UPDATE**

114 Mike Unger provided an update on the Olympic Trials including strong ticket sales, 1,150  
115 qualified athletes, anticipated sport presentation, and a high number of hotel nights  
116 booked.

117  
118 Mr. Unger highlighted topics from a recent meeting between USA Swimming and FINA,  
119 including FINA's proactive plans for addressing open water issues at the 2020 Olympic  
120 Games, competition calendar with future FINA competitions, anti-doping, and collaboration  
121 with USA Swimming on coach education as well as education as a whole.

122  
123 Tim Hinchey added that USA Swimming is also being proactive on the open water site  
124 issues in Tokyo for the 2020 Olympic Games and working as many appropriate angles as  
125 possible, including a productive meeting with the International Olympic Committee (IOC).

126  
127 Mr. Unger reported on the recent USA Swimming Technical Summit including its purpose  
128 to ensure we are providing the right competitions in the right way in order to provide  
129 meaningful opportunities for athletes.

130  
131 The Board engaged in discussion regarding how USA Swimming collaborates with other  
132 swimming federations, as well as organizational communication pertaining to USA  
133 Swimming meets.

134  
135 **NATIONAL TEAM UPDATE**

136 Lindsay Mintenko provided National Team updates, including how the coronavirus in Asia  
137 may impact training for the Olympic Team; performance and logistical planning for the  
138 2020 Olympic Games; and athletes taking advantage of USA Swimming's mental health  
139 initiatives via Talk Space and the Athlete Assist Program.

140  
141 **FLEX MEMBERSHIP UPDATE AND MOTION**

142 Joel Shinofield presented on Flex Membership by highlighting its purpose to effectively  
143 bring more athletes into the sport of swimming and provide more opportunities for people  
144 to experience USA Swimming.

145  
146 Patrick Murphy reported on current membership numbers and trends.

147  
148 Mr. Shinofield provided membership projection assumptions under both the current Flex  
149 Membership model and the proposed Flex Membership model based upon a conservative

150 0% growth rate of Athlete memberships. Mr. Shinofield noted a \$6 million difference  
151 between the two models in terms of membership revenue.

152

153 Tom Ugast elaborated on what that type of decline in membership revenue would mean for  
154 the overall organization.

155

156 The Board engaged in discussion around how Flex Membership is being used and its  
157 purpose as well as its importance as a tool to increase membership in the 10 and under  
158 category. Additionally, the Board discussed seasonal memberships and how they are  
159 utilized.

160

161 **MOTION: To approve the following Flex structure, effective for the 2021 Membership**  
162 **Year. Seconded. APPROVED.**

163

164 *Ages 10 and Under: \$20.00 (\$10 USA-S, \$10 LSC): Two meets, multiple Flex registrations. This*  
165 *price matches the minimal dues clubs often charge for their entry-level/novice/pre-*  
166 *competitive programs and allows clubs to register these new athletes as USA Swimming*  
167 *members, rather than seek lower cost/lower-value options in the marketplace.*

168

169 *Ages 11-12: \$35.00 (\$25 USA-S, \$10 LSC): Two meets, multiple Flex registrations, no*  
170 *downgrades from Premium. This is an entry point for athletes who have possibly competed in*  
171 *summer league or other rec programs and are likely competing in other sports, which charge*  
172 *a similar membership fee.*

173

174 *Ages 13-18: \$45.00 (\$35 USA-S, \$10 LSC): Two meets, 150-day limit, multiple Flex*  
175 *registrations, no downgrades from Premium. This is an entry point for athletes coming from*  
176 *other sports, summer league, or middle school/high school swimming experiences. Also allows*  
177 *entire high school teams or summer league teams to join for a season.*

178

#### 179 **CLUB DUES INCREASE UPDATE**

180 Joel Shinofield reported that a group of coaches and athletes will get together soon to begin  
181 talking through the details of a club dues increase.

182

#### 183 **CAO UPDATE**

184 Lucinda McRoberts reported that all fifty-nine Local Swimming Communities (LSCs) have  
185 signed LSC affiliation agreements; there will be proposed legislative changes for the Board  
186 of Directors to consider during their next meeting in April; and that USA Swimming has

187 identified a successor for the Senior Director, Risk Management as the current Senior  
188 Director, George Ward, will be retiring in April 2020.

189

190 **KEEPING ATHLETES FIRST INITIATIVE UPDATE**

191 Lucinda McRoberts provided an overview on the working group, its composition and next  
192 steps, which will include monthly calls leading up to Convention to discuss each of the four  
193 initiatives: Online Member Registration, Safe Sport Club Recognition Assistance, Safe Sport  
194 Staff Resources & Program Development, and Coach Education & LMS.

195

196 **CFO UPDATE**

197 Eric Skufca reiterated that the 2019 budget is projecting positively and will close by the  
198 end of February 2020, coinciding when the auditors arrive in early March.

199

200 Tim Hinchey updated the Board regarding USA Swimming's personnel and the emphasis on  
201 assessing careers and positions within the organization to ensure the right people are  
202 where they need to be and to provide those people with appropriate education and staff  
203 engagement.

204

205 Mr. Skufca reported that Finance is continuing to look beyond 2021 to build off the work  
206 already done and provide further education and feedback to each division to develop best  
207 practices. Mr. Skufca spoke about, where appropriate, moving away from quad budgeting  
208 and towards year-to-year budgeting with a zero-based budget each year and using more  
209 specified categories for budgeting.

210

211 **CCO UPDATE**

212 Shana Ferguson reported that the USA Swimming Foundation staff is fully integrated into  
213 the USA Swimming staff.

214

215 Jake Grosser presented on the Digital Swimming Index (DSI), including its ability to show  
216 USA Swimming's digital impact on people year-over-year and to use the produced data and  
217 analytics to make improved and efficient organizational decisions. Mr. Grosser went on to  
218 explain the current trends of USA Swimming's impact through the USA Swimming website,  
219 social media, and swim team searches.

220

221 Ms. Ferguson presented an update on the USA Swimming website redesign, including the  
222 use of data to create intentionality, and additionally, showed mobile and desktop visuals of  
223 the redesigned website.

224

225 **COMMUNICATION UPDATE**

226 Isabelle McLemore briefly reiterated upcoming media launches, including the website  
227 redesign, the 2020 Olympic Trials, and podcasts, among other exciting items.

228

229 **CLOSING ROUNDTABLE**

230 **NEXT MEETING / EVENTS**

231 Bob Vincent shared logistics for the upcoming Board of Directors meeting in April.

- 232 • 2020 / April 24 - 25/ Fort Myers, FL - Open Water National & Junior Championships
- 233 • 2020 / September 23 / Jacksonville, FL - Convention
- 234 • 2020 / September 26 / Jacksonville, FL - Convention
- 235 • 2020 / November 22 / New York, NY - Golden Goggles

236

237 **MEETING ASSESSMENT**

238 The Board engaged in a round table discussion assessing the day's meeting, including  
239 expressing gratitude for the work being done by both the Board and staff.

240

241 **CLOSED SESSION (2.3.6)**

242 **LITIGATION UPDATE**

243 The Board went into closed session so USA Swimming's General Counsel, Lucinda  
244 McRoberts, could provide a legal update.

245

246 Isabelle McLemore provided a brief communications strategy while in closed session.

247

248 **ADJOURN**

249 Bob Vincent, Board Chair, adjourned this meeting at 11:40 a.m. Mountain Time.

250

251

252 Respectfully submitted:

253



Lucinda McRoberts, CAO & General Counsel



Bob Vincent, Board Chair

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

January 31, 2020 / Virtual Zoom Conference Call

Attachment 1	Page 1 – Agenda: January 31, 2020
Attachment 2	Page 2 – DRAFT BOD Minutes November 23, 2019
Attachment 3	Page 2 – Policy 1.0 Broadest/Growth and Success of Swimming
Attachment 4	Page 3 – Policy 3.3 Treatment of Employees and Volunteers
Attachment 5	Page 3 – Policy 3.4: Financial Condition and Activities
Attachment 6	Page 3 – Comparative Balance Sheet as 12.31.19 (Preliminary)
Attachment 7	Page 3 – 2019 Budget vs. Projection
Attachment 8	Page 3 – Staff Report to the Board of Directors





## AGENDA

USA Swimming  
Board of Directors  
Board of Directors Meeting  
Friday, January 31, 2020, 8:00 am - 11:30 am  
Virtual ZOOM Call

- 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. Rules of Engagement
  6. Declaration of Conflict of Interest (2.5.4)
  7. CEO Welcome
  8. Board Chair's Welcome
  9. ***ACTION: Approve November 23, 2019 Board Meeting Minutes***
- B. **Board Process**
1. CEO Bonus/Incentive Comp (2.3.5) 8:10
  2. "Charge" to Nominating Committee (2.9.3) 8:15
- C. **ENDS Monitoring**
1. Broadest - Growth/Success of Swimming (1.0) 8:35
    - a. ***Action: Motion to Accept***
- D. **Management Parameters Monitoring**
1. Treatment of Employees and Volunteers (3.3) 8:45
    - a. ***ACTION: Motion to Accept***
  2. Financial Condition & Activities - INT (3.4) 9:05
    - a. ***ACTION: Motion to Accept***
- E. **Break** 9:25
- F. **Closed Session** 9:35

1. Litigation Update	Lucinda	
<b>G. Staff Updates</b>		9:45
1. CEO Update	Tim	
a. COO Update	Mke	
i. National Team Update	Lindsay	
ii. Sport Development Update	Joel	
• Flex Update & Motion		
b. CAO Update	Lucinda	
i. Keeping Athletes First Initiative Update		
c. CFO Update	Eric	
d. CCO Update	Shana	
i. Communications Update	Belle	
<b>H. Break</b>		10:45
<b>I. Closing Roundtable</b>		10:55
1. Next Meeting / Upcoming Events		
2. Task Assignments Review	Lucinda	
3. Meeting Assessment		
<b>J. Meeting Adjournment</b>		11:15

Total Meeting Time: 3h 15m

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

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

November 23, 2019 / JW Marriott Los Angeles L.A. LIVE

1 **CALL TO ORDER**

2 Bob Vincent, Board Chair, called the November 23, 2019 Board of Directors meeting to  
3 order at 8:30 a.m. Pacific Time with the following members in attendance:

4  
5 **PRESENT:** Maya Andrews, Chris Brearton, Kenneth Chung, Bruce Gemmell, Jennifer Gibson,  
6 Cecil Gordon, Natalie Hall, Tim Hinchey, Lucinda McRoberts, Kathleen Prindle, Bill Schalz,  
7 Jeanette Skow, Jim Sheehan, Davis Tarwater (via phone), Jay Thomas, Tom Ugast, Bob  
8 Vincent.

9  
10 **GUESTS**

11 Anne Berry (Foundation Board of Directors Nominee), Bill Charney (Charney Associates),  
12 Greg Earhart (CSCAA), Tristan Formon (Eastern Zone Coach Director), Sean Redmond  
13 (Western Zone Coach Director).

14  
15 **STAFF**

16 Paula D'Amico, Cathy Durance, Shana Ferguson, Abigail Howard, Isabelle McLemore,  
17 Lindsay Mintenko, Patrick Murphy, Eric Skufca, Joel Shinofield, Mike Unger, Scott Usher.

18  
19 **MOMENT OF SILENCE**

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

22  
23 **AGENDA REVIEW**

24 Bob Vincent presented the agenda (Attachment 1).

25  
26 **RULES OF ENGAGEMENT / COVENANTS**

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

28  
29 **DECLARATION OF CONFLICT OF INTEREST (2.5.4)**

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

33  
34 If a Board member determines there to be a conflict of interest at any point during the  
35 course of the meeting when a specific subject is being discussed and / or action is being  
36 taken, a declaration of a conflict of interest should be made at that time.

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

37 **CEO WELCOME**

38 Tim Hinchey welcomed the Board members, specifically the new members, and expressed  
39 gratitude to the Board of Directors for their support of him and the USA Swimming staff.  
40

41 **BOARD CHAIR'S REMARKS**

42 Bob Vincent emphasized the need for "One Voice" as the safety of athletes continues to be  
43 the top priority. Mr. Vincent addressed the ruling from the Stockton case in California,  
44 specifically that there should always be continuous efforts made regarding Safe Sport  
45 matters and encouraged the Board to always do the right thing no matter the outcome of a  
46 ruling.  
47

48 **MINUTES**

49 **MOTION:** To approve the September 11, 2019 Board of Directors meeting minutes  
50 (Attachment 2). Seconded. **APPROVED.**

51  
52 **MOTION:** To approve the September 13 - 14, 2019 House of Delegates meeting minutes  
53 (Attachment 3). Seconded. **APPROVED.**

54  
55 **MOTION:** To approve the September 14, 2019 Board of Directors meeting minutes  
56 (Attachment 4). Seconded. **APPROVED.**

57  
58 **MOTION:** To approve the October 4, 2019 Special Board of Directors meeting minutes  
59 (Attachment 5). Seconded. **APPROVED.**

60  
61 **BOARD PROCESS**

62 **BOARD WORK PLAN UPDATE (2.3.2)**

63 Bob Vincent presented proposed dates and locations for Board of Directors' meetings in  
64 2020.  
65

66 **MOTION:** To approve the following dates and locations for the 2020 Board of Directors'  
67 meetings.  
68

- 69
- 70 • 2020 / January 31 / Virtual
  - 71 • 2020 / April 24 / Fort Myers, FL - Open Water National & Junior Championships
  - 72 • 2020 / September 23 / Jacksonville, FL - Convention
  - 73 • 2020 / September 26 / Jacksonville, FL - Convention
  - 2020 / November 22 / New York, NY - Golden Goggles

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

74 *Seconded. APPROVED.*

75

## 76 **BOARD COMMITTEE ASSIGNMENTS (2.8)**

77 Bob Vincent presented the proposed changes to the Nominating Committee and  
78 Investment Committee for the Board's consideration.

79

80 **MOTION:** *To approve replacing John Bradley with Kathleen Prindle and the reappointment*  
81 *of "independent," Kurt von Moltke, on the Nominating Committee. Seconded. APPROVED.*

82

83 **MOTION:** *To accept the resignation of Stu Hixon and to replace him for one year with Will*  
84 *Indest, as well as the reappointment of Phil Lakota (3 years) to the Investment Committee.*  
85 *Seconded. APPROVED.*

86

## 87 **BOARD EDUCATION**

### 88 **WORLD CLASS EVENT MANAGEMENT**

89 Mike Unger presented the concept of "trialization" of meets, which includes elevating meets  
90 to have more of an "event" atmosphere as opposed to just being a swim meet. Mr. Unger  
91 expressed the challenges associated with "trialization," including sponsors, broadcast  
92 partners, venue limitations, and expenses. Mr. Unger noted the investment in creating a  
93 bigger showcase at meets has paid off in some ways by new sponsors coming on board  
94 after being part of that event, as well as giving athletes a larger stage in which to compete.

95

### 96 **NATIONAL TEAM UPDATE**

97 Lindsay Mintenko provided a few updates, including a successful discussion with athletes  
98 regarding what the athletes would like from the National Team division and National Team  
99 onboarding; that the soon to be mandatory U.S. Anti-Doping Agency (USADA) coach tutorial  
100 has been completed by 5,500 coaches thus far with a goal of 20,000 by January 1, 2020; as  
101 well as noting the various ways in which the National Team division is getting ready for  
102 Tokyo 2020. Ms. Mintenko expressed her gratitude for the USA Swimming Foundation  
103 Board of Directors for approving an additional \$100,000 for National Team athlete support.

104

105 Ms. Mintenko also provided an update on National Team support given to athletes post-  
106 Olympic Games, including insurance and direct athlete support, and an update on mental  
107 health services provided to athletes.

108

109

110

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

111 **CLEAN SPORT UPDATE DOPING/INITIATIVE**

112 Mike Unger spoke about clean sport, including the importance of having an even playing  
113 field for our athletes, various anti-doping educational efforts available for athletes, and  
114 noted the valuable partnership between USA Swimming and USADA.

115

116 Mr. Unger went on to report on the ongoing need for an Integrity Unit within the sport of  
117 swimming, as well as issues with the open water venue in Tokyo for the 2020 Olympic  
118 Games.

119

120 **USA SWIMMING FOUNDATION UPDATE**

121 Cecil Gordon provided updates from the USA Swimming Foundation Board of Directors,  
122 including revised Bylaws that expand the Board size and change director responsibilities  
123 effective January 1, 2020; approval of a memorandum of understanding (MOU) to further  
124 formalize a relationship between USA Swimming and the USA Swimming Foundation; and  
125 lastly, announced the candidates for the Foundation Board of Directors (Attachments 6 –  
126 14).

127

128 ***MOTION:** To approve the memorandum of understanding (MOU) between the USA*  
129 *Swimming Board of Directors and the USA Swimming Foundation Board of Directors.*  
130 *Seconded. **APPROVED.***

131

132 ***MOTION:** To approve the revised USA Swimming Foundation Bylaws. Seconded. **APPROVED.***

133

134 ***MOTION:** To approve nominations for the USA Swimming Foundation Board of Directors:*  
135 *Anne Berry, Jill Bornstein, Cynthia Eubanks, Jordan Kaplan, Teresa Lee, Dave Wiederecht*  
136 *(renewal), Bill Maxson (renewal), and Maya Andrews (renewal). Seconded. **APPROVED.***

137

138 **CLOSED SESSION (2.3.6)**

139 **PERSONNEL UPDATE**

140 The Board meeting went into closed session so Lucinda McRoberts could provide a  
141 personnel update.

142

143 **LITIGATION UPDATE**

144 The Board remained in closed session so USA Swimming's General Counsel, Lucinda  
145 McRoberts, could provide a legal update.

146

147

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

148 **MANAGEMENT PARAMETERS MONITORING (4.4)**

149 Bob Vincent noted that the Board is given monitoring reports in advance in order to  
150 answer questions prior to the Board meeting.

151

152 **POLICY 3.0: GENERAL MANAGEMENT CONSTRAINT**

153 Bob Vincent presented Policy 3.0 General Management Constraint (Attachment 15).

154

155 Lucinda McRoberts clarified the deficiency within the report regarding the need to provide  
156 adequate notice of the anti-doping rules to all relevant individuals, specifically athlete  
157 support personnel.

158

159 ***MOTION:** To approve the performance monitoring report on Policy 3.0, "General  
160 Management Constraint," conveys (a) interpretations of the policy that are reasonable, and  
161 (b) that the report reasonably substantiates compliance with the policy requirements,  
162 consistent with the CEO's interpretations. Seconded. **APPROVED.***

163

164 **POLICY 3.1: TREATMENT OF MEMBERS/CUSTOMERS**

165 Bob Vincent presented Policy 3.1 Treatment of Members/Customers (Attachment 16).

166

167 ***MOTION:** To approve the performance monitoring report on Policy 3.1, "Treatment of  
168 Members/Customers," conveys (a) interpretations of the policy that are reasonable, and (b)  
169 that the report reasonably substantiates compliance with the policy requirements, consistent  
170 with the CEO's interpretations. Seconded. **APPROVED.***

171

172 **POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES**

173 Bob Vincent presented Policy 3.4 Financial Condition & Activities (Attachments 17 - 19).

174 Eric Skufca briefly described Policy 3.4 and noted the normalcy described in Policy  
175 Provision #3 regarding the ebbs and flows of cash due to the membership cycle.

176

177 Tom Ugast mentioned the decrease in loss since April and the work done by staff to manage  
178 the budget.

179

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

184

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

185 **POLICY 3.6: BUDGET**

186 Bob Vincent presented Policy 3.6 Budget and noted that approval of this report constitutes  
187 approval of the budget for 2020 (Attachments 20 - 22).

188  
189 Eric Skufca thanked the staff for their efforts towards completing the budget for 2020 then  
190 took the Board through the most efficient way in which to understand the budget. Mr.  
191 Skufca highlighted three areas within the budget, including: (i) the Foundation Board of  
192 Directors' approved \$100,000 stipends to National Team athletes in 2019; (ii) a USA  
193 Swimming Foundation to USA Swimming management fee for work done by USA  
194 Swimming in lieu of a Foundation Executive Director in 2020; and (iii) the use of 2.5% of  
195 investment interest towards operations each year with the option to go up to 4.7%, as  
196 opposed to the percentage inconsistently fluctuating year over year. This practice was  
197 discussed with and approved by the Investment Committee and would commence with  
198 fiscal year 2021.

199  
200 The Board engaged in discussion around credit cards fees, as well as programs within the  
201 budget that are geared towards supporting athletes in 2020.

202  
203 **MOTION:** *To approve the performance monitoring report on Policy 3.6, "Financial Planning*  
204 *& Budgeting," conveys (a) interpretations of the policy that are reasonable, and (b) that the*  
205 *report reasonably substantiates compliance with the policy requirements, consistent with the*  
206 *CEO's interpretations. Seconded. APPROVED.*

207  
208 **POLICY 3.7: COMPENSATION AND BENEFITS**

209 Bob Vincent presented Policy 3.7 Compensation and Benefits (Attachment 23).

210  
211 **MOTION:** *To approve that the performance monitoring report on Policy 3.7, "Compensation*  
212 *and Benefits," conveys (a) interpretations of the policy that are reasonable, and (b) that the*  
213 *report reasonably substantiates compliance with the policy requirements, consistent with the*  
214 *CEO's interpretations. Seconded. APPROVED.*

215  
216 **POLICY 3.9: BOARD AWARENESS AND SUPPORT**

217 Bob Vincent presented Policy 3.9 Board Awareness and Support and noted that acceptance  
218 of this report includes a change to the requirement of posting Board meeting information  
219 from 10 days to seven days prior to the meeting (Attachment 24). Mr. Vincent reported that  
220 the reason behind the change is to give the Board the most up to date information.

221



These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

222 The Board engaged in discussion regarding considerations for when reports are  
223 disseminated to the Board.

224

225 **MOTION:** *To approve that the performance monitoring report on Policy 3.9, "Board*  
226 *Awareness and Support," conveys (a) interpretations of the policy that are reasonable, and (b)*  
227 *that the report reasonably substantiates compliance with the policy requirements, consistent*  
228 *with the CEO's interpretations. Seconded. APPROVED.*

229

230 **CEO'S UPDATE**

231 Tim Hinchey submitted a written report (Attachment 25).

232

233 **FLEX UPDATE**

234 Joel Shinofield reported that Flex Membership is a financial challenge for USA Swimming  
235 and presented recommendations to update Flex Membership, including a fee structure that  
236 matches entry points at clubs, a "stair-stepped" approach into premium membership, and  
237 the opportunity for clubs to create entry level programs that are competitive with other  
238 youth sports options (Attachment 26).

239

240 The Board engaged in substantial discussion around the suggested Flex fees, the number of  
241 swimmers competing in meets, downgraded memberships, insurance costs, and a  
242 communication plan with USA Swimming membership, as well as a timeline for rolling out  
243 Flex Membership proposed changes.

244

245 The Board also briefly discussed elite athlete transgender procedures provided within the  
246 written staff report to the Board (Attachment 25) and how USA Swimming compares to  
247 other National Governing Bodies.

248

249 **"ENDS" MONITORING**

250 **POLICY 1.2: SUCCESSFUL ATHLETES, COACHES, AND CLUBS**

251 Bob Vincent presented Policy 1.2 Successful Athletes, Coaches, and Clubs (Attachment 27).

252

253 **MOTION:** *To approve the performance monitoring report on Policy 1.2, "Successful Athletes,*  
254 *Coaches, and Clubs," conveys (a) interpretations of the policy that are reasonable, and (b) that*  
255 *the report reasonably substantiates achievement with the policy requirements, consistent*  
256 *with the CEO's interpretations. Seconded. APPROVED.*

257

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

258 Joel Shinofield noted the need to create new Key Performance Indicators (KPIs) for Policy  
259 1.2 with the addition of strategies for improvements of those and other KPIs.  
260

260

### 261 **SAFE SPORT RECOGNIZED CLUB PROGRAM**

262 Abby Howard presented on the Safe Sport Recognition Program, including its background,  
263 the various components of the program, challenges around athlete and parent education, as  
264 well as how the program is accessed via club portals; and that 91 clubs achieved Safe Sport  
265 Recognition Club status while 500 clubs have initiated the process. Ms. Howard also  
266 reported on the various trainings the U.S. Center for SafeSport (USCSS) provides and that  
267 USA Swimming is working with USCSS the on a licensing agreement in order to host those  
268 trainings on the USA Swimming platform.  
269

269

270 The Board discussed the importance of this program, including going from a voluntarily  
271 program to a mandatory program, as well as how to further communicate about the  
272 program and the best ways to acknowledge clubs that have become Safe Sport Recognized.  
273

273

### 274 **ONLINE MEMBERSHIP**

275 Joel Shinofield reported on the importance of online membership, including the need to  
276 catch up with how other programs register their members, direct contact with athletes and  
277 parents, and the ability to communicate and create campaigns around parent education, as  
278 well as opportunities for their kids to get involved in the sport, through Customer  
279 Relationship Management (CRM).  
280

280

281 Shana Ferguson provided an update linked to online membership, including an upcoming  
282 “welcome” campaign for kids and parents as athletes become USA Swimming members. Ms.  
283 Ferguson added that the CRM system and redesigned USA Swimming website will launch in  
284 2020.  
285

285

286 Mr. Shinofield presented conceptual visuals of the online membership process.  
287

287

### 288 **COACH EDUCATION AND ACCREDITATION**

289 Joel Shinofield reported that the purpose of coach education and accreditation is to offer  
290 better resources for coaches, which would translate to better experiences for athletes and  
291 families. Mr. Shinofield also presented a timeline for launching coach education in fall 2021  
292 with a soft role out of three core courses in summer 2020 followed by higher-level courses  
293 rolled out in summer 2021.  
294

294

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

295 **POLICY 1.4: RECOGNITION OF USA SWIMMING**

296 Bob Vincent presented Policy 1.4 Recognition of USA Swimming (Attachment 28).

297  
298 **MOTION:** *To approve the performance monitoring report on Policy 1.4, "Recognition of USA*  
299 *Swimming," conveys (a) interpretations of the policy that are reasonable, and (b) that the*  
300 *report reasonably substantiates achievement with the policy requirements, consistent with*  
301 *the CEO's interpretations. Secoded. APPROVED.*

302  
303 **KEEPING ATHLETES FIRST ACTION PLAN**

304 Bob Vincent presented on the development and implementation of a Keeping Athletes First  
305 Initiative, including a timeline over the past two years of efforts already in place, such as  
306 providing funds to Swim Assist, the development of CRM, online member registration, a  
307 new educational platform, and increased Safe Sport staff and development. Mr. Vincent  
308 additionally provided an outline of responsibilities, purpose and reporting expectations for  
309 the Keeping Athletes First Work Group who will continue developing and implementing the  
310 initiative moving forward.

311  
312 Mr. Vincent went on to explain the use of funds, including asking the staff for a five-year  
313 plan for Safe Sport staff development/training, creating and launching online registration,  
314 further investment in a membership education platform, and investment at the club level  
315 via the Safe Sport Recognition Program. Mr. Vincent also noted that the funds would come  
316 from Board Designated Funds from the sale of USSIC.

317  
318 The Board discussed details around the funds, including if the approved funds will be  
319 enough, measurement of how funds are used, and the specifics of how the funds are used  
320 within each of the four parts of the initiative.

321  
322 **MOTION:** *To approve the use of Board Designated Funds to fund the following:*

- 323
- 324 *Safe Sport Club Recognition Assist. - - - \$2.0MM*
- 325 *Education/Certification Platform - - - \$2.0MM*
- 326 *Online Registration - - - - - \$0.5MM*
- 327 *Staff Development/Training - - - - - \$0.5MM*
- 328
- 329 *Total Funding Request - - - - - \$5.0MM*

330  
331 *Secoded. APPROVED.*

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

332 **GOVERNMENT INQUIRIES**

333 **MOTION:** *To approve Board Designated Funds from the sale of USSIC for expenses related to*  
334 *government inquiries. Seconded. APPROVED.*

335

336 **CLOSING ROUNDTABLE**

337 **GOLDEN GOGGLES**

338 Mike Unger provided an overview of the Golden Goggle Awards.

339

340 **NEXT MEETING / EVENTS**

- 341 • 2020 / January 31 / Virtual
- 342 • 2020 / April 24 / Fort Myers, FL - Open Water National & Junior Championships
- 343 • 2020 / September 23 / Jacksonville, FL - Convention
- 344 • 2020 / September 26 / Jacksonville, FL - Convention
- 345 • 2020 / November 22 / New York, NY - Golden Goggles

346

347 **TASK ASSIGNMENTS REVIEW**

348 Bob Vincent asked the Board to read chapter 24 of "Servant Leadership" before the next  
349 Board of Directors meeting.

350

351 **MEETING ASSESSMENT**

352 The Board engaged in a round table discussion assessing the day's meeting, including  
353 expressing gratitude for the work being done by both the Board and staff.

354

355 **CLOSED SESSION**

356 **MEDIA/COMMUNICATION TRAINING**

357 The Board of Directors went into closed session to receive media/communication training.

358

359 Following the training, staff left the room.

360

361 **EXECUTIVE COMPENSATION COMMITTEE RECOMMENDATIONS TO THE BOARD**

362 The Board of Directors remained into closed session to discuss CEO Tim Hinchey's  
363 employment contract.

364

365 **ADJOURN**

366 Bob Vincent, Board Chair, adjourned this meeting at 4:34 p.m. Pacific Time.

367

368

**DRAFT**

**DRAFT**

**DRAFT**

These minutes will be officially approved by the USA Swimming Board of Directors at its January 31, 2020 meeting.

369 Respectfully submitted:  
370



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 January 31, 2020 meeting.

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

November 23, 2019 / JW Marriott Los Angeles L.A. LIVE

Attachment 1	Page 1 – Agenda: November 23, 2019
Attachment 2	Page 2 – DRAFT BOD Minutes September 11, 2019
Attachment 3	Page 2 – DRAFT HOD Minutes September 13 – 14, 2019
Attachment 4	Page 2 – DRAFT BOD Minutes September 14, 2019
Attachment 5	Page 2 – DRAFT BOD Special Minutes October 4, 2019
Attachment 6	Page 4 – Foundation 2019 Budget vs. 2019 Projection
Attachment 7	Page 4 – Foundation 2020 Budget vs. 2019 Projection
Attachment 8	Page 4 – Foundation 2020 Budget
Attachment 9	Page 4 – Foundation Financial Memo Q3 2019
Attachment 10	Page 4 – Foundation Q3 2019 Financial Report
Attachment 11	Page 4 – Memorandum of Understanding with Foundation BOD
Attachment 12	Page 4 – Bylaws of USA Swimming Foundation – April 2016
Attachment 13	Page 4 – Amended Bylaws of USAS Foundation – Sept. 2019
Attachment 14	Page 4 – USA Swimming Foundation BOD Proposed Nominees
Attachment 15	Page 5 – Policy 3.0: General Management Constraint
Attachment 16	Page 5 – Policy 3.2: Treatment of Members/Customers
Attachment 17	Page 5 – Policy 3.4: Financial Condition and Activities
Attachment 18	Page 5 – Q3 2019 Combined Quarterly Investment Review
Attachment 19	Page 5 – USA Swimming Q3 2019 Financial Statement Report
Attachment 20	Page 6 – Policy 3.6: Budget – Annual Forecast
Attachment 21	Page 6 – Swimming 2019 Budget to Projection Summary
Attachment 22	Page 6 – USA Swimming 2020 Budget
Attachment 23	Page 6 – Policy 3.7: Compensation and Benefits
Attachment 24	Page 6 – Policy 3.9: Board Awareness and Support
Attachment 25	Page 7 – Staff Report to the Board of Directors
Attachment 26	Page 7 – Flex Membership Memo
Attachment 27	Page 7 – Policy 1.2: Successful Athletes, Coaches and Clubs
Attachment 28	Page 9 – Policy 1.4: Recognition of USA Swimming

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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 1.0: Broadest End – Growth and Success of Swimming**  
DA: January 22, 2020

I hereby present the monitoring report on the Board's Broadest Ends policy. The information contained in this report is true for the year ended December 31, 2019.

Signed , President & CEO

**BROADEST PROVISION: USA Swimming exists for: The growth and success of swimming in the United States (with results optimizing use of available resources).**

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

**"The growth and success of swimming in the United States"** is the equivalent to "the bottom line" on how we, as a non-profit, assess organizational effectiveness. Everything we plan and do, and all resources expended, should be aligned towards our sport's growth and success.

As demonstrated by the four Ends monitoring reports submitted to and approved by the Board in the course of the year, and with the periodic revisions to the Ends statements the Board adopted in response to those reports, we believe this broadest End is comprehensively defined by the subsequent four statements, with emphasis on the first three: Competitive Success (1.1); Successful Athletes, Coaches and Clubs (1.2); and Public Engagement with Swimming (1.3).

Recognition of USA Swimming as the "Best in Class" NGB (1.4) is important and is in many ways an intended by-product of our future success. Achievement of "Best in Class" status adds luster to our initiatives to grow the sport. However, such status will be authentically merited only USA Swimming hits the marks on 1.1, 1.2 and 1.3.

*"...with results optimizing use of available resources"* requires that competing priorities be weighed and considered in light of the broad set of needs and opportunities that are presented in the sport, and where we see the greatest opportunities to maximize the impact of our resources, including financial, staff, and relationships with other entities.

As the Ends are not stated with explicit prioritization, it is my obligation to convey to the Board, through the Ends reporting process and reflected in part by subsequent budget allocations, any shifts or changes in areas of emphasis. *The Board has led* this process through its articulation of Ends *and its augmentation of our efforts with the Keeping Athletes First initiative and funding commitment.* Our Ends monitoring reports will continue to be the primary vehicle through which we keep the Board informed of our vision/interpretation and key priorities and metrics.

To summarize:

- Sustained Competitive Success (1.1) always remains a top priority.
- Successful Athletes, Coaches and Clubs (1.2) addresses a broad spectrum of our programs and operations. As conveyed in our November report, *strengthening our membership structure and coach education programs are two of the most critical initiatives we will undertake in the coming years.*
- As to growth in Public Engagement (1.3), both passive audience engagement and active participation in the sport are emphasized, with priority being given to the diversity of swimming participants. In the long-term, growth in the number of people reached through our water safety awareness programs will positively impact the growth of the sport. *We foresee growth in support for Learn-to-Swim initiatives to be the most*

*significant upside for the Foundation, and the newly expanded Foundation Board will address this, among other items, at its initial planning retreat in April.*

**REPORT:**

As noted above, achievement of this End is constituted by the incremental achievements and progress made regarding Ends 1.1 - 1.4 in the aggregate. The Board has received periodic updates on all of these, and formal reports have been presented to and approved by the Board.

Our Ends reports have conveyed to the Board certain results areas in which we've had significant achievements and others in which performance must improve. As we head into this Olympic year, our staff re-organization has continued to gain momentum, the Board's leadership has further affirmed athlete safety as a foremost commitment, and our National Team has continued to perform extraordinarily. **I report achievement.**

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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 3.3: Treatment of Employees and Volunteers**  
DA: January 22, 2020

I hereby present the monitoring report on Management Parameters Policy 3.3 “Treatment of Employees and Volunteers,” per the monitoring schedule set forth in Board policy and certify that the information contained in this report is true for the year ended December 31, 2019.

Signed , President & CEO

### **Broadest Policy Provision:**

**With respect to the treatment of employees and volunteers, the CEO will not cause or allow conditions that are unfair, unsafe or undignified.**

**CEO’s Interpretation:** (No change since last report)

I submit that the Board’s concerns about employees are comprehensively addressed by this policy’s subsequent provisions. My interpretations and reporting data are presented with those provisions, below.

Regarding volunteers, my interpretation is volunteer commitment and leadership participation have been and continue to be a vital organizational asset. As such, we are to ensure that volunteers at the NGB level are treated with respect and equitably (i.e. ensuring inclusion, fairness of opportunity and avoidance of nepotism). We are to ensure that appreciation for their commitment to the organization is expressed and that volunteers do not encounter physical harm or threatening situations while performing services on our behalf.

### **REPORT:**

As I have informed the Board in periodic updates, our short-term intent is not to make immediate changes to the overall volunteer committee structure. Instead, we will identify potential modifications to operational committees that will enhance productivity and efficiency while ensuring we benefit from the perspectives and talent offered by volunteer leaders.

The most substantive changes to our operational committee structure in 2019 included appointing staff leaders (rather than liaisons) to operating committees and converting from live meetings, for which we incurred substantial travel expenses, to Zoom/virtual meetings. Exceptions are considered and made on a case-to-case basis and have included continuation of live meetings in 2020 for Rules & Regulations, Officials, Steering and LSC Development. We know that this change has created some consternation, particularly from some committee members who have been long-time participants. We are appreciative of the Board’s support of our effort to be fiscally prudent in this regard, and for its own demonstration of leadership by converting the upcoming January 31<sup>st</sup> meeting to virtual.

*With respect to volunteers, there have been no complaints received alleging mistreatment or other disrespectful actions committed or allowed by staff.*

At our State of the Sport presentation in St. Louis in September, we acknowledged that there have been inconsistencies in our communications to the membership. As we’ve conveyed to the Board, upgrades to our website and implementation of a CRM platform are key to overcoming our recognized deficiencies. Outward-facing improvements that have been made thus far include on the website include an overhauled search function/navigation and an improved resource topic browser, while overall site development work continues and remains on schedule for a Spring 2020 launch. While we recognize that our commitment to improve communications is an on-going process and requires additional efforts, based on the lack of complaints or expressed concerns that we have receive of volunteer mistreatment, as interpreted above, **I report compliance.**

**POLICY PROVISION #1: The CEO will not: Operate without ensuring employees are provided with written personnel policies, reviewed by qualified legal counsel, which clarify personnel rules for employees and provide for effective handling of complaints/grievances.**

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

I interpret "May not operate without ensuring that employees are provided with written personnel policies... which clarify personnel rules for employees..." to mean that all employees must be provided an Employee Handbook that sets forth the expectations of employment such as work hours, overtime pay, expense reimbursements, personnel leave, procedures to follow in case of emergencies, as well as examples of and expected response to unacceptable conduct.

I interpret "reviewed by qualified legal counsel" to mean that an attorney competent in human resource matters has reviewed and approved the initial and all material changes to the *Handbook*, with exceptions for minor procedural matters (e.g. vacation scheduling, reimbursement procedures, etc.).

Finally, I interpret "provide for effective handling of complaints/grievances" to mean that personnel policies must provide a process and assurances that formal complaints/grievances will be addressed professionally and fairly. The manual should outline the manner in which a complaint/grievance is to be initiated and what the concerned employee has the right to expect from the process. Further, I interpret this to mean that even if the result of the process is not satisfactory or pleasing to such employee, he or she would agree that their grievance was heard, considered and responded to in a timely, courteous and confidential manner.

**REPORT:**

Personnel policies are contained in our Employee Handbook, which was substantially updated, with legal review by outside counsel, and distributed to all employees in January 2019 (and to all new hires since).

All employees sign an acknowledgment of receipt, and these written acknowledgements are maintained in personnel files. The acknowledgement also conveys awareness of access to the Board's Governing Policies, as required by Provision 1A, below.

A copy of the current Employee Handbook is available for Board members' review upon request.

**I report compliance.**

---

**POLICY PROVISION #1A: The CEO will not: Allow employees to be unaware of the Board's governing policies including, but not limited to, this Treatment of Staff policy, along with the CEO's interpretations of staff's protections under this policy.**

**CEO's Interpretation:**

To meet this requirement, and those of Provisions #1 and #3, the Employee Handbook must reference, and employees must be made aware of and how to access the Board's Governing Policies Manual. This is to include specific reference to this Treatment of Employees and Volunteers policy. Further, upon the Board's acceptance of these interpretations as reasonable, they are also to be made accessible to and, upon request, explained to employees.

**REPORT:**

The Employee Handbook references the Board's Governing Policies manual and includes the link to access its most current version on the [usaswimming.org](http://usaswimming.org) website. Additionally, this Monitoring Report is included in the Board meeting minutes and is publicly available (including to all staff) at [www.usaswimming.org](http://www.usaswimming.org).

**I report compliance.**

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**POLICY PROVISION #2: The CEO will not: Allow employees to be unprepared to deal with reasonably foreseeable emergency situations.**

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

Response plans are to be in place, with employees provided appropriate orientation/training, as pertinent to different components of our operations. Examples of "reasonably foreseeable" situations include situations that could occur in two distinct contexts: at our OTC headquarters or at events.

At OTC, there are potential internal emergencies, key examples including but not limited to data breaches and security or other impediments to building access or egress. At events, the most prevalent concerns are weather related emergencies and, at events with high attendance, intruders with malice.

## REPORT:

Basic emergency procedures remain in place. For example, we maintain and regularly update a Disaster Recovery Plan (with 12 appendices that range from inventory and configuration to SWIMS info and restore procedures) to address potential data breaches. We also have a “text tree” for contacting all staff. This has been predominantly used to address changes in office hours/closings due to inclement weather but would be applicable in other emergency situations.

Our OTC headquarters does provide a greater degree of protection from some risks, such as intruders, than we would be exposed to in a regular office space, including security check-ins at points of access to campus, locked gates, and keycard access. The USOPC also hosts risk management events that USA Swimming regularly attends.

As to events, we are more actively identifying risk factors and appropriate steps that will enhance our preparedness. In addition to existing coordination with local facilities, Joel Shinofield is actively working on security/safety best practices at meets, which will also be an area of immediate focus for our next risk manager. Obviously, our most significant upcoming event is the Olympic Team Trials - Swimming in Omaha, where we partner with the Omaha Police Department, Omaha Fire Department, Metropolitan Entertainment & Convention Authority (MECA) Security, FBI and Homeland Security to ensure appropriate event safety precautions and risk mitigation.

In summary, effective risk management requires that we stay aware of changes as to the types of emergencies that are reasonably foreseeable and respond accordingly. This is an ongoing process, never completed. As to the results in the past year, there’ve been no notable deficiencies in preparation for or execution of events. **I report compliance.**

---

**POLICY PROVISION #3: The CEO will not: Retaliate or allow retaliation against an employee for non-disruptive, internal expression of dissent, or for reporting to management or to the Board of Directors (per the process for handling of grievances in the personnel policies) acts or omissions by USA-S personnel, management or the Board of Directors that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Board.**

**CEO’s Interpretation:** (No change since last report)

“Expression of dissent” is any statement by an employee that indicates disagreement with a decision made by management and/or the Board of Directors. Such expression is “non-disruptive” when there is no refusal to perform work, no encouragement of others not to perform work, when it is made in a courteous and internal manner, i.e. not publicly, including social and other forms of media. Employees who disagree non-disruptively (as defined above) with management or board decisions may not experience “retaliation” from the CEO or any other member of management, such as firing, reassignment to less desirable jobs or job hours, or initiation of a formal discipline procedure.

The remainder of this provision ensures “whistleblower protection” to employees who report inappropriate activities/behaviors in the manner outlined in the Employee Handbook. Given its importance to workplace culture, and liability implications if not afforded, we are to ensure that employees who use that process to report alleged wrongdoing, as defined above and on a “good faith” and “credible information” basis, are to also be protected from retaliation by the CEO or any other member of management.

## REPORT:

Robyn Beresh, our Director, Human Resources and Employee Engagement, reports that in 2019, the total number of formal concerns expressed to the Human Resources Division was five. In all such cases, the concerns raised were investigated and addressed, ranging from termination to no action. There is one outstanding complaint pending.

**I report compliance.**

**POLICY PROVISION #3A: The CEO will not: Prevent employees from grieving to the Board when (a) internal grievance procedures outlined in the Employee Handbook have been exhausted and (b) the employee alleges that Board policy has been violated.**

**CEO’s Interpretation:**

The Employee Handbook has explicit provisions that explain these protections to employees and encourages them to raise serious concerns so that they can be productively addressed.

The Employee Handbook must convey that if the grievance process does not produce a result satisfactory to the grieving employee, the employee may bring the concern to the Board as a last step in the process, but only if the grievance includes an allegation that Board policy has been violated. In such a case, he or she must be provided with a

notice/reminder that, per the Employee Handbook, the matter may be presented to the Board “via written correspondence to the Board Chair.” “Prevention” of a staff member from doing so would include any threat of reprisal.

While this policy provides employees the opportunity to elevate a grievance to the Board under the very specific enumerated circumstances, I interpret it as also affirming that the Board will support my personnel-related decisions, as long as consistent with Board policy.

**REPORT:**

As noted above, the revised Employee Handbook addresses the specific complaint/grievance process requirements consistent with this *Treatment of Employees and Volunteers* policy, including the ability to elevate the concern to the Board. It has not had to be invoked, as none of the concerns/complaints addressed to our Human Resources department were unresolved at the senior management level. **I report compliance.**

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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.

*Similar to prior years and given the timing of this Monitoring Report as it relates to the completion of the 2019 financial “close” results, all stated 2019 financial results herein are preliminary as of our latest projections. Final 2019 results will be completed by late February 2020.*

We certify that the information contained in this report and the accompanying Income Statement and Balance Sheet, are true for the quarterly period ending December 31, 2019 on a preliminary basis.

Signed , President & CEO

, CFO

Date January 21, 2020

**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:** The previous version of this Monitoring Report dated November 15, 2019 included our latest comprehensive 2019 projection. In this projection, we anticipated a FY 2019 operating deficit of (\$2,339,236), worse than the budget approved by this body in November 2018 by (\$102,136), or (4.6%). Understanding our 2019 financial results won’t be finalized until late February 2020, below are some of the more material, deviations from our November projection known at the time of this Monitoring Report:

- Splash Magazine expenses are trending better than the November projection by approximately +\$225,000 as the Winter issue will be recorded in fiscal year 2020 instead of the projected 2019 given the publish/fulfillment date,
- U.S. Open Events program is trending better than the November projection by approximately +\$120,000 due to efficiencies gained on the meet’s sport presentation and event signage as well as the determination of what items should be expensed within the Commercial vs. Events divisions,
- Sport Development education development programs are trending better than the November projection by approximately +\$100,000 due to the determination of the engagements’ scope/timing (many of the technology projects could initiate in 2020),
- Golden Goggle Awards net results are trending better than the November projection by approximately +\$45,000 due to event cost savings,
- National Team mental health initiatives were still anticipated at the time of the November projection, but will predominantly initiate in 2020 (approximately +\$30,000),
- Commercial Event Marketing expense is trending greater than the November projection by approximately (\$90,000) given the scale of some of our larger events and determination of what expenses should ideally be recorded within the Commercial vs. Events divisions,
- Legal operating expenditures are trending approximately (\$35,000) greater than the November projection.

**We reported NON-COMPLIANCE based on the November 2019 comprehensive projection, but noting the concerted efforts by the Strategy Team and Division Directors, our preliminary year-end assessment makes us optimistic that final 2019 results can be “compliant.”**

**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:** On a preliminary basis, cash and cash equivalents were \$4,153,690 at December 31, 2019 with 2020 budgeted monthly operating expenses at approximately \$3,400,000 – thus in compliance at year-end. We note cash and cash equivalent balances were below the \$3,400,000 threshold at specific times throughout the quarter (e.g. Prior to October 10, 2019 when our first round of 2019-2020 membership cashflow was received from our LSCs as anticipated), but these times were known, projected, and did not interfere with operating expenditures.

**We therefore report COMPLIANCE.**

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

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

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

**We report COMPLIANCE.**

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

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

**REPORT:** The required Operating Reserve has been tapped approximately \$1,030,000 on a preliminary basis in 2019 for the Board approved Safe Sport contingency funds and Board approved legal expenditures. The Board approved \$750,000 in 2018 to be spent on Safe Sport contingency (\$719,564 was spent in 2018 and \$30,000 in 2019 for a total of \$749,564). The \$1,000,000 of legal dues were also approved by the Board in 2019. Both initiatives were Board approved to be used out of the Board-designated Reserve.

**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 December 31, 2019 and all payables have been paid on time.

**We report COMPLIANCE.**

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

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

**REPORT:** All withholding taxes and other such payroll payments and filings have been made within deadline by our payroll provider, ADP. Forms 1099/1096 were filed by January 31, 2019. Form 990 was under the annual filing extension to November 15, 2019 and was filed on time. 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 outside of the Board approved office remodel. Associated with the remodel, Finance reviewed and analyzed

all applicable fixed assets and appropriately updated our financial records and fixed asset balances to accurately reflect our assets that are still active and applicable given the remodel.

**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 no applicable receivables that were over 60 days past due. For our other year end receivables (those either under \$10,000 and/or less than 60 days past due), we anticipate successful resolutions 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 fourth quarter 2019. As to credit card statements, the CEO does not currently utilize a corporate credit card.

**We report COMPLIANCE.**



**USA Swimming**  
**2019 Preliminary Balance Sheet**  
**1/21/2020**

	<u>Preliminary 12/31/2019</u>	<u>Final 12/31/2018</u>	<u>\$ Change</u>	<u>Preliminary 2018 to 2019 Directional Explanation</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 4,153,690	\$ 7,217,977	\$ (3,064,287)	↓ primarily due to ↑ cash needs in 2019 (remodel, BOD approved proj., operating deficit, etc.).
Accounts receivable	1,464,808	1,198,074	266,734	Flux due to timing of business & partner payments. YE balance is primarily sponsorship rec.
Prepaid expenses and deferred charges	2,013,592	1,402,452	611,140	↑ primarily due to ↑ agreements with vendors (insurance, marketing partners, CRM, travel, etc.).
Total Current Assets	<u>7,632,090</u>	<u>9,818,503</u>	<u>(2,186,413)</u>	
<b>FIXED ASSETS:</b>				
Leasehold Improv., IT Systems, FF&E, Other	17,125,428	13,609,972	3,515,456	↑ primarily due to building remodel project and IT capital projects.
Accumulated depreciation & amortization	<u>(9,655,260)</u>	<u>(9,018,964)</u>	<u>(636,296)</u>	Balance follows depreciation schedules on all active fixed assets above.
Total Fixed Assets	<u>7,470,168</u>	<u>4,591,008</u>	<u>2,879,160</u>	
<b>LONG-TERM INVESTMENTS:</b>				
Long-term Investments	34,037,760	32,023,658	2,014,102	↑ primarily due to portfolio gains netted with distributions.
<b>OTHER ASSETS:</b>				
Investment - Swim Trials, LLC	207,630	107,629	100,001	↑ investment in or capital call for the Trials Joint Venture entity.
Prepaid rent	1,976,092	2,164,760	(188,668)	Follows schedule pertaining to our building lease agreement with the USOPC.
Total Other Assets	<u>2,183,722</u>	<u>2,272,389</u>	<u>(88,667)</u>	
<b>TOTAL ASSETS</b>	<b><u>\$ 51,323,740</u></b>	<b><u>\$ 48,705,558</u></b>	<b><u>\$ 2,618,182</u></b>	
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	1,392,608	1,744,550	(351,942)	Flux due to timing of business & vendor payments (travel, CRM, legal, member reimburs., etc.).
Accrued expenses and other liabilities	1,889,930	1,603,786	286,144	Flux due to timing of business & vendor invoicing (USOPC, payroll/benefits, meet host payables, etc.)
Deferred revenue	15,857,251	14,315,659	1,541,592	Balance consists primarily of subsequent year's membership revenue and ↑ Trials revenue to be recogn. in the following year.
Total Current Liabilities	<u>19,139,789</u>	<u>17,663,995</u>	<u>1,475,794</u>	
<b>NONCURRENT LIABILITIES:</b>				
Total Liabilities	<u>19,139,789</u>	<u>17,663,995</u>	<u>1,475,794</u>	
<b>NET ASSETS:</b>				
<b>Unrestricted:</b>				
Undesignated Net Assets	14,207,319	12,034,931	2,172,388	
Board Designated - USSIC	17,976,632	19,006,632	(1,030,000)	
Total Unrestricted Net Assets	<u>32,183,951</u>	<u>31,041,563</u>	<u>1,142,388</u>	
Total Net Assets	<u>32,183,951</u>	<u>31,041,563</u>	<u>1,142,388</u>	Similar to Retained Earnings for a for-profit entity. Cumulative difference between revenues and expenses and also equal to assets less liabilities.
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 51,323,740</u></b>	<b><u>\$ 48,705,558</u></b>	<b><u>\$ 2,618,182</u></b>	

**USA Swimming  
2019 Budget vs. 2019 Projection Summary  
As of 11/14/2019**

**1/2020 Update:** Investment results are final at time of January BOD meeting, thus "below the line" investment gains have been updated herein.

All other lines are consistent with the 11/2019 projection as total 2019 results are not final.

	<b>Approved Budget 2019</b>	<b>Current Forecast 2019</b>	<b>\$ Variance Favorable (Unfavorable)</b>	<b>% Variance Favorable (Unfavorable)</b>	<b>Comment</b>
<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	5,056,375	(526,125)	-9.4%	Assumes Comcast signs at full antic. amounts. More alloc exp than budg (-\$225K) (Team Unify, Masters). No web adv as budg (-\$135K)
Consumer Revenue	229,500	191,500	(38,000)	-16.6%	See Corporate Revenue above.
USOPC 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	1,136,250	220,550	24.1%	Will net zero with NT exp below. Toyota, Shackley, accelerated Meyer Shaffer, and increased NT T&T Fund distribution caused increase
Sport and Events	721,500	1,242,900	521,400	72.3%	ISL unbudgeted \$225K, GGA \$75K (budgeted net zero with Foundation donation), Altitude Camps (+230K, but nets with nearly same expenses).
Other Income	248,400	248,447	47	0.0%	Rent, NCAA contract, etc.
<b>Total Revenue</b>	<b>37,994,900</b>	<b>38,183,772</b>	<b>188,872</b>	<b>0.5%</b>	
<b>EXPENSES:</b>					
<b>Technical/Sport:</b>					
Sport Development	4,907,800	4,775,663	132,137	2.7%	Club & Coach education (+\$130), LEAP (+\$22K), Committees (+17K).
Events and Member Services	7,250,300	7,879,826	(629,526)	-8.7%	Summer Nationals Event Production (-\$245K), US Open (-\$100K), Omega VIK (-\$80K) nets zero with revenue, Altitude Camps (-\$275K) nets approx. zero with revenue, PSS (-\$25K), Member Programs (+\$120K), Committees (+\$64K)
National Team Division	10,892,400	10,773,541	118,859	1.1%	Junior Team programs (+\$185K). Camps (+\$165K). Athlete Services (+\$82K), Maui contract (-\$294K)
<b>Total Technical/Sport</b>	<b>23,050,500</b>	<b>23,429,029</b>	<b>(378,529)</b>	<b>-1.6%</b>	
<b>Other Programs:</b>					
Commercial	6,751,600	6,527,499	224,101	3.3%	Payroll (+315K), Mbrship promo (Flex) (+\$200K), Event Marketing (-\$208), DP app (+\$88K), Splash Magazine (-\$70K), Comms Ops (-\$73K)
Risk Management	3,179,200	2,919,987	259,213	8.2%	Insurance premiums.
Foundation & Make a Splash Support	311,000	311,000	-	0.0%	Net zero with portion of FDN revenue line (Swimming staff allocation).
<b>Total Other Programs</b>	<b>10,241,800</b>	<b>9,758,486</b>	<b>483,314</b>	<b>4.7%</b>	
<b>Administration:</b>					
Executive	1,552,500	1,743,311	(190,811)	-12.3%	Consultants more than budgeted (\$158K).
Finance	1,139,300	1,228,429	(89,130)	-7.8%	Staffing crossover (CFO), Sr. Accountant replacement, 401K plan moved here from Exec.
Business Affairs	4,247,900	4,363,751	(115,852)	-2.7%	Legal (-\$210K), Gov. Affairs (+\$160), Hired Sr. Software Engineer from our Consultant (less \$ in long run).
<b>Total Administration</b>	<b>6,939,700</b>	<b>7,335,492</b>	<b>(395,792)</b>	<b>-5.7%</b>	
<b>Total Expenses</b>	<b>40,232,000</b>	<b>40,523,008</b>	<b>(291,008)</b>	<b>-0.7%</b>	
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(2,237,100)</b>	<b>(2,339,236)</b>	<b>(102,136)</b>	<b>-4.6%</b>	
<b>Planned Reserve Investments:</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 EI Pomar Grants received in '19, taking it above the line in '19.
Safe Sport Expenses / Contingency	-	(30,000)	(30,000)		Remainder of \$750K total approved in 2018.
Legal	-	(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)	(165,000)	49,000		
<b>Total Reserve Investments</b>	<b>(2,284,000)</b>	<b>(2,542,914)</b>	<b>(258,914)</b>	<b>-11.3%</b>	
<b>Surplus (Deficit) Before Investment G/(L)</b>	<b>(4,521,100)</b>	<b>(4,882,150)</b>	<b>(361,050)</b>	<b>-8.0%</b>	
<b>Investment Gains (Losses)</b>	<b>-</b>	<b>4,015,000</b>	<b>4,015,000</b>		2019 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>\$ (867,150)</b>	<b>\$ 3,653,950</b>	<b>80.8%</b>	

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

	Year to Date Actual	2019 Budget	2019 Projected	Favorable (Unfavorable)
<b>OPERATING REVENUE:</b>				
<b>MEMBERSHIP:</b>				
Athlete Membership	\$18,990,480	\$18,361,200	\$19,003,260	\$642,060
Flex	252,180	413,250	251,690	(161,560)
Cost of Flex	0	1,000,000	720,315	(279,685)
Outreach Athlete Membership	53,210	56,825	53,215	(3,610)
Seasonal Athlete Membership	560,820	701,760	561,600	(140,160)
Non-Athlete Membership	2,368,610	2,413,860	2,384,280	(29,580)
Life Membership	37,334	36,000	35,000	(1,000)
Allied Membership	500	1,000	1,000	0
Club Membership	212,310	212,310	212,310	0
Seasonal Club Membership	4,800	4,560	4,680	120
Affiliate Membership	500	800	800	0
Single Meet Open Water	1,510	1,920	1,510	(410)
Delegate Fees	500	350	350	0
Other Membership Income	624	65	(26,110)	(26,175)
<b>TOTAL MEMBERSHIP</b>	<b>22,483,378</b>	<b>23,203,900</b>	<b>23,203,900</b>	<b>0</b>
<b>PARTNERSHIP MARKETING REVENUE:</b>				
Corporate Sponsorship	3,107,378	5,035,000	4,813,500	(221,500)
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>3,311,454</b>	<b>5,582,500</b>	<b>5,056,375</b>	<b>(526,125)</b>
<b>CONSUMER REVENUE:</b>				
SwimBiz	6,530	10,000	6,500	(3,500)
Royalties	106,165	97,500	100,000	2,500
Publication/Video Sales	180	0	0	0
SwimOutlet	63,941	120,000	85,000	(35,000)
Splash Magazine Subscriptions	595	2,000	0	(2,000)
<b>TOTAL CONSUMER REVENUE</b>	<b>177,410</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	2,207,300	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>4,546,750</b>	<b>5,304,500</b>	<b>5,305,500</b>	<b>1,000</b>
<b>INVESTMENT INCOME:</b>				
Investment Income - Operating Budget	1,738,899	1,738,900	1,738,900	0
Interest Income - Savings	3	0	0	0
Interest Income - Short Term Securities	57,216	50,000	60,000	10,000
<b>TOTAL INVESTMENT INCOME</b>	<b>1,796,118</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	555,000	855,700	1,076,250	220,550
Foundation Rent	0	60,000	60,000	0
<b>TOTAL FOUND. AND SWIM-A-THON</b>	<b>555,000</b>	<b>915,700</b>	<b>1,136,250</b>	<b>220,550</b>
<b>SPORT AND EVENTS:</b>				
Golden Goggle Awards	13,104	0	75,000	75,000
Coach Education Clinics	147,268	210,000	188,000	(22,000)
Altitude Camps	437,281	295,000	525,000	230,000
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	8,673	8,000	8,600	600
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	12,348	0	12,000	12,000
International TV Rights	0	70,000	0	(70,000)
Other Registration	144,284	72,500	135,000	62,500
<b>TOTAL SPORTS AND EVENTS</b>	<b>980,768</b>	<b>721,500</b>	<b>1,242,900</b>	<b>521,400</b>
<b>OTHER INCOME:</b>				
NCAA Top Times List	96,720	96,700	96,700	0
Combined Federal Campaign	3,926	0	0	0
Imputed Interest - Prepaid Rent	113,811	151,700	151,747	47
Other Revenue	(65,570)	0	0	0

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

	Year to Date Actual	2019 Budget	2019 Projected	Favorable (Unfavorable)
<b>TOTAL OTHER INCOME</b>	148,886	248,400	248,447	47
<b>TOTAL OPERATING REVENUE</b>	<b>\$33,999,765</b>	<b>\$37,994,900</b>	<b>\$38,183,772</b>	<b>\$188,872</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	14,218	108,700	108,700	0
1120 Camp (VIK)	19,125	25,000	25,000	0
1135 Tech Services Support	29	2,900	2,900	0
1163 Open Water Select Camp	62,500	60,500	62,718	(2,218)
<b>Program Group Total</b>	<b>223,320</b>	<b>327,900</b>	<b>327,942</b>	<b>(42)</b>

**Coach Education and Development**

1213 Coach Education Development	22,556	62,800	62,800	0
1231 USA-S Hosted Coaches Clinics	62,577	100,000	73,850	26,150
1237 Non-USAS Clinic Participation	24,245	38,100	38,100	0
1240 Online Coach Clinics/Podcasts	5,032	15,900	5,099	10,801
1242 Coach Mentoring	79,591	116,100	114,100	2,000
1245 Master Coach Program	65,160	139,400	114,245	25,155
1290 Travel & Program Support	114,696	171,000	171,000	0
<b>Program Group Total</b>	<b>373,858</b>	<b>643,300</b>	<b>579,194</b>	<b>64,106</b>

**Club Education and Development**

1302 Club Excellence Program	442,535	463,000	463,000	0
1305 Club Recognition Program	0	7,500	7,500	0
1311 Club Governance Programs	13,105	47,000	25,670	21,330
1314 Club Resources	11,721	33,600	33,600	0
1332 Club Research Technology	25,695	50,600	30,600	20,000
1390 Travel & Program Support	119,795	169,100	144,200	24,900
<b>Program Group Total</b>	<b>612,850</b>	<b>770,800</b>	<b>704,570</b>	<b>66,230</b>

**LSC Development & Education**

1470 LSC Consulting	36,096	60,000	60,000	0
1475 LEAP Program	33,608	70,500	48,500	22,000
1481 Leadership Workshops	5,680	37,300	37,300	0
<b>Program Group Total</b>	<b>75,384</b>	<b>167,800</b>	<b>145,800</b>	<b>22,000</b>

**Facilities Advocacy & Development**

1505 Build a Pool Conference	38,324	62,700	62,700	0
1507 Aquatic Industry Relations	16,470	22,400	22,400	0
1590 Travel & Program Support	9,927	11,800	11,800	0
<b>Program Group Total</b>	<b>64,720</b>	<b>96,900</b>	<b>96,900</b>	<b>0</b>

**Membership Growth and Diversity**

1638 Diversity Management Support	51,913	113,500	113,500	0
1640 Community Swim Team Development	21,256	65,600	65,600	0
1645 Zone Diversity Camps & Meetings	22,905	45,400	30,400	15,000
1651 Diversity VIK	12,431	15,000	15,000	0
1665 Diversity Select Camp	72,877	71,100	72,920	(1,820)
<b>Program Group Total</b>	<b>181,382</b>	<b>310,600</b>	<b>297,420</b>	<b>13,180</b>

**Committees**

1823 Convention Education Committee	8,868	13,500	9,006	4,494
1830 LSC Development Committee	25,419	26,400	25,500	900
1841 Disability Swimming Committee	215	600	600	0
1842 Diversity Committee	20,931	20,800	20,950	(150)
1851 Age Group Development Committee	0	800	100	700
1856 Club Development Committee	0	600	100	500
1865 Zone Director Committee	422	0	0	0
1885 Senior Development Committee	0	11,200	100	11,100
<b>Program Group Total</b>	<b>55,855</b>	<b>73,900</b>	<b>56,356</b>	<b>17,544</b>

**Administration**

1990 Administration & Operational Support	232,727	307,100	343,250	(36,150)
1999 Salary and Benefits	1,577,926	2,209,500	2,224,231	(14,731)
<b>Program Group Total</b>	<b>1,810,653</b>	<b>2,516,600</b>	<b>2,567,481</b>	<b>(50,881)</b>

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

	Year to Date Actual	2019 Budget	2019 Projected	Favorable (Unfavorable)
<b>TOTAL SPORT DEVELOPMENT</b>	<b>3,398,022</b>	<b>4,907,800</b>	<b>4,775,663</b>	<b>132,137</b>
<b>EVENTS AND MEMBER SERVICES</b>				
<b>Events</b>				
2005 Olympic Trials	8,336	14,500	12,500	2,000
2018 Winter National Championships	2,365	239,700	339,700	(100,000)
2019 National Championships/Trials	793,526	550,400	793,900	(243,500)
2022 International Swimming League Events	1,428	0	15,000	(15,000)
2023 US Open	879	0	0	0
2025 Pro Swim Series	312,179	344,300	369,300	(25,000)
2027 Speedo Sectionals	205,000	215,000	215,000	0
2028 IM Xtreme Games	4,000	24,000	8,000	16,000
2029 Zone Championships	95,000	110,000	95,000	15,000
2035 Futures Championships	121,662	137,800	137,800	0
2045 Jr. National Championships (Summer LC)	141,693	138,400	141,950	(3,550)
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	7,827	139,500	144,500	(5,000)
2069 Open Water Championships	85,140	101,500	85,500	16,000
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)
<b>Program Group Total</b>	<b>1,793,430</b>	<b>2,385,100</b>	<b>2,808,150</b>	<b>(423,050)</b>
<b>Member Programs</b>				
2411 Member Dues and Services	7,953	18,300	8,364	9,936
2412 Technology Projects	0	12,500	500	12,000
2418 SWIMS 2.0	127,438	160,000	168,600	(8,600)
2423 Rulebook	99,506	147,000	100,000	47,000
2431 Swimposium	56,815	134,100	110,000	24,100
2432 Zone Workshops	268,601	230,000	268,900	(38,900)
2434 On-Line Registration	67,387	150,000	96,500	53,500
2498 Awards	16,519	13,200	17,790	(4,590)
<b>Program Group Total</b>	<b>644,218</b>	<b>865,100</b>	<b>770,654</b>	<b>94,446</b>
<b>Member Programs - Officials</b>				
2433 Officials Training Sessions	55,100	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	800	1,500
2441 Officials International Travel	19,862	30,100	20,380	9,720
2450 Officials Mentoring & Training	748	4,300	3,000	1,300
<b>Program Group Total</b>	<b>76,511</b>	<b>186,500</b>	<b>161,380</b>	<b>25,120</b>
<b>Other Programs and Services</b>				
2501 Publications and Video Sales	27,956	40,000	35,000	5,000
2502 Mailing Service	109	500	500	0
2505 Trials Hospitality	0	1,500	1,500	0
2518 Altitude Camps	519,073	300,000	575,000	(275,000)
2519 Times Projects	23,418	38,900	38,900	0
2535 Pool Environment Research & Education	0	20,000	0	20,000
2715 TV/Web Cast Production	1,134,328	1,261,000	1,391,000	(130,000)
<b>Program Group Total</b>	<b>1,704,886</b>	<b>1,661,900</b>	<b>2,041,900</b>	<b>(380,000)</b>
<b>Committees &amp; Governance</b>				
2801 Convention	130,867	112,500	120,870	(8,370)
2802 Convention - Athletes	90,389	128,200	108,200	20,000
2825 Registration / Membership	14,346	16,200	14,500	1,700
2832 Awards	381	300	380	(80)
2835 Credentials / Elections	3,263	3,000	3,000	0
2836 Rules and Regulations	21,971	31,800	22,300	9,500
2857 Times & Recognition Committee	6,198	23,000	18,000	5,000
2862 Program & Events Committee	750	27,400	1,000	26,400
2866 Officials	19,228	19,300	19,550	(250)
2887 Athletes Executive Committee	19,356	30,500	20,500	10,000
<b>Program Group Total</b>	<b>306,749</b>	<b>392,200</b>	<b>328,300</b>	<b>63,900</b>
<b>Administration</b>				
2990 Administration & Operational Support	184,892	208,200	236,690	(28,490)
2999 Salary and Benefits	1,067,265	1,551,300	1,532,752	18,549
<b>Program Group Total</b>	<b>1,252,157</b>	<b>1,759,500</b>	<b>1,769,442</b>	<b>(9,941)</b>
<b>TOTAL EVENTS AND MEMBER SERVICES</b>	<b>5,777,951</b>	<b>7,250,300</b>	<b>7,879,826</b>	<b>(629,525)</b>
<b>NATIONAL TEAM</b>				
<b>Competitions</b>				
3001 Olympic Games	150	500	500	0
3013 Pan American Games	80,246	58,100	100,100	(42,000)

**USA Swimming, Inc.**  
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	Year to Date Actual	2019 Budget	2019 Projected	Favorable (Unfavorable)
3015 World University Games	482,009	363,400	485,955	(122,555)
3022 International Swimming League	0	0	10,000	(10,000)
3031 Long Course World Championships	339,854	457,500	340,000	117,500
3033 Short Course World Championships	476	0	0	0
<b>Program Group Total</b>	<b>902,735</b>	<b>879,500</b>	<b>936,555</b>	<b>(57,055)</b>
<b>Junior Team Programs</b>				
3009 Jr. Team International Competition	116,207	202,500	116,260	86,240
3045 Junior Team Camps	41,258	60,200	42,000	18,200
3050 FINA World Junior Championships	321,163	364,700	322,700	42,000
3051 Jr. Team Pro Swim Series	7,700	38,500	15,000	23,500
3053 World 100	11,654	20,600	15,050	5,550
3992 Ntl. Jr. Team Program Support	20,762	41,000	30,000	11,000
<b>Program Group Total</b>	<b>518,744</b>	<b>727,500</b>	<b>541,010</b>	<b>186,490</b>
<b>Open Water Programs</b>				
3040 FINA Open Water Jr. Championships	7,948	34,500	8,300	26,200
3061 Open Water World Championships	27,839	49,500	28,000	21,500
3063 Open Water University Games	0	20,500	0	20,500
3065 Open Water World Cup	79,071	91,500	84,500	7,000
3067 Open Water Camps	14,947	50,200	20,610	29,590
3068 Open Water - Foundation	20,427	25,000	25,000	0
3075 Open Water International Camps	102,680	79,100	103,100	(24,000)
3495 Open Water Program Support	20,071	29,000	24,000	5,000
<b>Program Group Total</b>	<b>272,983</b>	<b>379,300</b>	<b>293,510</b>	<b>85,790</b>
<b>Camps</b>				
3005 Olympic Games Prep Camps	0	20,000	0	20,000
3069 National Team Specialty Camps	0	28,100	5,100	23,000
3071 Altitude Training Camps	24,729	39,000	39,000	0
3073 National Team Camps	55,049	43,000	55,300	(12,300)
3076 National Team International Camps	454,003	594,600	455,600	139,000
3479 Advance Team Visits	21,006	21,000	26,100	(5,100)
<b>Program Group Total</b>	<b>554,787</b>	<b>745,700</b>	<b>581,100</b>	<b>164,600</b>
<b>Athlete Services</b>				
3101 Athlete Support-Stipends & Grants	1,269,677	1,584,800	1,734,800	(150,000)
3103 Athlete Support-Medals & Records	472,500	600,000	472,500	127,500
3107 Athlete Support-Op Gold Qualification Bonus	493,750	585,000	585,000	0
3025 Pro Swim Series Athlete Support	586,627	830,000	730,000	100,000
3021 World Cup Athlete Support	556	9,500	2,000	7,500
3127 National Team Investment Grant	267,990	600,000	600,000	0
3106 ConocoPhillips Athlete Support	39,748	100,000	150,000	(50,000)
3110 National Team Uniforming (VIK)	335,358	325,000	350,000	(25,000)
3120 Athlete Support-Olympic Prep	2,132	20,000	3,000	17,000
3130 Foundation Travel & Training	54,970	80,000	55,000	25,000
3131 Foundation Athlete Endowments	22,500	80,000	80,000	0
3453 Drug Control Program	8,954	70,200	40,200	30,000
<b>Program Group Total</b>	<b>3,554,762</b>	<b>4,884,500</b>	<b>4,802,500</b>	<b>82,000</b>
<b>Coach Services</b>				
3203 Coach Incentive & Reward Program	330,000	330,000	330,000	0
3210 Olympic Team Prep - Coaches	48,835	20,000	55,000	(35,000)
3220 Contract Labor - National Team Tech Advisor	60,723	83,700	83,700	0
3222 National Team Consultant	27,923	37,100	34,100	3,000
3460 Olympic Staff Recognition	29,370	37,000	30,000	7,000
3010 Coach Education	21,462	34,100	34,100	0
3077 National Team Coaches Meeting	113,624	114,000	114,000	0
<b>Program Group Total</b>	<b>631,938</b>	<b>655,900</b>	<b>680,900</b>	<b>(25,000)</b>
<b>High Performance Support</b>				
3301 National Team Performance Support	103,619	155,600	155,600	0
3310 USOC Practitioner Travel Support	54,502	26,700	59,935	(33,235)
<b>Program Group Total</b>	<b>158,121</b>	<b>182,300</b>	<b>215,535</b>	<b>(33,235)</b>
<b>Sport Medicine &amp; Science</b>				
3201 Athletes and Coach Wellness Programs	400	0	30,000	(30,000)
3353 Sport Medicine & Science Network	102,404	117,600	113,975	3,625
3155 Elite Athlete Accident Coverage	35,500	35,000	35,550	(550)
3200 Athlete Life Skills	14,208	40,000	15,000	25,000
3351 Athlete Testing & Lab Expenses	13,739	27,100	27,100	0
3390 Sport Medicine & Science Program Support	15,477	51,700	20,000	31,700
<b>Program Group Total</b>	<b>181,728</b>	<b>271,400</b>	<b>241,625</b>	<b>29,775</b>
<b>Other Programs and Services</b>				
3481 National Team Equipment	10,620	18,500	16,000	2,500
3496 National Team Selection	3,250	0	3,300	(3,300)

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3499 Team Management Technology	67,068	0	67,070	(67,070)
<b>Program Group Total</b>	<b>80,939</b>	<b>18,500</b>	<b>86,370</b>	<b>(67,870)</b>
<b>Committees</b>				
3846 Sports Medicine	0	3,300	0	3,300
3850 Open Water Development	0	800	0	800
3868 Open Water Committee	7,228	16,900	7,900	9,000
3882 National Steering Committee	13,247	16,600	13,300	3,300
3888 National Team Ath Committee	65	12,300	300	12,000
<b>Program Group Total</b>	<b>20,541</b>	<b>49,900</b>	<b>21,500</b>	<b>28,400</b>
<b>Administration</b>				
3990 Administration & Operational Support	233,934	222,600	610,359	(387,759)
3999 Salary and Benefits	1,222,982	1,875,300	1,762,576	112,723
<b>Program Group Total</b>	<b>1,456,916</b>	<b>2,097,900</b>	<b>2,372,936</b>	<b>(275,036)</b>
<b>TOTAL NATIONAL TEAM</b>	<b>8,334,194</b>	<b>10,892,400</b>	<b>10,773,541</b>	<b>118,859</b>
<b>TOTAL TECHNICAL/SPORT</b>	<b>17,510,167</b>	<b>23,050,500</b>	<b>23,429,029</b>	<b>(378,529)</b>
<b>OTHER PROGRAMS:</b>				
<b>COMMERCIAL</b>				
<b>Partnerships &amp; Event Marketing</b>				
5901 Marketing & Contract Fulfillment	217,128	187,900	232,646	(44,746)
5905 Sales Development Support	28,992	50,000	45,000	5,000
5620 Family Program	41,604	34,600	48,600	(14,000)
5715 SwimBiz	84,153	75,000	85,000	(10,000)
5709 National Marketing	560,483	334,190	520,190	(186,000)
5760 Junior Nationals Marketing	2,332	75,000	5,000	70,000
5762 Pro Swim Series Marketing	173,574	143,340	195,340	(52,000)
5764 Pro Swim Series Marketing	3,030	36,000	96,000	(60,000)
5770 Other Event Marketing	2,110	38,570	18,570	20,000
5755 USA Swimming House-Trials	7,800	10,200	10,200	0
5913 Multicultural Promotions	0	98,600	0	98,600
5902 Merchandise Program	9,985	26,000	25,731	269
5911 Aqua Zone-Olympic Trials	14,254	15,000	15,000	0
<b>Program Group Total</b>	<b>1,145,446</b>	<b>1,124,400</b>	<b>1,297,277</b>	<b>(172,877)</b>
<b>Communications</b>				
5109 APA Appearance	27,255	50,000	37,725	12,275
5722 Social Media Aggregation	5,850	0	15,000	(15,000)
5714 Public Relations	29,269	75,000	35,000	40,000
5724 Communication Operations	193,685	171,200	244,000	(72,800)
<b>Program Group Total</b>	<b>256,060</b>	<b>296,200</b>	<b>331,725</b>	<b>(35,525)</b>
<b>Creative Services</b>				
5720 Video Production Services	5,394	25,000	16,175	8,825
5711 Splash Magazine	531,454	812,700	882,700	(70,000)
5730 USASwimming Productions	741,225	856,200	854,700	1,500
5710 Membership Recruiting/Promo (Flex)	196,619	450,000	249,003	200,997
5904 Marketing Contract Labor	6,500	0	25,000	(25,000)
<b>Program Group Total</b>	<b>1,481,192</b>	<b>2,143,900</b>	<b>2,027,578</b>	<b>116,322</b>
<b>Business Intelligence &amp; Digital Platforms</b>				
5713 Deck Pass	6,523	125,000	37,082	87,918
5716 Swimjitsu	8,298	0	10,780	(10,780)
5726 Business Intelligence	0	0	5,000	(5,000)
5718 usaswimming.org - Web Site	372,246	527,200	535,200	(8,000)
<b>Program Group Total</b>	<b>387,067</b>	<b>652,200</b>	<b>588,062</b>	<b>64,138</b>
<b>Administration &amp; Operational Support</b>				
5990 Administration & Operational Support	221,849	243,500	306,325	(62,825)
5999 Salary and Benefits	1,328,721	2,291,400	1,976,533	314,868
<b>Program Group Total</b>	<b>1,550,570</b>	<b>2,534,900</b>	<b>2,282,858</b>	<b>252,043</b>
<b>TOTAL COMMERCIAL</b>	<b>4,820,334</b>	<b>6,751,600</b>	<b>6,527,499</b>	<b>224,101</b>
<b>RISK MANAGEMENT SERVICES</b>				
<b>Member Programs</b>				
9413 Member Insurance Premiums & Retention	2,488,107	3,102,800	2,869,000	233,800
9415 Other Risk Management	10,000	16,700	10,000	6,700
<b>Program Group Total</b>	<b>2,498,107</b>	<b>3,119,500</b>	<b>2,879,000</b>	<b>240,500</b>

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<b>Committees</b>				
9827 Operational Risk Committee	20,688	32,300	21,462	10,838
<i>Program Group Total</i>	<u>20,688</u>	<u>32,300</u>	<u>21,462</u>	<u>10,838</u>
<b>Administration</b>				
9490 Administration & Operational Support	12,738	27,400	19,525	7,875
<i>Program Group Total</i>	<u>12,738</u>	<u>27,400</u>	<u>19,525</u>	<u>7,875</u>
<b>TOTAL RISK MANAGEMENT SERVICES</b>	<b><u>2,531,532</u></b>	<b><u>3,179,200</u></b>	<b><u>2,919,987</u></b>	<b><u>259,213</u></b>
<b>FOUND. &amp; MAKE A SPLASH SUPPORT</b>				
6667 USA Swimming Staff Allocation	0	311,000	311,000	0
<b>TOTAL FOUNDATION &amp; MAS SUPPORT</b>	<b><u>0</u></b>	<b><u>311,000</u></b>	<b><u>311,000</u></b>	<b><u>0</u></b>
<b>TOTAL OTHER PROGRAMS</b>	<b><u>7,351,866</u></b>	<b><u>10,241,800</u></b>	<b><u>9,758,486</u></b>	<b><u>483,314</u></b>
<b>SUPPORT DIVISIONS:</b>				
<b>EXECUTIVE</b>				
<b>Other Executive</b>				
7920 CEO Contingency	54,605	60,000	60,000	0
7930 Board Chair Travel and Expenses	37,097	35,000	40,991	(5,991)
7945 CSCAA Grant	90,000	125,000	120,000	5,000
7971 Organizational Relations - Domestic	50,081	80,000	65,000	15,000
7984 Organizational Relations - Internat'l	24,177	65,000	43,000	22,000
7981 International Relations	26,495	69,100	50,600	18,500
<i>Program Group Total</i>	<u>282,456</u>	<u>434,100</u>	<u>379,591</u>	<u>54,509</u>
<b>Committees &amp; Governance</b>				
7803 Board of Directors	85,195	185,300	140,788	44,512
7808 Task Force & Other Committees	104,626	34,000	191,741	(157,741)
7811 International Relations Committee	8,778	31,000	13,000	18,000
7820 Nominating Committee	1,468	0	1,795	(1,795)
<i>Program Group Total</i>	<u>200,067</u>	<u>250,300</u>	<u>347,324</u>	<u>(97,024)</u>
<b>Administration</b>				
7990 Administration & Operational Support	95,044	100,300	138,500	(38,200)
7999 Salary and Benefits	584,702	767,800	877,896	(110,096)
<i>Program Group Total</i>	<u>679,746</u>	<u>868,100</u>	<u>1,016,396</u>	<u>(148,296)</u>
<b>TOTAL EXECUTIVE</b>	<b><u>1,162,269</u></b>	<b><u>1,552,500</u></b>	<b><u>1,743,311</u></b>	<b><u>(190,811)</u></b>
<b>FINANCE</b>				
<b>Other Programs</b>				
8500 LSC/Club Financial Resources	5,056	10,000	6,610	3,390
<i>Program Group Total</i>	<u>5,056</u>	<u>10,000</u>	<u>6,610</u>	<u>3,390</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>				
8990 Administration & Operational Support	129,883	133,200	189,750	(56,550)
8999 Salary and Benefits	843,850	995,500	1,031,769	(36,270)
<i>Program Group Total</i>	<u>973,734</u>	<u>1,128,700</u>	<u>1,221,519</u>	<u>(92,820)</u>
<b>TOTAL FINANCE</b>	<b><u>978,894</u></b>	<b><u>1,139,300</u></b>	<b><u>1,228,429</u></b>	<b><u>(89,130)</u></b>
<b>BUSINESS AFFAIRS</b>				
<b>Legal and NBR</b>				
9695 Legal	312,513	150,000	360,000	(210,000)
9692 National Board of Review	24	54,000	500	53,500
9690 Legal - Admin. & Oper. Support	5,889	8,400	18,500	(10,100)
<i>Program Group Total</i>	<u>318,426</u>	<u>212,400</u>	<u>379,000</u>	<u>(166,600)</u>
<b>Safe Sport</b>				
9335 Safe Sport - Background Checks	17,099	61,200	20,000	41,200
9375 Safe Sport Online Education	45,000	77,200	67,700	9,500
9386 Safe Sport Athlete Fellowship	11,956	21,500	12,500	9,000
9385 Safe Sport Programs	164,176	235,800	165,704	70,096
9387 Safe Sport - USOC Center for Safe Sport	155,205	158,200	156,200	2,000
9388 Safe Sport - Leadership Conference	47,829	63,600	47,830	15,770



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9389 Safe Sport - SwimAssist	113,274	100,000	150,000	(50,000)
<i>Program Group Total</i>	<i>554,539</i>	<i>717,500</i>	<i>619,934</i>	<i>97,566</i>
<b>Other Programs</b>				
9380 Human Resources	89,980	97,600	112,535	(14,935)
9290 Government Affairs	8,640	167,700	8,700	159,000
9295 Information Technology Support	447,684	640,200	565,800	74,400
<i>Program Group Total</i>	<i>546,303</i>	<i>905,500</i>	<i>687,035</i>	<i>218,465</i>
<b>Committees</b>				
9810 Safe Sport Committee	11,909	32,500	12,500	20,000
<i>Program Group Total</i>	<i>11,909</i>	<i>32,500</i>	<i>12,500</i>	<i>20,000</i>
<b>Administrative</b>				
9990 Administration & Operational Support	166,847	198,500	244,234	(45,734)
9999 Salary and Benefits	1,628,258	2,181,500	2,421,048	(239,549)
<i>Program Group Total</i>	<i>1,795,105</i>	<i>2,380,000</i>	<i>2,665,282</i>	<i>(285,283)</i>
<b>TOTAL BUSINESS AFFAIRS</b>	<b>3,226,282</b>	<b>4,247,900</b>	<b>4,363,751</b>	<b>(115,852)</b>
<b>TOTAL SUPPORT DIVISIONS</b>	<b>5,367,445</b>	<b>6,939,700</b>	<b>7,335,492</b>	<b>(395,792)</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$30,229,478</b>	<b>\$40,232,000</b>	<b>\$40,523,008</b>	<b>(\$291,007)</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>\$3,770,287</b>	<b>(\$2,237,100)</b>	<b>(\$2,339,236)</b>	<b>(\$102,135)</b>



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**TO:** Board of Directors  
**FROM:** Tim Hinchey III  
**COPY:** Staff & Selected Others  
**DATE:** January 24, 2020  
**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

## **TECHNICAL/SPORT**

### **National Team**

Talkspace was launched in January for all current National Team athletes, as well as 2016 Olympians. In less than one week, eight athletes had already signed up for the service, in addition to the six who are currently using Athletes' Assist. We are currently looking for additional ways to expand our Talkspace relationship, including offering this opportunity to National Team coaches.

Over 120 athletes and 15 coaches used the Olympic and Paralympic Training Center (OPTC) as their training hub over the holidays. This gave the National Team staff several opportunities to work with athletes and coaches as they prep for the Olympic Trials and Games.

### **Sport Development**

Team Services conducted video review services at the Toyota U.S. Open and the two Winter Junior National meets.

<u>Meet</u>	<u>Views &amp; Downloads</u>	<u>Average per Athlete Index</u>
Toyota U.S. Open	1,423	1.23 views/athlete
Winter Juniors East	1,161	1.34 views/athlete
Winter Juniors-West	1,453	1.50 views/athlete

The *Coach Connection* newsletter was relaunched in late 2019, providing a newer format and striving to be more conversational in nature. The monthly newsletters focus on an overall theme and encourage coaches to offer feedback and comments. The relaunched newsletter “open rate” is up 20% from last year.

The Performance Development Managers (previously Sport Performance Consultants) are each scheduling 10, two-to three-day club visits, for the year with additional shorter club/coach visits bookending the 10 major visits. We are finalizing a standard operating procedure for pre- and post-communication, which will include a “club report” that will help prepare Team Services for the upcoming implementation of the CRM software.

The Program Development Managers (previously Zone Sport Development Consultants) are working closely with the LSC Development Managers in improving coach involvement at the LSC level. It is our opinion that coaches need to be more actively involved in governance at the LSC.

USA Swimming announced in December the top 200 performing 18&Under teams in the Club Excellence Program. This is a very competitive program, whereby the top 20 teams are awarded Gold medal status, teams ranked 21-100 are awarded Silver medal status, and teams ranked 101-200 are awarded Bronze status. The Gold and Silver medal teams are also eligible to receive grant dollars to use toward furthering the performance of their athletes. Some quick statistics on the program:

- 19<sup>th</sup> year, started in 2002
- over \$6,700,000 has been awarded in grants
- 551 teams have participated in the 19 years with 86 different teams receiving the Gold medal status
- Nine teams have participated and been ranked in all 19 years of the program
- Nine teams have been ranked Gold for more than 10 years leading with Nation’s Capital Swim Club and SwimAtlanta who each have been ranked Gold for 17 of the 19 years
- 18 teams were new to the ranking this year
- Smallest number of athletes on a team in each of the three categories: Gold-149 athletes, Silver-55 athletes and Bronze-53 athletes

## **Education & Programs**

LEARN updates:

- Learning Management System (LMS)/Platform:
  - Frontrunner: Build internally; waiting for scope and estimated timeline from Mike Meadows. Vetting this is the last component before fully committing
- eLearning:
  - Contracted with Ninja Tropic for the production/editing of content
  - Also working with their Instructional Designer to build Key Learning Objectives, scripts, and storyboards
- Curriculum:
  - Engaging with outside Task Force to review first-pass curriculum for Core curriculum
  - Identifying content experts

## **Diversity, Equity & Inclusion**

Strategic Planning was conducted this past December, and key programming included:

- Community Swim Programs
- Education
- Diversity Camp progression (moved to Morgan Weinberg under Programming with other camps)
- Diversity Coach Mentorship (will be blended into the Community Swim Program)

The 2020 Community Swim Team Program MOUs include:

- Chicago Park District
- LA Recreation and Park
- Indy Park and Recreation (in development)
- Oakland Park and Recreation (in development)
- Minnesota Community Swim Program (anticipated Fall/Winter 2020)

Women’s Leadership and She LEAD/We LEAD dates and locations for 2020:

**2020 Events:**

Event Type	Dates	Location	Facilitator(S)	Special Guests
She LEADS	April 3-5, 2020	La Foret- Black Forest, CO	Roberta Kraus & Cathy Wright-Eger	Amy Bilquist, Breeja Larson & Tricia Downing
Women’s Leadership Summit	April 17-19, 2020	La Foret- Black Forest, CO	Lynn Kachmarik & Cathy Wright-Eger	Bobbi McPherson
We LEAD	June 20-22, 2020	Omaha, NE	More Brave & James Leath	TBA
Women’s Leadership Summit	August 14-16, 2020	Oahu, HI	True North Sports	TBA
We LEAD	August 15, 2020	Oahu, HI	True North Sports	TBA

Upcoming Spring/Summer Camps:

- 2020 Zone Select Camp athlete selection going on now
- 2020 camp staff selection going on now (ZSC/NDSC/ZDSC)
- Application open for National Diversity Select Camp (closes February 7)
- Application opens for Zone Diversity Select Camp February 3 (closes March 13)

**Membership**

The Officials’ Committee met Jan. 10-11 in Denver. They reviewed results from the survey of LSC Officials Chairs and officials working winter national meets and outlined goals and initiatives for the committee to work on in 2020. Many of the initiatives revolve around streamlining official education, communication to officials from the grassroots up and standardization of officiating standards and selections at both the local and national level.

National Committee Assignments were recently announced and email invitations were sent in early December to anyone who was newly appointed, or reappointed, to a national committee.

This year there will be one Zone workshop that includes all four zones. The workshop will be held in Chicago, May 1-3. There will be sessions for LSC general chairs, admin vice chairs, officials, safe sport chairs, and DEI chairs. If any members of the Board would like to attend, please contact Sydney Pinello at [spinello@usaswimming.org](mailto:spinello@usaswimming.org) to get a copy of the registration form.

The following LSCs are hosting Swimposiums this spring:

- April 4 - Missouri Valley (Kansas City)
- April 25 - Connecticut (New Haven)
- May 3 - Adirondack (Albany)

For more information about these events, please contact Cathy Durance at [cdurance@usaswimming.org](mailto:cdurance@usaswimming.org).

LSC Athlete Leadership Summit grants were announced in January. We received 21 applications and were able to provide funding to 18 LSCs: Alaska, Florida, Georgia, Indiana, Inland Empire, Maine, Maryland, Missouri Valley, New England, North Dakota, Ohio, Oregon, Pacific, San Diego-Imperial, South Dakota, Snake River, Utah and Virginia. Grants ranged from \$500 to \$2,000. The grant review task force was made up of three members of the Athletes' Executive Committee and two staff members. For more information about this grant program please contact Morgan Weinberg at [mweinberg@usaswimming.org](mailto:mweinberg@usaswimming.org).

The Athletes' Executive Committee (AEC) met by conference call in January. Topics of discussion included continuing/improving communication with LSC athlete reps, the LSC Athlete Leadership Summit Grant Program, athlete appointments to national committees, zone athlete reps participating in the zone workshop this year, the Keeping Athletes First Initiative, and planning for this year's convention in September.

## COMMERCIAL

Focus for the Commercial business unit in the first quarter continues to be on revenue-driving business development, enhanced data analytics for enterprise-wide decision making, professional attention to digital platforms, improved internal and external communications, world-class creative and video production, and streamlined athlete marketing efforts.

### Digital Platforms

The CRM team continues to progress through the user adoption and training stages of all new systems. We continue to finalize adjustments to Foundation historical data mapping to preserve giving data from as far back as 2007. By preserving and transferring giving data (and associated contact records), we can use the enhanced reporting within Salesforce to compare future giving campaigns to historical campaigns. This will be particularly useful during the Olympic year, as we will compare 2020 giving to 2008, 2012 and 2016. After "warming" our Marketo IP address, we are now ready to move forward with campaign distributions. The first campaign deployed will be a database-wide opt in/opt out campaign, where every contact in our system can personalize the type of emails they receive from USA Swimming. We have traditionally used a universal opt-out, but now contacts will be able to subscribe to or unsubscribe from specific categories (newsletters, promotional messages, event information, etc.). We expect personalized content preferences to improve open rates, engagements and conversions on calls-

to-action (CTA's) in the messages. The IT team has started training on maintenance of our Master Data Management (MDM) system and we have added requirements to the project to make sure our data architecture is GDPR, CCPA and COPA compliant.

The front-end redesign of our new USA Swimming website continues on schedule and on budget with a launch date of April 30, 2020. The new site will offer quicker load times, intuitive navigation, a cleaner mobile interface for those accessing the site from the pool deck, enhanced SEO, and the clean design befitting a world-class organization.

## **Partnerships**

The Partnerships Team recently finalized sponsorships with Marriott, Xfinity, and BIC. We also launched a three-month Sport Tech Accelerator with Comcast to enhance both individual and team athletic performance by providing high performance expertise and USA Swimming brand affiliation in return for evaluation of potential start-up companies to further grow the sport of swimming. We continue to offer non-traditional "swimming" sponsorships, such as the entitlement of the Ready Room from Marriott, Golden Road's Red Carpet Show at Golden Goggles, Deck Pass Live, and Iconic Brand Moments presented by Xfinity. With the 2020 Trials quickly approaching, we are more aggressively engaging USOPC prospects and continually leveraging our current partners to activate additional hospitality and entertainment options at USA Swimming House and USA Swimming Live.

Title sponsor TYR along with Neptune Benson and Toyota continue to activate at the TYR Pro Swim Series events through retail sales and experiential marketing. These TYR Pro Swim Series events come to Knoxville, TN, Des Moines, IA and Mission Viejo, CA in the first quarter of 2020, and we will wrap up the 2020 series in Indianapolis in May. As a part of the USA Swimming Championship Series, our goal is to deliver world-class events and hospitality for our athletes, coaches, spectators and partners.

## **Communications**

In November, 12 Olympic hopefuls participated in the joint NBC / USOPC Promotional Shoot media day in Los Angeles. The full day affair allowed for NBC and its various properties to capture hours of content to use across their channels to promote Team USA ahead of the Olympic Games Tokyo 2020. Media outlets such as NBC Olympics, NBC Sports, NBC News, TODAY show, CNBC, NBCSN, MSNBC were on hand to shoot our athletes. A similar event is scheduled for March in Los Angeles for non-rights holding media such as ESPN, CBS, ABC, FOX, New York Times, Wall Street Journal, Washington Post, USA Today, Sports Illustrated, GQ, and Snapchat.

USA Swimming Olympic medalists Elizabeth Beisel and Cullen Jones, in partnership with US Masters Swimming and the Boston Celtics, recently spent an afternoon in Boston touting the importance of water safety to youth and adults. This community and PR opportunity featured Celtics player Grant Williams, the No. 22 overall pick in last year's NBA draft, who we will track through his three-month journey to learn to swim. Other Celtics players are slated to join Williams in lessons, and we will capture the graduation ceremony in another PR event this spring.

In 2019, USA Swimming's social media platforms saw an average of 15.6% growth in followers, the largest (34.8%) coming from the younger-targeted demographic of the USA Swimming Next Gen Instagram account. This growth report includes data from all of USA Swimming's main social channels, USA Swimming Foundation, USA Swimming News, USA Swimming NextGen and USA Swimming Insider.

The first *Kickset* podcast episode of 2020 has been released, featuring USA Swimming National Team Director of Sports Medicine & Science Keenan Robinson. Previous versions of the podcast series, which features coaches, athletes and staff members who will share their perspectives on various topics in the swimming world, can be viewed at [www.soundcloud.com/kickset](http://www.soundcloud.com/kickset).

In the 2019-2020 season, USA Swimming has signed 53 professional athletes to the APA program, and together they have completed 45 of the 101 community appearances since September 1, 2019. A further 25 athlete appearances have been scheduled for January to May 2020.

## **APA**

Highlighted Appearances:

- Children’s National Main Hospital Visit with Katie Ledecky
  - Fan Zone Experience at the Toyota U.S. Open with Nic Fink, Ryan Held, Melanie Margalis and Andrew Wilson
  - Operation Teammate Meet & Greet at Toyota U.S. Open with Kelsi Dahlia and Jacob Pebley.
    - Our Olympians met with 22 military children from the U.S. Army, Navy, Marines, and Air Force. These 22 children have had a mom or dad deployed for a combined total of 421 months, that’s over 35 years of separation
- Fan Zone Experience at the TYR Pro Swim Series at Knoxville with Madisyn Cox, Bethany Galat, Ryan Held, Melanie Margalis and Justin Ress

## **BUSINESS AFFAIRS**

### **Safe Sport**

The Safe Sport program remains committed to expanding Safe Sport training and education opportunities for various audiences across multiple mediums. In furtherance of this goal, in December 2019, USA Swimming and the U.S. Center for SafeSport (“the Center”) formalized an agreement to allow USA Swimming to host all the Center’s training offerings on the USA Swimming LEARN platform. The Center’s parent training course, “Parent’s Guide to Misconduct in Sport,” is now available on the USA Swimming LEARN platform, and its minor athlete training courses are expected to be available on the LEARN platform in February 2020. The Safe Sport team will also have new content for swimming parents available on [www.usaswimming.org](http://www.usaswimming.org) by February 2020 and will next focus on making that same parent website content available on member club websites via Team Unify.

In an effort to continue to provide resources to member clubs and Local Swimming Committees, the Safe Sport team finalized its agreement with Match Up Promotions to offer direct USA Swimming Safe Sport branded products through [www.usaswimmingbrandstore.com](http://www.usaswimmingbrandstore.com). This offering will eliminate the previous practice of USA Swimming having to order, inventory, warehouse, bill and ship the ordered items to clubs and LSCs. All branded items will also contain information connecting to online Safe Sport content and reporting tools.

Looking forward, the staff is working to prepare its 2020 strategic plan related to the continued growth of member clubs achieving Safe Sport Recognized Program status. The staff also continues to seek opportunities to develop partnerships with other organizations, including the YMCA and U.S. Masters

Swimming (“USMS”). The team will be meeting with YMCA of the USA to align the child safety policies across the two organizations. The Safe Sport staff continues communication with USMS to ensure USA Swimming banned and suspended individuals are not permitted pool deck access through USMS membership. In November 2019, USA Swimming provided USMS with lists of individuals permanently suspended or ineligible for membership and individuals suspended or ineligible – specific date in a searchable format to allow USMS to cross-reference the lists to the USMS membership database. Additionally, the Safe Sport staff will be creating enhanced resources including an updated Safe Sport Club Toolkit and family resource guide. The staff is also working on resources for clubs and headquarters staffs to implement at USA Swimming sanctioned events.

### **Risk Management**

In December, the Senior Director, Risk Management, Chief Financial Officer, and Chief Administrative Officer & General Counsel attended a meeting with our strategic risk financing consultant, Beecher Carlson, to discuss its risk financing analysis and anticipated premium increases in 2021. We are also working with Beecher Carlson to complete the Cyber/Media Liability and Tech E&O policy for a February renewal.

We continue to work on a Special Event Policy for the U.S. Olympic Team Trials – Swimming, and we are in the final stages of hiring our next Risk Manager to succeed George Ward following his retirement this Spring.

Finally, the 2019 Report of Occurrences are in the process of being summarized and the usual year end accident analysis provided to the Operational Risk Committee and LSC Operational Risk Chairs. The Operational Risk Committee had its beginning of the year organizational meeting and planning session for 2020 activities earlier this month.

### **Human Resources**

For the final quarter of the year the Human Resources team was primarily focused on Annual Performance Reviews and the Compensation cycle. Using ADP for the Performance Reviews lead to a clean and easy to use system for both employees and managers. The feedback received was overall very positive, and we are looking forward to ways in which we can continue to make the process relevant to the different divisions.

The Employee Engagement group continues to meet, and the first program lead completely by members of the team was a great success. USA Swimming donated over 250 toys to Christmas Unlimited, which serves children in the Pikes Peak region.

For 2020 the HR team will be focusing their efforts in three main areas.

1. Learning and development for employees
2. Improving the technical capabilities of the Human Resources function
3. Enhancing communications and engagement throughout the organization

The first quarter initiatives focusing on achieving these goals are the following:

1. Beginning work on defining the expected competencies for each level within the organization (e.g., Manager, Senior Manager, etc.). The expected outcome for this project will be two-fold:
  - i. define the expectations that the Strategic Team has for each role; and



- ii. provide a roadmap for employees looking to grow in their careers.
2. Prepare Compensation Statements for all employees. This document will provide a true picture of the value of USA Swimming's very generous benefits package. The HR team plans to distribute these to all employees by mid-February.
3. The employee engagement group will be focusing on narrowing down their ideas and coming up with a plan for 2020 – the goal is at least one major event per quarter, with smaller activities throughout the year.

### **Information Technology**

The development phase of the website redesign project started on November 11, 2019. The design firm, Spire Digital, provided specifications for 56 widgets – 44 of those 56 widgets are complete, putting the development phase of the project at approximately 78% complete.

The project to move the Online Meet Entry (OME) application from the legacy website to the new website continued until the meet administration features were complete. Meet entry features still need to be moved but are on hold until after the Olympic Games.

The design phase of the Online Member Registration project started in early January 2020. The development phase is expected to begin at the end of January. This first development phase will allow for a non-athlete membership that is not attached to a club.

Discovery continues to finalize the design and estimated level of effort to build the Learning Management System in-house. Documentation will be delivered to the Sport Development Team at the end of January.

Several smaller, yet significant projects have been completed over the past two months. These include:

- Buy One Get One (BOGO) memberships
- Improved E-commerce checkout process
- Meet Merge tool that allows duplicate times to be removed from SWIMS
- Reports on times not imported for swimmers 18 and older without Athlete Protection Training

The IT team has recently deployed new technologies that have significantly increased USA Swimming's security posture. USA Swimming's public applications, SWIMS and the USA Swimming website are now protected by a web application firewall (WAF) that provides an unprecedented amount of visibility into our application traffic. This technology allows the team to block known cyber threats and vulnerabilities at the application layer and provides the visibility used to identify and prevent potential cyber threats or unwanted traffic to those applications in near real-time.

The team has also deployed Next Generation network firewalls at USA Swimming Headquarters and will be deploying them into the public application infrastructure (SWIMS, Website) by the end of the first quarter. The firewalls are a major upgrade, providing similar visibility and protections as the WAF mentioned above, but extending the protection to all corporate network assets.

The IT team deployed Multi-Factor Authentication and new password complexity requirements, which has been adopted for staff and users of the corporate network and SWIMS application. The IT team has also been working to secure USA Swimming's email infrastructure to ensure delivery and prevent spoofing of the USA Swimming domain. In order to combine and effectively correlate the information

the tools listed above provide, USA Swimming has deployed a managed SIEM (Security Information and Event Management) tool to monitor and report all potential security events with 24/7 coverage. This allows the IT team to be more efficient in responding to actual security events versus the false positives that can delay response and remediation efforts.

## **FINANCE**

The auditors from Waugh and Goodwin are scheduled to be on-site for our 2019 audit from March 9-20. In preparation for their upcoming year-end fieldwork, they worked with Finance to complete their on-site interim/pre-audit work in mid-December.

The Finance department is in the process of closing our books for both entities for calendar year 2019. This includes, but is not limited to, ensuring all 2019 balance sheet accounts and transactions are correctly recorded such as cash and cash equivalents, accounts receivable, prepaid expenditures, fixed assets and related depreciation, investment accounts, accounts payable, accrued expenses, net asset accounts, among others. All accounts will be fully reconciled, and all applicable year-end journal entries will be made to ensure our general ledger and internal financial statements are final and ready for the year-end audit. We anticipate completing our close by late February ahead of the auditors beginning their fieldwork in March.

Sometimes the joke can be, "It's always budget season." Final 2020 Budgets for both entities were presented and approved at the November 2019 Board meetings. We have already begun discussions and strategies around the 2021 (and beyond) budgets and have initial collaboration meetings scheduled with various divisions in January and February.

Both the USA Swimming and USA Swimming Foundation Tax Return Form 990s were filed timely in advance of the November 15, 2019 annual deadline. As we work to close the books for 2019, we concurrently prepare schedules to be used in preparation of our 2019 tax returns.

Finance has been actively driving the Travel Task Force, an internal group focused on reviewing and updating the organization's travel policy and travel provider. The goal of the update is to construct a policy that fits the needs of our users, is reasonable to our organization, and is relatively clear to interpret and execute. The goal is to roll out the update in the first quarter of 2020.

In an effort to move towards a more paperless Finance department and to automate both the expense report and check request process, we are working with Concur, a current vendor, to implement their "Concur Invoice" product. A lot of heavy lifting has been completed over the past few months with assessing our needs, mapping our accounts, etc. The goal is to begin testing and implementing in Q1-Q2 2020.

Now that the building remodel is essentially complete, Finance is working closely with the USOPC, our auditors, and Business Affairs (our internal Project Manager) in order to execute our building lease extension with the USOPC. Additionally, we are reconciling our fixed assets, leasehold improvement schedule, and balance sheet to ensure our new assets are being recorded and depreciated/amortized appropriately.

## FOUNDATION

The new year marked the official integration of formerly-Foundation staff into USA Swimming staff. The Development team under Scott Usher, responsible for all Foundation fundraising from annual fund through Major Gifts and Planned Giving, is now an integral part of the Commercial business unit. Tina Dessart has moved to the Sport Development team to lead learn to swim efforts at the “base of the pyramid,” and Kaitlyn Palmieri is now working on event marketing on the Partnerships team.

High level updates:

- 2019 grant awards totaled \$618,200 to 117 Make a Splash Local Partners, with a proposed service level of 28,627. End of year reports on usage of funds and service levels were due December 17, 2019 and are currently being evaluated.
- 2020 grant application submissions total 276, the largest applicant pool to date, and these will be heading to review for funding consideration by the end of the month.
- The 2020 Make a Splash Tour presented by Phillips 66 is finalizing three (3) stops: Philadelphia, PA, Billings, MT, and Borger, TX; a non-related community swimming event is under review for Omaha, NE during the pre-Trials test event.
- While final reconciliation is continuing for donations to the annual fund, the Golden Goggle Awards auctions raised more than \$165,000 at the 2019 event (a 6% increase over 2018).
- Major Gifts and grants totaled more than \$1,725,000 for 2019.
- To-date in 2020, \$250,000 has been raised in major gifts with one (1) new Donor and Athlete Partnership and one (1) Learn-to-Swim Fund.
- As of November 12, 2019, the Annual Fund has received \$414,650 in revenue (versus \$408,939 YTD in 2018).
  - *Champions Club, donations \$1,000-\$10,000*, is currently at \$247,565.07 (\$238,975 YTD in 2018).
  - *Performance Camps* raised \$115,000 (\$112,500 YTD in 2019). We had 47 attendees at both camps, and saw success by increasing the number of Youth Performance Camp attendees from 25 to 30. We will be evaluating the efficacy of the camps after 2020.
  - *Donations under \$1,000* is currently at \$48,575 (\$50,444 YTD in 2018)