USA Swimming Board of Directors Meeting Minutes

September 24, 2021 / Colorado Springs, CO

1	CALL TO ORDER
2	Bob Vincent, Board Chair, called the September 24, 2021 Board of Directors meeting to order

3 at 9:03 a.m. Mountain Time with the following members in attendance:

5 PRESENT

- 6 Maya Andrews (virtual), Chris Brearton, Kenneth Chung, Kathy Fish, Bruce Gemmell, Jennifer
- 7 Gibson, Cecil Gordon, Natalie Hall (virtual), Tim Hinchey, Michelle Steinfeld, Katie Meili,
- 8 Kathleen Prindle, Bill Schalz, Jeanette Skow, Jim Sheehan, Jay Thomas, Bob Vincent.

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- **GUESTS**
- 11 Karen Alexander, Alicia Antonetti-Tricker, Wade Atkins, Tom Avischious, Lisa Black
- 12 Sholudko, Robert Broyles, Marcia Callan, Bill Charney, David Coleman, Ellen Colket, Steve
- 13 Connock, David Cottam, Bruno Darzi, Maria Davila, Sandy Drake, Lucy Duncan, John
- 14 Dussliere, Cathy Elgas, Tony Ervin, Joe Gazzarato, Ryan Gibbons, Dave Gibson, Scott Griffith,
- 15 Clark Hammond, Starre Haney, Melissa Hellervik-Bing, Kevin Hogan, Bob Hommel, Patrick
- Hunter, Tim Husson, Paris Jacobs, Paul Jampole, Robert Kwong, Jennifer LaMont, Pam
- 17 Lowenthal, Karen Mayfield, Trish Martin, Arlene McDonald, Susan Mechler, Kevin Milak,
- David Olack, Lisa Olack, Kim O'Shea, Ted Patton, Ellery Parish, Derek Paul, James Peterfish,
- 19 Shelly Rawding, Mary Redmond, Maggie Rocheleau, Cindy Rowland, Kathleen Scandary,
- 20 Erin Schwab, Mike Seip, Jennie Shamburger, Lynne Shine, Dave Smith, Robin Smith, Shawn
- 21 Smith, Mickey Smythe, Jayne Spittler, Mary Jo Swalley, Jack Swanson, Ashley Twichell, Mary
- 22 Turner, Mary Ellen Tynan, Tom Ugast, Mary Wallak, CJ Wanser, Matthew Weber, Michael
- 23 White.

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- 25 **STAFF**
- 26 Matt Barbini, Carli Brashier, Juan Caraveo, Rebecca Chafin, Jay Chambers, Paula D'Amico,
- 27 Tina Dessart, Shana Ferguson, Jane Grosser, Elizabeth Hahn, Brendan Hansen, Abby
- Howard, Trish Hughes, Kiki Laino, Russell Mark, Dan McCarthy, Isabelle McLemore, Macie
- 29 McNichols, Tiffany Midkiff, Stacy Michael-Miller, Lindsay Mintenko, Ellery Parish, Kaitlin
- 30 Pawlowicz, Hilary Perez, Devonie Pitre, Eric Skufca, Joel Shinofield, Lucinda McRoberts,
- 31 Denise Thomas, Jennifer Thomas, MJ Truex, Mike Unger, Maggie Vail, Kirsten Victor.

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- **MOMENT OF SILENCE**
- 34 A moment of silence was observed for USA Swimming members who have passed away since
- 35 the last USA Swimming Board of Directors meeting.

AGENDA REVIEW

Mr. Vincent presented the agenda (Attachment 1).

RULES OF ENGAGEMENT / PROTOCOL

Mr. Vincent provided an overview of the Rules of Engagement.

DECLARATION OF CONFLICT OF INTEREST (2.5.4)

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

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

CEO'S WELCOME

Tim Hinchey, President & CEO, remarked on the organization's ability to focus on the positive, as well as deliver programs and resources that were in jeopardy through resiliency and doing more with less. Mr. Hinchey stressed the importance of the Keeping Athletes First initiative (KAF) as a guide for decision making as USA Swimming raises its standards to be a best-in-class National Governing Body (NGB).

Mr. Hinchey welcomed the Foundation Board of Directors, as well as the Chairs of the USA Swimming committees, while noting the essential role committees and volunteers will have as the organization progresses to the Paris Olympic Games in 2024.

Lastly, Mr. Hinchey commented on the organization's complex challenges and asked everyone to "opt in" to remain a best-in-class NGB.

BOARD CHAIR'S REMARKS

Mr. Vincent congratulated Dr. Cecil Gordon for his leadership of the USA Swimming Foundation Board, as a strategic partner with USA Swimming. Mr. Vincent remarked on Mr. Hinchey's ability to listen, change, and implement new strategies for the betterment of the organization. Mr. Vincent went on to compliment the staff on their hard work and dedication, specifically thanking Lindsay Mintenko, National Team Managing Director, for her leadership and her focus on team improvement for Paris 2024.

Mr. Vincent applauded Vice Chair Chris Brearton and the Governance Committee for their work to bring the Board of Directors and other required committees into compliance with federal law and the United States Olympic and Paralympic Committee (USOPC) Bylaws,

77 noting his hope that this process serves as an opportunity for all to get involved in the 78 organization's governance structure.

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Mr. Vincent thanked the Board members for choosing to not just be spectators, but instead being prepared to put in the work and speak up for the Board to continue to do important work for USA Swimming.

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Finally, Mr. Vincent expressed appreciation for being able to represent the many families and friends who were not allowed to travel to support their Olympic athletes.

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- 87 MINUTES
- 88 **MOTION:** To approve the May 7, 2021 Board of Directors meeting minutes (Attachment 2). Seconded. **APPROVED.**

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91 *MOTION:* To approve the August 25, 2021 Special Board of Directors meeting minutes 92 (Attachment 3). Seconded. APPROVED.

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- **BOARD PROCESS**
- HURRICANE IDA RESOLUTION
- 96 Abby Howard, Senior Director, Legal & Membership Affairs, presented the Hurricane Ida
- 97 Resolution that assists those that have been affected by the Hurricane, specifically allowing
- 98 displaced athletes to transfer between clubs without penalty. Ms. Howard also noted this
- $\,$ resolution would give the staff the ability to implement other such resolutions should
- 100 similar disasters occur in the future.

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MOTION: To approve the Hurricane Ida Resolution (Attachment 4). Seconded. APPROVED.

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- NEW MEMBERSHIP CATEGORY PROPOSAL
- 105 Trish Martin, Chair of the Safe Sport Committee, reported on an increased financial burden
- on clubs and a possible barrier to entry for parent volunteers at the club level due to the
- 107 USOPC and U.S. Center for Safe Sport's (USCSS) expansion of adults who must be included
- in USA Swimming membership, which would result in required background checks and
- 109 Athlete Protection Training for those adults. Ms. Martin remarked on the efforts made for
- 110 clubs to comply with the new requirements without cutting volunteerism or athlete
- 111 programing.

- 113 Matt Webber, Chair of the Club Development Committee, asked the Board to consider a
- new membership category to make it easier for clubs and individuals to ensure the new
- 115 USCSS mandates are accomplished.

- Ms. Howard noted that the effective date of September 1, 2022 is intentional to give the organization time to socialize, publicize and build technology for the new membership category. Ms. Howard recognized that the organization understands the new mandates will cause an immediate burden on clubs as implementation from USCCS is required by January 1, 2022 but hopes that with the approval of the new membership category, clubs and Local
- 121 Swim Committees (LSCs) know relief is on the horizon.

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Joel Shinofield, Managing Director of Sport Development, added that changes such as these are why the organization is building Swims 3.0, which would allow updates to be implemented within days as opposed to weeks.

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127 **MOTION:** To approve the new non-athlete membership category and associated fee (Attachment 5). Seconded. **APPROVED.**

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PROPOSED LEGISLATION FOR THE HOUSE OF DELEGATES

- 131 Michelle Steinfeld, Secretary and General Counsel, opened a discussion on the Board-
- approved legislation regarding the Operating Policy Manual in which staff maintains the
- 133 document.

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- 135 The Board discussed its oversight of the Operating Policy Manual through Monitoring
- 136 Reports. Updates are made in collaboration with appropriate entities during review
- processes, and if responsibilities are given, so is authority and vice versa.

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- 139 Ms. McRoberts added that committee Staff Liaisons are involved with any changes made to
- the committees that fall within the Operating Policy Manual, and Ms. McRoberts
- encouraged any committee that does not feel part of the process to reach out to their staff
- liaison. Ms. McRoberts also noted that the Operating Policy Manual includes more than just
- 143 committee details, but also encompasses technology applications, among other topics.
- Bill Charney, USA Swimming's Board Governance Consultant, reported that if the Board has
- any area of concern, it can ask for updates or discussions from the staff at any point during
- the year; it is not beholden to the scheduled reports.

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- Mr. Brearton emphasized that the Board should educate membership on what the
- 149 Operating Policy Manual is and what it is not.

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- 151 Ms. Steinfeld briefly presented the proposed legislation for the Special Meeting of the
- House of Delegates which center around the National Board of Review (NBOR), the Coaches
- 153 Advisory Council (CAC), and the House of Delegates composition.

155	Mr. Brearton encouraged Board members to support the proposed legislation, specifically
156	R-4 regarding the House of Delegates composition.
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158	The Board voiced their approval of R-4
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160	MOTION: To endorse the passage of R-4. Seconded. APPROVED.
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162	Ms. Steinfeld provided brief details on the formation and composition of the CAC.
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164	The Board and staff engaged in discussion regarding the CAC, specifically the inception and
165	composition of the CAC and how the staff can support the CAC.
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167	Mr. Hinchey noted the committee updates and legislative process started with working
168	directly with the chairs of each committee and the organization will continue to engage
169	strategic groups within membership.
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171	PROPOSED CHANGES TO BYLAWS
172	Ms. Steinfeld presented the proposed changes to the USA Swimming Bylaws (Attachment
173	6).
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175	Ms. Howard noted that passing the Bylaw changes now allows the membership more time
176	to adjust to the changes which are to be implemented January 1, 2022.
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178	The Board suggested that the staff continue to solicit feedback from membership regarding
179	the Bylaw changes.
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181	Ms. McRoberts explained the changes under Section 3.1.1, including that the "USA
182	Swimming Policy Manual" no longer exists and that no matter which governance document
183	outlines the job responsibilities for the President & Chief Executive Officer and Chief
184	Financial Officer, those officers are expected to follow those responsibilities.
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186	Ms. McRoberts additionally explained that the USOPC recommended the USA Swimming
187	Athletes' Advisory Council (AAC) be added to the Rulebook, not Bylaws, to provide that
188	group with the greatest protection from being eliminated by any entity other than the
189	House of Delegates.
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191	MOTION To amend the Bylaws of USA Swimming, Inc., as outlined in Attachment 6, effective
192	September 26, 2021. Seconded. APPROVED.
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USA SWIMMING FOUNDATION UPDATE

Mr. Vincent introduced the Chair of the Foundation Board of Directors, Dr. Cecil Gordon.

Dr. Gordon expressed his excitement for the Foundation Board to finally connect in person as the Foundation Board expanded twice since it last met in-person. Dr. Gordon reported that the Foundation Board will continue to expand by electing four new members through a Nominating Committee led by Foundation Board member, Jill Bornstein. Dr. Gordon noted that the Nominating Committee will make recommendations to the Foundation Board who in turn will ask the USA Swimming Board of Directors for its approval at its December 2021 meeting in additional to electing a new Chair for the Foundation Board. Dr. Gordon also announced that during the next Foundation Board meeting, the Board will elect its officers.

- Dr. Gordon highlighted the work of the Foundation Board, including expanding the age requirements for Adult Learn to Swim Grants in partnership with U.S. Masters Swimming. These efforts provide meaningful opportunities for Foundation donors to offer direct funding to National Team athletes, raising \$250,000 at the Swimming Trials in addition to \$40,000 raised by the Officials, entertaining donors at the Olympic Training Camp, and waiving the 5% fee for clubs who hosts Swim-A-Thon's.
- Lastly, Dr. Gordon thanked those who have donated money and items to the annual Golden
 Goggle Awards and asked for that support to continue for the 2021 Golden Goggle Awards
- 214 (Attachments 7 12).

TRUSTEES COUNCIL REPRESENTATIVE AMENDMENT

Ms. Steinfeld presented an amendment to the Foundation Bylaws that were approved by the Foundation Board of Directors to now be approved by the Board of Directors regarding the Trustees Council representative to the Foundation Board.

MOTION: To amend the Bylaws of USA Swimming Foundation, Inc., effective upon subsequent approval by the USA Swimming Board of Directors:

Section 7.1 Trustees Council. The Foundation shall be supported by a Trustees Council. <u>Other than the Trustees Council Representative, who shall serve as a voting director pursuant to Section 3.2(c), Mmembers</u> of the Trustees Council shall not, as such, have any of the duties or liabilities of a director under law and shall not in any respect be considered directors of the Foundation.

Seconded. APPROVED.

233 MANAGEMENT PARAMETERS MONITORING

- 234 Mr. Vincent briefly described what the Ends monitoring reports entail, as well as the process
- by which they are distributed and discussed prior to Board meetings.

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- POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES
- 238 Mr. Vincent presented Policy 3.4, Financial Condition & Activities (Attachments 13 20).

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

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- 245 Eric Skufca, Chief Financial Officer, began with seeking Board acceptance and approval of the
- 246 organization's 2020 financial audit.

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- 248 Kenneth Chung, Vice Chair of Fiscal-Oversight and Audit Committee Chair, highlighted the
- 249 Audit Committee's process, including discussion with the external audit firm, to recommend
- 250 that the Board accept and approve the 2020 audit report with a clean, unqualified opinion.

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MOTION: To approve USA Swimming's 2020 Audit Report. Seconded. **APPROVED.**

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- 254 Mr. Skufca reported that the Investment Committee worked with the staff and external
- 255 investment manager to strategically update the organization's Investment Policy Statement
- 256 through its annual review. Mr. Skufca noted updates to the USA Swimming statement were
- 257 more housekeeping (minor), while the Foundation statement had some slight long-term
- 258 strategy shifts.

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- 260 Mr. Chung commented on the Investment Committee's work with First Western Trust to look
- at the best pathways forward, noting that the organization's investment returns have
- allowed the organization to re-invest in membership at all levels.

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- **MOTION:** To approve updates to the USA Swimming's Investment Policy Statement as review
- and recommended by the Investment Committee. Seconded. APPROVED.

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- Mr. Chung shared his appreciation of staff for being financially transparent with the Board
- and membership.

- 270 POLICY 3.6: FINANCIAL PLANNING AND BUDGETING
- 271 Mr. Vincent presented Policy 3.6, Financial Planning & Budgeting (Attachments 21 24).

- 272 Mr. Skufca elaborated on the budget process that is conducted by the entire staff through a 273 continued collective effort for a financial plan yearly, each quad and beyond. Mr. Skufca 274 noted how the staff collectively prioritizes revenue and expenses. 275 276 Mr. Skufca highlighted the Quad Business Plan Summary, including the flexibility of how the entity operates, with some years being an operating surplus and others being an 277 278 operating deficit, but noting there is a purpose behind each year's projection to reach goals 279 at the end of the quad. 280 281 Mr. Chung added that the organization does not exist to make money but to strategically 282 support and provide services to the membership. 283 284 Mr. Skufca presented the three Board-related budget items to be approved, including the 285 Board of Directors budget, the Board Chair's travel budget and the audit and tax fees. 286 Mr. Chung asked for the Board to approve the Board-related items to be incorporated into 287 the 2022 budget. 288 289 290 **MOTION:** To approve Board related programs and expenses for the 2022 budget. Seconded. 291 APPROVED.
- 293 **MOTION:** To approve that the performance monitoring report on Policy 3.6, "Financial 294 Planning and Budgeting," conveys (a) interpretations of the policy that are reasonable, and (b) 295 that the report reasonably substantiates compliance with the policy requirements, consistent 296 with the CEO's interpretations. Seconded. APPROVED.

POLICY 3.10 LSC REPORTING REQUIREMENTS

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- 299 Mr. Vincent presented Policy 3.10, LSC Reporting Requirements (Attachment 25).
- 301 Ms. Howard reported that a new LEAP program has been implemented, with half of the 302 LSCs going through the new streamlined structure in 2021 and the remaining LSCs doing 303 so in 2022.
- 305 Ms. Howard provided an update on the LSC Affiliation Agreement, noting the first version is set to expire at the end of 2021 and the biggest compliance challenge has been the section 306 regarding Financial Management. Ms. Howard reported that there are currently sixteen 307 LSCs not in compliance with that provision and that if those LSCs do not comply, the Board 308 will be asked to enact penalties on those LSCs. 309

311	Ms. Howard highligl	nted the e	enhanceme	ents to the new	v LSC Affiliation	Agreement	, including
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- requiring LSCs to remain in good standing with their home state by filing taxes, formalizing
- the benefit of the group tax exception, requiring LSCs to report on membership outreach,
- 314 memorializing an LSC's responsibility to cooperate with USA Swimming and legal counsel
- in any litigation processes, detailing types of public statements LSCs may issue, gaining
- 316 approval from USA Swimming regarding any political lobby activities, ensuring if an LSC
- 317 uses its own insurance, it is the primary insurance and it does not negate USA Swimming's
- 318 insurance, and formalizing decertification effects and processes of an LSC or USA
- 319 Swimming (Attachment 26).

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- Ms. Howard stated that once approved by the Board, USA Swimming would present the new agreement to the LSCs with the expectation to execute the new affiliation agreement
- 323 by the end of 2021.

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The Board briefly discussed some of the details of the new agreement, as well as why LSCs may not be complying and suggested further educating the appropriate person(s) within each LSC to ensure compliance.

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329 **MOTION:** To approve the 2022 - 2023 LSC Affiliation Agreement. Seconded. **APPROVED.**

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MOTION: To approve that the performance monitoring report on Policy 3.10, "LSC Reporting Requirements," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded. **APPROVED.**

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KEEPING ATHLETES FIRST INITIATIVE

Ms. McRoberts remarked on the KAF transformation from four key initiatives, each with their own budget, to three initiatives with one budget.

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Ms. Howard stated that Safe Sport Club Recognition (SSCR) and Staff Program Resources are divided into three areas: programs and services for clubs and LSCs, club and LSC incentives, and staff support.

- Ms. Howard reported that as part of promotions and communications, USA Swimmingprovided every club with a branded pop-up changing tent, mailed all registered families a
- 346 Safe Sport family resource guide in which USA Swimming reached every registered family
- for the first time in its 10-year history, published a Public Service Announcement video for
- outlining new MAPP requirements, and lastly, conducted a Safe Sport rally towel giveaway
- at the 2020 Olympic Trials.

350	Ms. Howard added that along with every club receiving a pop-up changing tent, clubs who
351	achieved SSCR or renewed their status received additional tents. LSCs were incentivized
352	through a tiered cash program to encourage and support their clubs to achieve SSRC.
353	Lastly, Ms. Howard noted that through staff support, an independent contractor has been
354	engaged to review SSCR applications.
355 356	Mr. Shinofield reported that the technology for Online Member Registration (OMR) is
357	largely complete, except for ongoing adjustments recommended by the Membership and
358	Registration subcommittee.
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360	Mr. Shinofield remarked that the IT security initiative is also largely complete with
361	implementation on some items still to come, as well as decisions on the possible need for
362	additional security for existing Swims 1.0.
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364	Mr. Shinofield reported that Swims 3.0 is making significant progress, with database
365	architecture close to completion and data warehouse development set for this fall. Mr.
366	Shinofield emphasized the importance of the data warehouse's membership reporting
367	tools, which will cultivate an interactive community amongst LSCs, clubs and coaches
368	through the sharing of information to create a better athlete experience. Mr. Shinofield
369	announced the addition of a data engineer to provide and respond to member services with
370	the anticipation of providing an improved interface for membership.
371	
372	Lastly, Mr. Shinofield stated that next steps for OMR and the database warehouse will be
373 374	testing, followed by taking care of "punch list" items and educating membership.
375	COACH EDUCATION UPDATE
376	Mr. Shinofield introduced MJ Truex, Senior Director, Team Services, Coach and Athlete
377	Development and Maggie Vail, Manager of Education and Curriculum.
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379	Ms. Vail stated that the Coach Education platform is a professional development program
380	for coaches, with the goal of creating better experiences for athletes through quality
381	coaching. Ms. Vail reported that most of the program will be delivered online, along with in-
382	person offerings to compliment the online content.
383	
384	Ms. Vail highlighted the two guiding frameworks of the platform, beginning with the
385	Quality Coaches Framework (QCF). Ms. Vail reported that the USOPC provided the QFC,
386	which worked well to organize feedback received from coaches regarding coach education.
387	Ms. Vail explained the American Development Model (ADM) within QCF, which focuses on
388	athlete swimming progressions and athlete character development.

389	Ms. Truex presented the two learner pathways: New Coach Pathway and Existing Coach
390	Pathway. Ms. Truex explained the New Coach Pathway, starting with prerequisite courses
391	needed prior to coaching on deck, followed by a yearlong learning experience that ends

- with a Core Certification and then transitions to Continuing Education Units (CEUs). Ms.
- 393 Truex touched on three other yearlong experiences that are available to coaches,
- 394 depending on their interests and goals, including ADM Age-Group, ADM Senior, and Head
- 395 Coaching certificates.

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Ms. Truex described the Existing Coaching Framework that begins with the QCF as a foundation and prerequisite to the other courses. Ms. Truex stated that once the QCF is complete, existing coaches can fast track to CEUs or they can choose one of the various yearlong certification experiences.

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402 Mr. Shinofield explained that the completed certifications will be available for clubs to check as they hire new coaches.

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Ms. Truex gave further details regarding the price structure and ways to earn CEUs throughcoach mentoring and existing membership requirements.

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Lastly, Ms. Truex provided next steps, including engaging focus groups, course building, and platform testing and training before launching the platform in September 2022.

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GUEST SPEAKER

- 412 Rick Adams, USOPC Chief of Sport Performance & NGB Services, thanked USA Swimming
- 413 for its partnership and remarked on Ms. Mintenko's notable example of women leading in
- 414 the Olympic Movement. Mr. Adams commented on the work done by USA Swimming that
- 415 gave athletes the opportunity to win gold medals at the Tokyo Games through the
- Swimming Trials and in collaboration with the USOPC. Mr. Adams again thanked the
- organization for its dedication and continued efforts to improve to keep up with the rest of
- 418 the world.

419 420

ENDS/PRIORITY RESULTS MONITORING

421 **POLICY 1.1: COMPETITIVE SUCCESS**

422 Ms. Mintenko introduced members of the USA Swimming National Team Division.

- 424 Russell Mark, National Team High Performance Manager, provided statistics from the USA
- 425 Swimming Olympic Team at the Tokyo Games, including 30 medals won the most medals
- by a women's team and of any USA Team at the Olympic Games. Mr. Mark highlighted
- 427 performance metrics, including team improvement between Swimming Trials and the
- Olympic Games, by getting 55% faster to produce a finalist in every event at the Olympic

Games with nine rookies winning individual medals. Mr. Mark emphasized the importance of a pipeline to build a successful team, as well as international experience to compete against countries that are getting faster.

Carliann Brashier, National Team International Games Operations Manager, described the priorities at training camps for the National Team, which include the health and safety of the athletes as well as performance. Ms. Brashier commented on the many ways performance can be impacted, from flights to time zones to swimming facilities to comforts that make a foreign space feel like home. Ms. Brashier spoke about the significance of creating team spaces for gatherings and team building both at the hotel and competition venue. Ms. Brashier concluded with emphasizing the importance of support staff during a competition such as the Olympic Games, including medical staff, dietitians, USOPC practitioners, and especially for this Olympic year, COVID Liaison Officer Assistance.

Stacy Michael-Miller, National Team Support & Services Director, described USA Swimming's Direct Athlete Support program that allows athletes to focus on training by providing them financial support. USA Swimming increased this support during the COVID-19 pandemic and extended through the end of 2021. Ms. Michael-Miller remarked on the partnership with the USOPC on the Operational Gold program that supports competitive success at the highest level, again through financial means for athletes, so they can focus on training to compete internationally. Ms. Michael-Miller explained the Donor and Athlete Partner Program that allows Foundation donors the opportunity to support athletes in and out of the water financially and with life after swimming. Ms. Michael-Miller closed with reporting on the organization's more intentional focus on mental health through an Athlete Assist Program, support group opportunities, and partnerships with Talkspace, Headspace, and the USOPC medical staff, specifically their mental health consultant.

Matt Barbini, National Team Performance Director, provided a look forward toward the Paris Olympic Games focusing on three priorities: international competition opportunities, direct athlete support, and athlete health. Mr. Barbini reported that high level, international competition experience for athletes is critical to the success of the National Team, noting how much more important it is for open water swimmers. Mr. Barbini remarked on the challenges of navigating the upcoming international competition calendar for multiple athlete groups and additionally budgeting issues leading to challenges to offer competition opportunities to athletes. Mr. Barbini did note that the schedule gives USA Swimming the opportunity to directly select teams for the pre-Olympic year in 2023, allowing the organization to have a clearer idea of what kind of performance to expect for the 2024 Olympic Games. Mr. Barbini briefly described a more efficient resource allocation through the Direct Athlete Support. Lastly, Mr. Barbini reported on the continued

- 468 progress on athlete health, both physically and mentally through more personalized services469 and responsiveness.
- 470
- 471 Mr. Vincent presented Policy 1.1, Competitive Success (Attachment 27).
- 472 MOTION: To approve that the performance monitoring report on End 1.1, "Competitive
- 473 Success," conveys (a) interpretations of the policy that are reasonable, and (b) that the report
- 474 reasonably substantiates achievement of the policy requirements, consistent with the CEO's
- 475 interpretations. Seconded. APPROVED.

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- **477 CLOSED SESSION (2.3.6)**
- 478 **LITIGATION UPDATE**
- 479 The Board went into closed session so Ms. Steinfeld could provide a legal update.

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- 481 **COMPENSATION COMMITTEE UPDATE**
- Staff left the meeting as the Board remained in closed session for compensation discussions.

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- 484 **STAFF UPDATES**
- 485 Mr. Hinchey submitted a written report to the Board (Attachment 28).

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- 487 SAFE SPORT VIETH REPORT PROGRESS UPDATE
- 488 Ms. Howard provided a brief overview of the Vieth Report that was commissioned to
- evaluate USA Swimming's Safe Sport program, as well as to provide recommendations to
- 490 improve the program. Ms. Howard reported that USA Swimming has fully implemented all
- 491 the items that were recommended to the organization, with the only exceptions being the
- recommendations that are now best suited for the in the U.S. Center for Safe Sport
- 493 (Attachment 29).

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- IRC COMMITTEE UPDATE
- 496 Mike Unger, Chief Operating Officer, asked the Board to approve the International Relations
- 497 Committee's recommendation of Mr. Brearton as USA Swimming's delegate to the
- 498 Federation Internationale De Natation (FINA) Extraordinary Congress on December 15,
- 499 2021.

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- 501 **MOTION:** To approve Chris Brearton as USA Swimming's delegate to the FINA Extraordinary
- 502 Congress December 15, 2021. Seconded. APPROVED.

- Mr. Unger reported on two changes to the recommendations for FINA committees and panels
- that were previously approved by the Board, including Mr. Brearton being nominated for a

spot on the Finance Committee and Jeff Cook now being added to the FINA doping panel (Attachment 30).

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"PIVOT" PRESENTATION

Mr. Hinchey briefly described the organization's impetus for "pivoting" forward and the importance of that theme for the next quad.

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Ms. McRoberts briefly explained the two frameworks within which USA Swimming operates, including its charge as the NGB of the sport of swimming, as well as its Purpose & Ends (Priority Results) which guide the organization's overall strategies.

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Mr. Hinchey added that if USA Swimming achieves its Ends of competitive success, developing and providing resources to membership, and continued public engagement with swimming, it will achieve its goal of being a best-in-class NGB. Mr. Hinchey remarked how the Annual Business Meeting (ABM) will allow the organization the opportunity to increase membership involvement in annual business planning.

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Mr. Hinchey presented USA Swimming's Pyramid that depicts how the organization can positively contribute to all areas of the sport of swimming. Additionally, Mr. Hinchey presented the organization's priorities, including stewarding its financials, mitigating threats, and growing the sport.

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Mr. Skufca shared the organization's average revenue and expenses for the current quad, showcasing how the organization is projecting to approximately breakeven operationally for the quad.

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Mr. Shinofield added that USA Swimming events do not exist to make money but rather are used as investments in grassroot athletes.

533 534

535 Mr. Unger briefly explained event finances, using the example of the 2020 Olympic Trials 536 which is generally a revenue generator but more importantly, an opportunity for athletes 537 and coaches to compete.

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Ms. McRoberts added another example of USA Swimming prioritizing resources by noting the organization's ability to continue the efforts of the KAF initiative during the COVID pandemic due to responsible financial stewardship.

542

Mr. Shinofield highlighted program resources and services for members, including access to affordable, high-quality insurance, SwimAssist for sexual abuse survivors, grants for clubs to

ensure they can offer new opportunities for communities that do not have access to competitive swimming and funding of diverse programs that offer opportunities to women and underrepresented coaches.

Mr. Shinofield reported that one of the biggest obstacles for the organization during COVID was the loss of younger swimmers who missed opportunities due to the prioritization of pool time for older swimmers. Mr. Shinofield remarked on the work that needs done to engage families and provide them with opportunities within the sport, specifically competitions.

Mr. Unger commented on the challenges of competitions, including COVID mitigation, facility access, specifically college and school campuses, continued need for increased health and safety protocols, and limited development of new facilities.

Mr. Hinchey added that a silver lining from competition challenges is the organization's commitment to providing more long course competitions, including the creation of the TYR 18 & Under Cup.

Mr. Shinofield stated that a priority to growing the sport of swimming will be for USA Swimming to provide opportunities in the sport for everybody in every community. Mr. Shinofield noted that the organization will work with local partners and leverage experts in the field to expand community impact programs. Mr. Shinofield announced that Shaun Anderson, Senior Advisor of Community Outreach & Engagement, will focus more on the expansion of the community swim team programs to provide significant opportunities in communities that do not have accessible swimming programming. Additionally, Mr. Shinofield added that within the Coach Education program, Diversity, Equity, and Inclusion (DEI) is embedded in the curriculum including how to implement DEI within their communities.

Shana Ferguson, Chief Commercial Officer, remarked on USA Swimming's efforts to bring in more revenue in more diverse ways, which will allow the organization to increase member resources. Ms. Ferguson highlighted the commercial additions during 2021 to increase revenue, including three new sponsors, four new suppliers, and nine new licensees under the USA Swimming umbrella.

 Ms. Ferguson reported on the path for revenue growth through an increased focus on e-commerce and retail, implementation of a more aggressive partnership sales strategy, and growing events. Ms. Ferguson added that the Foundation Board has also provided an avenue for increased and diversified revenue, by moving from an advisory board to fundraising board.

584 Ms. Ferguson noted the need to continue to develop new platforms and to produce more 585 revenue for additional member resources and programs.

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Ms. Mintenko noted the importance of gender equality that USA Swimming provides for its athletes through equal gender representation for roster spots, direct athlete support and prize money.

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CLOSING ROUNDTABLE

NEXT MEETING / EVENTS

- Toyota U.S. Open / December 1 4 / Greensboro, NC
- Board of Directors Meeting / Monday, December 6, 2021 / Miami, FL
- Foundation Board of Directors / Tuesday, December 7, 2021 / Miami, FL
- Golden Goggle Awards / Tuesday, December 7, 2021 / Miami, FL
- Speedo Winter Juniors / December 8 11 / Greensboro, NC & Austin, TX
- Short Course World Championships / December 16 21 / Abu Dhabi

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APPRECIATION TO OUTGOING BOARD MEMBERS

Mr. Vincent thanked outgoing Board members, Jay Thomas and Jim Sheehan, for their work on the Board of Directors.

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MEETING ASSESSMENT

The Board engaged in a round table discussion assessing the day's meeting that included expressing enthusiasm for the National Team presentation on Team USA's success at the Olympic Games, as well as the Coach Education initiative, conveying gratitude for the Board's work and Mr. Vincent's leadership through the new governance structure, as well as the COVID-19 pandemic, sharing appreciation for Mr. Sheehan and Mr. Thomas for their contributions to the Board and the sport of swimming, and lastly, encouraging the staff to show more of their good work to membership.

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ADJOURN

Mr. Vincent adjourned this meeting at 4:13 p.m. Mountain Time.

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Respectfully submitted:

Michelle Steinfeld, Secretary and General Counsel

Will Stuful

Bob Vincent, Board Chair

USA Swimming Board of Directors Meeting Minutes

September 24, 2021 / Colorado Springs, CO

Attachment 1 Page 2 – Agenda: September 24, 2021	
Attachment 2 Page 3 – DRAFT BOD Minutes May 7, 2021	
Attachment 3 Page 3 – DRAFT Special BOD Minutes August 25, 2021	
Attachment 4 Page 3 – Hurricane Ida Resolution	
Attachment 5 Page 4 – New Membership Category Proposal	
Attachment 6 Page 5 – Proposed Bylaw Changes	
Attachment 7 Page 6 – USA-S Foundation Q2 2021 Financial Stmt. Re	eport
Attachment 8 Page 6 – 2020 USA-S Foundation Audit	
Attachment 9 Page 6 – 2020 USA-S Foundation Audit – Rec Letter	
Attachment 10 Page 6 – 2020 USA-S Foundation Audit – SAS 114 Lette	er
Attachment 11 Page 6 – USA-S Foundation IPS - Clean	
Attachment 12 Page 6 – USA-S Foundation IPS - Redline	
Attachment 13 Page 7 – Policy 3.4 Financial Condition and Activities	
Attachment 14 Page 7 – USA-S Q2 2021 Financial Statement Report	
Attachment 15 Page 7 – 2020 USA-S Affiliates Consolidated Audit	
Attachment 16 Page 7 – 2020 USA-S Affiliates Audit – Rec Letter	
Attachment 17 Page 7 – 2020 USA-S Affiliates Audit – SAS 114 Letter	
Attachment 18 Page 7 – Q2 2021 Combined Quarterly Investment Por	t. Stmt.
Attachment 19 Page 7 – USA-S IPS - Clean	
Attachment 20 Page 7 – USA-S IPS – Redline	
Attachment 21 Page 7 – Policy 3.6 Financial Planning and Budgeting	
Attachment 22 Page 7 – USA-S 2021 Budget v. 2021 Projection	
Attachment 23 Page 7 – Business Plan Summary 2017- 2021	
Attachment 24 Page 7 – BOD Related 2022 Budget Items	
Attachment 25 Page 8 – Policy 3.10 LSC Reporting Requirements	
Attachment 26 Page 9 – LSC Affiliation Agreement DRAFT	
Attachment 27 Page 13 – Policy 1.1 Competitive Success	
Attachment 28 Page 13 – Staff Update for the Board	
Attachment 29 Page 13 – Vieth Report Progress Update	
Attachment 30 Page 14 – 2021 IRC Nominations to FINA Committees	

AGENDA



9:00

USA Swimming Board of Directors September 2021 Board Meeting Friday, September 24, 2021, 9:00 am - 5:00 pm Colorado Springs, CO

A.	W	elcome	9:00
	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's Welcome	
	8.	Board Chair's Welcome	
	9.	ACTION: Approve Minutes	
В.	Вс	pard Process	
	1.	Hurricane Ida Resolution	9:15
	2.	New Membership Category Proposal	9:20
	3.	Proposed Legislation for HOD	9:35
	4.	Proposed Changes to Bylaws	9:50
C.	Br	eak	10:20
D.	US	SA Swimming Foundation Update	10:30
	1.	Trustees Council Representative Amendment	10:35
E.	Ma	anagement Parameters Monitoring	
	1.	Financial Condition and Activities (3.4)	10:40
	2.	Financial Planning and Budgeting (3.6)	10:55
	3.	LSC Reporting Requirements (3.10)	11:05
		a. LSC Affiliation Agreement	11:15

F.	Keeping Athletes First Initiative	11:20		
G.	Coach Education Update	11:35		
Н.	Guest Speaker - Rick Adams	11:50		
١.	Break - Working Lunch Delivered	12:05		
J.	Ends/Priority Results Monitoring			
	1. Competitive Success (1.1)	12:20		
K.	BREAK	1:20		
L.	Closed Session			
	1. Litigation Update	1:30		
	2. Personnel Update	1:45		
	3. Compensation Committee Update (2.3.5)	1:55		
	4. Commercial Update	2:00		
M.	Staff Updates			
	Safe Sport Vieth Report Progress Update	2:05		
	2. Membership & Finances	2:15		
	3. IRC Committee Update	2:30		
	4. Volunteer & Committee Engagement	2:40		
N.	BREAK	2:55		
	1. "Pivot" Presentation	3:05		
Ο.	Break	4:05		
P.	Closing Roundtable	4:15		
	Next Meeting / Upcoming Events			
	2. Appreciation to Outgoing Board Members			
	3. Meeting Assessment			
Q.	. Meeting Adjournment			

Total Meeting Time: 7h 35m

USA Swimming Board of Directors Meeting Minutes

May 7, 2021 / Denver, CO & Virtual Zoom Conference Call

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	CALL	4 I U	OIL	JLIN

- 2 Bob Vincent, Board Chair, called the May 7, 2021 Board of Directors meeting to order at 8:04
- 3 a.m. Mountain Time with the following members in attendance:

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- 5 PRESENT: Maya Andrews, Chris Brearton, Kenneth Chung, Kathy Fish, Bruce Gemmell,
- 6 Jennifer Gibson, Cecil Gordon, Natalie Hall, Tim Hinchey, Lucinda McRoberts, Katie Meili,
- 7 Kathleen Prindle, Bill Schalz, Jeanette Skow, Jim Sheehan, Jay Thomas, Bob Vincent.

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- 9 **GUESTS**
- 10 Jerry Adams, Julissa Arzave, Bill Charney, Joan Choi, Corey Coon-Cassily, Maria Davila,
- 11 Tristan Formon, Ryan Gibbons, John Gibson, Tim Husson, Bradley Jacobs, Paris Jacobs, Jim
- 12 Kelly, Jennifer LaMont, Pam Lowenthal, Michael McCaffery, Brian McGuire, Kevin Milak,
- 13 Keith Moore, Mike Murray, Kent Nelson, Ellery Parish, Dr. David Patterson, Taylor Rogers,
- 14 Dave Smith, Shawn Smith, Jack Swanson, Zack Toothman, Mary Turner, Matt Webber,
- 15 Michael White, Aaron Zhu.

16 17

- STAFF
- 18 Leland Brown III, Juan Caraveo, Jay Chambers, Paula D'Amico, Tina Dessart, Shana Ferguson,
- 19 Jane Grosser, Elizabeth Hahn, Brendan Hansen, Abigail Howard, Trish Hughes, Kiki Laino,
- 20 Jaime Lewis, Isabelle McLemore, Stacy Michael-Miller, Lindsay Mintenko, Patrick Murphy,
- 21 Kaitlin Pawlowicz, Hilary Perez, Devonie Pitre, Ashanee Player, Eric Skufca, Joel Shinofield,
- 22 Michelle Steinfeld, Denise Thomas, MJ Truex, Mike Unger, Scott Usher, Maggie Vail.

23

- 24 **MOMENT OF SILENCE**
- 25 A moment of silence was observed for USA swimming members who have passed away since
- 26 the last USA Swimming Board of Directors meeting.

27

- 28 SPECIAL RECOGNITION OF DAN MCALLEN
- Jim Sheehan honored the passing of Dan McAllen with brief remarks regarding his contributions to USA Swimming as an official and mentor.

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- **AGENDA REVIEW**
- 33 Mr. Vincent presented the agenda (Attachment 1).

RULES OF ENGAGEMENT / COVENANTS

Mr. Vincent provided an overview of the Rules of Engagement/Covenants.

DECLARATION OF CONFLICT OF INTEREST (2.5.4)

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

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

CEO WELCOME

President and CEO Tim Hinchey began by welcoming everyone and emphasized the connectivity between staff and the Board over the last several months, specifically with regard to United States Olympic and Paralympic Committee (USOPC) compliance efforts and the corresponding Board Working Groups. Mr. Hinchey stated that it is the organization's responsibility to be a safe, inclusive, best in class National Governing Body (NGB). Mr. Hinchey then announced that there will be an Annual Business Meeting (ABM) held each September, which will include the annual meeting of the House of Delegates, as well as meetings of the Board of Directors for both USA Swimming and the Foundation.

Mr. Hinchey also previewed new marketing partnerships, as well as several campaigns benefiting the USA Swimming Foundation through a Supporter's Club. Mr. Hinchey discussed engagement opportunities for fans during the U.S. Olympic Team Trial – Swimming in Omaha. Mr. Hinchey concluded by commending the organization on a safe return to competition and expressed his excitement for upcoming competitions.

BOARD CHAIR'S REMARKS

Mr. Vincent remarked on how well the organization has navigated challenging issues during the pandemic, including investment in member clubs through additional funding. Mr. Vincent also highlighted continued support of the Keeping Athletes First initiative, which supports athletes at every level. Mr. Vincent also communicated the importance of the upcoming governance changes and urged the Board to come together to dispel unfortunate miscommunications/misunderstandings. Finally, Mr. Vincent commended the organization's fiscal responsibility and management of staff as important components of the organization's financial health during the pandemic.

74 MINUTES

75 Mr. Vincent presented the February 5, 2021 Board of Directors meeting minutes.

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77 *MOTION:* To approve the February 5, 2021, Board of Directors meeting minutes (Attachment 2). Seconded. APPROVED.

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- **BOARD APPROVAL OF EXTERNAL AUDITOR**
- Vice Chair Fiscal Oversight Kenneth Chung asked the Board to extend the contract for the organization's external auditor for one year, to avoid introduction of a new auditor during a quad.

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MOTION: To approve Waugh & Goodwin, LLP as the external auditor for USA Swimming for
 the year ending December 31, 2021. Seconded. APPROVED.

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- CENTER FOR SAFE SPORT REQUIRED UPDATES
- Mr. Vincent presented updates to the Rulebook required by the U.S. Center for Safe Sport, which mandates that all staff of member clubs and Local Swimming Committees (LSCs) be USA Swimming members.

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

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105 **MOTION:** To approve changes in accordance with the Center for Safe Sport. Seconded. 106 **APPROVED**.

- SPECIAL MEETING LOGISTICS
- 109 Chief Administrative Officer Lucinda McRoberts asked the Board of Directors to pass a 110 resolution to hold a Special Meeting of the House of Delegates.

- 111 **RESOLVED:** To call a Special Meeting of the USA Swimming House of Delegates for 3:00 p.m.
- Mountain Time on June 30, 2021, and that it be held virtually to vote on legislative approvals
- 113 necessary to bring USA Swimming into compliance with the USOPC Bylaws and federal law.
- 114 Seconded. APPROVED.

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- 116 Ms. McRoberts reported that the organization will provide a written notice to all members
- of the House of Delegates, noting the House of Delegates will be the same that convened in
- 118 September 2020.

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- Ms. McRoberts presented an amendment to the organization's Bylaws which clarifies that
- votes will be counted from those present and voting, with "present" including those
- 122 attending virtually.

123

- 124 6.2.5 Each member shall have one (1) vote on each matter submitted to the House of
- Delegates. There shall be no voting by proxy. At all meetings of the House of Delegates only
- those members duly certified and present (including virtually present at all meetings conducted
- via telecommunication) shall be permitted to vote. Vote outcomes shall be determined by those
- 128 <u>members of the House of Delegates present and voting.</u>

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130 **MOTION**: To amend Bylaw 6.2.5 as follows, effective immediately. Seconded. **APPROVED.**

131

- Ms. McRoberts presented Bylaw 6.1.9, which requires LSC members to be elected by July 1
- of each year and asked the Board to extend the deadline for 2021, since the composition of
- the House of Delegates may be decided on June 30, 2021.

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- 136 **MOTION**: For 2021 only, to extend the deadline to elect LSC members to the USA Swimming
- 137 House of Delegates and to provide written certification thereof until September 1, 2021.
 - Seconded. APPROVED.

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- 140 Ms. McRoberts noted that the Board Governing Policy Manual will need updates to comply
- with the 33.3% athlete representation federal mandate, which will be on the agenda at the
- 142 September 2021 Board of Directors meeting.

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144 FINA UPDATE

- Dale Neuburger reported that FINA is currently conducting a search for an Executive
- Director, with hopes to announce that individual during the FINA Congress in June 2021. Mr.

Neuburger additionally noted that FINA is likely to elect Hussan Al-Wusallam as its next President.

148 President149

Mr. Neuburger remarked on the difficulties across all aquatic disciplines in preparation for the Olympic Games but expressed his confidence in USA Swimming's National Team to be prepared. Mr. Neuburger reported that he is unsure as to whether the Junior World Championships scheduled for August 2021 in Kazan, Russia will occur, due to concerns regarding young athletes traveling during this time. Mr. Neuburger additionally noted the scheduling challenges for future events due to the date change of the FINA World Championships from July 2021 to May 2022.

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Mr. Neuburger emphasized the importance of relationship building between USA Swimming and FINA leadership, to ensure that the organizations support one another. Mr. Neuburger reported on FINA committee succession planning, specifically that Carol Zaleski is stepping down from her role on the FINA Technical Committee; Mr. Neuburger stated his hopes for American succession planning within the FINA leadership. Mr. Neuburger stressed the significance of American representation on FINA committees, in order for the U.S. to play a role in decision-making. He also noted that Mr. Al-Wusallam is looking for American leadership within FINA's future governance structure.

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Mike Unger added that the Board and the International Relations Committee (IRC) have already begun looking for candidates to represent the U.S. on FINA committees.

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NOMINATING COMMITTEE UPDATE

Ms. McRoberts reported that the Nominating Committee is currently accepting Board applications, due May 15, 2021. The Nominating Committee has been apprised of possible changes to Board composition following the June 30, 2021 Special Meeting of the House of Delegates.

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POLICY AND PROCEDURES MANUAL UPDATE

Ms. McRoberts announced that the Operating Policy Manual has been updated and will be emailed to the Board for review. The updates will include a Motion without a Meeting to approve legislation which shifts responsibility for the Policy Manual from the Board to the USA Swimming President & CEO.

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- 184 UPDATED WORK PLAN
- 185 KPIs UPDATE ON SUCCESSFUL ATHLETES, COACHES, AND CLUBS, POLICY 1.2
- 186 Mr. Vincent reported that the Key Performance Indicators (KPIs) for Policy 1.2 have been
- 187 updated (Attachment 3).

188 189

- PUBLIC ENGAGEMENT WITH SWIMMING, POLICY 1.3
- 190 Mr. Vincent reminded the Board of the November 2020 Board of Directors' meeting
- agreement to move the reporting of Policy 1.3 to November Board meetings to allow for
- 192 greater availability of data for the report.

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- 194 MANAGEMENT PARAMETERS MONITORING (4.4)
- 195 **POLICY 3.2: EXTERNAL RELATIONS**
- 196 Mr. Vincent presented Policy 3.2, External Relations (Attachment 4).

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

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- **POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES**
- Mr. Vincent presented Policy 3.4, Financial Condition & Activities (Attachments 5-13).

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- 206 Chief Financial Officer Eric Skufca presented the 2020 financial results, in which he
- 207 highlighted the expense reduction to budget of over \$14.6 million. Mr. Skufca noted that
- approximately half of this reduction resulted from active decisions made by staff and the other half was a byproduct of postponement of events primarily caused by the global
- 210 pandemic. Mr. Skufca noted the 2020 operating surplus was larger than budgeted, but the
- 211 surplus will be needed for the remainder of the "quad" and beyond.

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- 213 Mr. Skufca provided the 2021 budget to current projection summary, highlighting material
- variances in both revenues and expenses. Revenue variances include membership trending
- 215 more positively than budgeted, but Olympic Trials net revenue projecting less than budget.
- 216 Expense variances primarily include increases around COVID testing and mitigation at
- events, as well as travel logistics for the National Team.

218

The Board engaged in discussion regarding membership projections and pathways.

Mr. Skufca provided a high-level overview of the budget process for 2022 and through the next 2024 three-year "quad."

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Mr. Skufca highlighted Provisions 2 and 8 within Policy 3.4, noting anticipated increased expenditures in certain areas of the budget primarily due to unknowns at the time of the 2021 budget approval in November 2020; that budget could only reasonably anticipate the scale of program expenses within the National Team Division for travel logistics and COVID testing and mitigation expenses throughout the year.

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Mr. Chung summarized the financials by remarking on the continued efforts of the staff to strategically navigate the organization through these unique times by ensuring we tighten finances where needed, but still execute our membership programming and resources. Mr. Chung reported that the Paycheck Protection Program 2 (PPP2) working group recommends that the organization not apply for PPP2 at this time given the current status and interpretations of the program as they relate to the organization.

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

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- **POLICY 3.5: ASSET PROTECTION**
- Mr. Vincent presented Policy 3.5, Asset Protection (Attachment 14).

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Mr. Skufca reported full compliance at this time.

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

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- **POLICY 3.8: ASSET PROTECTION**
- 253 Mr. Vincent presented Policy 3.8, Emergency Management Succession (Attachment 15).

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255 Mr. Hinchey explained that the report is unchanged.

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

LEGISLATION - THE PATH TO COMPLIANCE

A RESPECTFUL & LEARNED PROCESS

Mr. Vincent provided an overview of the legislative process for the Board and stated that the comment and question period for membership will remain open (Attachment 16).

Mr. Vincent emphasized the importance of the governance process and asked the Board to ensure that USA Swimming is compliant with USOPC and federal mandates. Mr. Vincent expressed that compliance is intended to protect athletes and explained that a lack of compliance could result in the dissolution of the Board of Directors, as well as the decertification of USA Swimming as a National Governing Body. Mr. Vincent presented an overview of the required rule changes and a timeline of events leading to the rule changes.

Q&A SESSION W/DR. DAVE PATTERSON (USOPC)

Dr. Dave Patterson of the USOPC answered the Board's questions concerning a variety of compliance topics. Dr. Patterson reported that he is working with other NGBs that are also changing the composition of their voting bodies to comply with federal law; he stated that every NGB with a House of Delegates or assembly body either has made or will make commensurate changes to the USA Swimming compliance legislative proposals.

Additionally, Dr. Patterson explained that Congress has demanded that certification is no longer a default position; specifically, Dr. Patterson explained that if USA Swimming knowingly does not comply with the 33.3% athlete representation requirement, it will not go unnoticed. Moreover, given that athlete voice is so fundamental, the USOPC would consider a lack of compliance to be an egregious, material breach with grave consequences, up to and including the USOPC's recognition of another organization as the NGB for U.S. swimming. Dr. Patterson noted that the need to comply is not only a message from the USOPC, but from Congress. Dr. Patterson advised that if USA Swimming loses its status as an NGB, there is substantial risk that it will not be re-certified as the NGB. He added that there is no guarantee that USA Swimming would even be allowed to re-apply for certification.

Dr. Patterson remarked on the specific pool of athletes needed for compliance, as defined as athletes competing on behalf of the United States at the elite level. Dr. Patterson spoke to

- other ways beyond House of Delegates representation for USA Swimming to ensure that all athletes have a voice—for example by inviting other athletes to attend meetings of the USA Swimming Athletes' Advisory Council, once formed.
- Dr. Patterson reminded the Board that the definition of "10-Year Athlete" existed prior to the new federal mandate and noted that these athletes who have lived the entire swimming journey and who have reached all levels of the sport can provide a unique and comprehensive perspective.
- Dr. Patterson stated it is imperative for the House of Delegates to pass all three pieces of legislation to be compliant. Dr. Patterson emphasized that doing so sends a positive message to the entire community that USA Swimming is putting athletes first.

LEGISLATION - WORKING GROUP UPDATES

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Vice Chair / Chair Elect Chris Brearton provided a brief overview of the formation and operations of the Working Groups. Mr. Brearton noted that each Working Group was led by a Board member and included representation from all levels of membership. Mr. Brearton remarked on the intentional process of communicating with the membership.

COMMITTEES WORKING GROUP UPDATE & DISCUSSION

- Katie Meili provided an overview of the Committees Working Group's legislation, including ensuring the National Team Steering and Rules & Regulations Committees are Designated Committees, as defined by the USOPC, and that these Committees have 1/3 athlete representation. Additionally, Ms. Meili indicated that the legislation updates the composition of the Senior Development Committee and Age Group Development Committee by providing 1/3 athlete representation.
- Ms. Meili reported that the Committees Working Group also recommends adoption of a USA Swimming Athletes' Advisory Council (AAC) as the advocacy body for all 10-Year Athletes. Ms. Meili noted that three members from the Athletes Executive Committee (AEC) will sit on the AAC with voice but no vote. Ms. McRoberts provided an overview of the process to seat the AAC, including the need for nomination and election periods.
- Ms. Meili stated the final recommendation from the Committees Working Group is to form a
 Selection Procedure Approval Committee to memorialize a process which already occurs in
 practice.

MOTION: To submit the Committees legislative proposals to the Rules & Regulations Committee for consideration in advance of the June 30 Special Meeting of the House of Delegates. Seconded. **APPROVED.**

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BOARD WORKING GROUP UPDATE & DISCUSSION

Jeanette Skow described the current Board structure and presented the recommendation of the Board Working Group, including adding two athletes to the Board of Directors: the USOPC AAC Representative and Alternate, to replace two at-large positions. Ms. Skow reported that these were the only proposed changes to the Board's composition. Ms. Skow additionally noted the proposed legislation includes clarifying language regarding the Past Chair's geographical and semi-independent representation.

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Ms. Skow addressed the concerns surrounding grassroot athlete representation and the proportionate reduction of representation of coaches, by stating that the Working Group believes that the at-large positions on the Board provide all USA Swimming members an opportunity for election.

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MOTION: To submit the Board of Directors legislative proposals to the Rules & Regulations Committee for consideration in advance of the June 30 Special Meeting of the House of Delegates. Seconded. **APPROVED.**

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Ms. Skow commented on the importance of ensuring that the Board nominating process has a means for recognizing grassroots athletes; thus the Board Working Group proposed a new charge to the Nominating Committee, specifically regarding athletes who have experience at local competitions and with governance.

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The Board engaged in discussion regarding the word "seeking" within the motion.

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MOTION: To approve the BOD to expand its charge to the Nominating Committee to include that special emphasis should be placed on seeking considering athletes, for both 10 Year Athlete and At-Large positions, who have insight and experience in local and regional competition and aovernance. Seconded. **APPROVED.**

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HOUSE OF DELEGATES WORKING GROUP UPDATE & DISCUSSION

Bill Schalz provided an overview of the House of Delegates Working Group's process. Mr. Schalz reported that the House of Delegates Working Group recommends reducing the size

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These minutes will be officially approved by the USA Swimming Board of Directors at its September 24, 2021 meeting.

of the House of Delegates to 390, while also ensuring that there is 33.3% 10 Year Athlete representation.

369370 Mr. Schalz summ

Mr. Schalz summarized the changes that the House of Delegates Working Group made to its proposal after feedback from membership, including specifying three votes from each LSC, removing UANA and FINA members as voting members, reducing the Board Chair's selected number of coaches from 25 to 15, allowing the 18 largest LSCs an additional coach vote, and allowing the Chairs of the Age Group Development Committee and Senior Development Committee to elect an additional coach member to receive a vote.

Mr. Schalz addressed the concerns regarding constituencies losing representation in the House of Delegates by stressing that the House of Delegates Working Group attempted to reduce the numbers evenly to comply with the federal mandate.

The Board engaged in discussion regarding several topics, including ways to encourage athlete participation from the AEC, incentivizing LSCs to involve their athletes, ensuring specific measures are in place during the committee application period for athletes, and continuing to give grassroot athletes a voice.

Mr. Brearton highlighted the progress made by the House of Delegates Working Group and stated that while there is a reduction in the number of delegates, representation is clear and even across the board.

Board members recognized that complying with the federal mandate is in the best interest of the membership, specifically athletes, and committed to bringing the best possible legislation on behalf of the membership to the House of Delegates on June 30, 2021.

Mr. Hinchey noted the hard work done by staff and volunteers to keep USA Swimming moving forward but stated that hard work would be negated if the organization is not compliant.

MOTION: To submit the House of Delegates legislative proposal to the Rules & Regulations Committee for consideration in advance of the June 30 Special Meeting of the House of Delegates. Seconded. **APPROVED**.

- 404 WORKING LUNCH CLOSED SESSION
- 405 **LITIGATION UPDATE**
- The Board went into closed session so Ms. McRoberts, General Counsel, could provide a legal
- 407 update.

408

- 409 **PERSONNEL UPDATE**
- The Board remained in closed session to discuss personnel. All staff except Mr. Hinchey left
- 411 the meeting.

412

- 413 **STAFF UPDATES**
- 414 CEO'S UPDATE
- 415 Mr. Hinchey submitted a written report (Attachment 17).

416 417

- DIGITAL TRANSFORMATION (KEEPING ATHLETES FIRST)
- 418 Managing Director of Sport Development Joel Shinofield expressed his enthusiasm for how
- 419 the digital transformation will assist the membership.

420

- 421 Director of Data Analytics Patrick Murphy reported that the organization is in the process of
- 422 updating the SWIMS database to improve data collection and to better support the
- 423 membership, specifically the Keeping Athletes First initiative. Mr. Murphy described the
- method his team is using and the work completed thus far. Mr. Murphy shared that the
- 425 system will allow members to manage their accounts, modernizing the system to better
- 426 communicate with all membership. Mr. Murphy noted that the new system is built for
- longevity. Mr. Murphy provided a demonstration of what the membership database will
- 428 feature.

429

- 430 Mr. Shinofield commented on the benefits of the new system, including ensuring that club
- coaches and athletes are compliant with regards to Athlete Protection Training (APT) and
- other certifications prior to competitions, and ultimately allowing for safer environments.
- 433 Mr. Shinofield added that the new system will provide clubs with valuable data points,
- 434 including retention rates, that can be shared broadly.

435

- 436 Mr. Murphy showed how facility data will be collected and Mr. Shinofield added that this will
- help parents find our clubs and learn-to-swim programs, all leading to the possible growth
- 438 of clubs and overall membership.

Mr. Murphy touched on modernizing the interface between the data warehouse and reports
 for clubs to access data without needing to go through a staff member.

443 444

- **OLYMPIC TRIALS**
- Mr. Unger provided an update on the Olympic Trials, including that the competition pool construction will begin in mid-May and that there are approximately 820 athletes qualified for Wave I and just under 600 athletes qualified for Wave II.

448 449

450

451 452 Mr. Unger discussed the COVID mitigation plan, including COVID testing at the venue, plans for those fully vaccinated, and the various tiers of individuals attending the Trials. Mr. Unger stated that the plan was compiled after collaborating with several entities on their experiences, including other NGBs, professional sports organizations, and National Team doctors. Mr. Unger noted that a COVID Officer and Medical Director will be available.

453 454

Mr. Unger reported that revenue will come from three sources: the USOPC, the rights fee from Omaha, and the joint venture with the Omaha Sports Commission. Mr. Unger noted that the revenue from the joint venture may be lower than anticipated due to ticket sales.

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Mr. Unger reported that Wave I will be broadcast on the Olympic Channel, with the USOPC providing half of the production revenue. Mr. Unger added that Wave II will be on NBC some nights and paid for by NBC.

461 462 463

Chief Commercial Officer Shana Ferguson added that while COVID will impact all aspects of Trials, there will still be plenty of engagement and entertainment for spectators.

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- FOUNDATION UPDATE
- Chair Dr. Cecil Gordon provided a Foundation Board of Directors' update, including that the Board met with its new members in March 2021. The Foundation Board designated Anne Berry as its representative on the Nominating Committee, and it was able to fulfill a request from the National Team to provide \$1 million for the Team to compete in Tokyo. Dr. Gordon additionally noted that the Foundation is financially sound, even after awarding \$4.2 million to swim lesson providers, USA Swimming clubs, and the National Team.

473

Mr. Shinofield reported that the Community Outreach Program has provided 12 grants to clubs, including clubs led by women or multicultural coaches, clubs partnering with Historically Black Colleges and Universities (HBCUs), and clubs creating programming within a community that has an existing pool but limited, or no, competitive programming.

DRAFT DRAFT DRAFT

These minutes will be officially approved by the USA Swimming Board of Directors at its September 24, 2021 meeting.

478 Mrs. Ferguson stated that the Make-A-Splash tour is virtual again this year and kicked off 479 with a Facebook Live event with Cullen Jones and Nathan Adrian. The tour will continue in 480 markets across the U.S. via print, digital, social media, and radio.

481

482 Mr. Hinchey remarked that the concept of New Fundraising is to find ways to get more people 483 to take part in swimming.

484

485 Mrs. Ferguson reported that the Supporters Club now has 284 members, with over \$17,000 in donations, and she emphasized that 84% of those donors have never given to the Foundation previously.

488

- 489 Mrs. Ferguson reported on the launch of the Faces in the Crowd campaign, which will help 490 fill empty seats at Trials; the proceeds from this campaign will go towards the Foundation.
- Lastly, Mr. Hinchey described the opportunity for individuals to join the Champions Club Swim by swimming at Trials, with the goal of obtaining 50 new members.

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496 497

TOKYO PLANNING UPDATE

Managing Director of the National Team Lindsay Mintenko reported that the draft of the procedure for the Olympic Swimming Team selection is complete in preparation for the Olympic Trials. Mrs. Mintenko also noted that the Olympic Swimming Team camp will be held in Hawaii, prior to heading into the Athlete Village five days before competition.

498 499 500

501 502

503

504 505 Mrs. Mintenko remarked on changes for the Olympic Games, noting that more changes are likely to come. Mrs. Mintenko reported that an accreditation is required for entry into Japan, as well as two negative COVID tests; vaccination does not exempt an individual from testing. Mrs. Mintenko stated that the athletes are only allowed to move between the Athlete Village and the swimming venue, but she added that the Olympic Swimming Team has been allowed to stay through the end of the swimming competition as opposed to leaving after individual events.

506507508

509510

Mrs. Mintenko stated that she has asked the USOPC to build a mental health registry, so USA Swimming staff know where to direct athletes who need assistance. Mrs. Mintenko mentioned that \$37,000 has been given to athletes within the athlete assist program and additionally, 37 athletes have registered with Talk Space.

511512

516	Mr. Shinofield spoke to the organization's collaboration with the Senior Developmen
517	Committee to host competitive events for developmental athletes. He noted that USA
518	Swimming was able to launch the TYR 18 & Under Spring Cup. Mr. Shinofield reported tha

over 1,100 athletes participated, along with 229 clubs and 49 LSCs. Mr. Shinofield added

that the organization, along with the Senior Development Committee, is continuing to look

for opportunities to create long course meets.

2021 & 2022 EVENTS AND COMPETITIONS

Mrs. Mintenko remarked that there are still plenty of competitions after the Olympic Games and that a focus will be on the Juniors athletes, as they have not had a competition in some time.

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CLOSING ROUNDTABLE

NEXT MEETING / EVENTS

- TYR Pro Swim Series
 - o Indianapolis: May 12-15
- Foundation Board of Directors Meeting
 - o Colorado Springs/Virtual: September 23
- Board of Directors Meetings
 - o Colorado Springs/Virtual: September 24 & 25

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MEETING ASSESSMENT

The Board engaged in a round table discussion assessing the meeting, which included appreciation for facilitating hard but valuable conversations, as well as gratitude for the good progress of the Working Groups. The Board also expressed the need to communicate further on the legislative changes, while stressing the importance of compliance.

540541542

ADJOURN

Mr. Vincent adjourned the meeting at 4:01 p.m. Mountain Time.

543 544

Respectfully submitted:

545

Lucinda McRoberts, CAO & General Counsel

ncinda McRolecto

Bob Vincent, Board Chair

USA Swimming Board of Directors Minutes Attachments

May 7, 2021 / Denver, CO & Virtual Zoom Conference Call

Attachment 1	Page 1 – Agenda: May 7, 2021
Attachment 2	Page 3 – DRAFT BOD Minutes February 5, 2021
Attachment 3	Page 6 - END 1.2 Successful Athletes, Coaches & Clubs -
	Proposed KPIs
Attachment 4	Page 6 – Policy 3.2 External Relations
Attachment 5	Page 6 – USA-S Policy 3.4 Financial Condition and Activities
Attachment 6	Page 6 – USA-S Q1 2021 Financial Report
Attachment 7	Page 6 – USA-S Financial Statement Report 2020
Attachment 8	Page 6 – USA-S & Foundation Q1 2021 Investment Statements
Attachment 9	Page 6 – USA-S Financial Summary Comparison 2020
Attachment 10	Page 6 – USA-S Financial Written Report - 2020
Attachment 11	Page 6 – Foundation Financial Statement Report - 2020
Attachment 12	Page 6 - Foundation Financial Summary Comparison - 2020
Attachment 13	Page 6 – Foundation Financial Written Report - 2020
Attachment 14	Page 7 – Policy 3.5 Asset Protection
Attachment 15	Page 7 - Policy 3.8 Emergency Management Succession
Attachment 16	Page 8 – Working Group Legislative Proposals
Attachment 17	Page 12 – Staff Update for the Board

USA Swimming Board of Directors Special Meeting Minutes

August 25, 2021 / Virtual Zoom Conference Call

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- 2 Bob Vincent, Board Chair, called the August 25, 2021, Special Meeting of the Board of
- 3 Directors to order at 2:01 p.m. Mountain Daylight Time with the following members in
- 4 attendance:

5 6

PRESENT

- 7 Maya Andrews, Chris Brearton, Kenneth Chung, Kathy Fish, Bruce Gemmell, Jennifer Gibson,
- 8 Cecil Gordon, Natalie Hall, Tim Hinchey, Michelle Steinfeld, Katie Meili, Kathleen Prindle, Bill
- 9 Schalz, Jeanette Skow, Jim Sheehan, Jay Thomas, Bob Vincent.

10

11 **GUESTS**

- 12 Tim Bauer, Allison Beebe, Bill Charney, Joan Choi, Mike Dillí, Lucy Duncan, Andrew
- 13 Gemmell, Clark Hammond, Melissa Hellervik-Bing, Annie Norris, Shawn Smith, Matt Wilson.

14

15 **STAFF**

- 16 Paula D'Amico, Shana Ferguson, Abigail Howard, Kiki Laino, Isabelle McLemore, Lindsay
- 17 Mintenko, Eric Skufca, Joel Shinofield, Lucinda McRoberts, Mike Unger.

18 19

DECLARATION OF CONFLICT OF INTEREST (2.5.4)

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

23

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

2728

INTRODUCTION OF WORKING GROUP

29 Michelle Steinfeld introduced the House of Delegates (HOD) Working Group.

30 31

WORKING GROUP PRESENTATION

- 32 HOD Working Group Chair, Shawn Smith, presented the HOD Working Group process and
- proposed legislation (Attachments 1 2). Mr. Smith remarked that the Working Group
- began by first identifying why the initial proposed HOD legislation did not pass. Mr. Smith

These minutes will be officially approved by the USA Swimming Board of Directors at its September 24, 2021 meeting.

explained that the Working Group used that knowledge to draft a proposal that would include a two-year "proof of concept" to test the proposed legislation. Mr. Smith reported the Working Group operated with the mindset that athletes and coaches need the most votes as the primary stakeholders within the membership. Mr. Smith also spoke about the importance of grassroots athletes and their vote, along with officials and volunteers in general.

The Board engaged in discussion regarding the pool of "10-Year Athletes," including how it could possibly be increased by the Athletes' Advisory Committee (AAC) and approved by the United States Olympic and Paralympic Committee (USOPC).

Chris Brearton added clarity around the legislation's two-year window, specifically that the expiration date could be lifted and/or amendments could be made. Mr. Brearton noted that the legislation's term limit provides a trial period, while also allowing USA Swimming to come into compliance with the USOPC and federal law.

Mr. Smith briefly described the proposed legislation to create the Coach Advisory Council, specifying that the Council would provide increased communication within the coaches' community, as well as opportunities for coach members to provide direct feedback to the organization.

SPECIAL MEETING LOGISTICS/RESOLUTION

Michelle Steinfeld presented a resolution to call a Special Meeting of the USA Swimming House of Delegates.

MOTION: To call a Special Meeting of the USA Swimming House of Delegates on September 25, 2021, at 10:00am MT, and that it be held virtually, to vote on legislative approvals necessary to bring USA Swimming into compliance with the USOPC Bylaws and federal law. Seconded. **APPROVED.**

LEGISLATION - NATIONAL BOARD OF REVIEW PROPOSALS

Michelle Steinfeld presented two proposals to alter the composition of the National Board of Review to comply with the USOPC Bylaws and federal law by increasing the number of eligible athlete representatives (Attachment 3).

These minutes will be officially approved by the USA Swimming Board of Directors at its September 24, 2021 meeting.

- 70 **MOTION:** To approve the legislative changes to update the composition and athlete
- 71 representative requirements of the National Board of Review to provide for 1/3 members who
- 72 meet the USOPC's definition of "athlete representative." Seconded. APPROVED.

73 74

- **LEGISLATION WORKING GROUP LEGISLATION**
- 75 Michelle Steinfeld noted that the HOD Working Group and AAC will continue their
- 76 discussions regarding the HOD legislation.

77 78

- ADJOURN
- 79 Mr. Vincent adjourned the meeting at 2:57 p.m. Mountain Daylight Time.

80

81 Respectfully submitted:

Michelle Steinfeld, Secretary and General Counsel

Bob Vincent, Board Chair

These minutes will be officially approved by the USA Swimming Board of Directors at its September 24, 2021 meeting.

USA Swimming Board of Directors Minutes Attachments

August 25, 2021 / Virtual Zoom Conference Call

Attachment 1	Page 1 – HOD Working Group Draft Legislative Proposal
Attachment 2	Page 1 – HOD Draft Composition Proposal
Attachment 3	Page 2 – NBOR Legislative Proposal

RESOLUTION PASSED BY THE HOUSE OF DELEGATES TO GRANT AN EXCEPTION TO THE 120-DAY RULE (ARTICLE 203.3) FOR ATHLETES DISPLACED BY HURRICANE IDA

Approved September _, 2021

Due to the extraordinary and monumental devastation and destruction of Hurricane Ida, USA Swimming recognizes that member athletes have been displaced from their homes and clubs;

Further, USA Swimming believes enabling displaced athletes to be included as a part of a team is important in recovery;

Therefore, be it resolved that, pursuant to USA Swimming Corporate Bylaws 6.2.8 and 10.1.3, USA Swimming establishes the following procedure to grant a temporary exception to the 120-day representation rule set forth in Article 203.3.

- 1. By November 1, or within thirty (30) days of beginning workouts with a new club, an athlete must submit the following information to USA Swimming Membership Affairs for verification: athlete's name, date of birth, Hurricane Ida FEMA number, club most recently represented and club which athlete wishes to represent.
- 2. Membership Affairs will notify the Rules & Regulations Committee Chair of the eligibility facts. The Chair, or the Chair's designee, shall make a final determination, which shall be binding without right of appeal.
- 3. Each USA Swimming-approved transfer request under this resolution shall be exempt from Article 203.3. (the 120-day rule) and transfer effective immediately.
- 4. Each athlete whose transfer is approved pursuant to this resolution may, at any time within one year of passage of this resolution, return immediately to representing the athlete's original club or, if the original club is disbanded, any other club in the original club's LSC.
- 5. This resolution will take effect immediately upon approval by the USA Swimming House of Delegates and expire at the close of business of the annual USA Swimming House of Delegates meeting in 2022.
- 6. USA Swimming staff and the Rules & Regulations Committee Chair are authorized to follow a substantially similar procedure, as applicable, for any subsequent instance(s) of devastation and destruction that may occur between now and the USA Swimming House of Delegates meeting in 2022.

New Membership Category Proposal

Proposed By: Safe Sport and Club Development Committees

<u>Background</u>: Requirements put in place by federal law, the United States Olympic and Paralympic Committee and the U.S. Center for SafeSport continue to expand the categories of individuals required to be non-athlete members. As a result, member clubs and Local Swimming Committees shoulder a corresponding increase of the financial burden to cover membership fees and background screens for these individuals.

<u>Statement of Intent</u>: In recognition of this increased financial burden, the USA Swimming Board of Directors is asked to consider implementing a new membership category intended for adults who volunteer or are employed by LSCs or member clubs, required to be non-athlete members of USA Swimming and who are not athletes, coaches, officials, meet directors, chaperones, team managers, or other positions requiring coach, non-athlete or athlete membership.

<u>Financial Impact</u>: It is recommended that the Board of Directors set the membership fee for this category of membership at \$30 per year.

There are currently 4,960 non-athlete, non-coach, non-official, other members of USA Swimming. Assuming these members register under the new member category, this would result in a reduction in review of \$168,640 (\$34*4960). This would, however, be offset by the increase in numbers of those who would be new members registering under this membership category.

Effective Date: September 1, 2022.

Bylaws Affected:

Corporate Bylaw 2.4 Individual Membership

.5 Non-athlete membership consists of two classes: individual and life. Individual non-athlete members are designated as Coaches, Junior Coaches, Officials, <u>Administrators</u> or Other.

Examples: The following is a list of roles which are anticipated to fall into this new category of membership:

- Board of directors, advisory council or individuals who have club operations oversight authority who are not otherwise required to be members of USA Swimming;
- Business managers with access to club or LSC membership records and financial transactions;
- Webmasters;
- Social media and members communications managers;
- Meet marshals; and
- 10-Year and 10-Year+ athletes participating in USA Swimming and LSC governance roles.

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CORPORATE BYLAWS OF USA SWIMMING

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CORPORATE BYLAWS OF USA SWIMMING

Please note that these Bylaws are subject to change at any time by the Board of Directors. The most current version can be found on the USA Swimming website.

All capitalized terms used but not defined herein shall have the meanings set forth in the USA Swimming Rulebook Official Glossary.

Last Updated: May 7, 2020 September 24, 2021

ARTICLE 1 PREAMBLE

1.1 DESCRIPTION OF ORGANIZATION — USA Swimming, Inc., a Colorado corporation, is the National Governing Body for swimming in the United States, and is referred to herein as USA Swimming. USA Swimming is responsible for the conduct and administration of swimming in the United States, and is affiliated with the Federation Internationale de Natation (FINA), the international federation for aquatics, through United States Aquatic Sports, Inc. (USAS). As a member National Governing Body (NGB) of the United States Olympic & Paralympic Committee (USOPC), USA Swimming shall submit to binding arbitration conducted in accordance with the Commercial Rules of the American Arbitration Association in any controversy involving its recognition as a National Governing Body or involving the opportunity of any athlete, coach, trainer, manager, administrator or official to participate in international competition, as provided for in the Ted Stevens Olympic & Amateur Sports Act. Additionally, as a member NGB of the USOPC, USA Swimming must fulfill all responsibilities as an NGB set forth in the Ted Stevens Olympic and Amateur Sports Act (Act) and by the USOPC.

- 1.2 OPEN MEETINGS All meetings of USA Swimming, its LSCs, divisions and committees, shall be open to all members of USA Swimming, except in those situations where by majority vote of the meeting body it would be in the best interests of USA Swimming to hold closed session (e.g., those relating to personnel or legal matters).
- 1.3 ELIGIBILITY No conditions or restrictions to eligibility for participation in open competitive events may be imposed unless otherwise set forth in these Bylaws or the USA Swimming Rules and Regulations. It is the intent and purpose of USA Swimming to provide an equal opportunity to eligible athletes, coaches, trainers, managers, administrators, and officials to participate in athletic competition within its jurisdiction, without discrimination on the basis of race, color, religion, age, gender, disability, or national origin.
- 1.4 ROBERT'S RULES OF ORDER At meetings of the USA Swimming House of Delegates, the current version of Robert's Rules of Order shall be the governing rules, unless suspended by the House of Delegates. At all other meetings of USA Swimming and any of its constituent bodies, boards, committees or other entities, the current version of Robert's Rules of Order may be used, where appropriate, at the discretion of the meeting chair.

ARTICLE 2 MEMBERSHIP

- 2.1 REQUIREMENTS OF MEMBERSHIP All members of the House of Delegates, Board of Directors, and any committee, sub-committee, or division of USA Swimming, appointed or elected, must hold an individual membership pursuant to the provisions of this Article, unless otherwise specified by the Board of Directors. Any person with password access to the USA Swimming database must hold an individual non-athlete membership.
- 2.2 CLASSES OF MEMBERSHIP The Corporation shall have no voting members, as defined in the Colorado Revised Nonprofit Corporation Act. However, the membership of USA Swimming shall consist of the following two classes of nonvoting members, whose rights and privileges are as set forth in these Bylaws: group members, including clubs, seasonal clubs and other organizations interested in competitive swimming; and individual members, including athletes and non-athletes.

2.3 GROUP MEMBERSHIP

- .1 Club Membership
 - A. Club membership is for a calendar year. A club applying for membership on or after September 1 will receive membership valid through December 31 of the following year.
 - B. An LSC may provide for a seasonal club membership for the period established by the LSC pursuant to these Bylaws. Seasonal clubs may not compete at or above the Zone Championship level.
 - C. An LSC shall not impose requirements for club membership in addition to those set forth in these Bylaws.
- .2 Organizational Membership
 - A. The Board of Directors may establish classes of organizational membership.
 - B. Any organization which is interested in competitive swimming, on either the national, state, or local level, may join USA Swimming.

2.4 INDIVIDUAL MEMBERSHIP

- .1 Any individual may join USA Swimming as a member.
- .2 Athlete membership consists of five categories:
 - A. **Premium** (LSCs are required to offer this membership) Membership is for a calendar year.
 - B. Flex (offered at option of LSC)— Flex memberships may be offered for the same period of time as a Premium Membership. Flex membership is for athletes 18 and under.
 - C. **Outreach** (LSCs are required to offer this membership) Premium membership with specially reduced fees. Each LSC House of Delegates shall determine how athletes qualify for outreach membership.
 - D. **Seasonal** (offered at option of LSC) Membership may be offered for one or two periods of not more than 150 days per period with a registration year. Seasonal membership may also be offered for an unspecified but continuous period of not more than 150 days commencing on the date of registration. Seasonal membership is not valid for competition at or above the Zone Championship level.

Commented [LM1]: To discuss in December

For 2020, Seasonal memberships (Season 1, Season 2, and Individual Season) that expired on or after March 16. 2020 may be extended to August 30, 2020. LSCs registering or renewing any seasonal memberships may set the athlete's expiration date to no earlier than August 30, 2020, but no later than December 31, 2020, as long as the membership does not exceed 150 days after USA Swimming lifts the national moratorium on meet sanctions

- Single Meet Open Water (offered at option of LSC) Membership may be offered for the specific date(s) of an open water competition(s). The swimmer must compete unattached. Single-meet membership is not valid for competition at or above the Zone Championship meet.
- Athlete members who register with an LSC and USA Swimming are eligible for sanctioned swimming competition. Flex members are eligible to compete in only two sanctioned competitions per registration year. Flex members may not compete at or above the LSC Championship level. An athlete member shall not be registered in more than one LSC simultaneously.
- Flex members who transition to the Premium athlete membership category within the same calendar year, will be able to credit the Flex athlete membership cost to the Premium athlete membership cost by paying the difference between the cost of the Flex membership and the Premium membership.
- .5 Non-athlete membership consists of two classes: individual and life. Individual non-athlete members are designated as Coaches, Junior Coaches, Officials or Other,
- Each class of membership (except life membership, seasonal membership and single-meet open water membership) is for a calendar year period. Individuals applying for calendar year membership on or after September 1 will receive membership valid through December 31 of the following year.

For 2020, individuals applying for calendar year membership on or after June 1 will receive membership valid through December 31, 2021...

- An LSC shall not impose requirements for Individual Membership in addition to those set forth in Article 2these Bylaws, except an LSC may require that persons other than Life Members who register as unattached members must reside within the LSC's geographical boundaries. An LSC may require proof of birth date prior to competition in age-classified
- 2.5 CONDITIONS OF MEMBERSHIP As a condition of membership in any category, an individual agrees to submit to the jurisdiction of USA Swimming with respect to any violation of the Rules or Code of Conduct of USA Swimming that occurs during a period when that individual was a member or participating in the affairs of USA Swimming, and further agrees that USA Swimming retains jurisdiction over such violations and individual even if such individual ceases to be a member of USA

2.6 PRIVILEGES AND RESPONSIBILITIES OF MEMBERSHIP

- A Coach member of USA Swimming must be at least eighteen (18) years of age. Junior Coach members must be age sixteen (16) or seventeen (17).
- All non-athlete members of USA Swimming must have satisfactorily completed criminal background checks as required by USA Swimming. The criminal background check requirement is waived for Junior Coach members
- All adult members of USA Swimming, including athletes and junior coach members, must have satisfactorily completed athlete protection education as required by the U.S. Center for SafeSport.
- All clubs, including seasonal clubs, shall ensure that all athletes and coaches participating in practices and USA Swimming sanctioned competition are members of USA Swimming.
- All referees, starters, administrative officials, chief judges, and stroke and turn judges must be non-athlete members of USA Swimming.
- .6 Employees and The following individuals are required to be non-athlete members of USA Swimming:

 - Adult employees of USA Swimming, LSCs and member clubs:
 Adults serving on the board of directors of USA Swimming, Zones, LSCs and member clubs, volunteers Swimming, Zones, LSCs, and member clubs-;
 - Individuals in a position of oversight over the operations of a member club;
 - Adults with an ownership interest in a member club;
 - Referees, starters, administrative officials, chief judges stroke and turn judges, and meet marshals; and
 - Other volunteers who interact directly and frequently with or have authority over athletes (as defined in the SafeSport Code for the Olympic and Paralympic Movement) as a regular part of their duties and individual ownership interest in a member club must be non-athlete members of USA Swimming.

This does not apply to volunteers such as timers, marshals, computer operators, etc., who only have limited contact with athletes during a meet; however. However, any individual who is banned, currently suspended or ineligible for membership is prohibited from serving as a timer, marshal, or computer operator, or otherwise being on deck at any time in connection with a USA Swimming activity.aand \forall

- .7 Anyone who coaches swimmers at a USA Swimming practice or competition, must be a Coach member or Junior Coach member of USA Swimming and must have satisfactorily completed safety training, criminal background checks and other coaches' education as required by USA Swimming. Junior Coach members are not required to complete a criminal background check but are subject to pre-employment screening.
- .8 Junior Coach members must always be under the direct visual supervision of a registered Coach member.
- .9 Only members of USA Swimming are eligible to receive credentials at National Championships
- .10 All clubs which register for the first time as a year-round club member shall comply with the New Club Membership Requirements established by USA Swimming.
- .11 All clubs are required to comply with USA Swimming Pre-Employment Screening Procedures for New Employees for all new employees who are required to be members under these Bylaws and under 305.5 of the USA Swimming Rules and Regulations.
- .12 All clubs must have either (i) at least one member coach and a board of directors or other governing board; or (ii) at least two member coaches.

2.7 FEES

- .1 The annual fee for each class of membership is composed of the following elements:
 - A. A national fee established by the Board of Directors, except thatthose changes to fees for Club membership (including seasonal) and the Individual categories of non-athlete (Coach, Official, and Other), premium, seasonal, outreach and single meet open water must be approved by the House of Delegates; and
 - B. A local fee established by the LSC. The local fee for the Outreach Membership may not exceed \$2 and the local fee for the Flex Membership may not exceed \$10.
- .2 An LSC may charge a fee for transfers.
- 2.8 DELINQUENT DUES AND FEES If any member or the legal representative of any member has secured a court judgment against any other member for non-payment of financial obligations due such member in the normal and usual course of activities or business associated with membership in and of swimming, that membership rights may be suspended only after a hearing before the National Board of Review until the judgment is satisfied.
- 2.9 TERMINATION OF MEMBERSHIP Membership in USA Swimming may be terminated according to the process set forth in Part Four of the USA Swimming Rules and Regulations.

ARTICLE 3 CORPORATE OFFICERS

3.1 CORPORATE OFFICERS

- .1 The President & CEO is the chief executive officer of USA Swimming. The President & CEO shall have all the duties incident to that office; and those specifically assigned by the Board of Directors; and those specified in the USA Swimming Policy Manual. The President & CEO shall serve at the pleasure of the Board of Directors. For international purposes, the President & CEO shall be recognized as the Secretary General of USA Swimming. The President & CEO serves as an ex-efficio.a non-voting Ex-Officio member of the Board of Directors.
- .2 The Vice President & COO is the chief operating officer of USA Swimming. The Vice President & COO shall have all the duties incident to that office; those specifically assigned by the President & CEO; and shall perform the duties of and have the authority and exercise the power of the President & CEO when the President & CEO is absent or incapacitated. The Vice President & COO shall serve at the pleasure of the President & CEO.
- .3 The Treasurer & CFO is the chief financial officer of USA Swimming. The Treasurer & CFO shall have all the duties incident to that office; those specifically assigned by the President & CEO; those specified in the USA Swimming Policy Manual or specifically set forth in these Bylaws. The Treasurer & CFO shall serve at the pleasure of the President & CEO.
- .4 The Secretary & General Counsel is the chief legal officer of USA Swimming. The Secretary & General Counsel shall have all the duties incident to that office; those specifically assigned by the President & CEO; and, in addition, shall be responsible for the legal affairs of USA Swimming under the direction of the Board of Directors and the President & CEO. The Secretary & General Counsel shall serve at the pleasure of the President & CEO. The Secretary & General Counsel serves as an ex-officio, a non-voting Ex-Officio member of the Board of Directors.

ARTICLE 4 BOARD OF DIRECTORS

- 4.1 GENERAL MEMBERSHIP The Board of Directors shall have fifteen (15) voting members. The President <u>&</u> CEO and Secretary <u>&</u> General Counsel shall be <u>ex-officion-voting Ex-Officio</u> members <u>with no vote</u>.
- 4.2 VOTING BOARD MEMBERS shall be as listed herein; a minimum of three (3) coaches shall be maintained.
- .1 The Immediate Past Board Chair shall be a voting member.
- .2 The Chair of the National Team Steering Committee shall be a voting member.
- .3 Three "athlete representatives" (as defined in the then current USOPC Bylaws) directly elected by athletes who meet the same standards as an "athlete representative" shall be voting members. Five (5) 10-Year Athlete representatives shall be voting members and shall be directly elected by athletes who meet the same standards as 10-Year Athletes. The five (5) 10-Year Athlete representatives shall be: The USOPC AAC representative, the USOPC AAC alternative, and three (3) at-large 10-Year Athlete representatives.
- .4 NineSeven (7) individuals elected by the House of Delegates in accordance with 6.3 (Elections) shall be at-large voting members, at least two of whom shall be semi-independent (i.e., prior to election on the Board, have not been members of a House of Delegates at the national level, but who at present or in the past, have/had an obvious connection to swimming as swimmers, parents of a swimmer, coaches, officials, etc.)-(2) of whom shall be semi-independent A minimum of one (1) from each zone's geographic area shall be maintained among the members who are elected by the House of Delegates. NOTE: If the Immediate Past Board Chair was originally elected by the House of Delegates as an at-large voting member, he or she may be included as one (1) of the individuals on the Board to fulfill the Semi-Independent requirement and/or as one (1) of the individuals on the board to fulfill the zone geographic area requirement.
- .5 One (1) individual directly representing the interests of all organizations that are members of USA Swimming pursuant to 2.3 and which conduct a national program or regular national athletic competition on a level of proficiency appropriate for the selection of swimmers to represent the United States in international swimming competition ("Allied Member Director") shall be a voting member. The Board of Directors shall determine whether an organization satisfies the criteria of this Article. If there is no Allied Member Director, there will be an additional individual elected by the House of Delegates in accordance with 6.3 (Elections), who shall be an at-large voting member.
- 4.3 TERM OF OFFICE Elected Board members shall hold office for terms of four (4) years or until their successors are elected. Their term of office shall commence at the close of the annual meeting of the House of Delegates at which they are elected. Terms shall be staggered such that approximately one-fourth (1/4) of the Board members are elected annually. Each Director is eligible to be nominated for two consecutive terms. A person so elected for successive terms is eligible for re-election to the Board of Directors after the lapse of two years. Terms of less than thirty (30) months served to fill a vacancy on the Board shall not be considered in the computation of time for this purpose.
- 4.4 BOARD OFFICERS The Board of Directors shall elect its own officers from among its voting members in oddnumbered years, except the Immediate Past Board Chair, the National Team Steering Chair, and the Allied memberMember <u>Director</u> shall not be eligible for election to an office. Commencing in 2019, the Board shall hold the election of its officers in odd-numbered years. The Board of Directors, by a sixty percent (60%) majority vote, may call for an election of a new officer before the relevant term has expired. [Note: In the transition, the Board Chair and Vice Chairs were elected in 2018.]
- .1 **Board Chair** USA Swimming shall have a Board Chair who shall preside at all meetings of the Board; see to it that the Board fulfills its duties as prescribed by law, the Articles of Incorporation, these Bylaws, and the Board's governing policies then in effect; be the official spokesperson of the Board of Directors; and perform such other duties as the Board may from time to time prescribe.
- .2 **Board Vice-Chair** The Board Vice-Chair shall perform such duties as set forth in these Bylaws or as may be assigned by the Board of Directors and shall perform the duties of the Board Chair in the event of the Board Chair's absence, disability or refusal to act.
- .3 **Vice-Chair Fiscal Oversight** The Vice-Chair Fiscal Oversight shall perform such duties as outlined in these Bylaws and Policy Manual, or as otherwise assigned by the Board of Directors.
- .4 Terms of Board Officers
 - A <u>Commencing in 2021, the A. The</u> term of the Board Chair shall be four (4) years. The Board Chair shall not serve more than one term as Board Chair. [Note: In the transition, the Board Chair elected in 2018 will serve a three-year term.]

- B. The terms of the Board Vice-Chair and Vice-Chair Fiscal Oversight shall be two years. No member shall serve more than two consecutive terms as Vice-Chair Fiscal Oversight. [Note: In the transition, the Vice-Chair Fiscal Oversight elected in 2018 will serve a three-year term; the Vice-Chair will serve a one-year term.]
- C. A person elected as Board Vice-Chair in the mid-term cycle of the Board Chair, shall be the Vice-Chair/Chair-Elect and assume the office of Board Chair after two years. [Note: In the transition, the person elected as Vice-Chair in 2019 will be the Chair-Elect and take over as Board Chair in 2021.]
- D_{_} Exception to the Term of Office as stipulated in 4.4.4 above shall be made for the Vice-Chair/Chair-Elect, the Board Chair, and the Immediate Past Board Chair, whose terms shall be automatically extended, (i.e., without having to be re-elected to the Board by the House of Delegates for the duration necessary to fulfill the ascendancy of those three offices:).
- E. If a Board officer vacates his or her seat for any reason, the Board shall hold an election to elect another Board member to fill the remainder of the term of that office.

4.5 REMOVAL AND RESIGNATION OF DIRECTORS

- 1. Any Director of USA Swimming who has failed to attend to his or her official duties or responsibilities or has done so improperly, or who would be subject to penalty for any of the reasons set forth in Article 404.1.3 of has violated the USA Swimming Rules and Regulations Code of Conduct, may be removed from office by the National Board of Review pursuant to Part Four of the USA Swimming Rules and Regulations, in an action authorized by a two-thirds (2/3) vote of the entire voting membership of the Board of Directors. Any appeal of the decision of the National Board of Directors whall be heard by the Board of Directors as a whole (not by a panel thereof) and any decision of the Board of Directors in favor of removal of a Director shall require a two-thirds (2/3) vote of the entire voting membership of the Board of Directors.
- 2. Absence from more than one of the five (5) regularly scheduled meetings in the Board's annual planning cycle will constitute that member's resignation from the Board. The annual planning cycle starts upon adjournment of the House of Delegates annual meeting. In case of extenuating circumstances, a Board member may request a waiver to this provision. Waivers may be granted by vote of the Board or at the discretion of the Board Chair. In the latter case, the Board Chair shall inform the Board of such waiver.
- 4.6 VACANCIES If a vacancy occurs on the Board of Directors, and the unexpired term of such Director exceeds six (6) months, a successor shall be appointed to fill the unexpired term of the vacated office, as follows:
- .1 Board Members Elected by the House of Delegates Any vacancy shall be filled by a majority vote of the remaining Board members.
- .2 Athlete Members Any vacancy shall be filled by a majority vote of the Athletes Executive Committee USA Swimming Athletes' Advisory Council.
- .3 Immediate Past Board Chair Any vacancy shall be filled by the next most Immediate Past Board Chair.
- $4.7\,$ AUTHORITY/EMERGENCY POWER The USA Swimming Board of Directors shall have the authority to act for USA Swimming. The Board may amend the Corporate Bylaws as permitted under $10.1.1_7$ but is not permitted to amend any section of the Rules and Regulations except as follows: The Board shall have the emergency power to adopt, revoke and amend any rule or regulation in the Rules and Regulations if the Board, with the advice and consent of the Operational Risk Committee, the Rules & Regulations Committee and legal counsel, shall determine that safety considerations so require. A technical rule which is also a FINA rule, may not be revoked or amended. An action taken under this emergency provision shall be effective until the next meeting of the House of Delegates. The Board Chair shall make a fully detailed report including findings of fact to the entire membership of the House of Delegates (as last certified) within thirty (30) days of the action taken.

4.8 MEETINGS

- .1 **Regular Meetings** Meetings of the Board of Directors shall be held at any time or place, pursuant to resolution of the Board, or to a call signed by the Board Chair, or upon written request of one-third (1/3) of the members of the Board. Not less than thirty (30) days written notice of such meeting shall be given to each Director. Notice of any meeting may be waived in writing either before or after such meeting. Attendance by any Director not having received written notice shall be deemed a waiver of such notice unless at the beginning of the meeting or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter yote for or assent to action taken at the meeting.
- .2 **Special Meetings** Special meetings of the Board of Directors may be held upon no less than 48 hours' notice. Actions taken during such special meetings shall be limited to those pertaining to issues cited in the meeting notice.
- .3 **Quorum** The presence of a majority of the voting Directors shall constitute a quorum at any meeting of the Board of Directors. Proxy voting is not permitted.

- .4 **Minutes** A summary of the proceedings of the meetings of the Board of Directors as approved by the Secretary/ & General Counsel and the Board Chair shall be posted on the USA Swimming website within one month of each meeting. The minutes as approved by the Board from all meetings of the Board of Directors from at least the three most recent years must be made publicly available on its website.
- 4.9 ACTION WITHOUT A MEETING Action without a meeting may be taken by the Board of Directors if notice as described herein (the "Notice") is transmitted to each member of the Board of Directors, and each member of the Board of Directors by the time stated in the Notice either votes in writing for or against such action, abstains in writing from voting, ails to respond or vote, or fails to demand in writing that action not be taken without a meeting. The Notice shall state the action to be taken, the time by which a Director must respond, that failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time stated in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting, and any other matters the Corporation determines to include. Action is taken under 4.9 only if, at the end of the time stated in the Notice, the affirmative votes in writing for such action received and not revoked equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors then in office were present and voted, and the Corporation has not received a written demand by a Director that such action not be taken without a meeting other than a demand that has been revoked.

A Director's right to demand that action not be taken without a meeting shall be deemed to have been waived unless the Corporation receives such demand from the Director in writing by the time stated in the Notice and such demand has not been revoked. Any Director who in writing has voted, abstained, or demanded action not be taken without a meeting pursuant to 4.9 may revoke such abstention, or demand in writing received by the Corporation by the time stated in the Notice. All communications under 4.9 may be transmitted or received by the Corporation by facsimile, e-mail or other form of electronic communication. Action taken pursuant to 4.9 has the same effect as action taken at a meeting of Directors and may be described as such in any document.

ARTICLE 5 STANDING COMMITTEES OF THE USA SWIMMING BOARD OF DIRECTORS

5.1 STANDING COMMITTEES

- .1 Standing committees of the USA Swimming Board of Directors shall be as listed in this Article.
- .2 Except for those individuals who qualify for their positions under some other provision of Article 5a committee via an elected position:
 - A. Non-athlete committee members shall serve fourthree-year terms, except as noted herein-
 - (1) A non-athlete member who accumulates two or more unexcused absences within one calendar year may be removed by the Committee Chair with the consent of the Board Chair.
 - (2) After a warning from the Committee Chair, a non-athlete member who continues to fail to contribute or fulfill assigned duties in a timely manner may be removed from his/her committee position by the Committee Chair with the consent of the Board Chair.
 - (3) Committee members shall only be subject to removal for any other reason by the USA Swimming Board of Directors.
 - (4) A member who has been removed shall be notified in writing by the Chair of the committee. The member shall have two weeks to appeal the decision to the USA Swimming Board of Directors:
 - B. Athlete committee members shall be appointed by the USA Swimming AAC and serve two-year terms, except as noted herein.
 - C. Except as noted otherwise in these Bylaws, the terms of non-athlete members of standing committees shall be staggered so that one-fourththird (33.3%) of all non-athlete members are appointed each year by the Board Chair-following the annual meeting of the Corporation House of Delegates.
 - GD. In the event of a vacancy on a committee caused by any reason, the person/organization responsible for the appointment shall select the person to fill the vacancy for the remainder of the term. If the vacancy occurs in an elected committee position, the Board Chair, in consultation with the Committee Chair, shall appoint a replacement to serve the remainder of the term.
 - DE. At least twenty-percent (203 one-third (33.3%) of the voting membership of each committee shall be 40-Year Authletes.
 - E Aneligible athlete representatives appointed non-athleteby the USA Swimming Athletes' Advisory Committee.

- F. A committee member shall serve no more than two consecutive terms and may be reappointed following a lapse of one year.
- .3 Unless otherwise specified in these Bylaws, the Board Chair shall appoint all standing committee chairs for one-year terms.
- .4 The Board of Directors may establish special committees or task forces as it sees fit to assist in its functions; and shall delegate to the President/ & CEO authority to establish operating committees to ensure member/volunteer input and participation in fulfilling USA Swimming's programming needs. Committee and coordinator details shall be outlined in the USA Swimming Policy Manual USA Swimming Operating Policy Manual or the USA Swimming Rules and Regulations.
- .5 Standing Committees will be responsible to the Board of Directors for the fulfillment of their responsibilities, which will be reflected -in the Board Governing Policies Manual. Reporting to the Board shall be through the Board Chair or the Board officer or member as designated by the Board Chair.
- .6 Unless specifically provided elsewhere in these Bylaws, all committee meetings shall be regular committee meetings, unless specifically designated as a special meeting.

5.2 ATHLETES COMMITTEE

- .1 The Athletes Committee shall be composed of the athlete members of the House of Delegates. The chair shall be elected pursuant to the Athletes Policy Manual.
- .2 Members of the Athletes Committee must be current athlete members of USA Swimming and must have:
 - A Competed at a USA Swimming sanctioned event while eighteen (18) years of age or younger within the past ten (10) years:
 - B Competed at any USA Swimming championship meet defined in Article 207 of the USA Swimming Rules and Regulations within the past ten (10) years; or
 - C. Represented USA Swimming in competition at any of following meets within the past ten (10) years: Olympics, World Championships, Short Course World Championships, World University Games, Pan Pacific Championships, or Pan American Championships.
- .3 Athletes Executive Committee The Athletes Executive Committee (AEC) shall be a thirteen (13) person subcommittee of the Athletes Committee and is charged with leading the business of the Athletes Committee. Members of the AEC must be eligible to be members of the Athletes Committee. The AEC shall elect its own officers, pursuant to the procedures established in the Athletes Executive Committee (AEC) and USA Swimming Athletes Committee Operating Policy Manual located in the USA Swimming Operating Policy Manual. The AEC is composed of the following additional members:
 - A Ten (10) At Large Members elected by the Athletes Committee each to a two (2) year-term, but no more than two (2) consecutive terms, except as provided in the Athletes Executive Committee (AEC) and USA Swimming Athletes. Committee Operating Policy Manual located in the USA Swimming Operating Policy Manual. Five (5) At-Large Members shall be elected each year, except as listed in the Athletes Executive Committee (AEC) and USA Swimming Athletes Committee Operating Policy Manual located in the USA Swimming Operating Policy Manual.
 - B The USOPC Athletes Advisory Council representative for USA Swimming.
 - C. One (1) Athlete Member of the USA Swimming Board of Directors elected by the Board of Directors Athlete Directors.
 - D One (1) National Team Athletes Committee Chair elected by the National Team Athletes Committee.
- .4 Athletes Executive Committee Officers The AEC officers shall be the Chair, Vice Chair, Athletes' Leadership Chair, and Athletes Programming and Events Chair. Officers of the AEC shall be elected by the AEC to two (2) year terms, but no more than two (2) consecutive terms. Officers of the AEC must have been elected to the AEC by the Athletes Committee for their current term as established in the Athletes Executive Committee (AEC) and USA Swimming Athletes Committee Operating Policy Manual located in the USA Swimming Policy Manual.
- .5 Athletes Executive Sub-Committees The Athletes Leadership Sub-Committee, the Athletes' Programming and Events Sub-Committee, and the National Team Athletes' Committee shall be sub-committees of the AEC.
- .6—If a member of the Athletes Executive Committee cannot fulfill the requirements of his/her position, including attendance at the annual meeting, an alternate shall fill the vacancy for the remainder of the term, pursuant to procedures established by the Athletes Committee.
- .7 The Athletes Chair shall appoint representatives to serve terms on each committee of USA Swimming except Athletes, Athletes Executive, and Investment.

- .8 Whenever, under these Bylaws, the Athletes Executive Committee is empowered to elect or appoint one or more representatives, the Athletes Committee shall establish written criteria for eligibility for such representation, unless such criteria are otherwise set forth in the Rules and Regulations. The Athletes Committee may establish written criteria for the internal governance of the committee. Such criteria so established shall be published in the Athletes Committee Manual included in the USA Swimming Policy Manual.
- 5.32 INVESTMENT COMMITTEE .— There shall be an
- .1 Membership: The Investment Committee shall consist of five (5six (6) persons, as follows:

two athlete A. The Vice Chair – Fiscal Oversight.

B. The Board Chair, or a representative appointed by the Athletes Advisory Committee in consultation with the Board Athlete members

and will serve three-year terms with terms staggered so that only one athlete member's term and only one of the other non-athlete member's terms shall end in a given year.

Responsibility: As outlined in the Board Governing Policies Manual. Chair with the approval of the Board of Directors.

._Two (2) of the members shall be the Board Chair, or the Board Chair's duly appointed representative, and the Vice-Chair Fiscal Oversight, either of who shall serve as the committee chairperson. Three C. One additional members, who shall not be members of the Board of Directors, shall be appointed, one each year, to serve a three year term. These shall include: (i) an individual appointed by the Board Chair and the Vice Chair.—Fiscal Oversight with the approval of the Board of Directors; (ii) an two 10 Year Aathlete representatives proposed appointed by the Board ChairUSA Swimming Athletes' Advisory Council (USA Swimming AAC) and approved by the Board athlete representatives; and (iii) an individual.

- D. Two (2) eligible athlete members.
- E. One member appointed by the Foundation Board Chair with the approval of the Foundation Board.

None of the members identified in items c – e above may be members of the USA Swimming Board of Directors. Priority is to be given, when making appointments, to individuals with relevant business and/or investment acumen.

.2 Chair: Either the Vice Chair – Fiscal Oversight or the Board Chair's duly appointed representative shall serve as the committee chairperson, as determined by the Board Chair in consultation with the Vice Chair – Fiscal Oversight.

5.43 AUDIT COMMITTEE

- .1 Membership: The Audit Committee shall consist of five (5) members-aappointed by the Board Chair, _as follows: the
 - A. Two (2) eligible Athlete members.
 - B. The Vice-Chair Fiscal Oversight, who shall serve as chair of the committee; the
 - C. The USA Swimming Foundation Treasurer—
 - D. Two additional members appointed by the Board Chair, one of whom shall be a non-officer Board member; an 10_Year Aathlete representative whose appointment shall be approved by the Board athlete representativesUSA Swimming AAC; and one additional member.

<u>Priority is to be given, when making appointments, to individuals with designated knowledge of financial experience. There shall be no member of the committee who has check signing authority for the Corporation...3 Responsibility: As outlined in the Board Governing Policies Manual./audit/tax issues.</u>

- .2 Each member shall serve a four-year term, staggered so that one-fourth (1/4) of the members are appointed each year.
- .3 Responsibility: The Audit Committee shall be responsible for:
 - A. Reviewing and accepting the annual audited statements, accompanying opinion letter, and management letter;
 - B Making a recommendation for acceptance to the Board of Directors; and

C Evaluating the internal controls of the Corporation... 2 Chair: Vice Chair Fiscal Oversight

5.54 CREDENTIALS/ELECTIONS COMMITTEE

- .1 Membership: The Credentials/Elections Committee shall consist of eight (8seven (7) non-athlete members appointed by the Board Chair and a sufficient number of 10-Year Aathlete members appointed by the Board Chair USA Swimming AAC and approved by the Board of eligible athlete representatives members so as to constitute at least twenty percent (20%) of the voting membershipone third (33.3%).
 - .2 Chair: Each non-athlete member shall serve a four-year term, staggered so that one-fourth of such members are appointed each year. Members are not subject to consecutive term limits.
- .3 Responsibility: As outlined in the Board Governing Policies Manual. The Credentials/Elections Committee shall certify delegates at the annual meeting of the corporatio House of Delegatesn, supervise elections held at the annual meeting of the House of Delegates, and certify results of elections held at the annual meeting of the House of Delegates.

[Committee to be replaced by a volunteer Coordinator in September 2022]

5.65 NATIONAL BOARD OF REVIEW COMMITTEE

- .1 Membership: The National Board of Review Committee shall consist of such number of members as the Board Chair may deem appropriate from time to time; such non-athlete members shall be appointed by the Board Chair, with the advice of the Secretary & General Counsel, who shall serve as an ex-officia non-voting Ex-Officia member-with voice but no vote. At least twenty-percent (20% -1/one third (33,3)%) of the voting membership of the National Board of Review Committee shall be10- Year Aathlete members who meet the USOPC's definition of "athlete representative" andbe eligible athlete representatives whose appointments are approved by the Board athlete representatives. The Chair and Vice-Chair(s) of the National Board of Review shall serve as the Chair and Vice-Chair(s), respectively, of the National Board of Review Committee.
- .2 The term of the Chair, Vice-Chair(s) and other members of the National Board of Review Committee shall be two (2) years with a limit of five (5) full terms each may serve.
- .3 The National Board of Review Committee shall provide trained and experienced panel members to hear and resolve matters, questions and disputes involving USA Swimming, the Local Swimming Committees, and/or the membership, in accordance with Part Four of the Rules and Regulations, as well as set operating policy and procedures for the National Board of Review.

5.76 NOMINATING COMMITTEE

- .1 Membership: The Nominating Committee shall consist of nine (9) voting members and one (1) non-voting ex-officio
 - A Two (2) shall be athlete members (different genders) who meet the USOPC definition of an "athlete representative," proposed by the Athletes Executive Committee and approved by the Board athlete representatives
 - B Two (2) shall be coaches; one (1) shall be appointed by the Age Group Development Committee and one (1) shall be appointed by the Senior Development Committee from among all coach members of USA Swimming.
 - C Two (2) shall be current members of the Board of Directors, proposed by the Board Chair and approved by the Board of Directors.
 - D One (1) shall be appointed by the USA Swimming Foundation Board of Directors.
 - E Two (2) individuals (different genders) of independent background intended to enhance and complement the diversity of thought and perspective of the remaining composition of this committee (such as ethnicity, geography, business skills) shall be proposed by the Board Chair and approved by the Board of Directors,
 - F The President/CEO or his or her designee shall be a non-voting member of the committee.
 - G The Committee shall, at its first meeting of each nominations cycle, select a chairperson from among its own membership.
- .2 Terms of Nominating Committee members shall be three (3) years, staggered such that one-third (1/3) of its members are appointed each year. Members of the Nominating Committee shall not be eligible to be appointed to this committee once they have served two (2) terms.
- .3 Duties of the Nominating Committee The Nominating Committee shall:

- A issue a call for nominations and prepare a recommended slate of potential Board members in accordance with procedures set forth in the Policy Manual.
- B screen proposed candidates to ensure that they meet all requirements for Board membership as set forth in these Bylaws and in applicable Board policies.
- C ensure that prospective Board members are informed about the Board's governing structure and of its expectations for individual Board member participation, including but not limited to: adherence to policies pertaining to Board Members' Code of Conduct; attendance expectations; advocating and voting for what is in the best interests of USA Swimming, its members and the sport, and not for any specific stakeholder groups; and not attempting to exercise individual authority over the President/CEO or any members of staff unless explicitly Board-authorized for a specific purpose.
- D Nominating Committee members shall be ineligible for nomination to the Board.

ARTICLE 6 HOUSE OF DELEGATES

6.1 ORGANIZATION

- .1 All voting members of the Board of Directors, Zone Directors, the National Team Steering Committee, the National Team Athletes Committee, the Age Group Development Committee, the Rules & Regulations Committee, the Registration/Membership Committee, the Credentials/Elections Committee, the Senior Development Committee, and past USA Swimming Presidents or Board Chairs (as applicable) shall be members of the House of Delegates. Membership on any committee notwithstanding, USA Swimming employees shall not be members of the House of Delegates.
- .2 The members of the Athletes Executive Committee and ten (10) National Representatives, five (5) being appointed each year by the Athletes Chair and each serving a two (2)-year term, shall be members of the House of Delegates. The National Representatives and their alternates must at the time of their appointment be engaged in senior swimming or have competed in USA Swimming Championships within five (5) years preceding their appointment. The Board Chair may appoint, from a slate of nominees submitted by the Athletes Committee, such further at-large athlete members so as to bring the total athlete representation in the House of Delegates to at least twenty percent (20%).
- .3 The following from each LSC shall be members of the USA Swimming House of Delegates: the chair of its Administrative, Senior, and Age Group divisions; the athletes' representative to the LSC; the coaches' representative to the LSC; and its General Chair. An alternate for each of the delegates may also be elected. Information that may be of assistance to the House of Delegates at its next meeting shall be provided in a conspicuous place on the website.
- .4 Any organization, as set forth in 2.3.2 of these Bylaws, which conducts a program in competitive swimming, or which is composed of persons joined together in support of swimming or some aspect of it, may make application for membership to USA Swimming. The Board of Directors or its designee shall determine whether an organization meets the criteria set forth in this Article and may recommend ratification of membership by the House of Delegates. Additionally, if the organization is national in character, the Board of Directors or its designee may recommend to the House of Delegates that the organization be allowed to appoint a maximum of five (5) members to the House of Delegates.
- .5 The United States delegates to, and swimming technical committee members of, the Federation Internationale de Natation and the Union Americana de Natacion shall automatically be members of the House of Delegates.
- .6 Each of the Armed Forces may appoint one (1) member, provided it is actively engaged in senior swimming activity.
- .7 The Board Chair, in consultation with the National Team Steering Chair, shall appoint, on an annual basis, twenty-five (25) members selected from coaches who had athletes that qualified for the preceding Olympic Trials and from members that served as the manager or assistant manager on a national team or junior national team trip within the past four (4) years. The appointments shall provide for a reasonable geographic representation of USA Swimming Membership.
- .8 The Board Chair shall be empowered to appoint up to ten percent (10%) of the total membership as members of the House of Delegates. One-fourth (1/4) of all those appointed shall be appointed in equal numbers from members, other than athletes, of the five (5) LSCs having the largest number of registered athletes as of August 31 of the prior calendar year.
- .9 All members of the House of Delegates shall serve until their successors are selected, except that membership may be terminated by resignation filed with the Secretary & General Counsel. All LSC members must be elected on or before July 1 of each year and written certification thereof must be sent to the Secretary on or before July 15. No substitution of a member may be made unless written certification thereof is given to the Secretary & General Counsel not later than 72 hours before the House of Delegates is called to order.

6.2 MEETINGS

- .1 The annual meeting of the House of Delegates shall be held at any date, time, and place, including via telecommunication, as may be fixed in the notice of such meeting. Notice shall be posted on the USA Swimming website at least sixty (60) days prior to the meeting.
- .2 Special meetings of the House of Delegates may be held at any time, pursuant to a resolution of either the Board of Directors or the House of Delegates. A written notice of any special meeting of members, stating the time, place and the objectives thereof, shall be e-mailed to each member at least fifteen (15) days before the meeting; such notice may be waived in writing by any member at any meeting before or after such meeting.
- .3 The attendance of a member at any meeting without protesting the lack of notice prior to or at the commencement of the meeting shall be deemed a waiver of notice.
- .4 The presence of those duly registered and eligible to vote at any meeting of the House of Delegates shall constitute a quorum.
- .5 Each member shall have one (1) vote on each matter submitted to the House of Delegates. There shall be no voting by proxy. At all meetings of the House of Delegates only those members duly certified and present (including virtually present at all meetings conducted via telecommunication) shall be permitted to vote. Vote outcomes shall be determined by those members of the House of Delegates present and voting.
- .6 Any action which may be taken at any regular or special meeting of the House of Delegates, or any division or committee thereof, except amendment or repeal of the USA Swimming Rules and Regulations, may be taken without a meeting. The Secretary & General Counsel, or his or her designee, shall distribute a written ballot to every member entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of the proposal, and provide a reasonable time within which to return the ballot. Approval by written ballot shall be valid only when the number of votes cast in favor of the proposed action within the time period specified constitutes a majority of the votes entitled to be cast. When the proposed action to be voted upon concerns only a specific Zone(s) or a certain number of LSCs, as determined by the Board of Directors, the matter shall be voted upon only by eligible members within such Zone(s) or LSCs.
- .7 Resolutions of a legislative nature presented to the House of Delegates shall be subject to the same process as set forth for Amendments in Part Five of the USA Swimming Rules and Regulations.

6.3 ELECTIONS

- .1 The House of Delegates shall annually elect the number of members to the Board of Directors necessary to maintain the listed number of voting members, with the exception of the three athlete representatives (as defined in the then current USOPC Bylaws) directly elected by athletes who meet the same standards as an "athlete representative" in accordance with Section 4.2.3.
- .2 No candidate shall be eligible for election unless he or she has signed a written commitment to adhere to USA Swimming's Bylaws and the Board policies then in effect and has, in the judgment of the Nominating Committee, exhibited a demonstrable connection to swimming.
- .3 Process
 - A_a The Nominating Committee shall issue a Call for Nominations, which may be self-nominating or by third party with written consent of the proposed nominee, and, upon review and vetting of proposed candidates, present to the House of Delegates a ballot including the names of qualified and proposed nominees at least thirty (30) days prior to the meeting of the House of Delegates. Accompanying the ballot, and in related correspondence sent to the Delegates, a limited space biography/candidate statement shall be distributed.
 - B. The ballot shall include at least two (2), but no more than three (3), vetted nominees for each seat open for election.
 - C_s In addition to the call for nominations and vetting process, other members may self-nominate or be nominated by a third party with written consent of the proposed nominee by submitting their names to the Credentials/Elections Committee no later than fourteen (14) days prior to the start of the annual meeting of the House of Delegates. Such candidates will have their names listed with no supporting information and will be indicated on the ballot as non-vetted candidates.
 - D.____Overt electronic or printed campaigning shall be prohibited.

ARTICLE 7 FINANCIAL

7.1 FISCAL YEAR — The Corporation shall have a fiscal period for tax and accounting purposes commencing on the first day of January in each year.

Commented [LM2]: To discuss in December

- 7.2 GENERAL FINANCIAL PROCEDURES The Vice-Chair Fiscal Oversight shall ensure the preparation of the USA Swimming annual budget by the Chief Executive Officer and staff and arrange for presentation to the Board of Directors for approval. This annual budget shall be presented to and approved by the USA Swimming Board of Directors before or at the start of the fiscal year. The Vice-Chair Fiscal Oversight shall make available an annual financial report to the members of the House of Delegates. If requested by the USA Swimming Board of Directors or auditors, the Treasurer and the Vice-Chair Fiscal Oversight of USA Swimming shall deliver to the requesting party all money, accounts, books, papers, vouchers and records pertaining to the accounts of USA Swimming or the office of the Treasurer for audit or other purposes.
- 7.3 ANNUAL AUDIT The financial records of the corporation shall be audited annually by a CPA firm selected by the Board of Directors. Such annual financial reports shall be made available for inspection by members of the general public at USA Swimming's principal office on request made within one hundred-eighty (180) days after notice of its availability.
- 7.4 RECEIPT OF SET ASIDES, GIFTS, AND GRANTS The Corporation may, by action of the Board of Directors, designate, receive and accept, or otherwise acquire property or funds or any interest therein in the form of set asides, gifts, grants, contributions, and testamentary transfers. The Corporation's use of such property and funds shall be limited to expenditure of its income only for USA Swimming's exempt purposes in furtherance of its support of, or to benefit, USA Swimming athletes and USA Swimming programs while retaining the principal thereof as an endowment to further such purposes.
- 7.5 ENDOWMENT FUNDS There shall be established within USA Swimming such special endowment fund accounts as the Board of Directors deems appropriate. The rules governing their respective operations shall be set forth in the USA Swimming Policy ManualBoard Governing Policies Manual.

ARTICLE 8 LSC REPORTING REQUIREMENTS

- 8.1 REQUIRED LSC BYLAWS Each LSC, in accordance with its Bylaws, which are based on the "Required LSC Bylaws," adopted and amended from time to time by the USA Swimming House of Delegates, shall meet the reporting requirements to USA Swimming contained within the "Required LSC Bylaws," including, but not limited to a copy of (1) the annual closing Balance Sheet and Statement of Income and Expense and (2) the corresponding federal income tax return (Form 990). The Balance Sheet and Statement of Income and Expense shall be audited or reviewed by an outside auditor or the LSC Finance Committee.
- 8.2 FINANCIAL CONTROLS AND OTHER LSC REQUIREMENTS The Board of Directors may set certain requirements, including the adoption of financial controls. Any such requirements shall be published in the minutes and communicated to all LSCs via mail or e-mail. Failure to adopt such requirements may result in a penalty to the LSC.
- 8.3 FINANCIAL REQUIREMENTS Annually, a copy of the financial reports listed above shall be forwarded to USA Swimming headquarters within five (5) months after the close of the fiscal year for the LSC. Upon submission of a request to extend the time to file its federal income tax return, an LSC may be granted additional time to meet its financial reporting requirements to USA Swimming equal to the extension period [typically three (3) months], provided that the LSC submit a copy of the request for extension with the IRS to USA Swimming at the time the extension is filed and the IRS grants such an extension.
- 8.4 SUSPENSION OF LSC VOTING Should an LSC not be current, including extensions, with its financial reporting requirements to USA Swimming as of forty-five (45) days prior to the annual meeting of the USA Swimming House of Delegates, the Board of Directors may, with written notice, suspend the LSC from voting at the House of Delegates meeting, said suspension of votes applying only to the LSC positions entitled to vote in the House of Delegates, excluding any atlarge members of the LSC.

ARTICLE 9 INDEMNIFICATION

9.1 INDEMNIFICATION — Each person who is or was a director, officer, or employee of USA Swimming (including the heirs, executors, administrators or estate of such person) shall be indemnified by USA Swimming to the full extent permitted by the Colorado Revised Nonprofit Corporation Act against any liability, cost or expense incurred by him/her in his/her capacity as director, officer, or employee, or arising out of his/her status as a director, officer, or employee (including serving at the request of USA Swimming as a director, trustee, officer, employee or agent of another corporation).

9.2 INSURANCE — USA Swimming may maintain insurance, at its expense, to protect itself and any such person against any such liability, cost or expense. For the purpose of this Article 9, references to "USA Swimming" include all constituents absorbed in a consolidation or merger as well as the resulting or surviving corporation.

ARTICLE 10 ADMENDMENTS

10.1 AUTHORITY TO AMEND AND VOTE REQUIRED

- .1 These Corporate Bylaws, excepting those items outlined below in 10.1.4, may be altered, amended or repealed by the Board of Directors by a two-thirds (2/3) majority vote. The Board of Directors shall have no authority to amend the USA Swimming Rules and Regulations except as permitted under 4.7 of these Bylaws (Authority/Emergency Powers).
- .2 The Rules & Regulations Committee may alter, amend, or repeal any portion of Part One or Part Seven of the USA Swimming Rules and Regulations at any time to conform to the rules of the Federation Internationale de Natation (FINA).
- .3 The USA Swimming House of Delegates may amend the Rules and Regulations at its annual meeting as follows:
 - A. Parts One, Two, Three, Four, Six and Seven: by a majority vote.
 - B. Part Five by a 2/3 vote.
- .4 By a two-thirds (2/3) vote, the House of Delegates may amend the following provisions of the Corporate Bylaws: the number of Board members, their terms, or the number of which are elected by the House of Delegates, the composition of the House of Delegates, and membership fees for membership classes in existence as of the 2017 registration year (see 2.7.1A and B of these Bylaws).

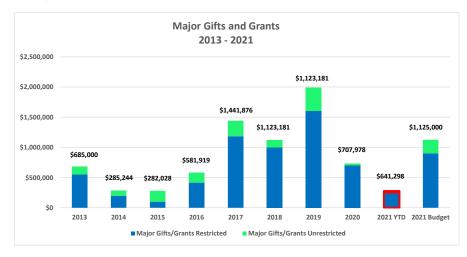
ARTICLE 11 DISSOLUTION

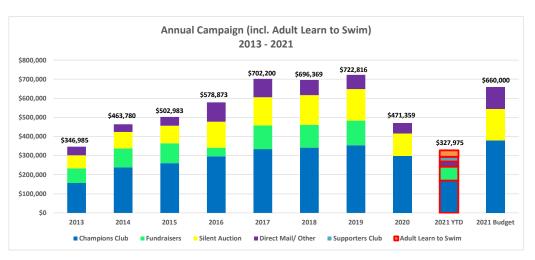
- 11.1 DISSOLUTION If deemed advisable by the members, USA Swimming may be dissolved pursuant to the applicable provisions of the corporation laws of the State of Colorado.
- 11.2 DISTRIBUTION OF ASSETS Upon the dissolution of USA Swimming, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of USA Swimming, dispose of all the assets of USA Swimming exclusively for the purposes of USA Swimming or to such organization or organizations as shall qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

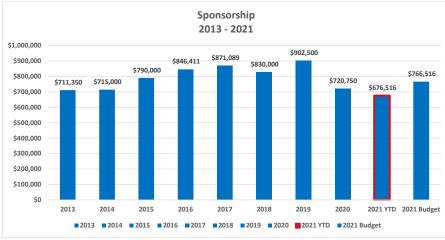
ARTICLE 12 CONFLICT OF INTEREST

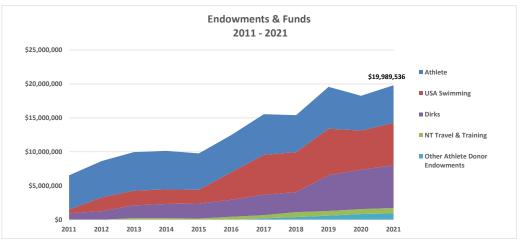
- 12.1 CONFLICT OF INTEREST Conflict of interest and ethical practices of USA Swimming shall be as follows:
- .1 If any member of the Board of Directors or any Committee has a financial interest in any contract or transaction involving USA Swimming, such individual shall not participate in USA Swimming's evaluation or approval of such contract or transaction unless the material facts of the relationship or interest are disclosed or known to the other Directors or other Committee members. If such disclosure is made, the contracts or transaction shall not be voidable if the Board or Committee in good faith authorized the contracts or transaction by the affirmative vote of the majority of the disinterested Directors or Committee members and the contract or transaction is fair to USA Swimming at the time it is authorized.
- .2 Members of the Board of Directors, Committees and each key employee of USA Swimming will execute a Statement of Principles on Ethical Behavior and Conflict of Interest each year.

USA Swimming Foundation Revenue, Endowments, and Funds June 30, 2021









USA Swimming Foundation, Inc. Balance Sheet As of June 30, 2021 and 2020

	6/30/2021	6/30/2020	\$ Change	Audited 12/31/2020	\$ Change
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$1,848,371	\$2,000,383	(\$152,011)	\$2,385,689	(\$537,318)
Accounts receivable	6,167	38,125	(31,958)	242,732	(236,565)
Pledges receivable - current	289,499	515,600	(226,101)	737,100	(447,601)
Prepaid expenses and deferred charges	2,685	15,610	(12,924)	49,488	(46,802)
Total Current Assets	2,146,723	2,569,718	(422,994)	3,415,009	(1,268,285)
FIXED ASSETS:					
Equipment and Software	229,963	229,963	0	229,963	0
Accumulated depreciation & amortization	(229,963)	(229,963)	0	(229,963)	0
LONG-TERM INVESTMENTS:					
Long-term Investments	19,989,536	17,614,113	2,375,423	18,242,539	1,746,997
OTHER ASSETS:					
Pledges receivable - long-term	1,025,418	1,327,500	(302,082)	850,000	175,418
Swim-a-Thon	120,000	120,000	0	120,000	0
Total Other Assets	1,145,418	1,447,500	(302,082)	970,000	175,418
TOTAL ASSETS	\$23,281,677	\$21,631,330	\$1,650,347	\$22,627,548	\$654,130
CURRENT LIABILITIES: Accounts payable Due from (to) USA Swimming Accrued expenses and other liabilities Deferred revenue Total Current Liabilities	\$36,775 122,799 158,055 40,100 357,728	\$7,783 (12,094) 418,450 132,025 546,164	\$28,992 134,893 (260,395) (91,925) (188,435)	\$541,325 2,497 591,484 151,515 1,286,821	(\$504,550) 120,302 (433,429) (111,415) (929,092)
NONCURRENT LIABILITIES:					, ,
Total Liabilities	357,728	546,164	(188,435)	1,286,821	(929,092)
NET ASSETS: Unrestricted:					
Undesignated Operating Funds	135,400	216,054	(80,655)	1,675	133,725
Board Designated Operating Reserves	1,201,000	1,201,000	0	1,201,000	0
Board Designated Endowments	12,605,407	11,776,942	828,466	11,620,618	984,790
Total Unrestricted	13,941,807	13,193,996	747,811	12,823,292	1,118,515
Temporarily Restricted	3,136,069	2,241,171	894,898	2,842,435	293,634
Permanently Restricted	5,846,073	5,650,000	196,073	5,675,000	171,073
Total Net Assets	22,923,949	21,085,167	1,838,782	21,340,727	1,583,222
TOTAL LIABILITIES & NET ASSETS	\$23,281,677	\$21,631,330	\$1,650,347		\$654,130

USA Swimming Foundation, Inc. Income Statement For the Six Months Ended June 30, 2021

	2021	2021	2021	2021	2021 YTD	2021 Annual	2021 YTD	2020 YTD	2020 YTD
	Unrestricted	Board Desig.	Temp Restr	Perm Restr	Total	Budget	Variance	Total	Variance
Revenue:									
Annual Campaign	\$293,841	\$0	\$0	\$0	\$293,841	\$660,000	(\$366,159)	\$126,142	\$167,699
Adult Learn to Swim	34,134	0	0	0	34,134	0	34,134	0	34,134
Major Gifts	110,225	0	335,000	171,073	616,298	1,125,000	(508,702)	355,828	260,470
Grants Major Gifts - Satisfied Restrictions	25,000 332,500	0	0 (332,500)	0	25,000 0	0	25,000 0	25,000 0	0
Endowment Distributions	1,250	0	(332,300)	0	0	0	0	0	0
Sponsorship	676,516	0	(200,000)	0	476,516	766,516	(290,000)	634,500	(157,984)
Swim-a-Thon	18,703	0) O	0	18,703	0	18,703	48,235	(29,532)
Olympic Trials VIP Packages	114,205	0	0	0	114,205	168,060	(53,855)	0	114,205
USA Swimming Support - Staff Allocation	0	0	0	0	0	335,000	(335,000)	0	0
Alumni Income Other Income	6,450 20,850	0	0	0	6,450 20,850	35,000 40,000	(28,550) (19,150)	20,850	6,450
Bad Debts	20,830	0	(75,000)	0	(75,000)	,	(75,000)	20,830	(75,000)
Investment Income (Loss)	0	984,790	567,384	Ö	1,552,174	785,000	767,174	(246,047)	1,798,221
Total Revenue	1,633,674	984,790	293,634	171,073	3,083,172	3,914,576	(831,404)	964,508	2,118,663
Evnonces									
Expenses:									
Supporting Expenses:	100 100	•	•	•	100 100	475 570	E0 400	0.570	(440,000)
Annual Campaign Maior Gifts/Grants	123,469 18.766	0	0	0	123,469 18,766	175,578 423.499	52,109 404,733	6,573 13,336	(116,896) (5,430)
Swim-a-Thon	3.404	0	0	0	3.404	423,499 115.069	404,733 111.665	30.971	(5,430) 27.568
Olympic Trials VIP Packages	161,916	0	0	0	161,916	168,060	6,144	20,850	(141,066)
Marketing	0	0	0	0	0	17,200	17,200	2,909	2,909
Operational and Administrative	221,937	0	0	0	221,937	449,107	227,170	465,652	243,715
Total Supporting Expenses	529,492	0	0	0	529,492	1,348,513	819,021	540,292	10,799
Program Expenses:									
Saving Lives - Youth Learn to Swim Grants	509,337	0	0	0	509,337	500,000	(9,337)	348,613	(160,725)
Saving Lives - Adult Learn to Swim Grants	,				,	,	, ,	,	(, ,
Saving Lives - Programs	104,571	0	0	0	104,571	782,973	678,402	80,988	(23,582)
Total Saving Lives Expenses	613,908	0	0	0	613,908	1,282,973	669,065	429,601	(184,307)
Building Champions - National Team Grants	296,250	0	0	0	296,250	917,000	620,750	310,000	13,750
Building Champions - Community Impact Grants	0	0	0	0	0	100,000	100,000	0	0
Building Champions - Club Relief Grants	0	0	0	0	0	0	0	1,475,952	1,475,952
Building Champions - Other Programs	33,354	0	0	0	33,354	128,663	95,309	29,019	(4,335)
Building Champions - Alumni Programs	26,946	0	0	0	26,946	118,505	91,560	19,930	(7,015)
Total Building Champions Expenses	356,549	0	0	0	356,549	1,264,168	907,619	1,834,901	1,478,352
Total Program Expenses	970,457	0	0	0	970,457	2,547,141	1,576,684	2,264,502	1,294,045
Total Expenses	1,499,949	0	0	0	1,499,949	3,895,654	2,395,705	2,804,794	1,304,844
Operating Surplus (Deficit)	133,725	984,790	293,634	171,073	1,583,222	18,922	1,564,300	(1,840,285)	3,423,507
						-	-		
NET CHANGE IN TOTAL NET									
ASSETS	\$133,725	\$984,790	\$293,634	\$171,073	\$1,583,222	\$18,922	\$1,564,300	(\$1,840,285)	\$3,423,507
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USA Swimming Foundation, Inc.

Income Statement

For the Six months Ended June 30, 2021 and 2020

	Quarter 2 2021	Year-To-Date 2021	Budget 2021	Budget Remaining	Year-To-Date 2020	Favorable (Unfavorable)
UNRESTRICTED:						<u> </u>
Revenue:						
Annual Campaign	\$214,904	\$293,841	\$660,000	(\$366,159)	\$126,142	\$167,699
Adult Learn to Swim	17,520	34,134	0	34,134	0	34,134
Major Gifts - Unrestricted	110,050	110,225	225,000	(114,775)	5,828	104,397
Grants - Unrestricted	0	25,000	0	25,000	25,000	101.005
Major Gifts - Satisfied Restrictions Endowment Distributions In	232,500 0	332,500	954,500	(622,000)	211,265	121,235
Endowment Distributions in Endowment Distributions - Club Relief Grants	0	1,250 0	765,000 0	(763,750)	210,000 1,500,000	(208,750) (1,500,000)
Sponsorship	220,000	676,516	766,516	(90,000)	834,500	(157,984)
Swim-a-Thon	12,945	18,703	700,010	18,703	48,235	(29,532)
Olympic Trials VIP Packages	111,125	114,205	168,060	(53,855)	0	114,205
UŚA Swimming Support - Staff Allocation	0	0	335,000	(335,000)	0	0
Alumni Income	4,675	6,450	35,000	(28,550)	0	6,450
Other Income	20,850	20,850	40,000	(19,150)	20,850	0
Investment Income (Loss)	0	0	20,000	(20,000)	12,055	(12,055)
Total Unrestricted Revenue	944,569	1,633,674	3,969,076	(2,335,402)	2,993,876	(1,360,201)
Expenses:						
Supporting Expenses:						
Annual Campaign	102,550	123,469	175,578	52,109	6,573	(116,896)
Major Gifts/Grants	17,618	18,766	423,499	404,733	13,336	(5,430)
Swim-a-Thon	1,660	3,404	115,069	111,665	30,971	27,568
Olympic Trials VIP Packages	161,809	161,916	168,060	6,144	20,850	(141,066)
Marketing	0	0	17,200	17,200	2,909	2,909
Operational and Administrative	80,878	221,937	449,107	227,170	465,652	243,715
Total Supporting Expenses	364,516	529,492	1,348,513	819,021	540,292	10,799
Program Expenses:						
Saving Lives - Youth Learn to Swim Grants	509,337	509,337	500,000	(9,337)	348,613	(160,725)
Saving Lives - Programs	76,789	104,571	782,973	678,402	80,988	(23,582)
Total Saving Lives Expenses	586,126	613,908	1,282,973	669,065	429,601	(184,307)
Building Champions - National Team Grants	295,000	296,250	917,000	620,750	310,000	13,750
Building Champions - Community Impact Grants	0	0	100,000	100,000	0	0
Building Champions - Club Relief Grants	0	0	0	0	1,475,952	1,475,952
Building Champions - Other Programs	18,301	33,354	128,663	95,309	29,019	(4,335)
Building Champions - Alumni Programs	17,087	26,946	118,505	91,560	19,930	(7,015)
Total Building Champions Expenses	330,389	356,549	1,264,168	907,619	1,834,901	1,478,352
Total Program Expenses	916,514	970,457	2,547,141	1,576,684	2,264,502	1,294,045
Total Unrestricted Expenses	1,281,030	1,499,949	3,895,654	2,395,705	2,804,794	1,304,844
Operating Surplus (Deficit)	(336,461)	133,725	73,422	60,303	189,082	(55,357)
CHANGE IN UNDESIGNATED FUNDS	(\$336,461)	\$133,725	\$73,422	\$60,303	\$189,082	(\$55,357)

USA Swimming Foundation, Inc.

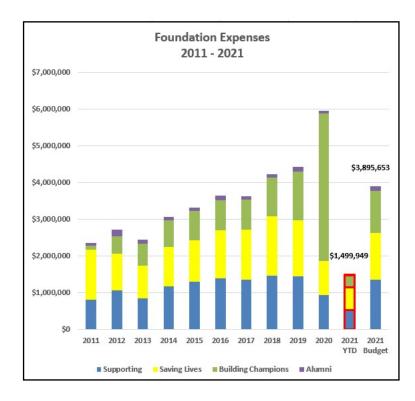
Income Statement

For the Six months Ended June 30, 2021 and 2020

	Quarter 2 2021	Year-To-Date 2021	Budget 2021	Budget Remaining	Year-To-Date 2020	Favorable (Unfavorable)
BOARD DESIGNATED:						(Omavorable)
Endowment Distributions Out Investment Income	\$0 639,204	\$0 984,790	(\$470,000) 470,000	\$470,000 514,790	(\$1,710,000) (213,748)	\$1,710,000 1,198,538
Change in Board Designated Net Assets	\$639,204	\$984,790	\$0	\$984,790	(\$1,923,748)	\$2,908,538
CHANGE IN UNRESTRICTED NET ASSETS	\$302,743	\$1,118,515	\$73,422	\$1,045,093	(\$1,734,666)	\$2,853,181
TEMPORARILY RESTRICTED:						
Major Gifts - Temporarily Restricted Endowment Distributions Out - Satisfied Restrictions	\$80,000	\$335,000 (1,250)	\$900,000 (295,000)	(\$565,000) 293,750	\$350,000	(\$15,000) (1,250)
Major Gifts - Satisfied Restrictions	(432,500)	(532,500)	(954,500)	422,000	(411,265)	(121,235)
Write-off of Pledges Investment Income	(75,000) 370,101	(75,000) 567,384	295,000	(75,000) 272,384	(44,354)	(75,000) 611,738
Change in Temp. Restricted Net Assets	(\$57,399)	\$293,634	(\$54,500)	\$348,134	(\$105,619)	\$399,253
PERMANENTLY RESTRICTED:						
Major Gifts - Permanently Restricted	\$171,073	\$171,073	\$0	\$171,073	\$0	\$171,073
Change in Perm. Restricted Net Assets	\$171,073	\$171,073	\$0	\$171,073	\$0	\$171,073
NET CHANGE IN TOTAL NET ASSETS	\$416,417	\$1,583,222	\$18,922	\$1,564,300	(\$1,840,285)	\$3,423,507

USA Swimming Foundation, Inc. Expense Detail For the Six Months Ended June 30, 2021

	SUPPORTING EXPENSES	PROGRAM EXPENSES	2021 YTD EXPENSES	2020 YTD EXPENSES	Variance
EXPENSES:	2/11/02/0				
Professional Services	143,306	149,626	292,931	151,572	(141,359)
Salaries and Benefits	\$137,946	\$49	\$137,995	\$292,294	\$154,299
Travel	71,952	5,842	77,794	14,068	(63,726)
Rent and Overhead	67,500	0	67,500	135,000	67,500
Catering and Entertainment	34,595	5,445	40,040	1,738	(38,302)
Apparel	22,207	0	22,207	20,850	(1,357)
Freight and Postage	12,651	145	12,796	6,199	(6,597)
Repairs and Equipment	12,550	0	12,550	0	(12,550)
Credit Card Fees	9,612	263	9,875	3,881	(5,994)
Dues Fees & Subscriptions	4,749	1,130	5,879	4,087	(1,792)
Printing and Duplication	4,819	48	4,867	7,720	2,853
Awards and Gifts	3,083	70	3,153	19,684	16,531
Miscellaneous Expenses	1,879	41	1,921	3,347	1,426
Tickets	0	1,920	1,920	0	(1,920)
Telephone and Internet Service	1,093	0	1,093	3,120	2,027
Office Supplies and Expense	905	32	937	1,660	723
Recognition and Fulfillment	683	223	906	1,741	836
Space/Equipment Rental	0	0	0	678	678
Depreciation and Amortization	0	0	0	2,589	2,589
Subtotal	529,530	164,833	694,362	670,229	(24,133)
Grants - LTS	0	509,337	509,337	348,613	(160,725)
Grants - Club Relief	0	0	0	1,475,952	1,475,952
Grants - USA Swimming	0	296,250	296,250	310,000	13,750
Total Grants	0	805,587	805,587	2,134,565	1,328,978
TOTAL EXPENSES	\$529,530	\$970,420	\$1,499,949	\$2,804,794	\$1,304,844



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USA SWIMMING FOUNDATION, INC. **Financial Statements** For the Year Ended December 31, 2020



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of USA Swimming Foundation, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Swimming Foundation, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited USA Swimming Foundation, Inc.'s 2019 financial statements, and we expressed an unmodified opinion on those statements in our report dated April 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado July 9, 2021

USA SWIMMING FOUNDATION, INC.

Statement of Financial Position

December 31, 2020

(With Comparative Amounts for 2019)

<u>ASSETS</u>

		2020		2019
CURRENT ASSETS:		0 305 600		1 401 005
Cash and cash equivalents Accounts receivable	\$	2,385,689	\$	1,481,837 90,808
Pledges receivable		155,232 774,600		871,999
Prepaid expenses		49,487		11,737
Total current assets		3,365,008	-	2,456,381
LONG-TERM INVESTMENTS		18,242,539		19,582,216
LONG-TERM PLEDGES RECEIVABLE - net		850,000		1,052,500
PROPERTY AND EQUIPMENT, at cost:				
Equipment and software		229,963		229,963
Less accumulated depreciation		(229,963)	-	(227,375)
Property and equipment - net				2,588
OTHER ASSETS:				
Swim-A-Thon		120,000		120,000
TOTAL ASSETS	\$	22,577,547	\$	23,213,685
LIABILITIES AND NET AS	SSET	<u>rs</u>		
CURRENT LIABILITIES:				
Accounts payable	\$	5,525	\$	10,976
Accrued liabilities		10,862		41,645
Deferred revenue		151,515		17,500
Due to USA Swimming, Inc.		1,068,919		99,871
Total current liabilities		1,236,821		169,992
NONCURRENT DEFERRED REVENUE		-		118,240
TOTAL LIABILITIES		1,236,821		288,232
NET ASSETS:				
Without donor restrictions		1,673		26,974
Without donor restrictions =		-		
board designated		12,821,618		14,901,689
With donor restrictions		8,517,435		7,996,790
Total net assets		21,340,726		22,925,453

USA SWIMMING FOUNDATION, INC. Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Without Donor	With Donor	2020	2019		
	Restrictions	Restrictions	Totals	Totals		
REVENUE:						
Investment income	\$ 1,415,408	\$ 859,146	\$ 2,274,554	\$ 2,938,313		
Contributions	502,337	677,000	1,179,337	2,711,776		
Sponsorship	520,750		520,750	702,500		
Swim-A-Thon	51,509		51,509	358,711		
Royalties	819		819	4,242		
Golden Goggles proceeds				50,000		
Other income				21,183		
Satisfied program						
restrictions	1,015,501	(1,015,501)				
Total revenue	3,506,324	520,645	4,026,969	6,786,725		
EXPENSES:						
Program services:						
Building Champions	4,025,695		4,025,695	1,321,643		
Learn to Swim	972,315		972,315	1,538,799		
Alumni and other	71,319		71,319	152,052		
Total program						
services	5,069,329		5,069,329	3,012,494		
Supporting services:						
Fundraising	513,826		513,826	958,103		
General and						
administrative	420,987	-	420,987	455,574		
Total supporting						
services	934,813	-	934,813	1,413,677		
Total expenses	6,004,142	-	6,004,142	4,426,171		
CHANGE IN NET ASSETS	(2,497,818)	520,645	(1,977,173)	2,360,554		
NET ASSETS,						
beginning of year	14,928,663	7,996,790	22,925,453	20,115,485		
In-kind transfer from						
USA Swimming, Inc.	392,446	3	392,446	449,414		
NET ASSETS, end of year	\$ 12,823,291	\$ 8,517,435	\$ 21,340,726	\$ 22,925,453		

USA SWIMMING FOUNDATION, INC. Statement of Functional Expenses For the Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Program Services				Supportin	g Services		
	Building Champions	Learn to Swim	Alumni and Other	Total Program Services	Pundraising	General and Administrative	2020 Totals	2019 Totals
Advertising	ş	\$	s	\$	\$	s	s	\$ 1,568
Apparel								18,752
Awards and gifts					19,684		19,684	29,734
Catering and entertainment		13		13	2,404	326	2,743	35,456
Credit card fees			858	858	9,191		10,049	19,071
Depreciation						2,588	2,588	10,354
Dues and fees	144	541	72	757	14,140	14,062	28,959	31,592
Equipment and space rental		679		679		789	1,468	13,851
Freight and postage		730		730	9,079	1,662	11,471	58,062
Grants	3,883,529	313,842		4,197,371			4,197,371	1,767,305
Graphics and artwork								4,070
Management fee	14,000	38,000	14,000	66,000	114,000	20,000	200,000	
Miscellaneous						71	71	4,191
Office supplies and expenses					890	1,278	2,168	8,890
Printing and duplication					6,813	1,035	7,848	96,013
Professional fees	58,750	318,568	38,000	415,318	9,528	39,971	464,017	467,774
Recognition and fulfillment		557		557	2,245	770	3,572	57,305
Rent						70,000	70,000	60,000
Repairs and equipment								13,083
Salaries and benefits	69,272	296,126	18,389	383,787	312,261	261,727	957.775	1,497,849
Silent auction cost of sales					67,153		67,153	87,145
Telephone and internet		48		48	3,193	1,628	4,869	7,653
Travel		2,659		2,659	9,973	5,080	17,712	211,610
Video and photography		552		552	425		977	10,488
Website								1,500
Total expenses by function	4,025,695	972,315	71,319	5,069,329	580,979	420,987	6,071,295	4,513,316
Less expenses included with revenues on the statement of activities:								
Silent auction cost of sales					(67,153		(67,153)	(87,145)
Total expenses on the statement of activities:	\$ 4,025,695	\$ 972,315	s 71,319	\$ 5,069,329	\$ 513,826	\$ 420,987	\$ 6,004,142	\$ 4,426,171

See Notes to Financial Statements

USA SWIMMING FOUNDATION, INC.

Statement of Cash Flows

For the Year Ended December 31, 2020 (With Comparative Amounts for 2019)

	<u>2020</u>	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,977,173)	\$ 2,360,554
Adjustments to reconcile change in	, , , - , - ,	, -,,
net assets to net cash used		
by operating activities:		
Depreciation	2,588	10,354
Net realized and unrealized gains		
on investments	(1,942,125)	(2,476,489)
In-kind transfer from USA Swimming, Inc.	392,446	449,414
Decrease (increase) in operating assets:		
Accounts receivable	(64,424)	11,193
Pledges receivable	149,899	(788,433)
Prepaid expenses	(37,750)	(856)
Increase (decrease) in operating		
liabilities:		
Accounts payable	(5,451)	(20,220)
Accrued liabilities	(30,783)	(32,271)
Deferred revenue	15,775	135,740
Due to USA Swimming, Inc.	969,048	13,310
Total adjustments	(550,777)	(2,698,258)
Net cash used by		
operating activities	(2,527,950)	(337,704)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-term investments, net		999,239
Purchase of long-term investments	(28,754,454)	(9,277,167)
Proceeds from long-term investments	32,036,256	7,582,959
11000000 110m 10mg tolm investments	32,030,230	1,302,333
Net cash provided (used) by		
investing activities	3,281,802	(694,969)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Collection of pledges receivable		
restricted for endowment	150,000	2,150,000
Net cash provided by		
financing activities	150,000	2,150,000
NET INCREASE IN CASH	903,852	1,117,327
CASH AND CASH EQUIVALENTS,		
beginning of year	1,481,837	364,510
CASH AND CASH EQUIVALENTS,		
end of year	\$ 2,385,689	\$ 1,481,837

USA SWIMMING FOUNDATION, INC. Notes to Financial Statements For the Year Ended December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The USA Swimming Foundation, Inc. (Foundation) is a nonprofit corporation incorporated on January 12, 2004. The purpose of the Foundation is to operate for charitable and educational purposes, to foster national or international amateur sports competition, and to serve as a supporting organization for USA Swimming, Inc.

Income Tax

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded.

The Foundation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date filed. Management of the Foundation believes that it does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Foundation's checking and money market accounts. The Foundation considers all liquid investments with original maturities of three months or less, and which are not held for investment purposes, to be cash equivalents. Cash and highly liquid financial instruments held for long-term investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition. The Foundation maintains its cash and cash equivalents at a commercial bank. In the event of a bank failure, the Foundation might only be able to recover the amounts insured.

Accounts Receivable

Accounts receivable include amounts from contracts with customers, contributions postmarked before the end of the year and other miscellaneous amounts. Receivables from contracts with customers at the beginning and end of 2020 were \$36,381 and \$819, respectively.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

The Foundation considers its accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. The delinquency and collectability of receivables is determined on a case by case basis and receivables are charged to bad debt expense when determined to be uncollectible.

Supplemental Cash Flow Disclosure

The Foundation paid no interest or income taxes during either of the years ended December 31, 2020 and 2019.

Pledges Receivable

Pledges receivable consist of unconditional promises to give that are expected to be collected in current and future periods. Pledges expected to be collected within one year are recorded at their estimated net realizable values. receivable expected to be collected in more than one year are recorded at the present value of their estimated future cash computed using risk-adjusted interest Amortization of the discount is included in contribution revenue. Pledges receivable are reported as donor restricted support unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period. receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary.

Contributions

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

Contributions include the USA Swimming, Inc. support and Golden Goggles proceeds received from USA Swimming, Inc.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed Services

The Foundation receives a substantial amount of donated services in carrying out their programs. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation.

During the years ended December 31, 2020 and 2019, the Foundation recorded a transfer of equity from USA Swimming, Inc. and the related expense for contributed services in the amount of \$392,446 and \$449,414, respectively. The Foundation measured the services received at the cost recognized by USA Swimming, Inc. for the actual cost incurred for personnel providing those services.

Donated Materials

Donated materials are recorded as both revenues and expenditures in the accompanying statement of activities at their estimated values.

Revenue from Contracts with Customers

<u>Sponsorship</u> - The Foundation recognizes revenue from contracts with both sponsors and suppliers of USA Swimming, Inc. and the Foundation. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Foundation will recognize revenue over time. The Foundation has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Therefore, sponsorship revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

<u>Events</u> - The Foundation receives revenue from sales related to activities at the U.S. Olympic Team Trials (Trials) which typically occur a few months prior to the Summer Olympics. The sales include tickets to the trials, tickets to an alumni dinner, and a VIP experience package including a variety of activities. The VIP experience package fee includes a contribution amount. The contribution is recognized upon receipt, all other amounts are recognized when the performance obligations are met when Trials occur.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

<u>Swim-A-Thon and royalties</u> - The Foundation receives a royalty and administrative fee from swim clubs for the use of the Swim-A-Thon trademark and prizes and administrative services provided by the Foundation. The fee is variable and is 5% of the funds raised by the Swim-A-Thon hosted by the swim club. In April 2020, the Foundation waived the contracted 5% fee for teams completing a Swim-A-Thon through December 31, 2021.

This revenue is recognized at the end of the Swim-A-Thon which is when all performance obligations are considered satisfied by the Foundation. The Foundation also receives royalties for use of its logo or trademark of Swim-A-Thon. The revenue is recognized upon receipt of the royalty.

Functional Expenses

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior-Year Comparisons - continued

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

Date of Management's Review

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 9, 2021, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

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

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

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

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and

B. AVAILABLE RESOURCES AND LIQUIDITY = Continued

 Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

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

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

	<u>2020</u>	2019
Financial assets at year-end:		
Cash and cash equivalents Pledges receivable Other receivables	\$ 2,385,689 1,624,600 155,232	\$ 1,481,837 1,924,499 90,808
Total financial assets	4,165,521	3,497,144
Less amounts not available to be used within one year: Contribution receivable - for restricted gifts, net	774,600	871.999
Contribution receivable - due over one year, net	850,000	1,052,500
Financial assets not available to be used within one year	1,624,600	1,924,499
Financial assets available within one year	\$ 2,540,921	\$ 1,572,645

C. FAIR VALUE MEASUREMENTS

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

The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

Assets	at	Fair	Value	as	of	December	31,	2020
--------	----	------	-------	----	----	----------	-----	------

	Level 1	Level 2	Level 3	Total
Equity securities:				
Exchange traded funds	\$ 7,784,518	\$	\$	\$ 7,784,518
Pooled equity funds	3,386,386			3,386,386
Mutual funds	364,365			364,365
Debt securities:				
Corporate		4,133,411		4,133,411
US Treasury and				
Federal agencies		1,794,903		1,794,903
State and municipal				
agencies		489,306		489,306
International		166,820		166,820
Money market	122,830		·	122,830
	\$ 11,658,099	\$ 6,584,440	\$	\$ 18,242,539

C. FAIR VALUE MEASUREMENTS - Continued

Assets at Fair Value as of December 31, 2019

	Level 1	Level 2	Level 3	Total
Equity securities:				
Exchange traded funds	\$ 7,805,397	\$	\$	\$ 7,805,397
Mutual funds	3,908,623			3,908,623
Debt securities:				
Corporate		3,880,824		3,880,824
US Treasury and				
Federal agencies		3,057,169		3,057,169
State and municipal				
agencies		439,449		439,449
International		193,080		193,080
Money market	297,674		·	297,674
	\$ 12,011,694	\$ 7,570,522	\$	\$ 19,582,216

D. INVESTMENT INCOME

Investment income consists of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends Net realized and unrealized gains Investment fees	\$ 379,363 1,942,125 (46,934)	\$ 505,128 2,476,489 (43,304)
	\$ 2,274,554	\$ 2,938,313

E. PLEDGES RECEIVABLE

As of December 31, 2020 and 2019, the Foundation had pledges receivable of \$1,624,600 and \$1,924,499, respectively, representing unconditional promises to give made during the current and prior years. The pledges will be received by the Foundation in future years and have been discounted using the risk-free interest rate for the year in which they were received. The interest rates used range from .11% to 2.69%.

Total pledges receivable at December 31, 2020 and 2019 were as follows:

	<u>2020</u>	2019
Short-term pledges receivable	\$ 774,600	\$ 871,999
Long-term pledges receivable	\$ 850,000	\$ 1,052,500

E. PLEDGES RECEIVABLE - Continued

At December 31, 2020 and 2019, one donor accounts for 37% and 42% of the pledges receivable, respectively.

F. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, if purchased, or if donated, at estimated fair market value at the date the gift was received. Acquisitions in excess of \$1,000 are capitalized. The cost of repairs and maintenance, which do not materially prolong the useful lives of the assets, are charged to expense when incurred.

Depreciation is computed using the straight-line method over an estimated useful life of three to 10 years.

Depreciation expense for the years ended December 31, 2020 and 2019, was \$2,588 and \$10,354, respectively.

Property and equipment consists of the following at December 31:

	2020	2019
Software	\$ 192,813	\$ 192,813
Website	31,063	31,063
Equipment	6,087	6,087
Less: accumulated depreciation		
and amortization	(229,963)	(227,375)
	\$	\$ 2,588

G. OTHER ASSETS

USA Swimming, Inc. sold the rights, title and interest in Swim-A-Thon to the Foundation for \$120,000. This sale includes, but is not limited to, all goodwill and trademarks associated with Swim-A-Thon. The Foundation analyzes its indefinite-lived assets for impairment on an annual basis.

The Foundation has determined there was no impairment as of December 31, 2020 and 2019. Swim-A-Thon is a trademarked program that swim teams utilize as a fundraiser for their competitive programs and activities. Participant teams pay royalties to the Foundation to support its mission.

H. DEFERRED REVENUE

Deferred revenue, which represents contract liabilities for contracts with customers, consisted of the following at December 31:

		2020		2019
Current: Olympic Trials Sponsorship	\$	151,515	\$	15 000
Other	_		1	15,000 2,500
Total current		151,515		17,500
Noncurrent: Olympic Trials tickets and packages				118,240
Total deferred revenue	\$	151,515	\$	135,740

I. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2020 and 2019, USA Swimming, Inc. provided in-kind support to the Foundation in the amounts of \$392,446 and \$449,414, respectively. During the years ended December 31, 2020 and 2019, the Foundation provided grants to USA Swimming, Inc. in the amounts of \$882,649 and \$1,158,750, respectively. The Foundation paid USA Swimming, Inc. office rent of \$70,000 and \$60,000 in 2020 and 2019, respectively. At December 31, 2020 and 2019, USA Swimming Foundation, Inc. owed USA Swimming, Inc. \$1,068,919 and \$99,871, respectively.

The Foundation paid USA Swimming, Inc. a management fee of \$200,000 for services provided by employees of USA Swimming Inc. during the year ended December 31, 2020. This fee agreement commenced in 2020 and was paid quarterly by the Foundation.

During the years ended December 31, 2020 and 2019, the Foundation received proceeds of \$0 and \$50,000, respectively, from the Golden Goggle Awards fundraising event which is conducted by USA Swimming, Inc. with the assistance of the Foundation.

J. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

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

	2020		2019
Purpose restrictions Time restrictions	\$ 2,311,935 530,500	-	1,537,290 809,500
Time restrictions	 \$ 2,842,435	-	

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

		<u>2020</u>		<u>2019</u>
Learn to Swim	\$	358,852	\$	415,625
National Team		352,649		367,213
Time restrictions		304,000	-	370,000
	<u>\$</u>	1,015,501	\$	1,152,838

K. NET ASSETS WITH DONOR RESTRICTIONS: PERPETUAL IN NATURE

During the years ended December 31, 2008, 2016, 2017 and 2020, the Foundation received perpetually restricted pledges of \$5,000,000, \$50,000, \$600,000, and \$25,000 respectively. Funds collected under the pledges are recognized as endowment funds. During the year ended December 31, 2019, the Foundation did not recognize any perpetually restricted contributions. The Foundation only recognizes contributions received as endowment funds. During the years ended December 31, 2020 and 2019, the Foundation received perpetually restricted contributions of \$150,000 and \$2,150,000, respectively, which were recognized as endowment funds in prior years. During the year ended December 31, 2020, the \$25,000 noted in the first sentence was a reallocation by one donor of their previously time-restricted contribution to the endowment. The \$25,000 is included in the \$150,000 contributions collected as noted above.

L. ENDOWMENTS

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

	<u>2020</u>	2019
Endowment funds Pledges receivable	\$ 5,650,000 25,000	\$ 5,500,000 150,000
	\$ 5,675,000	\$ 5,650,000

The Foundation's endowment funds consist of funds without donor restrictions functioning as endowment through designations by the Board and donor restricted endowment funds. The earnings of the Board-designated endowment are designated for athlete support. The earnings of the donor restricted endowment support Learn to Swim, National Team initiatives, and the USA Swimming Dirks/Gould Coaches Incentive Program.

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

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions-perpetual in nature (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in net assets with donor restrictions-perpetual in nature is classified as net assets with donor restrictions-temporary in nature until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. Each year, the Foundation is required to spend no less than 3% and no more than 5% of the donor restricted endowment funds for specific purposes.

The Foundation does not include uncollected pledges receivable as part of endowment net assets. Amounts are included with endowment net assets as the pledges receivable are collected. As of December 31, 2020 and 2019, perpetually restricted uncollected pledges were \$25,000 and \$150,000, respectively.

L. ENDOWMENTS - Continued

	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, January 1, 2019	\$ 12,069,287	\$ 3,254,229
Investment return: Investment income Net appreciation (net realized and	331,547	55,089
unrealized)	1,899,855	315,682
Total investment return	2,231,402	370,771
Contributions Expenditures	(600,000)	2,150,000 (275,000)
Endowment net assets, December 31, 2019	13,700,689	5,500,000
Investment return: Investment income Net appreciation (net realized and	189,695	34,973
unrealized)	1,200,234	221,277
Total investment return	1,389,929	256,250
Contributions Expenditures	(3,470,000)	150,000 (256,250)
Endowment net assets, December 31, 2020	<u>\$ 11,620,618</u>	\$ 5,650,000

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. During the years ended December 31, 2020 and 2019 there were no net asset deficiencies present.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as Board-designated funds.

Under this policy, the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk.

L. ENDOWMENTS - Continued

The Foundation expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

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

M. UNCERTAINTIES

During the year ended December 31, 2020, the outbreak of a novel strain of coronavirus (COVID-19 outbreak) has been recognized as a pandemic by the World Health Organization, and became increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including, but not limited to, the uncertainty in global financial markets, temporary closures of many businesses, suspension or cancelation of events, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will continue to affect the operations, collections or financial results of the Foundation is uncertain.



July 9, 2021

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

We have audited the financial statements of USA Swimming Foundation, Inc. (the Foundation) for the year ended December 31, 2020 and have issued our report thereon dated July 9, 2021. As a part of our examination, we made a study and evaluation of the Foundation's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluations are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist us in planning and performing our audit of the financial statements.

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

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

USA Swimming Foundation, Inc. July 9, 2021 Page 2

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

Recommendations

Lease Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU 2016-02 - Leases, which created a new topic section of the Accounting Standards Codification (ASC), ASC 842. The update to accounting standards requires one primary change to the reporting of leases: all leases must be presented on the Statement of Financial Position as assets and liabilities of the Foundation. The standard further defines the proper initial and subsequent recognition and required disclosures of leases based on the type of lease, as defined under the new ASC 842. For nonpublic entities, the update is effective for fiscal years beginning after December 15, 2021, which represents the fiscal year ending as of December 31, 2022 for the Foundation. However, ASU 2016-02 requires a modified retrospective implementation approach as of the first day of the earliest comparative period presented.

Therefore, the Foundation should proactively consider the valuation of the right of use assets and associated liabilities for leases in effect during and as of the fiscal year ending December 31, 2021, for which comparative presentation under ASU 2016-02 will be required upon adopting the standard for the year ending December 31, 2022.

* * * * *

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

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

Sincerely,

Waugh & Goodwin, LLP



July 9, 2021

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

We have audited the financial statements of USA Swimming Foundation, Inc. (the Foundation) for the year ended December 31, 2020, and have issued our report thereon dated July 9, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 14, 2020. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

USA Swimming Foundation, Inc. July 9, 2021 Page 2

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no material uncorrected misstatements as a result of audit procedures. The attached schedule summarizes uncorrected misstatements of the financial statements that management has determined the effects of the uncorrected misstatements to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 9, 2021.

Other Audit Findings or Issues

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

* * * * *

USA Swimming Foundation, Inc. July 9, 2021 Page 3

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

Sincerely,

Waugh & Goodwin, LLP

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Client: Engagement: Trial Balance:

Workpaper:

3700.10 - Passed Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Passed Journal E		4210.02		
	ed discount on long-term pledge receivables based ions at beginning and end of year.			
44070.2110	PRESENT VALUE DISCOUNT EARNED		7.310.00	
14100.0000	PLEDGES RECEIVABLE DISCOUNT		.,	7,310.00
Total			7,310.00	7,310.00

Investment Policy Statement

For

USA Swimming Foundation, Inc.

August 2021

A. Overview

USA Swimming Foundation, Inc. is a not-for-profit organization which operates for charitable and educational purposes and serves as a supporting organization for USA Swimming, Inc., headquartered in Colorado Springs, Colorado. USA Swimming Foundation, Inc. maintains an investment portfolio for the benefit of its members and appoints an Investment Committee to advise and provide oversight of these investments.

B. Purpose of Investment Policy Statement

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

The Policy:

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

With respect to the investment portion of the portfolio (referred to as "the Investments") that are managed by the Investment Advisor "Advisor," this statement also establishes a clear understanding between the Investment Committee and the Advisor concerning the investment policies and objectives of USA Swimming Foundation, Inc. It is contemplated that the Advisor will employ Investment Managers "Manager(s)" to manage specific segments of the

Investments. The Advisor will be responsible for overseeing the Investments, monitoring individual manager performance and compliance with this document with respect to the Investments, and making asset allocation recommendations.

C. Goals and Objectives

1. Portfolio Goals

It is a primary goal of USA Swimming Foundation, Inc. to invest the financial assets of the organization, in excess of funds needed for philanthropic work, and to provide maximum earnings growth, based on a total return, consistent with a policy of prudent investment and protection of assets. It is also the policy of the organization to maintain operating funds to provide for liquidity to meet planned as well as emerging charitable, grant, and educational needs. Such funds will be communicated to the Committee and the Advisor by the USA Swimming Foundation Board prior to each fiscal year as part of the approved annual budget, with more frequent updates as required by changing circumstances.

2. Investment Objectives

a. Investment Funds

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

b. Time Horizon

The time horizon for the Foundation is Long Term: greater than ten years. While the goals of the Foundation represent a perpetual need, minimal near-term dependence on the funds should inform overall asset allocation decisions.

D. Asset Allocation

The asset allocation under the Investment Policy will align with the stated goals and objectives of the Foundation. The asset allocation is based upon the following:

• That it is not productive to "time" the markets. Rather, long-term strategic asset allocation, based upon the principles of Modern Portfolio Theory, is the most prudent

investment approach. That is, effective diversification can reduce risk. In utilizing this methodology, it is important to diversify into all the major asset classes as set out below, and to diversify by investment style and money manager.

- That gains and losses have a significant impact upon the Investments' growth objective.
- That portfolios with a greater amount of equity allocations and a lesser amount of fixed income allocations have a higher probability of short-term losses and of long-term higher returns than portfolios with lesser amounts of equities.

Therefore, since long-term higher returns are very important in meeting the objectives of the Investments, the asset allocation shall contain a mixture of stocks and bonds that subject the portfolio to the potential of moderate, but not devastatingly large short-term losses, and provide the potential for higher long-term returns. The portfolio allocation is designed to avoid permanent capital losses and benefit from the long-term expected appreciation of equities. Sudden or extreme market movements should not necessitate the sale of equity holdings as such may impact the long-term appreciation of the fund's assets.

Asset Allocation Table

Investment Class	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Cash	0%	1%	15%
Fixed Income	20%	29%	40%
Commodities	0%	0%	7%
Real Estate	0%	0%	7%
Equities	60%	70%	80%

Historic and Expected Returns (*)

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

Return Interval (*)	Year 1	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>	<u>Year 20</u>
95 th Percentile	35.8%	22.2%	18.5%	15.0%	12.6%
Expected Value	7.1%	7.0%	7.0%	7.1%	7.1%
5 th Percentile	-13.9%	-5.9%	-3.1%	-0.3%	1.8%

(*) Return calculations are based on forward looking capital market assumptions provided by the Advisor. To form the confidence intervals, the Advisor's base return projections were iterated 10,000 times using a standard Monte Carlo approach. While the historic series indicates robust returns, generally accepted capital market expectations coalesce around a lower outlook from a forecasting perspective. It is widely expected that an allocation, as noted above, would provide returns of approximately 7% across a market cycle (inclusive of inflation), gross of fees, expenses, and withdrawals.

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 65% MSCI All Country World Index 35% Barclays Aggregate Bond Index over a three year rolling period after fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%. The Committee recognizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such period, the Committee expects rational explanations for such under-performance.

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

E. Investment Implementation

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

Advisor will monitor the performance of each fund or manager and report to the Committee. The Advisor will also recommend replacement of funds or managers.

F. Rebalancing

The asset allocation shall be rebalanced to the target allocations as one or more of the minimum or maximum allocations noted in the table above are exceeded (e.g., +/- 10% for equities). The Advisor may rebalance as needed to adjust portfolio weights to better align with its overall market outlook. Rebalancing and asset allocation changes will be communicated to the Investment Committee by the Advisor on an ongoing basis.

G. Liquidity Management Account

The Liquidity Management Account is comprised of Foundation funds that could reasonably be expected to be spent over the next 1 to 12 months. The account will be managed by the Chief Financial Officer. The securities in the account will be limited to the following investment vehicles and restrictions:

<u>Investment</u>	Single Security Limit	Minimum Quality	<u>Maximum Maturity</u>
Money Market Fund	None	N/A	N/A
Short Duration Bond Fund (*)	None	A/A2 (*)	3 (*)
US Treasuries	None	N/A	12 months
Agency Discount Notes	None	N/A	None
Commercial Paper	5% (**)	A2/P2	12 months
Corporate Bonds	5% (**)	A3/A-	12 months

- (*) Fund limits (quality and duration) are based on the fund's average scores; for maturity, the fund must have an average duration below 3
- (**) Single security limit is based on the Foundation's total AUM; this is a maximum single security and single issuer limit. There is no minimum limit on these holdings.

H. Costs

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

I. Communications

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

Investment Committee meetings will be held at least quarterly.

The Investment Committee may schedule additional meetings if concerns arise about the Advisor's investment strategy or performance of the Investments as well as to review and update the Foundation's Investment Policy.

Appendix: KEY INFORMATION
ORIGINAL INVESTMENT POLICY ADOPTION: May 1990
REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19, 6/20, 8/21
IRS TAX IDENTIFICATION: # 20-4264282
CUSTODIAN: FIS/Reliant Trust
INVESTMENT ADVISOR: First Western Trust Bank
Execution
This Investment Policy Statement is hereby approved and adopted on August 20, 2021.
For USA Swimming:
By: 8/20/2021
Printed Name: Eric Skufca
Title: Chief Financial Officer
For Advisor:
Advisor: <u>First Western Trust Bank</u>
By: John mom, 08/20/21
Printed Name: John Sawyer

Chief Investment Officer

Title:

Investment Policy Statement

For

USA Swimming Foundation, Inc.

June 2020

August 2021

A. Overview

USA Swimming Foundation, Inc. is a not-for-profit organization which operates for charitable and educational purposes and serves as a supporting organization for USA Swimming, Inc., headquartered in Colorado Springs, Colorado. USA Swimming Foundation, Inc. maintains an investment portfolio for the benefit of its members and appoints an Investment Committee to advise and provide oversight of these investments.

B. Purpose of Investment Policy Statement

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

The Policy:

- 0.1. Defines the investment goals and objectives of The Portfolio;
- 0-2. Documents the material facts considered and the process used to arrive at the investment decisions reached;
- 6.3. Establishes an asset allocation and investment management strategy designed to have a high probability of meeting the goals and objectives of The Portfolio;
- 6.4. Establishes a disciplined decision-making process to be followed by the investment advisors and managers in implementing the investment strategies decided upon;

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- 0-5. Establishes a criterion for evaluating the success of the investment management of The Portfolio; and
- 0-6. Documents the procedural prudence followed by the Committee in taking the investment course of action followed.

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

C. Goals and Objectives

1. Portfolio Goals

It is a primary goal of USA Swimming Foundation, Inc. to invest the financial assets of the organization, in excess of funds needed for philanthropic work, and to provide maximum earnings growth, based on a total return, consistent with a policy of prudent investment and protection of assets. It is also the policy of the organization to maintain operating funds to provide for liquidity to meet planned as well as emerging charitable, grant, and educational needs. Such funds will be communicated to the Committee and the Advisor by the USA Swimming Foundation Board prior to each fiscal year as part of the approved annual budget, with more frequent updates as required by changing circumstances.

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2. Investment Objectives

a. A. Investment Funds

The invested assets of USA Swimming Foundation, Inc. are invested and maintained in a balanced diversified investment program. The primary objective is

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to provide maximum growth consistent with a policy of prudent investment and protection of assets. Growth will be attained through appreciation of assets, the inclusion of additional funds when available, and from retention of earnings of the fund except for earnings caused to be withdrawn as hereinafter provided.

B. Short Term Operating Account

<u>b.</u> The Short Term Operating Account is comprised of primarily operating Time Horizon

The time horizon for the Foundation is Long Term: greater than ten years. While the goals of the Foundation represent a perpetual need, minimal near-term dependence on the funds should inform overall asset allocation decisions.

funds that could reasonably be expected to be spent over the next 3 to 12 months. The account will be managed by the Chief Financial Officer. The securities in the account will be limited to the following investment vehicles and restrictions:

	Single		
	SecurityMini	imum M	laximum
	<u>Limit</u>	<u>Quality</u>	<u>Maturity</u>
Money Market Funds	None	N/A	N/A
US Treasuries	None	N/A	1 yr
Agency Discount Notes	None	None	None
Commercial Paper	\$1,000,000	<u> </u>	1 yr
Corporate Bonds	\$1.000.000	A3/A-	1 vr

D. Asset Allocation

The asset allocation under the Investment Policy will meetalign with the stated goals and objectives- of the Foundation. The asset allocation is based upon the following:

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- A. —That it is not productive to "time" the markets. Rather, long-term strategic asset allocation, based upon the principles of Modern Portfolio Theory, is the most prudent investment approach. That is, effective diversification can reduce risk. In utilizing this methodology, it is important to diversify into all the major asset classes as set out below, and to diversify by investment style and money manager.
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- B. That gains and losses have a significant impact upon the Investments' growth objective.
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- C. —That portfolios with a greater amount of stockequity allocations and a lesser
 amount of bondfixed income allocations have a higher probability of short-term losses
 and of long-term higher returns than portfolios with lesser amounts of stocksequities.

Therefore, since long-term higher returns are very important in meeting the objectives of the Investments, the asset allocation shall contain a mixture of stocks and bonds that subject the portfolio to the potential of moderate, but not devastatingly large short-term losses, and provide the potential for higher long-term returns. The portfolio allocation is designed to avoid permanent capital losses and benefit from the long-term expected appreciation of equities. Sudden or extreme market movements should not necessitate the sale of equity holdings as such may impact the long-term appreciation of the fund's assets.

Asset Allocation Table

Asset Allocation Mix	<u>MinimumTarget</u>	<u>Target</u> Minimum	<u>Maximum</u>
Investment			
<u>Class</u>			
Cash	0%	1%	15%
Stocks	53% 20%	43 29%	63 40%
——Fixed Income			_
Commodities	0%	0%	7%
Real Estate	4 <u>0</u> %	3 0%	7%
<u>Equities</u>	<u>60%</u>	<u>70%</u>	<u>80%</u>
Commodity	3%	0%	7%
Bonds	39%	28%	48%
Cash	1%	0%	15%

Historic* and Expected Returns (*)

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

Return Interval (*)	<u>Year 1</u>	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>	<u>Year 20</u>
95 th Percentile	20.0 35.8%	14 22.2- <u>%</u>	12.2 <u>18.5%</u>	10.2 <u>15.0%</u>	9.1 <u>12.6%</u>

Expected Value	5.34	6 7.0- <u>%</u>	6.1 -7.0%	6 7.1- <u>%</u>	5.9 <u>7.1%</u>
	7.1%				
5 th Percentile	- 5 13.9	- 1.0 - <u>5.9%</u>	0.4 -3.1%	1.9 <u>-0.3%</u>	3.2 <u>1.8%</u>
	<u>%</u>				

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

(*) Return calculations are based on forward looking capital market assumptions provided by the Advisor. To form the confidence intervals, the Advisor's base return projections were iterated 10,000 times using a standard Monte Carlo approach. While the historic series indicates robust returns, generally accepted capital market expectations coalesce around a lower outlook from a forecasting perspective. It is widely expected that an allocation, as noted above, would provide returns of approximately 7% across a market cycle (inclusive of inflation), gross of fees, expenses, and withdrawals.

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of \$365% MSCI All Country World Index, 4% NAREIT Dev Index, 3% Bloomberg Commodity Index and 40_35% Barclays Aggregate Bond Index over a three year rolling period after fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%. The Committee recognizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such period, the Committee expects rational explanations for such under-performance.

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

E. Investment Vehicles Implementation

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

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

F. Rebalancing

The asset allocation shall be rebalanced to the target allocations set out above after any quarter in whichas one or more of the minimum or maximum allocations noted in the table above are exceeded. Furthermore, in the event of a sudden or significant change in the (e.g., +/- 10% for equities). The Advisor may rebalance as needed to adjust portfolio weights to better align with its overall market outlook. Rebalancing and asset allocation attributable to market conditions, changes will be communicated to the Investment Committee by the asset allocation may be rebalanced between quarters Advisor on an ongoing basis.

G. Liquidity Management Account

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

<u>Investment</u>	Single Security Limit	Minimum Quality	Maximum Maturity
Money Market Fund	None	N/A	N/A
Short Duration Bond Fund (*)	<u>None</u>	<u>A/A2 (*)</u>	<u>3 (*)</u>
<u>US Treasuries</u>	<u>None</u>	<u>N/A</u>	12 months
Agency Discount Notes	None	<u>N/A</u>	<u>None</u>

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Commercial Paper	<u>5% (**)</u>	<u>A2/P2</u>	12 months
Corporate Bonds	5% (**)	<u>A3/A-</u>	12 months

(*) Fund limits (quality and duration) are based on the fund's average scores; for maturity, the fund must have an average duration below 3

(**) Single security limit is based on the foundation's total AUM; this is a maximum single security and single issuer limit. There is no minimum limit on these holdings.

H. Costs

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

I. Communications

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

Investment Committee meetings will be held at least quarterly.

The Investment Committee may <u>call more frequentschedule additional</u> meetings if <u>significant</u> concerns arise about the Advisor's investment strategy or performance of the Investments <u>as well as to review and update the Foundation's Investment Policy</u>.

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Appendix: KEY INFORMATION	
DRIGINAL INVESTMENT POLICY ADOPTION: May 1990	
REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19, 6/20 <u>, 8/21</u>	
RS TAX IDENTIFICATION: # 20-4264282	
CUSTODIAN: BMO Harris Bank N.A.<u>FIS/Reliant</u> Trust	
NVESTMENT ADVISOR: First Western Trust <u>Bank</u>	
execution	
This Investment Policy Statement is hereby approved and adopted on <u>June</u> . 2020 <mark>August 20, 2021</mark> .	
2y:	
For USA Swimming:	
3y:	
Printed Name:Eric Skufca	

J. Company of the com	
For Advisor:	
Advisor: First Western Trust Bank	_
By:	_
Printed Name:	John
Title: Sr. Portfolio Manager Officer	— <u>Chief Investment</u>

Performance Monitoring Report

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 and Activities

DA: September 15, 2021

We hereby present the monitoring report on the Policy 3.4 "Financial Condition and Activities" in accordance with the monitoring schedule set forth in Board policy.

We certify that the information contained in this report and the accompanying Income Statement and Balance Sheet are true for the guarterly period ending June 30, 2021.

Signed <u>Halfurfu</u>, President & CEO

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 2021 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 2021 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, 2020 were audited and issued a clean opinion. The Chief Financial Officer continues to abide by GAAP.

We therefore report **COMPLIANCE**.

POLICY PROVISION 2: "The CEO will not expend more funds than have been projected to be received in the fiscal year, except up to the amount of any Board-approved operating deficit for such fiscal year." CEO'S INTERPRETATION: (No change since previous report)

This policy requires that annual operating expenses be less than total projected revenues, with the exception being up to the amount of a deficit-spend that the Board may have approved for a given fiscal year.

REPORT:

Year-to-date revenues were \$26,485,590 with corresponding expenses of \$16,660,544, for a year-to-date excess of \$9,825,047. Current projection for fiscal year end is total revenue of \$31,723,633 and expenses of \$35,633,443 and we thus anticipate an operating deficit of (\$3,909,810). Understanding the number of unknowns still at this time, below are some of the material deviations from our original 2021 budget at the time of this monitoring report:

- Operating revenues projected more by an estimated \$923,000 or 3.0%.
 - Olympic Trials net revenue projected less by an estimated (\$3,170,000) primarily due to reduced Trials joint venture operating projections most notably caused by reductions in venue capacity and increased expenditures related to Covid-19 mitigation/testing protocols.
 - Membership revenue projected more by an estimated \$3,090,000 due to the latest analysis and year-do-date actuals.
 - Partnership Marketing revenue projected more by an estimated \$470,000 based on latest signed or anticipated sponsorship contracts.
 - Foundation revenue projected more by an estimated \$440,000 primarily due to increased donor support for the Olympic Team travel logistics and Community Impact grants.
 - Pandemic Relief projected more by an estimated \$180,000 due to remaining PPP funding from 2020 that is expected to be forgiven in 2021.
- Operating expenses more than original budget by an estimated (\$1,664,000) or (4.9%).
 - National Team division projected more by an approximate (\$930,000) primarily due to the net adjusted Olympic Team travel logistics, net adjusted Olympic Team training camp(s) location, and Covid-19 mitigation/testing protocols.
 - Event Operations division projected more by an estimated (\$560,000) primarily due to the increased expenditures related to Covid-19 mitigation/testing protocols at events and more TV/Webcast execution than budgeted.
 - Commercial division projected more by an approximate (\$522,000) primarily due to USA Swimming Productions work around Trials, AquaZone (AquaLounge) execution at Trials, and partnership activation.
 - Sport Development division projected less by an approximate \$521,000 primarily due to less expenditure around the timing of Online Member Registration and nature of Zone Workshops.

We report **NON-COMPLIANCE** based on the current 2021 projection compared to the original 2021 budget approved in November 2020. We note the ongoing concerted efforts by the Strategy Team and Division Directors to strategically make operational decisions that can position us as well as possible throughout the 2021 "five-year quad and beyond."

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

CEO'S INTERPRETATION: (No change since previous report)

This policy requires that we maintain liquid investments adequate to meet one month of operating expenses. I interpret these to include cash expenses only (not depreciation).

REPORT:

Cash and cash equivalents were \$3,856,387 as of June 30, 2021 with 2021 projected monthly operating expenses at approximately \$2,950,000. Liquidity was in excess of the threshold required by this policy throughout the quarter.

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:

Approximately ten staff have corporate credit cards, with balances paid in full through the last statements. No other debt was originated during this reporting period and the two forms of debt originated in 2020 (PPP and revolving line of credit) have been reported and approved in prior Monitoring Reports.

We therefore report **COMPLIANCE**.

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

CEO'S INTERPRETATION: (No change since previous report)

Accessing the reserve funds is purely at the discretion of, and requires explicit authorization by, the Board of Directors.

REPORT:

The Board-designated Reserve has been tapped (capitalized or expensed) \$1,034,492 thus far in 2021 for three Board approved planned investments: the "Keeping Athletes First" initiative, legal expenditures, and USSIC sale letter of credit drawdown interest payments. All initiatives were Board approved to be used out of the Board-designated Reserve.

We therefore report **COMPLIANCE**.

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

CEO'S INTERPRETATION: (No change since previous report)

Payroll must meet its obligations every two weeks. For other payables, I interpret "timely" to mean by the date stipulated in agreement with the vendor, or if not explicit, within thirty days of invoice (assuming provision of goods or services has been completed).

REPORT:

Payroll has met the schedule as interpreted above. USA Swimming processes payables weekly. There were no invoices in dispute as of June 30, 2021 and all payables have been paid on time.

We therefore 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, 2020. The 2020 Form 990 is under the annual filing extension to November 15, 2021 and will be filed on time. There are no outstanding, overdue filings.

We therefore 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:

As reported in this Monitoring Report in May 2021 and also throughout this current monitoring report (specifically in Policy Provision #2 above), 2021 continues to bring a number of operationally unique and financially unknown areas as we make our way through the 2021 five-year "quad." As illustrated above, there are projected material deviations from our original 2021 budget approved in November 2020 at the time of this monitoring report in both operating revenues and expenditures. Two particular programmatic expense deviations are within the National Team and Event Operations divisions with respect to the Olympic Team travel game plan to and from the Olympic prep camp(s) and Olympic Games as well as increased expenditures related to Covid-19 mitigation/testing protocols at our events across the organization (including Olympic Trials). We anticipate the collective total of both these expense deviations to surpass the \$250,000 and thoroughly discussed these areas and others with the Board at the May 2021 meeting and collectively concluded the proactive communication and projections was a best practice as we continue through these times and this policy provision.

We therefore report **COMPLIANCE**.

POLICY PROVISION 9: "The CEO will not acquire, encumber, lease or dispose of real property." CEO'S INTERPRETATION: (No change since previous report)

All decisions regarding the purchase, lease, sale or other claim of/on land, buildings, office or warehouse space are considered to be at the discretion of the Board.

REPORT:

No decisions or changes with respect to real property were made during this reporting quarter.

We therefore report **COMPLIANCE**.

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

CEO'S INTERPRETATION: (No change 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. "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, and event fees. At quarter end, there were two sponsor contracts and one event vendor contract on our receivables that were both greater than \$10,000 and over 60 days past due (totaling \$236,000). We are monitoring and communicating with these customers regularly and either anticipate successful resolution or contract amendments without legal intervention at this time.

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 2020 fiscal audit was not accompanied by any Management Letter recommendations.

We therefore report **COMPLIANCE**.

POLICY PROVISION 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 therefore report **COMPLIANCE**.

POLICY PROVISION 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 (either direct or via CEO credit card) submitted by the CEO during the second quarter 2021.

We therefore report **COMPLIANCE**.

USA Swimming, Inc. Balance Sheet As of June 30, 2021 and 2020

	6/30/2021	6/30/2020	\$ Change	Audited 12/31/2020	\$ Change
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$3,856,387	\$4,008,104	(\$151,717)	\$2,309,779	\$1,546,607
Accounts receivable Prepaid expenses and deferred charges	1,912,665 1,240,366	2,915,547 1,633,827	(1,002,882) (393,462)	2,873,971 2,831,664	(961,306) (1,591,298)
Total Current Assets	7,009,417	8,557,478	(1,548,061)	8,015,414	(1,005,997)
FIXED ASSETS:					
Leasehold Improvements, IT Systems, FF&E, Other	14,290,931	13,763,778	527,153	13,544,751	746,179
Accumulated depreciation & amortization	(10,329,497)	(9,533,806)	(795,691)	(9,521,267)	(808,230)
Total Fixed Assets	3,961,433	4,229,972	(268,539)	4,023,484	(62,051)
LONG-TERM INVESTMENTS:					
Long-term Investments	39,534,688	30,485,908	9,048,780	36,533,447	3,001,242
OTHER ASSETS:					
Investment - Swim Trials, LLC	56,482	113,957	(57,475)	56,482	(F2 101)
Prepaid rent Total Other Assets	<u>4,772,319</u> 4.828.801	4,872,731 4,986,688	(100,412) (157,887)	4,825,420 4,881,902	(53,101)
Total Other Assets	4,020,001	4,900,000	(137,887)	4,861,902	(33,101)
TOTAL ASSETS	<u>\$55,334,340</u>	\$48,260,047	\$7,074,293	<u>\$53,454,247</u>	<u>\$1,880,093</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$1,675,434	\$425,548	\$1,249,886	\$807,693	\$867,741
Accrued expenses and other liabilities Deferred revenue	1,924,974 250.624	3,105,493 2,308,291	(1,180,518) (2,057,667)	1,508,269 12,595,523	416,706 (12,344,899)
Total Current Liabilities	3,851,032	5,839,332	(1,988,300)	14,911,485	(11,060,453)
NONCURRENT LIABILITIES:					
Insurance Payable	385,500	0	385,500	0	385,500
Line of Credit Payable	1,821,000	0	1,821,000	1,821,000	
Total Noncurrent Liabilities	2,206,500	0	2,206,500	1,821,000	385,500
Total Liabilities	6,057,532	5,839,332	218,200	16,732,485	(10,674,953)
NET ASSETS:					
Unrestricted:	20.050.040	04 707 000	0.404.000	20,000,004	10.000.400
Undesignated Net Assets Board Designated - USSIC	33,859,042 15,417,765	24,737,382 17,683,333	9,121,660 (2,265,568)	20,989,604 15,732,157	12,869,438 (314,392)
Total Unrestricted Net Assets	49,276,808	42,420,715	6,856,093	36,721,761	12,555,046
Total Net Assets	49,276,808	42,420,715	6,856,093	36,721,761	12,555,046
TOTAL LIABILITIES AND NET ASSETS	\$55,334,340	\$48,260,047	\$7,074,293	\$53,454,247	\$1,880,093

USA Swimming Income Statement - By Division For the Six Months Ended June 30, 2021

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
REVENUE:	7101001		2011410	· orountage		(Cinarolasio)
Membership	\$17,698,254	\$14,828,111	\$2.870.143	19.36%	\$20,619,797	(\$2,921,543)
Partnership Marketing	1,498,101	3,943,956	(2,445,855)	-62.02%	2,496,558	(998,457)
Consumer	16,304	125,000	(108,696)	-86.96%	21,210	` (4,907)
USOPC Partnership	3,971,217	5,329,500	(1,358,283)	-25.49%	2,410,014	1,561,203
Investment Income	0	20,000	(20,000)	-100.00%	730,943	(730,943)
Foundation	431,250	1,087,500 697.000	(656,250)	-60.34% -91.46%	445,000	(13,750)
Sport and Events Trials	59,559 2,630,000	4,410,000	(637,441) (1,780,000)	-91.46% -40.36%	266,434 0	(206,875) 2,630,000
Other Income	180,906	359,541	(178,635)	-49.68%	237,364	(56,458)
			· · · · · ·			<u> </u>
TOTAL REVENUE	26,485,590	30,800,608	(4,315,018)	-14.01%	27,227,320	(741,729)
EXPENSES:						
Technical/Sport:						
National Team	4,137,452	9,400,649	5,263,197	55.99%	2,802,331	(1,335,121)
Sport Development	2,019,942	5,683,974	3,664,032	64.46%	2,673,036	653,094
Event Operations	1,800,739	3,185,074	1,384,335	43.46%	1,220,560	(580,179)
Total Technical/Sport	7,958,133	18,269,697	10,311,564	56.44%	6,695,927	(1,262,206)
Other Programs:						
Commercial	3,288,130	5,644,330	2,356,200	41.74%	2,495,022	(793,108)
Risk Management / Insurance	2,783,408	4,347,150	1,563,742	35.97%	1,826,527	(956,881)
Foundation Support	0 071 520	449,414	449,414	100.00%	0	(1.740.000)
Total Other Programs	6,071,538	10,440,894	4,369,356	41.85%	4,321,548	(1,749,989)
Administration:						
Executive	682,926	1,413,498	730,572	51.69%	610,345	(72,581)
Finance Business Affairs	439,953 1,507,994	831,207 3,014,310	391,254 1,506,316	47.07% 49.97%	481,602 2,058,673	41,649 550,679
Total Administration	2,630,873	5,259,015	2,628,142	49.97%	3,150,620	519,746
Total Autilinistration	2,030,873	3,239,013	2,020,142	49.97 //	3,150,020	319,740
TOTAL EXPENSES	16,660,544	33,969,606	17,309,062	50.95%	14,168,095	(2,492,449)
OPERATING SURPLUS (DEFICIT)	\$9,825,047	(\$3,168,998)	\$12,994,045	-410.04%	\$13,059,225	(\$3,234,178)
Investment Gain (Loss)	3,044,392	0	3,044,392	0.00%	(1,519,648)	4,564,039
OPERATING SURPLUS (DEFICIT) AFTER						
INVESTMENT GAIN (LOSS)	\$12,869,438	(\$3,168,998)	\$16,038,436	-506.10%	\$11,539,577	\$1,329,861

USA Swimming Income Statement - By Category For the Six Months Ended June 30, 2021

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
REVENUE:	Actual	Duuget	Dollars	rercentage		(Offiavorable)
Membership	\$17,698,254	\$14,828,111	\$2,870,143	19.36%	\$20,619,797	(\$2,921,543)
USOPC Partnership	3,971,217	5,329,500	(1,358,283)	-25.49%	2,410,014	1,561,203
Partnership Marketing	1,498,101	3,693,956	(2,195,855)	-59.44%	2,496,558	(998,457)
Consumer	16,304	375,000	(358,696)	-95.65%	21,210	(4,907)
Sport and Events	59,559	697,000	(637,441)	-91.46%	266,434	(206,875)
Trials	2,630,000	4,410,000	(1,780,000)	-40.36%	200,434	2,630,000
Foundation	431,250	1,087,500	(656,250)	-60.34%	445.000	(13,750)
Investment Income	431,230	20,000	(20,000)	-100.00%	730,943	(730,943)
Other Income	180,906	359,541	(178,635)	-49.68%	237,364	(56,458)
Total Revenue	26,485,590	30,800,608	(4,315,018)	-14.01%	27,227,320	(741,729)
Total Neverlae	20,400,000	00,000,000	(4,010,010)	14.0170	27,227,020	(741,723)
EXPENSES:						
Salaries and Wages	3,433,450	8,454,355	5,020,905	59.39%	4,174,425	740,975
Employee Benefits	861,434	2,053,009	1,191,575	58.04%	1,062,742	201,309
Employment Taxes	255,089	573,296	318,207	55.50%	301,496	46,407
Total Payroll and Benefits	4,549,973	11,080,660	6,530,687	58.94%	5,538,663	988,690
Insurance	2,820,387	4,366,450	1,546,063	35.41%	1,859,472	(960,915)
Direct Athlete Support	1,738,330	4,128,220	2,389,890	57.89%	1,199,777	(538,553)
Travel and Hospitality	1,570,707	3,912,190	2,341,483	59.85%	636,453	(934,254)
Professional Fees & Honoraria	1,527,063	2,835,132	1,308,069	46.14%	1,349,175	(177,888)
Depreciation and Amortization	834,068	1,574,200	740,132	47.02%	759,363	(74,706)
Television and Video Production	790,699	651,074	(139,625)	-21.45%	359,060	(431,639)
Dues, Fees & Tickets	452,111	998,071	`545,960 [°]	54.70%	344,985	(107,126)
Information Technology Expenses	400,983	664,398	263,415	39.65%	335,187	(65,795)
Gear, Equipment, & Signage	392,527	505,907	113,380	22.41%	120,330	(272,197)
Rent and Lease Expense	353,879	824,458	470,579	57.08%	278,854	(75,025)
Telephone and Internet Service	304,432	402,145	97,713	24.30%	128,582	(175,850)
Apparel	296,001	292,000	(4,001)	-1.37%	75,361	(220,640)
Grants	262,500	422,000	159,500	37.80%	501,643	239,143
Supplies and Expense	166,634	377,430	210,796	55.85%	202,968	36,334
Printing and Duplication	96,604	173,210	76,606	44.23%	237,759	141,156
Protocol & Gifts	56,453	104,350	47,897	45.90%	25,029	(31,424)
Miscellaneous Expenses	33,931	80,035	46,104	57.60%	128,797	94,865
Awards	7,550	516,426	508,876	98.54%	50,078	42,528
Advertising	5,712	33,250	27,538	82.82%	36,560	30,848
Contingency	0	28,000	28,000	100.00%	0	0
Total Expenses	16,660,544	33,969,606	17,309,062	50.95%	14,168,095	(2,492,449)
OPERATING SURPLUS (DEFICIT)	\$9,825,047	(\$3,168,998)	\$12,994,045	-410.04%	\$13,059,225	(\$3,234,178)
Investment Gains (Losses)	3,044,392	<u>0</u>	3,044,392	0.00%	(1,519,648)	4,564,039
OPERATING SURPLUS (DEFICIT) AFTER						
INVESTMENT GAIN (LOSS)	\$12,869,438	(\$3,168,998)	\$16,038,436	-506.10%	\$11,539,577	\$1,329,861

USA Swimming, Inc. Statement of Revenue For the Six Months Ended June 30, 2021

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
MEMBERSHIP:						
Athlete Membership	\$14,559,768	\$12,158,080	\$2,401,688	19.75%	\$17,692,680	(\$3,132,912)
Flex	408,338	320,000	88,338	27.61%	260,350	147,988
Outreach Athlete Membership	22,410	33,410	(11,000)	-32.92%	42,435	(20,025)
Seasonal Athlete Membership	362,940	390,630	(27,690)	-7.09%	146,580	216,360
Non-Athlete Membership	2,123,840	1,785,600	338,240	18.94%	2,235,218	(111,378)
Life Membership	29,698	15,000	14,698	97.99%	33,334	(3,636)
Club Membership	186,690	165,620	21,070	12.72%	205,520	(18,830)
Seasonal Club Membership	3,360	2,360	1,000	42.37%	2,280	1,080
Affiliate Membership	0	0	(750)	0.00%	450	(450)
Single Meet Open Water	250	1,000	(750)	-75.00%	220	30
Other Membership Income	960	(43,589)	44,549	-102.20%	730	230_
TOTAL MEMBERSHIP	17,698,254	14,828,111	2,870,143	19.36%	20,619,797	(2,921,543)
PARTNERSHIP MARKETING:						
Corporate Sponsorship	1,331,283	3,651,456	(2,320,173)	-63.54%	2,375,248	(1,043,965)
Supplier Income	160,000	172,500	(12,500)	- 7.25%	116,250	43,750
Licensee Income	6,489	100,000	(93,511)	-93.51%	0	6,489
Web Advertising	329	0	329	0.00%	0	329
Print Advertising	0	20,000	(20,000)	-100.00%	5,060	(5,060)
TOTAL PARTNERSHIP MARKETING	1,498,101	3,943,956	(2,445,855)	-62.02%	2,496,558	(998,457)
CONSUMER:						
Royalties	8,164	125,000	(116,836)	-93.47%	5,809	2,355
SwimOutlet	8,140	0	8,140	0.00%	15,401	(7,261)
TOTAL CONSUMER	16,304	125,000	(108,696)	-86.96%	21,210	(4,907)
USOPC PARTNERSHIP:						
USOPC Performance Funding	2,405,732	3,082,200	(676,468)	-21.95%	1,541,100	864,632
USOPC Performance Funding USOPC Direct Athlete Support	2,405,732 1,326,391	2,232,300	(905,909)	-21.95% -40.58%	868,914	457,476
USOPC International Relations Grant	1,320,391	15,000	(15,000)	-100.00%	000,914	437,470
USOPC Other Support	239,095	13,000	239,095	0.00%	0	239,095
TOTAL USOPC PARTNERSHIP	3,971,217	5,329,500	(1,358,283)	-25.49%	2,410,014	1,561,203
INVESTMENT INCOME:						
Investment Income - Operating Budget	0	0	0	0.00%	704,616	(704,616)
Interest Income - Savings	0	0	0	0.00%	2	(1)
Interest Income - Short Term Securities	0	20,000	(20,000)	-100.00%	26,325	(26,325)
TOTAL INVESTMENT INCOME	0	20,000	(20,000)	-100.00%	730,943	(730,943)
FOUNDATION:						
USA Swimming Foundation	296,250	817,500	(521,250)	-63.76%	310,000	(13,750)
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USA Swimming, Inc. Statement of Revenue For the Six Months Ended June 30, 2021

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
Foundation Rent	135,000	270,000	(135,000)	-50.00%	135,000	0
TOTAL FOUNDATION	431,250	1,087,500	(656,250)	-60.34%	445,000	(13,750)
SPORT AND EVENTS:						
Golden Goggle Awards	(6,236)	125,000	(131,236)	-104.99%	(357)	(5,878)
Coach Education Clinics	57,411	190,000	(132,589)	-69.78%	46,580	10,831
Altitude Camps	64	240,000	(239,936)	-99.97%	185,937	(185,873)
Olympic Trials	2,630,000	4,410,000	(1,780,000)	-40.36%	0	2,630,000
Pro Swim Series Host Fees	0	0	0	0.00%	25,000	(25,000)
Facilities Conference	0	0	0	0.00%	3,417	(3,417)
Custom Visits (BAP)	0	0	0	0.00%	1,667	(1,667)
Safe Sport Materials	0	12,000	(12,000)	-100.00%	0	0
International TV Rights	0	15,000	(15,000)	-100.00%	4 101	4 100
Other Registration	8,320	115,000	(106,680)	<u>-92.77%</u>	4,191	4,129
TOTAL SPORT AND EVENTS	2,689,559	5,107,000	(2,417,441)	-47.34%	266,434	2,423,125
OTHER INCOME:						
NCAA Top Times List	50,294	100,600	(50,306)	-50.01%	100,589	(50,295)
Combined Federal Campaign	0	0	` ′ 0′	0.00%	1,596	(1,596)
Imputed Interest - Prepaid Rent	130,194	258,941	(128,747)	-49.72%	132,767	(2,573)
Other Revenue	417	0	` 417 [′]	0.00%	2,411	(1,994)
TOTAL OTHER INCOME	180,906	359,541	(178,635)	-49.68%	237,364	(56,458)
TOTAL OPERATING REVENUE	\$26,485,590	\$30,800,608	(\$4,315,018)	-14.01%	\$27,227,320	(\$741,729)
INVESTMENT CAINS (LOSSES).						
INVESTMENT GAINS (LOSSES):	3,088,955	0	3,088,955	0.00%	(1,477,514)	4,566,469
Investment Income (Loss) less Operating Allocation Money Manager Fees	3,088,955 (44,563)	0	(44,563)	0.00%	(1,477,514)	4,566,469 (2,429)
,						
TOTAL INVESTMENT GAINS (LOSSES)	3,044,392	<u> </u>	3,044,392	0.00%	(1,519,648)	4,564,039
TOTAL REVENUE	\$29,529,982	\$30,800,608	(\$1,270,626)	-4.13%	\$25,707,672	\$3,822,310

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
TECHNICAL/SPORT:						
NATIONAL TEAM Competitions 3001 Olympic Games 3015 World University Games 3023 US Open Championships	147,222 0 2,175	425,640 142,160 0	278,418 142,160 (2,175)	65.41% 100.00% 0.00%	0 0 0	(147,222) 0 (2,175)
3033 Short Course World Championships Program Group Total	2,240 151,637	150,000 717,800	147,760 566,163	98.51% 78.87%	<u>0</u>	(2,240) (151,637)
lunion Toom Duonness						
Junior Team Programs 3012 Jr. Pan Pacific Championships 3045 Junior Team Camps 3050 FINA World Junior Championships 3051 Jr. Team Pro Swim Series 3053 World 100 3992 Ntl. Jr. Team Program Support	0 1,252 2,240 0 0	0 0 147,100 0 2,000 10,925	0 (1,252) 144,860 0 2,000 10,925	0.00% 0.00% 98.48% 0.00% 100.00%	1,375 2,598 0 5,045 0 6,993	1,375 1,346 (2,240) 5,045 0 6,993
Program Group Total	3,492	160,025	156,533	97.82%	16,011	12,519
Open Water Programs 3040 FINA Open Water Jr. Championships 3060 Open Water Olympic Games 3065 Open Water World Cup 3067 Open Water Camps 3075 Open Water International Camps 3495 Open Water Program Support Program Group Total	2,240 499 0 29,485 0 2,964 35,187	36,025 49,700 25,000 5,000 0 9,650 125,375	33,785 49,201 25,000 (24,485) 0 6,686	93.78% 99.00% 100.00% -489.69% 0.00% 69.29% 71.93%	0 0 41,878 1,617 102 3,134 46,731	(2,240) (499) 41,878 (27,868) 102 170 11,543
Camps 3005 Olympic Games Prep Camps 3069 National Team Specialty Camps 3071 Altitude Training Camps 3073 National Team Camps 3518 Altitude Camps 3479 Advance Team Visits Program Group Total	779,363 0 375 580 0 0	1,142,260 15,000 20,000 15,000 250,000 6,170 1,448,430	362,897 15,000 19,625 14,420 250,000 6,170 668,112	31.77% 100.00% 98.13% 96.13% 100.00% 100.00%	868 15,000 8,481 12,236 159,799 4,874 201,258	(778,495) 15,000 8,106 11,656 159,799 4,874 (579,060)
Athlete Services						
3101 Athlete Support-Stipends & Grants 3100 USOPC Covid 19 Support Grant	1,326,391 94,584	1,997,220 0	670,829 (94,584)	33.59% 0.00%	868,914 0	(457,476) (94,584)
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	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
3103 Athlete Support-Medals & Records	0	1,010,000	1,010,000	100.00%	0	0
3107 Athlete Support-Op Gold Qualification Bonus	0	573,000	573,000	100.00%	6,000	6,000
3025 Pro Swim Series Athlete Support	306,703	325,000	18,297	5.63%	259,493	(47,210)
3021 World Cup Athlete Support	0	1,000	1,000	100.00%	0	0
3127 National Team Investment Grant	0	0	0	0.00%	69,668	69,668
3106 Phillips 66 Athlete Support	66,468	100,000	33,533	33.53%	2,500	(63,968)
3110 National Team Uniforming (VIK)	156,291	75,000	(81,291)	-108.39%	25,422	(130,869)
3130 Foundation Travel & Training	5,500	50,000	44,500	89.00%	0	(5,500)
3131 Foundation Athlete Endowments	135,750	80,000	(55,750)	-69.69%	20,001	(115,749)
3453 Drug Control Program	7,113	19,650	12,537	63.80%	3,396	(3,717)
Program Group Total	2,098,799	4,230,870	2,132,071	50.39%	1,255,394	(843,405)
Coach Services						
3203 Coach Incentive & Reward Program	0	330,000	330,000	100.00%	0	0
3210 Olympic Team Prep - Coaches	42,012	50,000	7,988	15.98%	45,000	2,988
3220 Contract Labor - National Team Tech Advisor	0	0	0	0.00%	32,087	32,087
3222 National Team Consultant	0	0	0	0.00%	13,541	13,541
3010 Coach Education	0	0	0	0.00%	4,560	4,560
3077 National Team Coaches Meeting	0	500	500	100.00%	0	0
Program Group Total	42,012	380,500	338,488	88.96%	95,189	53,177
High Performance Support						
3301 National Team Performance Support	56.492	101.320	44.828	44.24%	48.815	(7,677)
3310 USOPC Practitioner Travel Support	2,154	18,700	16,546	88.48%	7,289	5,135
Program Group Total	58,646	120,020	61,374	51.14%	56,104	(2,542)
Sport Medicine & Science						
3201 Athletes and Coach Wellness Programs	32,797	50,000	17,203	34.41%	21,144	(11,654)
3353 Sport Medicine & Science Network	16,978	44,900	27,922	62.19%	52,155	35,177
3155 Elite Athlete Accident Coverage	24,300	36,000	11,700	32.50%	35,698	11,398
3200 Athlete Life Skills	350	00,000	(350)	0.00%	100	(250)
3351 Athlete Testing & Lab Expenses	215	10,000	9,785	97.85%	8,816	8,601
3390 Sport Medicine & Science Program Support	11,131	19,000	7,869	41.41%	8,445	(2,686)
Program Group Total	85,772	159,900	74,128	46.36%	126,358	40,586
Other Programs and Services						
3481 National Team Equipment	22,800	15,500	(7,300)	-47.09%	9,070	(13,730)
3499 Team Management Technology	8,535	0	(8,535)	0.00%	69,149	60,615
Program Group Total	31,334	15,500	(15,834)	-102.16%	78,220	46,885
Frogram Group rolar	31,334	13,300	(13,034)	-102.10/0	70,220	40,000

Committees

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
3846 Sports Medicine	0	500	500	100.00%	0	0
3868 Open Water Committee	0	500	500	100.00%	35	35
3882 National Steering	0	500	500	100.00%	1,441	1,441
3888 National Team Athlete	0	0	0	0.00%	21	21
Program Group Total	0	1,500	1,500	100.00%	1,497	1,497
Administration						
3990 Administration & Operational Support	155,814	266,100	110,286	41.45%	122,100	(33,714)
3999 Salary and Benefits	694,440	1,774,629	1,080,189	60.87%	803,469	109,029
Program Group Total	850,254	2,040,729	1,190,475	58.34%	925,569	75,315
TOTAL NATIONAL TEAM	4,137,452	9,400,649	5,263,197	55.99%	2,802,331	(1,335,121)
SPORT DEVELOPMENT						
Athlete Development Programs						
1117 LSC Camps	\$89	\$4,700	\$4,611	98.11%	\$679	\$590
1118 Zone Select Camps	19,335	152,960	133,625	87.36%	5,610	(13,725)
1119 National Select Camps	0	107,630	107,630	100.00%	497	497
1120 Camp (VIK)	0	25,000	25,000	100.00%	1,965 0	1,965
1135 Tech Services Support	0	2,900	2,900	100.00%		0
Program Group Total	19,424	293,190	273,766	93.37%	8,751	(10,673)
Coach Education and Development						
1213 Coach Education Development	16,372	42,800	26,428	61.75%	21,737	5,365
1231 USA-S Hosted Coaches Clinics	178	70,550	70,372	99.75%	4,120	3,942
1233 Disability Swimming Coaches Workshop	0	8,160	8,160	100.00%	0	0
1237 Non-USAS Clinic Participation	_0	15,000	15,000	100.00%	4,109	4,109
1240 Online Coach Clinics/Podcasts	72	8,966	8,894	99.20%	4,969	4,897
1242 Coach Mentoring 1245 Master Coach Program	3,858 900	70,000 0	66,142 (900)	94.49% 0.00%	12,175 0	8,317 (900)
1290 Travel & Program Support	10,433	80,000	69,567	86.96%	20,776	10,342
Program Group Total	31,814	295,476	263,662	89.23%	67,886	36,072
	,	•	,		•	,
Club Education and Development						
1302 Club Excellence Program	201,472	209,000	7,528	3.60%	420,491	219,019
1305 Club Recognition Program 1311 Club Governance Programs	0 10,012	7,500 12,500	7,500 2,488	100.00% 19.91%	0 10,000	0 (12)
1311 Club Governance Programs 1314 Club Resources	(11,558)	8,000	2,400 19,558	244.48%	17,674	(12) 29,232
1332 Club Research Technology	1,618	10,500	8,882	84.59%	10,420	8,802
1390 Travel & Program Support	43,536	69,000	25,464	36.90%	15,111	(28,425)
Program Group Total	245,079	316,500	71,421	22.57%	473,696	228,617

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
Member Programs						
1411 Member Dues and Services	123	256,500	256,377	99.95%	8,957	8,834
1418 Legacy SWIMS Depreciation	142,366	200,000	57,634	28.82%	83,344	(59,022)
1430 Athlete Leadership Camps/Grants	0	18,000	18,000	100.00%	0	` ′ 0′
1431 Swimposium	0	53,000	53,000	100.00%	5,250	5,250
1429 Zone Workshops	3,500	229,000	225,500	98.47%	1,250	(2,250)
1434 Membership Technology	42,202	140,000	97,798	69.86%	57,943	15,740
Program Group Total	188,192	896,500	708,308	79.01%	156,744	(31,448)
LSC Development & Education						
1470 LSC Consulting	15,000	22,900	7,900	34.50%	29,823	14,823
1475 LEAP Program	0	0	0	0.00%	14,246	14,246
1481 Leadership Workshops	0	8,970	8,970	100.00%	0	0
Program Group Total	15,000	31,870	16,870	52.93%	44,069	29,069
Facilities Advocacy & Development						
1505 Build a Pool Conference	18	0	(18)	0.00%	19,781	19,764
1590 Travel & Program Support	48,000	96,000	48,000	50.00%	60,000	12,000
Program Group Total	48,018	96,000	47,982	49.98%	79,781	31,764
DEI Management & Support						
1638 DEI Management Support	11,710	106,550	94,840	89.01%	6,486	(5,224)
1640 Community Swim Team Development	5,460	70,554	65,094	92.26%	7,741	2,280
1645 Regional DEI Camps & Meetings	3,697	75,000	71,303	95.07%	9,863	6,166
1651 DEI VIK	13,951	15,000	1,049	6.99%	17,890	3,939
1665 DEI Select Camp	188	75,220	75,032	99.75%	7,816	7,628
Program Group Total	35,007	342,324	307,317	89.77%	49,796	14,789
Safe Sport						
1735 Safe Sport - Background Checks	150	600	450	74.94%	519	369
1775 Safe Sport Online Education	30,129 0	72,700 0	42,571 0	58.56%	31,663	1,535
1786 Safe Sport Athlete Fellowship 1785 Safe Sport Programs	65,040	84,000	18,960	0.00% 22.57%	3,007 96,539	3,007 31,499
1787 Safe Sport Frograms 1787 Safe Sport - USOPC Center for Safe Sport	121,974	300,000	178,026	59.34%	125,625	3,499
1789 Safe Sport - SwimAssist	28,565	100,000	71,435	71.44%	76,786	48,222
Program Group Total	245,857	557,300	311,443	55.88%	334,140	88,283
Committees						
1810 Safe Sport	0	250	250	100.00%	0	0
1823 Workshop Education	0	500	500	100.00%	0	0
1830 LSC Development	0	550	550	100.00%	0	0
1841 Disability Swimming	Ō	250	250	100.00%	55	55
1842 DEI	0	250	250	100.00%	0	0
1851 Age Group Development	0	250	250	100.00%	0	0
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	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
1856 Club Development	0	250	250	100.00%	0	0
1857 Times & Recognition	158	12,500	12,342	98.74%	2,165	2,008
1885 Senior Development	0	250	250	100.00%	0	0
1887 Athletes Executive	74	500	426	85.16%	200	126
Program Group Total	232	15,550	15,318	98.51%	2,420	2,188
Administration						
1990 Administration & Operational Support	198,941	389,030	190,089	48.86%	188,625	(10,316)
1999 Salary and Benefits	992,379	2,450,234	1,457,855	59.50%	1,267,576	275,197
Program Group Total	1,191,319	2,839,264	1,647,945	58.04%	1,456,201	264,882
TOTAL SPORT DEVELOPMENT	2,019,942	5,683,974	3,664,032	64.46%	2,673,486	653,544
EVENT OPERATIONS						
Events						
2005 Olympic Trials	51.085	31,630	(19,455)	-61.51%	1,422	(49,663)
2006 Joint Venture	0	0.,555	(10,100)	0.00%	1,641	1,641
2018 US Open (frmly Winter National Champs)	176	118,444	118,268	99.85%	1,997	1,821
2019 National Championships/Trials	0	0	0	0.00%	1,880	1,880
2023 Speedo Summer Championshis (Frmly Invitational					,	•
& US Open)	0	69,923	69,923	100.00%	1,823	1,823
2025 Pro Swim Series	277,937	165,970	(111,967)	-67.46%	140,746	(137,191)
2027 Speedo Sectionals	50,536	123,200	72,664	58.98%	99,914	49,378
2028 IM Xtreme Games	0	0	0	0.00%	4,000	4,000
2029 Zone Championships	7,500	56,000	48,500	86.61%	12,500	5,000
2032 Spring Cup 18-Under	33,933	0	(33,933)	0.00%	0	(33,933)
2035 Futures Championships	5,314	0	(5,314)	0.00%	5,000	(314)
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	1,484	87,941	86,457	98.31%	126	(1,357)
2069 Open Water Championships	74,470	59,598	(14,872)	-24.95%	10,469	(64,001)
2077 National Events Uniforming VIK	0	40,000	40,000	100.00%	0	(0.040)
2076 Bag Tags VIK	3,367	10,000	6,633	66.33%	18 0	(3,349)
2716 Omega Timing Systems VIK	0	400,000	400,000	100.00%		0
Program Group Total	505,802	1,162,706	656,904	56.50%	281,536	(224,266)
Member Programs - Officials						
2433 Officials Training Sessions	0	52,950	52,950	100.00%	555	555
2437 Officials Online Testing	0	825	825	100.00%	0	0
2438 Officials Certification Program	0	3,900	3,900	100.00%	0	0
2439 Officials Video	0	6,000	6,000	100.00%	0	0
2440 Officials Clinic	2,944	29,888	26,945	90.15%	232	(2,711)
2441 Officials International Travel	249	12,600	12,351	98.03%	309	60
2450 Officials Mentoring & Training	89	1,500	1,411	94.07%	495	406
Program Group Total	3,281	107,663	104,382	96.95%	1,591	(1,690)

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
Other Programs and Services						
2501 Publications and Video Sales	6,174	24,000	17,826	74.28%	8,624	2,451
2502 Mailing Service	0	200	200	100.00%	0	_, 0
2423 Rulebook	23,498	11,200	(12,298)	-109.80%	90,344	66,846
2498 Awards	202	5,000	4,798	95.96%	2,751	2,549
2505 Trials Hospitality	1,728	17,300	15,572	90.01%	560	(1,168)
2519 Times Projects	5,717	23,400	17,683	75.57%	24,192	18,475
2715 TV/Web Cast Production	656,614	523,474	(133,140)	-25.43%	226,187	(430,426)
Program Group Total	693,931	604,574	(89,357)	-14.78%	352,658	(341,274)
Committees & Governance						
2801 Annual Business Meeting (formerly Convention)	3,423	39,900	36,477	91.42%	783	(2,640)
2802 Annual Business Meeting - Athletes (formerly	_					_
Convention-Athletes)	0	6,500	6,500	100.00%	0	0
2825 Registration / Membership	0	500	500	100.00%	11	11
2835 Credentials / Elections	0	500	500	100.00%	0	0
2836 Rules and Regulations	0	17,500	17,500	100.00%	248	248
2866 Officials	0	500	500	100.00%	7,755	7,755
Program Group Total	3,423	65,400	61,977	94.77%	8,797	5,374
Administration						
2990 Administration & Operational Support	98,386	194,780	96,394	49.49%	80,055	(18,330)
2999 Salary and Benefits	495,916	1,049,951	554,035	52.77%	495,924	8_
Program Group Total	594,302	1,244,731	650,429	52.25%	575,979	(18,322)
TOTAL EVENT OPERATIONS	1,800,739	3,185,074	1,384,335	43.46%	1,220,560	(580,179)
TOTAL TECHNICAL/SPORT	7,958,133	18,269,697	10,311,564	56.44%	6,696,377	(1,261,756)
OTHER PROGRAMS:						
COMMERCIAL						
Partnerships & Event Marketing	40.000	75.000	20,077	24 770/	171 070	122.050
5901 Servicing	48,923	75,000	26,077	34.77%	171,879 0	122,956
5900 Contractuals 5905 Sales Development Support	81,678 8,250	220,000 17,000	138,322 8,750	62.87% 51.47%	17,190	(81,678) 8,940
5916 Sigma Gamma Rho	300	34,000	33,700	99.12%	3,690	3,390
5620 Family Program	28,490	25,000	(3,490)	-13.96%	52	(28,438)
5709 Nationals Marketing	20,490	69,520	69,520	100.00%	52,567	52,567
5760 Jr Nationals Marketing	0	13,000	13,000	100.00%	0	02,307
5762 Pro Swim Series Marketing	14,900	81,210	66,310	81.65%	101,369	86,469
5764 US Open Marketing	7,642	74,065	66,423	89.68%	0	(7,642)
5770 Event Marketing	7,812	0	0	0.00%	861	861
5755 USA Swimming House-Trials	117,726	0	(117,726)	0.00%	246	(117,480)
ŭ	•		, ,			8/25/2021
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	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
5902 Merchandise Program 5911 Aqua Zone - Olympic Trials	41,914 779,390	54,400 900,000	12,486 120,610	22.95% 13.40%	5,128 8,375	(36,786) (771,015)
Program Group Total	1,129,214	1,563,195	433,981	27.76%	361,357	(767,857)
Communications						
5109 Athlete Partnership Fulfillment 5711 Splash Magazine	6,811 149,693	60,000 275,000	53,189 125,307	88.65% 45.57%	5,459 301,675	(1,352) 151,981
5722 Social Media Aggregation	8,000	20,000	12,000	60.00%	6,772	(1,228)
5714 PR-USA Swimming Programs	0	0	0	0.00%	26,463	26,463
5724 Communication Operations	143,370	250,000	106,630	42.65%	99,445	(43,925)
Program Group Total	307,874	605,000	297,126	49.11%	439,814	131,940
Creative Services	0	35 000	35,000	100.009/	E0 2EE	E0 2EE
5710 Membership/Recruiting Promotion 5730 USA Swimming Productions	0 207,313	35,000 240,000	35,000 32,687	100.00% 13.62%	58,355 213,503	58,355 6,190
Program Group Total	207,313	275,000	67,687	24.61%	271,859	64,546
Business Intelligence & Digital Platforms						
5713 Deck Pass	30,841	61,000	30,159	49.44%	33,577	2,736
5716 Swimjitsu	3,081	0	(3,081)	0.00%	5,622	2,541
5726 Business Intelligence 5718 usaswimming.org - Web site	292,677 285,895	350,000 540,000	57,323 254,105	16.38% 47.06%	0 248,730	(292,677) (37,165)
or to asaswiiming.org Web site	612,494	951,000	338,506	35.59%	287,929	(324,565)
Administration						
5990 Administration & Operational Support	168,020	270,000	101,980	37.77%	148,805	(19,216)
5999 Salary and Benefits	863,215	1,980,135	1,116,920	56.41%	985,258	122,044
Program Group Total	1,031,235	2,250,135	1,218,900	54.17%	1,134,063	102,828
TOTAL COMMERCIAL	3,288,130	5,644,330	2,356,200	41.74%	2,495,022	<u>(793,108)</u>
RISK MANAGEMENT / INSURANCE Member Programs						
9413 Member Insurance Premiums & Retention	2,781,889	4,328,450	1,546,561	35.73%	1,824,050	(957,840)
9415 Other Risk Management	0 704 000	3,700	3,700	100.00%	0	(0.57, 0.40)
Program Group Total	2,781,889	4,332,150	1,550,261	35.79%	1,824,050	(957,840)
Committees 9827 Operational Risk Committee	0	500	500	100.00%	0	0
		500	500	100.00%		
Program Group Total	U	500	500	100.00%	U	U
Administration 9490 Administration & Operational Support	1,518	14,500	12,982	89.53%	2,477	959
5.55 Administration a Operational Support	1,010	14,500	12,502			8/25/2021
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	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
Program Group Total	1,518	14,500	12,982	89.53%	2,477	959
TOTAL RISK MANAGEMENT / INSURANCE	2,783,408	4,347,150	1,563,742	35.97%	1,826,527	(956,881)
FOUNDATION SUPPORT 6667 USA Swimming Staff Allocation	0	449,414	449,414	100.00%	0	0
TOTAL FOUNDATION SUPPORT	0	449,414	449,414	100.00%	0	0
FOUNDATION - OTHER						
TOTAL OTHER PROGRAMS	6,071,538	10,440,894	4,369,356	41.85%	4,321,548	(1,749,989)
SUPPORT DIVISIONS:						
EXECUTIVE Other Executive						
7920 CEO Contingency	23,735	20,000	(3,735)	-18.68%	13,125	(10,610)
7930 Board Chair Travel and Expenses 7931 Olympic Games Executive Contingency	33,818 9,073	40,000 20,000	6,182 10,927	15.46% 54.64%	4,368 0	(29,450) (9,073)
7945 CSCAA Grant	60,000	120,000	60,000	50.00%	60,000	0
7971 Organizational Relations - Domestic 7984 Organizational Relations - Internat'l	24,853 1,061	13,000 6,000	(11,853) 4,939	-91.18% 82.31%	19,000 2,978	(5,853) 1,917
7984 Organizational Relations - International Relations	7,731	20,000	12,269	61.35%	2,978 3,921	(3,809)
Program Group Total	160,271	239,000	78,729	32.94%	103,393	(56,878)
Committees & Governance						
7803 Board of Directors	15,808	80,000	64,192	80.24%	2,149	(13,659)
7808 Task Force & Other Committees 7820 Nominating Committee	47,929 0	99,400 2,500	51,471 2,500	51.78% 100.00%	77,805 0	29,876 0
Program Group Total	63,737	181,900	118,163	64.96%	79,954	16,217
Administration						
7990 Administration & Operational Support	52,387	97,710	45,323	46.38%	24,873	(27,514)
7999 Salary and Benefits	406,531	894,888	488,357	54.57%	402,125	(4,406)
Program Group Total	458,918	992,598	533,680	53.77%	426,998	(31,921)
TOTAL EXECUTIVE	682,926	1,413,498	730,572	<u>51.69%</u>	610,345	(72,581)

	Year To Date Actual	2021 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2020	Favorable (Unfavorable)
FINANCE						
Other Programs						
8500 LSC/Club Financial Resources	0	0	0	0.00%	220	220
Program Group Total	0	0	0	0.00%	220	220
Committees						
Administration						
8990 Administration & Operational Support	87,205	175,800	88,595	50.40%	118,008	30,803
8999 Salary and Benefits	352,748	655,407	302,659	46.18%	363,374	10,625
Program Group Total	439,953	831,207	391,254	47.07%	481,382	41,429
TOTAL FINANCE	439,953	831,207	391,254	47.07%	481,602	41,649
BUSINESS AFFAIRS						
Legal and NBR	00.040	000 000	400.454	00.000/	0.40.007	470.070
9695 Legal 9692 National Board of Review	63,849 0	200,000	136,151 0	68.08% 0.00%	243,827 91	179,978 91
9690 Legal - Admin. & Oper. Support	1,154	1,500	346	23.04%	3,367	2,212
Program Group Total	65,003	201,500	136,497	67.74%	247,284	182,281
Other Programs						
9380 Human Resources	48,759	80,000	31,241	39.05%	51,479	2,720
9290 Government Relations	0	0	100.000	0.00%	3,428	3,428
9295 Information Technology Support	489,060	679,148	190,088	27.99%	423,856	(65,204)
Program Group Total	537,819	759,148	221,329	29.15%	478,763	(59,056)
Administrative						
9990 Administration & Operational Support	165,722	253,150	87,428	34.54%	127,350	(38,373)
9999 Salary and Benefits	739,449	1,800,512	1,061,063	58.93%	1,204,827	465,378
Program Group Total	905,171	2,053,662	1,148,491	55.92%	1,332,176	427,005
TOTAL BUSINESS AFFAIRS	1,507,994	3,014,310	1,506,316	49.97%	2,058,223	550,229
TOTAL SUPPORT DIVISIONS	2,630,873	5,259,015	2,628,142	49.97%	3,150,170	519,296
GRAND TOTALS	\$16,660,544	\$33,969,606	\$17,309,062	50.95%	\$14,168,095	(\$2,492,449)

USA Swimming 2021 Budget vs. 2021 Projection Summary As of 9/7/2021

BOARD APPROVED RESERVE INVESTMENTS - Cash Basis

	Approved Budget 2021	Current Projection 2021	\$ Variance Favorable (Unfavorable)
Operating Reserves:			
Disaster Donations	\$ (25,000)	\$ (25,000)	\$ -
Board Designated Funds:			
"Keeping Athletes First" (KAF) Initiative:			
Safe Sport (Club Rec, Staff Res & Prog Dev)	(999,438)	(366,490)	632,948
Coach Education & LMS	(1,155,411)	(462,893)	692,518
Online Member Registration	(1,000,000)	(1,491,527)	(491,527)
Legal	-	(50,000)	(50,000)
USSIC Sale Letter of Credit	(1,100,000)	(1,100,000)	-
Total Board Approved Reserve Investments	\$ (4,279,849)	\$ (3,495,910)	\$ 783,939

USA Swimming, Inc. Statement of Cash Flows For the Six Months Ended June 30, 2021

	June 30, 2021			
	Quarter 2	YTD		
Operating activities:				
Change in Net Assets	\$ 285,763	\$ 12,555,046		
Adjustments to reconcile change in net assets				
to net cash provided by operating activities:	272 (02	000 220		
Depreciation and amortization	373,692	808,230		
Net realized and unrealized (gains) losses on investments Changes in operating assets and liabilities:	(1,606,816)	(2,502,141)		
Accounts receivable	248,240	961,306		
Prepaid expenses and deferred changes	(181,461)	1,591,298		
Olympic Trials Joint Venture	(101,401)	1,391,290		
Accounts payable, accrued exp and other liabilities	1,425,886	1,284,447		
Deferred revenue	(2,171,426)	(12,344,899)		
Insurance Payable	192,750	385,500		
Net cash provided by/(used in) operating activities	(1,719,135)	(9,816,259)		
rece cash provided by/(ased in) operating activities	(1,713,133)	(2,010,232)		
Investing activities: (Purchase)/Proceeds of Long-term investments, net	(381,180)	(499,100)		
Decrease in prepaid rent	26,729	53,101		
Acquisition/Disposal of property and equipment	(400,521)	(746,179)		
Acquisition/Disposar of property and equipment	(400,321)	(/40,179)		
Net cash provided by/(used in) investing activities	(754,972)	(1,192,178)		
rect cash provided by/(ased in) investing activities	(134,312)	(1,172,170)		
Financing activities:				
Proceeds from Line of Credit	-	-		
Net cash provided by/(used in) financing activities	-	-		
Net increase/(decrease) in cash & cash equivalents	(2,188,344)	1,546,608		
Cash & cash equivalents beginning of period	6 044 721	2 200 770		
Cash & Cash equivalents beginning of period	6,044,731	2,309,779		
Cash & cash equivalents end of period	\$ 3,856,387	\$ 3,856,387		

USA SWIMMING, INC. USA SWIMMING FOUNDATION, INC.

Financial Statements and Supplemental Schedules

For the Year Ended December 31, 2020



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of USA Swimming, Inc. and USA Swimming Foundation, Inc. (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of USA Swimming, Inc. and USA Swimming Foundation, Inc. as of December 31, 2020, and the changes in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's consolidated financial statements for 2019, and we expressed an unmodified opinion on those statements in our report dated April 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 26 through 27 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to consolidated prepare the financial statements consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Waugh & Goodwin, LLP

Colorado Springs, Colorado July 9, 2021

USA SWIMMING FOUNDATION, INC.

Consolidated Statement of Financial Position December 31, 2020

(With Comparative Amounts for the Year Ended December 31, 2019)

ASSETS

	2020	2019
CURRENT ASSETS: Cash and cash equivalents Accounts receivable Short-term pledges receivable Prepaid expenses and deferred charges	\$ 4,695,468 1,841,835 774,600 2,907,616	\$ 5,635,525 1,610,983 871,999 1,776,279
Total current assets	10,219,519	9,894,786
PROPERTY AND EQUIPMENT Less accumulated depreciation	13,634,720 (9,751,226)	14,314,869 (9,964,403)
Property and equipment, net	3,883,494	4,350,466
LONG-TERM INVESTMENTS	54,846,932	53,696,826
LONG-TERM PLEDGES RECEIVABLE, net	850,000	1,052,500
OTHER ASSETS: Prepaid rent Noncurrent prepaid expenses Deposit Olympic trials joint venture Swim-A-Thon	4,825,420 140,000 56,482 120,000	4,918,788 253,165 140,000 113,957 120,000
Total other assets	5,141,902	5,545,910
TOTAL ASSETS	\$ 74,941,847	\$ 74,540,488
LIABILITIES AND NET ASS	ETS	
CURRENT LIABILITIES: Accounts payable Accrued expenses and other liabilities Refundable advances PPP loan Deferred revenue Total current liabilities	\$ 763,218 1,365,777 32,415 182,316 12,714,623 15,058,349	\$ 2,422,870 1,667,483
LONG-TERM LIABILITIES: Non-current deferred revenue Line of credit	1,821,000	1,748,240
Total long-term liabilities	1,821,000	1,748,240
Total liabilities	16,879,349	20,083,344
NET ASSETS: Without donor restrictions Without donor restrictions - board designated With donor restrictions	36,723,445 12,821,618 8,517,435	31,558,665 14,901,689 7,996,790
Total net assets	58,062,498	54,457,144
TOTAL LIABILITIES AND NET ASSETS	\$ 74,941,847	\$ 74,540,488

USA SWIMMING FOUNDATION, INC.

Consolidated Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		2020		2019	
REVENUE AND SUPPORT:					
	<i>a</i> 2	0 656 470		22 401 670	
Membership Investment income		0,656,479	\$	22,481,679	
USOPC grants		5,400,154		8,305,590	
		4,090,811		5,455,500	
Partnership marketing		2,610,039		5,800,825	
PPP grant		1,445,651			
Sport and events, net of special event		405 054		4 = 45 540	
expenses of \$240,826 and \$613,768		486,054		1,546,648	
Contributions		387,830		943,967	
Other income		184,902		147,986	
Consumer revenue		61,250		290,267	
Swim-A-Thon		51,509		358,711	
Satisfied program restrictions	9=	1,015,501	-	1,152,838	
Total revenue and support	3	6,390,180		46,484,011	
EXPENSES:					
Program services:					
National Team		5,347,183		10,699,841	
Commercial		4,334,823		6,119,539	
Foundation Programs		4,120,680		1,878,744	
Sport Development		3,714,410		4,544,537	
Risk Management		2,935,396		3,195,456	
Events and Member Services		2,815,305	V	7,859,791	
Total program services	2	3,267,797		34,297,908	
Supporting services:					
Business Affairs		7,242,748		5,905,757	
Executive		1,211,839		1,600,768	
Finance		852,274		1,157,805	
Fundraising		730,813	1,353,677		
-				1,555,077	
Total supporting services	1	0,037,674	:	10,018,007	
Total expenses	3	3,305,471	-	44,315,915	
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		3,084,709		2,168,096	
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:					
Investment income		859,146		681,817	
Contributions		677,000		1,603,010	
Satisfied program restrictions	. (1,015,501)		(1,152,838)	
	-				
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	520,645	8	1,131,989	
CHANGE IN NET ASSETS		3,605,354		3,300,085	
NET ASSETS, beginning of year	5	4,457,144	_	51,157,059	
NET ASSETS, end of year	\$ 5	8,062,498	\$	54,457,144	

USA SWIMMING FOUNDATION, INC.

Consolidated Statement of Functional Expense

For the Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	National		Foundation	Sport	Risk	Events and Member	Total Program
	Team	Commercial	Programs	Development	Management	Services	Services
·	4 4 054 034	A 1 452 050	* 202 707	A 1 044 000		A 500 035	A F CAF 010
Salaries	\$ 1,251,231	\$ 1,473,952	\$ 383,787	\$ 1,744,707	\$	\$ 792,235	\$ 5,645,912
Grants			3,314,722	504,262		9,454	3,828,438
Professional fees and	000 000	F04 206	445 240	020 056	10.000	405 001	1 045 047
honoraria	282,066	504,386	415,318	238,256	10,000	495,821	1,945,847
Insurance	35,422				2,922,461		2,957,883
Direct athlete support	2,872,990	2,500					2,875,490
Employee benefits	293,605	384,573		498,930		159,844	1,336,952
Line of credit drawdown							
Depreciation and						No. of Contract	
amortization	95,851	657,781		147,502		372,485	1,273,619
Dues, fees, and tickets	10,124	12,113	1,615	55,939	1,050	233,260	314,101
Travel and hospitality	190,208	87,552	2,742	117,507	721	263,525	662,255
Information technology expenses	599	526		5,316			6,441
Television and production	5,360	228,587				403,165	637,112
Payroll taxes	87,238	110,382		134,927		41,445	373,992
Rent and lease expense	61,018	206,910	679	104,729		40,113	413,449
Office supplies and expense	13,865	183,390	660	29,342	351	53,115	280,723
Printing and duplication	2,376	168,461		5,915		64,623	241,375
Telephone and internet							
service	24,776	42,730	48	61,597	813	12,852	142,816
Miscellaneous expenses	72,469	87,204		5,215		2,369	167,257
Gear, equipment, and signage	8,649	124,932	552	23,137		15,873	173,143
Awards and gifts	36,701			24,246		14,092	75,039
Cost of goods sold, silent aucti	on						
Apparel	2,164	18,452		6,733		12,944	40,293
Advertising		38,209					38,209
Protocol	471	2,183	557	6,150		1,763	11,124
Interest expense							
Recognition and fulfillment	-						
_							
Total expenses	5,347,183	4,334,823	4,120,680	3,714,410	2,935,396	2,988,978	23,441,470
Less expenses netted against revenue on statement							
of activities						(173,673)	(173,673)
						E was save to see	0
	\$ 5,347,183	\$ 4,334,823	\$ 4,120,680	\$ 3,714,410	\$ 2,935,396	\$ 2,815,305	\$ 23,267,797

	Business Affairs	Executive Division	Finance	Fundraising	Total Supporting Services	Total Expenses 2020	Total Expenses 2019
Salaries	\$ 1,794,412	\$ 704,479	\$ 481,577	\$ 420,192	\$ 3,400,660	\$ 9,046,572	\$ 10,850,547
Grants		120,000	•		120,000	3,948,438	1,214,902
Professional fees and					· ·		_,
honoraria	1,546,481	148,928	85,686	35,085	1,816,180	3,762,027	5,469,392
Insurance			· ·	•		2.957.883	3,189,432
Direct athlete support						2,875,490	4,175,891
Employee benefits	463,912	97,518	133,042	123,115	817,587	2,154,539	2,189,714
Line of credit drawdown	1,821,000			,	1,821,000	1,821,000	-,,
Depreciation and					- 10 10	_,,,	
amortization	231,237	10,154	35,540	2,588	279,519	1,553,138	1,377,622
Dues, fees, and tickets	429.715	18,031	2,176	37,464	487,386	801,487	1,359,191
Travel and hospitality	31.735	55,284	6,480	17,783	111,282	773,537	6,709,796
Information technology expenses	633.462		1,122	14,414	648,998	655,439	546,442
Television and production	50.		-		15/15	637,112	1,781,980
Payroll taxes	125,370	21,064	43,818	30,681	220,933	594,925	654,592
Rent and lease expense	73,548	8.761	27,791	789	110,889	524,338	1,132,405
Office supplies and expense	4,003	1,694	6,198	12,909	24,804	305,527	671,765
Printing and duplication	3,525	297	1,800	7,848	13,470	254,845	466,818
Telephone and internet				, -			,
service	53,346	4,272	4,718	4,821	67,157	209,973	202,153
Miscellaneous expenses	9,787	1,853	21,696	-,	33,336	200,593	163,705
Gear, equipment, and signage	4,923	71	458	425	5,877	179,020	820,193
Awards and gifts				19,684	19,684	94,723	601,655
Cost of goods sold, silent auction	on			67,153	67,153	67,153	87,145
Apparel		4		.,,	4	40,297	707,205
Advertising						38,209	318,291
Protocol	358	19,429	172	2,315	22,274	33,398	230,561
Interest expense	15,934	•		•	15,934	15,934	
Recognition and fulfillment	103			700	700	700	8,286
Total expenses	7,242,748	1,211,839	852,274	797,966	10,104,827	33,546,297	44,929,683
Less expenses netted against revenue on statement							
of activities		:	-	(67,153)	(67,153)	(240,826)	(613,768)
	\$ 7,242,748	\$ 1,211,839	\$ 852,274	\$ 730,813	\$ 10,037,674	\$ 33,305,471	\$ 44.315.915

USA SWIMMING FOUNDATION, INC.

Consolidated Statements of Cash Flows For the Year Ended December 31, 2020

(With Comparative Amounts for the Year Ended December 31, 2019)

		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES:		2 625 254		2 222 225
Change in net assets	\$	3,605,354	\$	3,300,085
Adjustments to reconcile change in net assets to				
net cash used by operating activities:		4 === 430		4 277 622
Depreciation and amortization		1,553,138		1,377,622
Net realized and unrealized gains		/F 055 000\		(5 405 400)
on investments		(5,066,089)		(7,406,103)
PPP loan proceeds, portion in notes payable		182,316		
Change in operating assets and liabilities:				
(Increase) decrease in assets:				1005 1001
Accounts receivable		(230,852)		(386,423)
Pledges receivable		149,899		(788,433)
Prepaid expenses and deferred charges		(878,172)		(616,112)
Olympic Trials joint venture		57,475		(6,328)
Increase (decrease) in liabilities:				
Accounts payable, accrued expenses				
and other liabilities		(1,961,358)		550,333
Refundable advances		32,415		
Deferred revenue	2.5	(3,278,368)	1	1,677,332
Total adjustments	8-	(9,439,596)	,,	(5,598,112)
Net cash used by				
operating activities		(5,834,242)		(2,298,027)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Short-term investments, net				6,972,461
Proceeds from sale of long-term investments		84,767,263		39,868,549
Purchase of long-term investments		(80,851,280)		(38,543,850)
(Increase) decrease in prepaid rent		93,368		(2,754,028)
Acquisition of property and equipment	2	(1,086,166)	_	(1,368,843)
Net cash provided by				
investing activities	_	2,923,185		4,174,289
CASH FLOWS FROM FINANCING ACTIVITIES:				
Line of credit, net		1,821,000		
Collection of pledges receivable		1,021,000		
restricted for endowment		150,000		2,150,000
restricted for endowment	-	130,000	-	2,130,000
Net cash provided by				
financing activities	8	1,971,000	_	2,150,000
NET INCREASE (DECREASE) IN CASH		(940,057)		4,026,262
CASH AND CASH EQUIVALENTS,				
beginning of year		5,635,525	_	1,609,263
CACU AND CACU POLITICAL PRIME				
CASH AND CASH EQUIVALENTS,	ė	1 60E 160	ė	5 635 525
end of year	\$	4,695,468	\$	5,035,525

USA SWIMMING, INC. USA SWIMMING FOUNDATION, INC.

Notes to Consolidated Financial Statements For the Year Ended December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

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

Basis of Presentation

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

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

Income Taxes

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

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

Supplemental Cash Flow Disclosure

The Organization paid \$15,934 and \$0 interest in 2020 and 2019, respectively. The Organization did not pay any income taxes during either of the years ended December 31, 2020 and 2019.

Accounts Receivable

Accounts receivable includes amounts from contracts with customers, contributions postmarked before the end of the year and other miscellaneous amounts. Receivables from contracts with customers at the beginning and end of 2020 were \$1,390,222 and \$1,440,156 respectively.

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that no allowance for doubtful accounts was necessary at December 31, 2020 and 2019.

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

Pledges Receivable

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

<u>Pledges Receivable</u> - continued

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

Contributions

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

Contributions include United States Olympic & Paralympic Committee (USOPC) and Small Business Administration (SBA) Paycheck Protection Program (PPP) grants.

Revenue from Contracts with Customers

<u>Membership dues revenue</u> — Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Membership dues are nonrefundable.

<u>Partnership marketing</u> - The Organization recognizes revenue from contracts with both sponsors and suppliers of the Organization. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Organization will recognize revenue over time. The Organization has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Therefore, partnership marketing revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Swim-A-Thon and consumer revenue - The Foundation receives a royalty and administrative fee from swim clubs for the use of the Swim-A-Thon trademark and prizes and administrative services provided by the Foundation. The fee is variable and is 5% of the funds raised by the Swim-A-Thon hosted by the swim club. In April 2020, the Foundation waived the contracted 5% fee for teams completing a Swim-A-Thon through December 31, 2021.

This revenue is recognized at the end of the Swim-A-Thon which is when all performance obligations are considered satisfied by the Foundation. The Foundation also receives royalties for use of its logo or trademark of Swim-A-Thon. The revenue is recognized upon receipt of the royalty.

Events - The Organization receives revenue from sales related to activities at the U.S. Olympic Team Trials (Trials) which occur a few months prior to the Summer Olympics. The sales include tickets to the trials, tickets to an alumni dinner, and a VIP experience package including a variety of activities. The VIP experience package fee includes a contribution amount. The contribution is recognized upon receipt, all other amounts are recognized when the performance obligations are met at Trials were not held in 2020, therefore no revenues were recognized from sales. The Organization also receives revenue from various sporting events which are recognized at the time of the event. The Organization receives revenue from an annual Golden Goggles event. The revenue received includes sponsorships, contributions, and tickets to the event. ticket revenue includes a contribution amount. For the year ended December 31, 2020, contributions in the amount of \$167,005 from Golden Goggles were received.

Contributed Services

The Corporation receives a substantial amount of donated services in carrying out their programs. No amounts have been reflected in the consolidated financial statements for those services since they do not meet the criteria for recognition under FASB ASC 605.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed Services - continued

The Foundation receives a substantial amount of donated services in carrying out their programs. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation.

During the years ended December 31, 2020 and 2019, the Foundation recognized an in-kind transfer from the Corporation and related expense for contributed services in the amount of \$392,446 and \$449,414, respectively. The Foundation measured the services received at the cost recognized by the Corporation for the actual cost incurred for personnel providing those services.

Donated Materials

Donated materials are recorded as both revenues and expenditures in the accompanying consolidated statements of activities at their estimated values.

Functional Allocation of Expenses

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

Use of Estimates

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

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior-Year Comparisons - continued

with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

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

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 9, 2021, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

USA Swimming, Inc.

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

The table on the following page reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date contractual restrictions or internal because of designations. Amounts not available include a Board-designated special projects fund that is intended to fund special Board initiatives not considered in the annual operating budget. the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

The Corporation has a line of credit available for cash needs. See note I for information on the line of credit.

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

USA Swimming Foundation, Inc.

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

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

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

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

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

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

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

		2020		2019
Financial assets at year-end:				
Cash and cash equivalents Contributions receivable Other receivables	\$	4,695,468 1,624,600 1,841,835		5,635,525 1,924,499 1,610,983
Total financial assets Less amounts not available to be used within one year: Board - designated special	\$	8,161,903	\$	9,171,007
projects fund Contribution receivable - for		4,027,391		2,388,703
restricted gifts, net Contribution receivable - due		774,600		871,999
over one year, net	-	850,000	-	1,052,500
Financial assets not available to be used within one year	÷	5,651,991		4,313,202
Financial assets available within one year	\$	2,509,912	\$	4,857,805

C. FAIR VALUE MEASUREMENTS

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

C. FAIR VALUE MEASUREMENTS - Continued

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

Assets	at Fair Value	as of December	31, 2020	
	Level 1	Level 2	Level 3	Total
Debt securities:				
Corporate and other				
notes	\$	\$ 17,861,872	\$	\$ 17,861,872
US Treasury and				
agencies		2,089,883		2,089,883
International		166,820		166,820
State and municipal				
agencies		489,306		489,306
Equity securities:		i i		
Exchange traded funds	23,141,221			23,141,221
Pooled equity funds	10,070,838			10,070,838
Mutual funds	364,365			364,365
Money market	662,627			662,627
9	\$ 34,239,051	\$ 20,607,881	\$	\$ 54,846,932
	a series described purpose successions		- 1212	
Assets	at Fair Value	as of December	31, 2019	
5	Level 1	Level 2	Level 3	Total
Debt securities:				!=====:
Corporate and other				
notes	\$	\$ 15,818,880	\$	\$ 15,818,880
US Treasury and				,
agencies		5,052,857		5,052,857
Equity securities:				
Exchange traded funds	21,596,782			21,596,782
Mutual funds	10,828,478			10,828,478
Money market	399,829	/ 		399,829
	\$ 32,825,089	\$ 20,871,737	\$	\$ 53,696,826

Investments are included in the consolidated statements of financial position in long-term investments.

Investment income included in the consolidated statements of activities for the years ended December 31, 2020 and 2019 consists of the following:

	2020	2019
Interest and dividends Less investment fees Net realized and unrealized gains	\$ 1,322,634 (129,423) 5,066,089	\$ 1,710,880 (129,576) 7,406,103
	\$ 6,259,300	\$ 8,987,407

C. FAIR VALUE MEASUREMENTS - Continued

The Corporation and the Foundation record realized gains and losses in their consolidated financial statements based on historical cost basis.

D. PLEDGES RECEIVABLE

As of December 31, 2020 and 2019, the Foundation had pledges receivable of \$1,624,600 and \$1,924,499, respectively, representing unconditional promises to give made during the current and prior years. The pledges will be received by the Foundation in future years and have been discounted using the risk-free interest rate for the year in which they were received. The interest rates used range from 0.11% to 2.69%.

Total pledges receivable at December 31, 2020 and 2019 were as follows

	2020	2019
Short-term pledges receivable	\$ 774,600	\$ 871,999
Long-term pledges receivable	\$ 850,000	\$ 1,052,500

At December 31, 2020 and 2019, one donor accounts for 37% and 42% of the pledges receivable, respectively.

E. PREPAID EXPENSES AND DEFERRED CHARGES

Prepaid expenses and deferred charges consist of the following at December 31, 2020 and 2019:

		2020		2019
Prepaid insurance	\$	920,390	\$	796,444
Deferred charges	::	1,987,226	-	1,233,000
	\$	2,907,616	\$	2,029,444

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

Other non-current assets include prepaid rent of \$4,825,420 and \$4,918,788 at December 31, 2020 and 2019, respectively.

E. PREPAID EXPENSES AND DEFERRED CHARGES - Continued

In 1996 and 1997 the Corporation paid approximately \$3,400,000 to construct a headquarters office building at the Olympic Training Center. The building is owned by the USOPC. In consideration for the Corporation's payment of the construction costs, the USOPC agreed that the Corporation would be allowed to occupy the building free of any obligation to pay rent or operating costs for a 30-year period commencing March 1, 1997. the Corporation paid approximately \$3,000,000 for remodeling the headquarters office building, which was completed in 2019. An updated lease agreement is in progress.

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

Rent expense recorded in 2020 and 2019 amounted to \$357,648 and \$369,670, respectively, and interest income recorded in 2020 and 2019 amounted to \$264,280 and \$228,912, respectively.

F. PROPERTY AND EQUIPMENT

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

Property and equipment consists of the following at December 31, 2020 and 2019:

	2020	<u>2019</u>
Software and website	\$ 10,146,132	\$ 9,722,423
Building and leasehold improvements Furniture and equipment	1,249,699 2,199,739	2,214,795 2,338,501
Vehicles	39,150	39,150
	13,634,720	14,314,869
Less accumulated depreciation	(9,751,226)	(9,964,403)
	\$ 3,883,494	\$ 4,350,466

Depreciation expense for the years ended December 31, 2020 and 2019 was \$1,553,138 and \$1,377,622, respectively.

G. DEFERRED REVENUE

Deferred revenue, which represents contract liabilities from contracts with customers, consists of the following at December 31, 2020 and 2019:

	2020	2019
Current:		
Membership	\$ 8,942,183	\$ 14,182,251
Olympic Trials	2,130,000	
USOPC Olympics funding	1,231,200	
Corporate sponsorships	230,689	15,000
Other	180,551	47,500
	12,714,623	14,244,751
Noncurrent: Olympic Trials	8	1,748,240
Total deferred revenue	\$ 12,714,623	\$ 15,992,991

H. REFUNDABLE ADVANCE

As the Corporation satisfies the barriers and conditions set forth in the grant contract, revenue will be recognized accordingly.

Refundable advances consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
USOPC special grant	\$ 32,415	\$

I. LINE OF CREDIT

On June 24, 2020, the Corporation obtained a \$3,000,000 line of credit with First Western Trust Bank. The variable interest rate is 0.250 percentage points under the prime rate as published in The Wall Street Journal. The initial interest rate is 3.0%. Payment of principal and interest is not due on the line of credit until the maturity date of June 24, 2022. The line of credit is secured by a pledge agreement secured by an investment account held at First Western Trust Bank. The outstanding balance on the line of credit was \$1,821,000 as of December 31, 2020.

J. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

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

		2020		2019
Purpose restrictions Time restrictions		\$ 2,311,935	-	1,537,290 809,500
	9 N	\$ 2,842,435	\$	2,346,790

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

		<u>2020</u>		2019
Learn to Swim	\$	358,852	\$	367,213
National Team		352,649		415,625
Time restrictions	-	304,000	_	370,000
	\$	1,015,501	\$	1,152,838

K. NET ASSETS WITH DONOR RESTRICTIONS: PERPETUAL IN NATURE

During the years ended December 31, 2008, 2016, 2017 and 2020, the Foundation received perpetually restricted pledges of \$5,000,000, \$50,000, \$600,000, and \$25,000 respectively. Funds collected under the pledges are recognized as endowment funds. During the years ended December 31, 2019, the Foundation did not recognize any perpetually restricted contributions. The Foundation only recognizes contributions received as endowment funds. During the years ended December 31, 2020 and 2019, the Foundation received perpetually restricted contributions of \$150,000 and \$2,150,000, respectively, which were recognized as endowment funds. During the year ended December 31, 2020, the \$25,000 noted in the first sentence was a reallocation by one donor of their previously time-restricted contribution to the endowment. The \$25,000 is included in the \$150,000 contributions collected as noted above.

L. ENDOWMENTS

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

		2020		2019
Endowment funds	\$	5,650,000	\$	5,500,000
Pledges receivable	=	25,000	(v <u> </u>	150,000
	\$	5,675,000	\$	5,650,000

The Foundation's endowment funds consist of funds without donor restrictions functioning as endowment through designations by the Board and donor restricted endowment funds. The earnings of the Board-designated endowment are designated for athlete support. The earnings of the perpetually restricted endowment support Learn to Swim, National Team initiatives and the USA Swimming Dirks/Gould Coaches Incentive Program.

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

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions - perpetual in nature (a) the original value of gifts donated to the perpetual endowment, and (b) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in net assets with donor restrictions - perpetual in nature is classified as net assets with donor restrictions - temporary in nature until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. Each year, the Foundation is required to spend no less than 3% and no more than 5% of the donor restricted endowment funds for specific purposes.

The Foundation does not include uncollected pledges receivable as part of endowment net assets. Amounts are included with endowment net assets as the pledges receivable are collected. As of December 31, 2020 and 2019, perpetually restricted uncollected pledges were \$25,000 and \$150,000, respectively.

L. ENDOWMENTS - Continued

	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, January 1, 2019	\$ 12,069,287	\$ 3,254,229
Investment return: Investment income Net appreciation (net realized and	331,547	55,089
unrealized)	1,899,855	315,682
Total investment return	2,231,402	370,771
Contributions Expenditures	(600,000)	2,150,000 (275,000)
Endowment net assets, December 31, 2019	13,700,689	5,500,000
Investment return: Investment income Net appreciation (net realized and	189,695	34,973
unrealized)	1,200,234	221,277
Total investment return	1,389,929	256,250
Contributions Expenditures	(3,470,000)	150,000 (256,250)
Endowment net assets, December 31, 2020	\$ 11,620,618	\$ 5,650,000

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. During the years ended December 31, 2020 and 2019 there were no net asset deficiencies present.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as Board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk.

L. ENDOWMENTS - Continued

The Foundation expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

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

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

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

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

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

In accordance with the Equity Purchase Agreement, the Corporation obtained a letter of credit (the LOC) for benefit of the buyer in the amount of \$5,000,000. The LOC collateralizes indemnity reserves and allows the buyer to draw against the LOC once per quarter for the payment of claims that exceed \$3,265,599, which is the referenced loss reserves as defined in the agreement. If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are equal to or greater than \$5,000,000 the Corporation may, but is not obligated to, release the entire LOC to the buyer.

M. UNITED STATES SPORTS INSURANCE COMPANY INC. PROVISION FOR LOSSES - Continued

If on the fifth anniversary of the date of sale the estimated ultimate losses of USSIC are less the \$5,000,000 the Corporation may release a portion of the LOC to the buyer or reduce the LOC amount. The LOC will be terminated on the tenth anniversary of the date of sale. The unused balance on the LOC is \$3,200,000 as of December 31, 2020.

N. RELATED PARTY TRANSACTIONS

The USOPC provides grants to the Corporation for sports development, international competition, and team preparation. In addition, the USOPC designates a portion of their funding for athlete support, and this amount is paid directly to eligible athletes.

Total grants from the USOPC for the years ended December 31, 2020 and 2019 consist of the following project categories:

		2020		<u>2019</u>
NGB Funding	\$	1,851,000	\$	3,082,200
Direct athlete support		2,226,865		2,207,300
Other USOPC support		5,000		150,000
International relations	-	7,946	_	16,000
	\$	4,090,811	\$	5,455,500

During the years ended December 31, 2020 and 2019, NGB funding provided as value-in-kind was \$0 and \$60,000, respectfully. At December 31, 2020 and 2019, payables to the USOPC amounted to \$1,525 and \$529,522, respectively.

O. PENSION PLAN

The Corporation and the Foundation's 401(k) retirement plan covers all employees over 18 years of age with one year of service. During the years ended December 31, 2020 and 2019, contributions to the plan were \$688,683 and \$720,114, respectively.

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

The purpose of the plan is to provide retirement benefits for this individual. This plan contains two components, a Qualified Deferred Compensation account and a Nonqualified account.

O. PENSION PLAN - Continued

All amounts credited to the Qualified Deferred Compensation account are fully vested. In January 2013, all funds held in the non-qualified account were distributed to the former Chief Executive Officer.

As of December 31, 2012, the deferred compensation plan was fully funded, and no additional contributions have been made. However, earnings of 8% are added to the fund annually. At December 31, 2020 and 2019, the vested balance in the Qualified Deferred Compensation account was \$101,974 and \$169,957, respectively.

P. INVESTMENT IN JOINT VENTURE

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

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

	2020	2019
Cash Accounts Receivable Other assets Property and equipment, net	\$ 133,791 152,250 908,654 78,274	\$ 323,892 30,262 424,750 112,264
Total assets	\$ 1,272,969	\$ 891,168
Liabilities Equity	\$ 1,160,000 112,969	\$ 663,250 227,918
Total liabilities and equity	\$ 1,272,969	\$ 891,168

Q. PPP GRANT AND LOAN

In April 2020, the Corporation received a loan in the amount of \$1,627,968 from First Western Trust through the PPP. Under the terms of this program, a portion or all of the loan may be forgiven by the Small Business Administration if certain payroll criteria are met and funds are used for payroll, rent, mortgage interest, or utilities.

The Corporation received forgiveness of \$1,445,651 subsequent to December 31, 2021, and this amount is reported as a PPP grant in the accompanying financial statements. The portion of the loan that was not forgiven has a maturity of five years and an interest rate of 1%. Loan payments are deferred for ten months. The Corporation is anticipating forgiveness of the remaining balance therefore the entire balance is reflected as a current liability. The balance of the PPP loan was \$182,316 at December 31, 2020.

R. CONTINGENCIES

Occasionally, in the normal conduct of business, the Organization may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Organization, as of December 31, 2020, are either without merit, will not exceed insurance limits or will be covered by the letter of credit discussed in Note M.

S. UNCERTAINTIES

During the year ended December 31, 2020, the outbreak of a novel strain of coronavirus (COVID-19 outbreak) has been recognized as a pandemic by the World Health Organization, and became increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including, but not limited to, the uncertainty in global financial markets, temporary closures of many businesses, suspension or cancelation of events, "shelter in place" and other governmental regulations, and job losses. The extent to which the COVID-19 outbreak will continue to affect the operations, collections or financial results of the Organization is uncertain.

USA SWIMMING, INC. USA SWIMMING FOUNDATION, INC. Consolidating Statement of Financial Position December 31, 2020 (With Consolidated Totals for 2019)

ASSETS

	<u>usas</u>	USASF	Eliminations	Consolidated Totals 2020	Consolidated Totals <u>2019</u>
CURRENT ASSETS: Cash and cash equivalents Accounts receivable Due from USA Swimming Foundation, Inc. Short-term pledges receivable Prepaid expenses and deferred charges	\$ 2,309,779 \$ 1,686,603 1,068,919	2,385,689 155,232 774,600 49,487	(1,068,919)	\$ 4,695,468 1,841,835 774,600 2,907,616	\$ 5,635,525 1,610,983 871,999 1,776,279
Total current assets	7,923,430	3,365,008	(1,068,919)	10,219,519	9,894,786
PROPERTY AND EQUIPMENT Less accumulated depreciation	13,404,757 (9,521,263)	229,963 (229,963)		13,634,720 (9,751,226)	14,314,869 (9,964,403)
Property and equipment - net	3,883,494			3,883,494	4,350,466
LONG-TERM INVESTMENTS	36,604,393	18,242,539		54,846,932	53,696,826
LONG-TERM PLEDGES RECEIVABLE, net		850,000		850,000	1,052,500
OTHER ASSETS: Prepaid rent Noncurrent prepaid expenses Deposit Olympic trials joint venture Swim-A-Thon	4,825,420 140,000 56,482	120,000		4,825,420 140,000 56,482 120,000	4,918,788 253,165 140,000 113,957 120,000
Total other assets	5,021,902	120,000		5,141,902	5,545,910
TOTAL ASSETS	\$ 53,433,219 \$	22,577,547	\$ (1,068,919)	\$ 74,941,847	\$ 74,540,488

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES: Accounts payable Due to USA Swimming, Inc.	\$ 757,693	\$ 5,525 1,068,919	\$ (1,068,919)	\$ 763,218	\$ 2,422,870
Accrued expenses and other liabilities Refundable advances	1,354,915 32,415	10,862	(1,000,515)	1,365,777 32,415	1,667,483
PPP Loan Deferred revenue	182,316 12,563,108	151,515		182,316 12,714,623	14,244,751
Total current liabilities	14,890,447	1,236,821	(1,068,919)	15,058,349	18,335,104
LONG-TERM LIABILITIES:					
Non-current deferred revenue Line of credit	1,821,000			1,821,000	1,748,240
Total liabilities	16,711,447	1,236,821	(1,068,919)	16,879,349	20,083,344
NET ASSETS:					
Without donor restrictions Without donor restrictions - board	36,721,772	1,673		36,723,445	31,558,665
designated		12,821,618		12,821,618	14,901,689
With donor restrictions	s 	8,517,435		8,517,435	7,996,790
Total net assets	36,721,772	21,340,726	? 	58,062,498	54,457,144
TOTAL LIABILITIES AND NET ASSETS	\$ 53,433,219	\$ 22,577,547	\$ (1,068,919)	\$ 74,941,847	\$ 74,540,488

USA SWIMMING, INC.

USA SWIMMING FOUNDATION, INC.

Consolidating Statement of Activities and Changes in Net Assets For the Year Ended December 31,2020 (With Consolidated Totals for 2019)

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:	<u>USAS</u>	<u>USASF</u>	Eliminations	Consolidated Totals 2020	Consolidated Totals 2019
REVENUE AND SUPPORT:					
Membership	\$ 20,656,479	\$	\$	\$ 20,656,479	\$ 22,481,679
Investment income	3,984,746	1,415,408		5,400,154	8,305,590
USOPC grants	4,090,811			4,090,811	5,455,500
Partnership marketing	2,089,289	520,750		2,610,039	5,800,825
PPP grant	1,445,651			1,445,651	
Sport and events, net of special event expenses					
of \$240,826 and \$613,768	369,616	116,438		486,054	1,546,648
Contributions	884,580	385,899	(882,649)	387,830	943,967
Other income	454,902		(270,000)	184,902	147,986
Consumer revenue	60,431	819		61,250	290,267
Swim-A-Thon		51,509		51,509	358,711
Satisfied program restrictions	-	1,015,501		1,015,501	1,152,838
Total revenue and support	34,036,505	3,506,324	(1,152,649)	36,390,180	46,484,011
EXPENSES:					
Program services:				427 A	
National Team	5,347,183			5,347,183	10,699,841
Commercial	4,334,823			4,334,823	6,119,539
Foundation Programs	392,446	5,069,329	(1,341,095)	4,120,680	1,878,744
Sport Development	3,714,410			3,714,410	4,544,537
Risk Management	2,935,396			2,935,396	3,195,456
Events and Member Services	2,815,305			2,815,305	7,859,791
Total program services	19,539,563	5,069,329	(1,341,095)	23,267,797	34,297,908

Supporting services:					
Business Affairs	7,242,748			7,242,748	5,905,757
Executive	1,211,839			1,211,839	1,600,768
Finance	852,274			852,274	1,157,805
Fundraising		934,813	(204,000)	730,813	1,353,677
Total supporting services	9,306,861	934,813	(204,000)	10,037,674	10,018,007
Total expenses	28,846,424	6,004,142	(1,545,095)	33,305,471	44,315,915
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	5,190,081	(2,497,818)	392,446	3,084,709	2,168,096
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:					
Contributions		677,000		677,000	1,603,010
Investment income		859,146		859,146	681,817
Satisfied program restrictions		(1,015,501)	-	(1,015,501)	(1,152,838)
CHANGE IN NET ASSETS WITH DONOR					
RESTRICTIONS		520,645		520,645	1,131,989
CHANGE IN NET ASSETS	5,190,081	(1,977,173)	392,446	3,605,354	3,300,085
TRANSFER OF EQUITY		392,446	(392,446)		
NET ASSETS, beginning of year	31,531,691	22,925,453		54,457,144	51,157,059
NET ASSETS, end of year	\$ 36,721,772	\$ 21,340,726	\$	\$ 58,062,498	\$ 54,457,144



July 9, 2021

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

We have audited the financial statements of USA Swimming, Inc. (the Organization), for the year ended December 31, 2020 and have issued our report thereon dated July 9, 2021. As a part of our audit, we made a study and evaluation of the Organization's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluations are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist us in planning and performing our audit of the financial statements.

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

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

USA Swimming, Inc. July 9, 2021 Page 2

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

Recommendations

Lease Accounting Standards Update 2016-02

In February 2016, FASB issued ASU 2016-02 - Leases, which created a new topic section of the Accounting Standards Codification (ASC), ASC 842. The update to accounting standards requires one primary change to the reporting of leases: all leases must be presented on the Statement of Financial Position as assets and liabilities of the Organization. For nonpublic entities, the update is effective for fiscal years beginning after December 15, 2021. ASU 2016-02 requires a modified retrospective implementation approach as of the first day of the earliest comparative period presented. We recommend that Management consider the impact of this standard for information needed for financial statements with comparative information covering December 31, 2021.

Contributed Nonfinancial Assets Standards Update 2020-07

In September 2020, FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This new guidance requires contributed nonfinancial assets to be presented as a separate line item in the Statement of Activities, apart from contributions of cash and other financial assets. Disclosures must include a disaggregation by type of the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure, qualitative information about the use of the assets, policy (if any) about monetizing rather than utilizing contributed nonfinancial assets and any donor-imposed restrictions associated with the contributed nonfinancial assets.

This standard should be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, early adoption is permitted. We recommend that management monitor its contributed assets for instances where this ASU may impact financial statement presentation and disclosure in the future.

USA Swimming, Inc. July 9, 2021 Page 3

* * * * *

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

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

Sincerely,

Waugh & Goodwin, LLP



July 9, 2021

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

We have audited the consolidated financial statements of USA Swimming, Inc. (the Organization) for the year ended December 31, 2020, and have issued our report thereon dated July 9, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 14, 2020. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by USA Swimming, Inc. (the Corporation) are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2020. We noted no transactions entered into by the Corporation during the year end for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

USA Swimming, Inc. July 9, 2021 Page 2

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes corrected material misstatements of the financial statements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 9, 2021.

Other Audit Findings or Issues

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

Other Matters

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

USA Swimming, Inc. July 9, 2021 Page 3

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

Sincerely,

Waugh & Goodwin, LLP

Client:

USSI - USA Swimming, Inc.

Engagement: Trial Balance:

Workpaper:

USA Swimming, Inc. 3000.02 - USA Swimming Inc. 3210 - Adjusting Journal Entries Report

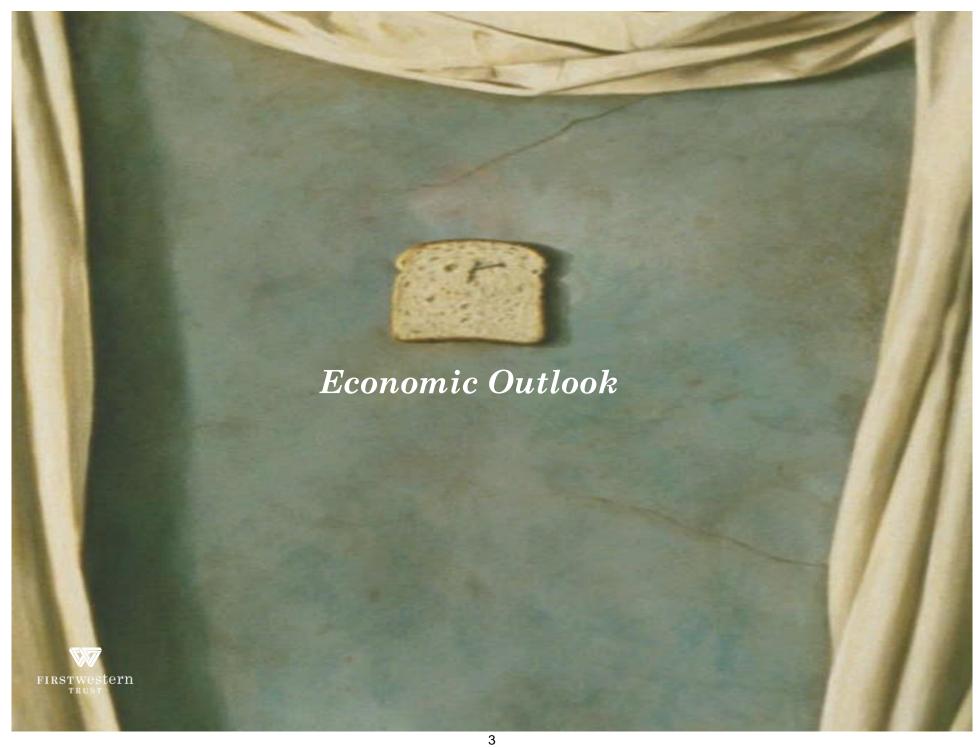
Account	Description	W/P Ref	Debit	Credit
Adjusting Journa To record the line	I Entries JE # 2 of credit disbursement to expense.	3700.10		
70088.4525 10245.0000 Total	LIABILITY EXPENSES FIRST WESTERN LOC PROCEEDS		1,821,000.00	1,821,000.00 1,821,000.00



Your Agenda Items

- I. Economic Outlook
- II. Investment & Banking Review
- III. General Updates





Disclosures

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

Top of Mind

The Good

- Economic Recovery. 2Q20 US GDP forecasted at 9.7%.
- Interest Rates. Have moderated since 1Q21, even in the face of higher inflation and talk of Fed tapering.
- Vaccination Rates. Nearly 50% of US population now fully vaccinated. However, internationally, vaccination efforts continue to lag.
- Monetary Policy. Likely to remain highly accommodative for foreseeable future.
- Corporate Earnings. 1Q21 up 47%, easily exceeding expectations. 2Q21 earnings currently expected to be even stronger, up 60%.
- Corporate Spreads. Currently at historic lows. A challenge for finding income but indicates that the bond market expects a very stable economic outlook.

The Bad

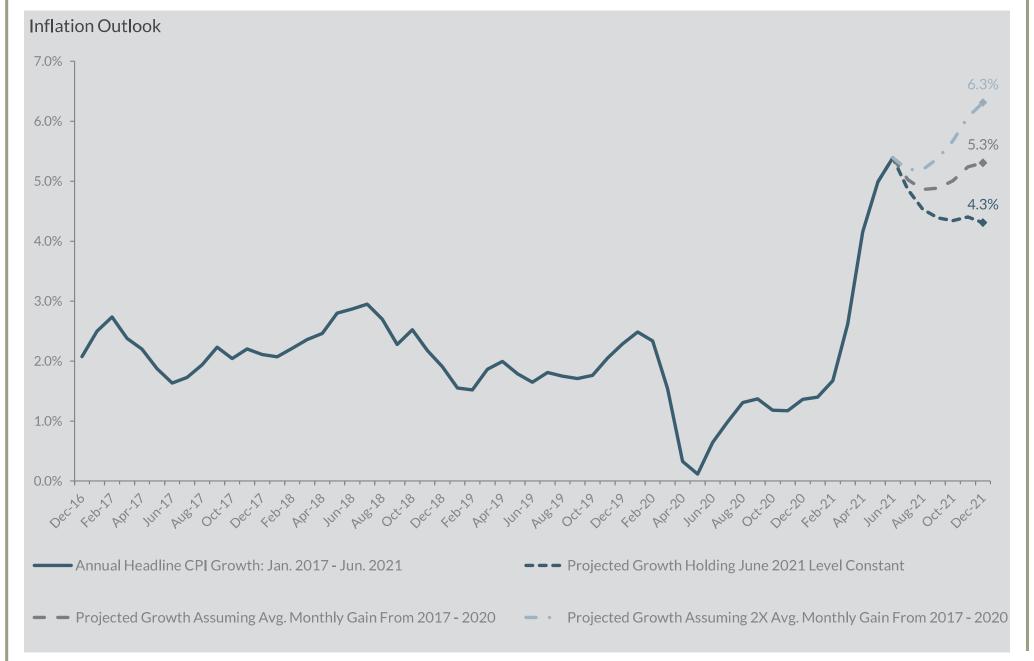
- Supply Chains. Surging demand following reopening of economies has snarled global supply chains impacting production and helping drive inflation higher.
- Coronavirus Variants. Delta variant rapidly becoming the predominant global strain.
 Forcing cities and countries to alter restrictions/reopenings.
- Valuations. Have moderated some since start of year but remain elevated.
- Oil Prices. Up 51% through the first half of the year. Putting pressure on overall increase in consumer prices.
- Housing Prices. Surging prices have made home ownership difficult, particularly for firsttime buyers.

The Undecided

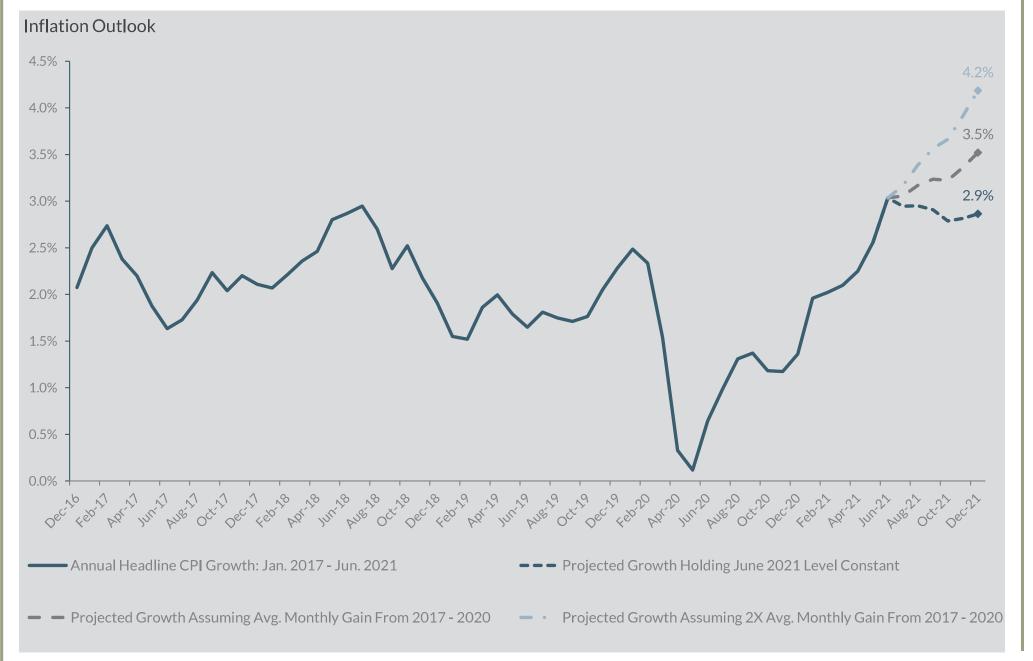
- Inflation. Prices up sharply due to strong demand and stretched supply chains. Already seeing some signs that inflation will prove to be temporary, as Fed has argued.
- Monetary Policy. Timing and tenor of tapering efforts remain unclear. Fed has a history of reacting belatedly and then "overshooting" with respect to tightening monetary policy. Communication will be key to avoid undue financial market volatility.
- Growth catalyst. Major bull markets generally supported by underlying catalyst (internet, real estate, energy/fracking). Unclear what could drive a sustained expansionary period post recovery/reopening.



Inflation: 2021 Prices vs. 2020 Prices



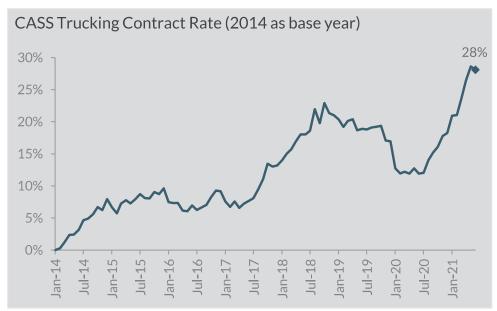
Inflation: 2021 Prices vs. 2019 Prices



Supply Chains





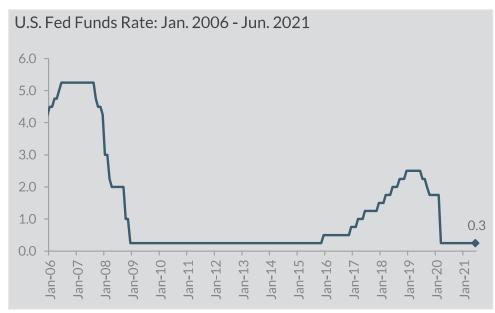


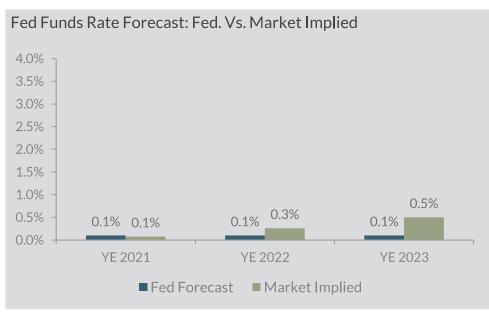


Monetary Policy









 $Sources: Bloomberg, U.S.\ Department\ of\ the\ Treasury,\ CME,\ First\ Western\ Trust.$

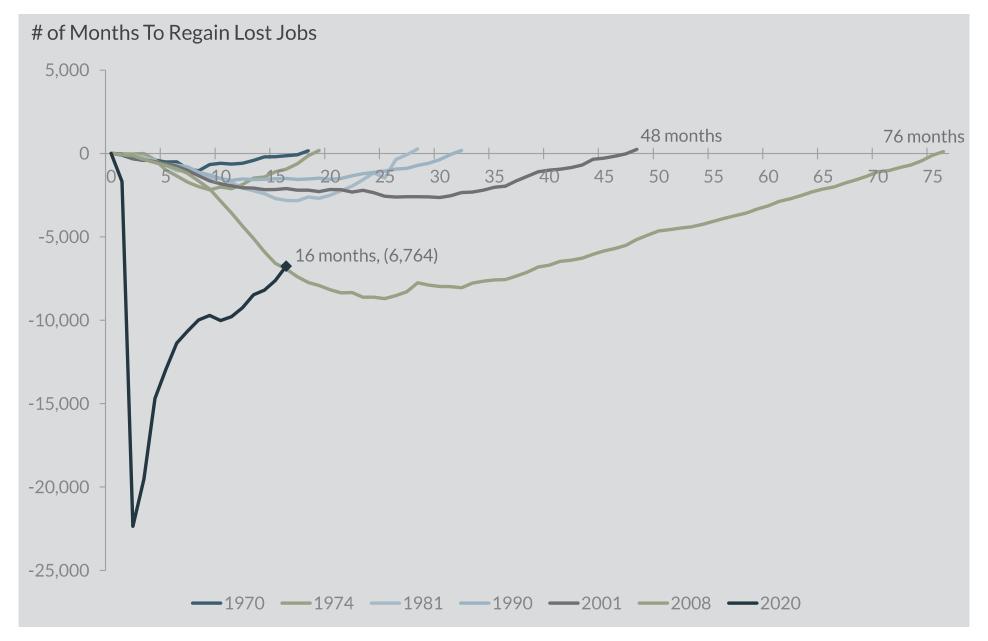


Interest Rate Spikes

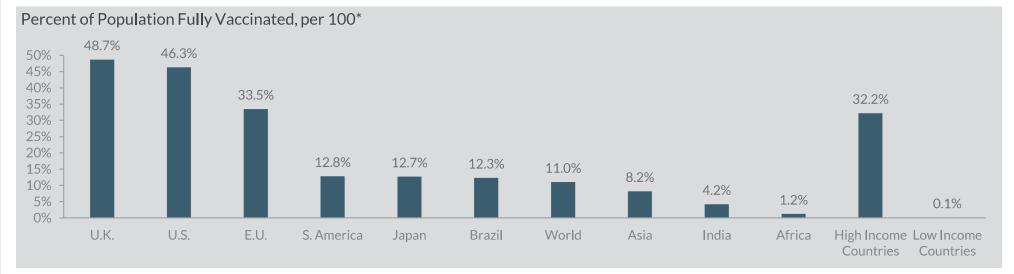
Despite news headlines to the contrary, sudden interest rate spikes are neither unusual nor a guarantee for market selloffs. Since 2000, there have been 14 occasions in which the 10-Year Treasury yield has increased 0.75%, or more, in less than 90 trading days. Over those same periods, the average S&P 500 return was 4.6%.

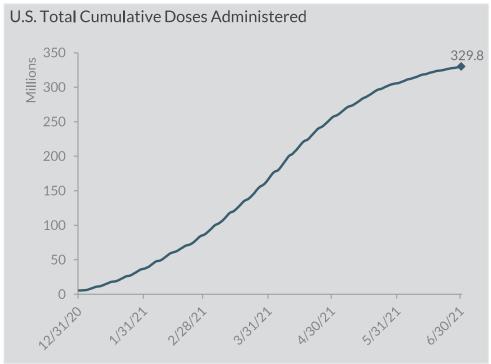


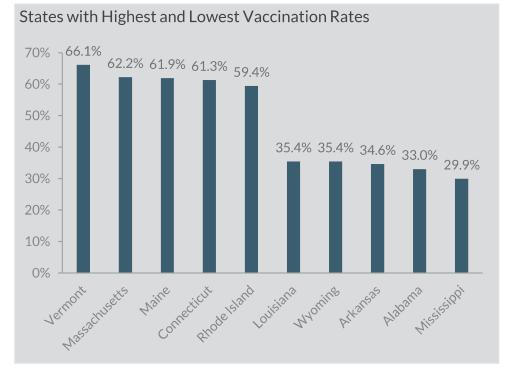
Employment Recovery



Coronavirus







Sources: Ourworldindata.org, Bloomberg, The COVID Tracking Project, First Western Trust. *As of June 30, or most recent data.



Asset Class Return

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REITs	Sm. Cap	REITs	REITs	Sm. Cap	Int'l - EM	Cash	Lg. Cap	Sm. Cap	MLPs
19.7%	38.8%	28.0%	2.8%	21.3%	37.3%	1.8%	31.5%	20.0%	47.8%
Int'l - EM	Lg. Cap	Lg. Cap	Abs. Ret.	MLPs	Int'l - Dev.	FI	REITs	Lg. Cap	REITs
18.2%	32.4%	13.7%	1.7%	18.3%	25.0%	.01%	28.7%	18.4%	21.4%
Int'l - Dev.	MLPs	10-Yr Tr.	Lg. Cap	HY	Lg. Cap	10-Yr Tr.	Sm. Cap	Int'l - EM	Cmdty.
17.3%	27.6%	10.7%	1.4%	17.5%	21.8%	-0.03%	25.5%	18.3%	21.2%
Sm. Cap	Int'l - Dev.	FI	10-Yr Tr.	Lg. Cap	Sm. Cap	HY	Int'l - Dev.	10-Yr Tr.	Sm. Cap
16.3%	22.8%	6.0%	0.9%	12.0%	14.6%	-2.3%	22.0%	10.6%	17.5%
Lg. Cap	Abs. Ret. 9.3%	Sm. Cap	FI	Cmdty.	REITs	REITs	Int'l - EM	Int'l - Dev.	Lg. Cap
16.0%		4.9%	0.6%	11.8%	8.7%	-4.0%	18.4%	7.8%	15.1%
HY	HY	MLPs	Cash	Int'l - EM	Abs. Ret.	Lg. Cap	${ m HY} \ 14.4\%$	FI	Int'l - Dev.
15.6%	7.4%	4.8%	0.0%	11.2%	8.5%	-4.4%		7.5%	8.8%
MLPs 4.8%	REITs 2.9%	HY 2.5%	Int'l - Dev. -0.8%	REITs 8.6%	$rac{ ext{HY}}{7.5\%}$	Abs. Ret6.44%	10-Yr Tr. 8.9%	HY 6.2%	Int'l - EM 7.5%
FI	Cash	Abs. Ret. 0.8%	Sm. Cap	FI	FI	Sm. Cap	FI	Cash	Abs. Ret.
4.2%	0.0%		-4.4%	2.7%	3.5%	-11.0%	8.7%	0.4%	4.1%
10-Yr Tr.	FI	Cash	HY	Int'l - Dev.	10-Yr Tr.	Cmdty.	Cmdty.	Abs. Ret0.1%	HY
4.2%	-2.0%	0.0%	-4.6%	1.0%	2.1%	-11.3%	7.7%		3.7%
Abs. Ret. 0.9%	Int'l - EM	Int'l - EM	Int'l - EM	Cash	Cmdty.	MLPs	MLPs	Cmdty.	Cash
	-2.6%	-2.2%	-14.9%	0.2%	1.7%	-12.4%	6.6%	-3.1%	0.0%
Cash	10-Yr Tr.	Int'l - Dev.	Cmdty.	10-Yr Tr.	Cash	Int'l - Dev.	Cash	REITs	FI
0.1%	-7.8%	-4.9%	-24.7%	-0.2%	0.8%	-13.8%	2.1%	-5.1%	-1.6%
Cmdty. -1.1%	Cmdty. -9.5%	Cmdty. -17.0%	MLPs -32.6%	Abs. Ret4.6%	MLPs -11.1%	Int'l - EM -14.6%	Abs. Ret. 0.1%	MLPs -28.7%	10-Yr Tr. -4.1%

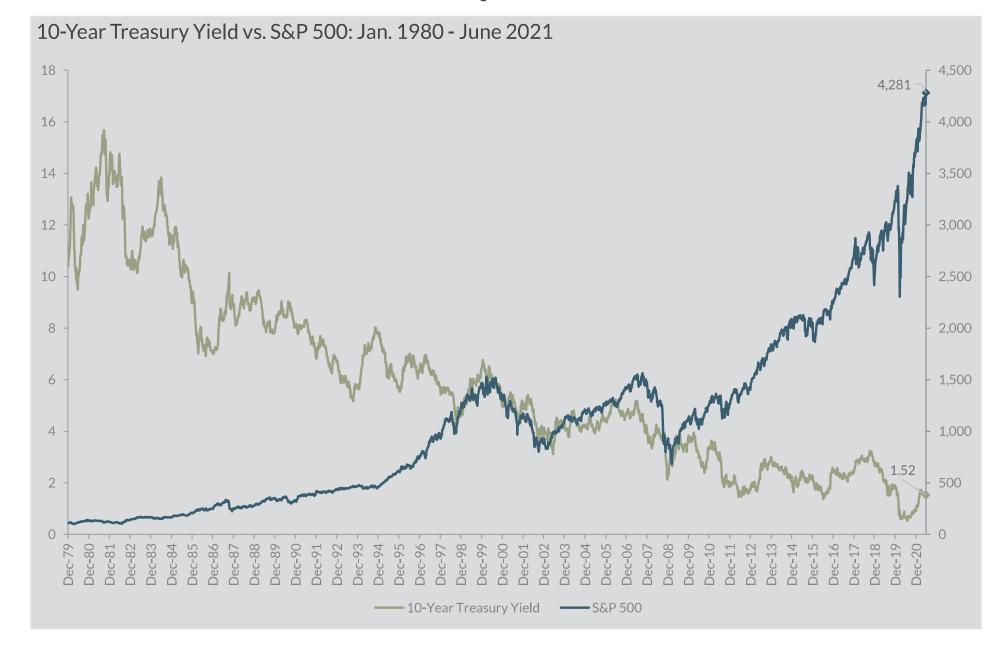
10-Yr (2011-2021)					
Annual Return	Annual Standard Deviation				
Lg. Cap	MLPs				
14.7%	29.8%				
Sm. Cap	Sm. Cap				
12.3%	18.9%				
REITs	Int'l - EM				
10.3%	17.7%				
HY	REITs				
6.5%	15.6%				
Int'l - Dev.	Int'l - Dev.				
5.9%	15.0%				
Int'l - EM	Lg. Cap				
4.3%	14.2%				
10-Yr Tr.	Cmdty.				
3.7%	14.0%				
FI 3.4%	$rac{ ext{HY}}{7.1\%}$				
Abs. Ret.	10-Yr Tr.				
1.5%	6.3%				
MLPs	Abs. Ret.				
1.1%	4.6%				
Cash	FI				
0.6%	3.0%				
Cmdty.	Cash				
-4.4%	0.2%				

Past performance is not indicative of future results. Large Cap (S&P 500 TR USD). Small Cap (Russell 2000 TR USD). International - Developed (MSCI EAFE NR USD). International - Emerging Markets (MSCI EM NR USD). REITs (FTSE NAREIT All Equity REITs TR). Commodities (Bloomberg Commodity TR USD). High Yield (BofAML US HY Master II TR USD). Absolute Return on one-month lag (Credit Suisse Equity Market Neutral USD). 10-Yr Treasury (US Treasury Current 10 Yr TR). Fixed Income (Barclays US Agg Bond TR USD). MLPs (Alerian MLP TR USD). Cash (IA SBBI US 30 Day TBill TR USD).

Sources: Morningstar Direct, First Western Trust. As of June 30, 2021.



10-Year Treasury Yield vs. S&P 500



Outlook

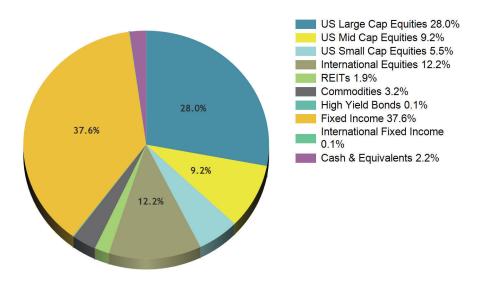
- **U.S. Economy** Economic activity surged, perhaps even peaked, in the second quarter, supported by rapidly expanding vaccination efforts and additional fiscal stimulus. Typical of most recoveries, employment continues to lag most other indicators but should improve further in the second half of the year. Growth will moderate even as the economy continues to recover.
- Global Economy- Global economic activity will remain uneven, largely reflecting the wide gulf in vaccination rates between developed and emerging countries. With vaccination rates rapidly improving in developed countries, economic activity should experience a commensurate uptick. Growth in emerging markets will likely remain more uneven until vaccinations are more widely distributed. The rapidly spreading Delta variant, which has already forced numerous cities and countries to reimpose various restrictions, could hamper the broader global economic recovery.
- Interest Rates/Inflation- Interest rates defied expectations by falling over the course of the quarter despite strong economic activity. The question now is whether the pullback was temporary or bond markets are already preparing for economic growth to return to pre-pandemic growth levels after the current surge subsides. Inflation is currently running at levels not seen in a decade or more, but should begin to moderate in the second half of the year. Despite the current surge, there is little to support the notion that inflation has experienced a structural shift higher.
- **Equity Markets** The current path of least resistance is upwards. However, market's react to the marginal rate of change. As the current surge in economic activity begins to wane, volatility could increase. Valuations should improve further as corporate earnings continue to rebound from last year's depressed levels.
- **Fixed Income Markets** Rates will remain the key determinant of returns. The shape of the yield curve could become a topic once again, should short rates rise in anticipation of an eventual Fed rate increase while long rates remain stable, or even fall, on fading growth expectations.



Portfolio Overview: As of June 30, 2021



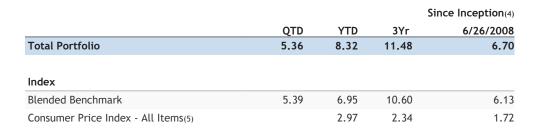
Portfolio Sector Allocation as of 6/30/2021

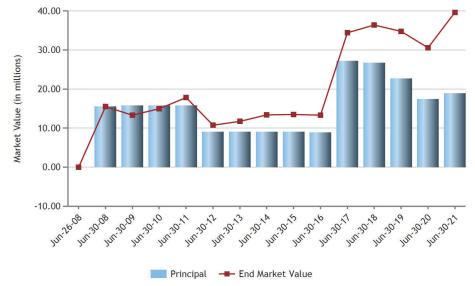


Activity Summary

	Quarter to Date	Year to Date	Since Inception 6/26/2008
Beginning Value(1),(2)	\$37,624,087	\$36,595,728	\$0
Net Contributions/Withdrawals(3)	-\$134	\$204	\$18,920,590
Gain/Loss	\$2,016,232	\$3,044,253	\$20,719,595
Ending Value(1),(2)	\$39,640,185	\$39,640,185	\$39,640,185

Portfolio Growth: 6/26/2008 - 6/30/2021





Performance History

⁽¹⁾ Values include Accrued Income.

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

⁽³⁾ As accounts are added to or removed from the relationship, they are displayed as a contribution/withdrawal.

⁽⁴⁾ Returns are Annualized for periods over 1 year.

⁽⁵⁾ YTD reflects year-over-year change in inflation; Inception reflects annualized rate of inflation since inception. The CPI period-end is the prior month-end.

Sector Overview: As of June 30, 2021



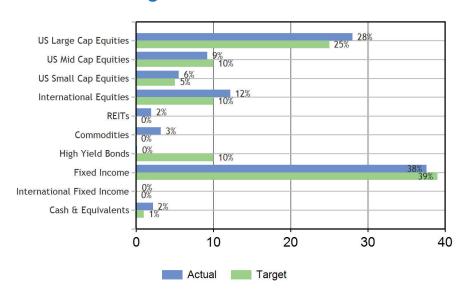
Portfolio Sector Allocation(3)

	Market Value(1),(2),(3)	Portfolio
	As of 6/30/2021	Weight
US Large Cap Equities	\$11,099,232	28%
US Mid Cap Equities	\$3,645,803	9%
US Small Cap Equities	\$2,189,705	6%
International Equities	\$4,832,833	12%
REITs	\$772,823	2%
Commodities	\$1,255,881	3%
High Yield Bonds	\$47,991	0%
Fixed Income	\$14,908,342	38%
International Fixed Income	\$27,090	0%
Cash & Equivalents	\$860,485	2%
Total	\$39,640,185	100%

Portfolio Performance(2),(3),(6)

						Inception To		Inception
	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Date	Date
US Large Cap Equities	8.39	15.29	40.76	18.57	17.74	14.11	11.19	6/26/2008
US Mid Cap Equities	7.07	15.37	46.74				49.14	6/23/2020
US Small Cap Equities	3.33	20.07	60.30	12.02	15.02	11.71	9.76	6/26/2008
International Equities	5.35	8.11	36.25	9.95	11.87	5.80	4.08	6/26/2008
REITs	10.28	16.19	36.10	11.55	9.14	8.17	6.84	6/26/2008
Commodities	20.14	30.51	64.55				66.47	6/23/2020
High Yield Bonds	8.51	-3.26	4.51	9.73	7.07		6.51	7/12/2011
Fixed Income	2.38	-0.67	2.45	6.53	4.02	4.08	4.60	6/26/2008
International Fixed Income	1.40	0.51	4.72				5.55	9/15/2019
Portfolio	5.36	8.32	24.46	11.48	10.27	7.47	6.70	6/26/2008

Actual vs. Target Allocation



⁽¹⁾ Values include Accrued Income.

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

⁽³⁾ Certain Sectors may not have been held for the entire reporting period of the Portfolio.

⁽⁴⁾ Returns are Annualized for periods over 1 year.

⁽⁵⁾ Securities not included in Total Market Value or Performance calculations, but may be included in Target Allocation.

⁽⁶⁾ Managed Alternatives are included in Market Value but not in Performance due to the nature of the investment

Performance by Sector: As of June 30, 2021



Portfolio(5) Market Value(1),(2),(4) Since(3),(4) Inception As Of 6/30/2021 Weight QTD YTD 1Yr 3Yr 5Yr 10Yr Inception Date **US Large Cap Equities** \$11,099,232 28% 8.39 15.29 40.76 18.57 17.74 14.11 11.19 6/26/2008 S&P 500 Index 8.55 15.25 40.79 18.67 17.65 14.84 **US Mid Cap Equities** \$3,645,803 9% 7.07 15.37 46.74 49.14 6/23/2020 7.50 16.25 49.80 16.45 15.62 13.24 Russell Midcap Index US Small Cap Equities \$2,189,705 6% 3.33 20.07 60.30 12.02 15.02 11.71 9.76 6/26/2008 Russell 2000 Index 4.29 13.52 16.47 12.34 17.54 62.03 International Equities \$4,832,833 12% 5.35 8.11 36.25 9.95 11.87 5.80 4.08 6/26/2008 32.35 MSCI EAFE Index 5.17 8.83 8.27 10.28 5.89 MSCI Emerging Markets Index 5.05 7.45 40.90 11.27 13.03 4.28 \$772,823 2% 10.28 16.19 36.10 REITs 11.55 9.14 8.17 6.84 6/26/2008 Wilshire U.S. REIT Index 12.84 22.78 37.52 10.06 6.36 9.38 FTSE EPRA/NAREIT Developed Index 9.17 15.50 33.55 6.39 4.98 6.38 Commodities \$1,255,881 3% 20.14 30.51 64.55 66.47 6/23/2020 **Bloomberg Commodity Index** 13.30 45.61 3.90 2.40 -4.44 21.15 \$47,991 High Yield Bonds 0% 8.51 -3.26 4.51 9.73 7.07 6.51 7/12/2011 BofAML HY Master II Index 2.77 7.15 3.70 15.62 7.30 6.50 Fixed Income \$14,908,342 38% 2.38 -0.672.45 6.53 4.02 4.08 4.60 6/26/2008 Barclays Cap Aggregate Bond Index 1.83 -1.60 -0.33 5.34 3.03 3.39 Barclays Municipal 1-10 Yr. Blend Index 0.62 2.43 3.91 2.48 2.97 0.36 0.90 Barclays Municipal 1-15 Yr. Blend Index 0.57 3.08 4.45 2.82 3.52 International Fixed Income \$27,090 0% 1.40 0.51 4.72 5.55 9/15/2019 Barclays 1-3 Year Global Majors Index 0.09 -3.30 1.74 2.17 0.92 -0.75 \$860,485 Cash & Equivalents 2% N/A N/A N/A N/A N/A N/A N/A N/A 0.09 BofAML US 3 Month T-Bill Index 0.00 0.02 1.34 1.17 0.63 **Total Portfolio** \$39,640,185 100% 6.70 6/26/2008 5.36 8.32 24.46 11.48 10.27 7.47

⁽¹⁾ Values include Accrued Income.

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

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

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

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

Quarterly Performance Report: As of June 30, 2021



Individual Account Performance

		Inception	Market Value(1),(2)	Portfolio							Since
		Date	As of 6/30/2021	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception(3)
612422055	USA Swimming, Inc Equities - Pledged	6/26/2008	\$24,410,268	61.6%	7.39	14.50	41.66	14.36	14.34	9.85	8.15
612422063	USA Swimming, Inc Fixed Income	6/26/2008	\$15,229,917	38.4%	2.25	-0.87	1.96	6.02	3.66	3.69	6.21
	USA Swimming, Inc.		\$39,640,185	100.0%	5.36	8.32	24.46	11.48	10.27	7.47	6.70

⁽¹⁾ Values include Accrued Income.
(2) Values do not include Non-Discretionary, Non-Reportable, or Managed Alternative Assets.

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

PORTFOLIO APPRAISAL

USA Swimming, Inc. - Equities - Pledged 612422055 (Formerly Fidelity 673218332) June 30, 2021

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
CASH AND EQ	UIVALENTS						
Cash & Equiva	alents						
Cash & Equ	ivalents DIVIDENDS DECLARED FIDELITY IMM GOV CLAS FUND #57	SS I	37,594.44 576,397.22		37,594.44 576,397.22	0.2 2.4	0.0 0.0
	1010 #37		613,991.66	_	613,991.66	2.5	0.0
	Cash & Equivalents Total		613,991.66	_	613,991.66	2.5	0.0
	CASH AND EQUIVALENT	S Total	613,991.66	_	613,991.66	2.5	0.0
MUTUAL FUNI	DS						
US Mid Cap E	quities						
22,938.108 BA	Growth Equities BAIRD MIDCAP FUND - INST #76	25.31	580,633.38	30.79	706,264.35	2.9	?
			580,633.38	_	706,264.35	2.9	0.0
	US Mid Cap Equities Total		580,633.38	_	706,264.35	2.9	0.0
US Small Cap	Equities						
	ap Value Equities DEAN SMALL CAP VALUE FUND CLASS A	13.30	779,085.26	17.40	1,019,000.81	4.2	1.3
			779,085.26	_	1,019,000.81	4.2	1.3
	US Small Cap Equities Total		779,085.26	_	1,019,000.81	4.2	1.3
International E	quities						
	s - Developed Markets LAZARD INTL STRATEGIC EQUITY PORT INST CL	14.50	1,184,082.26	18.09	1,477,593.35	6.1	0.9
	TORT MIDT CD		1,184,082.26	_	1,477,593.35	6.1	0.9
	s - Emerging Markets INVESCO DEVELOPING MARKETS FUND CLASS R6	44.09	1,458,001.57	56.96	1,883,571.05	7.7	0.3
	CLASS R6		1,458,001.57	_	1,883,571.05	7.7	0.3
	International Equities Total		2,642,083.83	_	3,361,164.40	13.8	0.6

PORTFOLIO APPRAISAL

USA Swimming, Inc. - Equities - Pledged 612422055 (Formerly Fidelity 673218332) June 30, 2021

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
REITs							
International 20,526.505	REITS VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	26.41	542,146.59	37.65	772,822.91	3.2	0.5
		-	542,146.59	=	772,822.91	3.2	0.5
	REITs Total		542,146.59	-	772,822.91	3.2	0.5
Commodities							
Commodities 206,899.618	S PIMCO COMMODITY REALRETURN STRATEGY FUND INST #45	5.44	1,126,258.24	6.07	1,255,880.68	5.1	1.0
			1,126,258.24	=	1,255,880.68	5.1	1.0
	Commodities Total		1,126,258.24	-	1,255,880.68	5.1	1.0
	MUTUAL FUNDS Total		5,670,207.31	_	7,115,133.16	29.1	0.7
EXCHANGED T	TRADED FUNDS						
US Large Cap l	Equities						
US Large Ca 28,205	p Core Equities VANGUARD INDEX FDS S&P 500 ETF SHS NEW	276.30	7,792,984.00	393.52	11,099,231.60	45.5	1.3
		•	7,792,984.00	-	11,099,231.60	45.5	1.3
	US Large Cap Equities Total	•	7,792,984.00	-	11,099,231.60	45.5	1.3
US Mid Cap E	quities						
	Core Equities ISHARES RUSSELL MID-CAP ETF	58.00	1,602,717.73	79.24	2,189,638.92	9.0	1.0
		-	1,602,717.73	=	2,189,638.92	9.0	1.0
	Value Equities ISHARES RUSSELL MID-CAP VALUE ETF	94.52	616,436.24	114.98	749,899.56	3.1	1.3
			616,436.24	=	749,899.56	3.1	1.3
	US Mid Cap Equities Total		2,219,153.97	-	2,939,538.48	12.0	1.1

PORTFOLIO APPRAISAL

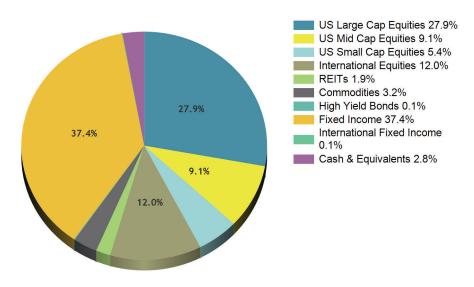
USA Swimming, Inc. - Equities - Pledged 612422055 (Formerly Fidelity 673218332) June 30, 2021

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
US Small Cap	Equities						
US Small Ca 5,104	np Core Equities ISHARES RUSSELL 2000 ETF	173.65	886,320.33	229.37	1,170,704.48	4.8	0.8
		_	886,320.33	-	1,170,704.48	4.8	0.8
	US Small Cap Equities Total	al –	886,320.33	-	1,170,704.48	4.8	0.8
International E	quities						
Int'l Equities 28,565	- Developed Markets VANGUARD FTSE DEVELOPED MARKETS ETF	40.91	1,168,613.91	51.52	1,471,668.80	6.0	2.5
		_	1,168,613.91	-	1,471,668.80	6.0	2.5
	International Equities Total	-	1,168,613.91	-	1,471,668.80	6.0	2.5
	EXCHANGED TRADED F	UNDS Total	12,067,072.21	-	16,681,143.36	68.3	1.4
TOTAL PORTE	OLIO		18,351,271.18		24,410,268.18	100.0	1.1

Portfolio Overview: As of June 30, 2021



Portfolio Sector Allocation as of 6/30/2021



Activity Summary

	Quarter to Date	Year to Date	Since Inception 11/30/2011
Beginning Value(1),(2)	\$18,804,640	\$18,238,451	\$586,463
Net Contributions/Withdrawals(3)	\$171,122	\$194,951	\$9,917,036
Gain/Loss	\$1,009,657	\$1,552,017	\$9,481,920
Ending Value(1),(2)	\$19,985,419	\$19,985,419	\$19,985,419

Portfolio Growth: 11/30/2011 - 6/30/2021

Since Inception(4) QTD YTD 3Yr 11/30/2011 **Total Portfolio** 5.35 8.48 11.60 8.56 Index Blended Benchmark 5.39 6.95 10.60 7.86 2.97 Consumer Price Index - All Items(5) 2.34 1.78

20.00 15.00 10.00 10.00 North Mary 20.72 Mary 20.72

Performance History

⁽¹⁾ Values include Accrued Income.

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⁽³⁾ As accounts are added to or removed from the relationship, they are displayed as a contribution/withdrawal.

⁽⁴⁾ Returns are Annualized for periods over 1 year.

⁽⁵⁾ YTD reflects year-over-year change in inflation; Inception reflects annualized rate of inflation since inception. The CPI period-end is the prior month-end.

Sector Overview: As of June 30, 2021



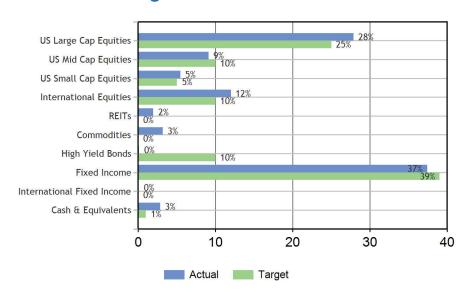
Portfolio Sector Allocation(3)

	Market Value(1),(2),(3)	Portfolio
	As of 6/30/2021	Weight
US Large Cap Equities	\$5,574,998	28%
US Mid Cap Equities	\$1,819,732	9%
US Small Cap Equities	\$1,089,205	5%
International Equities	\$2,400,549	12%
REITs	\$385,764	2%
Commodities	\$633,365	3%
High Yield Bonds	\$23,380	0%
Fixed Income	\$7,475,912	37%
International Fixed Income	\$16,254	0%
Cash & Equivalents	\$566,259	3%
Total	\$19,985,419	100%

Portfolio Performance(2),(3),(6)

						Inceptio	n To(4)	Inception
	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Date	Date
US Large Cap Equities	8.39	15.28	40.93	18.78	17.67		15.69	11/30/2011
US Mid Cap Equities	7.07	15.37	46.89				49.27	6/23/2020
US Small Cap Equities	3.32	20.12	60.25	12.39	15.12		13.69	11/30/2011
International Equities	5.35	8.13	35.74	9.83	11.82		8.09	11/30/2011
REITs	10.28	16.19	36.32	11.72	9.24		10.25	11/30/2011
Commodities	20.14	30.51	63.82				66.32	6/24/2020
High Yield Bonds	8.51	-3.29	5.19	10.02	7.29		7.06	11/30/2011
Fixed Income	2.37	-0.65	2.51	6.46	4.05		3.96	12/06/2011
International Fixed Income	1.40	0.51	4.71				5.33	9/15/2019
Portfolio	5.35	8.48	24.78	11.60	10.47		8.56	11/30/2011

Actual vs. Target Allocation



⁽¹⁾ Values include Accrued Income.

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

⁽³⁾ Certain Sectors may not have been held for the entire reporting period of the Portfolio.

⁽⁴⁾ Returns are Annualized for periods over 1 year.

⁽⁵⁾ Securities not included in Total Market Value or Performance calculations, but may be included in Target Allocation.

⁽a) Securities not included in Total Market Value or Performance calculations, but may be included in Target Alloca

(6) Managed Alternatives are included in Market Value but not in Performance due to the nature of the investment

Performance by Sector: As of June 30, 2021



Portfolio(5) Market Value(1),(2),(4) Since(3),(4) Inception As Of 6/30/2021 Weight QTD YTD 1Yr 3Yr 5Yr 10Yr Inception Date **US Large Cap Equities** \$5,574,998 28% 8.39 15.28 40.93 18.78 17.67 15.69 11/30/2011 S&P 500 Index 8.55 15.25 40.79 18.67 17.65 14.84 **US Mid Cap Equities** \$1,819,732 9% 7.07 15.37 46.89 49.27 6/23/2020 7.50 16.25 49.80 Russell Midcap Index 16.45 15.62 13.24 **US Small Cap Equities** \$1,089,205 5% 3.32 20.12 60.25 12.39 15.12 13.69 11/30/2011 Russell 2000 Index 17.54 13.52 16.47 12.34 4.29 62.03 International Equities \$2,400,549 12% 5.35 8.13 35.74 9.83 11.82 8.09 11/30/2011 32.35 MSCI EAFE Index 5.17 8.83 8.27 10.28 5.89 MSCI Emerging Markets Index 5.05 7.45 40.90 11.27 13.03 4.28 2% 10.28 16.19 36.32 11/30/2011 REITs \$385,764 11.72 9.24 10.25 Wilshire U.S. REIT Index 12.84 22.78 37.52 10.06 6.36 9.38 FTSE EPRA/NAREIT Developed Index 9.17 15.50 33.55 6.39 4.98 6.38 Commodities \$633,365 3% 20.14 30.51 63.82 66.32 6/24/2020 **Bloomberg Commodity Index** 13.30 45.61 3.90 2.40 -4.44 21.15 High Yield Bonds \$23,380 0% 8.51 -3.295.19 10.02 7.29 7.06 11/30/2011 BofAML HY Master II Index 2.77 7.15 3.70 15.62 7.30 6.50 Fixed Income \$7,475,912 37% 2.37 -0.65 2.51 6.46 4.05 3.96 12/06/2011 Barclays Cap Aggregate Bond Index 1.83 -1.60 -0.33 5.34 3.03 3.39 Barclays Municipal 1-10 Yr. Blend Index 0.62 2.43 3.91 2.48 2.97 0.36 0.90 Barclays Municipal 1-15 Yr. Blend Index 0.57 3.08 4.45 2.82 3.52 1.40 International Fixed Income \$16,254 0% 0.51 4.71 5.33 9/15/2019 Barclays 1-3 Year Global Majors Index 0.09 -3.30 1.74 2.17 0.92 -0.75 \$566,259 Cash & Equivalents 3% N/A N/A N/A N/A N/A N/A N/A N/A 0.09 BofAML US 3 Month T-Bill Index 0.00 0.02 1.34 1.17 0.63 **Total Portfolio** \$19,985,419 100% 11/30/2011 5.35 8.48 24.78 11.60 10.47 8.56

⁽¹⁾ Values include Accrued Income.

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

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

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

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





Individual Account Performance

		Inception	Market Value(1),(2)	Portfolio						Since
		Date	As of 6/30/2021	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr Inception(3)
612422022	USA Swimming Foundation, Inc Equities	11/30/2011	\$12,344,315	61.8%	7.39	14.51	41.23	14.89	14.91	11.74
612422071	USA Swimming Foundation, Inc Fixed Income	12/6/2011	\$7,641,103	38.2%	2.25	-0.76	2.03	5.96	3.63	3.51
	USA Swimming Foundation, Inc.		\$19,985,419	100.0%	5.35	8.48	24.78	11.60	10.47	8.56

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

PORTFOLIO APPRAISAL

USA Swimming Foundation, Inc. - Equities 612422022

Moderate June 30, 2021

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
CASH AND EQ	UIVALENTS						
Cash & Equiva	ilents						
Cash & Equ	ivalents DIVIDENDS DECLARED FIRST WESTERN ICS MC	NEY	18,883.19 421,819.27		18,883.19 421,819.27	0.2 3.4	0.0
	MARKET	_	440,702.46	_	440,702.46	3.6	0.0
	Cash & Equivalents Total	_	440,702.46	_	440,702.46	3.6	0.0
	CASH AND EQUIVALEN	TS Total –	440,702.46	_	440,702.46	3.6	0.0
MUTUAL FUNI	os						
US Mid Cap E	quities						
	Growth Equities BAIRD MIDCAP FUND - INST #76	25.78	295,565.94	30.79	352,946.94	2.9	?
	FUND - INST #/0	_	295,565.94	_	352,946.94	2.9	0.0
	US Mid Cap Equities Total	_	295,565.94	_	352,946.94	2.9	0.0
US Small Cap	Equities						
	ap Value Equities DEAN SMALL CAP VALUE FUND CLASS A	13.28	391,237.76	17.40	512,568.75	4.2	1.3
			391,237.76		512,568.75	4.2	1.3
	US Small Cap Equities Total	al _	391,237.76	_	512,568.75	4.2	1.3
International E	quities						
	- Developed Markets LAZARD INTL STRATEGIC EQUITY PORT INST CL	14.32	583,291.68	18.09	736,628.40	6.0	0.9
	1011 1101 02	_	583,291.68	_	736,628.40	6.0	0.9
MARKETS F		44.38	725,425.08	56.96	931,099.89	7.5	0.3
	CL1100 R0	_	725,425.08	_	931,099.89	7.5	0.3
	International Equities Total	_	1,308,716.76	_	1,667,728.29	13.5	0.6

PORTFOLIO APPRAISAL

USA Swimming Foundation, Inc. - Equities 612422022

Moderate June 30, 2021

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
REITs							
International 10,246.060	REITS VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	27.44	281,159.43	37.65	385,764.16	3.1	0.5
			281,159.43		385,764.16	3.1	0.5
	REITs Total		281,159.43		385,764.16	3.1	0.5
Commodities							
Commodities 104,343.482	PIMCO COMMODITY REALRETURN STRATEGY FUND INST #45	5.45	568,351.35	6.07	633,364.94	5.1	1.0
			568,351.35		633,364.94	5.1	1.0
	Commodities Total		568,351.35		633,364.94	5.1	1.0
	MUTUAL FUNDS Total		2,845,031.24		3,552,373.07	28.8	0.7
EXCHANGED T	RADED FUNDS						
US Large Cap I	Equities						
	p Core Equities VANGUARD INDEX FDS S&P 500 ETF SHS NEW	265.45	3,760,663.58	393.52	5,574,997.84	45.2	1.3
	1.2.1		3,760,663.58		5,574,997.84	45.2	1.3
	US Large Cap Equities Total		3,760,663.58		5,574,997.84	45.2	1.3
US Mid Cap Ed	quities						
	Core Equities ISHARES RUSSELL MID-CAP ETF	57.32	790,427.45	79.24	1,092,640.36	8.9	1.0
			790,427.45		1,092,640.36	8.9	1.0
	Value Equities ISHARES RUSSELL MID-CAP VALUE ETF	94.49	307,478.59	114.98	374,144.92	3.0	1.3
			307,478.59		374,144.92	3.0	1.3
	US Mid Cap Equities Total		1,097,906.05		1,466,785.28	11.9	1.1

PORTFOLIO APPRAISAL

USA Swimming Foundation, Inc. - Equities 612422022

Moderate June 30, 2021

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
US Small Cap	Equities						
US Small Ca 2,514	ap Core Equities ISHARES RUSSELL 2000 ETF	173.71	436,716.66	229.37	576,636.18	4.7	0.8
	2000 E11	_	436,716.66	_	576,636.18	4.7	0.8
	US Small Cap Equities Tot	al	436,716.66	_	576,636.18	4.7	0.8
International E	quities						
Int'l Equities 14,224	s - Developed Markets VANGUARD FTSE DEVELOPED MARKETS ETF	41.75	593,787.92	51.52	732,820.48	5.9	2.5
		_	593,787.92	_	732,820.48	5.9	2.5
	International Equities Total	_	593,787.92	_	732,820.48	5.9	2.5
	EXCHANGED TRADED	FUNDS Total	5,889,074.20	=	8,351,239.78	67.7	1.4
TOTAL PORTE	FOLIO		9,174,807.91		12,344,315.31	100.0	1.1



USA Swimming USA Swimming Athletes Foundation

2nd Quarter 2021

Anthony T. Corallo, CTP

Managing Director Senior Client Strategist Tel: 650-401-2239 tcorallo@sterlingcapital.com



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Characteristics & Performance

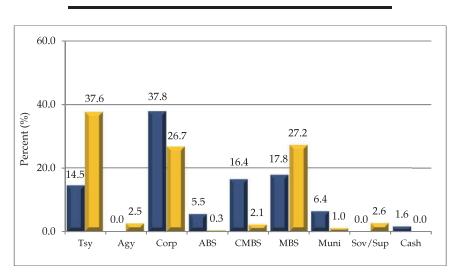


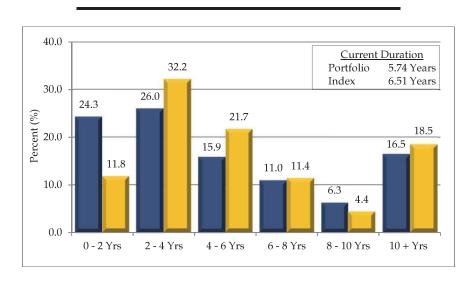
USA Swimming – Fixed Income Characteristics

Sector

As of 6/30/21

Duration Distribution





Ratings

60.0 41.2 37.6 40.0 Percent (%) 30.4 24.2 20.0 14.9 14.5 14.1 11.1 6.0 3.5 Tsy Aa Baa Agy Aaa Α

Characteristics

Duration	5.74 Years
Maturity	7.62 Years
Yield-to-Maturity	1.57%
Benchmark Yield-to-Maturity	1.50%
Credit Rating	Aa3

USA Swimming
Bloomberg Barclays U.S. Aggregate Bond Index

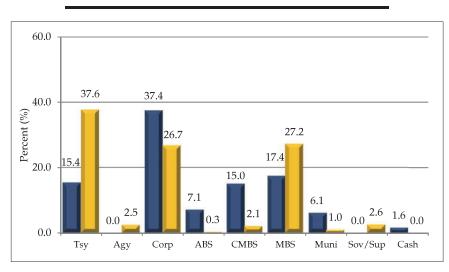


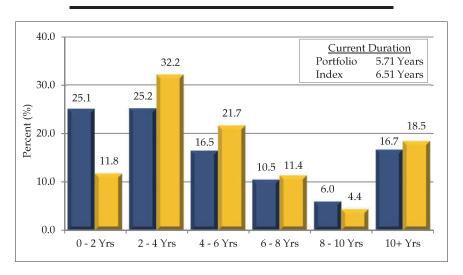
USA Swimming Foundation – Fixed Income Characteristics

Sector

As of 6/30/21

Duration Distribution





Ratings

60.0 40.8 37.6 Percent (%) 20.0 30.4 24.2 15.4 14.9 13.0_ 11.1 2.5 0.0 Tsy Α Baa Agy Aaa Aa

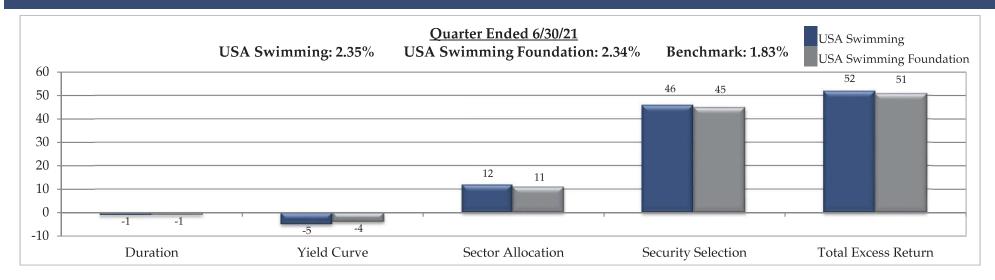
Characteristics

Duration	5.71 Years
Maturity	7.62 Years
Yield-to-Maturity	1.57%
Benchmark Yield-to-Maturity	1.50%
Credit Rating	Aa3

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



Performance Attribution



Active Decision	<u>Comments</u>	Effect	
Duration & Yield CurveDuration managed short versus the index	- Rates in the intermediate and long segment decreased with the 10-year Treasury yield finishing at 1.47%	Minimal Impact	
• Underweight the 2-6 year segment of the curve	During the quarter, the curve flattened materially	• Negative	
Sector AllocationOverweight corporate bonds	 The corporate bond market continued its strong performance in the quarter, outperforming on an excess return basis 	• Positive	
Security Selection & TimingAllocation within energy and communications bonds	Relative outperformance within sub-sectors	• Positive	
Allocation to taxable municipal bonds	Strong demand from investors continued to drive relative outperformance	• Positive	
Overweight lower rated bonds	Continued demand for lower rated bonds and higher yields	• Positive	

Strategy & Outlook

Investment Outlook and Strategic Positioning

INVESTMENT OUTLOOK

- We expect robust economic growth, likely higher than 6% in 2021, driven by torrid consumer demand, a robust housing market, and a healing labor market.
- We look for aggregate demand to shift towards services as the economy continues to reopen. However, supply constraints will likely act as a near term headwind as the economy contends with shortages of both materials and labor.
- The policy outlook will remain highly accommodative, though the Federal Reserve has acknowledged the increase in inflation and will become less accommodative if inflation pressures prove more than transitory. Despite the potential for a bipartisan infrastructure bill, fiscal support is likely to be lower than previously estimated given disagreements between both parties and amongst Democrats over the ultimate price tag of an additional spending package.
- With narrow majorities in both the House and the Senate, the most controversial parts of the Biden agenda will be difficult to move forward, though the potential for higher taxes and increased regulation remain headwinds to corporate profitability and risk asset outperformance.

STRATEGIC POSITIONING OF OUR PORTFOLIOS

Intermediate and Core Fixed Income

- Durations will be managed short to benchmark durations.
- Underweight Treasury securities in favor of corporate bonds, taxable municipals, and non-agency securitized products.
- Balanced outlook on agency MBS as strong support from the Fed is offset by historically tight valuations. Our holdings remain biased towards seasoned
 collateral that should exhibit more stability in prepayment speeds in the face of elevated interest rate volatility.

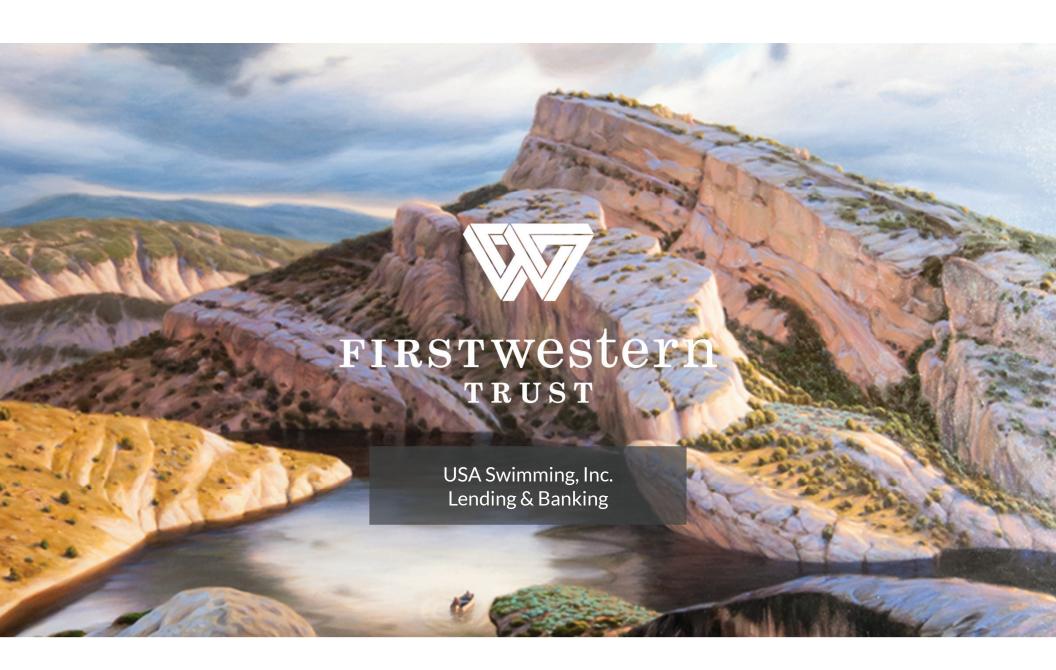
The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Parameters set by the Adviser are subject to change.

Appendix



Disclosures

Market values contained in this report are based on pricing provided by Sterling's third party pricing vendor(s) and in accordance with Sterling's Valuation Policy. It is possible that these values may not reflect current market conditions, as third party pricing valuations rely on historic prices or a matrix of factors modeled to most closely represent the security's approximate valuation.



Important Disclosures

Investment and insurance products and services are not a deposit, are not FDIC- insured, are not insured by any federal government agency, are not guaranteed by the bank and may go down in value.

Information and research contained herein do not represent a recommendation of investment advice to buy or sell stocks or any financial instrument nor is it intended as an endorsement of any security or investment and it does not constitute an offer or solicitation to buy or sell any securities.

It is not possible to invest directly in an index. There is no assurance that investment products based on the index will accurately track index performance or provide positive investment returns.

Past performance is not a guarantee of future results.

These materials have been prepared solely for informational purposes based upon information generally available to the public from sources believed to be reliable.

Any forecasts, figures, or opinions set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice.

W FIRSTWESTERNTRUST

Loan Relationship

Loan	Borrower	Guarantors	Туре	Co	ommitment	Balance	Origination Date	Maturity Date	Rate	Collateral
xx-985	USA Swimming	N/A	Ltr of Credit	\$	3,200,000	\$ -	9/22/2016	6/22/2026	WSJP50%, v floor of 3.0%	FW IM Account
xx-373	USA Swimming	N/A	RLOC	\$	3,000,000	\$ 1,821,000	6/24/2020	6/24/2022	WSJP25%, v floor of 3.0%	FW IM Acount
xx-937	USA Swimming	N/A	PPP	\$	1,627,969	\$ 182,317	4/20/2020	4/20/2025	1.00%	Unsecured
xx-596	Swim Trials, LLC	USA Swimming Omaha Sports Commission	RLOC	\$	1,600,000	\$ 1,558,497	3/18/2021	6/18/2022	WSJP25%, v floor of 3.0%	FW IM Account
			Subtotal	\$	9,427,969	\$ 3,561,814				

Deposit Relationship

Account	Type Account Owner Signers		Signers		Current Balance	
xx-568	Business Checking	USA Swimming	Tim Hinchey Eric Skufca Lucinda McRoberts	\$	6,382	
xx-869	Business Checking	USA Swimming	Tim Hinchey Eric Skufca Lucinida McRoberts	\$	182,377	
xx-805	Business Checking	Swim Trials, LLC	Tim Hinchey Eric Skufca	\$	42	
	Subtotal \$ 188,800					



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Investment Policy Statement

For

USA Swimming, Inc.

August 2021

A. Overview

USA Swimming, Inc. is the National Governing Body for the sport of swimming in the United States and comprised of athletes, coaches, officials, and volunteers. USA Swimming's mission is to promote the culture of swimming by creating safe and healthy opportunities for athletes and coaches of all backgrounds. USA Swimming, Inc. maintains an investment portfolio for the benefit of its members and appoints an Investment Committee to advise and provide oversight of these investments.

B. Purpose of Investment Policy Statement

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

The Policy:

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

With respect to the investment portion of the portfolio (referred to as "the Investments") that are managed by the Investment Advisor "Advisor," this statement also establishes a clear understanding between the Investment Committee and the Advisor concerning the investment policies and objectives of USA Swimming, Inc. It is contemplated that the Advisor will employ

Investment Managers "Manager(s)" to manage specific segments of the Investments. The Advisor will be responsible for overseeing the Investments, monitoring individual manager performance and compliance with this document with respect to the Investments, and making asset allocation recommendations.

C. Goals and Objectives

1. Portfolio Goals

It is a primary goal of USA Swimming, Inc. to invest the financial assets of the organization, in excess of funds needed for current operations, and to provide maximum earnings growth, based on a total return, consistent with a policy of prudent investment and protection of assets. It is also the policy of the organization to maintain operating funds to provide for liquidity to meet current operating and capital expenditure needs. Such funds needed for current operations and capital requirements will be communicated to the Committee and the Advisor by the USAS Board prior to each fiscal year as part of the approved annual budget, with more frequent updates as required by changing circumstances.

Investment Objectives

a. Investment Funds

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

b. Time Horizon

The time horizon for the Operating account is Intermediate: three to ten years. While the goals of the Operating account represent a perpetual need, ongoing operational dependence on the funds should inform overall asset allocation decisions.

D. Asset Allocation

The asset allocation under the Investment Policy will align with the stated goals and objectives of the Operating account. The asset allocation is based upon the following:

- That it is not productive to "time" the markets. Rather, long-term strategic asset
 allocation, based upon the principles of Modern Portfolio Theory, is the most prudent
 investment approach. That is, effective diversification can reduce risk. In utilizing this
 methodology, it is important to diversify into all the major asset classes as set out
 below, and to diversify by investment style and money manager.
- That gains and losses have a significant impact upon the Investments' growth objective.
- That portfolios with a greater amount of equity allocations and a lesser amount of fixed income allocations have a higher probability of short-term losses and of long-term higher returns than portfolios with lesser amounts of equities.

Therefore, since long-term higher returns are very important in meeting the objectives of the Investments, the asset allocation shall contain a mixture of stocks and bonds that subject the portfolio to the potential of moderate, but not devastatingly large short-term losses, and provide the potential for higher long-term returns. The portfolio allocation is designed to avoid permanent capital losses and benefit from the long-term expected appreciation of equities. Sudden or extreme market movements should not necessitate the sale of equity holdings as such may impact the long-term appreciation of the fund's assets.

Asset Allocation Table

Investment Class	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Cash	0%	1%	15%
Fixed Income	28%	39%	48%
Commodities	0%	3%	7%
Real Estate	3%	4%	7%
Equities	43%	53%	63%

Historic and Expected Returns (*)

The long-term un-audited historic rate of return on the target allocation is shown below. It is based on the historic long-term total return for each asset class. This is compared against the assumed long-term average rate of inflation (as measured by the Consumer Price Index). The difference between the nominal rate of return and the inflation rate is your real (after-inflation) expected return. Actual performance will vary from these historic returns and there is no guarantee that this return objective will be achieved either in any single year or over the longer

term. The portfolio return will also be reduced by the deduction of advisory and money management fees.

Return Interval (*)	<u>Year 1</u>	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>	Year 20
95 th Percentile	29.0%	18.8%	15.8%	12.9%	11.1%
Expected Value	6.3%	6.6%	6.5%	6.6%	6.6%
5 th Percentile	-10.3%	-3.8%	-1.6%	0.7%	2.4%

(*) Return calculations are based on forward looking capital market assumptions provided by the Advisor. To form the confidence intervals, the Advisor's base return projections were iterated 10,000 times using a standard Monte Carlo approach. While the historic series indicates robust returns, generally accepted capital market expectations coalesce around a lower outlook from a forecasting perspective. It is widely expected that an allocation, as noted above, would provide returns of approximately 7% across a market cycle (inclusive of inflation), gross of fees, expenses, and withdrawals.

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 65% MSCI All Country World Index 35% Barclays Aggregate Bond Index over a three year rolling period after fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%. The Committee recognizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such period, the Committee expects rational explanations for such under-performance.

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

E. Investment Implementation

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

Advisor will monitor the performance of each fund or manager and report to the Committee. The Advisor will also recommend replacement of funds or managers.

F. Rebalancing

The asset allocation shall be rebalanced to the target allocations set out above after any quarter in which one or more of the minimum or maximum allocations are exceeded (e.g., +/- 10% for equities). Furthermore, in the event of a sudden or significant change in the asset allocation attributable to market conditions, the asset allocation may be rebalanced between quarters. The Advisor may rebalance as needed to adjust portfolio weights to better align with its overall market outlook. Rebalancing and asset allocation changes will be communicated to the Investment Committee by the Advisor on an ongoing basis.

G. Liquidity Management Account

The Liquidity Management Account is comprised of operating funds that could reasonably be expected to be spent over the next 1 to 12 months. The account will be managed by the Chief Financial Officer. The securities in the account will be limited to the following investment vehicles and restrictions:

<u>Investment</u>	<u>Single</u> <u>Security Limit</u>	Minimum Quality	Maximum Maturity
Money Market Fund	None	N/A	N/A
Short Duration Bond Fund (*)	None	A/A2 (*)	3 (*)
US Treasuries	None	N/A	12 months
Agency Discount Notes	None	N/A	None
Commercial Paper	5% (**)	A2/P2	12 months
Corporate Bonds	5% (**)	A3/A-	12 months

- (*) Fund limits (quality and duration) are based on the fund's average scores; for maturity, the fund must have an average duration below 3.
- (**) Single security limit is based on USA Swimming, Inc.'s total AUM; this is a maximum single security and single issuer limit. There is no minimum limit on these holdings.

H. Costs

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

I. Communications

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

Investment Committee meetings will be held at least quarterly.

The Investment Committee may schedule additional meetings if concerns arise about the Advisor's investment strategy or performance of the Investments as well as to review and update the USA Swimming, Inc. Investment Policy.

Appendix: KEY INFORMATION
ORIGINAL INVESTMENT POLICY ADOPTION: May 1990
REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19, 6/20, 8/21
IRS TAX IDENTIFICATION: # 20-4264282
CUSTODIAN: FIS/Reliant Trust
INVESTMENT ADVISOR: First Western Trust Bank
Execution
This Investment Policy Statement is hereby approved and adopted on August 20, 2021.
For USA Swimming:
By: 8/20/2021
Printed Name: Eric Skufca
Title: Chief Financial Officer
For Advisor:
Advisor: First Western Trust Bank
By: (oh myk 08/20/21
Printed Name: John Sawyer

Chief Investment Officer

Title:

Investment Policy Statement

For

USA Swimming, Inc.

June 2020

August 2021

A. Overview

USA Swimming, Inc. is a not-for-profit organization with its national headquarters located in Colorado Springs, Colorado. USA Swimming, Inc. is the National Governing Body for the sport of swimming in the United States and comprised of athletes, coaches, officials, and volunteers. USA Swimming's mission is to promote the culture of swimming by creating safe and healthy opportunities for athletes and coaches of all backgrounds. USA Swimming, Inc. maintains an investment portfolio for the benefit of its members and appoints an Investment Committee to advise and provide oversight of these investments.

B. Purpose of Investment Policy Statement

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

The Policy:

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

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- 5. Establishes a criterion for evaluating the success of the investment management of The Portfolio; and
- 6. Documents the procedural prudence followed by the Committee in taking the investment course of action followed.

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

C. Goals and Objectives

1. Portfolio Goals

It is a primary goal of USA Swimming, Inc. to invest the financial assets of the organization, in excess of funds needed for current operations, and to provide maximum earnings growth, based on a total return, consistent with a policy of prudent investment and protection of assets. It is also the policy of the organization to maintain operating funds to provide for liquidity to meet current operating and capital expenditure needs. Such funds needed for current operations and capital requirements will be communicated to the Committee and the Advisor by the USAS Board prior to each fiscal year as part of the approved annual budget, with more frequent updates as required by changing circumstances.

Investment Objectives

-a._Investment Funds

The invested assets of USA Swimming, Inc. are invested and maintained in a balanced diversified investment program. The primary objective is to provide maximum growth consistent with a policy of prudent investment and protection of assets. Growth will be attained through appreciation of assets, the inclusion of

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additional funds when available, and from retention of earnings of the fund except for earnings caused to be withdrawn as hereinafter provided.

B. Short Term Operating Account

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

b. Time Horizon

The

	Single		
	Security	Minimum	Maximum
	<u>Limit</u>	Quality	Maturity
Money Market Funds	None —	N/A—	N/A
US Treasuries	None—	N/A—	1 yr
Agency Discount Notes	None	None	-None
Commercial Paper	\$1,000,000	A2/P2	1 yr
Corporate Bonds	\$1,000,000	A3/A	1 yr

time horizon for the Operating account is Intermediate: three to ten years. While the goals of the Operating account represent a perpetual need, ongoing operational dependence on the funds should inform overall asset allocation decisions.

D. Asset Allocation

The asset allocation under the Investment Policy will meetalign with the stated goals and objectives, of the Operating account. The asset allocation is based upon the following:

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- That it is not productive to "time" the markets. Rather, long-term strategic asset
 allocation, based upon the principles of Modern Portfolio Theory, is the most prudent
 investment approach. That is, effective diversification can reduce risk. In utilizing this
 methodology, it is important to diversify into all the major asset classes as set out
 below, and to diversify by investment style and money manager.
- That gains and losses have a significant impact upon the Investments' growth objective.
- That portfolios with a greater amount of stockequity allocations and a lesser amount of bondfixed income allocations have a higher probability of short-term losses and of long-term higher returns than portfolios with lesser amounts of stocks-equities.

Therefore, since long-term higher returns are very important in meeting the objectives of the Investments, the asset allocation shall contain a mixture of stocks and bonds that subject the portfolio to the potential of moderate, but not devastatingly large short-term losses, and provide the potential for higher long-term returns. -The portfolio allocation is designed to avoid permanent capital losses and benefit from the long-term expected appreciation of equities.

Sudden or extreme market movements should not necessitate the sale of equity holdings as such may impact the long-term appreciation of the fund's assets.

Asset Allocation Table

Asset Allocation Mix	<u>Minimum</u> Target	<u>Target</u> Minimum	<u>Maximum</u>
- <u>Investment Class</u>			
Stocks	53% <u>0%</u>	4 3% <u>1%</u>	63% <u>15%</u>
- <u>Cash</u>			
Fixed Income	<u>28%</u>	<u>39%</u>	<u>48%</u>
Commodities	<u>0%</u>	<u>3%</u>	<u>7%</u>
Real Estate	-4%- 3%	3% <u>4%</u>	7%
- <u>Equities</u>	- <u>43%</u>	- <u>53%</u>	- <u>63%</u>
Commodity	3%	0%	7%
Bonds	39%	28%	48%
Cash	1%	0%	15%

Historic* and Expected Returns -(*)

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

- <u>Return Interval (*)</u>	<u>Year 1</u>	<u>Year 3</u>	<u>Year 5</u>	<u>Year 10</u>	<u>Year 20</u>
95 th Percentile	20 29.0 <u>%</u>	14.2 <u>18.8%</u>	12.2 <u>15.8%</u>	10.2 <u>12.9%</u>	9 11.1- <u>%</u>
Expected Value	5.34 6.3%	6. 0 _ <u>6%</u>	6. 1 _ <u>5%</u>	6. 1 _ <u>6%</u>	5.9 <u>6.6%</u>
5 th Percentile	- 5.9 10.3%	- 1.0 - <u>3.8%</u>	0.4 <u>-1.6%</u>	1.9 <u>0.7%</u>	3. 2– <u>.4%</u>

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

(*) Return calculations are based on forward looking capital market assumptions provided by the Advisor. To form the confidence intervals, the Advisor's base return projections were iterated 10,000 times using a standard Monte Carlo approach. While the historic series indicates robust returns, generally accepted capital market expectations coalesce around a lower outlook from a forecasting perspective. It is widely expected that an allocation, as noted above, would provide returns of approximately 7% across a market cycle (inclusive of inflation), gross of fees, expenses, and withdrawals.

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 5365% MSCI All

Country World Index, 4% NAREIT Dev Index, 3% Bloomberg Commodity Index and 40 35% Barclays

Aggregate Bond Index over a three year rolling period after fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%. The Committee recognizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such period, the Committee expects rational explanations for such under-performance.

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

B.E. Investment Vehicles Implementation

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

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

F. Rebalancing

The asset allocation shall be rebalanced to the target allocations set out above after any quarter in which one or more of the minimum or maximum allocations are exceeded. (e.g., +/-10% for equities). Furthermore, in the event of a sudden or significant change in the asset allocation attributable to market conditions, the asset allocation may be rebalanced between quarters. The Advisor may rebalance as needed to adjust portfolio weights to better align with its overall market outlook. Rebalancing and asset allocation changes will be communicated to the Investment Committee by the Advisor on an ongoing basis.

G. Liquidity Management Account

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The Liquidity Management Account is comprised of operating funds that could reasonably be expected to be spent over the next 1 to 12 months. The account will be managed by the Chief Financial Officer. The securities in the account will be limited to the following investment vehicles and restrictions:

<u>Investment</u>	<u>Single</u> <u>Security Limit</u>	Minimum Quality	Maximum Maturity
Money Market Fund	<u>None</u>	<u>N/A</u>	<u>N/A</u>
Short Duration Bond Fund (*)	<u>None</u>	<u>A/A2 (*)</u>	<u>3 (*)</u>
<u>US Treasuries</u>	<u>None</u>	<u>N/A</u>	12 months
Agency Discount Notes	<u>None</u>	N/A	<u>None</u>
Commercial Paper	5% (**)	<u>A2/P2</u>	12 months
Corporate Bonds	5% (**)	<u>A3/A-</u>	12 months

(*) Fund limits (quality and duration) are based on the fund's average scores; for maturity, the fund must have an average duration below 3.

(**) Single security limit is based on USA Swimming, Inc.'s total AUM; this is a maximum single security and single issuer limit. There is no minimum limit on these holdings.

H. Costs

The costs associated with the management of each asset class shall be reviewed at least annually. It is the https://www.news.nc.uding.nc.u

Averages from Morningstar Analytical Service shall be used for determining the appropriate average.

I. Communications

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

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Investment Committee meetings will be held <u>at least</u> quarterly.

The Investment Committee may call more frequentschedule additional meetings if significant concerns arise about the Advisor's investment strategy or performance of the Investments—as well as to review and update the USA Swimming, Inc. Investment Policy.

ORIGINAL INVESTMENT POLICY ADOPTION: May 1990	
REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 34/19, 6/20-, 8/21	
IRS TAX IDENTIFICATION: # 20-4264282	
CUSTODIAN: BMO Harris Bank N.A. FIS/Reliant Trust	
INVESTMENT ADVISOR: First Western Trust Bank	
Execution	
This Investment Policy Statement is hereby approved and adopted on	
By:	
For USA Swimming:	
By:	
Printed Name:Eric Skufca	
Title: Chief Financial Officer	
By:	
For Advisor:	Formatted: Footer, Left,

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Appendix: KEY INFORMATION

Advisor:	First Western Trust Bank	
By:		
Printed Nar Sawye	iic. <u>bougius barker</u>	John
Title:	Sr. Portfolio Manager	Chief Investment

Performance Monitoring Report

TO: **USA Swimming Board of Directors**

FR: Tim Hinchey, Chief Executive Officer

Eric Skufca, Chief Financial Officer

RE: Internal Report – Management Parameters

Semi-Annual Monitoring on Policy 3.6: Budget (Mid-Year Update/Re-Forecast)

DA: September 15, 2021

We hereby present the monitoring report on the Board's policy 3.6 "Financial Planning and Budgeting" in accordance with the monitoring schedule set forth in Board policy.

We certify that the information contained in this report and the current budget update (attached) for the remainder of this fiscal year are true as of September 15, 2021.

Holfman, President & CEO

NOTE TO BOARD: This Monitoring Report is, per Board policy 4.4, to update the Board as to a mid-year "reforecasting" projection as to our anticipated fiscal year-end status for 2021. The 2021 budget/forecast will be presented at the December Board meeting.

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

CEO'S INTERPRETATION: (No change since previous report)

I submit that the Board has comprehensively interpreted this policy statement in its subsequent provisions, with interpretation of "multi-year planning" to be for the current quadrennial cycle, except that in the last year of a quad this will extend to the subsequent cycle.

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

REPORT:

The current year's budget, as approved by the Board of Directors in November of 2020, projected an operating deficit of (\$3,168,998). Based on financial activities through June 30, 2021 and the organizational and global landscape given the current pandemic, our current projection is for a FYE operating deficit of (\$3,909,810), which trails the number approved by this body in November 2020 by (\$740,813). Note to the "Board's Ends priorities" language in this Policy Provision, one financial planning tool utilized within the budget process includes mapping and analyzing organizational spends to Board Ends.

We therefore report **NON-COMPLIANCE** at this time acknowledging the continued effects of the global pandemic; we continue to actively analyze and strategize short and long term decisions as we navigate the next 36 months and beyond.

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

CEO'S INTERPRETATION: (No change since previous report)

We interpret this policy to mean that our budget must plan for the consistent compliance with the cash flow/liquidity requirements of that policy, e.g. that we run a positive cash-flow operation (with allowance for slight variations in the course of the quadrennial cycle and annual membership cycle), not incurring debt, not tapping into the Operating Reserve except for temporary periods, etc.

REPORT:

As referenced above, our updated forecast projects a deficit of (\$3,909,810). As we finish Q3 and head into Q4, the budget forecast and cash flow projections support our expectations of being able to comply with all other provisions regarding liquidity, payments and collections. If liquidity, payments and collections become a continued headwind as we navigate through the pandemic, we will adjust operations (expenditures, programs, outputs, etc.) accordingly to ensure the acceptable sustainability of the organization.

We therefore report **COMPLIANCE**.

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

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

CEO'S INTERPRETATION: (No change since previous report)

I interpret this policy to mean that the budget prepared, utilized and available for presentation must have adequate data to support the projections. It must highlight the separation of capital items from operational expenses, and convey the key assumptions used in creating the projections.

REPORT:

The 2021 budget planning process was refined for presentation to the Board in November 2020. Business unit and department management rigorously reviewed and ensured the merit of planned expenditures. Projections of revenues were built on assumptions supported by historic and current developments. A summary with variance explanations of the assumptions accompanied the presentation. The budget contains sufficient detail for subsequent auditor traceability (as was the case for the 2020 audit). Comparison of Y-T-D budget vs. actual performance, as highlighted in the P&L Statement accompanying the report on policy 3.4 "Financial Condition & Activities," reflects the overall credibility of our budget projections. Please note the 2021 budget was crafted, presented, and approved amidst the global pandemic, postponement of the Olympic Games and Olympic Trials, and many other events and programs. Given the global landscape and effects of the pandemic, there have been many substantial deviations from budget in both revenues and expenditures as summarized below:

- Operating revenues projected more by an estimated \$923,000 or 3.0%.
 - Olympic Trials net revenue projected less by an estimated (\$3,170,000) primarily due to reduced Trials joint venture operating projections most notably caused by reductions in venue capacity and increased expenditures related to Covid-19 mitigation/testing protocols.
 - Membership revenue projected more by an estimated \$3,090,000 due to the latest analysis based on year-to-date actuals.
 - Partnership Marketing revenue projected more by an estimated \$470,000 based on latest signed or anticipated sponsorship contracts.
 - o Foundation revenue projected more by an estimated \$440,000 primarily due to increased donor support for the Olympic Team travel logistics and Community Impact grants.
 - Pandemic Relief projected more by an estimated \$180,000 due to remaining PPP funding from 2020 that is expected to be forgiven in 2021.
- Operating expenses projected more than original budget by an estimated (\$1,664,000) or (4.9%).
 - National Team division projected more by an approximate (\$930,000) primarily due to the net adjusted Olympic Team travel logistics, net adjusted Olympic Team training camp(s) location, and Covid-19 mitigation/testing protocols.

- Event Operations division projected more by an estimated (\$560,000) primarily due to the increased expenditures related to Covid-19 mitigation/testing protocols at events and more TV/Webcast execution than budgeted.
- Commercial division projected more by an approximate (\$522,000) primarily due to USA Swimming Productions work around Trials, AquaZone (AquaLounge) execution at Trials, and partnership activation.
- Sport Development division projected less by an approximate \$521,000 primarily due to less expenditure around the timing of Online Member Registration and the virtual nature of Zone Workshops.

We therefore report **COMPLIANCE**.

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

CEO'S INTERPRETATION: (No change since previous report)

This policy requires that a conservative projection of revenues is to exceed our most realistic projection of expense for any quad cycle. "Conservatism" is based on certainty. Revenues expected from established sources/contracts are projected at 100% certainty and amounts from contracts/activities with which we don't have a track record are projected at lower amounts. Investment income is based on a conservative long-term return of 4.7% annually from a portfolio of 60% equities and 40% fixed income. We know for certain that actual returns will vary from this target, but drawing this amount (even in negative return years) will not jeopardize the long-term viability of the portfolio.

REPORT:

Our currently projected FYE revenue and expenses for 2021 are \$31,723,633 and (\$35,633,443), respectively, resulting in a net deficit of (\$3,909,810). As we continue through the last year of the current "5 year quad" (2017-2021 due to the Olympic Games and Trials postponement), our 2021 Business Plan (attached) is reasonable at this time, but we are still actively working to continuously improve and monitor the 2021 "quad" operating results understanding there are still material uncertainties over the next 3 months and beyond.

To summarize forecasted operating results for the 2017-2021 "Quad",

FY 2017	Revenues \$35,614,853	Expenses \$36,362,666	Net (\$747,813)
FY 2018	Revenues \$36,099,844	Expenses \$37,553,628	Net (\$1,453,784)
FY 2019	Revenues \$38,729,817	Expenses \$39,866,750	Net (\$1,136,933)
FY 2020	Revenues \$32,349,224	Expenses \$26,121,984	Net \$6,227,240
FY 2021 (attached forecast)	Revenues \$31,723,633	Expenses \$35,633,443	Net (\$3,909,810)
"Quad" Total - Current forecas	t: Revenues \$174,517,369	Expenses \$175,538,469	Net (\$1,021,100)

We therefore report **NON-COMPLIANCE** at this time but are continuing to actively analyze and strategize areas to meet and exceed the 2021 operating budget and the 2021 "quad" budget goal despite the material operational changes starting in 2020 with the global pandemic.

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

CEO'S INTERPRETATION: (No change since previous report)

If the Operating Reserve as measured at FYE is less than 75% of the targeted threshold (50% of budget) for two consecutive years, the CEO will direct the CFO and senior staff to budget operating surpluses to raise the Operating Reserve to its targeted threshold over the following two years.

REPORT:

The CFO calculates the Operating Reserve requirement (at least) annually after our annual audit per the policy and has reported a \$16,696,005 reserve surplus above the required Operating Reserve of \$17,691,058 (six months projected operating expenses) at December 31, 2020.

The CFO calculated the Operating Reserve requirement again as of June 30, 2021 and has reported \$7,684,857 of excess reserves above the required Operating Reserve of \$17,691,058 (six months projected operating expenses).

Note the December 31, 2020 calculation was at 194% of the targeted reserve level (or 11.66 months vs. the targeted 6 months) and the surplus is at 143% (or 8.61 months) as of June 30, 2021. Policy states:

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

Given our historical position, projected operating results throughout the 2021 "quad" (and beyond), and the current reserve calculation, the Vice Chair of Fiscal Oversight and CFO recommend no changes or concern at this point. Operating Reserve will be calculated again next quarter.

The corporation also has \$15,417,765 of Board Designated funds from the sale of USSIC in reserves as of June 30, 2021. Only \$5,000,000 of which is dedicated to a guarantee related to the sale.

We therefore report **COMPLIANCE**.

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

CEO'S INTERPRETATION: (No change since previous report)

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

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

REPORT:

At its September 24, 2021 Board meeting, the Board will be asked to approve, per its policy 2.10.3, its budget for Board prerogatives for FY 2022.

We therefore report **COMPLIANCE**.

	Approved Budget 2021	Current Projection 2021	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	Comment
REVENUE:					
Membership	\$ 14,828,111	\$ 17,918,802	\$ 3,090,691	20.8%	Latest from Membership.
Partnership Marketing	3,858,956	4,328,956	470,000	12.2%	Latest projections from Commercial. Note many material contracts are not yet signed (Arena, TYR, Speedo).
Consumer	210,000	175,000	(35,000)	-16.7%	Royalties and Ecommerce.
USOPC Partnership	5,329,500	5,568,595	239,095	4.5%	Assumes current agreed upon pay schedules and ~\$240K unbudgeted grants (\$175K WUGS/now Jr. Team, COVID relief \$32K, \$31K OW).
Investment Income	20,000	15,000	(5,000)	-25.0%	Assumes no portfolio distributions for operations (just ST investment earnings).
Foundation	1,087,500	1,526,933	439,433	40.4%	Olympic Team donors (\$112.5K), Comm. Impact Grants (\$100K), other unbud donors.
Sport and Events	697,000	407,000	(290,000)	-41.6%	Projecting no OPTC Camps (nets roughly zero with expense).
Olympic Trials	4,410,000	1,241,500	(3,168,500)	-71.8%	Trials Rights Fee, USOPC Trials Fee, Trials JV Ops.
Pandemic Relief	-	182,317	182,317	100.0%	Remainder of PPP forgiven.
Other Income	359,541	359,530	(11)	0.0%	Imputed Prepaid Rent income, NCAA contract, etc.
Total Revenue	30,800,608	31,723,633	923,024	3.0%	
EXPENSES:					
Technical/Sport:	0.400.640	10 220 442	(020.704)	0.00/	Ohympia Camp/Trayal († 265K). Athleta Caminas & COV/ID teating (†245K). In Team (
National Team	9,400,649	10,329,443	(928,794)	-9.9%	Olympic Camp/Travel (\$-365K), Athlete Services & COVID testing (-\$245K), Jr. Team (-\$197K), Competitions (-\$113K).
Sport Development	5,683,974	5,162,791	521,183	9.2%	OMR postponement (budg trx fees) (+\$247K), Zone Workshops (virtual) (+\$226K).
Event Operations	3,185,074	3,744,667	(559,593)	-17.6%	TV/Webcast (-\$326K), Events (-\$260K).
Total Technical / Sport	18,269,697	19,236,901	(967,204)	-5.3%	
Other Programs: Commercial	5,644,330	6,166,642	(522,312)	-9.3%	USA Swimming Productions (-\$205K), Aqua Zone (-\$100K), Partnership activation (-\$90K), BI & Digital Platforms (-\$61K).
Risk Management / Insurance	4,347,150	4,445,837	(98,687)	-2.3%	Mid-year renewals.
Foundation Support	449,414	457,385	(7,971)	-1.8%	Foundation personnel allocation.
Total Other Programs	10,440,894	11,069,864	(628,970)	-6.0%	
Administration:					
Executive	1,413,498	1,484,757	(71,259)	-5.0%	Olympic Games, Organizational Relations (-\$65K).
Finance	831,207	875,647	(44,440)	-5.3%	Professional services, G&A (-\$44K).
Business Affairs	3,014,310	2,966,273	48,037	1.6%	Professional services, G&A (+\$33K).
Total Administration	5,259,015	5,326,677	(67,662)	-1.3%	
Total Expenses	33,969,606	35,633,443	(1,663,837)	-4.9%	
Operating Surplus (Deficit) Before Investment G/(L)	\$ (3,168,998)	\$ (3,909,810)	\$ (740,813)		
Investment Gains (Losses)	1,200,000	2,500,000	1,300,000	108.3%	Per YTD actuals and remaining projection.
Operating Surplus (Deficit) After Investment G/(L)	\$ (1,968,998)	\$ (1,409,810)	\$ 559,187		

USA Swimming 2021 Budget vs. 2021 Projection Summary As of 9/15/2021

BOARD APPROVED RESERVE INVESTMENTS - Cash Basis

	Approved	Current Projection	\$ Variance Favorable	% Variance Favorable	
	Budget 2021	2021		(Unfavorable)	Comment
Operating Reserves:	_				
Disaster Donations	\$ (25,000)	\$ (25,000)	\$ -		
Board Designated Funds:					
"Keeping Athletes First" (KAF) Initiative:					
Safe Sport	(999,438)	(366,490)	632,948		Based on latest KAF projections.
(Club Rec, Staff Res & Prog Dev)					
Coach Education & LMS	(1,155,411)	(462,893)	692,518		
Online Member Registration	(1,000,000)	(1,491,527)	(491,527)		→
Legal	-	(75,000)	(75,000)		
USSIC Sale Letter of Credit	(1,100,000)	(1,100,000)	-		Liability since the USSIC sale in 2016. First draws in 2020.
Total Board Approved Reserve				_	
Investments	\$ (4,279,849)	\$ (3,520,910)	\$ 758,939		

	2021			
	Year to Date	2021	2021	Favorable
	Actual	Budget	Projected	(Unfavorable)
OPERATING REVENUE:				
MEMBERSHIP:				
Athlete Membership	\$14,890,462	\$12,158,080	\$14,731,584	\$2,573,504
Flex	441,448	320,000	420,310	100,310
Outreach Athlete Membership	23,660	33,410	22,785	(10,625)
Seasonal Athlete Membership	412,500	390,630	389,610	
Non-Athlete Membership	· · · · · · · · · · · · · · · · · · ·	•	•	(1,020)
·	2,171,500	1,785,600	2,176,192	390,592
Life Membership	38,698	15,000	31,000	16,000
Club Membership	188,650	165,620	187,180	21,560
Seasonal Club Membership	3,560	2,360	3,480	1,120
Affiliate Membership	750 270	1 000	0	(750)
Single Meet Open Water	270	1,000	250	(750)
Other Membership Income	1,020	(43,589)	(43,589)	0
TOTAL MEMBERSHIP	18,172,518	14,828,111	17,918,802	3,090,691
PARTNERSHIP MARKETING REVENUE:				
Corporate Sponsorship	2,041,283	3,651,456	4,121,456	470,000
Supplier Income	370,000	172,500	172,500	0
Licensee Income	23,010	100,000	65,000	(35,000)
Web Advertising	637	0	20,000	20,000
Print Advertising	037	20,000	20,000	(20,000)
TOTAL PARTNERSHIP MARKETING REVENUE	2,434,930	3,943,956	4,378,956	435,000
	, - ,		77	
CONSUMER REVENUE:				
Royalties	20,351	125,000	125,000	0
SwimOutlet	31,882	0	0	0
TOTAL CONSUMER REVENUE	52,233	125,000	125,000	0
USOPC PARTNERSHIP:				_
USOPC Performance Funding	2,794,714	3,082,200	3,082,200	0
USOPC Direct Athlete Support	1,326,391	2,232,300	2,232,300	0
USOPC International Relations Grant	0	15,000	15,000	0
USOPC Other Support	877,595	0	239,095	239,095
TOTAL USOPC PARTNERSHIP	4,998,699	5,329,500	5,568,595	239,095
INVESTMENT INCOME:				
Interest Income - Savings	1	0	0	0
Interest Income - Short Term Securities	10,658	20,000	15,000	(5,000)
TOTAL INVESTMENT INCOME	10,659	20,000	15,000	
TOTAL INVESTIGENT INCOME	10,659	20,000	15,000	(5,000)
FOUNDATION AND SWIM-A-THON:				
USA Swimming Foundation	296,250	817,500	1,256,933	439,433
Foundation Rent	135,000	270,000	270,000	0
TOTAL FOUND. AND SWIM-A-THON	431,250	1,087,500	1,526,933	439,433
	•			
SPORT AND EVENTS:				
Golden Goggle Awards	11,492	125,000	125,000	0
Coach Education Clinics	84,467	190,000	190,000	0
Altitude Camps	64	240,000	0	(240,000)
Olympic Trials	2,630,000	4,410,000	1,241,500	(3,168,500)
Safe Sport Materials	0	12,000	12,000	0

	Year to Date	2021	2021	Favorable
	Actual	Budget	Projected	(Unfavorable)
International TV Rights	0	15,000	5,000	(10,000)
Other Registration	26,595	115,000	75,000	(40,000)
TOTAL SPORTS AND EVENTS	2,752,617	5,107,000	1,648,500	(3,458,500)
PANDEMIC RELIEF		0	182,317	182,317
OTHER INCOME:				
NCAA Top Times List	50,294	100,600	100,589	(11)
Imputed Interest - Prepaid Rent	130,194	258,941	258,941	0
Other Revenue	3,983	0	0	0
TOTAL OTHER INCOME	184,471	359,541	359,530	(11)
TOTAL OPERATING REVENUE	\$29,037,377	\$30,800,608	\$31,723,633	\$923,025
OPERATING EXPENSES:				
TECHNICAL/SPORT:				
NATIONAL TEAM				
Competitions				
3001 Olympic Games	188,254	425,640	603,300	(177,660)
3015 World University Games	0	142,160	0	142,160
3023 US Open Championships	2,175	0	2,175	(2,175)
3033 Short Course World Championships	2,240	150,000	225,000	(75,000)
Program Group Total	192,669	717,800	830,475	(112,675)
Junior Team Programs				
3009 Jr. Team International Competition	6,314	0	342,500	(342,500)
3045 Junior Team Camps	1,252	0	1,252	(1,252)
3050 FINA World Junior Championships	2,240	147,100	0	147,100
3053 World 100	0	2,000	2,000	0
3992 Ntl. Jr. Team Program Support	0	10,925	10,925	0
Program Group Total	9,806	160,025	356,677	(196,652)
Open Water Programs				
3040 FINA Open Water Jr. Championships	2,240	36,025	37,400	(1,375)
3060 Open Water Olympic Games	46,641	49,700	55,950	(6,250)
3065 Open Water World Cup	0	25,000	25,000	0
3067 Open Water Camps	29,485	5,000	30,000	(25,000)
3495 Open Water Program Support	13,614	9,650	19,650	(10,000)
Program Group Total	91,979	125,375	168,000	(42,625)
Camps				
3005 Olympic Games Prep Camps	1,400,941	1,142,260	1,507,000	(364,740)
3069 National Team Specialty Camps	0	15,000	15,000	0
3071 Altitude Training Camps	375	20,000	10,000	10,000
3073 National Team Camps	580	15,000	15,000	0
3518 Altitude Camps	0	250,000	0	250,000
3479 Advance Team Visits	0	6,170	0	6,170
Program Group Total	1,401,896	1,448,430	1,547,000	(98,570)

Athlete Services

_	Year to Date	2021	2021	Favorable
_	Actual	Budget	Projected	(Unfavorable)
3101 Athlete Support-Stipends & Grants	1,326,391	1,997,220	2,001,515	(4,295)
3100 USOPC Covid 19 Support Grant	124,084	0	115,000	(115,000)
3103 Athlete Support-Medals & Records	0	1,010,000	1,025,000	(15,000)
3107 Athlete Support-Op Gold Qualification				
Bonus	0	573,000	550,000	23,000
3025 Pro Swim Series Athlete Support	329,403	325,000	325,000	0
3021 World Cup Athlete Support	0	1,000	1,000	0
3106 Phillips 66 Athlete Support	70,860	100,000	100,000	0
3110 National Team Uniforming (VIK)	156,291	75,000	156,291	(81,291)
3130 Foundation Travel & Training	5,500	50,000	50,000	0
3131 Foundation Athlete Endowments	135,750	80,000	135,750	(55,750)
3453 Drug Control Program	7,113	19,650	16,000	3,650
Program Group Total	2,155,391	4,230,870	4,475,556	(244,686)
	, ,			
Coach Services				
3203 Coach Incentive & Reward Program	0	330,000	330,000	0
3210 Olympic Team Prep - Coaches	47,840	50,000	50,000	0
3077 National Team Coaches Meeting	0	500	0	500
Program Group Total	47,840	380,500	380,000	500
High Performance Support				
3301 National Team Performance Support	59,831	101,320	71,320	30,000
3310 USOPC Practitioner Travel Support	6,716	18,700	18,700	0
Program Group Total	66,547	120,020	90,020	30,000
Sport Medicine & Science				
3201 Athletes and Coach Wellness Programs	38,959	50,000	50,000	0
3353 Sport Medicine & Science Network	59,533	44,900	59,900	(15,000)
3155 Elite Athlete Accident Coverage	24,300	36,000	25,000	11,000
3200 Athlete Life Skills	350	0	350	(350)
3351 Athlete Testing & Lab Expenses	215	10,000	1,000	9,000
3390 Sport Medicine & Science Program Support	12,443	19,000	19,000	0
Program Group Total	135,800	159,900	155,250	4,650
Other Programs and Services				
3481 National Team Equipment	7,910	15,500	13,100	2,400
3499 Team Management Technology	8,535	0	9,000	(9,000)
Program Group Total	16,445	15,500	22,100	(6,600)
Committees	_			_
3846 Sports Medicine	0	500	500	0
3868 Open Water Committee	0	500	500	0
3882 National Steering	0	500	500	0
3888 National Team Athlete	0	0	500	(500)
Program Group Total	0	1,500	2,000	(500)
Administration				
3990 Administration & Operational Support	163,252	266,100	677,250	(411,150)
3999 Salary and Benefits	1,016,283	1,774,629	1,625,116	149,513
Program Group Total	1,179,535	2,040,729	2,302,366	(261,637)
TOTAL NATIONAL TEAM	5,297,908	9,400,649	10,329,443	(928,795)

	2021			
	Year to Date	2021	2021	Favorable
	Actual	Budget	Projected	(Unfavorable)
CDODT DEVELOPMENT				
SPORT DEVELOPMENT Athlete Development Programs				
1117 LSC Camps	\$89	\$4,700	\$4,700	\$0
1118 Zone Select Camps	27,696	152,960	30,446	122,514
1119 National Select Camps	963	107,630	192,630	(85,000)
1120 Camp (VIK)	0	25,000	25,000	(65,000)
1135 Tech Services Support	0	2,900	2,900	0
Program Group Total	28,747	293,190	255,676	37,514
Coach Education and Development				_
1213 Coach Education Development	23,497	42,800	42,800	0
1231 USA-S Hosted Coaches Clinics	4,266	70,550	6,500	64,050
1233 Disability Swimming Coaches Workshop	0	8,160	8,160	0
1237 Non-USAS Clinic Participation	0	15,000	15,000	0
1240 Online Coach Clinics/Podcasts	84	8,966	8,966	0
1242 Coach Mentoring	7,945	70,000	70,000	0
1245 Master Coach Program	3,400	0	0	0
1290 Travel & Program Support	15,786	80,000	80,000	0
Program Group Total	54,978	295,476	231,426	64,050
Club Education and Development				
1302 Club Excellence Program	201,472	209,000	209,000	0
1305 Club Recognition Program	0	7,500	7,500	0
1311 Club Governance Programs	10,012	12,500	12,500	0
1314 Club Resources	(9,089)	8,000	8,000	0
1332 Club Research Technology	1,618	10,500	12,150	(1,650)
1390 Travel & Program Support	48,308	69,000	69,000	0
Program Group Total	252,321	316,500	318,150	(1,650)
Member Programs				
1411 Member Dues and Services	263	256,500	10,000	246,500
1418 Legacy SWIMS Depreciation	142,394	200,000	214,250	(14,250)
1430 Athlete Leadership Camps/Grants	0	18,000	18,000	0
1431 Swimposium	3,400	53,000	15,000	38,000
1429 Zone Workshops	3,500	229,000	3,500	225,500
1434 Membership Technology	42,202	140,000	136,700	3,300
Program Group Total	191,760	896,500	397,450	499,050
ISC Davidonment & Education				
LSC Development & Education 1470 LSC Consulting	45,000	22,900	67,900	(45,000)
1470 LSC Consuming 1481 Leadership Workshops				
Program Group Total	45,000	8,970 31,870	8,970 76,870	(45,000)
Facilities Advocacy & Development		_		
1505 Build a Pool Conference	18	0	18	(18)
1590 Travel & Program Support	64,000	96,000	96,000	0
Program Group Total	64,018	96,000	96,018	(18)
DEI Management & Support				
1638 DEI Management Support	17,472	106,550	106,550	0
1640 Community Swim Team Development	6,525	70,554	70,554	0

	Year to Date	2021	2021	Favorable
_	Actual	Budget	Projected	(Unfavorable)
1645 Regional DEI Camps & Meetings	6,941	75,000	6,941	68,059
1651 DEI VIK	13,951	15,000	15,000	0
1665 DEI Select Camp	16,891	75,220	115,220	(40,000)
Program Group Total	61,779	342,324	314,265	28,059
Safe Sport				
1735 Safe Sport - Background Checks	216	600	600	0
1775 Safe Sport Online Education	38,876	72,700	72,700	0
1785 Safe Sport Programs	65,040	84,000	85,000	(1,000)
1787 Safe Sport - USOPC Center for Safe Sport	182,961	300,000	300,000	0
1789 Safe Sport - SwimAssist	35,345	100,000	100,000	0
Program Group Total	322,437	557,300	558,300	(1,000)
Committees				
1810 Safe Sport	0	250	250	0
1823 Workshop Education	0	500	500	0
1830 LSC Development	0	550	550	0
1841 Disability Swimming	0	250	250	0
1842 DEI	0	250	250	0
1851 Age Group Development	0	250	250	0
1856 Club Development	0	250	250	0
1857 Times & Recognition	198	12,500	12,500	0
1885 Senior Development	0	250	250	0
1887 Athletes Executive	87	500	500	0
Program Group Total	285	15,550	15,550	0
Administration				
1990 Administration & Operational Support	205,512	389,030	411,430	(22,400)
1999 Salary and Benefits	1,531,668	2,450,234	2,487,656	(37,422)
Program Group Total	1,737,181	2,839,264	2,899,086	(59,822)
TOTAL SPORT DEVELOPMENT	2,758,505	5,683,974	5,162,791	521,183
EVENT OPERATIONS				
Events				
2005 Olympic Trials	53,451	31,630	56,630	(25,000)
2018 US Open (frmly Winter National Champs)	562	118,444	123,444	(5,000)
2019 National Championships/Trials	8,050	0	0	0
2023 Speedo Summer Champs (Frmly Invitational	,			
& US Open)	53,999	69,923	79,923	(10,000)
2025 Pro Swim Series	277,937	165,970	275,970	(110,000)
2027 Speedo Sectionals	85,536	123,200	123,200	0
2028 IM Xtreme Games	, 0	, 0	2,000	(2,000)
2029 Zone Championships	22,500	56,000	56,000	0
2032 Spring Cup 18-Under	33,933	0	35,000	(35,000)
2035 Futures Championships	46,842	0	103,640	(103,640)
2050 Jr. NTL. Champ. (Winter SC) & Long Course	,	,	,- :0	(===,=:0)
Inv.	1,484	87,941	77,941	10,000
2069 Open Water Championships	74,470	59,598	74,598	(15,000)
2077 National Events Uniforming VIK	0	40,000	40,000	(13,000)
2076 Bag Tags VIK	3,662	10,000	10,000	0
2716 Omega Timing Systems VIK	0	400,000	400,000	0
Program Group Total	662,426	1,162,706	1,458,346	(295,640)
	55-, 125	_,,,	_, .55,5 15	(=33,0.0)

	Year to Date	2021	2021	Favorable
	Actual	Budget	Projected	(Unfavorable)
000				
Member Programs - Officials	0	F2.0F0	0	F2.0F0
2433 Officials Training Sessions	0	52,950	0	52,950
2437 Officials Online Testing	0	825	825	0
2438 Officials Certification Program	0	3,900	3,900	0
2439 Officials Video	0	6,000	6,000	0
2440 Officials Clinic	0	29,888	0	29,888
2441 Officials International Travel	415	12,600	11,670	930
2450 Officials Mentoring & Training	89	1,500	1,500	0 22.760
Program Group Total	504	107,663	23,895	83,768
Other Programs and Services				
2501 Publications and Video Sales	6,174	24,000	24,000	0
2502 Mailing Service	0	200	200	0
2423 Rulebook	23,498	11,200	23,498	(12,298)
2498 Awards	763	5,000	5,000	0
2505 Trials Hospitality	1,728	17,300	17,300	0
2519 Times Projects	5,717	23,400	22,750	650
2715 TV/Web Cast Production	708,209	523,474	850,000	(326,526)
Program Group Total	746,087	604,574	942,748	(338,174)
Committees 9 Covernance				
Committees & Governance 2801 Annual Business Meeting (formerly				
Convention)	12,456	39,900	39,900	0
2802 Annual Business Meeting - Athletes	12,430		33,300	U
(formerly Convention-Athletes)	0	6,500	6,500	0
2825 Registration / Membership	0	500	500	0
2835 Credentials / Elections	0	500	500	0
2836 Rules and Regulations	0	17,500	17,500	0
2866 Officials	0	500	500	0
Program Group Total	12,456	65,400	65,400	0
Administration				
2990 Administration & Operational Support	101,383	194,780	216,980	(22,200)
2999 Salary and Benefits	693,107	1,049,951	1,037,298	12,653
Program Group Total	794,490	1,244,731	1,254,278	(9,547)
TOTAL EVENT OPERATIONS	2,215,963	3,185,074	3,744,667	(559,593)
TOTAL TECHNICAL/SPORT	10,272,376	18,269,697	19,236,901	(967,205)
OTHER PROGRAMS:				
COMMERCIAL				
Partnerships & Event Marketing	04.405	75.000	75.000	
5901 Servicing	84,486	75,000	75,000	(87.500)
5900 Contractuals	87,920	220,000	307,500	(87,500)
5905 Sales Development Support	10,750	17,000	17,000	0
5916 Sigma Gamma Rho	376	34,000	34,000	(2.622)
5620 Family Program	27,600	25,000	27,600	(2,600)
5709 Nationals Marketing	0	69,520	69,520	0
5760 Jr Nationals Marketing	0	13,000	13,000	0
5762 Pro Swim Series Marketing	14,900	81,210	81,210	0

	2021			
	Year to Date	2021	2021	Favorable
	Actual	Budget	Projected	(Unfavorable)
5764 US Open Marketing	7,642	74,065	74,065	0
5902 Merchandise Program	53,004	54,400	54,400	0
5911 Aqua Zone - Olympic Trials	897,117	900,000	900,000	0
Program Group Total	1,183,795	1,563,195	1,653,295	(90,100)
Communications				
5109 Athlete Partnership Fulfillment	6,939	60,000	60,000	0
5711 Splash Magazine	156,208	275,000	275,000	0
5722 Social Media Aggregation	8,000	20,000	20,000	0
5724 Communication Operations	208,750	250,000	250,000	0
Program Group Total	379,897	605,000	605,000	0
Creative Services				
5710 Membership/Recruiting Promotion	527	35,000	35,000	0
5730 USA Swimming Productions	497,015	240,000	445,000	(205,000)
Program Group Total	497,542	275,000	480,000	(205,000)
Business Intelligence & Digital Platforms				
5713 Deck Pass	30,841	61,000	61,700	(700)
5716 Swimjitsu	3,081	0	3,500	(3,500)
5726 Business Intelligence	298,977	350,000	382,500	(32,500)
5718 usaswimming.org - Web site	300,895	540,000	564,000	(24,000)
0.0	633,794	951,000	1,011,700	(60,700)
Administration				
5990 Administration & Operational Support	181,905	270,000	307,850	(37,850)
5999 Salary and Benefits	1,295,469	1,980,135	2,108,797	(128,662)
Program Group Total	1,477,374	2,250,135	2,416,647	(166,512)
TOTAL COMMERCIAL	4,172,401	5,644,330	6,166,642	(522,312)
TO THE COMMENCE IN LE	7,172,701	3,044,330	0,100,042	(322,312)
RISK MANAGEMENT / INSURANCE				
Member Programs				
9413 Member Insurance Premiums & Retention	2,789,910	4,328,450	4,443,192	(114,742)
9415 Other Risk Management	0	3,700	0	3,700
Program Group Total	2,789,910	4,332,150	4,443,192	(111,042)
Committees				
9827 Operational Risk Committee	0	500	500	0
Program Group Total	0	500	500	0
Administration				
9490 Administration & Operational Support	1,609	14,500	2,145	12,355
Program Group Total	1,609	14,500	2,145	12,355
TOTAL RISK MANAGEMENT / INSURANCE	2,791,519	4,347,150	4,445,837	(98,687)
FOUNDATION SUPPORT				
6667 USA Swimming Staff Allocation	0	449,414	457,385	(7,971)
TOTAL FOUNDATION SUPPORT	0	449,414	457,385	(7,971)
•		•	•	, , , ,
FOUNDATION - OTHER				
6990 Administration & Operational Support	150	0	0	0

	2021		2024	Farranalala
	Year to Date	2021	2021	Favorable (Unfavorable)
6999 Salaries and Benefits	Actual 63,309	Budget 0	Projected 0	(Unfavorable) 0
TOTAL FOUNDATION - OTHER	63,459	0	0	0
	<u> </u>			(222 222)
TOTAL OTHER PROGRAMS	7,027,379	10,440,894	11,069,864	(628,970)
SUPPORT DIVISIONS:				
EXECUTIVE				
Other Executive				
7920 CEO Contingency	32,049	20,000	44,300	(24,300)
7930 Board Chair Travel and Expenses	35,191	40,000	40,000	0
7931 Olympic Games Executive Contingency	9,073	20,000	50,000	(30,000)
7945 CSCAA Grant	80,000	120,000	120,000	0
7971 Organizational Relations - Domestic	24,853	13,000	27,500	(14,500)
7984 Organizational Relations - Internat'l	3,027	6,000	15,000	(9,000)
7981 International Relations	8,806	20,000	10,000	10,000
Program Group Total	192,999	239,000	306,800	(67,800)
Committees & Governance				
7803 Board of Directors	20,165	80,000	73,220	6,780
7808 Task Force & Other Committees	63,905	99,400	99,400	0
7820 Nominating Committee	0	2,500	0	2,500
Program Group Total	84,070	181,900	172,620	9,280
Administration				
7990 Administration & Operational Support	56,405	97,710	114,545	(16,835)
7999 Salary and Benefits	591,054	894,888	890,792	4,096
Program Group Total	647,459	992,598	1,005,337	(12,739)
TOTAL EXECUTIVE	924,528	1,413,498	1,484,757	(71,259)
FINANCE				
Other Programs				
Committees				
8895 Investment Committee	0	0	100	(100)
Program Group Total	0	0	100	(100)
Administration				
8100 Allocated Expenses	25,884	0	0	0
8990 Administration & Operational Support	112,765	175,800	192,550	(16,750)
8999 Salary and Benefits	505,700	655,407	682,997	(27,590)
Program Group Total	644,349	831,207	875,547	(44,340)
TOTAL FINANCE	644,349	831,207	875,647	(44,440)
BUSINESS AFFAIRS				
Legal and NBR				
9695 Legal	91,905	200,000	200,000	0
9690 Legal - Admin. & Oper. Support	1,442	1,500	1,500	0
Program Group Total	93,347	201,500	201,500	0
Other Programs				
9380 Human Resources	61,673	80,000	83,300	(3,300)

	2021			
	Year to Date	2021	2021	Favorable
	Actual	Budget	Projected	(Unfavorable)
9295 Information Technology Support	555,498	679,148	660,997	18,151
9296 IT Capital	66	0	0	0
Program Group Total	617,237	759,148	744,297	14,851
Administrative				
9990 Administration & Operational Support	172,826	253,150	263,350	(10,200)
9999 Salary and Benefits	1,112,489	1,800,512	1,757,126	43,386
Program Group Total	1,285,315	2,053,662	2,020,476	33,186
TOTAL BUSINESS AFFAIRS	1,995,898	3,014,310	2,966,273	48,037
TOTAL SUPPORT DIVISIONS	3,564,776	5,259,015	5,326,677	(67,662)
TOTAL OPERATING EXPENSES	\$20,864,530	\$33,969,606	\$35,633,443	(\$1,663,837)
OPERATING SURPLUS (DEFICIT)	\$8,172,847	(\$3,168,998)	(\$3,909,810)	(\$740,813)

USA Swimming 2020 (+2021) Quad Business Plan Summary As of 9/15/2021

AS OF 9/15/2021							2020 (+2021)
	Actual 2017		Actual 2018	Actual 2019	Actual 2020	Projection 2021	Quad Projection
REVENUE:							
Membership	\$	22,483,811 \$	22,778,145 \$	23,203,900 \$	21,958,981	\$ 17,918,802	\$ 108,343,639
Partnership Marketing		4,364,233	4,203,495	5,098,325	2,089,289	4,328,956	20,084,298
Consumer		527,967	235,749	286,027	60,431	175,000	1,285,174
USOPC Partnership		5,134,700	5,294,900	5,305,500	4,090,811	5,568,595	25,394,506
Investment Income		1,001,643	1,070,021	1,804,747	730,683	15,000	4,622,094
Foundation		792,500	963,600	1,193,750	1,152,649	1,526,933	5,629,432
Sport and Events		1,069,626	851,153	1,425,523	427,091 (57,475)	407,000 1,241,500	4,180,393
Olympic Trials Pandemic Relief		(91,372)	(46,541)	(93,672)	(57,475) 1,445,651	182,317	952,440 1,627,968
Other Income		331,745	- 749,322	505,716	451,113	359,530	2,397,426
Total Revenue		35,614,853	36,099,844	38,729,815	32,349,224	31,723,633	174,517,369
EXPENSES:							
Technical/Sport:							
National Team		8,541,826	9,692,513	11,348,949	5,507,013	10,329,443	45,419,745
Sport Development		5,306,748	5,450,767	5,881,615	4,654,761	5,162,791	26,456,680
Event Operations		7,625,558	6,585,153	6,370,668	2,277,680	3,744,667	26,603,726
Total Technical / Sport		21,474,131	21,728,433	23,601,232	12,439,453	19,236,901	98,480,151
Other Programs:							
Commercial		5,172,794	6,260,256	6,119,540	4,334,824	6,166,642	28,054,056
Risk Management / Insurance		3,004,431	3,063,524	3,195,455	2,935,394	4,445,837	16,644,641
Foundation Support		525,371	996,997	449,414	392,446	457,385	2,821,613
Total Other Programs	-	8,702,596	10,320,778	9,764,409	7,662,664	11,069,864	47,520,310
Administration:							
Executive		4,013,797	1,530,149	1,600,769	1,211,838	1,484,757	9,841,309
Finance		1,364,162	871,532	1,157,804	852,272	875,647	5,121,417
Business Affairs		807,980	3,102,737	3,742,534	3,955,757	2,966,273	14,575,282
Total Administration		6,185,939	5,504,417	6,501,107	6,019,867	5,326,677	29,538,008
Total Expenses		36,362,666	37,553,628	39,866,748	26,121,984	35,633,443	175,538,469
OPERATING SURPLUS (DEFICIT) Before Investment G/(L)	\$	(747,813) \$	(1,453,784) \$	(1,136,933) \$	6,227,240	\$ (3,909,810)	\$ (1,021,100)
Investment Gains (Losses)		3,816,462	(2,480,166)	4,015,437	2,989,783	2,500,000	10,841,516
OPERATING SURPLUS (DEFICIT) After							
Investment G/(L)	\$	3,068,649 \$	(3,933,950) \$	2,878,504 \$	9,217,023	\$ (1,409,810)	\$ 9,820,416

USA Swimming 2020 (+2021) Quad Board Approved Reserve Investments Summary As of 9/15/2021

BOARD APPROVED RESERVE INVESTMENTS - (Cash B	asis					Revised 2020 (+2021)
		Actual 2017	Actual 2018	Actual 2019	Actual 2020	Projection 2021	Quad Projection
Operating Reserves:							
Disaster Donations		\$	(20,606) \$,		\$ (25,000)	\$ (50,606)
Special IT Projects (CRM)			(327,086)	(502,229)	(446,948)		(1,276,263)
Cost of Flex			(222.242)	(722,216)	(1,302,502)		(2,024,718)
Athlete Leadership Summit			(266,618)	(161,958)			(428,576)
Board Designated Funds:							
"Keeping Athletes First" (KAF) Initiative:					(500)	(000, 400)	
Safe Sport (Club Rec, Staff Res & Prog Dev)					(562)	,	(700.040)
Coach Education & LMS					(267,749)	,	(730,642)
Online Member Registration			(710 FG4)	(20,000)	(314,302)	(1,491,527)	(1,805,829)
Safe Sport Expenses / Contingency			(719,564)	(30,000)	(274 540)	(75,000)	(749,564)
Legal USSIC Sale Letter of Credit				(966,983)	(274,548)	,	(1,316,531)
0551C Sale Letter of Credit					(1,836,975)	(1,100,000)	(2,936,975)
Other:							
Foundation Endowment Donation		(1,000,000)					(1,000,000)
Total Board Approved Reserve Investments	\$	(1,000,000) \$	(1,333,874) \$	(2,388,386)	\$ (4,444,148)	\$ (3,520,910)	\$ (12,686,756)

Insert New Line

SECTION 1: USA Swimming 2022 Program Budget Proposal
BOARD OF DIRECTORS Program:7803
Program Manager: CFO and Paula D'Amico
Insert New
Line
Program Description: These funds are allocated to cover travel, housing, meals, printing and miscellaneous expenses for up to four board meetings per year.

Account Number	Account	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2021 Forecast	2021 Forecast Comments	2022 Budget	2022 Budget Comments
CTION 2:										
	EXPENSES:									
60001	PHONE SERVICE	0	0	0	0	0	0		0	
60002	LONG DISTANCE PHONE SERVICE	0	0	0	0	0	0		0	
60004	CONFERENCE CALLS	47	267	71	0	0	0		0	
60005	INTERNET SERVICE	0	12	0	0	0	0		0	
60010 60011	POSTAGE FREIGHT	0 531	10 425	0 71	0	0 500	500		0	
60013	EXCESS BAGGAGE & TIPS	200	425 170	413	65	500	0		0	
60015	PRINTING AND DUPLICATION	2,180	758	187	03	0	0		0	
60017	PERSONAL CAR MILEAGE	2,183	2,499	3,448	29	1,800	800		0	
60020	SUPPLIES	891	913	791	0	150	150		ő	
60033	MEALS & ENTERTAINMENT	322	13,605	5,161	6,375	4,000		Current actual + anticipated		leals for and with BOD members
60035	CAR RENTAL-GAS	80	16	218	16	400	400		0	
60036	OTHER LODGING	0	39,988	39,317	4,260	0	0		0	
60038	OTHER AIRFARE	0	200	933	0	0	0		0	
60039	AIRFARE - VIK	0	0	0	841	0	0		0	
60041	GROUND TRANSPORTATION	4,053	4,025	5,476	1,628	2,000		Current actual + anticipated	3,000	
60044	HOSPITALITY	30,026	28,538	18,782	0	12,000		Still to come ABM + GG		atering for meetings
60047	GOLDEN GOGGLES	8,775	4,260	5,610	0	3,376	3,376		3,400	
60056	PROTOCOL/GIFTS	0	0	0	0	0	0		0	
60060	GEAR/EQUIPMENT/SIGNAGE	0	0	0	0	0	0		0	
60061 60062	APPAREL - VIK	0	0	0	0	0	0		0	
60065	EQUIPMENT/SPACE RENTAL	11,255	14,757	3,825	0	3,000	-	Meeting space and AV for GG meeting	2 000 M	leeting space and AV for GG meeting
60070	CAMERA, PHOTO, VIDEO	395	0	0,020	0	0,000	0,000	viceting space and AV for GG meeting	2,000 W	leeting space and AV for GG meeting
60080	SUBSCRIPTIONS	0	3,588	3,588	183	1,794		BoardPaq		oardPaq
60087	CREDIT CARD FEES	12	4	48	25	0,734	1,734	boardi aq	1,734 D	oarar aq
60097	OTHER PROFESSIONAL SERVICES	0	75	225	0	ō	Ō		Ö	
60098	DUES & FEES	52	1,495	3,695	0	2,600	2,600		0	
69998	PROJECTED VARIANCE	0	0	0	0	0	0		0	
New										
New										
60034	CAR RENTAL	1,474	829	1,342	234	900	900		600	
60040	AIRFARE	46,205	42,552	29,977	463	19,200	19,200		25,200	
60042	LODGING	47,143	2,480	127	0	25,980	18,000		24,975	
60043	PER DIEM	12,469	12,814	9,012	0	2,300	3,000		3,360	
	TOTAL EXPENSES	168,291	174,281	132,316	14,118	80,000	73,220		77,829	
ECTION 3:	Aldren		Total	D-4-						
	Airfare:		Trips	Rate 600		05.000				
			42	600		25,200 0				
				000	-	25,200				
			Tripo/	Dava/	-	23,200				
			Trips/ Travelers	Days/ Nights	Rate					
	Lodging:	-	Travelers	INIGITIS	Nate					
	Loughig.		1	135	185	24,975				
				100	185	24,570				
					.00	24,975				
	Car Rental				-	21,010				
			1	8	75	600				
					75	0				
					-	600				
	Per Diem:				-					
			14	4	60	3,360				
					65	0,000				
						3.360				

Insert New Line

SECTION 1: USA Swimming 2022 Program Budget Proposal
BOARD CHAIR TRAVEL AND EXPENSES Program:7930
Program Manager: CFO and Paula D'Amico
Program Description: These funds are to be used to cover travel, hotel, meal, hospitality and miscellaneous expenses incurred by the Board Chair in the fulfillment of his duties.

Account		2017	2018	2019	2020	2021	2021	2021	2022	2022
Number	Account	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast Comments	Budget	Budget Comments
SECTION 2:										
	EXPENSES:									
60003	CELLULAR PHONE CHARGES	0	0	0	0	0	0		0	
60004	CONFERENCE CALLS	0	0	0	0	0	0		0	
60005	INTERNET SERVICE	0	0	0	0	0	0		0	
60010	POSTAGE	0	0	0	6	0	0		0	
60011	FREIGHT	11	11	25	29	0	0		0	
60015	PRINTING AND DUPLICATION	0	27	0	0	0	0		0	
60017	PERSONAL CAR MILEAGE	482	301	693	0	1,000	1,000		0	
60033	MEALS & ENTERTAINMENT	994	524	2,603	5,484	3,000	3,000		2,000	
60035	CAR RENTAL-GAS	152	117	0	0	0	0		0	
60036	OTHER LODGING	0	5,235	565	0	0	0		0	
60039	AIRFARE - VIK	0	0	0	0	0	0		0	
60041	GROUND TRANSPORTATION	1,808	1,969	2,870	75	3,650	3,650		1,000	
60044	HOSPITALITY	0	0	33	0	0	0		0	
60045	TICKETS	0	0	41	0	0	0		0	
60046	LAUNDRY SERVICES	127	0	0	0	0	0		0	
60047	GOLDEN GOGGLES	0	0	330	0	0	0		0	
60061	APPAREL	0	0	0	0	0	0		0	
60080	SUBSCRIPTIONS	0	0	0	91	0	0		0	
60087	CREDIT CARD FEES	0	116	0	0	0	0		0	
60097	OTHER PROFESSIONAL SERVICES	0	0	0	0	0	0		0	
60098	DUES & FEES	1,494	378	0	0	0	0		0	
60666	MISCELLANEOUS EXPENSES	0	0	0	0	0	0		0	
69998	PROJECTED VARIANCE	0	0	0	0	0	0		0	
New										
New										
60034	CAR RENTAL	2,125	1,822	503	0	1,125			0	
60040	AIRFARE	10,205	10,922	17,754	2,019	14,000			6,600	
60042	LODGING	8,031	6,374	15,897	2,788	15,725			16,120	
60043	PER DIEM	1,982	2,039	2,296	208	1,500	1,500		1,920	
	TOTAL EXPENSES	27,412	29,833	43,612	10,700	40,000	40,000		27,640	
SECTION 3:	•									

SECTION 3:

Airfare:	Trips	Rate		
	1	3000		3,000
	6	600		3,600
				6,600
	Trips/	Days/		
	Travelers	Nights	Rate	
Lodging:	Travelers	raiginto	itato	-
Loughly.	6	12	185	13,320
	1	8	350	2,800
				16,120
Car Rental				
	0	0	500	0
			75	0
				0
n n:				
Per Diem:				
	4	8	60	1,920
			65	0
				1 920

SECTION 1: USA Swimming 2022 Program Budget Proposal
ADMINISTRATION & OPERATIONAL SUPPORT Program:8990
Program Manager: Tami Bock
Program Description: Administrative and overhead charges for Accounting & Purchasing

Insert New Line	Program Description: Administrative and overhead charges for Accounting & Purchasing									
Account		2017	2018	2019	2020	2021	2021	2021	2022	2022
Number	Account	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast Comments	Budget	Budget Comments
SECTION 2:										
60001	EXPENSES: PHONE SERVICE	0	1,453	1,760	1,258	1,300	1,300		1,300	
60002	LONG DISTANCE PHONE SERVICE	504	112	0	0	0	0		0	
60003 60004	CELLULAR PHONE CHARGES CONFERENCE CALLS	3,902 0	3,379 0	2,745	3,052	3,000	2,850		3,000	
60005	INTERNET SERVICE	0	30	18 62	84 0	100 0	100		150	
60006	OTHER COMMUNICATIONS COST	324	177	171	324	250	350		400	
60010	POSTAGE FREIGHT	2,373	2,731 1,235	2,567 790	3,130	2,200	2,050		2,200	
60011 60012	UPS - STAFF EXPENSE	752 0	1,235	790	455 0	200	400 0		450 0	
60013	EXCESS BAGGAGE & TIPS	50	110	0	0	0	100		100	
60015	PRINTING AND DUPLICATION PERSONAL CAR MILEAGE	6,982	3,308 554	2,116	1,800	2,100	1,200		1,200	
60017 60019	FURNITURE & FIXTURES	70 1,694	554 77	221 0	16 42	200	200 0		200	
60020	SUPPLIES	7,243	7,916	9,320	2,571	5,000	6,900		7,200	
60025	ADVERTISING	2,270	1,755	14.471	740	0	6 150		0 6 500	
60030 60031	SOFTWARE COMPUTER REPAIR/MAINTENANCE	5,944 1,789	11,934 1,972	14,471 3,382	749 373	0 2,300	6,150 2,000		6,500 2,000	
60033	MEALS & ENTERTAINMENT	232	549	993	316	350	1,000		1,050	
60035	CAR RENTAL-GAS OTHER LODGING	0	0	0 301	2	0	50 0		100	
60036 60038	OTHER LODGING OTHER AIRFARE	244	0	0	0	5,000	0		0	
60041	GROUND TRANSPORTATION	136	305	470	106	250	750		750	
60044 60046	HOSPITALITY LAUNDRY SERVICES	154 0	21 0	0	0	0	0		0	
60056	PROTOCOL/GIFTS	208	18	414	172	0	250		300	
60060	GEAR/EQUIPMENT/SIGNAGE	485	13	0	458	250	300		350	
60061	APPAREL	20.264	28	0	0	0 25 100	0 25 700		0	
60064 60065	BUILDING RENT EQUIPMENT/SPACE RENTAL	39,264 569	23,362 577	24,127 3,065	25,035 2,756	25,100 3,000	25,700 4,900		26,350 5,150	
60066	REPAIR/MAINTENANCE	220	96	0	0	0	100		100	
60070	CAMERA, PHOTO, VIDEO	48 0	0	68 0	0	0	0		0	
60071 60075	TELEVISION/VIDEO PRODUCTION AUTOMOBILE EXPENSE	39	0 19	20	0 5	100	0 100		0 100	
60080	SUBSCRIPTIONS	2,637	2,026	1,183	1,191	1,300	1,800		1,900	
60086 60087	TRAVEL AGENCY FEES CREDIT CARD FEES	0	20 0	197 0	4,949 0	200 0	200 0		200	
60089	INTEREST EXPENSE	0	0	0	0	0	0		0	
60090	DEPRECIATION & AMORTIZATION	47,000	26,620	32,073	35,540	37,800	34,000		29,450	
60092	BANK FEES	23,889	19,212	18,988 19,125	20,500	19,000	19,500		20,500	udit and Tay angagements
60093 60094	AUDIT/TAX FEES LEGAL FEES	33,500 0	17,800 1,056	19,125	51,050 0	36,000 0	37,000 0		37,000 AC	udit and Tax engagements
60095	STATE REGISTRATION FEES	864	0	0	0	0	0		0	
60096 60097	INSURANCE OTHER PROFESSIONAL SERVICES	0 16,821	0 11,632	10 35,136	0 34,416	0 25,000	0 34,500		33,250	
60097	DUES & FEES	3,879	1,981	2,736	2,176	2,800	2,800		2,800	
60100	GRANTS	0	0	0	0	0	0		0	
60300 61006	ADMINISTRATION ALLOCATION VISION PREMIUMS	0	0	0 5	0	0	0		0	
61017	HEALTH	0	0	8	0	0	0		ő	
61019	DENTAL INSURANCE	0	0	35	0	0	0		0	
61020 61024	WORKERS COMPENSATION INSURA STAFF DEVELOPMENT	0	0	0 595	0	0	0		0	
62025	HQ - BUSINESS	0	0	0	0	0	0		0	
62030	HQ - CRIME	0	0	0	0	0	0		0	
62040 62041	MEDIA ERRORS & OMISSIONS MULTIMEDIA LIABILITY	0	0	0	0	0	0		0	
69998	PROJECTED VARIANCE	0	0	0	0	0	0		0	
New New										
60034	CAR RENTAL	0	0	0	0	300	300		375	
60040 60042	AIRFARE LODGING	424 0	533 305	1,521 3,109	468 524	1,200 1,110	1,200 4,000		3,000 2,775	
60043	PER DIEM	188	434	740	99	390	500		975	
	TOTAL EXPENSES	204,697	143,348	182,541	193,617	175,800	192,550		191,175	
SECTION 3:	Airfare:		Trips	Rate						
			4	600		2,400				
	ES: 4 trips (BOD meetings, meets, etc.) Finance staff - 1 trip		1	600		600				
			- . ,		=	3,000				
			Trips/ Travelers	Days/ Nights	Rate					
	Lodging:	-								
	ES: Staff		4 1	3 3	185 185	2,220 555				
	Car Rental				=	2,775				
	ES - Ubers		4	1	75	300				
	Staff - Ubers		1	1	75	75 375				
	Per Diem:	_			=					
	ES Staff		4	3	65 65	780 195				
						975				

Performance Monitoring Report

TO: USA Swimming Board of Directors

FR: Tim Hinchey III, Chief Executive Officer

RE: Internal Report – Management Parameters

Annual Monitoring on Policy 3.10: LSC Reporting Requirements

DA: September 15, 2021

I hereby present the monitoring report on the Board's policy 3.10 "LSC Reporting Requirements," in accordance with the monitoring schedule set forth in Board policy and certify that the information contained in this report is true for the year ended August 31, 2021.

Signed , President & CEO

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

CEO'S INTERPRETATION: (No change since previous report)

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

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

REPORT:

While the foundational components of the relationship between USA Swimming and LSCs continue to be their respective Bylaws and the Affiliation Agreement (further discussed below), "appropriate alignment" is similarly strengthened by initiatives such as the collaboration on grant funding opportunities, as well as the bi-weekly calls with LSC leadership.

Both formal and informal collaboration and communication channels facilitate the organizations' success and support the cohesive national organizational structure, even when faced with unprecedented circumstances.

As previously indicated, this policy was crafted and adopted with recognition that LSCs are a major asset to swimming and that more unified and consistent practices and structures will result in greater efficiencies and stronger productivity/results organization-wide, which has been our experience.

I therefore report **COMPLIANCE**.

POLICY PROVISION 1: "(The CEO will not...) Operate without standardized contractual agreements between USA Swimming and the Boards of Directors of LSCs, delineating mutual expectations and responsibilities, including but not limited to:

- A. Alignment with the mission/Ends of USA-S.
- B. Protection of USA-S from assumption of financial liability for the activities of the affiliated chapters and regions.
- C. Use of USA-S' name, insignia, logo and brand.
- D. Requiring that any revisions to LSC Bylaws are submitted to USA-S' Secretary & General Counsel, or her/his designee, to verify consistency with "Required Bylaws" provisions of USA Swimming's Rules and Regulations.
- E. Terms and conditions for disbursement of dues

CEO'S INTERPRETATION: (No change since previous report)

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

REPORT:

The initial Affiliation Agreement was distributed to all LSCs in September 2019 with an effective date of January 1, 2020. It covered a variety of topics, including: Governance, Financial Management, Membership Payments, Meet Sanctions, Intellectual Property, and Insurance, among others. The term of this initial agreement will toll on December 31, 2021. Beginning in October 2021, USA Swimming will present a 2022-2023 Affiliation Agreement to LSCs with the expectation that it receive signed agreements from all 59 LSCs not later than December 31, 2021.

In 2021, USA Swimming has worked with LSCs on compliance efforts. Currently, 20 LSCs are out of compliance with the Affiliation Agreement, all due to not submitting documentation as required by Section 4: Financial Management. Efforts to communicate with these LSCs to notify them of noncompliance include multiple attempts via e-mail and telephone call. Additionally, official written notice of noncompliance has been sent to each respective LSC. The written notice provides each LSC with a thirty-day period in which to cure noncompliance after which the LSC will be reported to the Board of Directors and USA Swimming will request appropriate sanctions pursuant to Section 11: Penalties.

I therefore report **COMPLIANCE**.

Affiliation Agreement

THIS AGREEMENT, dated Ja	anuary 1, 2022, is by and betw	veen USA S	wimming, Inc	., a Color	ado
nonprofit corporation located	at One Olympic Plaza, Colo	rado Spring	s, Colorado 8	0909 ("U	JSA
Swimming"), and	Swimming, Inc., a	_ nonprofit	corporation	having	its
principal place of business at			("LSC").		

Recitals

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

Agreement

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

- submitted to the USA Swimming Rules & Regulations Committee and USA Swimming's General Counsel for review within thirty (30) days of enacting the bylaws.
- (b) LSC shall comply with its bylaws.
- (c) LSC shall remain a nonprofit corporation in good standing in accordance with the state regulations in the state in which it is incorporated.
- (d) LSC shall comply with the requirements of USA Swimming's LSC Evaluation and Achievement Program ("LEAP") and any subsequent iterations of the LEAP program that may be developed.
- (e) LSC cannot and shall not attempt to legally bind USA Swimming to any agreement without USA Swimming's prior written consent.
- 4. <u>Financial Management</u>. LSC agrees to comply with Article 8 of the USA Swimming Corporate Bylaws (LSC Reporting Requirements) and to complete the Local Swimming Committee Financial Assessment Program.
 - (a) If the prior year's total net assets of LSC exceed two hundred thousand dollars (\$200,000), LSC shall also obtain annually either (i) an independent audit; or (ii) an independent Agreed-Upon Procedures review as set forth in the current AICPA's Statements on Standards for Attestation Engagements (until such time that the prior year's total net assets are two hundred thousand dollars (\$200,000) or less).
 - (b) LSC shall ensure that LSC Internal Revenue Service ("IRS") and state tax submissions are filed timely and completely with the IRS and/or the applicable state government agency.
 - C) LSC shall submit to USA Swimming headquarters its Financial Assessment Program, annual closing Balance Sheet, Statement of Income and Expense, Form 990, and outcome of review or audit (as applicable) within five (5) months of the close of its fiscal year. Upon submission of a request to extend the time to file its federal income tax return, LSC may be granted additional time to meet its financial reporting requirements to USA Swimming equal to the extension period, provided LSC submits a copy of the request for extension with the IRS to USA Swimming at the time the extension is filed and the IRS grants such an extension.
 - (d) LSC agrees to enact the following USA Swimming financial and management policies. In the absence of an LSC-specific policy, the USA Swimming model policy will take effect.
 - i. Crime Policy;
 - ii. Conflict of Interest Policy;
 - iii. Whistleblower Protection Policy;
 - iv. Document Destruction Policy;
 - v. USA Swimming Reserve Policy;
 - vi. USA Swimming Investment Policy;
 - vii. Any other management or financial policy required by USA Swimming.
- 5. <u>USA Swimming Group Tax Exemption</u>. Provided LSC is in compliance with this Agreement and is otherwise qualified as an organization exempt from federal taxation under Internal Revenue Code §501(c)(3) and such other requirements as imposed by law,

LSC shall be entitled to use the group tax exemption obtained by USA Swimming from the IRS.

- 6. <u>LSC Membership Registration and Collection of Payments</u>. LSC shall comply with thencurrent USA Swimming Rules and policies concerning the registration of club, individual and organizational members and the collection of membership dues.
- 7. <u>Outreach Membership Reporting</u>. LSC shall submit to USA Swimming an annual report of its outreach membership qualification criteria and associated fees.
- 8. Responsibility to Cooperate. LSCs shall cooperate fully with and assist USA Swimming and any outside legal counsel representing either LSC or USA Swimming with matters related to pending litigation involving either LSC or USA Swimming. Full cooperation includes, but is not limited to:
 - (a) Reporting to USA Swimming when LSC receives a notice of claim or a complaint naming LSC in litigation;
 - (b) Timely responding to requests from USA Swimming and any outside legal counsel representing either LSC or USA Swimming;
 - (c) Full participation in discovery requests and litigation proceedings;
 - (d) Making a full and complete disclosure of relevant information, including timely production of materials or information requested, and in the format requested; and
 - (e) Preserving the integrity of the pending matter and abiding by all applicable confidentiality requests and instructions.
- 9. Meet Sanctions. LSC agrees to comply with Article 202 of the USA Swimming Rules and Regulations (Sanctions and Approval). As the National Governing Body for competitive swimming in the United States and as a Federation member of FINA, USA Swimming has the sole and exclusive authority to sanction or approve domestic and international swimming competition conducted within its jurisdiction. LSC has been authorized by USA Swimming to issue the sanction and approval for all swimming competition and benefits, exhibitions, clinics and entertainment involving competitive swimming within its geographical boundaries, except that USA Swimming shall sanction national swimming competitions. LSC shall be responsible for ensuring that all swimming competition, benefits, exhibition, clinics and entertainment involving competitive swimming within its geographical boundaries for which it grants a sanction are conducted in accordance with Article 202 of the USA Swimming Rules and Regulations.
- 10. <u>Issuance of Public Statements</u>. LSC shall only issue public statements with respect to its and USA Swimming's rules, bylaws, policies, programs and sanctioned competitions.
- 11. <u>Political Lobbying Activities</u>. LSC shall not engage in political lobbying efforts without the express written permission of USA Swimming.
- 12. <u>Use of Intellectual Property</u>. USA Swimming is the owner of various trademarks, trade names, service marks, logos and event names ("Marks"). USA Swimming grants LSC a limited, non-exclusive license to use Marks, within the geographic territory, in connection

with the education, instruction and training of individuals to develop and improve their capabilities in the sport of swimming and the promotion and advertisement of sanctioned competitive swimming events. LSC shall cause to appear the identification "®," or "TM" on all materials prepared by LSC, its employees or agents that incorporate one or more Marks. Said registration identification shall appear below and to the right of said Mark. LSC recognizes that USA Swimming has established a great deal of goodwill through its reputation and the representation of the Marks. Therefore, LSC shall not use, commercially exploit, permit the use of or permit the commercial exploitation of any Marks in negative advertising, nor in any manner that is contrary to public morals or which has been found to be deceptive or misleading, or which reflects unfavorably on the good name, goodwill, reputation or image of USA Swimming.

13. Insurance.

- (a) <u>USA Swimming</u>. USA Swimming shall provide LSC with certain insurance, including directors and officers, commercial general liability, non-owned automobile liability, bodily injury, personal injury, and abuse and molestation coverages in commercially reasonable amounts.
- (b) <u>LSC</u>. It is the responsibility of LSC to obtain workers compensation coverage in compliance with applicable state law, as well as property coverage for any property utilized by LSC. Any insurance coverage obtained by LSC shall serve as primary coverage for covered persons, entities and activities. LSC shall not obtain insurance coverage which negates the insurance coverage provided by USA Swimming under Section 8(a) of this Agreement.
- 14. <u>Indemnification</u>. LSC shall indemnify each person who is or was a director, officer, or employee of LSC (including the heirs, executors, administrators or estate of such person) to the fullest extent possible by applicable state law against any liability, cost or expense incurred by him/her in his/her capacity as director, officer, or employee, or arising out of his/her status as a director, officer or employee (including serving at the request of LSC as a director, trustee, officer, employee or against of another corporation), provided such person acted in good faith and with due care.
- 15. <u>Limitation of Liability</u>. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NEITHER PARTY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, SHALL HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOSS OF OPPORTUNITY, REVENUES, OR PROFITS, ARISING OUT OF THIS AFFILIATION AGREEMENT, REGARDLESS OF WHETHER SUCH DAMAGES OR LOSSES WERE KNOWN OR FORESEEABLE.**

16. Effect of Decertification.

(a) <u>USA Swimming</u>. In the event USA Swimming is decertified as the National Governing Body for the sport of swimming in the United States in accordance with the Act, LSC shall have the right to terminate this Agreement effective upon giving of notice to USA Swimming.

(b) <u>LSC</u>. In accordance with Section 15 of this Agreement, the USA Swimming Board of Directors has the power to decertify LSC as an affiliate within the USA Swimming governance structure. Any such action shall be taken at the initiative of the USA Swimming President & CEO as a result of a compliance review undertaken by USA Swimming or pursuant to other information known to USA Swimming and shall be finally determined by the USA Swimming Board of Directors.

If LSC is decertified, LSC shall immediately cease using any Marks, and all events and activities of LSC shall be suspended unless prior written approval of USA Swimming is obtained. LSC shall provide USA Swimming with immediate access to all books and records.

- 17. <u>Penalties</u>. In addition to any other remedies available at law or in equity, a failure by LSC to comply with any of the above provisions, after being given notice and a reasonable time to cure, may result in, with written notice by the USA Swimming Board of Directors:
 - (a) Inability to sanction, approve, observe and oversee competitive swimming events;
 - (b) A financial penalty in the amount of \$100.00 per day of noncompliance;
 - (c) Suspension from voting at the House of Delegates meeting at USA Swimming; and/or
 - (d) Decertification as a Local Swimming Committee.
- 18. Opportunity To Appeal. Any penalty, including decertification, imposed by the USA Swimming Board of Directors may be appealed to the National Board of Review for a hearing pursuant to Article 407 of USA Swimming's Rules & Regulations. The decision of the National Board of Review shall be final without opportunity to appeal. Nothing in this Section 14 shall be construed to limit the rights of members provided by the Ted Stevens Olympic and Amateur Sports Act and Article 301.3 of the USA Swimming Rules and Regulations.

19. General Provisions.

- (a) Waiver. The failure by any party to exercise any right, power or option given to it by this Agreement, or to insist upon strict compliance with the provisions of this Agreement, shall not constitute a waiver of the provisions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the provisions hereof. The rights or remedies under this Agreement are cumulative to any other rights or remedies which may be granted by law.
- (b) <u>Severability</u>. Should any provision of this Agreement be determined to be invalid for any reason, such invalidity shall not affect the validity of any other provisions, which other provisions shall remain in full force and effect as if this Agreement had been executed with the invalid provision eliminated, and it is hereby declared the intention of the parties that they would have executed the other provisions of this Agreement without including therein any such provisions which may for any reason be hereafter determined invalid.

- (c) <u>Assignment</u>. No party may transfer or assign this Agreement without the prior express written consent of the other party.
- (d) <u>Headings</u>. The Paragraph and Section headings in this Agreement are for convenience only and shall not be used in the interpretation nor considered part of this Agreement.
- (e) Entire Agreement and Effect. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings. All representations and negotiations relative to the matters contemplated by this Agreement are merged herein, and there are no contemporaneous understandings or agreements relating to the matters set forth herein other than those incorporated herein.
- (f) <u>Governing Law and Venue</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without regard to their conflict of laws provisions.
- (g) <u>Amendments/Modification.</u> This Agreement may not be amended or modified except by written document signed by both parties.
- (h) <u>Execution in Counterpart</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

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

USA SWIMMING, INC.	[LSC]
By: Tim Hinchey, III	Ву:
Its: President & Chief Executive Officer	Its: General Chair
Date:	Date:

Performance Monitoring Report

TO: USA Swimming Board of Directors

FR: Tim Hinchey, Chief Executive Officer

RE: Internal Report – Ends

Annual Monitoring on Policy 1.1: Competitive Success

DA: September 15, 2021

I hereby present the monitoring report on the Board's Ends policy 1.1 "Competitive Success.", in accordance with the monitoring schedule set forth in Board policy and certify that the information contained in this report is true for the year ended August 31, 2021.

Signed What , President & CEO

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

CEO'S VISION OF SUCCESS: (No change since previous report)

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

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

CEO'S VISION OF SUCCESS: (No change since previous report)

The National Team has an environment that is conducive to competitive success and creates the expectation that all National Team members positively represent the United States.

Key Performance Indicators that we targeted internally for the 2020 Olympic Games:

- 1. 28 Medals
- 2. Win the total medal count and gold medal count for the 2020 Olympic Games

Looking ahead to 2022, KPIs focus similarly on 2022 World Championships:

- 1. Win the Gold Medal Count
- 2. Win the most medals of any country as well as the most relays

REPORT:

Performance-wise, the National Team exceeded targets at the 2020 Olympic Games.

	2021 Key Performance Indicators	2021 Results	Achievement
1.	28 medals for 2020 Olympic Games	30 Medals	Yes
2.	Winning gold medal count and overall, at the Olympic Games	USA Swimming won both the gold medal count, as well as the overall medal count. Total Medal Count: 30 Gold Medal Count: 11	Yes

In this unprecedented year, USA Swimming had to continuously balance two goals that supported our overall mission of keeping athletes first, but that were often not in perfect alignment. Firstly, to provide our athletes with opportunities and resources to prepare them to perform at the highest level and, secondly, to keep them healthy and safe from a COVID-19 perspective. The best way to describe this year is in two numbers, thirty and zero. Thirty refers to the number of medals that USA Swimming athletes won in Tokyo. Zero refers to the number of Covid cases that resulted from our Olympic efforts from Trials to training camp and ultimately through the duration of our time in Tokyo.

For the seventh consecutive summer Olympic Games, USA Swimming accounted for the most medals of any US team.

- Our 30 medals accounted for 27% of Team USA's total, equal to our percentage from Rio and similar to our 2012, 2008, and 2004 percentages.
- Our 11 gold medals accounted for 28% of Team USA's total.

Additionally, USA Swimming won the overall medal count in Swimming with 30 medals and the gold medal count with 11 gold medals. USA Swimming athletes had 67 total medal opportunities and converted on 30 of them for a conversion rate of 45%. While we do not keep track of statistics for other teams, we believe this to be one of the highest conversion rates among individual sports.

The team selected at the Olympic Trials for Tokyo was not what we had predicted. Six women who had less than a 20% chance of making the team based on our internal predictive modeling qualified for the team in an individual event. One of those athletes, Katie Grimes, was considered the 29th likeliest woman to make the team in the 800 free with a statistically insignificant chance of qualifying. Two others, Paige Madden (400 free) and Kate Douglass (200 IM), had less than a 10% chance of qualifying; Douglass turned her 9.8% chance into a bronze medal. Lydia Jacoby (100 breast, 15.9%) and Emma Weyant (400 IM, 17.3%) were predicted to have less than a 20% chance of qualifying and both brought home individual medals.

These numbers indicate huge potential for our women's team in 2022 through 2024. Some of the turnover expected in a post-Olympic year took place on schedule in 2021, and the experience that these newcomers gained in Tokyo will undeniably make us better in Paris.

While the women captured a majority (60%) of the total team medals, the men won nearly 75% (eight) of our gold medals. If the women's roster was highlighted by youth and depth, the men were carried by star power. Five of the eight gold medals won by men involved Caeleb Dressel. Six men won individual medals, but only two were first-time Olympians and that same two were the only ones still in college.

Based on our modeling, four men who had less than a 20% chance of qualifying made the team in individual events, with three of those having less than a 10% chance, although none of those athletes medaled individually. Overall, our results from Tokyo indicate that we are top-heavy on the men's side and dependent on our stars to carry this side of the ledger. Building out the depth of our men's program is a top priority for the next three years.

Earlier in the 2020-2021 season, as we worked to provide quality competition in the midst of the pandemic, the US Open and TYR Pro Swim Series provided the best possible racing opportunities for our top athletes and undoubtably contributed to our success in Tokyo. As we proceed into the 2022 season and beyond, these meets will continue to be the foundation of our NT competition calendar and will be critical to our success throughout the quad.

Physically, our Tokyo team was the healthiest team we have had in years, mainly because there was a heightened focus on health throughout the quad. However, we do need to spend more time and effort on mental health. In addition to the three-pronged service plan that we have operated for the last several years, which includes direct financial support for in-person therapy, access to Talkspace, and USOPC sports psychology resources, we believe that the addition of Jess Bartley to the USOPC team has advanced the ball significantly in providing mental health resources. In particular, the provider registry which allows athletes to easily access providers in their local area, and the Sports Mental Health Assessment Tool (SMHAT) have provided noticeable improvement to our athletes' experience when seeking and employing mental health tools.

Internally, we have hired Emily Klueh, former National Team athlete and licensed clinical mental health counselor, as a consultant to help us shape our own mental health offerings and to ensure that there is alignment between USA Swimming's services and those offered by the USOPC.

In terms of team rules and behavior, the Tokyo team was exceptional. The athletes and coaches embraced what was required to navigate complicated and difficult Covid restrictions, and we completed the six week trip with no behavioral issues. Rigorous planning and consistent communication allowed everyone to be on the same page in terms of what was expected of them and the potential impact of any mistakes.

During Olympic Trials it was very evident our selection procedures worked the way they should. While we have a very long procedure thinking of every scenario, the procedures worked to select the strongest team for Tokyo. We do, however, have to communicate our selection process better and not expect coaches and athletes to read the procedures prior to the Trials.

I therefore report ACHIEVEMENT.

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

CEO'S VISION OF SUCCESS: (No change since previous report)

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

Key Performance Indicators: The "pathways and systems" are on-going, with evidence of their success targeted as:

- 1. Junior Pan Pacific Championships: Winning gold medal count, overall medal count and team score
- 2. FINA World Junior Championships Open Water: Winning gold medal count, overall medal count and team score
- 3. FINA World Junior Championships pool: Winning gold medal count, overall medal count and team score

REPORT:

2021 Key Performance Indicators	2021 Results	Achievement
Junior Pan Pacs: Winning gold medal count, overall medal count and team score	Event Cancellation	NA
FINA World Junior Championships – Open Water: Winning gold medal count, overall medal count and team score	Event Postponement	NA
FINA World Junior Championships – pool: Winning gold medal count, overall medal count and team score	Event Postponement	NA

Due to the pandemic, there have not been any major international junior level competitions since the 2019 World Junior Championships. This fall we will replace the postponed 2021 FINA World Junior Championships with a full-team trip to a European World Cup cluster. While a World Cup meet does not offer all the benefits of a World Juniors, it is still an excellent opportunity for these athletes to race against world class competition, experience the rigors of international travel, and deal with the challenges of racing in unfamiliar environments.

The World Cup meets that we have selected will take place in Berlin and Budapest in early October. Neither of these meets overlaps with the scheduled ISL season, so we anticipate that the fields will be very competitive and particularly stacked with European professional athletes who will provide excellent racing experience for our team. In the Tokyo quad we took four small teams, totaling 39 athletes, to either the spring Mare Nostrum series or a fall World Cup cluster. Those trips produced nine Olympians, which is nearly 20% of the 2020 team. With a larger roster and a shortened quad, it is all but guaranteed that several athletes from this upcoming trip will qualify for our team in Paris and will benefit from having this experience under their belt.

Early in the pandemic we were able to increase our mental health offerings through Talkspace. In addition to our National Team athletes and 2016 Olympians, we were able to offer Talkspace to our National Junior Team athletes and our National Team and National Junior Team coaches.

When looking at the 2020 Olympic Games, Junior Team competitions played an important role in the development of our roster, as well as our individual medalists. All but seven members of our Tokyo team had previously been on our National Junior Team and a large majority gained prior international experience at the junior level. Thirty-three unique athletes (62%) competed at World Juniors and/or Junior Pan Pacs at some point in their career. Of our individual medalists, 14 of 16 (88%) competed at either (or both) a Junior Pan Pacific Championships or FINA World Junior Championships at some point in their career. Of those 16, 15 had been on the National Junior Team at some point in the careers and one, Lydia Jacoby, was on the National Junior Team roster when she won her gold medal. The only medalist who did not pass through the National Junior Team system was Katie Ledecky who skipped that level entirely.

The National Junior Team program remains a critical component of our strategy and provides essential opportunities to the next generation of National Team athletes and in the new year we hope to hire a new National Junior Team Program Director to oversee our incredibly important National Junior Team.

I therefore report **ACHIEVEMENT** of the policy provision, despite the lack of opportunity to meet our KPIs.

POLICY PROVISION C: "USA Swimming is a recognized leader in promoting a clean sport environment." CEO'S VISION OF SUCCESS: (No change since previous report)

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

Key Performance Indicators:

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

REPORT:

2021 Key Performance Indicators	2021 Results	Achievement
	With the pandemic limiting in person education, we were still able to provide anti-doping education to over 1100 athletes, coaches and team staff, including the upcoming Sport Development camps.	
1. 100% of National Team and National Junior Team members receive USADA anti-doping education annually	2021 year to date: 991 athletes 179 coaches 1173 Overall	Yes
	National Team members are all required to take USADA tutorial as a member of the Registered Testing Pool. All National Junior Team Athletes were educated virtually.	

2.	100% of USA Swimming coaches take required USADA course.	Approximately 37,000 swimming coaches have taken course and 100% of the National Team and National Junior Team coaches took the 2021 course.	Yes
3.	Staff leadership proactively convenes meetings and information exchange with counterparts at USOC, USADA, WADA and FINA.	Swimming continues to be the leader in anti-doping education and relationships. USA Swimming is involved in USADA strategy meetings, the CEO if USADA spends time with our IRC and USA Swimming continues to have a partnership with TrueSport	Yes

USA Swimming has a strong working relationship with USADA. We work very closely with the Education Team and have been fortunate that CEO Travis Tygart has taken the time out of his schedule to speak to our National Team athletes and their coaches on more than one occasion. We continue to provide USADA information regarding athletes training in the US, and we work closely with their staff on our Olympic Long List and our Registered Testing Pool.

Over 37,000 USA Swimming coach members have taken the USADA Coach Advantage Tutorial. USA Swimming is one of only two National Governing Bodies to require this of their coaches. All members of our National Team are in the USADA Registered Testing Pool, so they have taken the required education tutorial, and we educated all members of the Junior Team virtually this spring/summer

USA Swimming was the second highest tested sport in 2020 according to the USADA annual report, with over 500 tests performed. Track and Field was the highest tested sport.

In response to the COVID-19 pandemic, USADA launched an innovative virtual sample collection process, called Project Believe, on a pilot basis. USADA was able to operationalize a virtual testing process that mirrors a live collection as closely as possible and ensures the integrity of the sample collection process by adding a few key elements, including Dried Blood Spot (DBS) collections and urine temperature recordings. Three of the 16 athletes who participated in the program were USA Swimming Olympic Champions. In addition, USADA was able to utilize its network of Anti-Doping Education Athlete Presenters to provide virtual education opportunities for testing pool athletes. Athlete Presenters Greta Neimanas and Noah Hoffman hosted a series called "Voices for Clean Sport" in which they conducted interviews with several influential names in clean sport, including Ryan Murphy.

Unfortunately, there was one shortcoming in the past year with adverse finding due to cannabis. It's important that this topic be addressed as positive tests damage our position within the international community.

We continue to seek different opportunities to educate our athletes, coaches, and parents, including Swimposiums and Coach CEUs.

I therefore report **ACHIEVEMENT**.

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

CEO'S VISION OF SUCCESS: (No change since previous report)

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

Key Performance Indicators:

- 1. Continue to increase the contributions to the NT Endowment Fund annually
- 2. National Team monthly dividend increases by at least COLA (Cost of Living Adjustments) index annually.
- 3. Increase prize money at Operation Gold Qualifying Competitions each year.
- 4. Athletes transitioning to professional status or retiring are proactively offered counseling to facilitate their "next stage" success.

REPORT:

	2021 Key Performance Indicators	2021 Results	Achievement
1.	Continue to increase the contributions to the National Team Endowment Fund annually.	Foundation contributions to the National Team increased by over \$330,000 in 2021.	Yes
2.	National Team monthly dividend increases by at least COLA Index annually.	Average monthly stipends increased by \$1000 in 2021.	Yes
3.	Increase prize money at Operation Gold Qualifying competitions each year	2019 prize money: \$720,625.04 2021 prize money: \$2,547,500	Yes
4.	Athletes transitioning to professional status or retiring are proactively offered counseling to facilitate their "next stage" success	Extensive work with USOPC ACE Program. Onboarding videos were used by our athletes to learn about everything from financial planning to building your team.	Yes

The USA Swimming Foundation support of National Team athletes increased by over \$330,000 in 2021. This year we were able to increase our average monthly stipends to National Team athletes by \$1000. We increased our Operation Gold prize money to \$2,547,500 from \$720,625. Starting last fall we began offering our onboarding education series, which we plan to expand this year and into 2022. Additionally, we continue to work extensively with the USOPC ACE program to support our athletes during their transition phases, including having one of the USOPC ACE staff members in our team processing area at Olympic Trials.

I therefore report **ACHIEVEMENT**.



TO: Board of Directors FROM: Tim Hinchey III

COPY: Staff & Selected Others

DATE: September 21, 2021

SUBJECT: General Update

Dear USA Swimming Board of Directors,

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

Best regards,

Tim Hinchey III

USA Swimming President & CEO

TECHNICAL/SPORT

Membership Affairs

Diversity, Equity and Inclusion (DEI) and Community Impact

The USA Swimming DEI staff continues to work hard with its committees and advisory councils, hosting educational programs and crafting a DEI strategic plan.

The DEI Council and its respective subcommittees (e.g., policy and rule reform; influence and engagement; education; events and recognition; and accessibility and outreach) are meeting quarterly and met as a full Council in July. A notable highlight from this meeting were five strategic recommendations presented by the accessibility and outreach subcommittee chairs. The Council plans to meet again on October 27, 2021 and will focus its discussion on ways in which the Council and its subcommittees can support the USA Swimming DEI strategic plan.

Team BLAC launched Illuminating Lanes, a mentorship program for athletes from underrepresented communities and/or ethnically underrepresented populations, defined as less than ten percent of the current USA Swimming membership. 50 participants were chosen from over 150 applicants, demonstrating an untapped need and demand for this opportunity. The overwhelmingly positive participant feedback also provides momentum in planning the next Illuminating Lanes, which will be offered in the Fall of 2021.

The DEI staff is also focused on educating and curating conversations centered on diversity. In June, USA Swimming released educational posts and videos regarding the intersection of the Juneteenth holiday and LGBTQ+ Pride month. Two important activations at the U.S. Olympic Team Trials – Swimming included recognition of Charles Jackson French and honoring Jim Ellis' coaching career. The DEI staff is excited to be planning its direction and curriculum in education and is working to better define and align educational efforts with the strategic plan and needs of all members.

Specific to the DEI strategic plan, the DEI staff spent time listening to the needs of membership. The 2021-2024 DEI strategic plan will focus on engaging, educating, empowering, and elevating the USA Swimming membership. Joel Shinofield and Leland Brown are currently working with Diversity in Aquatics Executive Director Dr. Miriam Lynch to formalize a partnership between DIA and USA Swimming as part of that strategic plan.

SWIMS 3.0 build for pre-competitive programs continues, with consideration towards transitioning the current swim lesson provider network to a fee-based membership infrastructure.

The Aquatics Coalition continues to be an asset in analyzing the impact and needs of the industry to best support our respective programs as we continue to navigate the impact of COVID-19.

In conjunction with Finance and the Development team, we are consolidating and revising 2021-22 Make a Splash budgets to better address the needs of the current internal staff and program infrastructure.

The U.S. National Water Safety Action Plan is currently in the Recommendations phase, in which the Working Groups are submitting their final recommendations for review by the Steering Committee. Approved recommendations will become part of a Delphi study to be shared with the aquatics industry.

Safe Sport

Safe Sport continues to work towards its goals set through the Board's Keeping Athlete First Initiative. USA Swimming has distributed \$55,000 to 29 LSCs achieving Safe Sport Club Recognition incentive benchmarks. Additionally, \$9,400 in Match Up Promotions coupon codes have been provided to these same LSCs. USA Swimming has also provided a pop-up changing tent to every USA Swimming registered club and an additional tent to those that have achieved Safe Sport Club Recognition.

In June, the Safe Sport program activated at both waves of the U.S. Olympic Team Trials – Swimming. This was an important opportunity to connect with members, their families, and the public. Safe Sport-branded pop-up changing tents were also made available to the athletes in the warm-up pool area. Additionally, a rally towel giveaway was sponsored at a final session during each Wave I and Wave II. Red, white, and blue Safe Sport-branded rally towels were placed on the chairs of the venue so attendees could cheer on the athletes and have a Safe Sport item with website information to take home. 12,000 Safe Sport points of contact made through this effort.

The Safe Sport staff has also been working diligently on the successful roll out of the enhanced Minor Athlete Abuse Prevention Policy ("MAAPP 2.0"). To prepare the membership for the September 1, 2021, implementation date, USA Swimming staff conducted four live Zoom webinars to present the policy changes with members and answer questions live. These webinars were extremely well received and

appreciated. Along with the recorded webinars, the Safe Sport team created 23 model consent forms and FAQ documents to assist members with understanding MAAPP 2.0. All these resources are available at the updated MAAPP website.

Lastly, the Safe Sport team created a Safe Sport family resource guide specifically for parents of athlete members. This resource provides detailed information about the Safe Sport program for parents including an explanation of the program, how to report abuse, educational resources, and tips for responding if a child discloses abuse. The Safe Sport staff engaged Praesidium to review the guide's content and received remarkably positive feedback from the consultants. This guide was sent to every USA Swimming registered household for both the 2020-21 and 2021-22 membership years. A web-based version will be made available on the www.usaswimming.org.

2022 Zone Workshop

Planning is underway for a 2022 in-person Zone Workshop. The goal of the Zone Workshop is to include many of the opportunities previously offered to members during the annual United States Aquatic Sports (USAS) Convention. Registration and details are anticipated to open in mid-October. The 2022 event will be held April 21-24, 2022, in Denver, Colorado.

LSC Services

With the launch of the redesigned LSC Evaluation and Achievement Program (LEAP) program in January, half of the LSCs are in the process of completing the program by the end of 2021. The remaining LSCs will complete the program in 2022. Feedback from LSCs indicates the program is a helpful tool to assist them in identifying strengths and challenges in the areas of governance, programming, and communications.

Team Services, Coach and Athlete Development

Coach Education – Online Certification

The Coach Education team continues to make steady progress towards the September 2022 launch date. Dan McCarthy, formally from the National Team Division, has fully transitioned to Sport Development as the Director of Coach Education. McCarthy's role will help create ongoing direction as to how Coach Education evolves from curriculum development, content update and refresh, to continuing education both online and in person. Collaboration between Sport Development and the National Team Division in this area is at an all-time high to ensure a continuum of coach knowledge from the grassroots to the National level. Kirsten Victor joined the Coach Education team in a temporary position in July as the Education and Curriculum Assistant. Her role is to help assist with curriculum, primarily through content review and organization. Noteworthy milestones include the completion of the Starting Block, which are the two online prerequisite courses coaches will need to complete to step on deck. The remaining four certification levels: Core, American Development Model (ADM) - Age Group, American Development Model (ADM) – Senior, and Head Coach Certification, are in various stages and on track for next year's roll out. As we look to the immediate future, key steps on the horizon are enrolling the first cohort of learners for testing, continued engagement in focus groups from our coaching community and video capture of athlete footage and coach conversations at our upcoming inperson camps, the first since COVID. Lastly, the final key component to ensure an on-time launch is the IT development, which coincides with the completion of SWIMS 3.0.

Coach Education - In Person

Running tandem with the development of the online Coach Certification program is the revamp of inperson educational opportunities for coaches. All content will complement the online curriculum and will be based in experiential learning (EL). Educational opportunities will activate around key USA Swimming events such as the TYR Pro Swim Series, Futures, and our first events in this new format will be this December at the Toyota U.S. Open in Greensboro, N.C. and Speedo Winter Juniors in Austin, TX. The ADM and the Quality Coaching Framework (QCF) remain the cornerstones of both online and in person curriculum. Within those frameworks, the technical side of swimming, coach wellness, and business operations are just a few key topics that will be covered.

Team Services

Team Services has been back on the road since the April 18&Under Spring Cups, providing services and support to teams and coaches at the Olympic Trials, Futures, and the Speedo Summer Championships. October is heavy on camp support, spanning three of the four weeks, and culminating in December with the first revamped event activation. SwimCloud provided video resources at both Wave 1 and Wave 2 of Olympic Trials and will continue to provide video support for 2022 designated events as a Sport Development sponsored service.

Team Services Club and LSC visits are slated to return this fall, with an understanding that COVID may continue to dictate those opportunities. We are excited that Jaime Lewis has returned to the deck in her native Houston, and a search will begin this week to hire a representative to work within the Southern Zone.

Programs

In person events return for Sport Development this October with the National Select Camp and the National Diversity Select Camp. The Olympic Training Center in Chula Vista, Calif., will be the host for these events until business returns to normal at the Colorado Springs Olympic and Paralympic Training Center. In November, the Women's Leadership Summit will take place in Black Forest, Colo., and is the culmination of hybrid programming initiated this earlier year – combining three online summits with the same cohort of women coaches, together with the in person event in November. This follows the principles of EL mentioned above.

Train the Trainers for staff concludes this month. The staff will train the first cohort of trainees early next year to help facilitate event activations. This will provide added capacity to staff as we roll out Coach Education for 2022.

Lastly, Sam Cyliax, joined the Sport Development team in August as the Manager of Program Operations, replacing former staff member Morgan Weinberg. Sam will be responsible for the planning and logistics of all Sport Development events focused on coach and athlete development.

Technology, Product, and Data Analytics

Digital Transformation

USA Swimming's organization-wide digital transformation initiative continues to progress full-speed ahead. The digital transformation includes a full re-architecture and design of the SWIMS application/database in addition to the enhancement of legacy website applications (Club Rec. Program, Safe Sport Rec. Program, Online Meet Entry, etc.) and the implementation of world-class security. As the largest software project ever undertaken in USA Swimming's history, we are managing the project as an Agile software development effort with two-week sprint development cycles. The Software team is currently in the middle of Sprint 18.

The team has developed the Minimum Viable Product (MVP) for Member Management, Club Management, Facilities Management, Meets and Times Data Management, Online Club Registration, Online Member Registration, Workflow Administration, National Team Administration, Group Management, and a future iteration of Deck Pass and Bios. During this Sprint, the team started development on the migration/enhancement of two legacy website applications: Club Recognition Program and Safe Sport Recognition Program.

The Software team and internal USA Swimming team have continued to follow Software Development Life Cycle principles. Following the planning, requirements-gathering, architectural design, and software development steps, the team has moved into the Testing phase of the Life Cycle. The Software team has tested every piece of the application. Internal User Testing began in mid-September, and a few LSC champions will begin user testing in late September.

The next major phase of the project will begin in October. The team will work towards building a modern data warehouse with much improved data reporting functionality. The goal of the data part of the project is to ensure that member clubs and LSCs have access to any valuable information that may help improve or grow the sport.

Overall, the digital transformation is further along than expected at this point, although it increases in scope and importance every week. Most Keeping Athletes First Initiatives as well as other initiatives like the CRM project rely on the success of the digital transformation. As the project continues, the team continues to focus on three main goals to ensure this is a worthwhile investment: 1) the simplification of complex business rules, 2) automation wherever possible, and 3) ensure we are collecting data directly from the source to improve data quality. We are still on track to launch SWIMS 3.0 and other applications next fall.

Membership

Holistically, 2021 season membership exceeded baseline projections and expectations heading into the season. Total membership number decreased 80,000 members and 19.6% since the last full season in 2019.

When drilling in a little deeper, 12 & Under athlete membership accounts for 58,000 of those lost members. Overall membership is its lowest since 2008. 12 & Under membership is its lowest since 1996, and full-time premium memberships are its lowest since 2004.

USA Swimming, LSCs, and member clubs will continue to face an uphill battle to attract 12 & Under athletes into the sport. Improved access to fun competitions, more targeted marketing, and potential programming can all have an impact on attracting youth talent.

Committee Updates

The Operational Risk Committee hosted a two-part air quality webinar in August 2021. The webinars featured guest speaker experts to educate on the impact air quality has on athlete health and performance.

The Safe Sport Committee and the Disability Committee have proposed legislative amendments related to personal assistants and to reflect athlete-first language. The Safe Sport Committee is also working with the Club Development Committee to submit a request to the Board to consider a new category of membership for non-coach, non-official, non-athlete other members who support club and LSC operations. This new membership category would reflect a reduced fee to alleviate the financial burden incurred by clubs and LSCs, as they are the entities required by the U.S. Center for SafeSport to have more individuals be members of USA Swimming.

The USA Swimming DEI and Disability Committees are presently preparing to merge. The new DEI Committee will have a standing disability-focused subcommittee. The merger of the two committees will enable staff and the membership to better align future DEI-related efforts.

The Senior Development Committee continues to oversee the evolution of Futures and Junior Nationals and are working on 2022 summer meet dates. The planning for a potential addition of a 5th Futures site is underway. The Senior Development Committee's purview also includes direction and recommendations for the 18 & Under Spring Cup and Sectionals, and working groups have been tasked to look at event standardization and date selection. The Club Excellence Program will roll out this Fall with revisions, one of which is automatic selection to replace the application process.

The Age Group Development Committee's primary focus is on tools to increase parent engagement and on-boarding new families. Another major focus of the Age Group Development Committee and critical to the success of attracting new grassroots members is the 12&U Development Competition Category education for members.

The Club Development Committee continues the revamp of the Club Recognition program to reflect more of a road map versus a checklist, its current structured. Part of this overhaul will be the integration of Safe Sport Certified Club components, Club Excellence, and Coach Education integration. The Times & Recognition Committee developed a more inclusive Scholastic All-American application process to ensure better access to Para athletes. Scholastic All-American applications have been reviewed and finalized by the committee. Awards will be sent out by the end of October.

The Athlete Executive Committee has been deeply immersed in the governance changes required by the changes to the USOPC Bylaws and Congress. Members of the AEC continue to serve on the governance working groups, creating strategies to engage 10-year athletes in the governance process and educating athletes on the new requirements required by law. The AEC continues to develop new and innovative athlete educational programming around leadership, DEI, and local governance.

The Zone Directors Council hosted an open forum on 2021 legislation allowing sponsoring committees to share rationale and do Q&A regarding proposed legislation. The ZDC is committed to facilitating communication to and from the grassroots and is focusing on legislation, governance change, and the enhanced Zone Workshops as vehicles to foster that communication.

Continued Focus and Growth Opportunities

Echoing our April report, and as you saw in the membership portion of this report, our biggest challenge is to build back membership, reduce barriers for participation, and specifically create opportunities across all demographics for 12 and under participation. Our clubs are the pathway for a USA Swimming experience. Sport Development will continue to work with coaches and volunteers to improve services and support for clubs across the country, with a focus on education, information sharing, and providing access to data through SWIMS 3.0 to all of our coaches, clubs, and LSCs.

We are truly excited to get back to athlete programming. Our camp system provides an incredibly rich experience for athletes and their home coaches, as well as USA Swimming Coaches selected to staff the camps. Each of the past several Olympic Teams has included a camp alumnus. One of our projects this quad will be to partner with the National Team division to build a high-performance community of coaches and athletes utilizing our Zone, Regional Diversity, National Select, and National Diversity Select camps. Based on an average age of 23 for our Olympic Team, the impact athletes for 2028 are currently 13-18, while those who will make up the core of our team in 2032 are 8-13.

While we have experienced many challenges over the past 18 months, we look forward to the opportunities to serve athletes, coaches, volunteers, and clubs as we look forward to 2028 and 2032.

COMMERCIAL

Olympic Team Support

The Commercial Team spent the summer keenly focused on execution of the U.S. Olympic Team Trials – Swimming and providing support for the National Team division at Training Camp and the Olympic Games. At Olympic Trials, the team executed a full-service media center, Splash on Deck shoulder programming, custom digital content, partner-centric hospitality offerings at the AquaLounge & USA Swimming House, and 14,000 square feet of retail.

Communications

This year's U.S. Olympic Team Trials – Swimming brought in more than 4.6 Million views across all pages on www.usaswimming.org during the combined timeframes of Wave I and Wave II, while the Olympic Games Tokyo 2020 generated more than 2.8 Million pageviews throughout the swimming portion of the competition. Comparatively, those two numbers (on their own) are more than what the top two domestic and top two international competitions have combined for dating back to 2018. June 2021 also marked the highest amount of pageviews in a month this Quad, totaling nearly 6.7 Million views. The mark is more than triple the average number of pageviews that the website generates in a single month over the past Quad.

Throughout Olympic camp and the Olympics Games, USA Swimming gained 100,000+ social followers, reaching 67.6 million accounts on our Instagram, Facebook, and Twitter channels combined by capitalizing on an exciting Olympic window and the contracted social videographer hired by the organization. In utilizing our athlete social sharing platform Socialie, the 53 members of our Olympic team collectively gained over 1.1 million followers on their Instagram, reaching 12.5 million people.

APA

We expect to have approximately 31 athletes participate in the 2021 Fall APA program with 62 appearances to fulfill. Of those appearances, 62 of the appearances will be required to support programs and initiatives of USA Swimming & the USA Swimming Foundation. We currently have six appearances already fulfilled and 10 appearances scheduled for the new season.

At the previous APA season end, we had successfully fulfilled 127 community appearances with approximately 126 of those being virtual opportunities, i.e. club meet and greets, virtual presentations, social campaigns or videos.

Supporters Club

The Supporters Club continued to attract new members over the summer and has proven to be a valuable lead generation tool for other USA Swimming Foundation fundraising efforts. Well over half of Supporters Club members have not previously donated to the Foundation and they will become a valuable audience for new campaigns designed specifically to "upsell" this group of donors. Promotional gear for the club will take on a new look this fall as the program continues to evolve. Dedicated marketing campaigns for the Supporters Club will continue through the end of the year, with particular attention paid to year-end giving.

Digital Platforms

CRM (Customer Relationship Management) System

The CRM team is currently focusing their efforts on a refresh of the communication databases. The refresh ensures we have up to date and accurate data on all constituents, while also relieving the systems of any extra load. Concurrently, the team is evaluating future state architectures to compliment the work being done on the SWIMS 3.0 database.

Partnerships

The Partnership Team is focusing on major renewals for some of our partners that include arena, Speedo, TYR, Marriott, Xfinity and Golden Road Brewing. Keeping these partners in the family is the most immediate priority of the team. At the same time, the team is putting the final puzzle pieces together for many of the "hybrid" partnerships that came from 2020/2021. These renewal conversations will give way to some shifting of assets and switching amongst the brands. As we close out the end of the Olympic year, we have seen a renewed interest in USA Swimming from potential partners. The shortened quad should feed some immediate interest for brands looking to capitalize on Paris 2024.

USA SWIMMING FOUNDATION DEVELOPMENT

The Foundation continues to see strong opportunities in fundraising throughout, and since, the Olympic Trials in Omaha. During the Wave 2 competition, the Development Team successfully hosted more than 250 donors, VIPs and alumni. The Foundation also had four successful fundraising activations in the venue and online: National Team athlete art auction; Trials Officials Auction; Faces in the Crowd Sale; and a Point of Sale Donation Opportunity.

As of September 15, 2021, the Foundation has raised \$1,098,501:

- Major Gifts & Grants total: \$660,779 (Q3 2020 \$657,828)
- Annual Campaign total: \$377,098 (Q3 2020 \$158,263)
- Adult Learn-to-swim total: \$37,781
- Swim-a-Thon total: \$22,843 (2019 total \$358,711)
 - o For 2020 and 2021 the 5% fee has been waived

BUSINESS AFFAIRS

Risk Management

The Risk Management division completed the 2021 coverage renewals over the past few months and continue active conversations with multiple parties on strategy and structure with next year's coverages, specifically General Liability and Sexual Abuse and Molestation coverage.

Commercial Property, Crime (both USA Swimming and LSCs), Participant Accident, Foreign General Liability, Elite Athlete Health Insurance, Workers' Compensation, Cyber/Media Liability Tech Errors & Omissions, Event Medical, Directors & Officers, LSC Directors & Officers, Business Travel Accident, Employed Lawyers, and Event Cancellation policies have all been placed with either the same premiums as prior year or premiums reasonably within our budgeted projections.

Finally, Risk Management continues to liaise with insurers on all pending claims and litigation.

Human Resources

USA Swimming continues to follow all COVID-19 safety guidelines in accordance with local, state, and federal safety guidelines. Employees are working in the office four days per week and continue to maintain social distancing and sanitation protocols. Effective October 1, all USA Swimming employees, and future employees, will be required to be vaccinated for COVID-19. Our Director, Human Resources is responsible for receiving documented proof of vaccination and handling all COVID related information as confidential as practicable. Employees who do not comply will part ways from the organization for non-compliance of policy, effective October 1, 2021 (unless specific, legally acceptable rationale is obtained).

Human Resources hosted and conducted a Manager's Training titled Recruitment & Hiring Update with the goal to educate hiring managers on state law changes that impact recruitment efforts as well as educate on new internal recruitment and hiring processes. The law office of Davis, Graham and Stubbs

assisted in training managers on law changes, and the Director, Human Resources trained on new recruitment processes. Additionally, a formal job requisition process has been implemented to ensure proper approvals are in place prior to jobs being posted internally and externally. Approvals include the CEO, CFO, HR, Strategy Team Member and Hiring Manager.

Since May 2021, USA Swimming has hired the following new employees:

- Marton Barta Sport Development Intern (temporary)
- Akshay Luthra Sport Development Intern (temporary)
- Ellery Parish Sport Development Intern (temporary)
- Will Poff Revenue Accountant
- Kirsten Victor Assistant, Education & Curriculum (temporary)
- Sam Cyliax Manager, Program Operations
- Tiffany Midkiff Coordinator, Safe Sport (temporary)

USA Swimming is currently hiring for the following positions:

• Manager, National Junior Team Performance

Information Technology

Collaboration continues in several areas in support of the Keeping Athletes First and Digital Transformation initiatives. Members of the IT Operations team are testing Online Member Registration (OMR)/SWIMS 3.0 application functionality against design specifications, assisting in the development of the Azure Cloud architecture, participating in the selection of a payment card processor, and implementing Ping Identity services.

The discovery phase of the Enterprise Identity and Access Management (Ping Identity) implementation project is 75% complete and work has begun to build the Ping infrastructure into the USA Swimming environment. Due to recent updates to Ping's platform, the team is working on integrating those changes into the USA Swimming design. The updates will alter the design by reducing the "on-prem" and cloud infrastructure requirements, which translates into less operational costs moving forward.

The selection of a payment card processor to support e-commerce at USA Swimming is in the final stages. With the assistance of our merchant services advisor, Swipesum, the team has reviewed and vetted three different payment card processors and is finalizing our selection considering the current/future design of the OMR application. The USA Swimming IT Development and Finance teams are involved with the process to validate the solution prior to any contract negotiations.

The IT Security team continues to harden the infrastructure and has recently implemented additional email security tools after undergoing a thorough proof of concept effort with three email security vendors. The new technology provides the ability to remediate email-based threats across the organization within one tool set.

Facilities and Shipping & Receiving

Facilities has completed the efforts to reconfigure Huddle Room 125 to the new Hyperice Recovery Room at USA Swimming for visiting athletes, coaches, and staff. New graphics, furniture, and wayfinding

signs are part of the redesign. Athletes will now be able to take advantage of Normatec compression and percussion therapy in the Carolyn Dirks Building.

Facilities is also preparing for the Annual Business Meeting, which will largely be taking place in the Carolyn Dirks Building. Capacity and space planning have been completed, and support schedules are staffed.

The shipping department is preparing for a 'garage sale' during the ABM in late September. Available items will be available for purchase in the basement lobby and studio of the Carolyn Dirks building during ABM week and will support the Foundation.

Additional Initiatives

Over the past few months, Kiki Laino, Director of Business Affairs, has continued to support the Governance reform efforts, which has included creating supplementary resources and materials, doing research, drafting communications, reviewing legislation, and generally providing support to the HOD Working Group. Additionally, work has been done on other Governance initiatives, including Bylaw, operational, and policy related efforts, to bring USA Swimming into compliance with federal law and the USOPC Bylaws. This has included supporting Bill Charney and Jim Sheehan in their Committee Improvement project and supporting the AAC in their governance role and decision-making process.

FINANCE

2020 Audits

The auditors from Waugh & Goodwin have completed the 2020 audit reports and both reports have been reviewed and accepted by the Audit Committee. Reports will be presented to the Boards for acceptance at the September BOD meetings.

Additionally, and similar to prior years, Plante Moran, out of their Denver, Colo. office, is completing our external audit of the 401(k) Plan. We anticipate completion in early fall.

Quarter-End Close Process

The Finance business unit is finalizing third quarter activity in preparation of closing our books for both entities for the third quarter of calendar year 2021. This includes, but is not limited to, ensuring all 2021 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 quarter-end journal entries will be made to ensure our general ledger and internal financial statements are final at quarter end.

2021 Projections and 2022 Budgets

Final 2021 budgets for both entities were presented and approved at the November 2020 Board meetings. Over the past few months and until mid-November, Finance is collaboratively completing

2021 projection forecasts as well as 2022 (and 2022-2024 "quad") budgets ahead of the November/December 2021 Board meeting where budgets will be presented and approved.

Form 990s

Finance is currently working with our audit and tax firm, Waugh & Goodwin, to prepare and complete both the USA Swimming and USA Swimming Foundation Tax Return Form 990s. We expect returns will be finalized, reviewed, and issued well in advance of the November 15, 2021, annual deadline. Note as we close the books and finalize the audit each year, we concurrently prepare schedules to be used in preparation of our tax returns, which helps to expedite the process.

Travel Department Update

Our current (revised) travel agency contract expires in late 2021 and thus Finance is executing an RFP process with multiple agencies (incumbent Shorts Travel Management included) to determine our best solution heading into 2022 and beyond. We expect a determination and decision to be made by early October.



Vieth Report Progress Update

September 2021

INTRODUCTION

In 2013, USA Swimming commissioned Victor Vieth, then Executive Director of the National Child Protection Training Center, to conduct a comprehensive assessment of USA Swimming's Safe Sport Program. Vieth conducted the assessment from September 2013 to December 2013 and delivered his report ("Vieth Report") with 39 recommended actions to the USA Swimming Board of Directors in January 2014. Then-President Bruce Stratton formed the Safe Sport Program Review Task Force to evaluate and prioritize the recommendations and produce a plan for implementation.

During the Task Force's initial review, additional recommendations and items categorized as "sub-recommendations" were identified adding to the recommendations. The Task Force identified a total of 54 items to be evaluated organized into each of USA Swimming's six programmatic areas: policies and guidelines (PG); screening and selection (SS); education and training (ET); monitoring and supervision (MS); recognizing, reporting and responding (RRR); grassroots engagement and feedback (GF) and added a seventh category, other (OT). The breakdown of the number of recommendations by category is as follows:

Category	Code	# of Recommendations
Policies and Guidelines	PG	4
Screening and Selection	SS	4
Education and Training	ET	16
Monitoring and Supervision	MS	5
Recognizing, Reporting and Responding	RRR	11
Grassroots Feedback and Engagement	GF	3
Other Recommendations	ОТ	11

IMPLEMENTATION PLAN PROGRESS

The Task Force returned a report to the Board of Directors in May 2014 with a four-phased, 10-15 year, implementation plan for the 54 Vieth Report recommendations. Of the 54 items, the Task Force recommended implementation for 52 items, agreed with the Vieth Report not to implement one item (SS4), and did not recommend implementation for one item (RRR2).

Since that time, the Safe Sport Committee and USA Swimming staff have worked diligently to follow the plan set forth by the Task Force. This document is a progress update on the implementation of the Vieth Report Task Force recommendations.

- ✓ The 2015 Progress Update noted that twenty-one of the fifty-two items recommended for implementation were successfully integrated and that Phase One had been completed in full.
- ✓ The 2017 Progress Update detailed that a total of twenty-eight of the fifty-two items recommended for implementation were successfully integrated into the Safe Sport Program.
- ✓ USA Swimming identified nineteen items as tasks best suited for implementation by the U.S. Center for SafeSport (the "Center") which became operational since the 2017 Report Progress Update.

- ✓ The staff is reporting implementation of five remaining items recommended for adoption by USA Swimming.
- ✓ In sum:
 - Total Items Recommended for Implementation:
 Not recommended: SS4 and RRR2
 - Items Complete
 Items Marked for Completion by the Center
 21
- ✓ Please reference the 2015 Progress Update for information related to the completion of recommendations SS1 and 2, ET9, 9A and 9B, MS3, 3A, and 3B, RRR1, 3, 4, 5, and 7, GF2 and 3, and OT4, 5, 5A, 5B, 5C and 5D.
- ✓ Please reference the 2017 Progress Update for information related to the completion of recommendations PG1, ET2, MS1 and RRR8.

Completed Implementation Since 2017 Update

PG2A: Develop workshops on emotional abuse in the context of swimming and present workshops in multiple forums within the sport.

The USA Swimming staff incorporates emotional misconduct training into its coach and athlete
workshops utilizing the definition of emotional misconduct in the SafeSport Code for the Olympic and
Paralympic Movement (the "SafeSport Code") as well as situational-based case scenarios from cases
reported to USA Swimming.

RRR6: Develop a pool of medical, mental health, and sex offender treatment experts that can be consulted in cases of physical abuse, psychological abuse, and juvenile sex offenses.

• The Safe Sport staff has developed a network of medical, mental health and sex offender treatment experts that can be consulted in cases of physical abuse and emotional abuse. The Safe Sport staff also has a network of sex offender treatment experts to consult in cases of juvenile sex offenses.

GF1: Set a goal of a safe sport coordinator in every club – and strive to meet this in five years.

• The Safe Sport Club Recognition Program ("SSRP"), launched in October 2018, requires a club to designate a Safe Sport Coordinator in order to achieve recognition status. Through the Keeping Athletes First initiative, USA Swimming's goal is for every member club to achieve SSRP status within three years of the program launch, advancing the original five-year goal. As of September 13, 2021, 769 member clubs have achieved Recognition while an additional 913 are in the process of completing Recognition requirements. This accounts for 60% of USA Swimming member clubs engaged in the Safe Sport Club Recognition process.

Items Identified as Best Suited for the Center

The 2017 Progress Update identified RRR9, RRR10, RRR11, OT1, OT2, OT6 and OT7 as tasks best suited for the Center. In 2018, the United States Congress passed the Protecting Young Victims From Abuse and SafeSport Authorization Act mandating the Center to create policy, and education and training guidelines for all national governing bodies, including USA Swimming. As a result, since 2017, an additional 13 items in the areas of policy and guidelines and education and training have been identified as best suited for the Center. Additionally, USA Swimming is committed to also complementing the recommendations best suited for the Center as described below.

PG2: Develop a workable definition and response to cases of psychological abuse.

PG2B: Conduct a national survey of parents and coaches in which various hypotheticals of emotional abuse are presented and asking for an assessment of which scenarios cross the line.

 The Task Force recommended PG2B to use the findings to create a conduct-based definition of emotional abuse. Currently, the SafeSport Code provides a definition of emotional abuse to which all USA Swimming members are subject.

SS3: Safe Sport training for parents should include info on asking questions about pre-employment screening.

The Center developed a parent training course and parent educational materials. USA Swimming
incorporated the Center's parent training course into its LEARN platform offerings and makes the
Center's Parent Toolkit materials available on its website. Through these materials, parents are
encouraged to find out how coaches and other volunteers are screened and hired. Further, USA
Swimming's Safe Sport parent training materials and courses also encourage parents to inquire about
pre-employment screening.

ET1: Require children who are athlete members 12-18 to take the Safe Sport training.

- The Center's minor athlete training courses are available on USA Swimming's LEARN platform. Annual Safe Sport training is a requirement of membership for athlete members ages 18 and over.
- In accordance with the Task Force recommendation to incentivize rather than require athlete members 12-18 to take Safe Sport training, SSRP incentivizes member clubs to offer and give Safe Sport training to the minor athletes. The Safe Sport staff also conducts monthly virtual Safe Sport athlete trainings specifically intended for athletes ages 12-18.
- Additionally, in 2020, USA Swimming released two versions of the Safe Sport Activity Book to provide Safe Sport education at age-appropriate levels.

ET3: Require parents to take the Safe Sport training.

- In accordance with the Task Force recommendation to incentivize rather than require parent Safe Sport training, SSRP incentivizes member clubs to offer and give Safe Sport training to the parents of member athletes.
- A parent training course is offered on the LEARN platform. parent educational materials are available
 on the USA Swimming and have been distributed directly to every USA Swimming registered
 household. In addition, the Safe Sport staff conducts monthly virtual Safe Sport parent trainings.

ET3A: Make Safe Sport Training for parents in Spanish.

- The Center's training courses for parents made available on the USA Swimming LEARN platform are available in English, Spanish and French.
- USA Swimming translated 22 Safe Sport documents which are currently available on the USA Swimming website.

ET4: Develop a version of Safe Sport education accessible to children or parents with a disability.

- The Center's training courses for parents and athletes available on USA Swimming's LEARN platform
 are accessible to children and parents with visual and hearing disabilities. The Center recently released
 a course specific to athletes with disabilities which will be available on USA Swimming's LEARN
 platform in late 2021.
- In July 2020, USA Swimming released an inclusive policy specific to the required Athlete Protection Training requirement for adult athletes with cognitive disabilities.
- In July 2021, USA Swimming released a policy directly related to Personal Assistants for athletes with disabilities and incorporates this policy into its trainings.

ET5: Strengthen the physical abuse section of the Safe Sport Training.

- The required trainings for members and optional trainings for non-members provided by the Center and offered by USA Swimming include training on physical abuse.
- USA Swimming will make available on its website a one-page guide to child physical abuse for coaches.

ET6: Incorporate Adverse Childhood Experience (ACE) research into Safe Sport training.

ET6A: Modify existing course content on the effect of child abuse modified and put in the context of ACE research.

ET6B: Second workshop pertaining to ACE research that could be developed and offered as an advanced course for coaches and others who have taken the basic Safe Sport Training.

ET6C: Safe Sport could utilize already existing ACE training that can be accessed for free or at minimal resources.

ET6D: As LSCs look for speakers at area gatherings of parents, coaches and club owners, speakers who can discuss ACE could be utilized.

- Training courses for adult members, minor athletes and parents provided by the Center will be available on USA Swimming's LEARN platform in late 2021.
- USA Swimming's 2021 Safe Sport Leadership Conference highlighted Dr. Bruce Perry who presented on ACE research and its applicability to participation in sport. Dr. Perry's presentation is available on the USA Swimming website and the USA Swimming Safe Sport coach, athlete and parent trainings incorporate his ACE research.

ET7: Develop training and written materials pertaining to juvenile sexual behaviors and offenses (peer-to-peer).

- The Center's athlete training materials incorporate peer-to-peer behaviors and offenses.
- USA Swimming makes these materials available to members on its website and on the LEARN platform.

ET8: Incorporate resilience research into Safe Sport training.

- USA Swimming provides the Center's required and optional training courses for non-athlete members, athlete members and parents. Training courses for adult members, minor athletes and parents provided by the Center are available on USA Swimming's LEARN platform.
- USA Swimming's 2021 Safe Sport Leadership Conference highlighted Megan Bartlett and Dr. Chris Renjilan who presented on trauma and resilience research and its applicability to participation in sport. Dr. Renjilian's presentation is available on the USA Swimming website and the USA Swimming Safe Sport coach, athlete and parent meetings incorporate his resilience research.

MS2: Continue to develop options for the "two-deep leadership" on all team travel.

- The USA Swimming Minor Athlete Abuse Prevention Policy limits one-on-one interactions between adults and minor athletes including in the area of team travel.
- USA Swimming will continue to implement Center-mandated policies limiting one-on-one interactions between adults and minor athletes.

OT3: Allow researcher access to USA Swimming's current data and files.

- In 2019, USA Swimming participated in the Child USA study on elite sport participation and instances of abuse.
- Researchers have not requested access to USA Swimming's current data and files. In the event such a
 request is received in the future, USA Swimming will consider the request, among other factors, in light
 of this recommendation.

Attachments: 2015 Vieth Report Progress

2017 Vieth Report Progress



Vieth Report Progress Update

November 2015

INTRODUCTION

In 2013, USA Swimming commissioned Victor Vieth, Executive Director of the National Child Protection Training Center, to conduct a comprehensive assessment of USA Swimming's Safe Sport Program. Vieth conducted the assessment from September 2013 to December 2013 and delivered his report ("Vieth Report") with 39 recommended actions to the USA Swimming Board of Directors in January 2014. Then-President Bruce Stratton formed the Safe Sport Program Review Task Force to evaluate and prioritize the recommendations and produce a plan for implementation.

The Task Force approached its evaluation of the Vieth Report based on the following considerations:

- 1. USA Swimming must develop and implement strategies, policies, procedures and programs that can operate and thrive with consideration for the requirements of and restrictions imposed by the Ted Stevens Olympic and Amateur Sports Act.
- 2. USA Swimming recognizes the burden it places on its members when it imposes requirements and the Task Force sought to identify implementation strategies that incentivize rather than mandate.
- 3. USA Swimming is a member organization and retains jurisdiction over its members. It has little jurisdiction or enforcement mechanism to implore non-members to complete membership requirements.
- 4. Development and implementation of the strategies, policies, procedures and programs will take a significant amount of time. USA Swimming has not made a one, two, or five year commitment to Safe Sport, but rather a long-term organizational commitment to build and nurture a culture of Safe Sport in the swimming community.

The Vieth Report outlined thirty-nine specific recommendations for action by USA Swimming. During the Task Force's initial review, additional recommendations and items categorized as "sub-recommendations" were identified adding to the recommendations. The Task Force identified a grand total of fifty-four items to be evaluated.

IMPLEMENTATION PLAN PROGRESS

The Task Force returned a report to the Board of Directors in May 2014 with a four-phased implementation plan for the 54 Vieth Report recommendations. Of the 54 items, the Task Force recommended implementation for 52 items, agreed with the Vieth Report not to implement one item (SS4), and did not recommend implementation for one item (RRR2).

Since that time, the Safe Sport Committee and headquarters staff have been working diligently to follow the plan set forth for them. This document is a progress update on the implementation of the Vieth Report recommendations over the last eighteen months.

- ✓ Twenty-one items out of the fifty-two recommended for implementation have been successfully integrated in to the Safe Sport Program and Phase One has been completed in full.
- ✓ The Committee and staff are currently working on the implementation of sixteen out of the remaining twenty-six items recommended for adoption by USA Swimming.
- ✓ Since the Task Force's report was submitted, three items (OT1, OT6, OT7) have been identified as tasks best suited for the USOC's Center for Safe Sport when it opens (expected mid-2016).

Implementation: Complete

The Safe Sport Committee and staff have implemented the Vieth Report recommendations through a series of strategies. Our progress report is organized by strategy with the relevant Vieth recommendation accomplished through that strategy noted therein:

Implementation Strategy: Legislation

Description:	The USA Swimming Board of Directors submitted three legislative proposals to the 2014 House of Delegates to implement Vieth Report recommendations RRR1, RRR3, and RRR7. All three proposals passed and the 2015 Rulebook reflects the new legislation (Articles 307.1, 307.2, and 405.2.3).
Implementation Date	September 2014
Relevant Vieth Report Recommendations	RRR1 - Extend whistleblower protection to coaches or others who make a good faith report of physical abuse or psychological abuse/bullying.
	RRR3 - Create a rebuttal presumption clause that further protects coaches or other reports from retaliation.
	RRR7 - Disband or limit the coaches' panel to evaluating whether or not a coaches' conduct is acceptable within the sport.

Implementation Strategy: SwimAssist

Description:	USA Swimming's SwimAssist program offers financial assistance to any current or former member of USA Swimming who has suffered harm perpetrated by an individual who at the time of the harm was (1) a member of USA Swimming and (2) participating in the activities of USA Swimming. SwimAssist has served five current or former members since its inception.
Implementation Date	January 2015
Relevant Vieth Report Recommendations	OT4 – Establish and maintain a victim's assistance fund.

Implementation Strategy: SwimStaffSelect

Description:	SwimStaffSelect is a free online hiring tool for USA Swimming's member coaches and clubs developed in partnership with the Nonprofit Risk Management Center. Users can create job descriptions, applications and postings, manage submitted resumes and develop scripts for interviews and reference checks using free templates and education on responsible hiring practices.
Implementation Date	July 2015
Relevant Vieth Report Recommendations	 SS1 - Recommend to clubs additional pre-employment screening tools of a written application, personal interview and written acknowledgement of the code of conduct pertaining to child protection. SS2 - Develop materials to assist clubs in the hiring process.

Implementation Strategy: Task Force Work

Description:	In September 2014, then-President Stratton appointed a Task Force to create guidelines for what information should be released to whom for cases that are heard by the National Board of Review. The Task Force completed its work from October 2014 to January 2015 including a nine-month trial period for its recommended guidelines. It delivered its final report to the BOD at the September 2015 meeting. Safe Sport staff has since incorporated the guidelines for document distribution into is case management efforts.
Implementation Date	September 2015
Relevant Vieth Report Recommendations	OT5 (OT5A-OT5D) - Task force regarding greater access to files and NBOR decisions, as well as sharing information about banned, suspended or flagged members with other youth serving organizations.

Implementation Strategy: Safe Sport Internal Program Manual

Description:	In 2013, Safe Sport Staff created an Internal Complaints Manual to memorialize its established case management practices. The Safe Sport Program Review Task Force recognized that this document could be expanded into a Safe Sport Program Manual where policies and practices across the Safe Sport Program could be memorialized to increase transparency and program integrity. The following Vieth Report recommendations have been incorporated in to Safe Sport staff practices and are now included in the expanded Program Manual. November 2015
Implementation Date	November 2015
Relevant Vieth Report	ET9 - Constantly re-evaluate training as research expands.
Recommendations	 ET9A - Monitor literature, attend national child abuse conferences and regularly have training and other aspects of the program reviewed by those well versed in the literature. ET9B - Require ongoing training for the investigators, attorneys, and others within USA Swimming who respond to any aspect of child maltreatment. MS3 - Develop checks and balances of quality control measure for the informal resolution process. MS3A - Develop written criteria for screening a case into the informal resolution process. MS3B - Randomly selected number of cases resolved through informal resolution should be
	reviewed by an external expert on child maltreatment.
	RRR4 - If a report concerns recent abuse such that most witnesses are in one location, consider the possibility of the investigator traveling to the community and conducting inperson interviews.
	RRR5 - If the crime scene is available and accessible to the investigator, have it photographed.
	GF2 - Facilitate connections between local clubs and community child protection
	organizations that may assist in evaluating risks unique to a particular club.
	GF3 - Make a concerted effort to engage survivors in every major safe sport initiative.

Implementation: In Progress

The following strategies are currently in progress by the Safe Sport Committee and staff:

Implementation Strategy: Task Force Work

Description:	In February 2015, President Sheehan appointed a Task Force to create guidelines for evidentiary standards in National Board of Review cases. The Task Force completed its work from February to November 2015 and submitted its final report to the BOD at the November 2015 meeting. Implementation of proposed standards is pending feedback and approval from the BOD.
Relevant Vieth Report Recommendations	RRR10 - Establish "reliable hearsay" standards that may allow the organization to ban coaches we believe has abused a child or violated the code of conduct.

Implementation Strategy: Survivor Resources

Description:	Safe Sport staff is currently developing print and online resources for individuals who are participating in the National Board of Review process as a survivor or witness. These materials will outline the NBOR process, detail what to expect, and answer any questions that come up
	frequently during case management. Materials will be informed by the past experience of survivors and witnesses who have been through the NBOR process as well as existing research
	regarding the effects of participating in a hearing or other disciplinary process.
Relevant Vieth Report Recommendations	RRR8 - Develop materials that may assist an abused athlete and his or her family in cooperating with an investigator or NBOR hearing.
	RRR9 - Research the effects of testifying before the NBOR and utilize this research in responding to cases in which a victim or family is uncooperative.

Implementation Strategy: Safe Sport Certified Club Program

Description:	The Safe Sport Program Review Task Force recommended that USA Swimming create a "Safe
	Sport Certified Club" program to motivate and incentivize coaches, teams, athletes and
	parents to embrace and participate in the Safe Sport Training and enhance the awareness of
	the Safe Sport Program. A subcommittee of the Safe Sport Committee has been working on
	the development of required criteria for clubs to achieve Safe Sport Certified status for the last
	twelve months. Program launch is planned for August 2016 and LSC Safe Sport Chairs will be
	trained to assist the clubs in their respective LSC with certification.
Relevant Vieth Report	ET1 - Require children who are athlete members 12-18 to take the Safe Sport training.
Recommendations	ET3 - Require parents to take Safe Sport training.
	GF1 - Set a goal of a safe sport coordinator in every club – and strive to meet this in 5 years.

Implementation Strategy: Safe Sport Training Library

Description:	In 2010, USA Swimming passed the Athlete Protection Training membership requirement,
	mandating online abuse prevention training for all non-athlete members renewed every two
	years. The Safe Sport Program recognizes the need to provide more education across a broader
	number of topics in the future. Staff is currently in development of a "Safe Sport Training
	Library" which will be an online collection of courses on Safe Sport related topics (eg. bullying,
	travel, electronic communication). Starting with the 2017-2019 APT renewal cycle, non-athlete
	members will be able to choose the online courses that would best serve their needs as a
	coach, official, or other volunteer to complete their APT certification requirement. Program
	launch is planned for August 2017.
Relevant Vieth Report	ET2 - Develop personal safety materials for younger children – and require parents to
Recommendations	review them with all younger athletes.
	ET5 - Strengthen the physical abuse section of the Safe Sport training.
	ET6 (ET6A-ET6D) - Incorporate ACE Research into Safe Sport training.
	ET7 - Develop training and written materials pertaining to juvenile sexual behaviors and
	offenses (peer to peer).
	ET8 - Incorporate resilience research into Safe Sport training.
	MS1 - Continually reinforce the rationale behind the importance of the monitoring and
	supervision rules.
<u>I</u>	Supervision function

Attachments: 2015-2016 Safe Sport Program Goals Vieth Report Executive Summary

Safe Sport Program Review Task Force Report

2015-2016 Safe Sport Program Goals

USA Swimming Safe Sport enters its sixth year in 2015-2016. Since our inception in 2010, we have operated from the foundation that effective Safe Sport programming must be leadership driven and locally rooted. Through our first five years, much of the effort has been centralized to support the development of a program at the national level that could be successfully replicated and broadly distributed and the personnel infrastructure by which to do that.

2015 marks an exciting shift in our focus from program development to local level engagement. It is our belief that the best child protection efforts happen every day, at the club level, and are embedded in the culture of those clubs. USA Swimming strives to increase the number of clubs who organically engage in Safe Sport efforts through education and awareness raising.

Where We Are Going

Our 2015-2016 Safe Sport efforts will be wholly focused on the goal to INCREASE LOCAL LEVEL ENGAGEMENT.

We believe we can raise awareness for Safe Sport and increase local level engagement through three strategies:

- 1. <u>To increase in number and empower the existing Safe Sport Champions:</u> Empower our volunteer leadership Safe Sport's Champions at all levels of the organization. Forthcoming initiatives include:
 - Solidify the volunteer leadership infrastructure of Safe Sport. Activate committee to provide leadership and support to Zone and LSC Chairs. Identify, plan, and execute regular communication points during the year with volunteer community.
 - b. Create an LSC Chairs Support Subcommittee to identify, plan, and execute regular training opportunities and communication points with volunteer community.
 - c. Name and activate Safe Sport Zone Chairs.
 - d. Develop onboarding process for new LSC Safe Sport Chairs.
 - e. Publish job description for Club Safe Sport Coordinator.
 - f. Launch Safe Sport Athlete Fellowship Program to identify, engage, and train athlete leaders.
- 2. <u>To encourage and support club leadership:</u> Create and promote tools for clubs to create a positive sport culture and support their implementation and continued use. Forthcoming initiatives include:
 - a. Encourage, support, and promote LSC Safe Sport Chair initiatives to encourage engagement with Safe Sport at the club level. Examples of LSC initiatives available at www.usaswimming.org/protect.
 - b. Launch Safe Sport Self-Assessment for a club to gauge its existing efforts with Safe Sport and provide support and guidance to increase engagement.
 - c. Incentivize clubs to engage with Safe Sport through Safe Sport Certified Club Program.
 - d. Use 2016 LSC Chairs Workshop to train LSC Chairs to help clubs to achieve Safe Sport Certified Club status.
 - e. Rewrite existing Safe Sport Handbook as a guide to help clubs to achieve Safe Sport Certified Club status.
 - f. Design new Safe Sport Continuing Education Library to replace the current Athlete Protection Training requirement during 2015-2016 for launch in the summer of 2017.
- 3. <u>To activate swim meets as parent engagement opportunities</u>: Capitalize on swim meets that bring together all swimming community constituents and spread the word of Safe Sport. Forthcoming initiatives include:
 - a. Activate a Safe Sport booth at the US Olympic Trials Aquazone with the goal of raising awareness for Safe Sport through brand recognition.
 - b. Develop and distribute promotional materials for use at swim meets: (1) meet announcer scripts; (2) branded posters; (3) heat sheet ads; (4) parent tip cards.
 - c. Develop Swim Meet Tabling Kit for duplication or purchase by LSCs or clubs.



Vieth Report Progress Update

September 2017

INTRODUCTION

In 2013, USA Swimming commissioned Victor Vieth, Executive Director of the National Child Protection Training Center, to conduct a comprehensive assessment of USA Swimming's Safe Sport Program. Vieth conducted his assessment from September 2013 to December 2013 and delivered his report ("Vieth Report") with 39 recommended actions to the USA Swimming Board of Directors in January 2014. Then-President Bruce Stratton formed the Safe Sport Program Review Task Force to evaluate and prioritize the recommendations and produce a plan for implementation.

The Task Force approached its evaluation of the Vieth Report based on the following considerations:

- USA Swimming must develop and implement strategies, policies, procedures and programs that can operate and thrive with consideration for the requirements of and restrictions imposed by the Ted Stevens Olympic and Amateur Sports Act.
- 2. USA Swimming recognizes the burden it places on its members when it imposes requirements and the Task Force sought to identify implementation strategies that incentivize rather than mandate.
- 3. USA Swimming is a member organization and retains jurisdiction over its members. It has little jurisdiction or enforcement mechanism to implore non-members to complete membership requirements.
- 4. Development and implementation of the strategies, policies, procedures and programs will take a significant amount of time. USA Swimming has not made a one, two, or five year commitment to Safe Sport, but rather a long-term organizational commitment to build and nurture a culture of Safe Sport in the swimming community.

The Vieth Report outlined thirty-nine specific recommendations for action by USA Swimming. During the Task Force's initial review, additional recommendations and items categorized as "sub-recommendations" were identified adding to the recommendations. The Task Force identified a grand total of fifty-four items to be evaluated.

IMPLEMENTATION PLAN PROGRESS

The Task Force returned a report to the Board of Directors in May 2014 with a four-phased implementation plan for the 54 Vieth Report recommendations. Of the 54 items, the Task Force recommended implementation for 52 items, agreed with the Vieth Report not to implement one item (SS4), and did not recommend implementation for one item (RRR2).

In November 2015, Safe Sport Program personnel issued the first Vieth Report Progress Update. At that time, 21 of the 52 recommendations had been implemented in full and the Safe Sport Committee and headquarters staff were at work on an additional 16 items.

Since that time, the Committee and staff have been working diligently on continued efforts to implement the plan. This document is a progress update on the Vieth Report recommendations in the two years since the 2015 update.

- ✓ An additional seven out of the fifty-two items recommended for implementation have been successfully integrated in to the Safe Sport Program.
- ✓ The Committee and staff are currently working on the implementation of thirteen out of the remaining twenty-four items recommended for adoption by USA Swimming.
- ✓ The US Center for Safe Sport opened in March 2017. It is an independent entity serving the USOC and the NGB community and is responsible for adjudicating all allegations of sexual misconduct and providing education and

training materials for comprehensive abuse prevention in sport. Six items (RRR9, RRR10, RRR11, OT1, OT2, and OT6) have been identified as tasks best suited for the Center.

✓ In Sum:

o Total Items Recommended for Implementation: 52

o Items Complete: 28 (54% of total items)

Items Currently in Progress:
 Items Marked for Completion by US Center for Safe Sport:
 Items for Future:
 (12%)
 (10%)

This report does not describe those recommendations completed between May 2014 and November 2015. For full detail on those items, please review the 2015 Vieth Report Progress Update attachment to this report.

Implementation: Complete November 2015 - September 2017

The Safe Sport Committee and staff have implemented the Vieth Report recommendations through a series of strategies. Our progress report is organized by strategy with the relevant Vieth recommendation accomplished through that strategy noted therein:

Implementation Strategy: How to Do Safe Sport

Description:	In the Fall of 2016, Safe Sport staff began work on a new educational strategy intended to provide simple, doable steps for member clubs to create a Safe Sport culture at their club. "How to Do Safe Sport" is the name of this effort and will be the basis for training modules and incentive programs in development in the 2017-2018 Safe Sport strategic plan.
	"How to Do Safe Sport" breaks down three steps for engagement: "Set, Direct, Protect," encouraging coaches, parents, athletes, and other members to Set the intention to create a Safe Sport culture, Direct other club members through effective communication and consensus building, and Protect the culture created at the club through ongoing monitoring supervision.
Implementation Date	September 2017
Relevant Vieth Report Recommendations	 MS1 - Continually reinforce the rationale behind the importance of the monitoring and supervision rules. PG1 - Provide equal layers of protection for all abused children within the sport.

Implementation Strategy: Safe Sport Club Toolkit

Description:	The Safe Sport Club Toolkit is an online repository for tools and resources clubs can use to create a Safe Sport culture. The Committee and staff frequently create new materials to add to this resource library.
	In July 2017, the Safe Sport Activity Book was released. This 12 page Activity Book is designed for 6-11 year olds and includes games, puzzles, and other activities with a Safe Sport theme aimed at bringing awareness of Safe Sport to this age group and their parents.
Implementation Date	July 2017
Relevant Vieth Report Recommendations	ET2 - Develop personal safety materials for younger children – and require parents to review them with all younger athletes.

Implementation Strategy: Survivor Resources Implementation Strategy: Survivor Resources

Description:	Safe Sport staff created the "Reporting to Safe Sport: A Resource Guide," a two page pamphlet
	with information for individuals who are participating in the National Board of Review process
	as a survivor or witness. The guide outlines the NBOR process, details what to expect, and
	answers the questions that come up frequently during case management. The brochure was

	informed by the past experience of survivors and witnesses who have been through the NBOR process as well as existing research regarding the effects of participating in a hearing or other disciplinary process. It will be updated in 2017-2018 to add information relate to the Center for Safe Sport.
Implementation Date	October 2016
Relevant Vieth Report Recommendations	RRR8 - Develop materials that may assist an abused athlete and his or her family in cooperating with an investigator or NBOR hearing.

Implementation Strategy: The Center for Safe Sport

Description:	From 2013-2017, USA Swimming staff and athletes participated in various capacities – working group, advisory committee, and Board of Directors – in partnership with the US Olympic Committee on efforts to plan, design and launch the US Center for Safe Sport (The Center). The Center is a first of its kind independent entity charged with the investigation and adjudication of all allegations of sexual misconduct by members in Olympic sport. The Center officially launched in March 2017 and USA Swimming gave jurisdiction to the Center in July 2017.
Implementation Date	March 2017
Relevant Vieth Report Recommendations	OT7 - An independent entity to oversee the investigation, adjudication and imposition of sanctions in cases of abuse.

Implementation: In Progress

The following strategies are currently in progress by the Safe Sport Committee and staff:

Implementation Strategy: Subcommittee Work

Description:	In September 2017, Safe Sport Committee Chair George Geanon will name a subcommittee to review the model policies (travel, electronic communication, bullying, locker room monitoring, and photography) provided by USA Swimming for relevance and any necessary updates. Included in that group's charge will be the direction to update the model travel policies with
	options for "two deep leadership" on all team travel. Implementation of proposed standards is pending feedback and approval from the Safe Sport Committee.
Relevant Vieth Report Recommendation	MS2 - Continue to develop options for the "two deep leadership" on all team travel

Implementation Strategy: Safe Sport Certified Club Program

Description:	The Safe Sport Program Review Task Force recommended that USA Swimming create a "Safe
	Sport Certified Club" program to motivate and incentivize coaches, teams, athletes and
	parents to embrace and participate in the Safe Sport Training and enhance the awareness of
	the Safe Sport Program. A subcommittee of the Safe Sport Committee has been working on
	the development of required criteria for clubs to achieve Safe Sport Certified status. Program
	launch is planned for end of year 2018 and LSC Safe Sport Chairs will be trained to assist the
	clubs in their respective LSC with certification.
Relevant Vieth Report	ET1 - Require children who are athlete members 12-18 to take the Safe Sport training.
Recommendations	ET3 - Require parents to take Safe Sport training.
	GF1 - Set a goal of a safe sport coordinator in every club – and strive to meet this in 5 years.

Description:	In 2010, USA Swimming passed the Athlete Protection Training membership requirement, mandating online abuse prevention training for all non-athlete members renewed every two years. The Safe Sport Program recognizes the need to provide more education across a broader number of topics in the future. In August 2017, USA Swimming launched USA Swimming LEARN, an online learning platform that will host courses for all USA Swimming programs, including Safe Sport. LEARN launched with three updated Safe Sport courses and Safe Sport staff are currently developing a "Safe Sport Training Library" which will be an online collection of courses on Safe Sport related topics.
	Starting with the 2017-2019 APT renewal cycle, non-athlete members will be able to choose the online courses that would best serve their needs as a coach, official, or other volunteer to complete their APT certification requirement.
	Existing courses, such as "Children with Challenges," which includes instruction for Safe Sport best practices for children with disabilities, will be ported over to the new LEARN platform in 1Q 2017.
Relevant Vieth Report Recommendations	SS3 - Safe Sport training for parents should include info on asking questions about pre- employment screening.
	ET4 - Develop a version of Safe Sport education accessible to children or parents with a disability
	ET5 - Strengthen the physical abuse section of the Safe Sport training.
	ET6 (ET6A-ET6D) - Incorporate ACE Research into Safe Sport training.
	ET7 - Develop training and written materials pertaining to juvenile sexual behaviors and offenses (peer to peer).
	ET8 - Incorporate resilience research into Safe Sport training.

Implementation Strategy: Safe Sport Internal Program Manual

Description:	2013, Safe Sport Staff created an Internal Complaints Manual to memorialize its established						
	case management practices. The Safe Sport Program Review Task Force recognized that this						
	document could be expanded into a Safe Sport Program Manual where policies and practices						
	across the Safe Sport Program could be memorialized to increase transparency and program integrity. The following Vieth Report recommendations will be incorporated in to Safe Sport staff practices and the Program Manual will be updated to reflect the same.						
Relevant Vieth Report	ET3A - Make Safe Sport materials available in Spanish						
Recommendations	• RRR6 - Develop a pool of medical, mental health, and sex offender treatment experts t						
	can be consulted in cases of physical abuse, psychological abuse, and juvenile sex offenses						

Attachments: 2015 Vieth Report Progress

FINA COMMITTEE PANEL NOMINATIONS 9/8/2021

<u># on</u>

COMMITTEE/PANEL	SELECTED BY	INCUMBENT	REPLACE	<u>LEADERSHIP</u>	COMMITTEE	<u>NOMINEES</u>	<u>NOTES</u>
Athletes Committee	USAS	Aaron Peirsol	Yes		17	Maya DiRado Andrews	Will be elected by FINA athletes 5/2022
Coaches Committee					28		
- Swimming	USA Swimming/USAS					Bruce Gemmell	Limited number on committee from each discipline
- Open Water	USA Swimming/USAS	Catherine Kase				Catherine Kase	Limited number on committee from each discipline
Disciplinary Panel	USAS				5	Megan Ryther	
Doping Contol Review Panel	USAS	Daniel Eichner			9	Daniel Eichner	
Doping Panel	USAS	Bill Bock			6	Jeff Cook	
Ethics Committee	USAS	Bill Hybl		Chair	6	Bill Hybl	Appointed 6/2021
Facilities Committee	USA Swimming	Mick Nelson	Yes		4	Dean Ekeren	
Finance Committee	USAS				4	Chris Brearton	
Legal Committee	USAS	Joe DeGroff			5	Joe DeGroff	
Media Committee	USAS	Greg Eggert		Secretary	13	Greg Eggert	
National Federations Relations Committee	USAS	Ron Van Pool		Secretary	7	Ron Van Pool	
Sports Medicine	USAS	Dr. Jim Miller			11	Dr. Danny Mistry	
Swimwear Approval Committee	USA Swimming	Dave Pendergast	Yes		5	Dr. Lloyd Smith	
Technical Open Water Swimming Committee	USA Swimming	Sid Cassidy		Vice-Chair	14	Sid Cassidy	
Technical Swimming Committee	USA Swimming	Carol Zaleski	Yes	Chair	13	Jay Thomas	
Audit Committee	USAS				3		Not likely to have an opening