

USA Swimming Board of Directors Meeting Minutes

September 23, 2022 / Colorado Springs, CO

1 CALL TO ORDER

2 Chris Brearton, Board Chair, called the September 23, 2022 Board of Directors meeting to
3 order at 9:13 a.m. Mountain Time with the following members in attendance:
4

5 PRESENT

6 Maya Andrews, Chris Brearton, Kenneth Chung, Tony Ervin, Kathy Fish, Bruce Gemmell,
7 Jennifer Gibson (virtual), Natalie Hall, Clark Hammond, Tim Hinchey, Ira Klein (virtual),
8 Katie Meili, Kathleen Prindle, Bill Schalz, Michelle Steinfeld, Ashley Twichell, Bob Vincent.
9

10 GUESTS

11 Bill Charney, Sam Barany, Tim Bauer, Jamie Bloom, David Shackley, Caitlin Leverenz Smith,
12 Pam Lowenthal, Ryan Gibbons.
13

14 STAFF

15 Paula D'Amico, Shana Ferguson, Jake Grosser, Abigail Howard, Lucinda McRoberts, Lindsay
16 Mintenko, Patrick Murphy, MJ Truex, Eric Skufca, Joel Shinofield, Kirsten Victor, Elizabeth
17 Hahn, Rebecca Chafin, Tina Dessart, Thomas Vanatta, Trish Hughes, Devonie Pitre.
18

19 BOARD CHAIR'S WELCOME

20 Mr. Brearton spoke enthusiastically about the Board's ability to have healthy debates while
21 maintaining the common goal of improving the sport of swimming.
22

23 RULES OF ENGAGEMENT

24 Mr. Brearton provided a reminder on communication protocol and being prepared for
25 Board meetings. Mr. Brearton also asked the Board to engage in a robust debate but leave
26 the meeting with "one voice."
27

28 DECLARATION OF CONFLICT OF INTEREST (2.5.4)

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

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

Board Member, Bruce Gemmell, disclosed that his daughter, Erin Gemmell, was named to the USA Swimming National Team in September 2022, based on instruction from USA Swimming's Ethics Committee.

SAFE SPORT MOMENT

Abby Howard, Senior Director, Legal & Membership Affairs, reported that 64% of USA Swimming member clubs are engaged in the Safe Sport Recognition Program (SSRP). Mrs. Howard remarked that while approvals for SSRP are paused until January 2023, clubs can and are still working towards completing their certifications.

Mrs. Howard conveyed that the U.S. Center for SafeSport Event Audit of USA Swimming was successfully completed at the 2022 Phillips 66 National Championships this past July, noting that all qualifying measures were deemed "fully implemented."

Elizabeth Hahn, Program Director, Safe Sport, remarked on a new partnership with Real Response which is a web-based and text message application that USA Swimming members can use to anonymously report misconduct via their cell phones, noting that anonymous reporting is not new, and the complaint intake process will remain the same.

Ms. Hahn announced two new Safe Sport staff members, Cha'Vera Jackson and Michael Mares, who will serve as the primary contacts for responding to reports made to USA Swimming, in addition to supporting Safe Sport education and training.

Joel Shinofield, Managing Director, Sport Development, announced the departure of Mrs. Howard for a new opportunity and wished her well in her next position.

MINUTES

MOTION: *To approve the April 22, 2022 Board of Directors meeting minutes (Attachment 2).*
Seconded. APPROVED.

MOTION: *To approve the July 18, 2022 Board of Directors meeting minutes (Attachment 3).*
Seconded. APPROVED.

BOARD PROCESS

OPERATING POLICY MANUAL

CREDENTIALING POLICY

Michelle Steinfeld, Secretary & General Counsel, presented the existing USA Swimming Credentialing Policy. Ms. Steinfeld explained asked the Board to approve adding the Credentialing Policy to the Operating Policy Manual as it affects National level meets. Further, per the USA Swimming Rules & Regulations, Ms. Steinfeld noted that Program & Events Coordinator, Kathleen Scandary, had already agreed to add the Credentialing Policy to the Operating Policy Manual.

78 **MOTION:** To approve USA Swimming's Credentialling Policy to include in the Operating
79 Policy Manual (Attachment 4). Seconded. **APPROVED.**

80
81 **BOARD DISCUSSION: INDIVIDUAL DUES**

82 Tim Hinchey, President & CEO, asked the Board to consider pausing any further individual
83 premium dues increases for the 2025 – 2028 Quad, so that clubs can focus on growing their
84 membership.

85
86 Mr. Shinofield provided the history of increases for individual dues through the years and
87 noted that the Board can pivot to strategically focus on initiatives to help clubs with
88 growth.

89
90 **ATHLETES' ADVISORY COUNCIL (AAC)**

91 Caitlin Leverenz Smith, Chair of the Athletes' Advisory Council (AAC), explained the
92 composition of the AAC and the AAC's accomplishments, including assisting the
93 organization with compliance with the Ted Stevens Olympic & Amateur Sports Act and the
94 United States Olympic and Paralympic Committee Bylaws, through encouraging athlete
95 involvement in USA Swimming Committees. Mrs. Smith noted that nearly 100 elected
96 athletes registered for the 2022 annual meeting of the House of Delegates. Mrs. Smith
97 additionally remarked on the areas in which the AAC has been a strong voice, including
98 Direct Athlete Support, Athlete Partnership Agreements, international competitions,
99 vaccine mandates, and the Athlete Inclusion, Competitive Equity, and Eligibility Policy.

100
101 Mrs. Smith provided a roadmap for the AAC's priorities moving forward, highlighting being
102 more proactive and strategic, specifically in connection with the AAC's relationship with
103 the Board of Directors and staff.

104
105 Mr. Hinchey encouraged the AAC to additionally engage the Foundation Board of Directors
106 and USA Swimming alumni.

107
108 The Board discussed how the AAC can impact decisions regarding athletes and have a
109 larger voice in the sport.

110
111 **AAC MANUAL UPDATE**

112 Ms. Steinfeld presented the AAC's Manual to be added to the USA Swimming Operating
113 Policy Manual, noting that the AAC had already approved the manual, pursuant to USA
114 Swimming's Rules & Regulations.

MOTION: *To include USA Swimming's Athletes' Advisory Council's Manual in the Operating Policy Manual (Attachment 5). Seconded. APPROVED.*

COACH ADVISORY COUNCIL

Mr. Shinofield introduced Tim Bauer, Chair of the Coach Advisory Council (CAC) and Jamie Bloom, Vice Chair of the CAC.

Mr. Bauer reported on the CAC's progress, including the creation of sub-committees within the CAC to focus on specific matters for coach members.

Mr. Bauer and Ms. Bloom presented the sub-committee's struggles and recommendations regarding a variety of coach-related matters, including coaching requirements, effective communication with coaches, competitions, streamlining sanctioning, USA Swimming's responsibilities versus the National Collegiate Athletic Association, travel assistance for coaches, and the creation of new clubs.

ZONE DIRECTORS' COUNCIL

Pam Lowenthal, Co-Chair of the Zone Directors' Council (ZDC), described how the ZDC is focusing on governance and increased communication amongst the four Zones. Mrs. Lowenthal discussed the ZDC's goal of finalizing a sectional manual and facilitating bilateral communication with each Zone's Local Swimming Committees (LSCs). Ms. Lowenthal additionally remarked on the ZDC's reliance on USA Swimming's Team Services Division and emphasized the need to collaborate with other committees to develop and advance initiatives for the sport.

Ryan Gibbons, Co-Chair of the ZDC, remarked on the ZDC's goal of providing value to the organization through proactive responses to issues that arise within organization, membership, and the sport. Mr. Gibbons suggested increased communication channels between various entities within the organization, specifically for the ZDC to advocate for any policies or initiatives that can improve the sport.

LONG-TERM STRATEGIC PLANNING

Kathy Fish, Board Vice-Chair, briefly described the Board's long-term strategic planning process to date and emphasized the importance of being proactive to mitigate risks to the sport and the Board and staff being on the same page.

Lucinda McRoberts, Chief Administrative Officer noted that, in the future, other initiatives will be integrated into the long-term strategic planning and the composition of the working groups will change as the Board composition changes. Ms. McRoberts additionally provided

an overview of each working group's focus and how each group will proceed with fulfilling their initiatives.

Ms. McRoberts asked meeting attendees to provide their feedback on any of the long-term strategic planning initiatives. The Board then discussed the nuances of the initiatives, to ensure each Board member has the same understanding and knowledge of the initiatives.

Ms. McRoberts asked meeting attendees to provide their feedback on any of the long-term strategic planning initiatives.

FOUNDATION UPDATE

Ms. McRoberts, USA Swimming Foundation Executive Director, introduced Elaine Calip, Senior Director, Development. Ms. McRoberts additionally remarked on the Foundation's comprehensive evaluation of its programs, with the goal of coming to resolutions regarding their processes and operations by the end of 2022 and moving towards execution beginning in 2023. Ms. McRoberts reported on the Foundation's accomplishments in 2022, including awarding \$932,000 in Learn-to Swim Grants, achieving \$278,000 in Donor Athlete Partnership support, and distributing \$160,000 in Community Impact Grants, as well as returning to an in-person Make a Splash Tour presented by Phillips 66.

Ms. McRoberts informed the Board that at its next meeting in November they will be asked to approve Foundation Board of Director Officers, as well as approve Foundation Bylaws in 2023.

David Shackley, Chair of the Foundation Board of Directors, encouraged the Board to make a financial commitment to the Foundation.

Eric Skufca, Chief Financial Officer, reiterated that the Foundation is having a strong fiscal year and reported on the organization's collaborative efforts on strategically and proactively analyzing projections and preparing future budgets (Attachments 6 – 7).

Mr. Skufca remarked on the organization's investment strategy with the guidance of the Investment Committee during these times of volatile equity and fixed income markets.

MANAGEMENT PARAMETERS MONITORING (4.4)

POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES

Mr. Skufca provided a financial overview, noting that both USA Swimming and USA Swimming Foundation tax returns are ready to be filed prior to the November deadline. Mr. Skufca described the organization's budgeting process of ensuring all financial items are

being accounted for, to prepare for the year-end projection and subsequent year budget presentation (Attachments 8 – 10).

Mr. Skufca presented the most recent 2022 budget to latest projection, remarking that 2022 is projected to end in an operating deficit as budgeted. Mr. Skufca explained the material budget to current projection variances noting that the continuation of the global pandemic still financially affects many revenue and expense lines for the organization. Additionally, Mr. Skufca noted the largest variances came from new domestic and international events that were added to the 2022 events calendar and merchant credit card fees associated with the new Online Member Registration (OMR) (both announced and determined after the 2022 budget presentation and approval in December 2021).

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

POLICY 3.6 FINANCIAL PLANNING & BUDGETING

Kenneth Chung, Vice-Chair Fiscal Oversight, presented Policy 3.6 Financial Planning and Budgeting (Attachments 11 – 14).

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

Mr. Skufca presented the Board-related expenses to be included in the 2023 budget.

MOTION: *That the Board approve applicable Board related 2023 budget items as presented to be included in the 2023 budget presented in November 2022. Seconded. APPROVED.*

Mr. Skufca reported on the year-to-year forecast for the organization over the course of a quad, noting that it is historically normal for the organization to have years with operating deficits paired with years of operating surpluses to ultimately have a multi-year breakeven result over a determined timeframe. Additionally, Mr. Skufca explained how the organization's revenues contributes to its investments, or program execution.

Mr. Hinchey recommended that the Board invest the \$1.8 million quad operating surplus from the 2021 quad (2017-2021) in Keeping Athletes First (KAF) 2.0, as opposed to using Board reserved funds to continue the KAF initiatives.

233 **POLICY 3.10 LSC REPORTING REQUIREMENTS**

234 Mrs. Howard presented Policy 3.10 LSC Reporting Requirements (Attachment 15).

235
236 **MOTION:** *To approve that the performance monitoring report on Policy 3.10 "LSC Reporting*
237 *Requirements" (a) conveys interpretations of the policy that are reasonable, and (b)*
238 *reasonably substantiates compliance with the policy requirements, consistent with the CEO's*
239 *interpretations. Seconded. APPROVED.*

240
241 **POLICY 3.11 USA SWIMMING FOUNDATION MANAGEMENT**

242 Ms. McRoberts presented Policy 3.11 USA Swimming Foundation Management (Attachment
243 16).

244
245 **MOTION:** *To approve that the performance monitoring report on Policy 3.11 "USA Swimming*
246 *Foundation Management" (a) conveys interpretations of the policy that are reasonable, and*
247 *(b) reasonably substantiates compliance with the policy requirements, consistent with the*
248 *CEO's interpretations. Seconded. APPROVED.*

249
250 **ENDS**

251 **POLICY 1.1 COMPETITIVE SUCCESS**

252 Lindsay Mintenko, Managing Director, National Team, presented Policy 1.1 Competitive
253 Success (Attachment 17).

254
255 **MOTION:** *That the Board approve the performance monitoring report on Policy 1.1*
256 *"Competitive Success" conveys (a) interpretations of the policy that are reasonable, and (b)*
257 *that the report reasonably substantiates compliance with the policy requirements, consistent*
258 *with the CEO's interpretations. Seconded. APPROVED.*

259
260 **POLICY 1.4 RECOGNITION OF USA SWIMMING**

261 Mr. Brearton presented Policy 1.4 Recognition of USA Swimming (Attachment 18).

262
263 **MOTION:** *That the Board approve the performance monitoring report on Policy 1.4*
264 *"Recognition of USA Swimming" conveys (a) interpretations of the policy that are reasonable,*
265 *and (b) that the report reasonably substantiates compliance with the policy requirements,*
266 *consistent with the CEO's interpretations. Seconded. APPROVED.*

267
268 **DIGITAL TRANSFORMATION**

269 Jake Grosser, Director, Business Intelligence, remarked that while OMR and the SWIMS
270 database are the focus of the organization's digital transformation, there are many
271 applications that encompass the transformation, all of which are interconnected.

Patrick Murphy, Director, Data Analytics, reported that to date over 98,000 members have registered within the new system and over \$25,000 has been donated to the Foundation through the new registration process. Mr. Murphy provided a timeline of the SWIMS 3.0 launch, and its subsequent fixes, adjustments, and additional features. Mr. Murphy also reported that the support ticket system is going to be updated to be more efficient in supporting members who are having issues with SWIMS 3.0.

Mr. Murphy presented the upcoming timeline for future projects with the goal of having the entirety of the digital transformation completed by September 2023.

The Board and staff discussed ways in which the Board can help staff with support of SWIMS 3.0, including encouraging members to utilize the resources available on the USA Swimming website.

OFFICIALS PROCESS UPDATE

Mrs. Howard introduced Kathleen Scandary, Program & Events Coordinator and Matt Wilson, Chair of the Officials Committee.

Ms. Scandary described challenges for standardizing officials' certification and education, including inconsistencies and lack of transparency between LSCs.

Mr. Wilson remarked on the overall goals of meeting the needs for the different LSCs, through promoting transparency, officials' development, and consistency.

Mr. Chung described what the future state of officiating could look like through standardization at all levels of officials' certification and education.

Clark Hammond, Board of Directors Member, described the benefits of standardizing officials' certification and education, including confidence in the process, reliability in the quality of officiating, larger pool of officials, lower barriers to entry and advancement, accessible information, and officials' succession planning.

COMMERCIAL UPDATE

Shana Ferguson, Chief Commercial Officer, remarked on the tailwinds from the past year regarding partnership marketing and expressed excitement about upcoming partnerships, including one with USA Track & Field.

Mrs. Ferguson reported that USA Swimming is working with the Connected TV Group to build a channel dedicated to USA Swimming that will provide access to race archives and

instructional videos, showcase influencers, and allow for greater monetization of sponsor assets.

GOLDEN GOGGLE AWARDS

Mrs. Ferguson provided a preview of the 2022 Golden Goggle Awards, to be held November 21st in New York City, emphasizing the importance of Alumni engagement.

2023 EVENTS CALENDAR

Mrs. Ferguson presented the 2023 events calendar, highlighting the Board of Directors meetings.

CYBERSECURITY UPDATE

Mr. Skufca introduced Chris Detert, Director, Information Technology.

Mr. Detert reported on USA Swimming's cybersecurity, including why the organization invests in cybersecurity, the process of hiring a third-party organization to assess the organization's current program, detailing a road map for improving cybersecurity, and the various organizations that contribute to USA Swimming's cybersecurity program. Mr. Detert additionally remarked on the organization's cybersecurity focus areas, such as data privacy, data protection, and security operations.

CLOSED SESSION (2.3.6)

LITIGATION UPDATE

The Board went into closed session so Ms. Steinfeld could provide a legal update.

INSURANCE/RISK MANAGEMENT

The Board remained in closed session so Mr. Skufca could provide an update on insurance and risk management.

AUDITOR SECTION

The Board remained in closed session so Mr. Skufca could provide an external auditor update.

OPEN SESSION

The Board came out of closed session.

Mr. Chung presented a motion for the Board to approve an external auditor as recommended by the Audit Committee.

MOTION: That the Board approve Stockman Kast Ryan & Co, LLP as the external auditor for USA Swimming for the year ending December 31, 2022, as recommended by the Audit Committee. Seconded. **APPROVED.**

Mr. Brearton presented a motion for Board approval regarding the organization's ability to resolve uninsured claims from certain Board designated funds and/or a USA Swimming existing line of credit.

MOTION: To allow the President & CEO and the Secretary & General Counsel to resolve any uninsured claims, with amounts consistent with the valuation of outside counsel and the organization's precedential settlement values, from certain Board designated funds and/or a USA Swimming, Inc. existing line of credit. Seconded. **APPROVED.**

BOARD CALENDAR

Ms. Ferguson presented the 2023 Board calendar.

- Saturday, February 4: Virtual Board Meeting
- Saturday, April 22: In-person Board Meeting at the USA Swimming Workshop, Denver, CO
- Monday, July 17: Virtual Board Meeting – Legislative Discussion
- Friday, September 22: In-person Board Meeting at the Annual Business Meeting, Colorado Springs, CO
- Saturday, November 18: In-person Board Meeting at the Golden Goggle Awards, Los Angeles, CA

Mr. Brearton thanked out-going Board member Jennifer Gibson for her service.

ADJOURN

Mr. Brearton adjourned this meeting at 4:19 p.m. Mountain Time.

Respectfully submitted:

Michelle Steinfeld, Secretary and General Counsel

Chris Brearton, Board Chair

USA Swimming Board of Directors Minutes Attachments

September 23, 2022 / Colorado Springs, CO

Attachment 1	Agenda: September 23, 2022
Attachment 2	Page 2 – DRAFT BOD Minutes April 22, 2022
Attachment 3	Page 2 – DRAFT BOD Minutes July 18, 2022
Attachment 4	Page 3 – Credentialing Policy
Attachment 5	Page 4 – AAC Manual
Attachment 6	Page 5 – Foundation 2022 Budget to Projection
Attachment 7	Page 5 – Foundation Financial Statement Report Q2
Attachment 8	Page 6 – Policy 3.4: Financial Condition & Activities
Attachment 9	Page 6 – USA-S Q2 2022 Financial Statement Report
Attachment 10	Page 6 – USA-S & Foundation Investment Portfolio
Attachment 11	Page 6 – Policy 3.6: Financial Budgeting
Attachment 12	Page 6 – USA-S 2022 Budget vs. 2022 Projection
Attachment 13	Page 6 – USA-S 2023 Quad Business Plan Summary
Attachment 14	Page 6 – BOD Related 2023 Budget Items
Attachment 15	Page 7 – Policy 3.10: LSC Reporting Requirements
Attachment 16	Page 7 – Policy 3.11: USA Swimming Foundation Mgmt.
Attachment 17	Page 7 – Policy 1.1: Competitive Success
Attachment 18	Page 7 – Policy 1.4: Recognition of USA Swimming
Attachment 19	Staff Update to the Board



AGENDA

USA Swimming
Board of Directors
Board of Directors Meeting - September 2022
Friday, September 23, 2022, 9:00 am - 4:00 pm

- A. Welcome 9:00
1. Call to Order / Record of Attendance (2.6.2)
 2. Board Chair's Welcome
 3. Introductions
 4. Rules of Engagement
 5. Declaration of Conflict of Interest (2.5.4)
 6. Safe Sport Moment
 - a. Event Audit
 - b. New Hires
 7. Approval of Board Minutes
 - a. **ACTION: Approve April 22, 2022 Meeting Minutes**
 - b. **ACTION: Approve July 18, 2022 Meeting Minutes**
- B. Board Process 9:15
1. Operating Policy Manual
 - a. Credentialing Policy
 - i. **ACTION: Approve Operating Policy Manual**
 2. Board Discussion: Individual Dues 9:30
- C. Coach Advisory Council (CAC) 9:40
1. CAC Presentation
- D. Athletes' Advisory Council (AAC) 10:00
1. AAC Presentation
 2. AAC Manual Update
 - i. **ACTION: Approval AAC Manual**

E. Zone Directors' Council (ZDC)	10:20
1. ZDC Presentation	
F. Long Term Strategy Discussion	10:40
G. Foundation Update	11:25
H. Management Parameters Monitoring	
1. 3.4 Financial Conditions & Activities	11:35
a. ACTION: Approve the Report	
2. 3.6 Financial Planning and Budgeting	11:45
a. ACTION: Approve the Report	
b. ACTION: Approve Board Related Expense	
c. Quad Surplus	
3. 3.10 LSC Reporting Requirements	12:00
a. ACTION: Approve the Report	
4. 3.11 USA Swimming Foundation Management	12:05
a. ACTION: Approve the Report	
I. ENDS	
1. 1.1 Competitive Success	12:10
a. ACTION: Approve the Report	
2. 1.4 Recognition of USA Swimming	12:20
a. ACTION: Approve the Report	
J. Digital Transformation	12:25
K. Officials Process Update	12:55
L. Commercial Update	1:10
1. Golden Goggle Awards	
2. 2023 - 2024 Events Calendar	
M. Cybersecurity Update	1:20
N. Closed Session	1:30
1. Litigation Update	
2. Safe Sport Update	
3. Insurance/Risk Management	

4. Auditor Selection
5. Legislative Update

O. Open Session

1. **ACTION: Approve External Auditor**
2. **ACTION: Approve the Motion**

P. Board Calendar

Q. Adjournment

2:00

Total Meeting Time: 5h 0m

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

USA Swimming Board of Directors Meeting Minutes

April 22, 2022 / Denver, CO – USA Swimming Workshop

CALL TO ORDER

Chris Brearton, Board Chair, called the April 22, 2022 Board of Directors meeting to order at 8:35 a.m. Mountain Time with the following members in attendance:

PRESENT

Maya Andrews (virtual), Chris Brearton, Kenneth Chung, Tony Ervin (virtual), Kathy Fish, Bruce Gemmell (virtual), Jennifer Gibson, Natalie Hall, Clark Hammond, Tim Hinchey, Ira Klein, Katie Meili (virtual), Kathleen Prindle, Bill Schalz, Michelle Steinfeld, Ashley Twichell (virtual), Bob Vincent.

GUESTS

Tim Bauer, Anne Berry, Bill Charney, Mike Dilli, Ryan Gibbons, Ken Hayashida, Mark Jones, Derek Paul, Matthew Rigsby, Dave Smith, Tom Ugast.

STAFF

Chloe Adkins, Paula D'Amico, Shana Ferguson, Abigail Howard, Lucinda McRoberts, Lindsay Mintenko, Eric Skufca, Joel Shinofield.

BOARD CHAIR'S WELCOME

Mr. Brearton spoke about the challenges the organization has recently faced and how this meeting will be more proactive with the future of the sport top of mind through mitigating risks and forward thinking.

RULES OF ENGAGEMENT

Mr. Brearton provided an overview of the Rules of Engagement (Attachment 1).

SAFE SPORT MOMENT

Joel Shinofield, Managing Director of Sport Development, reported that USA Swimming's Safe Sport Department is hiring two coordinator positions so the entire department can be more strategic in its approach to assisting and educating membership regarding Safe Sport issues. Mr. Shinofield also encouraged the Board to join upcoming Safe Sport trainings.

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

Abby Howard, Senior Director of Legal & Membership Affairs, briefly described the U.S. Center for SafeSport's (intake, resolution, reporting and communication processes.

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.

MINUTES

MOTION: *To approve the February 11, 2022 Board of Directors meeting minutes (Attachment 2). Seconded. APPROVED.*

BOARD PROCESS

POLICY 4.4 AMENDMENT TO THE BOARD GOVERNING POLICIES MANUAL

Michelle Steinfeld, Secretary & General Counsel, presented the following proposed changes to the Board Governing Policies Manual: (1) ensuring that Policy 4.4 accurately reflects the semi-annual presentation of Policy 3.6, Financial Planning and Budgeting, and (2) moving the presentation of Policy 3.4 to the Board Meeting at the Annual Business Meeting.

Eric Skufca, Chief Financial Officer, remarked that during the reporting of Monitoring Report 3.4, Financial Condition and Activities, the Board approves an external auditor and explained the need to shift from the spring Board meeting to the Board meeting occurring during the Annual Business Meeting to give the organization appropriate time to review its external auditor and plan for each subsequent year.

MOTION: *To amend Policy 4.4 of the Board Governing Policies Manual as outlined in Attachment 3, effective immediately. Seconded. APPROVED.*

BYLAW 2.6 AMENDMENT

Mrs. Howard presented the changes to Bylaw 2.6 which consolidate and formalize the requirements of those individuals who are required to be non-athlete members of USA Swimming into one place.

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

MOTION: To amend Bylaw 2.6 as outlined in Attachment 4, effective immediately. Seconded. **APPROVED.**

BYLAWS 5.1.2 AND 5.5.1 AMENDMENTS

Ms. Steinfeld explained the proposed changes which would allow members of the National Board of Review (NBOR) to serve five consecutive term limits with the intent to retain institutional knowledge for NBOR panelists.

The Board discussed adding clarity to Bylaw 5.1.2(F) by including language that NBOR members serve two (2) year terms.

MOTION: To amend Bylaws 5.1.2(F) and 5.5.1 as orally modified by Board discussion, effective immediately (Attachment 4). Seconded. **APPROVED.**

NBOR RULEBOOK PROPOSALS DISCUSSION

Ms. Steinfeld presented proposed legislation to modify Article 4 of the Rulebook regarding NBOR procedures, including one proposal which would solidify Board-approved changes to the Ethics Committee's jurisdiction, as well as a few housekeeping items. Ms. Steinfeld also explained a second alternative proposal which would move certain portions of Article 4 to USA Swimming's NBOR Procedures document within its Operating Policy Manual (Attachments 5 - 6). Ms. Steinfeld noted that the rationale for moving these sections of Article 4 was because they are already encompassed in the NBOR Procedures document and because these articles are procedural in nature, as opposed to containing actual rules that would belong in the Rulebook.

Mrs. Howard explained that the NBOR Procedures document offers a comprehensive overview of the NBOR process within the Operating Policies Manual, specifically for those involved in the process.

Derek Paul, Chair of the Rules & Regulations Committee, added his support for the proposal to move portions of Article 4, noting the ease of access to the information the change would allow.

The Board discussed the benefits of moving the procedural portions of Article 4 and agreed that a cross reference should be available in the Article 4 so that members are easily directed to the Grievance Policy on the USA Swimming Website.

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

MOTION: To submit the legislative proposal regarding Article 4 of the USA Swimming Rulebook to the Rules & Regulations Committee for consideration by the May 15, 2022 deadline, as outlined in Attachment 6. Seconded. **APPROVED.**

FOUNDATION UPDATE

Lucinda McRoberts, Chief Administrative Officer and Executive Director of the USA Swimming Foundation, introduced Anne Berry, Vice Chair of the Foundation Board of Directors. Ms. Berry reported that nearly \$900,000 in grants were awarded to learn-to-swim providers so far this year. Ms. Berry expressed special gratitude for Rowdy Gaines and the Pool & Hot Tub Alliance for their generous donation (Attachments 7 - 9).

Ms. Berry described the USA Swimming Supporters Club, which will be highlighted both at the Foundation's luncheon at the USA Swimming Annual Workshop and during the upcoming Phillips 66 International Team Trials in Greensboro, NC.

Ms. Berry commented on the successful fundraising year in 2021 and noted the 2021 surplus of \$483,000 for the Foundation.

Lastly, Ms. Berry announced that the Make-A-Splash tour presented by Phillips 66 kicks off in May with its first stop in Philadelphia, PA.

Ms. McRoberts briefly provided background on prospective Foundation Board of Directors member, Tom Luchsinger.

MOTION: To elect Tom Luchsinger to the Foundation Board of Directors for a 2022-2024 term. Seconded. **APPROVED.**

MANAGEMENT PARAMETERS MONITORING (4.4)

POLICY 3.1 TREATMENT OF MEMBERS / CONSUMERS

Ms. Steinfeld presented Policy 3.1, Treatment of Members/Consumers (Attachment 10).

MOTION: To approve the performance monitoring report on Policy 3.1, "Treatment of Members/Consumers," 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.**

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

POLICY 3.2: EXTERNAL RELATIONS

Ms. McRoberts presented Policy 3.2, External Relations (Attachment 11).

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

POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES

Mr. Skufca reported that the 2017 – 2021 quad will end with an operating surplus of approximately \$1.86 million and that the annual external financial audit will be completed in the coming weeks.

Mr. Skufca additionally presented the current 2022 projection, as compared to the approved operating budget deficit of approximately \$2.6 million and explained the material budget to projection variances known at the time of this Board meeting. Variance examples include increased expenditures for additional domestic and international events that were not anticipated or on the calendar when the 2022 budget was presented and approved in 2021. Mr. Skufca also noted that some of the increased cost will be offset by less than expected insurance and commercial expenses. Lastly, Mr. Skufca added that Partnership Marketing revenue ended higher than projected for 2021 but is currently trending less than budgeted for 2022.

Mr. Hinchey thanked the staff for their hard work on achieving a surplus and additionally expressed gratitude towards Vice-Chair Fiscal Oversight Kenneth Chung for his contributions and expertise in finances and risk management.

Mrs. Ferguson commented on Partnership Marketing's commitment to investing in partnerships during the coming year.

Mr. Chung presented Policy 3.4, Financial Condition & Activities (Attachments 12 - 19).

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

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

POLICY 3.5: ASSET PROTECTION

Mr. Chung presented Policy 3.5, Asset Protection (Attachment 20).

MOTION: To approve 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.**

POLICY 3.8: EMERGENCY MANAGEMENT SUCCESSION

Ms. Steinfeld presented Policy 3.8, Emergency Management Succession (Attachment 21).

MOTION: To approve 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.**

MEMBERSHIP REVENUE ANALYSIS

Mr. Shinofield provided both current and historical membership data, noting the deficit in 12 and under membership. Mr. Shinofield additionally reported on what the organization has learned in the years since the implementation of the Flex membership category, noting that if the organization does not change the Flex membership category, the organization will continue to lose membership revenue as athlete growth will continue to be modest and just under 20% of Flex memberships are taken from Premium and Seasonal memberships. Mr. Shinofield reminded the Board that in January 2020, it had passed a motion regarding the Flex membership structure, that had been delayed multiple times due to the pandemic. He then explained a new proposal regarding membership fees and categories that could supersede the January 2020 motion.

Mr. Shinofield proposed to change the Flex membership by making it for 12 and under athletes, increasing the fee, and shifting the administrative responsibilities to USA Swimming staff as opposed to Local Swimming Committees (LSCs).

The Board engaged in discussion regarding the nuances of the different memberships and how the changes to Flex would affect membership as well as revenue and costs.

Mr. Brearton asked for an accelerated analysis of how any changes to Flex membership will impact the organization.

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

Mr. Shinofield additionally asked for the Board to consider putting forward a resolution to the House of Delegates regarding a fee change to Seasonal membership with the intention of beginning in the 2024 membership year.

Ms. Steinfeld informed the Board that based on this discussion, the staff would draft a proposed Bylaw change to Flex membership, a proposed Flex membership fee change, and a proposed resolution to the House of Delegates regarding the Seasonal membership fee. Ms. Steinfeld explained that these proposals would be circulated to the Board for written approval via Action Without a Meeting and that they would formally supersede the past January 2020 motion regarding Flex membership.

CLOSED SESSION (2.3.6)

LITIGATION UPDATE

The Board went into closed session so Ms. Steinfeld could provide a legal update.

USOPC UPDATE

The Board remained in closed session for an update on the USOPC.

BOARD CALENDAR

The Board came out of closed session and Mr. Brearton presented the 2022 Board calendar.

- April 21-22: USA Swimming Annual Workshop, Denver, CO
 - April 21: Board Strategy Session
 - April 22: In-person Board Meeting
- July 26-30: Phillips 66 National Champs, Irvine, CA
 - USA Swimming Alumni Reunion
 - Foundation Trustee Council Meeting
- September 23: In-person Board Meeting @ Annual Business Meeting, Colorado Springs, CO
- November 20: In-person Board Meeting @ Golden Goggle Awards, New York City, NY

ADJOURN

Mr. Brearton adjourned this meeting at 12:13 p.m. Mountain Time.

Respectfully submitted:



DRAFT

DRAFT

DRAFT

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

Michelle Steinfeld, Secretary and General Counsel

Chris Brearton, Board Chair

DRAFT

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

USA Swimming Board of Directors Minutes Attachments

April 22, 2022 / Denver, CO – USA Swimming Workshop

Attachment 1	Page 1 – Agenda: April 22, 2022
Attachment 2	Page 2 – DRAFT BOD Minutes February 11, 2021
Attachment 3	Page 2 – Policy 4.4 Changes
Attachment 4	Page 3 – April Bylaw Edits
Attachment 5	Page 3 – NBOR Legislation Version 1
Attachment 6	Page 3 – NBOR Legislation Version 2
Attachment 7	Page 4 – USA-S Foundation Financial Statement 2021
Attachment 8	Page 4 – USA-S Foundation Financial Summary 2021
Attachment 9	Page 4 – USA-S Foundation Financial Written Report
Attachment 10	Page 4 – Policy 3.1, Treatment of Members/Consumers
Attachment 11	Page 5 – Policy 3.2, External Relations
Attachment 12	Page 5 – USA-S Financial Summary Comparison 2021
Attachment 13	Page 5 – USA-S Financial Statement Report 2021
Attachment 14	Page 5 – USA-S Financial Written Report 2021
Attachment 15	Page 5 – USA-S Q1 2022 Financial Report - Preliminary
Attachment 16	Page 5 – USA-S / Foundation Investment Statements
Attachment 17	Page 5 – USA-S 2022 Budget to Projection
Attachment 18	Page 5 – USA-S Business Plan Summary 2017 - 2021
Attachment 19	Page 5 – Policy 3.4, Financial Condition & Activities
Attachment 20	Page 6 – Policy 3.5, Asset Protection
Attachment 21	Page 6 – Policy 3.8, Emergency Management Succession
Attachment 22	Staff Report to the Board

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

USA Swimming Special Board of Directors Meeting Minutes

July 18, 2022 / Virtual Zoom Conference Call

CALL TO ORDER

Chris Brearton, Board Chair, called the July 18, 2022 Board of Directors meeting to order at 1:32 p.m. Mountain Time with the following members in attendance:

PRESENT

Chris Brearton, Kenneth Chung, Kathy Fish, Jennifer Gibson, Clark Hammond, Tim Hinchey, Ira Klein, Katie Meili, Kathleen Prindle, Bill Schalz, Michelle Steinfeld, Ashley Twichell, Bob Vincent.

NOT PRESENT

Maya Andrews, Tony Ervin, Bruce Gemmell, Natalie Hall.

GUESTS

Bill Charney, Caitlin Leverenz Smith.

STAFF

Paula D'Amico, Shana Ferguson, Abigail Howard, Corey Manley, Lucinda McRoberts, Lindsay Mintenko, Patrick Murphy, Eric Skufca, Joel Shinofield.

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.

Michelle Steinfeld, Secretary & General Counsel, informed the Board that per direction from the Ethics Committee, Bill Schalz will recuse himself for a topic presented during Closed Session, due to a potential conflict of interest.

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

BOARD PROCESS**2022 USOPC AUDIT**

Ms. Steinfeld presented the findings of the 2022 USA Swimming United States Olympic and Paralympic Committee (USOPC) Audit, including that the organization had already fulfilled forty-four (44) out of forty-eight (48) standards.

Ms. Steinfeld provided further explanation on the four remaining standards. The first standard was specific to paralympic sports and thus not applicable to USA Swimming. The second standard was a component of the U.S. Center for SafeSport audit which will be left “undetermined” until legislation is passed by in September at the annual meeting of the House of Delegates. The third standard had already been met substantively and will be memorialized upon formal changes to the USA Swimming Bylaws (Attachment 2) at this meeting, as well as at the annual meeting of the House of Delegates. The final standard regarding grievance procedures had been addressed since receiving the Audit report.

Ms. Steinfeld shared audit scores from other National Governing Bodies (NGBs) noting USA Swimming’s score of 92% was the highest of all NGBs.

BYLAW AMENDMENT

Ms. Steinfeld presented the proposed amendment to Bylaw 4.2 memorializing that fifty percent (50%) of 10-Year Athlete representatives to the Board will have obtained 10-Year Athlete representative eligibility through competing at an event that, at the time of election/selection, is on a Delegation Event program (Attachment 3).

MOTION: To amend Bylaw 4.2, as outlined in Attachment 3, effective immediately. Seconded. **APPROVED.**

Ms. Steinfeld presented the proposed amendments to Bylaws 5.2, 5.3, and 5.6 (Attachment 3) to clarify that 10-Year Athlete representatives must comprise at least fifty percent (50%) of the required one-third (1/3) eligible athlete representation on all Designated Committees.

MOTION: To amend Bylaws 5.2, 5.3, and 5.6, to clarify athlete representation on Standing Committees, as outlined in Attachment 3, effective immediately. Seconded. **APPROVED.**

BOARD GOVERNING POLICIES MANUAL AMENDMENT

Ms. Steinfeld presented the proposed amendment to Policy 3.6 of the Board Governing Policies Manual, formally adding language for the Board to review and approve financial statements and financial control policies (Attachment 4).

MOTION: To amend Policy 3.6 “Financial Planning and Budgeting” of the Board Governing Policies Manual as outlined in Attachment 4, effective immediately. Seconded. **APPROVED.**

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

UPDATE ON NEW HOD WORKING GROUP

Ms. Steinfeld remarked on legislation that was passed in 2021 requiring a House of Delegates (HOD) Working Group to review changes made to the HOD's composition in 2021. Ms. Steinfeld noted that the Working Group is comprised of six athletes appointed by the Athletes' Advisory Council.

MOTION: *To approve the below members of the House of Delegates Working Group.*
Seconded. APPROVED.

- Ron Van Pool
- Mary Turner
- Julie Bachman
- Tristan Formon
- Jamie Bloom
- Jennifer Gibson

2021 AUDIT REPORT

Eric Skufca, Chief Financial Officer, reported that both the 2021 Consolidated USA Swimming and USA Swimming Foundation audits came back with clean, unqualified opinions requesting no adjustments or recommendations. Mr. Skufca presented the 2021 Consolidated Audit Report as accepted and recommended for Board approval by the Audit Committee. Mr. Skufca noted that 2021 tax returns will utilize the information within the audit and be available later this year (Attachments 5 – 10).

MOTION: *To approve the 2021 Consolidated Audit Report as accepted and recommended for Board approval by the Audit Committee, as outlined in Attachment 10. Seconded.*
APPROVED.

LEGISLATIVE PACKET REVIEW

Tim Hinchey, President & Chief Executive Officer, remarked on how the organization has adjusted its annual cadence to include a Board of Directors virtual summer meeting to review the legislative packet for the HOD and to consider changes that resulted from the Annual Workshop.

Abigail Howard, Senior Director, Legal & Membership Affairs, reviewed the legislative packet (Attachment 11) and Ms. Steinfeld and Mrs. Howard responded to questions and comments.

CLOSED SESSION

FINANCE UPDATE

The Board went into Closed Session to discuss a financial matter. Mr. Schalz was recused during the Financial Update per a directive from the Ethics Committee.

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

LEGAL UPDATE

The Board remained in Closed Session so that Ms. Steinfeld could give a brief legal update.

USOPC UPDATE

The Board remained in Closed Session so that Mr. Hinchey could give an update on the USOPC.

LONG TERM STRATEGIC PLANNING UPDATE

Lucinda McRoberts, Chief Administrative Officer, reported that from the Board Working Group brainstorming sessions, staff leads were able to narrow down the strategic initiatives for the organization to focus on as part of its long-term strategic planning. Ms. McRoberts also remarked on developing a high-level plan of what the organization would like to accomplish this year, next year, and beyond. Ms. McRoberts noted that Board Working Groups will continue meeting with a focus on developing the long-term strategic plan and associated metrics, and annual Key Performance Indicators.

MEMBERSHIP UPDATE

Joel Shinofield, Managing Director, Sport Development, briefly remarked on how all the components the organization's digital transformation are working together to better serve the membership.

Patrick Murphy, Director, Data Analytics, provided a brief membership update, noting that membership numbers are trending upwards, with currently 389,000 members. Corey Manley, Data Analyst, further expanded on increased membership numbers while showing a glimpse of the reporting tool that will be available to build detailed membership reports.

NATIONALS UPDATE

Shana Ferguson, Chief Commercial Officer, highlighted aspects of the upcoming 2022 Phillips 66 National Championships, including the broadcast schedule, special guests, and hospitality events.

ADJOURN

Mr. Hinchey adjourned this meeting at 3:42 p.m. Mountain Time

Respectfully submitted:

Michelle Steinfeld, Secretary and General Counsel

Chris Brearton, Board Chair

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2022 meeting.

USA Swimming Board of Directors Minutes Attachments

July 18, 2022 / Virtual Zoom Conference Call

Attachment 1
Attachment 2
Attachment 3
Attachment 4
Attachment 5
Attachment 6
Attachment 7
Attachment 8
Attachment 9
Attachment 10
Attachment 11

Agenda: July 18, 2022
Page 2 – 2022 USOPC Audit
Page 2 – Bylaw Changes
Page 2 – Board Governing Policies Manual Update
Page 3 – USA Swimming – Affiliates Rec Letter
Page 3 – USA Swimming – Affiliates SAS 114 Letter
Page 3 – USA Swimming Foundation Final Statements
Page 3 – USA Swimming Foundation Rec Letter
Page 3 – USA Swimming Foundation SAS 114 Letter
Page 3 – USA-S – Affiliates Consolidated Final Stmts.
Page 3 – 2022 Proposed Legislation

USA SWIMMING CREDENTIALING POLICY

PURPOSE

The USA Swimming Credentialing Policy outlines the types of credentials and access granted to participants at USA Swimming events (“Event” or “Events”), as well as the costs associated with certain credentials for corporate sponsors and partnerships (“Partners”).

ACCESS

The following chart depicts the types of credentials available for participants at Events, the associated access, and the necessary actions to obtain this type of credential at each Event.

Credential	Access	Necessary Documentation/Actions
Athlete	Full access, but for Hospitality or VIP areas.	Must be USA Swimming member in good standing and be registered for Event; must have signed any applicable waivers; to be confirmed by Event staff at registration.
Coach	Full access.	Must be USA Swimming member in good standing (including coaching requirements) and have athlete(s) registered for Event; to be confirmed by Event staff at registration. USA Swimming also imposes on limits number of coaches per Event per club based on the number of athletes registered for Event. Must sign any applicable waivers.
Official	Full access.	Must be USA Swimming member in good standing (including officiating requirements), have applied in advance to be assigned to officiate Event, and have been assigned to Event; to be confirmed by Event staff at registration. Must sign any applicable waivers.
USA Swimming Staff	Full access.	Must be current employee of USA Swimming and USA Swimming member in good standing; to be confirmed by Event staff at registration.

USADA Staff	Access to deck and designated USADA area.	USADA will provide names of USADA Anti-Doping Control Staff prior to Event; to be confirmed by Events staff at registration. Following Event, any additional names that were given credentials should be sent to USA Swimming for review ¹ .
Media	<p>Limited access to deck and full access to designated media area.</p> <p>Limited deck access: no pictures taken from behind starting blocks, during race starts, or when athletes are exiting the pool.</p> <p>Per USA Swimming's Professional Journalism Policies, athlete seating areas are off limits. Interviews must be conducted only in designated areas unless special arrangements are made through USA Swimming Communications staff. Per USA Swimming's Photographer Guidelines, photographers may not enter competition or warm-down</p>	<p>Must submit names and emails to USA Swimming Communications staff to ensure that individuals are legitimate press members and have a reason to be at Event. No access for any Attendee permanently suspended or made ineligible for membership, by either USA Swimming or the U.S. Center for SafeSport.</p> <p>All media members must abide by USA Swimming's Media Accreditation Policy, found here: https://www.usaswimming.org/about-usas/resources/media-information. All media members must abide by USA Swimming's Professional Journalism Policies; all videographers must abide by USA Swimming's Broadcast Policies; and all photographers must abide by USA Swimming's Photographer Guidelines.</p> <p>USA Swimming will distribute information regarding its Minor Athlete Abuse Prevention Policy ("MAAPP") to all Sponsor Attendees on this list. Media members must fully comply with MAAPP during Event.</p> <p>Following Event, any additional names that were given credentials should be sent to USA Swimming to ensure that these individuals receive information about MAAPP.</p>

¹ For any Credential category that permits Event access and only requires names to be submitted in advance: if a name was not submitted in advance, USA Swimming Events staff shall require the individual to provide their name and email contact information at registration prior to providing a credential. The individual will also be provided with a QR Code to the MAAPP to review prior to participating.

	pool during competition or training session.	
Broadcast Team	Deck access.	Must submit names and emails to USA Swimming in advance. If in position of authority over or has direct and/or frequent contact with athletes, must be members in good standing; confirmed by Event staff at registration.
Suit Servicing Partners	Full access.	<p>Per agreement with Partners, 30 days before Event, Partner must provide list of names and emails of employees, agents, consultants, and contractors ("Attendees") at Event. USA Swimming will distribute information about MAAPP to Attendees before Event.</p> <p>On the list, Partner specifies whether any Attendees will have access to Athlete Services Area² or is in a position of authority over or has direct and/or frequent contact with athletes, so that USA Swimming can confirm membership in good standing; confirmed by Event staff at registration.³ If Attendee does not fall into this category, they will be given VIP access instead (explained below).</p> <p>USA Swimming will not grant access to Event for any Attendee permanently suspended or made ineligible for membership, by either USA Swimming or the U.S. Center for SafeSport. After Event, Partner will send final list of Attendees, including those not on the original list but who did attend.</p>
Retail Partner	Access to retail areas and spectator stands.	30 days prior to Event, Partner responsible for any Retail Partners will provide list of Retail Partners attending Event.

² An area open to Partner in which its employees, agents, and contractors may (i) be participating in Event, (ii) have a position of authority over athletes or (iii) have direct and frequent contact with athletes.

³ For Attendees not in a position of authority over or with direct and/or frequent contact with athletes, USA Swimming will confirm that none are listed on the U.S. Center for SafeSport's Centralized Disciplinary Database, USA Swimming's List of Individuals Permanently Suspended or Ineligible for Membership, or USA Swimming's List of Individuals Suspended or Ineligible – Specific Date.

		<p>USA Swimming will distribute information regarding MAAPP to all Attendees on this list.</p> <p>Partner will specify whether any Retail Partners will have access to Athlete Services Area or otherwise is in position of authority over or has direct and/or frequent contact with athletes, so that USA Swimming can confirm membership in good standing; confirmed by Event staff at registration.⁴</p> <p>USA Swimming will not grant access to Event for any Retail Partner that has been permanently suspended or made ineligible for membership, by either USA Swimming or the U.S. Center for SafeSport. After Event, Partner will send final list of Retail Partners, including those not on the original list but who did attend.</p>
Volunteer	Full access. ⁵	30 days prior to Event, Host will provide list of Volunteers attending Event. USA Swimming distributes information regarding MAAPP. Following Event, any additional names that were given credentials should be sent to USA Swimming for review.
Agent	Spectator seating.	30 days prior to Event, must provide name to USA Swimming; to be confirmed by Events staff at registration. Following Event, any additional names that were given credentials should be sent to USA Swimming for review.
Team Support	Full access, including deck and VIP areas; no access to Hospitality.	Must be USA Swimming member in good standing and provide name to USA Swimming 30 days prior to Event; to be confirmed by Event staff at registration. Following Event, any additional names that were given credentials should be sent to USA Swimming staff for review. Massage therapists must also provide license numbers to USA Swimming a week prior to Event.

⁴ For all Retail Partners not in a position of authority over or with direct and/or frequent contact with athletes, USA Swimming confirms that no Sponsor Attendees are listed on the U.S. Center for SafeSport's Centralized Disciplinary Database, USA Swimming's List of Individuals Permanently Suspended or Ineligible for Membership, or USA Swimming's List of Individuals Suspended or Ineligible – Specific Date.

⁵ Due to their limited role, Volunteers are not in positions of authority over or have direct or frequent contact with athletes.

Event Staff	Full access but for VIP areas. ⁶	30 days prior to Event, must provide name to USA Swimming staff; to be confirmed at registration. Following Event, any additional names that were given credentials should be sent to USA Swimming for review.
VIP	Full access; deck access only with designated USA Swimming staff for each Event; ushers will be informed which staff members are designated before each Event.	30 days prior to Event, must provide name to USA Swimming staff; to be confirmed at registration. Following Event, any additional names that were given credentials should be sent to USA Swimming for review.

COST

Official sponsors of USA Swimming will be provided one credential at no cost. All other suit manufacturers may purchase one credential at the below prices:

Sectionals and Futures	\$500 per event
TYR Pro Swim Series	\$1,000 per event
Speedo Summer Championships	\$2,000
Speedo Junior Nationals	\$2,000
Toyota US Open	\$3,000
Phillips 66 Nationals	\$3,000
Olympic Trials	\$5,000

Should a suit manufacturer not be willing or able to purchase a credential for deck access, USA Swimming will provide a common area for all suit partners to service athletes for no charge outside of the regular price of admission for the event.

PAYMENT OPTIONS

CHECK

⁶ Due to their limited role, Event Staff are not in positions of authority over or have direct or frequent contact with athletes.

Please make check payable to USA Swimming and mail to:

USA Swimming
Attn: William Poff
1 Olympic Plaza
Colorado Springs, CO 80909

CREDIT/DEBIT CARD

Credentials may be purchased through the USA Swimming Online Meet Entry system. Additionally, credentials may be purchased via email. For purchases via email, USA Swimming utilizes an encrypted portal. To purchase via email, please email Will Poff at wpoff@usaswimming.org, indicating the type of credential, quantity, names, USA Swimming ID number, team affiliation, and the Event. Purchasers will then receive a generic email from USA Swimming's firewall provider, Barracuda, including a link to create a login. Responses will take place within a secure email portal, and all attachments are sent/received through this portal.

Exact Name on Card: _____

Card Number: _____

Expiration Date (MM/YYYY): _____

CVC Code: _____

Your E-mail Address: _____

If you prefer, you may separate the card information between two or three emails.

The information will be shredded upon completion of the transaction, and a receipt will be sent to the e-mail address provided.

WIRE/ACH

If paying by wire, please use the following information

Account Name: USA Swimming
Account Number: 0534418231

ABA/Routing Number: 121000248 for Wire Transfers
102000076 for ACH Transfers

SWIFT Code: WFBIUS6S
Bank: Wells Fargo Bank West
90 S. Cascade Avenue

Colorado Springs, CO 80903

Policy : USA Swimming Athletes' Advisory Council – Operating Policy Manual

1. Mission Statement & Purpose

The AAC shall be responsible for:

- (i) reviewing the programs and services offered by the USA Swimming National Team division;
- (ii) evaluating and proposing rules and regulations that directly affect the National Team Athletes'
- (iii) addressing the specific needs of the National Team Athletes in preparation for major international events;
- (iv) evaluating and developing projects and conducting long term plans in all areas concerning National Team Athletes;
- (v) reporting to the members of the National Team Steering Committee and Open Water Steering Subcommittee any issues that warrant attention from those groups; and
- (vi) fulfilling its duties set forth in the USOPC Bylaws, including: selecting athlete representatives to serve on committees and defining sanctioned competition for purposes of athlete representative eligibility.

The AAC is committed to supporting all USA Swimming athletes, not just those at the National Team level. Specifically, the AAC will strive to support and protect the interests of National Junior Team athletes, 10-Year, 10-Year+ Athletes, and 2-Year Athletes. As part of this effort, the AAC will partner with the Athletes' Executive Committee ("AEC") to evaluate and develop projects and conduct long-term planning in all areas concerning USA Swimming athletes.

2. Operating Procedures

a. Voting Members:

- i. The AAC shall consist of nine voting members who meet the requirements of 10-Year Athlete representatives directly elected by athletes who meet the same standards as 10-Year Athletes.
- ii. The voting members may include the U.S. Olympic & Paralympic Committee ("USOPC") AAC representative and the USOPC AAC alternate.

b. Non-Voting Members

- i. AEC Chair shall serve as an ex-officio member with voice but no vote.
- ii. Up to two additional Actively Engaged Athlete Representatives may be appointed by the AAC Chair, in consultation with the AEC Chair, with voice but no vote.

c. Terms of Office

- i. Each AAC voting member shall serve a two-year term, staggered so that one-half of such members are elected each year.¹

¹ Note: The AAC was first created and elected in 2021. In order for the initial AAC members to have sufficient time to develop the AAC, their terms were staggered so that one-half of the committee will serve 2 years and the other

- ii. There shall be no term limits, but voting members must be eligible to serve pursuant to the USOPC Bylaws at the time of election.
- d. Committee Officers
 - i. *Chair*: The Chair shall be elected by the voting members. The responsibilities of the Chair shall include:
 - 1. To present and support all motions and proposals of the AAC to the appropriate USA Swimming governing bodies
 - 2. To conduct all meetings of the AAC, or appoint another member to conduct the meeting
 - 3. To schedule meetings of the AAC; to notify the AAC members of the upcoming meetings
 - ii. *Vice Chair*: The Vice Chair shall be elected by voting members. The responsibilities of the Vice Chair shall include:
 - 1. In the absence of the Chair, to assume all responsibilities and duties of the AAC Chair
 - 2. To generally assist the AAC Chair in all their duties.
 - iii. *Election of Officers*
 - 1. The AAC shall elect its officers from among its voting members by majority vote at the first meeting.
 - iv. *Terms of Officers*
 - 1. Officers shall hold 1-year terms
- e. Removal & Resignation of Athlete Committee Members. As the appointing body for all 10-Year, 10-Year+, and 2-Year Athletes, the AAC has the power to remove all athletes from USA Swimming committees.
 - i. Any athlete committee member (including members of the AAC) who has failed to attend to their official duties or responsibilities or has done so improperly may be removed by the AAC.
 - 1. Within the AAC, an athlete committee member can be removed by majority vote of the other committee members.
 - ii. Any athlete committee member who resigns will be replaced by the AAC to finish out the term of the athlete who resigned.
 - 1. An athlete committee member who resigns from the AAC will be replaced by an election. The elected athlete will finish out the term of the athlete who resigned.

3. Meetings

- a. Regular Meetings: Meetings shall occur monthly virtually. There will be at minimum one in-person meeting per year at a location determined by the AAC Chair and USA Swimming Staff.

half will serve 3 years (excluding the USOPC AAC Representative and Alternate who will serve on the AAC during their time in those positions). The second AAC election will be conducted in 2023; those elected will serve 2-year terms per this manual.

- b. Quorum: A majority of AAC members shall indicate a quorum.
- c. Minutes: Minutes shall be taken during all meetings. A USA Swimming staff, Chair, or Vice Chair will record a summary of proceedings of each AAC meeting.
- d. Voting: The nine (9) voting members of the AAC shall have voice and vote in all AAC matters. A majority of members is required for a motion to pass.
- e. Action Without a Meeting: The AAC shall allow action without a meeting to be communicated via email in between regular meetings. Action without a meeting may be taken if notice is sent to each member, and each member by the time stated in the notice either votes in writing for or against such action, abstains in writing from voting, fails 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 member must respond, that failure to respond by the time stated will have the same effect as abstaining, and that failure to demand in writing by the time stated that action not be taken without a meeting will have the same effect as abstaining. The action will be taken if there are affirmative votes equal or exceed the minimum number of votes that would be necessary to take such action at a meeting.
- f. Open Meetings/Closed Session: All AAC meetings shall be conducted as open sessions, except in those situations it would be of interest to USA Swimming staff or AAC members to hold a closed session, as determined by majority vote of the AAC.

4. Elections²

- a. Beginning in 2023, elections for open AAC seats will be held annually in September.
- b. USA Swimming Staff will send an email to all eligible 10-Year Athletes, announcing the number of open seats, the election timeline, and how to apply.
- c. The application will request the following disclosures: any doping violations, U.S. Center for SafeSport violations, USA Swimming Safe Sport violations, periods of ineligibility, and felony convictions. USA Swimming Staff will review the disclosures to ensure the eligibility of all applicants.
- d. The application will also inquire about any potential conflicts of interest, to be reviewed by USA Swimming's Ethics Committee.
- e. Eligible athletes will be placed on the ballot. USA Swimming Staff will conduct the election via email and electronic ballot. All 10-Year Athletes will be eligible to vote. At the close of the election, USA Swimming Staff will announce the results. New committee members' terms will begin on September.

5. Athlete Committee

- a. Appointments
 - i. Athlete committee appointments for any open seats will occur annually in the fall, following the annual meeting of the House of Delegates. An email will be sent by the AAC to all eligible 10-Year and 10-Year+ Athletes; the email will announce the open seats, the application process, and the timeline for appointment. It will also explain that all applicants but be members of USA Swimming in good standing.

² The election for the USOPC AAC Representative and Alternate will be conducted separately by USA Swimming Staff pursuant to the requirements of the USOPC.

- ii. The application will request the following disclosures: any doping violations, U.S. Center for SafeSport violations, USA Swimming Safe Sport violations, periods of ineligibility, and felony convictions. USA Swimming Staff will review the disclosures to ensure the eligibility of all applicants.
 - iii. The application will also inquire about any potential conflicts of interest, to be reviewed by USA Swimming's Ethics Committee.
 - iv. The AAC will review the names, applications, and disclosures of eligible athletes and vote to appoint athletes to open committee seats.
 - v. Once the committee athletes have been selected, the AAC will inform the applicants of their appointments.
- b. Seeking Exceptions from USOPC Athlete Representation Working Group
 - i. In appointing athletes to committees, the AAC will abide by the athlete representation requirements in the USOPC Bylaws and the USA Swimming Bylaws, Rulebook, and Operating Policy Manual.
 - ii. To the extent that the AAC would like to seek a higher standard, addition, restriction, or exception to the USOPC's athlete representation requirements, the AAC should discuss and vote to submit the request to the National Governing Body Athlete Representation Review Working Group for review and approval.
 - iii. The following are examples of when the AAC might seek an exception:
 - 1. Use of proportional or weighted voting to achieve the necessary level of athlete representation in the House of Delegates.
 - 2. Designation of additional events beyond Delegation Events to expand the pool of eligible 10-Year or 10-Year+ Athletes.
 - 3. Changing a committee's status as either Designated or Other, per the USOPC Bylaws.

6. Conflict of interest

- a. Per USA Swimming's Statement of Ethics and Conflict of Interest Policy, all members of the AAC must submit annual conflict of interest disclosures to USA Swimming's Ethics Committee.
- b. The Ethics Committee will review the disclosures and determine whether a conflict of interest exists and if there are any mitigating measures that could be implemented to manage or avoid the potential conflict.
- c. AAC members will abide by the instructions of the Ethics Committee as to whether disclosure and/or recusal are required at meetings and/or in votes for certain topics.

7. Amendments

- a. Any provision in this Manual may be amended by majority vote.

USA Swimming Foundation
2022 Budget vs. 2022 Projection
As of 9/14/2022

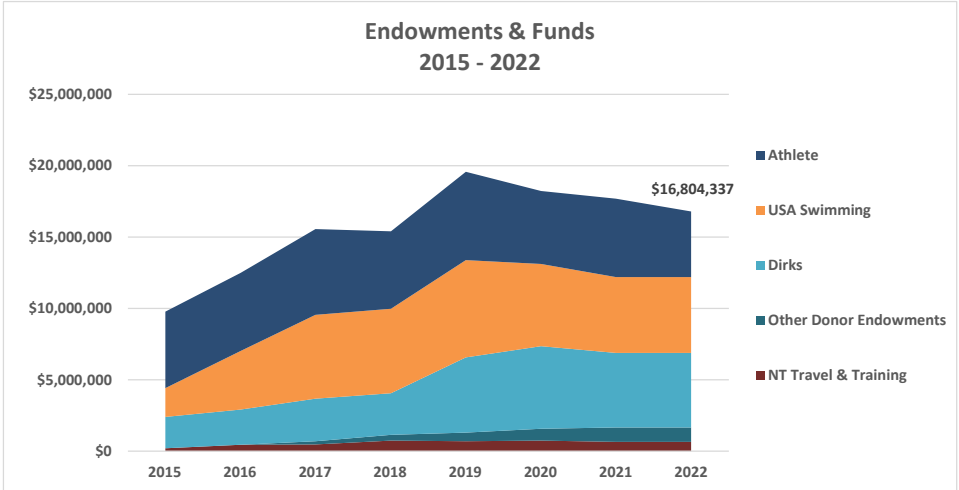
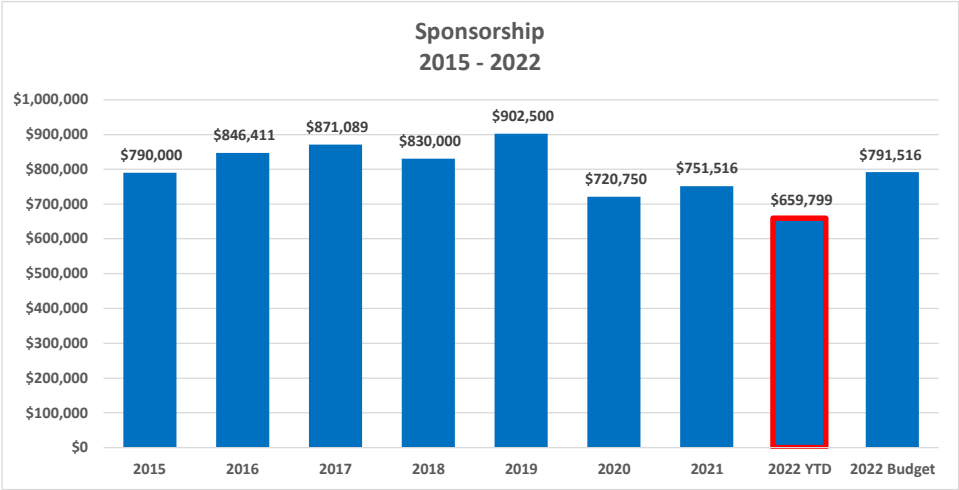
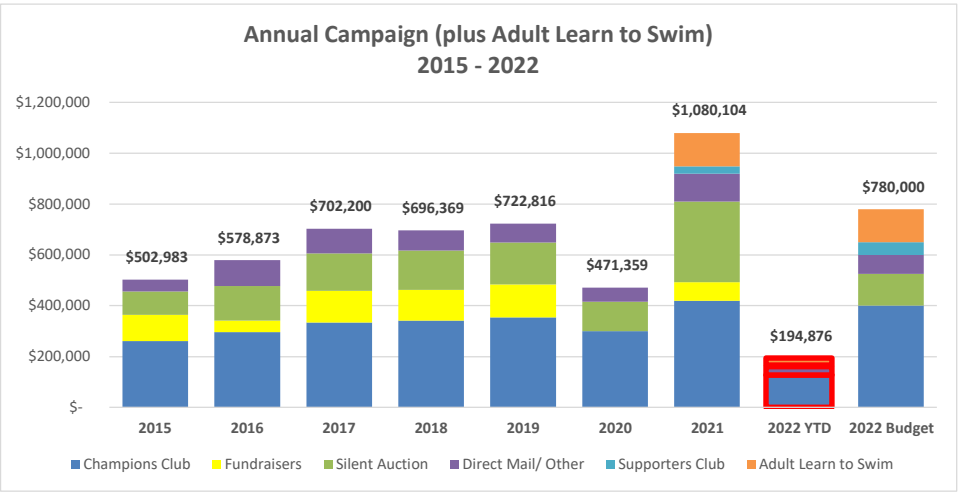
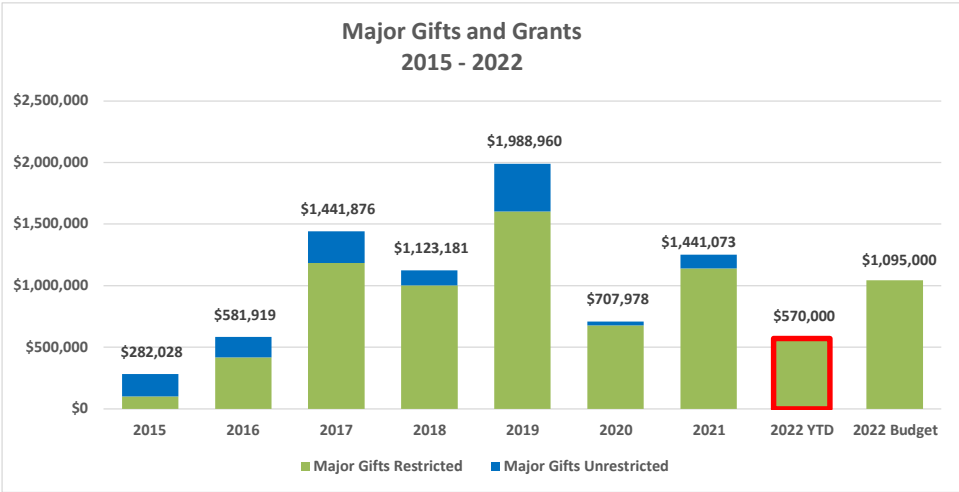
As of 9/14/2022					2022 Revised Budget to Projection		Comment
Actual 2021	Approved Budget 2022	Approved Revised Budget 2022*	Current Projection 2022	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)		
UNRESTRICTED:							
REVENUE:							
Annual Campaign	\$ 958,860	\$ 650,000	\$ 650,000	\$ 620,000	\$ (30,000)	-4.6%	Projecting increased auction, decreased Champs Club and Supporters Club.
Adult Learn to Swim	121,244	130,000	130,000	100,000	(30,000)	-23.1%	Based on current projection, anticipating more volume in Q3, Q4.
Major Gifts - Unrestricted	135,000	-	-	-	-		
Grants - Unrestricted	40,000	50,000	50,000	15,000	(35,000)	-70.0%	Based on current projection and pipeline.
Major Gifts - Satisfied Restrictions	733,901	875,000	875,000	975,000	100,000	11.4%	Increased DAPP and other MG funds. Decreased Trustee funds.
Grants - Satisfied Restrictions	86,195	80,000	80,000	80,000	-	0.0%	Based on current trends and pipeline.
Endowment Distributions	741,250	776,675	776,675	773,500	(3,175)	-0.4%	
Commercial Sponsorships	751,516	791,516	791,516	819,799	28,283	3.6%	More apparel VIK than budgeted.
Olympic Trials Packages	126,043	-	-	-	-		
Swim-a-Thon	48,410	250,000	250,000	200,000	(50,000)	-20.0%	Based on current activity and anticipated participation.
USA Swimming Support - Staff Allocation	348,806	335,000	335,000	335,000	-	0.0%	
Miscellaneous	37,773	30,000	30,000	50,000	20,000	66.7%	Alumni, VIK.
Investment Income / Imputed Interest	13,591	12,500	12,500	-	(12,500)	-100.0%	
Total Revenue	4,142,589	3,980,691	3,980,691	3,968,299	(12,392)	-0.3%	
SUPPORTING EXPENSES:							
Annual Campaign	196,309	207,700	207,700	150,222	57,478	27.7%	Primarily decrease in Supporters Club PR and auction exp.
Olympic Trials Packages	244,092	-	-	-	-		
Swim-a-Thon	21,657	65,356	65,356	48,340	17,017	26.0%	SAT program fulfillment dependent on volume/participation.
Major Gifts	60,068	134,970	204,970	111,970	93,000	45.4%	Less projected travel/donor trips compared to budget.
Marketing	121	8,000	8,000	8,000	-	0.0%	
Board of Directors & Trustee Council	34,972	50,285	50,285	22,569	27,716	55.1%	BOD, Trustee council
Administrative & Operational Support	116,275	148,275	148,275	179,825	(31,550)	-21.3%	Subscriptions, software, overhead, rent, etc.
Payroll - Supporting	605,104	590,662	590,662	600,662	(10,000)	-1.7%	Supporting - Payroll, Allocated Payroll, Mgmt. Fee
Total Supporting Expenses	1,278,598	1,205,249	1,275,249	1,121,589	153,660	12.0%	
PROGRAM EXPENSES:							
Saving Lives - Youth Learn to Swim - Grants	482,958	500,000	580,000	799,154	(219,154)	-37.8%	Primarily due to unbudgeted PHTA partnership.
Saving Lives - Adult Learn to Swim - Grants	-	190,000	190,000	130,000	60,000	31.6%	Reduced to MOU amount.
Saving Lives - Programs	330,069	509,800	509,800	329,116	180,684	35.4%	Primarily due to MAS Tour savings and less trips.
Total Saving Lives	813,027	1,199,800	1,279,800	1,258,270	21,530	1.7%	
Building Champions - Sport Development Grants	-	300,000	300,000	268,500	31,500	10.5%	Continued Community Impact, HBCU, and Sport Development grants and support.
Building Champions - Other Programs	126,854	77,500	77,500	64,126	13,374	17.3%	Athlete and ambassador honoraria and contracts.
Building Champions - National Team Grants	1,116,433	934,125	984,125	1,130,000	(145,875)	-14.8%	Contracts and donors (incl add'l, increased DAPP support).
Building Champions - Alumni Programs	45,992	46,840	46,840	35,066	11,774	25.1%	Alumni events and activation.
Building Champions - Club Relief Grants	-	-	-	-	-		
Total Building Champions	1,289,279	1,358,465	1,408,465	1,497,692	(89,227)	-6.6%	
Payroll - Programming	253,788	242,246	242,246	242,246	-	0.0%	Programming - Payroll, Allocated Payroll, Mgmt. Fee
Total Program Expenses	2,356,094	2,800,511	2,930,511	2,998,208	(67,697)	-2.3%	
Total Unrestricted Expenses	3,634,691	4,005,760	4,205,760	4,119,797	85,963	2.0%	
OPERATING SURPLUS (DEFICIT)					\$ 73,571		

USA Swimming Foundation
2022 Budget vs. 2022 Projection
As of 9/14/2022

		Approved		2022 Revised Budget to Projection		
	Actual	Approved	Revised	Current	\$ Variance	% Variance
	2021	Budget	Budget	Projection	Favorable	Favorable
		2022	2022*	2022	(Unfavorable)	(Unfavorable)
						Comment
Transfers to/from Operating Reserve	-	-	-	-	-	
Transfers to/from USA Swimming Endowment	-	-	(200,000)	(200,000)	-	2022 investment contribution from 2021 operating surplus portion.
Incr. (Decr.) in Undesignated Net Assets	507,898	(25,069)	(425,069)	(351,498)	73,571	
BOARD DESIGNATED - FUNDS:						
Unrestricted Donor Funds	171,073	-	200,000	200,000	-	2022 investment contribution from 2021 operating surplus portion.
Investment Income	1,464,262	470,000	470,000	(500,000)	(970,000)	Based on YTD 2022 investment portfolio results.
Fund Distributions	(470,000)	(470,000)	(470,000)	(478,500)	(8,500)	
Incr. (Decr.) in Board Designated Net Assets	1,165,335	-	200,000	(778,500)	(978,500)	
Incr. (Decr.) in Unrestricted Net Assets	1,673,233	(25,069)	(225,069)	(1,129,998)	(904,929)	
TEMPORARILY RESTRICTED:						
Major Gifts - Temporarily Restricted	825,000	1,045,000	1,045,000	1,045,000	-	Existing and new contracts (building the pipeline).
Major Gifts Satisfied Restrictions	(933,901)	(875,000)	(875,000)	(975,000)	(100,000)	Existing and new contracts (building the pipeline).
Grants - Temporarily Restricted	150,000	-	-	120,000	120,000	Existing and new contracts (building the pipeline).
Grants Satisfied Restrictions	(86,195)	(80,000)	(80,000)	(80,000)	-	Existing and new contracts (building the pipeline).
Golden Goggles - Satisfied Restriction	-	-	-	-	-	
Endowment Distrib. - Satisfied Restrictions	(271,250)	(306,675)	(306,675)	(295,000)	11,675	
Write-Off of Pledges	(120,500)	-	-	(37,500)	(37,500)	
Investment Income	830,658	-	-	(500,000)	(500,000)	Based on YTD 2022 investment portfolio results.
Incr. (Decr.) in Temporarily Restricted Net Assets	393,812	(216,675)	(216,675)	(722,500)	(505,825)	
PERMANENTLY RESTRICTED:						
Major Gifts - Permanently Restricted	120,000	-	-	30,000	30,000	New endowments (building the pipeline).
Satisfied Restrictions	-	-	-	-	-	
Present Value Discounts Earned	-	-	-	-	-	
Investment Income	-	-	-	-	-	
Incr. (Decr.) in Perm. Restricted Net Assets	120,000	-	-	30,000	30,000	
TOTAL INCREASE (DECREASE) IN NET ASSETS	2,187,045	(241,744)	(441,744)	(1,822,498)	(1,380,754)	

* Revised 2022 Budget utilized the Board approved 2021 Surplus Usage as follows: \$200K to the Board Designated Funds investment portfolio, \$80K to Youth LTS Grants, \$70K Nationals Promotion, \$50K NT DITP Support.

USA Swimming Foundation
 Revenue, Endowments, and Funds
 June 30, 2022



USA Swimming Foundation, Inc.
Balance Sheet
As of June 30, 2022 and 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>\$ Change</u>	<u>Audited 12/31/2021</u>	<u>\$ Change</u>
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$2,028,547	\$1,848,371	\$180,175	\$1,565,289	\$463,258
Accounts receivable	2,602	6,167	(3,565)	268,717	(266,115)
Pledges receivable - current	243,323	289,499	(46,176)	754,999	(511,676)
Prepaid expenses and deferred charges	4,003	2,685	1,317	65,356	(61,354)
Total Current Assets	2,278,475	2,146,723	131,752	2,654,361	(375,887)
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	16,804,337	19,989,536	(3,185,199)	20,022,282	(3,217,945)
OTHER ASSETS:					
Pledges receivable - long-term	1,055,054	1,025,418	29,636	905,418	149,636
Swim-a-Thon	120,000	120,000	0	120,000	0
Total Other Assets	1,175,054	1,145,418	29,636	1,025,418	149,636
TOTAL ASSETS	<u>\$20,257,866</u>	<u>\$23,281,677</u>	<u>(\$3,023,811)</u>	<u>\$23,702,061</u>	<u>(\$3,444,195)</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$234,177	\$36,775	\$197,402	\$3,182	\$230,995
Due from (to) USA Swimming	67,706	122,799	(55,093)	50,723	16,982
Accrued expenses and other liabilities	230,541	158,055	72,487	120,386	110,155
Deferred revenue	0	40,100	(40,100)	0	0
Total Current Liabilities	532,424	357,728	174,695	174,291	358,133
NONCURRENT LIABILITIES:					
Total Liabilities	532,424	357,728	174,695	174,291	358,133
NET ASSETS:					
Unrestricted:					
Undesignated Operating Funds	100,188	135,400	(35,212)	509,571	(409,384)
Board Designated Operating Reserves	1,201,000	1,201,000	0	1,201,000	0
Board Designated Endowments	10,711,859	12,605,407	(1,893,549)	12,785,952	(2,074,094)
Total Unrestricted	12,013,046	13,941,807	(1,928,761)	14,496,524	(2,483,477)
Temporarily Restricted	1,917,396	3,136,069	(1,218,673)	3,236,247	(1,318,851)
Permanently Restricted	5,795,000	5,846,073	(51,073)	5,795,000	0
Total Net Assets	19,725,443	22,923,949	(3,198,507)	23,527,771	(3,802,328)
TOTAL LIABILITIES & NET ASSETS	<u>\$20,257,866</u>	<u>\$23,281,677</u>	<u>(\$3,023,811)</u>	<u>\$23,702,061</u>	<u>(\$3,444,195)</u>

USA Swimming Foundation, Inc.
Income Statement
For the Six Months Ended June 30, 2022

	2022 Unrestricted	2022 Board Desig.	2022 Temp Restr	2022 Perm Restr	2022 YTD Total	2022 Annual Budget	2022 YTD Variance	2021 YTD Total	2021 YTD Variance
Revenue:									
Annual Campaign	\$167,214	\$0	\$0	\$0	\$167,214	\$650,000	(\$482,786)	\$293,841	(\$126,627)
Adult Learn to Swim	27,662	0	0	0	27,662	130,000	(102,338)	34,134	(6,472)
Major Gifts	0	0	570,000	0	570,000	1,045,000	(475,000)	616,298	(46,298)
Grants	0	0	0	0	0	50,000	(50,000)	25,000	(25,000)
Major Gifts - Satisfied Restrictions	447,500	0	(447,500)	0	0	0	0	0	0
Grants - Satisfied Restrictions	30,000	0	(30,000)	0	0	0	0	0	0
Sponsorship	659,799	0	(200,000)	0	459,799	791,516	(331,717)	476,516	(16,717)
Swim-a-Thon	117,062	0	0	0	117,062	250,000	(132,938)	18,703	98,359
Olympic Trials VIP Packages	0	0	0	0	0	0	0	114,205	(114,205)
USA Swimming Support - Staff Allocation	0	0	0	0	0	335,000	(335,000)	0	0
Alumni Income	0	0	0	0	0	0	0	6,450	(6,450)
Other Income	6	0	0	0	6	30,000	(29,994)	20,850	(20,844)
Bad Debts	0	0	(37,500)	0	(37,500)	0	(37,500)	(75,000)	37,500
Investment Income (Loss)	0	(2,074,094)	(1,173,851)	0	(3,247,944)	482,500	(3,730,444)	1,552,174	(4,800,118)
Total Revenue	1,449,243	(2,074,094)	(1,318,851)	0	(1,943,702)	3,764,016	(5,707,718)	3,083,172	(5,026,873)
Expenses:									
Supporting Expenses:									
Annual Campaign	26,562	0	0	0	26,562	306,430	279,868	123,469	96,907
Major Gifts/Grants	11,408	0	0	0	11,408	319,160	307,752	18,766	7,358
Swim-a-Thon	28,982	0	0	0	28,982	114,268	85,286	3,404	(25,578)
Olympic Trials VIP Packages	0	0	0	0	0	0	0	161,916	161,916
Marketing	5,101	0	0	0	5,101	8,000	2,899	0	(5,101)
Operational and Administrative	293,962	0	0	0	293,962	457,391	163,429	221,937	(72,024)
Total Supporting Expenses	366,014	0	0	0	366,014	1,205,249	839,235	529,492	163,478
Program Expenses:									
Saving Lives - Youth Learn to Swim Grants	807,154	0	0	0	807,154	500,000	(307,154)	509,337	(297,817)
Saving Lives - Adult Learn to Swim Grants	130,000	0	0	0	130,000	190,000	60,000	0	(130,000)
Saving Lives - Programs	235,016	0	0	0	235,016	679,093	444,077	104,571	(130,446)
Total Saving Lives Expenses	1,172,170	0	0	0	1,172,170	1,369,093	196,923	613,908	(558,263)
Building Champions - National Team Grants	100,000	0	0	0	100,000	934,125	834,125	296,250	196,250
Building Champions - Sport Dev Grants	170,000	0	0	0	170,000	300,000	130,000	0	(170,000)
Building Champions - Other Programs	32,876	0	0	0	32,876	134,999	102,123	33,354	478
Building Champions - Alumni Programs	17,566	0	0	0	17,566	62,294	44,728	26,946	9,380
Total Building Champions Expenses	320,442	0	0	0	320,442	1,431,418	1,110,976	356,549	36,107
Total Program Expenses	1,492,612	0	0	0	1,492,612	2,800,511	1,307,899	970,457	(522,155)
Total Expenses	1,858,627	0	0	0	1,858,627	4,005,760	2,147,133	1,499,949	(358,677)
Operating Surplus (Deficit)	(409,384)	(2,074,094)	(1,318,851)	0	(3,802,328)	(241,744)	(3,560,584)	1,583,222	(5,385,550)
NET CHANGE IN TOTAL NET ASSETS	(\$409,384)	(\$2,074,094)	(\$1,318,851)	\$0	(\$3,802,328)	(\$241,744)	(\$3,560,584)	\$1,583,222	(\$5,385,550)

USA Swimming Foundation, Inc.
Income Statement
For the Six months Ended June 30, 2022 and 2021

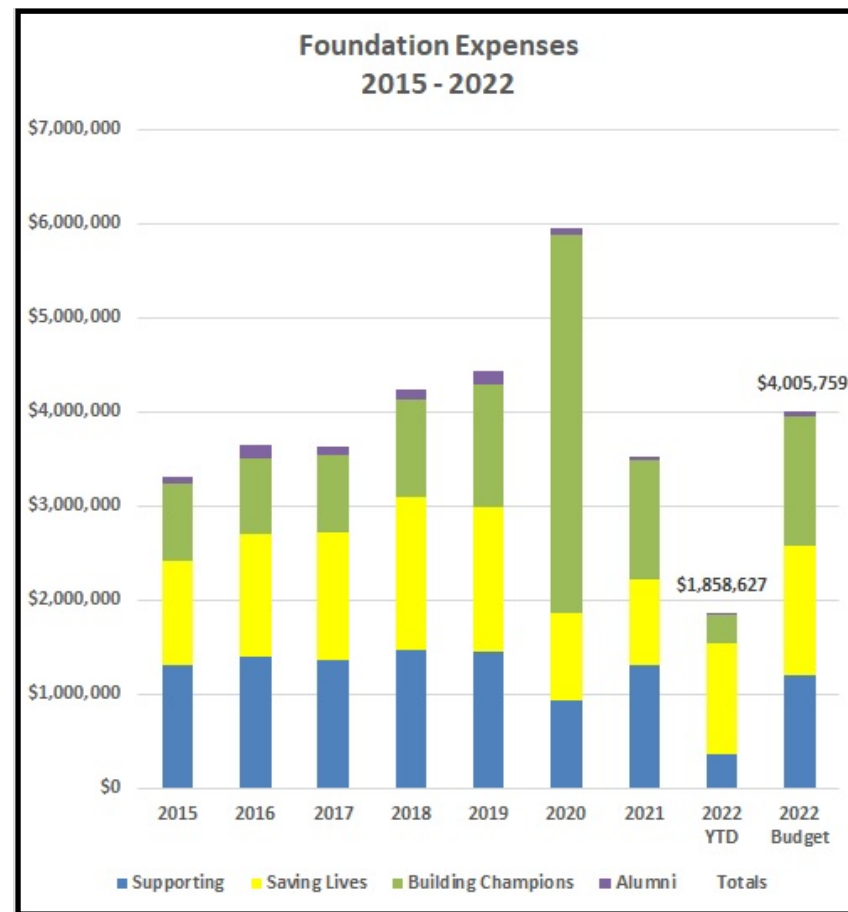
	Quarter 2 2022	Year-To-Date 2022	Budget 2022	Budget Remaining	Year-To-Date 2021	Favorable (Unfavorable) 2022 vs. 2021
UNRESTRICTED:						
Revenue:						
Annual Campaign	\$119,949	\$167,214	\$650,000	(\$482,786)	\$293,841	(\$126,627)
Adult Learn to Swim	6,210	27,662	130,000	(102,338)	34,134	(6,472)
Major Gifts - Unrestricted	0	0	0	0	110,225	(110,225)
Grants - Unrestricted	0	0	50,000	(50,000)	25,000	(25,000)
Major Gifts - Satisfied Restrictions	422,500	447,500	875,000	(427,500)	332,500	115,000
Grants - Satisfied Restrictions	30,000	30,000	80,000	(50,000)	0	30,000
Endowment Distributions In	0	0	776,675	(776,675)	1,250	(1,250)
Sponsorship	200,000	659,799	791,516	(131,717)	676,516	(16,717)
Swim-a-Thon	101,054	117,062	250,000	(132,938)	18,703	98,359
Olympic Trials VIP Packages	0	0	0	0	114,205	(114,205)
USA Swimming Support - Staff Allocation	0	0	335,000	(335,000)	0	0
Alumni Income	0	0	0	0	6,450	(6,450)
Other Income	6	6	30,000	(29,994)	20,850	(20,844)
Investment Income (Loss)	0	0	12,500	(12,500)	0	0
Total Unrestricted Revenue	879,718	1,449,243	3,980,691	(2,531,448)	1,633,674	(184,432)
Expenses:						
Supporting Expenses:						
Annual Campaign	15,780	26,562	306,430	279,868	123,469	96,907
Major Gifts/Grants	2,401	11,408	319,160	307,752	18,766	7,358
Swim-a-Thon	12,455	28,982	114,268	85,286	3,404	(25,578)
Olympic Trials VIP Packages	0	0	0	0	161,916	161,916
Marketing	5,000	5,101	8,000	2,899	0	(5,101)
Operational and Administrative	199,681	293,962	457,391	163,429	221,937	(72,024)
Total Supporting Expenses	235,317	366,014	1,205,249	839,235	529,492	163,478
Program Expenses:						
Saving Lives - Youth Learn to Swim Grants	392,675	807,154	500,000	(307,154)	509,337	(297,817)
Saving Lives - Adult Learn to Swim Grants	63,370	130,000	190,000	60,000	0	(130,000)
Saving Lives - Programs	189,929	235,016	679,093	444,077	104,571	(130,446)
Total Saving Lives Expenses	645,974	1,172,170	1,369,093	196,923	613,908	(558,263)
Building Champions - National Team Grants	100,000	100,000	934,125	834,125	296,250	196,250
Building Champions - Sport Development Grants	110,000	170,000	300,000	130,000	0	(170,000)
Building Champions - Other Programs	25,188	32,876	134,999	102,123	33,354	478
Building Champions - Alumni Programs	8,750	17,566	62,294	44,728	26,946	9,380
Total Building Champions Expenses	243,938	320,442	1,431,418	1,110,976	356,549	36,107
Total Program Expenses	889,912	1,492,612	2,800,511	1,307,899	970,457	(522,155)
Total Unrestricted Expenses	1,125,229	1,858,627	4,005,760	2,147,133	1,499,949	(358,677)
Operating Surplus (Deficit)	(245,511)	(409,384)	(25,069)	(384,315)	133,725	(543,109)
CHANGE IN UNDESIGNATED FUNDS	(\$245,511)	(\$409,384)	(\$25,069)	(\$384,315)	\$133,725	(\$543,109)

USA Swimming Foundation, Inc.
Income Statement
For the Six months Ended June 30, 2022 and 2021

	Quarter 2 2022	Year-To-Date 2022	Budget 2022	Budget Remaining	Year-To-Date 2021	Favorable (Unfavorable) 2022 vs. 2021
Endowment Distributions Out	\$0	\$0	(\$470,000)	\$470,000	\$0	\$0
Investment Income	(1,489,525)	(2,074,094)	470,000	(2,544,094)	984,790	(3,058,883)
Change in Board Designated Net Assets	<u>(\$1,489,525)</u>	<u>(\$2,074,094)</u>	<u>\$0</u>	<u>(\$2,074,094)</u>	<u>\$984,790</u>	<u>(\$3,058,883)</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>(\$1,735,035)</u>	<u>(\$2,483,477)</u>	<u>(\$25,069)</u>	<u>(\$2,458,408)</u>	<u>\$1,118,515</u>	<u>(\$3,601,992)</u>
TEMPORARILY RESTRICTED:						
Major Gifts - Temporarily Restricted	\$210,000	\$570,000	\$1,045,000	(\$475,000)	\$335,000	\$235,000
Endowment Distributions Out - Satisfied Restrictions	0	0	(306,675)	306,675	(1,250)	1,250
Major Gifts - Satisfied Restrictions	(622,500)	(647,500)	(875,000)	227,500	(532,500)	(115,000)
Grants - Satisfied Restrictions	(30,000)	(30,000)	(80,000)	50,000	0	(30,000)
Write-off of Pledges	(37,500)	(37,500)	0	(37,500)	(75,000)	37,500
Investment Income	(843,010)	(1,173,851)	0	(1,173,851)	567,384	(1,741,235)
Change in Temp. Restricted Net Assets	<u>(\$1,323,010)</u>	<u>(\$1,318,851)</u>	<u>(\$216,675)</u>	<u>(\$1,102,176)</u>	<u>\$293,634</u>	<u>(\$1,612,485)</u>
PERMANENTLY RESTRICTED:						
Major Gifts - Permanently Restricted	\$0	\$0	\$0	\$0	\$171,073	(\$171,073)
Change in Perm. Restricted Net Assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$171,073</u>	<u>(\$171,073)</u>
NET CHANGE IN TOTAL NET ASSETS	<u>(\$3,058,045)</u>	<u>(\$3,802,328)</u>	<u>(\$241,744)</u>	<u>(\$3,560,584)</u>	<u>\$1,583,222</u>	<u>(\$5,385,550)</u>

USA Swimming Foundation, Inc.
Expense Detail
For the Six Months Ended June 30, 2022

	SUPPORTING EXPENSES	PROGRAM EXPENSES	2022 YTD EXPENSES	2021 YTD EXPENSES	Variance
EXPENSES:					
Professional Services	\$31,801	\$204,503	\$236,304	\$292,931	\$56,628
Rent and Overhead	135,000	0	135,000	67,500	(67,500)
Salaries and Benefits	110,155	0	110,155	137,995	27,840
Travel	10,190	54,558	64,748	77,794	13,045
Recognition and Fulfillment	26,677	1,815	28,492	906	(27,587)
Dues Fees & Subscriptions	16,628	2,115	18,743	5,879	(12,864)
Repairs and Equipment	3,787	11,806	15,593	12,550	(3,044)
Freight and Postage	9,354	864	10,218	12,796	2,578
Printing and Duplication	5,430	1,988	7,418	4,867	(2,550)
Catering and Entertainment	945	6,111	7,056	40,040	32,984
Advertising	5,450	0	5,450	0	(5,450)
Credit Card Fees	4,184	15	4,199	9,875	5,675
Office Supplies and Expense	1,904	472	2,376	937	(1,439)
Video and Photography	2,117	0	2,117	0	(2,117)
Telephone and Internet Service	1,217	32	1,249	1,093	(156)
Awards and Gifts	1,100	0	1,100	3,153	2,053
Space/Equipment Rental	0	1,075	1,075	0	(1,075)
Apparel	15	104	119	22,207	22,088
Miscellaneous Expenses	60	0	60	1,921	1,861
Tickets	0	0	0	1,920	1,920
Subtotal	366,014	285,458	651,473	694,362	42,890
Grants - LTS	0	937,154	937,154	509,337	(427,817)
Grants - USA Swimming	0	270,000	270,000	296,250	26,250
Total Grants	0	1,207,154	1,207,154	805,587	(401,567)
TOTAL EXPENSES	\$366,014	\$1,492,612	\$1,858,627	\$1,499,949	(\$358,677)




Performance Monitoring Report

TO: USA Swimming Board of Directors
FR: Tim Hinchey, President & 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 16, 2022

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

We certify that the information contained in this report and the accompanying Income Statement and Balance Sheet are true for the quarterly period ending June 30, 2022.

Signed , President & CEO

, CFO

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 2022 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 were consistent with Ends achievement. Details regarding significant unanticipated expenditures, which may result in a shortfall against the year-end bottom line, are noted under Provisions #2 and #8 below.

For this quarter, we 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, 2021 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 \$27,430,861 with corresponding expenses of (\$16,573,526), for a year-to-date excess of \$10,857,335. Current projected forecast for fiscal year end is total revenue of \$35,558,259 and expenses of (\$38,826,981), and we thus anticipate an operating deficit of (\$3,268,722) compared to the budgeted operating deficit of (\$2,606,453). Note the current projection to budget is directionally consistent with the net operating results presented and discussed with the previous version of the Monitoring Report at the April 2022 Board meeting. Understanding the number of unknowns still at this time, below are some of the material deviations from our original 2022 budget at the time of this monitoring report:

- Operating revenues projected more than the original budget (net) by an estimated \$577,000 or 1.6%.
 - Partnership Marketing revenue projected less by an estimated (\$805,000) based on current projections including signed contracts and projected new contracts and/or partnerships.
 - Membership revenue projected more by an estimated \$676,000 due to the latest analysis and year-to-date actuals.
 - Sport and Events revenue projected more by an estimated \$380,000 primarily due to revenues and FINA reimbursements from an unbudgeted FINA World Cup event.
 - Foundation revenue projected more by an estimated \$334,000 due to increased donations to USA Swimming and larger Donor Athlete Partnership Program (DAPP).
- Operating expenses projected more than the original budget (net) by an estimated (\$1,239,000) or (3.3%).
 - Event Operations division projected more by an estimated (\$2,131,000) primarily due to schedule updates and net adjusted meet additions (unbudgeted Team Trials, FINA World Cup, and Jr. Pan Pacs, larger Summer Nationals).
 - Sport Development division projected more by an estimated (\$1,568,000) primarily due to unbudgeted credit card/merchant fees from the new Online Member Registration (OMR) process (\$1,000,000).
 - Risk Management / Insurance projected less by an approximate \$1,449,000 given 2022 premiums were finalized after budget submission/approval (at more favorable terms in certain areas).
 - Commercial division projected less by an estimated \$994,000 primarily due to adjusting programming to assist with Event Operations calendar/expense updates and increase.
 - National Team division projected more by an approximate (\$278,000) primarily due to the net adjusted scheduling updates (Dual in the Pool and World Cup additions, WUGS postponement) and more athlete medal/prize money primarily at World Championships.

We report **POTENTIAL NON-COMPLIANCE** based on the current 2022 projection compared to the original 2022 budget approved in December 2021. 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 2022 and the 2024 "three-year quad."

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

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

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

REPORT:

Cash and cash equivalents were \$2,014,841 at June 30, 2022. Monthly operating expenses are approximately \$3,236,000 based on the current 2022 financial projection. Although liquidity was more than the required threshold by this policy for the majority of the quarter, the quarter end (6/30/2022) balance was below threshold. The end of the second quarter and all of the third quarter (June-September) are typically the leaner cashflow periods for the organization and require the most cashflow management by the Finance division. In 2022 particularly, there have been material payments for non-operating, Board approved reserve spending on the “Keeping Athletes First” initiative, legal and risk management expenditures, and the USSIC sale letter of credit draws during the first two quarters coupled with a budgeted (and projected) operating deficit. Rather than making distributions from the reserve investment portfolio for all of the non-operating cash needs, Finance has utilized operating cash to fulfill these needs in an effort to incur the least amount of strain on the investment portfolio until needed. Portfolio distributions have also been needed and executed year-to-date in 2022 as anticipated.

Given the cyclical nature of the organization’s cashflow, material first and second quarter non-operating reserve expenses, continuous and proactive management, and the fact that cashflow was available to appropriately and timely meet all the quarter’s expenditure needs, we report **COMPLIANCE**.

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

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

CEO/Staff are not authorized to borrow funds or use corporate assets as security for any purchase contracts. Use of credit cards by staff is permitted, with each card paid in full on a monthly basis.

REPORT:

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) approximately \$5,250,000 thus far in 2022 for three Board approved planned investments: the “Keeping Athletes First” initiative, legal and risk management expenditures, and USSIC sale letter of credit drawdown 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, 2022 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. Forms 1099/1096 were filed by January 31, 2022. The 2021 Form 990 is under the annual filing extension to November 15, 2022, and will be filed on time. There are no outstanding filings, overdue filings and there have been no late penalties.

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 April 2022 and also throughout this current monitoring report (specifically in Policy Provision #2 above), there have been and continue to be many event and schedule changes and updates for 2022 (and beyond) within all levels of the sport, both domestic and international. For example, the 2022 approved budget included one “National Championship” caliber event and the current calendar currently includes two (Phillips 66 International Team Trials in Greensboro, NC and Phillips 66 National Championships in Irvine, CA). Additionally, the planned hosting of FINA World Cup and participation in the USA/Australia “Dual in the Pool” events were not known of or included in the 2022 approved budget. As illustrated above, there are projected material deviations from our original 2022 budget approved in December 2021 at the time of this monitoring report in both operating revenues and expenditures. We anticipate the collective total of these Event Operations and National Team expense deviations to surpass the \$250,000 threshold and would like to continue discussions with the Board as best practice consistent with prior years and situations.

We therefore report **COMPLIANCE** given the Board discussion of these anticipated variances in previous Monitoring Reports and Board meetings (also supported by the financial projections presented earlier this year and herein) and acknowledging the potential non-compliance response in Policy Provision #2 above.

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. “Aggressively” is interpreted to mean that we will seek legal counsel after a “grace period” of 60 days and reasonable collection efforts have been unsuccessful.

REPORT:

Primary receivables are membership dues, sponsorship payments, event fees, etc. At the time of this monitoring report, there were two event vendor contracts on our receivables that were both greater than \$10,000 and over 60 days past due (totaling \$1,167,000). We have been monitoring and communicating with these customers regularly and involved legal intervention. Note we have allowed for (i.e., financially wrote off) these receivables in 2021, but we continue to actively pursue their collection. Additionally, there is one swim club who owes the organization from an Altitude Camp at the OPTC more than 60 days ago (\$32,230). We continue to monitor and communicate with the club and expect full payment without legal intervention.

We therefore report **COMPLIANCE**.

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

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

Controls must be in place that ensure that all disbursements are appropriately authorized. Further, all payments (checks, credit card purchases, petty cash, etc.) and capitalized assets must have corresponding documentation sufficient to satisfy the auditor. I interpret fulfillment of this policy to be evidenced by written Policies and Procedures that the auditor considers when performing audit procedures. Complete implementation (or absence) of recommendations brought forth by the auditor in a Management Letter is further evidence of compliance.

REPORT:

Controls in place are consistent with Board policy. The 2021 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 submitted by the CEO during the second quarter 2022.

We therefore report **COMPLIANCE**.

USA Swimming, Inc.
Balance Sheet
As of June 30, 2022 and 2021

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>\$ Change</u>	<u>Audited 12/31/2021</u>	<u>\$ Change</u>
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$2,014,841	\$3,856,387	(\$1,841,546)	\$4,716,508	(\$2,701,668)
Accounts receivable	1,846,433	1,912,665	(66,232)	2,689,280	(842,847)
Prepaid expenses and deferred charges	1,050,316	1,240,366	(190,050)	1,486,845	(436,529)
Total Current Assets	4,911,589	7,009,417	(2,097,828)	8,892,633	(3,981,044)
FIXED ASSETS:					
Leasehold Improvements, IT Systems, FF&E, Other	15,977,861	14,290,931	1,686,931	14,760,728	1,217,133
Accumulated depreciation & amortization	(11,571,750)	(10,329,497)	(1,242,253)	(10,743,617)	(828,133)
Total Fixed Assets	4,406,112	3,961,433	444,678	4,017,112	389,000
LONG-TERM INVESTMENTS:					
Long-term Investments	32,031,378	39,534,688	(7,503,310)	42,950,983	(10,919,605)
OTHER ASSETS:					
Investment - Swim Trials, LLC	0	56,482	(56,482)	0	0
Prepaid rent	4,657,125	4,772,319	(115,194)	4,717,772	(60,646)
Total Other Assets	4,657,125	4,828,801	(171,676)	4,717,772	(60,646)
TOTAL ASSETS	<u>\$46,006,204</u>	<u>\$55,334,340</u>	<u>(\$9,328,136)</u>	<u>\$60,578,499</u>	<u>(\$14,572,295)</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$1,227,171	\$1,675,434	(\$448,263)	\$2,806,832	(\$1,579,661)
Accrued expenses and other liabilities	836,708	1,924,974	(1,088,266)	888,455	(51,747)
Line of Credit Payable	3,000,000	0	3,000,000	1,821,000	1,179,000
Deferred revenue	87,500	250,624	(163,124)	15,051,242	(14,963,742)
Total Current Liabilities	5,151,379	3,851,032	1,300,347	20,567,529	(15,416,150)
NONCURRENT LIABILITIES:					
Insurance Liability	1,069,908	385,500	684,408	760,898	309,010
Line of Credit Payable	0	1,821,000	(1,821,000)	0	0
Total Noncurrent Liabilities	1,069,908	2,206,500	(1,136,592)	760,898	309,010
Total Liabilities	6,221,287	6,057,532	163,755	21,328,427	(15,107,140)
NET ASSETS:					
Unrestricted:					
Undesignated Net Assets	29,354,290	33,859,042	(4,504,752)	24,391,078	4,963,212
Board Designated - USSIC	10,430,627	15,417,765	(4,987,138)	14,858,994	(4,428,367)
Total Unrestricted Net Assets	39,784,918	49,276,808	(9,491,890)	39,250,073	534,845
Total Net Assets	39,784,918	49,276,808	(9,491,890)	39,250,073	534,845
TOTAL LIABILITIES AND NET ASSETS	<u>\$46,006,204</u>	<u>\$55,334,340</u>	<u>(\$9,328,136)</u>	<u>\$60,578,499</u>	<u>(\$14,572,295)</u>

USA Swimming
Income Statement - By Division
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
REVENUE:						
Membership	\$22,533,224	\$22,129,990	\$403,234	1.82%	\$17,698,254	\$4,834,970
Partnership Marketing	1,967,636	5,297,239	(3,329,603)	-62.86%	1,514,405	453,231
USOPC Partnership	1,997,376	5,327,465	(3,330,089)	-62.51%	3,971,217	(1,973,841)
Investment Income	0	20,000	(20,000)	-100.00%	0	0
Foundation	405,000	1,404,175	(999,175)	-71.16%	431,250	(26,250)
Sport and Events	284,386	524,000	(239,614)	-45.73%	59,559	224,827
Olympic Trials	0	(75,000)	75,000	-100.00%	2,630,000	(2,630,000)
Other Income	243,239	353,399	(110,160)	-31.17%	180,906	62,333
TOTAL REVENUE	27,430,861	34,981,268	(7,550,407)	-21.58%	26,485,590	945,270
EXPENSES:						
Technical/Sport:						
National Team	3,330,455	8,479,138	5,148,683	60.72%	4,137,452	806,997
Sport Development	3,522,528	6,638,304	3,115,776	46.94%	2,019,942	(1,502,586)
Event Operations	1,736,055	4,424,765	2,688,710	60.77%	1,800,739	64,684
Total Technical/Sport	8,589,039	19,542,208	10,953,169	56.05%	7,958,133	(630,906)
Other Programs:						
Commercial	2,472,681	6,130,179	3,657,498	59.66%	3,288,130	815,449
Risk Management / Insurance	2,816,075	5,580,610	2,764,535	49.54%	2,783,408	(32,667)
Foundation Support	0	457,385	457,385	100.00%	0	0
Total Other Programs	5,288,756	12,168,174	6,879,418	56.54%	6,071,538	782,782
Administration:						
Executive	667,674	1,509,677	842,003	55.77%	682,926	15,253
Finance & Operations	1,250,947	1,744,849	493,902	28.31%	439,953	(810,994)
Business Affairs	777,111	2,622,813	1,845,702	70.37%	1,507,994	730,883
Total Administration	2,695,732	5,877,339	3,181,607	54.13%	2,630,873	(64,859)
TOTAL EXPENSES	16,573,526	37,587,720	21,014,194	55.91%	16,660,544	87,017
OPERATING SURPLUS (DEFICIT)	\$10,857,335	(\$2,606,452)	\$13,463,787	-516.56%	\$9,825,047	\$1,032,288
Investment Gain (Loss)	(5,894,123)	2,400,000	(8,294,123)	-345.59%	3,044,392	(8,938,514)
OPERATING SURPLUS (DEFICIT) AFTER INVESTMENT GAIN (LOSS)	\$4,963,212	(\$206,452)	\$5,169,665	-2504.05%	\$12,869,438	(\$7,906,226)

USA Swimming
Income Statement - By Category
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
REVENUE:						
Membership	\$22,533,224	\$22,129,990	\$403,234	1.82%	\$17,698,254	\$4,834,970
USOPC Partnership	1,997,376	5,327,465	(3,330,089)	-62.51%	3,971,217	(1,973,841)
Partnership Marketing	1,967,636	5,297,239	(3,329,603)	-62.86%	1,514,405	453,231
Sport and Events	284,386	524,000	(239,614)	-45.73%	59,559	224,827
Olympic Trials	0	(75,000)	75,000	-100.00%	2,630,000	(2,630,000)
Foundation	405,000	1,404,175	(999,175)	-71.16%	431,250	(26,250)
Investment Income	0	20,000	(20,000)	-100.00%	0	0
Other Income	243,239	353,399	(110,160)	-31.17%	180,906	62,333
Total Revenue	27,430,861	34,981,268	(7,550,407)	-21.58%	26,485,590	945,270
EXPENSES:						
Salaries and Wages	3,470,297	8,880,902	5,410,605	60.92%	3,433,450	(36,847)
Employee Benefits	838,575	2,103,517	1,264,942	60.13%	861,434	22,859
Employment Taxes	269,712	561,059	291,346	51.93%	255,089	(14,623)
Total Payroll and Benefits	4,578,585	11,545,478	6,966,893	60.34%	4,549,973	(28,612)
Insurance	2,825,035	5,585,690	2,760,655	49.42%	2,820,387	(4,649)
Travel and Hospitality	2,267,746	4,903,815	2,636,069	53.76%	1,570,707	(697,039)
Professional Fees & Honoraria	1,838,135	3,697,979	1,859,844	50.29%	1,527,063	(311,072)
Direct Athlete Support	1,001,482	2,868,000	1,866,518	65.08%	1,738,330	736,848
Grants	703,530	680,000	(23,530)	-3.46%	262,500	(441,030)
Depreciation and Amortization	574,125	1,136,137	562,012	49.47%	834,068	259,943
Information Technology Expenses	565,102	815,872	250,771	30.74%	400,983	(164,119)
Rent and Lease Expense	347,710	824,293	476,583	57.82%	353,879	6,169
Dues, Fees & Tickets	320,716	1,125,730	805,014	71.51%	452,111	131,395
Telephone and Internet Service	315,039	479,782	164,744	34.34%	304,432	(10,607)
Supplies and Expense	289,660	408,970	119,310	29.17%	166,634	(123,026)
Television and Video Production	209,972	1,358,800	1,148,828	84.55%	790,699	580,727
Gear, Equipment, & Signage	184,486	585,495	401,009	68.49%	392,527	208,041
Miscellaneous Expenses	178,386	291,098	112,712	38.72%	33,931	(144,455)
Printing and Duplication	144,502	265,461	120,959	45.57%	96,604	(47,898)
Apparel	125,839	401,700	275,861	68.67%	296,001	170,162
Awards	54,781	392,250	337,469	86.03%	7,550	(47,231)
Protocol & Gifts	48,695	137,500	88,805	64.59%	56,453	7,758
Advertising	0	65,750	65,750	100.00%	5,712	5,712
Contingency	0	18,000	18,000	100.00%	0	0
Total Expenses	16,573,526	37,587,800	21,014,274	55.91%	16,660,544	87,017
OPERATING SURPLUS (DEFICIT)	\$10,857,335	(\$2,606,532)	\$13,463,867	-516.54%	\$9,825,047	\$1,032,288
Investment Gains (Losses)	(5,894,123)	2,400,000	(8,294,123)	-345.59%	3,044,392	(8,938,514)
OPERATING SURPLUS (DEFICIT) AFTER INVESTMENT GAIN (LOSS)	\$4,963,212	(\$206,532)	\$5,169,745	-2503.11%	\$12,869,438	(\$7,906,226)

USA Swimming, Inc.
Statement of Revenue
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
MEMBERSHIP:						
Athlete Membership	\$18,990,866	\$18,536,100	\$454,766	2.45%	\$14,559,768	\$4,431,098
Flex	393,000	475,000	(82,000)	-17.26%	408,338	(15,338)
Outreach Athlete Membership	28,455	22,500	5,955	26.47%	22,410	6,045
Seasonal Athlete Membership	389,610	370,950	18,660	5.03%	362,940	26,670
Non-Athlete Membership	2,494,639	2,525,820	(31,181)	-1.23%	2,123,840	370,799
Life Membership	40,334	35,000	5,334	15.24%	29,698	10,636
Club Membership	190,610	204,960	(14,350)	-7.00%	186,690	3,920
Seasonal Club Membership	3,800	4,360	(560)	-12.84%	3,360	440
Single Meet Open Water	440	300	140	46.67%	250	190
Other Membership Income	1,470	(45,000)	46,470	-103.27%	960	510
TOTAL MEMBERSHIP	22,533,224	22,129,990	403,234	1.82%	17,698,254	4,834,970
PARTNERSHIP MARKETING:						
Corporate Sponsorship	1,529,799	4,844,739	(3,314,940)	-68.42%	1,331,283	198,516
Supplier Income	378,750	225,000	153,750	68.33%	160,000	218,750
Licensee Income	31,939	102,500	(70,561)	-68.84%	11,313	20,626
Royalty Income	26,847	125,000	(98,153)	-78.52%	11,479	15,368
Web Advertising and Print Advertising	301	0	301	0.00%	329	(28)
TOTAL PARTNERSHIP MARKETING	1,967,636	5,297,239	(3,329,603)	-62.86%	1,514,405	453,231
USOPC PARTNERSHIP:						
USOPC Performance Funding	1,497,833	2,995,665	(1,497,833)	-50.00%	2,405,732	(907,899)
USOPC Direct Athlete Support	476,344	2,232,300	(1,755,956)	-78.66%	1,326,391	(850,047)
USOPC International Relations Grant	13,200	12,000	1,200	10.00%	0	13,200
USOPC Other Support	10,000	87,500	(77,500)	-88.57%	239,095	(229,095)
TOTAL USOPC PARTNERSHIP	1,997,376	5,327,465	(3,330,089)	-62.51%	3,971,217	(1,973,841)
INVESTMENT INCOME:						
Interest Income - Short Term Securities	0	20,000	(20,000)	-100.00%	0	0
TOTAL INVESTMENT INCOME	0	20,000	(20,000)	-100.00%	0	0
FOUNDATION:						
USA Swimming Foundation	270,000	1,134,175	(864,175)	-76.19%	296,250	(26,250)
Foundation Management Fee and Rent	135,000	270,000	(135,000)	-50.00%	135,000	0
TOTAL FOUNDATION	405,000	1,404,175	(999,175)	-71.16%	431,250	(26,250)
SPORT AND EVENTS:						
Golden Goggle Awards	(5,292)	125,000	(130,292)	-104.23%	(6,236)	944
Coach Education Clinics	66,684	179,000	(112,316)	-62.75%	57,411	9,273

USA Swimming, Inc.
Statement of Revenue
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
Altitude Camps	178,257	75,000	103,257	137.68%	64	178,193
Pro Swim Series Host Fees	20,000	50,000	(30,000)	-60.00%	0	20,000
International TV Rights	0	15,000	(15,000)	-100.00%	0	0
Other Registration	24,737	80,000	(55,263)	-69.08%	8,320	16,417
TOTAL SPORT AND EVENTS	284,386	524,000	(239,614)	-45.73%	59,559	224,827
OLYMPIC TRIALS						
Olympic Trials	0	(75,000)	75,000	-100.00%	2,630,000	(2,630,000)
TOTAL OLYMPIC TRIALS	0	(75,000)	(75,000)	100.00%	2,630,000	2,630,000
OTHER INCOME:						
NCAA Top Times List	100,589	100,589	0	0.00%	50,294	50,294
Imputed Interest - Prepaid Rent	127,231	252,810	(125,579)	-49.67%	130,194	(2,963)
Other Revenue	15,419	0	15,419	0.00%	417	15,002
TOTAL OTHER INCOME	243,239	353,399	(110,160)	-31.17%	180,906	62,333
TOTAL OPERATING REVENUE	\$27,430,861	\$34,981,268	(\$7,550,407)	-21.58%	\$26,485,590	\$945,270
INVESTMENT GAINS (LOSSES):						
Investment Income (Loss) less Operating Allocation	(5,843,161)	2,475,000	(8,318,161)	-336.09%	3,088,955	(8,932,116)
Money Manager Fees	(50,961)	(75,000)	24,039	-32.05%	(44,563)	(6,398)
TOTAL INVESTMENT GAINS (LOSSES)	(5,894,123)	2,400,000	(8,294,123)	-345.59%	3,044,392	(8,938,514)
TOTAL REVENUE	\$21,536,738	\$37,381,268	(\$15,844,530)	-42.39%	\$29,529,982	(\$7,993,244)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

TECHNICAL/SPORT:

NATIONAL TEAM

Competitions

	<u>Six Months Year To Date Actual</u>	<u>2022 Budget</u>	<u>Variance Six Months vs. Twelve Months Budget</u>	<u>Variance Percentage</u>	<u>Six Months Year To Date 2021</u>	<u>Fav/(Unfav) Six Months 2021 vs. 2022</u>
3001 Olympic Games	16,875	20,000	3,125	15.62%	147,222	130,347
3015 World University Games	0	340,000	340,000	100.00%	0	0
3023 US Open Championships	0	0	0	0.00%	2,175	2,175
3031 Long Course World Championships	159,985	607,300	447,315	73.66%	0	(159,985)
3033 Short Course World Championships	2,245	300,950	298,705	99.25%	2,240	(6)
3035 Duel in the Pool	16,211	0	(16,211)	0.00%	0	(16,211)
Program Group Total	195,316	1,268,250	1,072,934	84.60%	151,637	(43,679)

Junior Team Programs

3009 Jr. Team International Competition	46,975	82,680	35,705	43.18%	0	(46,975)
3012 Jr. Pan Pacific Championships	196,798	0	(196,798)	0.00%	0	(196,798)
3045 Junior Team Camps	46,115	40,700	(5,415)	-13.30%	1,252	(44,863)
3050 FINA World Junior Championships	0	331,610	331,610	100.00%	2,240	2,240
3992 Ntl. Jr. Team Program Support	2,565	21,950	19,385	88.31%	0	(2,565)
Program Group Total	292,453	476,940	184,487	38.68%	3,492	(288,962)

Open Water Programs

3040 FINA Open Water Jr. Championships	1,710	60,330	58,620	97.17%	2,240	530
3060 Open Water Olympic Games	0	0	0	0.00%	499	499
3061 Open Water World Championships	65,324	120,030	54,706	45.58%	0	(65,324)
3065 Open Water World Cup	60,768	101,500	40,732	40.13%	0	(60,768)
3067 Open Water Camps	0	15,600	15,600	100.00%	29,485	29,485
3495 Open Water Program Support	3,222	18,850	15,628	82.91%	2,964	(258)
Program Group Total	131,023	316,310	185,287	58.58%	35,187	(95,835)

Camps

3005 Olympic Games Prep Camps	0	0	0	0.00%	779,363	779,363
3069 National Team Specialty Camps	0	20,000	20,000	100.00%	0	0
3071 Altitude Training Camps	6,755	30,000	23,245	77.48%	375	(6,380)
3073 National Team Camps	0	28,000	28,000	100.00%	580	580
3076 National Team International Camps	505,123	590,000	84,877	14.39%	0	(505,123)
3518 Altitude Camps	180,852	95,000	(85,852)	-90.37%	0	(180,852)
3479 Advance Team Visits	0	10,500	10,500	100.00%	0	0
Program Group Total	692,730	773,500	80,770	10.44%	780,318	87,588

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
<i>Athlete Services</i>						
3101 Athlete Support-Stipends & Grants	476,344	1,700,000	1,223,656	71.98%	1,326,391	850,047
3100 USOPC Covid 19 Support Grant	0	0	0	0.00%	94,584	94,584
3103 Athlete Support-Medals & Records	0	500,000	500,000	100.00%	0	0
3107 Athlete Support-Op Gold Qualification Bonus	0	260,000	260,000	100.00%	0	0
3025 Pro Swim Series Athlete Support	230,405	130,000	(100,405)	-77.23%	306,703	76,298
3021 World Cup Athlete Support	12,517	500	(12,017)	-2403.50%	0	(12,517)
3106 Phillips 66 Athlete Support	46,709	110,000	63,291	57.54%	66,468	19,759
3110 National Team Uniforming (VIK)	0	75,000	75,000	100.00%	156,291	156,291
3130 Foundation Travel & Training	0	50,000	50,000	100.00%	5,500	5,500
3131 Foundation Athlete Endowments	271,250	80,000	(191,250)	-239.06%	135,750	(135,500)
3453 Drug Control Program	2,961	23,200	20,239	87.24%	7,113	4,152
Program Group Total	1,040,186	2,928,700	1,888,514	64.48%	2,098,799	1,058,613
<i>Coach Services</i>						
3203 Coach Incentive & Reward Program	0	330,000	330,000	100.00%	0	0
3210 Olympic Team Prep - Coaches	0	0	0	0.00%	42,012	42,012
3460 Olympic Staff Recognition	0	12,000	12,000	100.00%	0	0
3010 Coach Education	0	20,000	20,000	100.00%	0	0
Program Group Total	0	362,000	362,000	100.00%	42,012	42,012
<i>High Performance Support</i>						
3301 National Team Performance Support	46,252	120,000	73,748	61.46%	56,492	10,240
3310 USOPC Practitioner Travel Support	5,779	29,000	23,221	80.07%	2,154	(3,625)
Program Group Total	52,031	149,000	96,969	65.08%	58,646	6,615
<i>Sport Medicine & Science</i>						
3201 Athletes and Coach Wellness Programs	53,643	112,500	58,857	52.32%	32,797	(20,846)
3353 Sport Medicine & Science Network	97,081	58,500	(38,581)	-65.95%	16,978	(80,103)
3155 Elite Athlete Accident Coverage	20,316	30,000	9,684	32.28%	24,300	3,984
3200 Athlete Life Skills	0	0	0	0.00%	350	350
3351 Athlete Testing & Lab Expenses	0	5,000	5,000	100.00%	215	215
3390 Sport Medicine & Science Program Support	20,998	25,050	4,052	16.18%	11,131	(9,867)
Program Group Total	192,038	231,050	39,012	16.88%	85,772	(106,266)
<i>Other Programs and Services</i>						
3481 National Team Equipment	28,578	13,515	(15,063)	-111.46%	22,800	(5,778)
3496 National Team Selection	4,783	10,150	5,367	52.87%	0	(4,783)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
3499 Team Management Technology	0	0	0	0.00%	8,535	8,535
Program Group Total	33,361	23,665	(9,696)	-40.97%	31,334	(2,027)
Committees						
3846 Sports Medicine	0	500	500	100.00%	0	0
3868 Open Water Committee	0	500	500	100.00%	0	0
3882 National Steering	0	12,000	12,000	100.00%	0	0
3888 Athlete Advisory Council	0	500	500	100.00%	0	0
Program Group Total	0	13,500	13,500	100.00%	0	0
Administration						
3990 Administration & Operational Support	109,605	273,750	164,145	59.96%	155,814	46,209
3999 Salary and Benefits	591,710	1,662,473	1,070,763	64.41%	694,440	102,730
Program Group Total	701,315	1,936,223	1,234,908	63.78%	850,254	148,939
TOTAL NATIONAL TEAM	3,330,455	8,479,138	5,148,683	60.72%	4,137,452	806,997
SPORT DEVELOPMENT						
Athlete Development Programs						
1117 LSC Camps	\$5,082	\$6,500	\$1,418	21.81%	\$89	(\$4,993)
1118 Zone Select Camps	152,877	125,530	(27,347)	-21.79%	19,335	(133,542)
1119 National Select Camps	15,927	110,300	94,373	85.56%	0	(15,927)
1120 Camp (VIK)	0	25,000	25,000	100.00%	0	0
1135 Tech Services Support	3,250	4,000	750	18.75%	0	(3,250)
Program Group Total	177,137	271,330	94,193	34.72%	19,424	(157,712)
Coach Education and Development						
1213 Coach Education Development	17,688	42,800	25,112	58.67%	16,372	(1,316)
1231 USA-S Hosted Coaches Clinics	22,462	63,200	40,738	64.46%	178	(22,284)
1237 Non-USAS Clinic Participation	0	27,760	27,760	100.00%	0	0
1240 Online Coach Clinics/Podcasts	0	7,600	7,600	100.00%	72	72
1242 Coach Mentoring	113	97,320	97,207	99.88%	3,858	3,744
1245 Master Coach Program	0	0	0	0.00%	900	900
1290 Travel & Program Support	60,009	125,026	65,017	52.00%	10,433	(49,576)
Program Group Total	100,272	363,706	263,434	72.43%	31,814	(68,459)
Club Education and Development						
1302 Club Excellence Program	458,212	480,000	21,788	4.54%	201,472	(256,740)
1305 Club Recognition Program	0	7,500	7,500	100.00%	0	0

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
1311 Club Governance Programs	10,000	16,000	6,000	37.50%	10,012	12
1314 Club Resources	(26,106)	10,000	36,106	361.06%	(11,558)	14,548
1332 Club Research Technology	21,978	15,000	(6,978)	-46.52%	1,618	(20,360)
1390 Travel & Program Support	14,241	116,660	102,419	87.79%	43,536	29,295
Program Group Total	478,325	645,160	166,835	25.86%	245,079	(233,246)
Member Programs						
1411 Member Dues and Services	244	50,000	49,756	99.51%	123	(121)
1418 Legacy SWIMS Depreciation	76,790	151,325	74,535	49.25%	142,366	65,576
1431 Swimposium	4,145	74,820	70,675	94.46%	0	(4,145)
1429 USASwimming Workshop (frmly Zone Workshops)	225,344	253,450	28,106	11.09%	3,500	(221,844)
1434 Membership Technology	45,373	271,525	226,152	83.29%	42,202	(3,170)
Program Group Total	351,896	801,120	449,224	56.07%	188,192	(163,704)
LSC Development & Education						
1470 LSC Consulting	12,423	15,750	3,327	21.12%	15,000	2,577
1475 LEAP Program	0	3,000	3,000	100.00%	0	0
1481 Leadership Workshops	8,071	24,950	16,879	67.65%	0	(8,071)
Program Group Total	20,495	43,700	23,205	53.10%	15,000	(5,495)
Facilities Advocacy & Development						
1505 Build a Pool Conference	0	0	0	0.00%	18	18
1590 Travel & Program Support	20,000	48,000	28,000	58.33%	48,000	28,000
Program Group Total	20,000	48,000	28,000	58.33%	48,018	28,018
DEI Management & Support						
1638 DEI Management Support	196,879	210,000	13,121	6.25%	11,710	(185,169)
1640 Community Swim Team Development	53,111	43,000	(10,111)	-23.51%	5,460	(47,651)
1642 DEI Research Study	30,000	35,000	5,000	14.29%	0	(30,000)
1645 Regional DEI Camps & Meetings	87,872	125,530	37,658	30.00%	3,697	(84,174)
1651 DEI VIK	0	25,000	25,000	100.00%	13,951	13,951
1665 DEI Select Camp	66,527	85,000	18,473	21.73%	188	(66,339)
Program Group Total	434,389	523,530	89,141	17.03%	35,007	(399,382)
Safe Sport						
1735 Safe Sport - Background Checks	72	275	203	73.93%	150	79
1775 Safe Sport Online Education	31,626	63,000	31,374	49.80%	30,129	(1,498)
1786 Safe Sport Athlete Fellowship	0	3,950	3,950	100.00%	0	0
1785 Safe Sport Programs	23,454	164,585	141,131	85.75%	65,040	41,586
1787 Safe Sport - USOPC Center for Safe Sport	132,787	275,000	142,213	51.71%	121,974	(10,813)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
1789 Safe Sport - SwimAssist	18,071	46,510	28,439	61.15%	28,565	10,493
Program Group Total	206,010	553,320	347,310	62.77%	245,857	39,847
Committees						
1810 Safe Sport	0	250	250	100.00%	0	0
1823 Workshop Education	0	250	250	100.00%	0	0
1830 LSC Development	0	250	250	100.00%	0	0
1841 Disability Swimming	0	250	250	100.00%	0	0
1842 DEI	834	250	(584)	-233.74%	0	(834)
1851 Age Group Development	0	250	250	100.00%	0	0
1856 Club Development	0	250	250	100.00%	0	0
1857 Times & Recognition	160	15,000	14,840	98.93%	158	(2)
1865 Zone Director	0	11,820	11,820	100.00%	0	0
1885 Senior Development	0	250	250	100.00%	0	0
1887 Athletes Executive	0	500	500	100.00%	74	74
Program Group Total	994	29,320	28,326	96.61%	232	(762)
Administration						
1990 Administration & Operational Support	282,575	432,930	150,355	34.73%	198,941	(83,634)
1999 Salary and Benefits	1,450,435	2,926,188	1,475,753	50.43%	992,379	(458,056)
Program Group Total	1,733,010	3,359,118	1,626,108	48.41%	1,191,319	(541,691)
TOTAL SPORT DEVELOPMENT	3,522,528	6,638,304	3,115,776	46.94%	2,019,942	(1,502,586)
EVENT OPERATIONS						
Events						
2005 Olympic Trials	27,278	6,600	(20,678)	-313.30%	51,085	23,807
2018 US Open (frmly Winter National Champs)	390	173,225	172,835	99.77%	176	(214)
2019 National Championships	251,066	532,750	281,684	52.87%	0	(251,066)
2023 Speedo Summer Champs (Frmly Invitational & US Open)	0	98,900	98,900	100.00%	0	0
2025 Pro Swim Series	329,872	164,650	(165,222)	-100.35%	277,937	(51,935)
2027 Speedo Sectionals	120,000	220,000	100,000	45.45%	50,536	(69,464)
2028 IM Xtreme Games	0	8,000	8,000	100.00%	0	0
2029 Zone Championships	15,682	100,000	84,318	84.32%	7,500	(8,182)
2032 Spring Cup 18-Under	0	35,000	35,000	100.00%	33,933	33,933
2035 Futures Championships	25,293	121,030	95,737	79.10%	5,314	(19,978)
2040 Jr. Pan Pacific Championships	30,101	30,000	(101)	-0.34%	0	(30,101)
2045 Jr. National Championships (Summer LC)	9,973	0	(9,973)	0.00%	0	(9,973)
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	937	103,315	102,378	99.09%	1,484	547
2069 Open Water Championships	53,970	82,120	28,150	34.28%	74,470	20,499
2072 FINA Events	4,112	0	(4,112)	0.00%	0	(4,112)
2077 National Events Uniforming VIK	0	40,000	40,000	100.00%	0	0

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
2076 Bag Tags VIK	15,386	10,000	(5,386)	-53.86%	3,367	(12,019)
2716 Omega Timing Systems VIK	0	400,000	400,000	100.00%	0	0
Program Group Total	884,059	2,125,590	1,241,531	58.41%	505,802	(378,257)
Member Programs - Officials						
2433 Officials Training Sessions	6,042	83,715	77,673	92.78%	0	(6,042)
2437 Officials Online Testing	0	1,000	1,000	100.00%	0	0
2438 Officials Certification Program	0	5,000	5,000	100.00%	0	0
2440 Officials Clinic	2,944	23,500	20,557	87.47%	2,944	0
2441 Officials International Travel	33	22,870	22,837	99.85%	249	215
2450 Officials Mentoring & Training	466	1,700	1,234	72.60%	89	(377)
Program Group Total	9,485	137,785	128,300	93.12%	3,281	(6,204)
Other Programs and Services						
2501 Publications and Video Sales	0	18,500	18,500	100.00%	6,174	6,174
2502 Mailing Service	28	200	172	85.79%	0	(28)
2423 Rulebook	35,874	24,800	(11,074)	-44.65%	23,498	(12,376)
2498 Awards	8,728	14,800	6,072	41.03%	202	(8,526)
2505 Trials Hospitality	0	0	0	0.00%	1,728	1,728
2519 Times Projects	696	966	270	27.99%	5,717	5,021
2715 TV/Web Cast Production	565,553	1,164,500	598,947	51.43%	656,614	91,060
Program Group Total	610,879	1,223,766	612,887	50.08%	693,931	83,052
Committees & Governance						
2801 Annual Business Meeting (formerly Convention)	611	48,750	48,139	98.75%	3,423	2,812
2802 Annual Business Meeting - Athletes (formerly Convention-Athletes)	0	23,925	23,925	100.00%	0	0
2832 Awards	302	500	198	39.64%	0	(302)
2836 Rules and Regulations	989	0	(989)	0.00%	0	(989)
2860 Program & Events Coordinator (formerly Committee)	0	100	100	100.00%	0	0
2866 Officials	1,301	15,000	13,699	91.32%	0	(1,301)
Program Group Total	3,203	88,275	85,072	96.37%	3,423	219
Administration						
2990 Administration & Operational Support	38,662	205,300	166,638	81.17%	98,386	59,723
2999 Salary and Benefits	189,766	644,049	454,283	70.54%	495,916	306,150
Program Group Total	228,429	849,349	620,920	73.11%	594,302	365,873
TOTAL EVENT OPERATIONS	1,736,055	4,424,765	2,688,710	60.77%	1,800,739	64,684

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
TOTAL TECHNICAL/SPORT	8,589,039	19,542,208	10,953,169	56.05%	7,958,133	(630,906)

OTHER PROGRAMS:

COMMERCIAL

Partnerships & Event Marketing

5901 Servicing	92,113	141,250	49,137	34.79%	48,923	(43,190)
5900 Contractuals	564	207,500	206,936	99.73%	81,678	81,114
5905 Sales Development Support	8,250	50,500	42,250	83.66%	8,250	0
5916 Sigma Gamma Rho	25,078	79,725	54,647	68.54%	300	(24,778)
5620 Family Program	44,212	33,675	(10,537)	-31.29%	28,490	(15,722)
5709 Nationals Marketing	10,000	501,000	491,000	98.00%	0	(10,000)
5760 Jr Nationals Marketing	0	30,000	30,000	100.00%	0	0
5762 Pro Swim Series Marketing	0	135,000	135,000	100.00%	14,900	14,900
5764 US Open Marketing	0	77,500	77,500	100.00%	7,642	7,642
5770 Event Marketing	0	25,000	25,000	100.00%	0	0
5755 USA Swimming House-Trials	0	0	0	0.00%	117,726	117,726
5902 Merchandise Program	35,865	18,000	(17,865)	-99.25%	41,914	6,049
5911 Aqua Zone - Olympic Trials	0	0	0	0.00%	779,390	779,390
Program Group Total	216,082	1,299,150	1,083,068	83.37%	1,129,214	913,132

Communications

5109 Athlete Partnership Fulfillment	15,000	42,500	27,500	64.71%	6,811	(8,189)
5711 Splash Magazine	220,413	390,000	169,587	43.48%	149,693	(70,720)
5722 Social Media Aggregation	20,353	48,000	27,647	57.60%	8,000	(12,353)
5714 PR-USA Swimming Programs	34,915	40,000	5,085	12.71%	0	(34,915)
5724 Communication Operations	153,646	240,670	87,024	36.16%	143,370	(10,276)
Program Group Total	444,327	761,170	316,843	41.63%	307,874	(136,452)

Creative Services

5710 Membership/Recruiting Promotion	0	100,000	100,000	100.00%	0	0
5730 USA Swimming Productions	105,478	342,360	236,882	69.19%	207,313	101,835
Program Group Total	105,478	442,360	336,882	76.16%	207,313	101,835

Business Intelligence & Digital Platforms

5713 USA Swimming App	30,841	61,960	31,119	50.22%	30,841	0
5716 Swimjitsu	0	0	0	0.00%	3,081	3,081
5726 Business Intelligence	457,415	572,506	115,091	20.10%	292,677	(164,738)
5718 usaswimming.org - Web site	186,170	561,044	374,874	66.82%	285,895	99,725
Program Group Total	674,425	1,195,510	521,085	43.59%	612,494	(61,932)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
Administration						
5990 Administration & Operational Support	167,359	290,250	122,891	42.34%	168,020	661
5999 Salary and Benefits	865,010	2,141,739	1,276,729	59.61%	863,215	(1,795)
Program Group Total	1,032,369	2,431,989	1,399,620	57.55%	1,031,235	(1,134)
TOTAL COMMERCIAL	2,472,681	6,130,179	3,657,498	59.66%	3,288,130	815,449
RISK MANAGEMENT / INSURANCE						
Member Programs						
9413 Member Insurance Premiums & Retention	2,804,719	5,553,990	2,749,271	49.50%	2,781,889	(22,830)
9415 Other Risk Management	1,370	11,500	10,130	88.08%	0	(1,370)
Program Group Total	2,806,090	5,565,490	2,759,400	49.58%	2,781,889	(24,200)
Committees						
9827 Operational Risk Committee	0	500	500	100.00%	0	0
Program Group Total	0	500	500	100.00%	0	0
Administration						
9490 Administration & Operational Support	9,985	14,620	4,635	31.70%	1,518	(8,467)
Program Group Total	9,985	14,620	4,635	31.70%	1,518	(8,467)
TOTAL RISK MANAGEMENT / INSURANCE	2,816,075	5,580,610	2,764,535	49.54%	2,783,408	(32,667)
FOUNDATION SUPPORT						
6667 USA Swimming Staff Allocation	0	457,385	457,385	100.00%	0	0
TOTAL FOUNDATION SUPPORT	0	457,385	457,385	100.00%	0	0
FOUNDATION - OTHER						
TOTAL OTHER PROGRAMS	5,288,756	12,168,174	6,879,418	56.54%	6,071,538	782,782
SUPPORT DIVISIONS:						
EXECUTIVE						

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
Other Executive						
7920 CEO Contingency	9,928	25,000	15,072	60.29%	23,735	13,807
7930 Board Chair Travel and Expenses	4,044	27,640	23,596	85.37%	33,818	29,774
7931 Olympic Games Executive Contingency	0	0	0	0.00%	9,073	9,073
7945 CSCAA Grant	50,000	100,000	50,000	50.00%	60,000	10,000
7971 Organizational Relations - Domestic	4,132	28,000	23,868	85.24%	24,853	20,721
7984 Organizational Relations - Internat'l	3,295	15,000	11,705	78.03%	1,061	(2,234)
7981 International Relations	7,239	10,000	2,761	27.61%	7,731	492
Program Group Total	78,638	205,640	127,002	61.76%	160,271	81,633
Committees & Governance						
7803 Board of Directors	31,049	77,829	46,780	60.11%	15,808	(15,242)
7808 Board Governance Consultant	73,723	150,150	76,427	50.90%	47,929	(25,794)
7811 International Relations Committee	0	250	250	100.00%	0	0
7820 Nominating Committee	0	1,940	1,940	100.00%	0	0
Program Group Total	104,773	230,169	125,396	54.48%	63,737	(41,036)
Administration						
7990 Administration & Operational Support	62,510	90,574	28,064	30.98%	52,387	(10,123)
7999 Salary and Benefits	421,752	983,294	561,542	57.11%	406,531	(15,221)
Program Group Total	484,262	1,073,868	589,605	54.90%	458,918	(25,344)
TOTAL EXECUTIVE	667,674	1,509,677	842,003	55.77%	682,926	15,253
FINANCE & OPERATIONS						
Other Programs						
8295 Information Technology Support	561,829	876,962	315,133	35.93%	0	(561,829)
8500 LSC/Club Financial Resources	0	50	50	100.00%	0	0
Program Group Total	561,829	877,012	315,183	35.94%	0	(561,829)
Committees						
8895 Investment Committee	0	100	100	100.00%	0	0
Program Group Total	0	100	100	100.00%	0	0
Administration						
8990 Administration & Operational Support	127,279	176,225	48,946	27.77%	87,205	(40,074)
8999 Salary and Benefits	561,839	691,512	129,673	18.75%	352,748	(209,091)
Program Group Total	689,118	867,737	178,619	20.58%	439,953	(249,165)
TOTAL FINANCE & OPERATIONS	1,250,947	1,744,849	493,902	28.31%	439,953	(810,994)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Six Months Ended June 30, 2022

	Six Months Year To Date Actual	2022 Budget	Variance Six Months vs. Twelve Months Budget	Variance Percentage	Six Months Year To Date 2021	Fav/(Unfav) Six Months 2021 vs. 2022
BUSINESS AFFAIRS						
Legal and NBR						
9695 Legal	132,564	210,000	77,436	36.87%	63,849	(68,716)
9690 Legal - Admin. & Oper. Support	26,102	6,225	(19,877)	-319.31%	1,154	(24,948)
Program Group Total	158,667	216,225	57,558	26.62%	65,003	(93,664)
Other Programs						
9280 Human Resources	56,956	80,300	23,344	29.07%	48,759	(8,197)
9290 Government Relations	8,956	100,000	91,044	91.04%	0	(8,956)
9295 Information Technology Support	0	0	0	0.00%	489,060	489,060
Program Group Total	65,912	180,300	114,388	63.44%	537,819	471,907
Administrative						
9990 Administration & Operational Support	72,346	203,950	131,605	64.53%	165,722	93,377
9999 Salary and Benefits	480,187	2,022,338	1,542,151	76.26%	739,449	259,262
Program Group Total	552,532	2,226,288	1,673,756	75.18%	905,171	352,639
TOTAL BUSINESS AFFAIRS	777,111	2,622,813	1,845,702	70.37%	1,507,994	730,883
TOTAL SUPPORT DIVISIONS	2,695,732	5,877,339	3,181,607	54.13%	2,630,873	(64,859)
GRAND TOTALS	\$16,573,526	\$37,587,720	\$21,014,194	55.91%	\$16,660,544	\$87,017

USA Swimming
2022 Budget vs. 2022 Projection Summary
As of 9/1/2022

NON-OPERATING INVESTMENT GAINS (LOSSES) and
BOARD APPROVED RESERVE INVESTMENTS - Cash Basis

	Approved Budget 2022	Current Projection 2022	\$ Variance Favorable (Unfavorable)
Non-Operating Investment Gains (Losses)	<u>\$ 2,400,000</u>	<u>\$ (4,000,000)</u>	<u>\$ (6,400,000)</u>
Operating Reserves:			
Disaster Donations	\$ (25,000)	\$ (25,000)	\$ -
Board Designated Funds:			
"Keeping Athletes First" (KAF) Initiative:			
Safe Sport (Club Rec, Staff Res & Prog Dev)	-	(498)	(498)
Coach Education & LMS	(729,359)	(699,099)	30,260
Online Member Registration	(827,118)	(910,566)	(83,448)
Legal & Risk Management	-	(1,800,000)	(1,800,000)
USSIC Sale Letter of Credit	(1,000,000)	(3,500,000)	(2,500,000)
Total Board Approved Reserve Investments	<u>\$ (2,581,477)</u>	<u>\$ (6,935,163)</u>	<u>\$ (4,353,686)</u>

USA Swimming, Inc.
Statement of Cash Flows
For the 6 Months Ended June 30, 2022

	June 30, 2022	
	Quarter 2	YTD
Operating activities:		
Change in Net Assets	\$ (9,259,544)	\$ 534,845
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	347,555	828,133
Net realized and unrealized (gains) losses on investments	4,202,585	6,350,339
Changes in operating assets and liabilities:		
Accounts receivable	1,194,658	842,847
Prepaid expenses and deferred changes	(243,184)	436,529
Olympic Trials Joint Venture		
Accounts payable, accrued exp and other liabilities	(433,426)	(1,631,408)
Deferred revenue	(25,000)	(14,963,742)
Insurance Payable	(240)	309,010
Net cash provided by/(used in) operating activities	<u>5,042,948</u>	<u>(7,828,292)</u>
Investing activities:		
(Purchase)/Proceeds of Long-term investments, net	4,808,019	4,569,267
Decrease in prepaid rent	30,527	60,646
Acquisition/Disposal of property and equipment	<u>(598,569)</u>	<u>(1,217,133)</u>
Net cash provided by/(used in) investing activities	<u>4,239,977</u>	<u>3,412,780</u>
Financing activities:		
Proceeds from Line of Credit	<u>-</u>	<u>1,179,000</u>
Net cash provided by/(used in) financing activities	<u>-</u>	<u>1,179,000</u>
Net increase/(decrease) in cash & cash equivalents	23,381	(2,701,667)
Cash & cash equivalents beginning of period	<u>1,991,460</u>	<u>4,716,508</u>
Cash & cash equivalents end of period	<u>\$ 2,014,841</u>	<u>\$ 2,014,841</u>



FIRSTwestern TRUST

*USA Swimming, Inc.
&
USA Swimming Foundation Inc.*

2nd Quarter 2022



FIRSTwestern
TRUST

Your Agenda Items

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

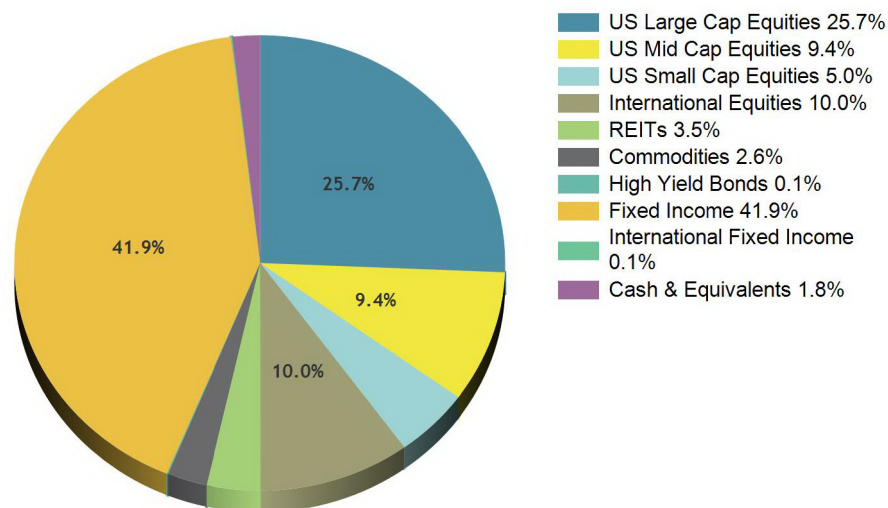


Portfolio Review



FIRSTwestern
TRUST

Portfolio Sector Allocation as of 6/30/2022



Performance History

	QTD	YTD	3Yr	Since Inception ⁽⁴⁾ 6/26/2008
Total Portfolio	-10.74	-14.73	4.61	5.27
Index				
Blended Benchmark	-11.11	-15.24	3.65	4.70
Consumer Price Index - All Items ⁽⁵⁾		4.65	4.54	2.19

Activity Summary

	Quarter to Date	Year to Date	Since Inception 6/26/2008
Beginning Value^{(1),(2)}	\$41,104,853	\$43,026,452	\$0
Net Contributions/Withdrawals ⁽³⁾	-\$5,000,000	-\$5,000,000	\$15,920,590
Gain/Loss	-\$3,970,659	-\$5,892,258	\$16,213,604
Ending Value^{(1),(2)}	\$32,134,194	\$32,134,194	\$32,134,194

Portfolio Growth: 6/26/2008 - 6/30/2022



(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.

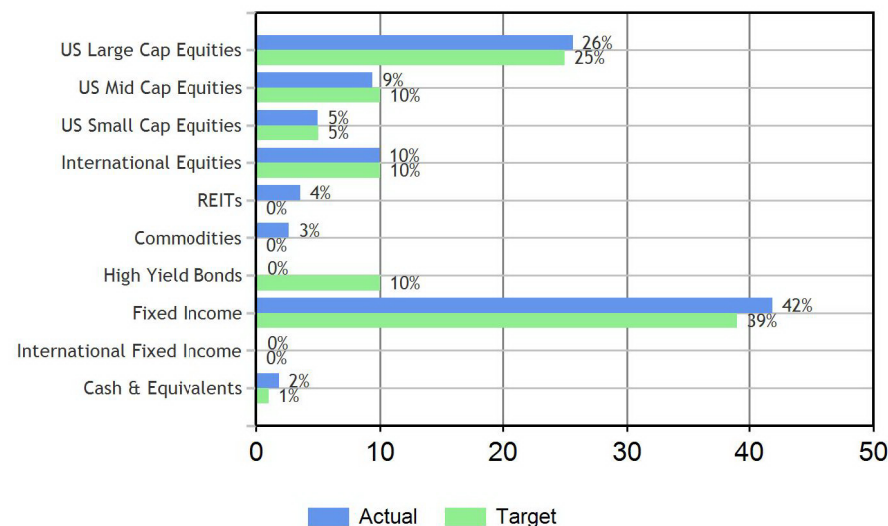
Portfolio Sector Allocation⁽³⁾

	Market Value ^{(1),(2),(3)}	Portfolio
	As of 6/30/2022	Weight
US Large Cap Equities	\$8,243,256	26%
US Mid Cap Equities	\$3,013,544	9%
US Small Cap Equities	\$1,598,758	5%
International Equities	\$3,203,481	10%
REITs	\$1,139,596	4%
Commodities	\$842,011	3%
High Yield Bonds	\$26,433	0%
Fixed Income	\$13,449,710	42%
International Fixed Income	\$30,032	0%
Cash & Equivalents	\$587,372	2%
Total	\$32,134,194	100%

Portfolio Performance^{(2),(3),(6)}

	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception Tq ⁽⁴⁾	Inception
							Date	Date
US Large Cap Equities	-15.79	-19.64	-10.22	10.68	11.37	12.71	9.51	6/26/2008
US Mid Cap Equities	-17.21	-22.69	-17.12				11.49	6/23/2020
US Small Cap Equities	-15.85	-19.75	-18.42	6.05	5.90	9.75	7.46	6/26/2008
International Equities	-12.25	-21.24	-25.29	-0.95	1.84	4.49	1.64	6/26/2008
REITs	-18.57	-22.48	-12.14	3.30	6.08	6.74	5.36	6/26/2008
Commodities	-6.23	17.13	25.33				44.64	6/23/2020
High Yield Bonds	-11.30	-23.09	-22.79	-2.89	0.80	3.04	3.43	7/12/2011
Fixed Income	-4.45	-9.65	-9.65	0.20	1.81	2.29	3.51	6/26/2008
International Fixed Income	-1.13	-3.49	-4.22				1.94	9/15/2019
Portfolio	-10.74	-14.73	-11.61	4.61	5.59	6.15	5.27	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, 2022

	Market Value ^{(1),(2),(4)}	Portfolio ⁽⁵⁾							Since ^{(3),(4)}	Inception
	As Of 6/30/2022	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
US Large Cap Equities	\$8,243,256	26%	-15.79	-19.64	-10.22	10.68	11.37	12.71	9.51	6/26/2008
S&P 500 Index			-16.10	-19.96	-10.62	10.60	11.31	12.96		
US Mid Cap Equities	\$3,013,544	9%	-17.21	-22.69	-17.12				11.49	6/23/2020
Russell Midcap Index			-16.85	-21.57	-17.30	6.59	7.96	11.29		
US Small Cap Equities	\$1,598,758	5%	-15.85	-19.75	-18.42	6.05	5.90	9.75	7.46	6/26/2008
Russell 2000 Index			-17.20	-23.43	-25.20	4.21	5.17	9.35		
International Equities	\$3,203,481	10%	-12.25	-21.24	-25.29	-0.95	1.84	4.49	1.64	6/26/2008
MSCI EAFE Index			-14.51	-19.57	-17.77	1.07	2.20	5.40		
MSCI Emerging Markets Index			-11.45	-17.63	-25.28	0.57	2.18	3.06		
REITs	\$1,139,596	4%	-18.57	-22.48	-12.14	3.30	6.08	6.74	5.36	6/26/2008
Wilshire U.S. REIT Index			-18.48	-21.64	-6.70	4.01	5.26	7.28		
FTSE EPRA/NAREIT Developed Index			-17.43	-20.71	-13.44	-1.07	1.95	4.69		
Commodities	\$842,011	3%	-6.23	17.13	25.33				44.64	6/23/2020
Bloomberg Commodity Index			-5.66	18.44	24.27	14.34	8.39	-0.82		
High Yield Bonds	\$26,433	0%	-11.30	-23.09	-22.79	-2.89	0.80	3.04	3.43	7/12/2011
BofAML HY Master II Index			-9.97	-14.04	-12.66	-0.04	1.95	4.41		
Fixed Income	\$13,449,710	42%	-4.45	-9.65	-9.65	0.20	1.81	2.29	3.51	6/26/2008
Barclays Cap Aggregate Bond Index			-4.69	-10.35	-10.29	-0.93	0.88	1.54		
Barclays Municipal 1-10 Yr. Blend Index			-0.83	-5.55	-5.39	0.21	1.32	1.79		
Barclays Municipal 1-15 Yr. Blend Index			-1.55	-6.80	-6.53	0.12	1.47	2.08		
International Fixed Income	\$30,032	0%	-1.13	-3.49	-4.22				1.94	9/15/2019
Barclays 1-3 Year Global Majors Index			-6.33	-10.35	-13.11	-3.38	-1.27	-1.91		
Cash & Equivalents	\$587,372	2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.10	0.14	0.17	0.63	1.11	0.64		
Total Portfolio	\$32,134,194	100%	-10.74	-14.73	-11.61	4.61	5.59	6.15	5.27	6/26/2008

(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 6/30/2022	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception ⁽³⁾	
612422055	USA Swimming, Inc. - Equities - Pledged	6/26/2008	\$18,543,716	57.7%	-14.92	-18.14	-13.08	7.58	7.81	8.76		6.48
612422063	USA Swimming, Inc. - Fixed Income	6/26/2008	\$13,590,478	42.3%	-4.50	-9.75	-10.10	-0.29	1.35	1.87		4.95
USA Swimming, Inc.			\$32,134,194	100.0%	-10.74	-14.73	-11.61	4.61	5.59	6.15		5.27

(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.

First Western Trust Bank
PORTFOLIO PROFILE

USA Swimming, Inc. - Equities - Pledged
612422055 (Formerly Fidelity 673218332)
As of 06-30-22

Fund	Shares Owned	Share Price	Market Value	% of Asset Class	% of Total Market Value
U.S. EQUITIES					
US Large Cap Equities					
VANGUARD INDEX FDS S&P 500 ETF	23,764.000	346.88	8,243,256.32	64.1	
SHS NEW					
US Large Cap Equities Total			8,243,256.32	64.1	44.5
US Mid Cap Equities					
ISHARES RUSSELL MID-CAP ETF	46,606.000	64.66	3,013,543.96	23.4	
US Mid Cap Equities Total			3,013,543.96	23.4	16.3
US Small Cap Equities					
ISHARES RUSSELL 2000 ETF	9,440.000	169.36	1,598,758.40	12.4	
US Small Cap Equities Total			1,598,758.40	12.4	8.6
U.S. EQUITIES Total			12,855,558.68	100.0	69.3
INTERNATIONAL EQUITIES					
International Equities					
INVESCO DEVELOPING MARKETS FUND	34,641.025	35.13	1,216,939.21	38.0	
CLASS R6					
LAZARD INTL STRATEGIC EQUITY	75,956.873	13.24	1,005,669.00	31.4	
PORT INST CL					

First Western Trust Bank
PORTFOLIO PROFILE

USA Swimming, Inc. - Equities - Pledged
612422055 (Formerly Fidelity 673218332)
As of 06-30-22

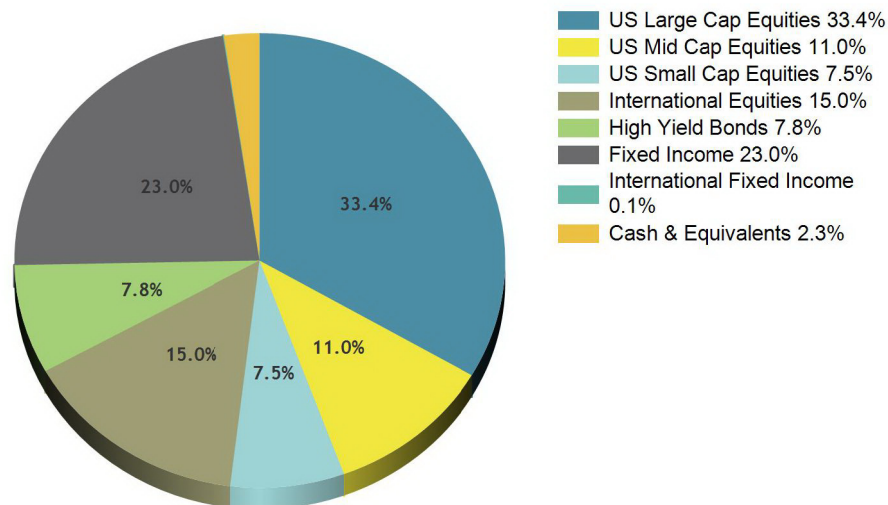
Fund	Shares Owned	Share Price	Market Value	% of Asset Class	% of Total Market Value
VANGUARD FTSE DEVELOPED MARKETS ETF	24,041.000	40.80	980,872.80	30.6	
International Equities Total			3,203,481.01	100.0	17.3
INTERNATIONAL EQUITIES Total			3,203,481.01	100.0	17.3
REAL ESTATE					
REITs					
VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	35,847.625	31.79	1,139,596.00	100.0	
REITs Total			1,139,596.00	100.0	6.1
REAL ESTATE Total			1,139,596.00	100.0	6.1
OTHER					
Commodities					
PIMCO COMMODITY REALRETURN STRATEGY FUND INST #45	134,292.033	6.27	842,011.05	100.0	
Commodities Total			842,011.05	100.0	4.5

First Western Trust Bank
PORTFOLIO PROFILE

USA Swimming, Inc. - Equities - Pledged
612422055 (Formerly Fidelity 673218332)
As of 06-30-22

Fund	Shares Owned	Share Price	Market Value	% of Asset Class	% of Total Market Value
OTHER Total			842,011.05	100.0	4.5
CASH AND EQUIVALENTS					
Cash & Equivalents					
DIVIDENDS DECLARED			34,032.42	6.8	
FIDELITY IMM GOV CLASS I FUND #57			469,037.14	93.2	
Cash & Equivalents Total			503,069.56	100.0	2.7
CASH AND EQUIVALENTS Total			503,069.56	100.0	2.7
TOTAL PORTFOLIO			18,543,716.29		100.0

Portfolio Sector Allocation as of 6/30/2022



Performance History

	QTD	YTD	3Yr	Since Inception ⁽⁴⁾ 11/30/2011
Total Portfolio	-12.22	-16.24	4.45	6.31
Index				
Blended Benchmark	-12.40	-17.16	3.12	5.63
Consumer Price Index - All Items ⁽⁵⁾		4.65	4.54	2.40

Activity Summary

	Quarter to Date	Year to Date	Since Inception 11/30/2011
Beginning Value^{(1),(2)}	\$19,097,721	\$20,014,790	\$586,463
Net Contributions/Withdrawals ⁽³⁾	\$31,226	\$31,838	\$9,238,808
Gain/Loss	-\$2,334,588	-\$3,252,269	\$6,969,088
Ending Value^{(1),(2)}	\$16,794,359	\$16,794,359	\$16,794,359

Portfolio Growth: 11/30/2011 - 6/30/2022



(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.

USA Swimming Foundation, Inc.

Sector Overview: As of June 30, 2022

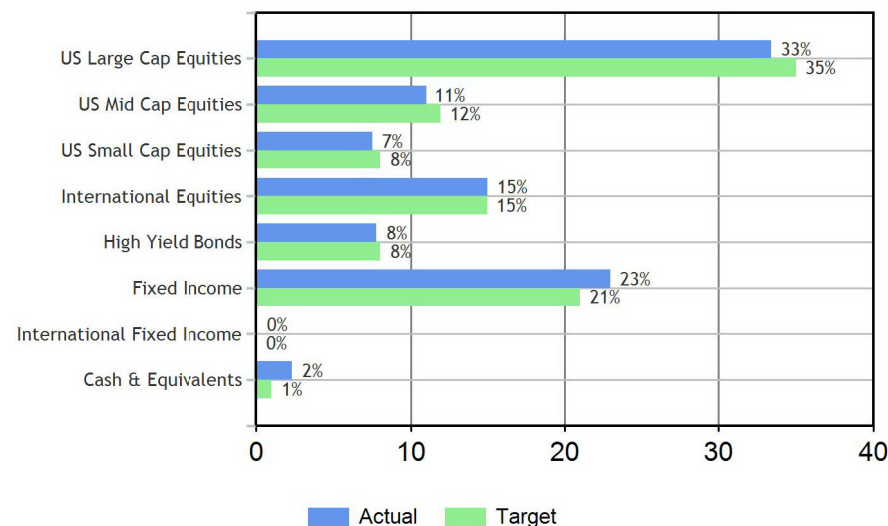
Portfolio Sector Allocation⁽³⁾

	Market Value ^{(1),(2),(3)}	Portfolio
	As of 6/30/2022	Weight
US Large Cap Equities	\$5,612,865	33%
US Mid Cap Equities	\$1,846,431	11%
US Small Cap Equities	\$1,257,159	7%
International Equities	\$2,521,830	15%
High Yield Bonds	\$1,303,447	8%
Fixed Income	\$3,854,470	23%
International Fixed Income	\$10,011	0%
Cash & Equivalents	\$388,147	2%
Total	\$16,794,359	100%

Portfolio Performance^{(2),(3),(6)}

	QTD	YTD	1Yr	3Yr	5Yr	Inception Tq ⁽⁴⁾	Inception
						10Yr	Date
US Large Cap Equities	-15.90	-19.73	-10.33	10.89	11.46	12.65	12.93 11/30/2011
US Mid Cap Equities	-16.76	-22.11	-16.49				11.96 6/23/2020
US Small Cap Equities	-17.07	-20.65	-19.16	5.85	5.97	9.69	10.09 11/30/2011
International Equities	-12.29	-21.17	-25.12	-1.01	1.83	4.49	4.40 11/30/2011
High Yield Bonds	-9.12	-21.46	-21.15	-1.95	1.40	3.40	4.01 11/30/2011
Fixed Income	-4.44	-9.69	-9.73	0.15	1.74	2.32	2.58 12/06/2011
International Fixed Income	-1.13	-3.50	-4.20				1.81 9/15/2019
Portfolio	-12.22	-16.24	-13.05	4.45	5.32	6.07	6.31 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.

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

USA Swimming Foundation, Inc.

Performance by Sector: As of June 30, 2022



	Market Value ^{(1),(2),(4)}	Portfolio ⁽⁵⁾							Since ^{(3),(4)}	Inception
	As Of 6/30/2022	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
US Large Cap Equities	\$5,612,865	33%	-15.90	-19.73	-10.33	10.89	11.46	12.65	12.93	11/30/2011
S&P 500 Index			-16.10	-19.96	-10.62	10.60	11.31	12.96		
US Mid Cap Equities	\$1,846,431	11%	-16.76	-22.11	-16.49				11.96	6/23/2020
Russell Midcap Index			-16.85	-21.57	-17.30	6.59	7.96	11.29		
US Small Cap Equities	\$1,257,159	7%	-17.07	-20.65	-19.16	5.85	5.97	9.69	10.09	11/30/2011
Russell 2000 Index			-17.20	-23.43	-25.20	4.21	5.17	9.35		
International Equities	\$2,521,830	15%	-12.29	-21.17	-25.12	-1.01	1.83	4.49	4.40	11/30/2011
MSCI EAFE Index			-14.51	-19.57	-17.77	1.07	2.20	5.40		
MSCI Emerging Markets Index			-11.45	-17.63	-25.28	0.57	2.18	3.06		
High Yield Bonds	\$1,303,447	8%	-9.12	-21.46	-21.15	-1.95	1.40	3.40	4.01	11/30/2011
BofAML HY Master II Index			-9.97	-14.04	-12.66	-0.04	1.95	4.41		
Fixed Income	\$3,854,470	23%	-4.44	-9.69	-9.73	0.15	1.74	2.32	2.58	12/06/2011
Barclays Cap Aggregate Bond Index			-4.69	-10.35	-10.29	-0.93	0.88	1.54		
Barclays Municipal 1-10 Yr. Blend Index			-0.83	-5.55	-5.39	0.21	1.32	1.79		
Barclays Municipal 1-15 Yr. Blend Index			-1.55	-6.80	-6.53	0.12	1.47	2.08		
International Fixed Income	\$10,011	0%	-1.13	-3.50	-4.20				1.81	9/15/2019
Barclays 1-3 Year Global Majors Index			-6.33	-10.35	-13.11	-3.38	-1.27	-1.91		
Cash & Equivalents	\$388,147	2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.10	0.14	0.17	0.63	1.11	0.64		
Total Portfolio	\$16,794,359	100%	-12.22	-16.24	-13.05	4.45	5.32	6.07	6.31	11/30/2011

(1) Values include Accrued Income.

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

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

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

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

USA Swimming Foundation, Inc.

Quarterly Performance Report: As of June 30, 2022



Individual Account Performance

		Inception	Market Value ^{(1),(2)}	Portfolio								Since
		Date	As of 6/30/2022	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception ⁽³⁾	
612422022	USA Swimming Foundation, Inc. - Equities	11/30/2011	\$12,781,339	76.1%	-14.41	-18.26	-13.24	7.81	8.10	9.01	9.12	
612422071	USA Swimming Foundation, Inc. - Fixed Income	12/6/2011	\$4,013,021	23.9%	-4.48	-9.71	-9.96	-0.26	1.33	1.88	2.16	
USA Swimming Foundation, Inc.			\$16,794,359	100.0%	-12.22	-16.24	-13.05	4.45	5.32	6.07	6.31	

(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.

First Western Trust Bank
PORTFOLIO PROFILE

USA Swimming Foundation, Inc. - Equities

612422022

Moderate

As of 06-30-22

Fund	Shares Owned	Share Price	Market Value	% of Asset Class	% of Total Market Value
U.S. EQUITIES					
US Large Cap Equities					
VANGUARD INDEX FDS S&P 500 ETF SHS NEW	16,181.000	346.88	5,612,865.28	64.4	
US Large Cap Equities Total			5,612,865.28	64.4	43.9
US Mid Cap Equities					
ISHARES RUSSELL MID-CAP ETF	28,556.000	64.66	1,846,430.96	21.2	
US Mid Cap Equities Total			1,846,430.96	21.2	14.4
US Small Cap Equities					
ISHARES RUSSELL 2000 ETF	7,423.000	169.36	1,257,159.28	14.4	
US Small Cap Equities Total			1,257,159.28	14.4	9.8
U.S. EQUITIES Total			8,716,455.52	100.0	68.2
INTERNATIONAL EQUITIES					
International Equities					
INVESCO DEVELOPING MARKETS FUND CLASS R6	44,626.290	35.13	1,567,721.57	62.2	
VANGUARD FTSE DEVELOPED MARKETS ETF	23,385.000	40.80	954,108.00	37.8	
International Equities Total			2,521,829.57	100.0	19.7

First Western Trust Bank
PORTFOLIO PROFILE

USA Swimming Foundation, Inc. - Equities
612422022
Moderate
As of 06-30-22

Fund	Shares Owned	Share Price	Market Value	% of Asset Class	% of Total Market Value
INTERNATIONAL EQUITIES Total			2,521,829.57	100.0	19.7
HIGH YIELD BONDS					
High Yield Bonds					
OAKHURST SHORT DURATION HIGH YIELD CREDIT FUND - INSTITUTIONAL #828	149,279.459	8.64	1,289,774.53	100.0	
High Yield Bonds Total			1,289,774.53	100.0	10.1
HIGH YIELD BONDS Total			1,289,774.53	100.0	10.1
CASH AND EQUIVALENTS					
Cash & Equivalents					
DIVIDENDS DECLARED			23,172.81	9.1	
FIRST WESTERN ICS MONEY MARKET			230,106.11	90.9	
Cash & Equivalents Total			253,278.92	100.0	2.0
CASH AND EQUIVALENTS Total			253,278.92	100.0	2.0
TOTAL PORTFOLIO			12,781,338.53		100.0

USA Swimming USA Swimming Foundation

2Q 2022 Review

July 18 2022

Anthony T. Corallo, CTP®

Managing Director, Senior Client Strategist | 650.401.2239 | tcorallo@sterlingcapital.com



STERLING
CAPITAL

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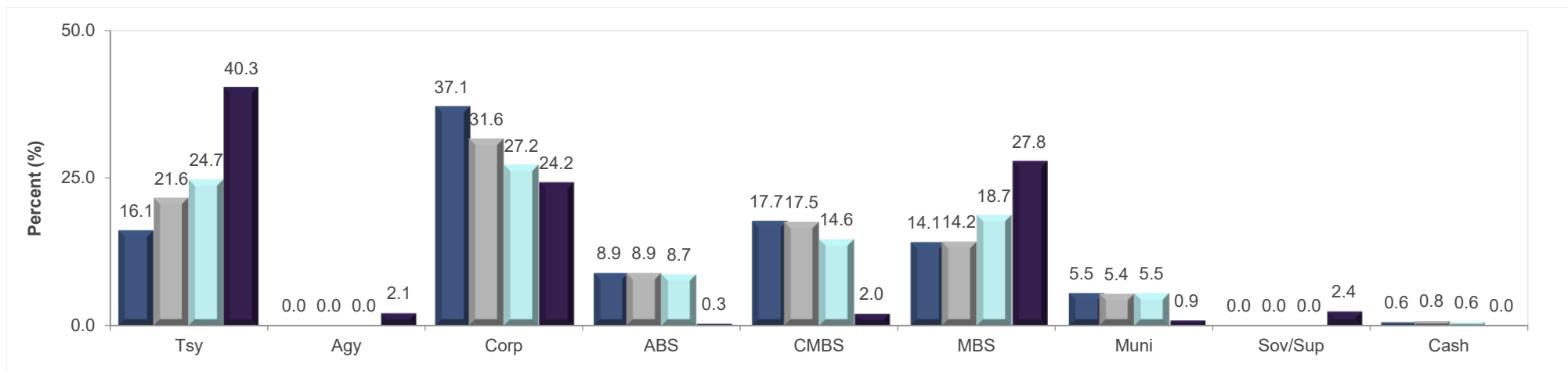
Section Title	Section #
Portfolio Characteristics	I
Strategy & Outlook	II
	Appendix

Characteristics & Performance

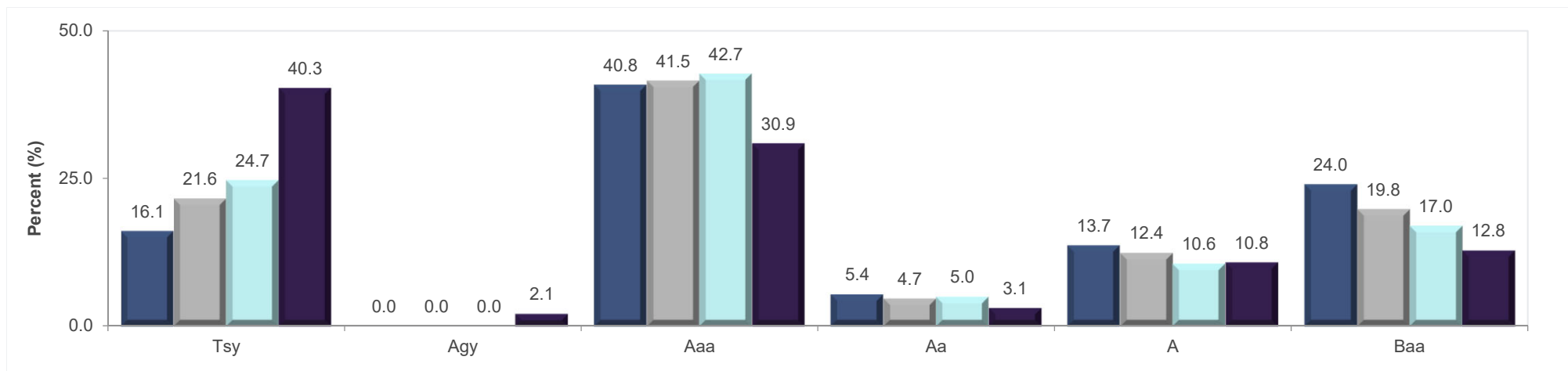
Fixed Income Characteristics - USA Swimming

6.30.2022

Sector Allocation



Ratings

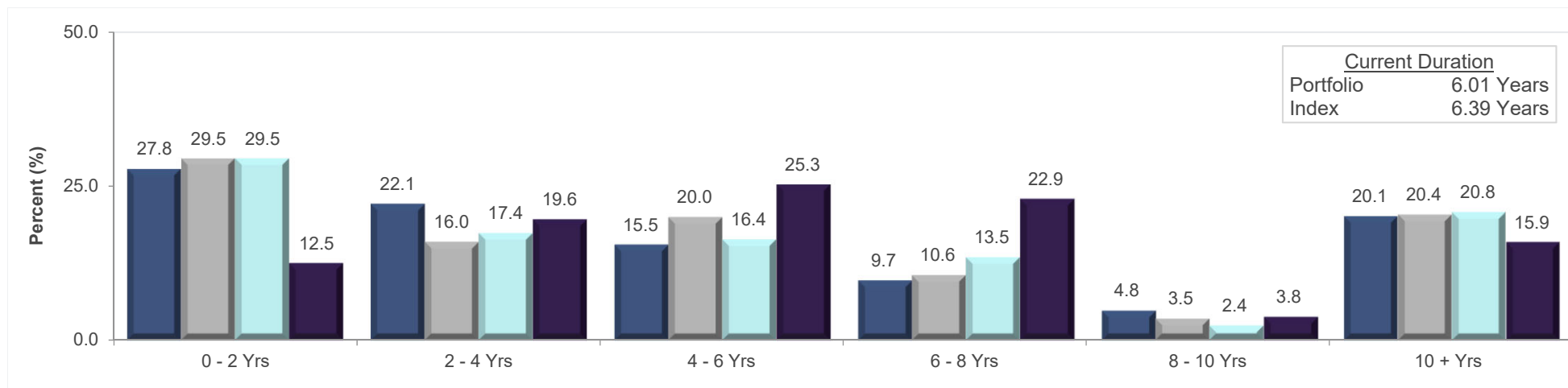


USA Swimming - 12.31.21
 USA Swimming - 3.31.22
 USA Swimming - 6.30.22
 Bloomberg Barclays U.S. Aggregate Bond Index - 6.30.22

Fixed Income Characteristics - USA Swimming

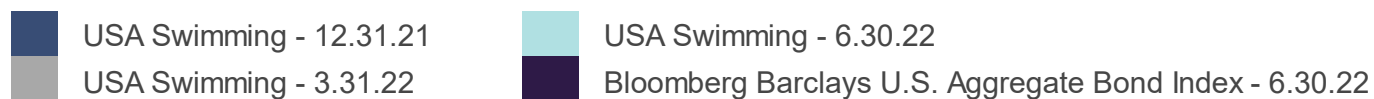
6.30.2022

Duration Distribution



Characteristics

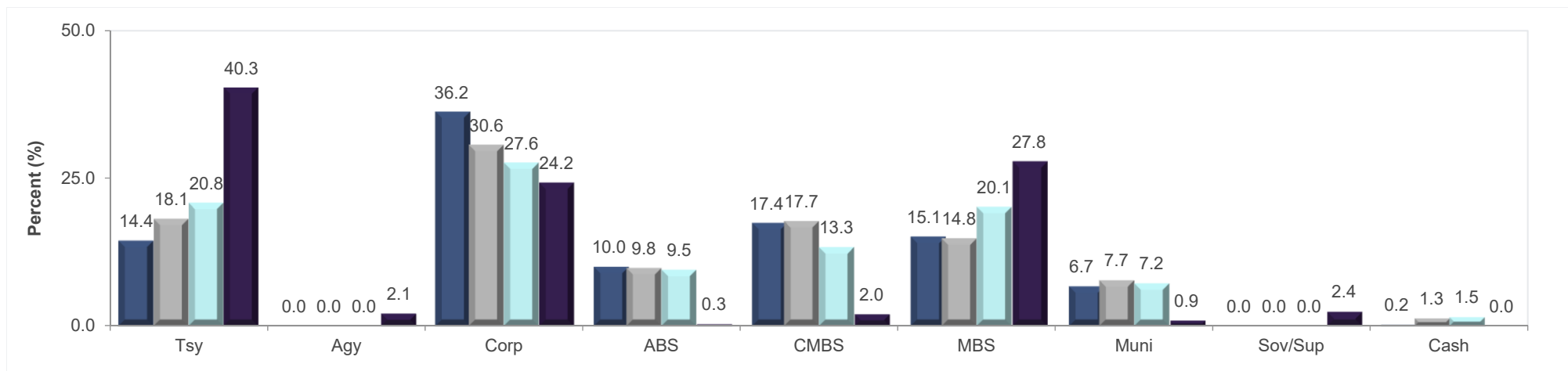
Duration.....	6.01 Years
Maturity.....	8.47 Years
Yield-to-Maturity.....	3.75%
Benchmark Yield-to-Maturity.....	3.72%
Credit Rating.....	Aa2



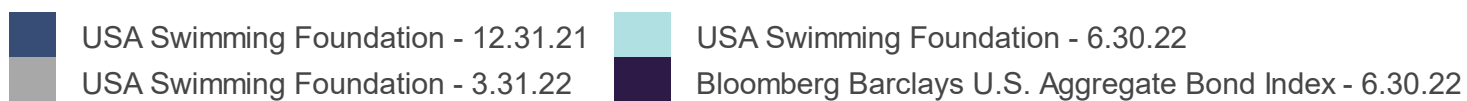
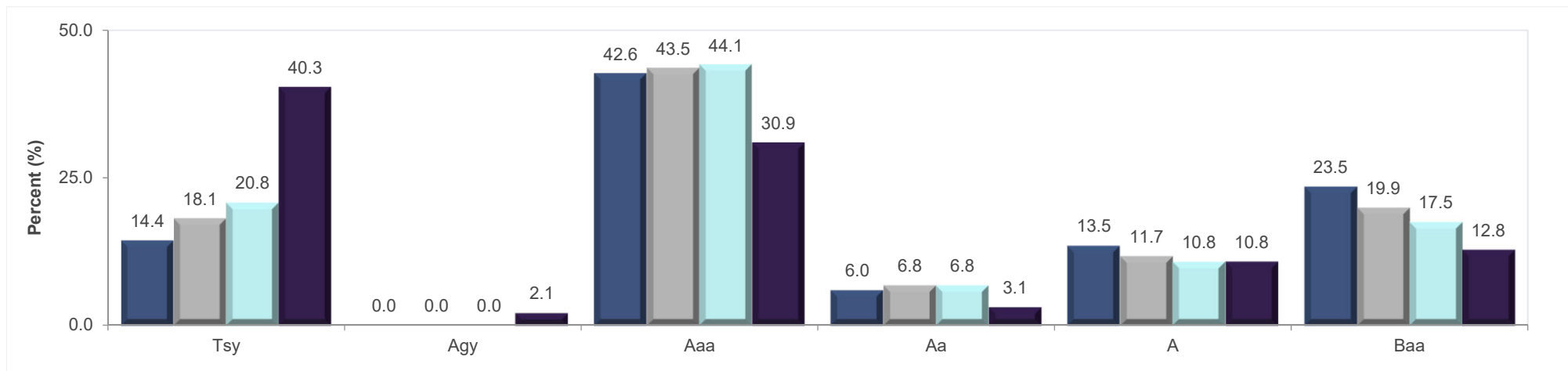
Fixed Income Characteristics - USA Swimming Foundation

6.30.2022

Sector Allocation



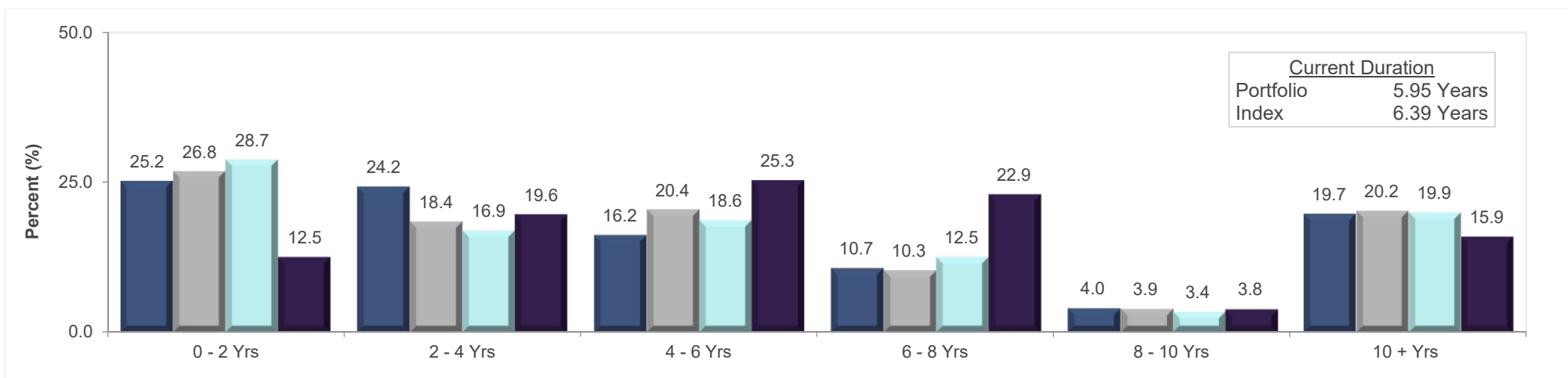
Ratings



Fixed Income Characteristics - USA Swimming Foundation

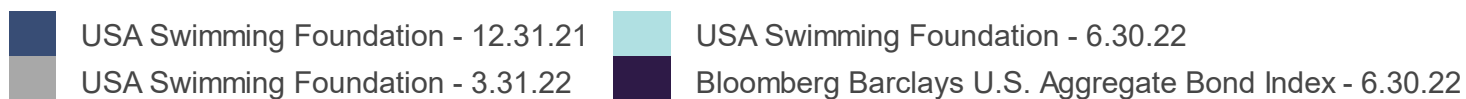
6.30.2022

Duration Distribution

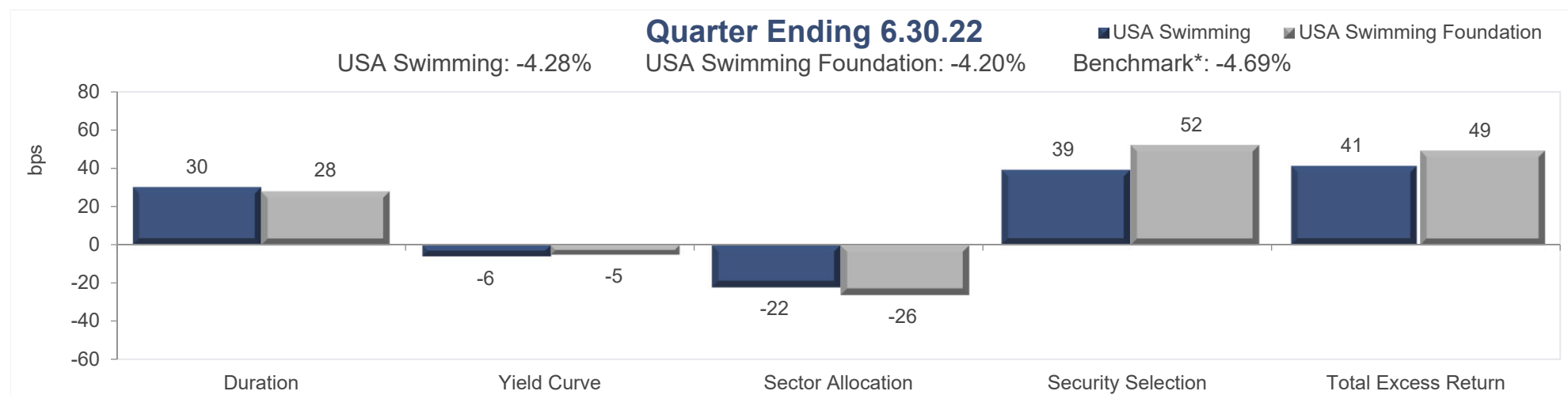


Characteristics

Duration	5.95 Years
Maturity	8.44 Years
Yield-to-Maturity	3.78%
Benchmark Yield-to-Maturity	3.72%
Credit Rating	Aa2



Performance Attribution



Active Decision

Comment

Effect

Duration/Yield Curve

- Duration managed short of benchmark
- Barbelled curve positioning

- Interest rates continued to rise rapidly as the Fed's response to sustained high inflation became more aggressive
- Front end of the yield curve flattened as larger short rate hikes priced in but 10 year-30 year curve steepened

- Positive
- Negative

Sector Allocation

- Overweight corporate bonds
- Overweight securitized assets
- Overweight taxable municipals

- Corporate bond spreads sold off in response to more hawkish monetary policy and corresponding economic risks
- MBS, CMBS and ABS underperformed Treasuries but easily outperformed corporate bonds
- Despite tough liquidity conditions, the higher quality nature of municipals helped the sector outperform other risk assets

- Negative
- Negative
- Positive

Security Selection

- Overweight ABS and non-agency CMBS
- Overweight financials versus industrials

- ABS and CMBS significantly outperformed agency MBS
- Continued elevated supply into challenging market conditions caused consistent widening in spreads for financials versus industrials. Rising recession fears drove wider spreads for companies lending to middle market borrowers

- Positive
- Negative

Strategy & Outlook

Investment Outlook and Strategic Positioning

Investment Outlook

- We expect the economy to grow at a rate of approximately 2% this year, as high inflation and falling consumer confidence erode real economic activity. That said, we anticipate continued consumer demand for services and a profit-funded boost to business investment to offset weaker goods demand and slowing housing activity. Meanwhile, falling real incomes and tighter financial conditions will act as headwinds to growth going forward.
- Inflation continues to be unacceptably high. We expect the Fed to aggressively raise rates to the mid-3% range by year end, as it combats inflation by attempting to slow aggregate demand. Nonetheless, we expect inflation to remain above the Fed's target for some time given the very elevated starting point and the fact that many supply constraints will likely remain in place via shortages of both materials and labor. Given the difficulty of engineering a soft landing and the many factors affecting inflation, the possibility of a monetary policy induced recession has increased.
- Meanwhile, we believe the balance of risks over the coming quarters is skewed to the downside. Beyond the risk of the Fed overtightening, the Ukrainian war continues to pose downside risks to the global economy via even higher food and energy costs. China's zero-COVID policy keeps global supply chains at risk. And there is always the potential for a yet another COVID variant that impacts economic activity, particularly heading into the fall and winter months in the northern hemisphere.

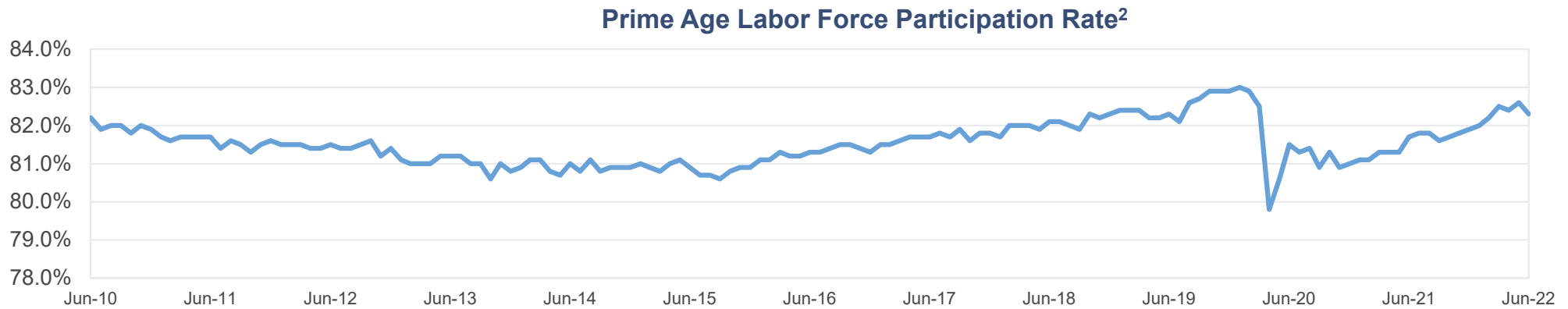
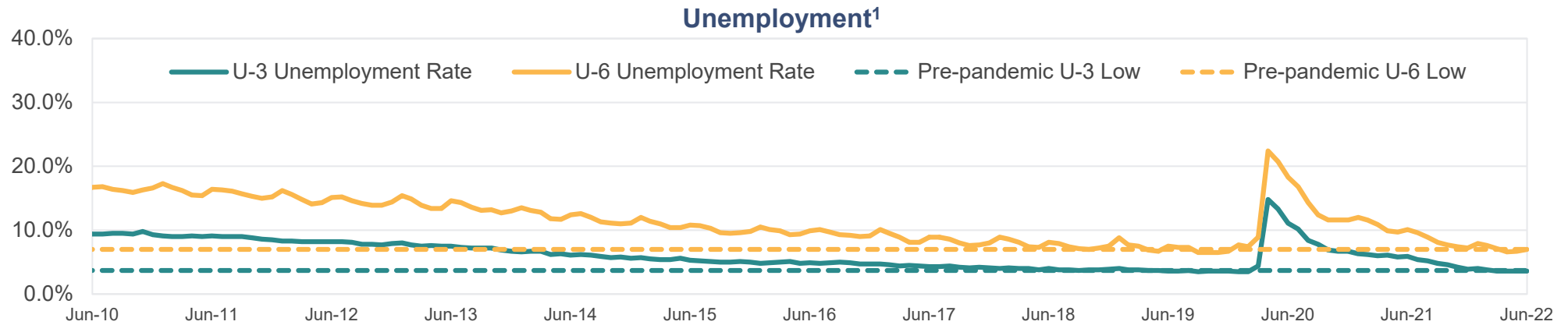
Strategic Positioning of our Portfolios

Intermediate and Core Fixed Income

- Durations will be managed modestly short versus benchmarks
- Remain overweight corporate bonds, securitized products and taxable municipals, but have reduced exposure to corporate bonds on growth and profit concerns.
- The outlook for agency MBS has improved as the sector has cheapened materially year-to-date. While there is still some uncertainty as to the Federal Reserve's long term plans for the MBS it holds on its balance sheet, we don't expect to see any active sales of agency MBS in the near term and the market appears appropriately priced for the current pace of balance sheet run-off

Fed's Flexible Average Inflation Targeting

Labor Markets

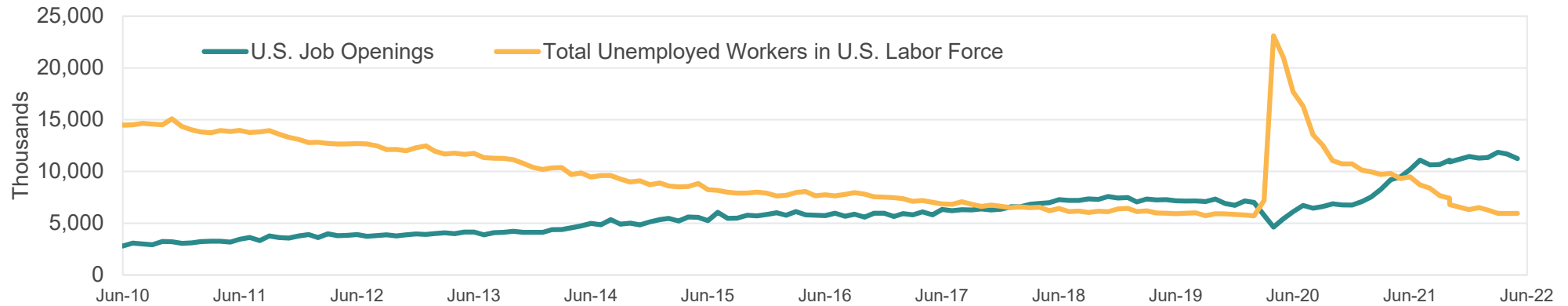


- The Fed's Flexible Average Inflation Targeting policy framework seeks to maximize employment.
- Labor force participation remains lower than prior to the pandemic, but unemployment and other measures of labor market slack continue to fall.

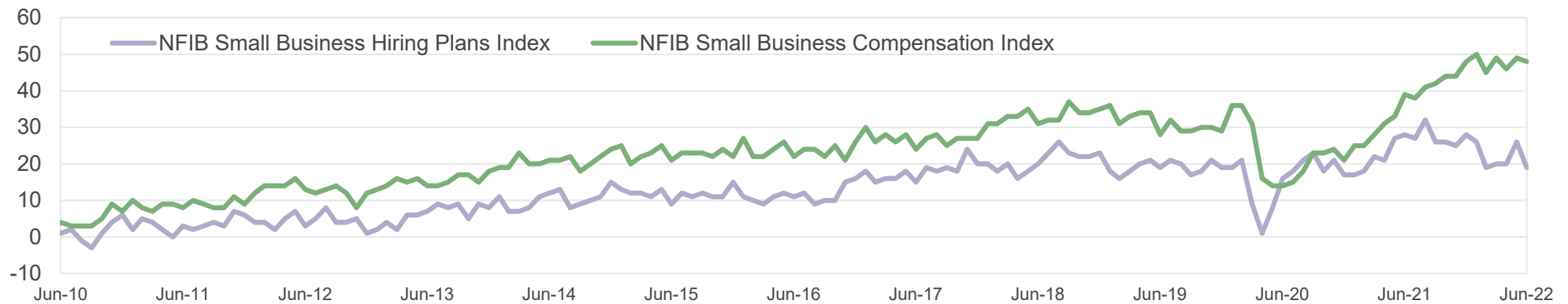
Data for both charts is as of 06.30.2022. ¹The U-3 unemployment rate is seasonally adjusted. ²The prime age labor force is comprised of ages 25-54. Source: Bureau of Economic Analysis. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

Wage Pressures

Job Openings vs. Total U-3 Unemployed Workers



Small Business Hiring and Compensation Plans



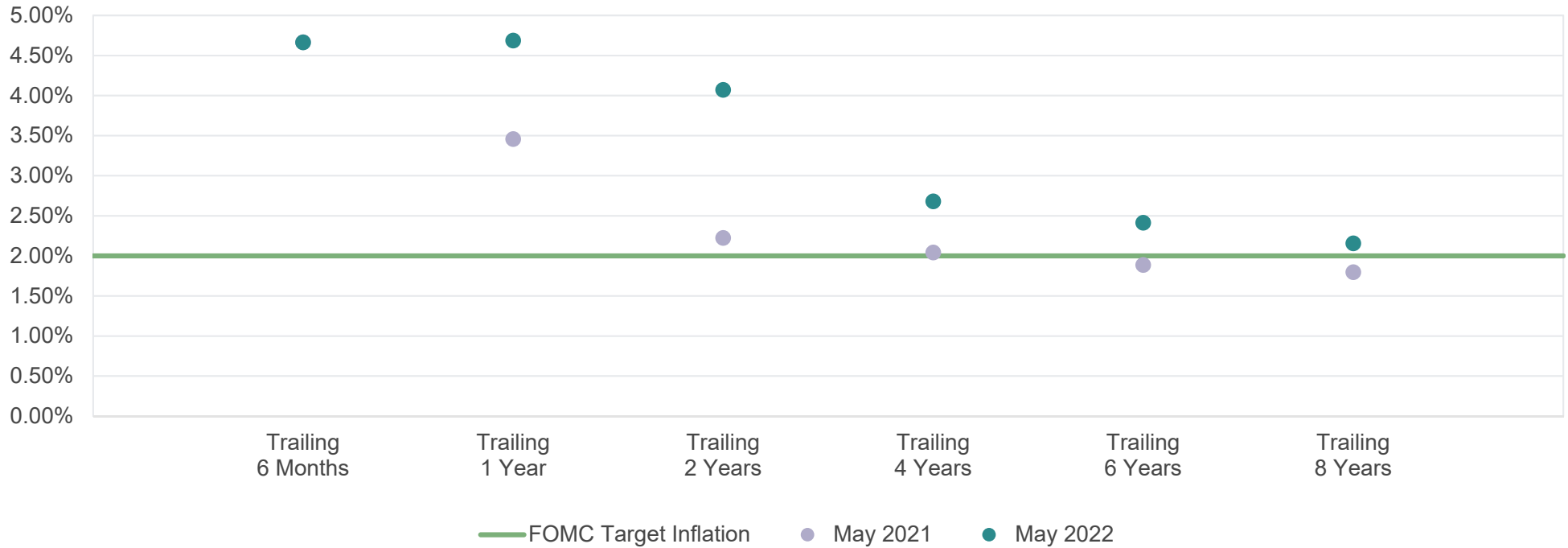
- Demand for workers exceeds the available supply, putting pressure on wages to rise.

Top chart: job openings data is as of 05.31.2022; unemployment data is as of 65.30.2022. Bottom chart: all data is as of 06.30.2022. Source for both charts: Bureau of Labor Statistics, National Federation of Independent Business, Department of Labor. 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.

Fed's Flexible Average Inflation Targeting

Inflation Outcomes

Flexible Average Inflation Targeting: CORE PCE



- Flexible Average Inflation Targeting allows inflation above the two percent target to make up for past inflation misses.
- Recent higher-than-target inflation has eliminated this “inflation gap” going back nearly eight years.

Fed's Flexible Average Inflation Targeting

Inflation

Core Personal Consumption Expenditures



- The Fed's FAIT policy framework seeks to make up for periods when inflation was below the Fed's target by allowing inflation above target for a period of time.
- The Fed has transitioned to a hawkish stance with inflation well above target.

Breadth of Inflation

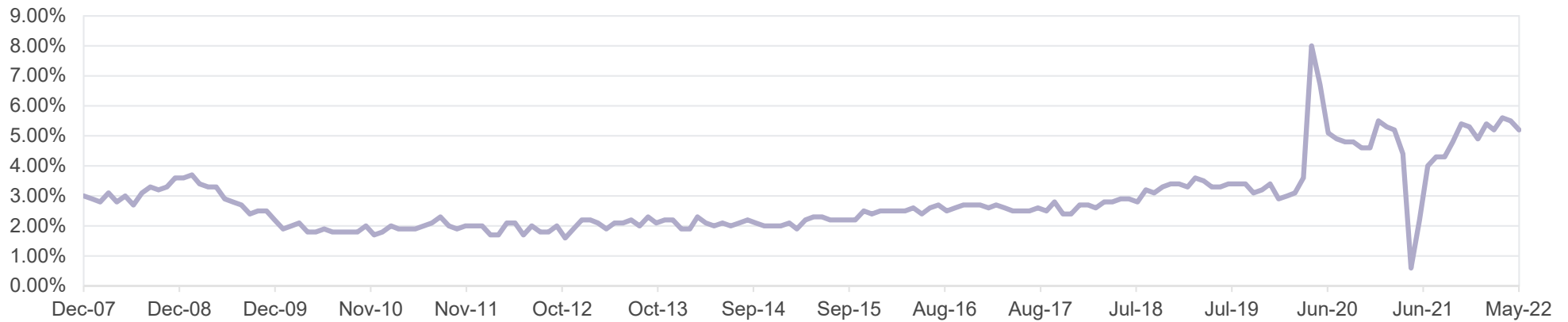
Percent of Consumer Price Index over 4%



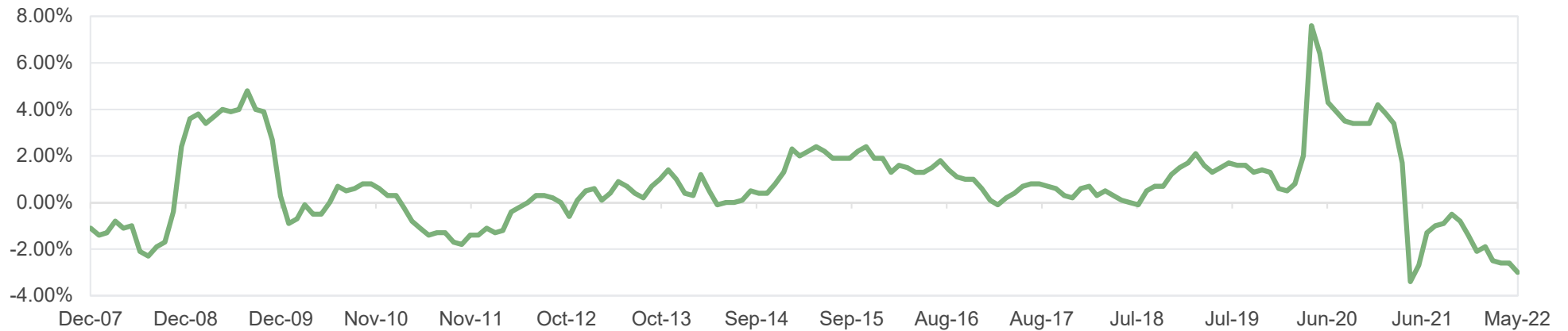
Data is as of 05.31.2022. Sources: Bureau of Labor Statistics; Sterling Capital Management Analytics.

Real Wages

Percent Change in Average Hourly Earnings



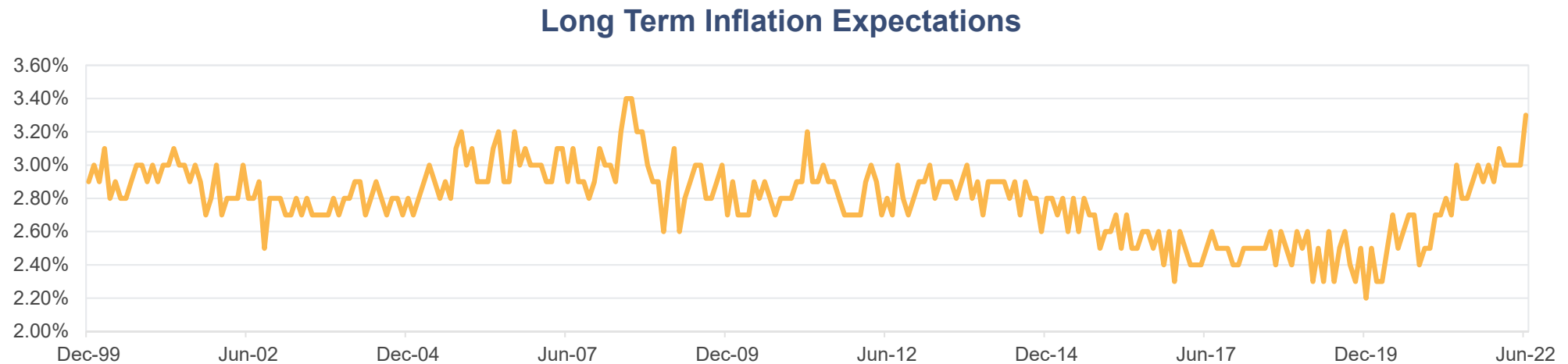
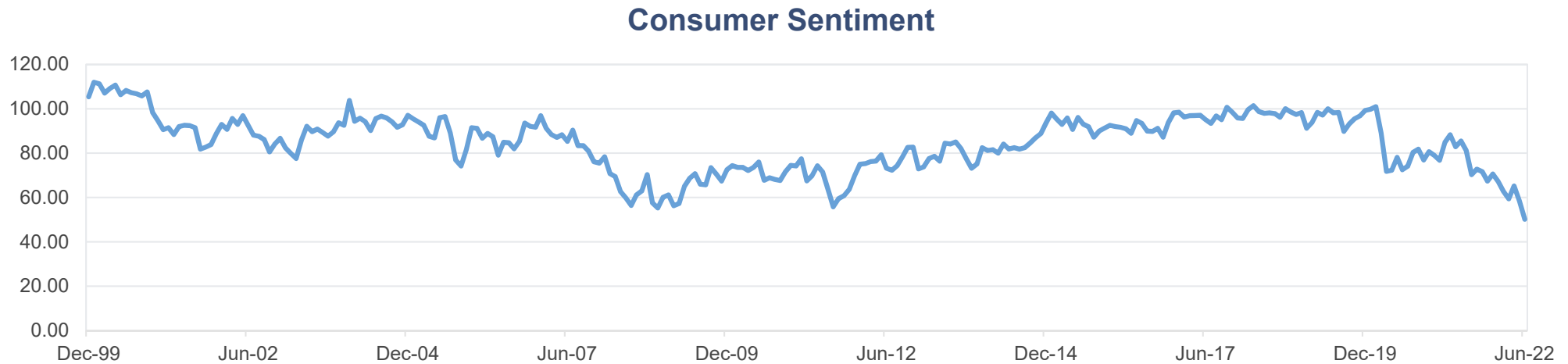
Percent Change in Real Average Hourly Earnings¹



- Even with strong wage gains of over 5% year-over-year, wage gains are not keeping up with inflation and real wages are falling.

Data is as of 05.31.2022. Source: Bureau of Labor Statistics. ¹Real average hourly earnings are adjusted for fluctuating prices and cost of living. 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.

Consumer Sentiment



- Inflation is rapidly undermining consumer confidence.

Data is as of 06.30.2022. Source: University of Michigan Consumer Sentiment Survey. Consumer sentiment measures public views on the economy, personal finances, business conditions, and buying conditions. The views expressed reflect the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees these methods will be successful.

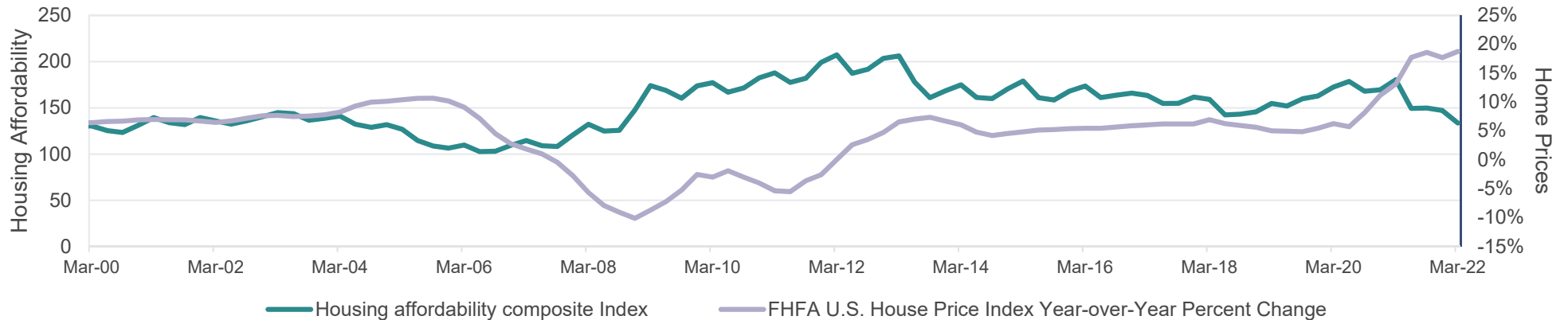
U.S. Housing Market

Mortgage Rates and Home Prices

30-Year Fixed Rate Mortgage - National Average



Home Prices and Affordability



- Sharply higher mortgage rates and home prices are impacting housing affordability.

Top chart is as of 06.10.2022; bottom chart is as of 03.31.2022. Sources: Bankrate.com; National Association of Realtors. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees these methods will be successful.

U.S. Housing Market

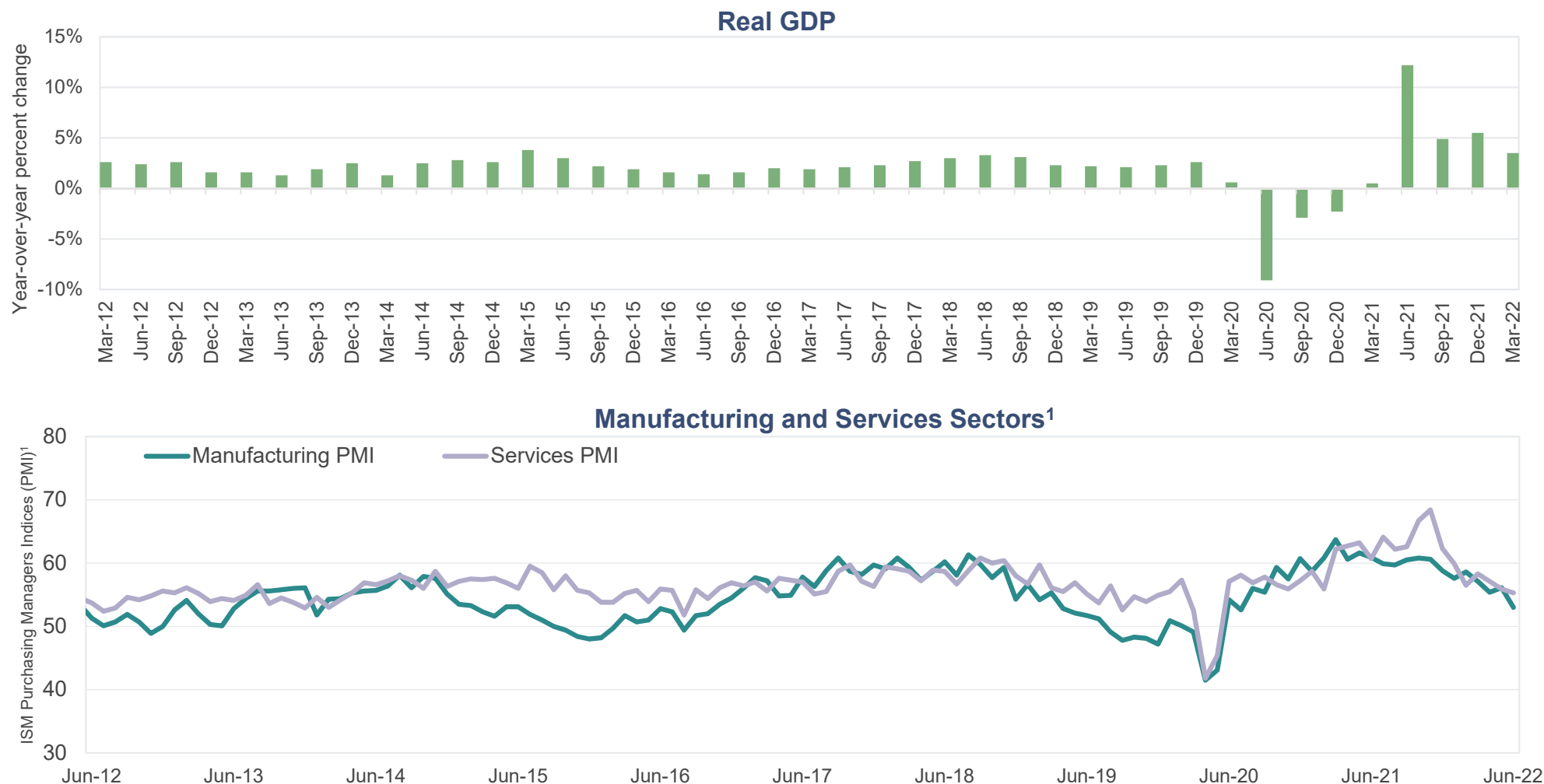
Existing & New Home Sales



- Home sales are under pressure as home buyers face higher mortgages rates and higher home prices.

Data is as of 05.31.2022. Sources: National Association of Realtors; U.S. Census Bureau. 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.

Economic Moderation

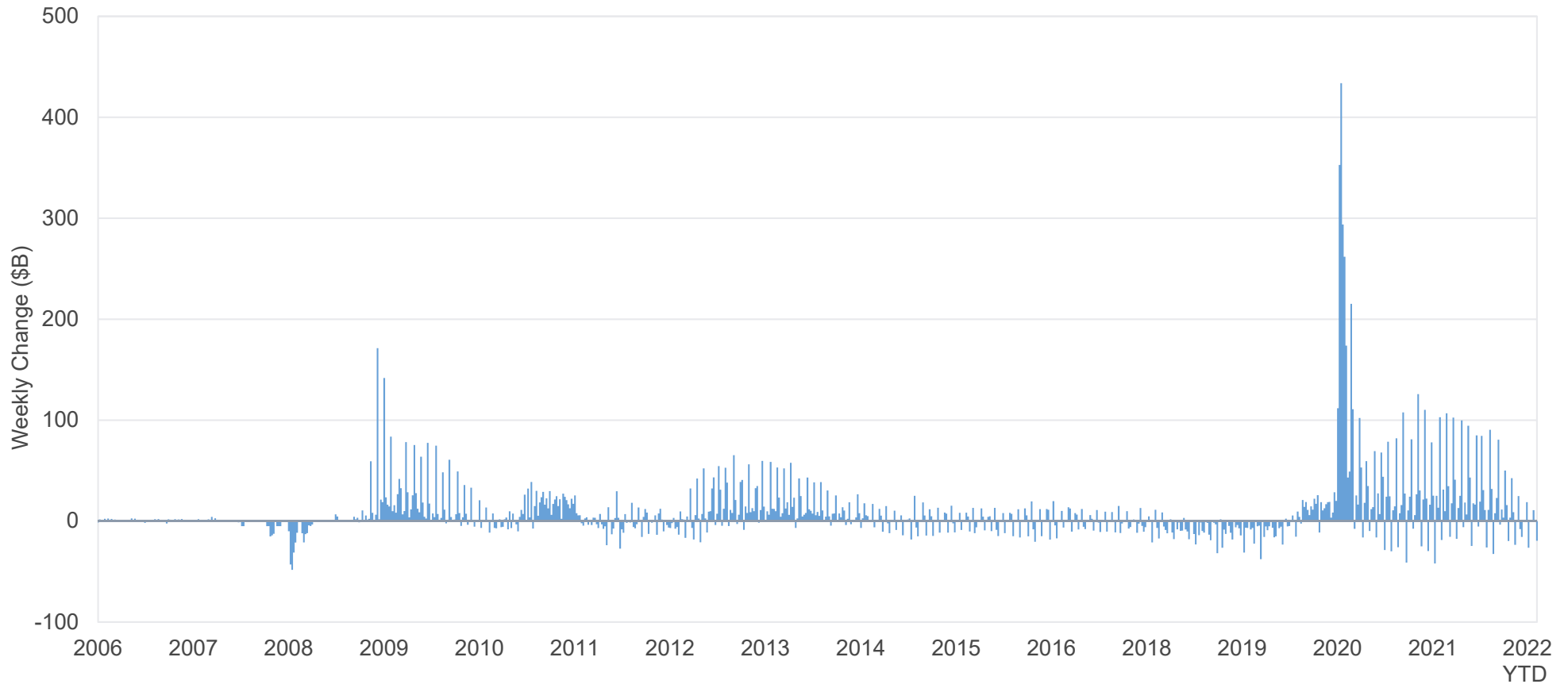


- While still in expansionary territory, the pace of economic expansion has slowed from 2021 highs.

Data for top chart is as of 03.31.2022. Source: Bureau for Economic Analysis. Data for bottom chart is as of 06.30.2022. Source: Institute for Supply Management (ISM). ¹The ISM Manufacturing Index (Manufacturing PMI) indicates the level of demand for products by measuring the amount of ordering activity at the nation's factories. The ISM Services Index The ISM Non-Manufacturing Index (Services PMI) measures business activity for the overall economy; above 50 indicating growth, while below 50 indicating contraction. Definitions are sourced from Investopedia. 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.

Federal Reserve Balance Sheet

Weekly Change in Federal Reserve's Balance Sheet

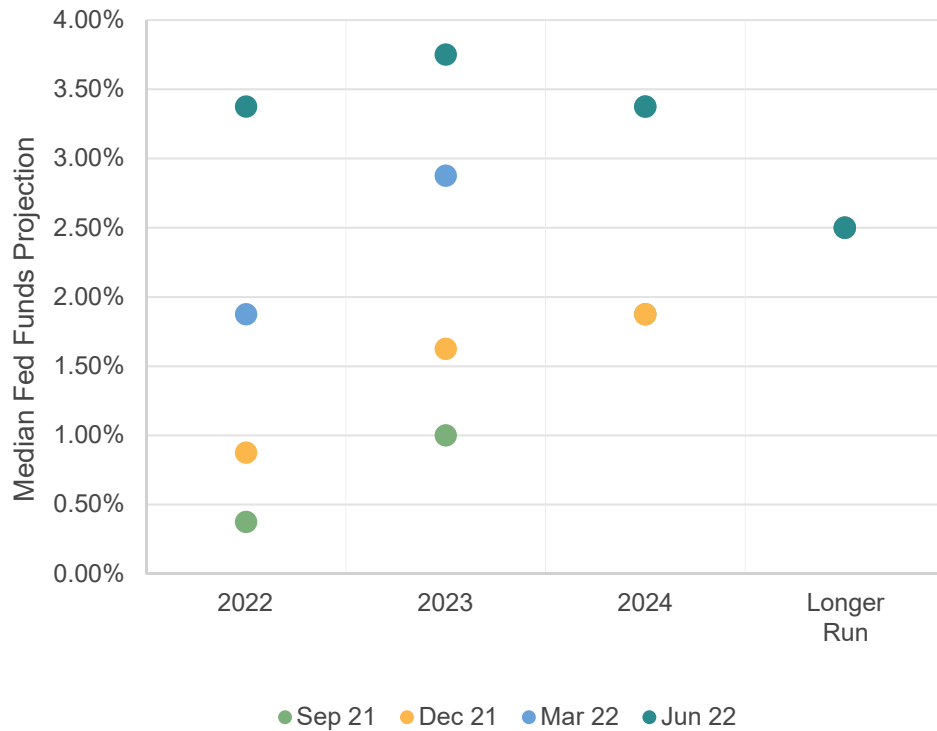


- The Fed ended net asset purchases in March and is widely expected to allow balance sheet runoff beginning in 2Q22.

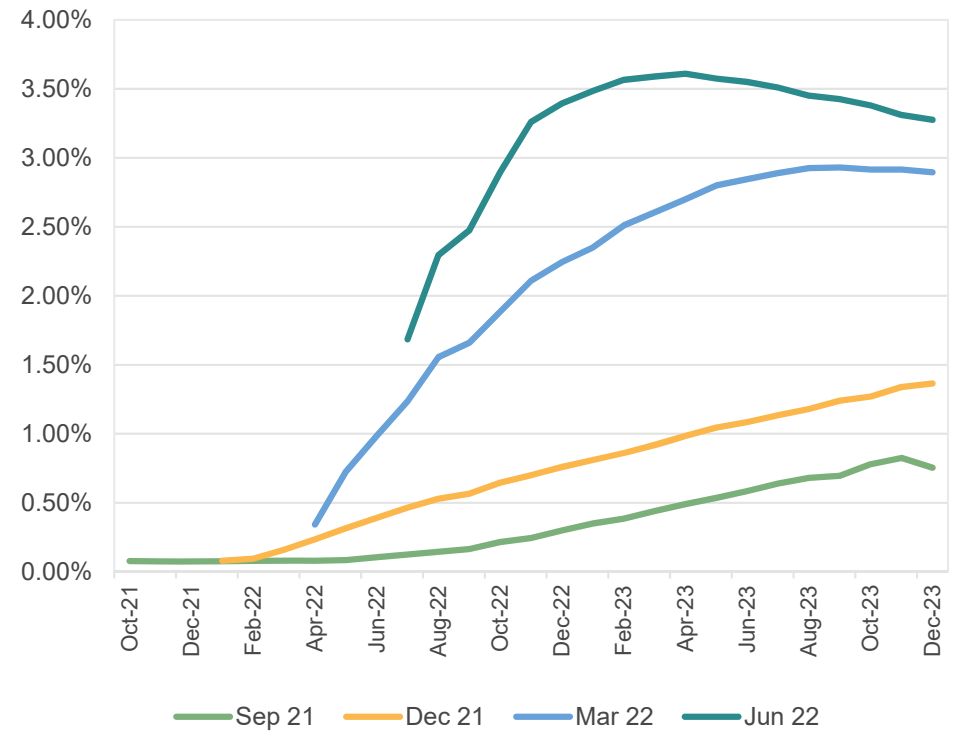
Data is as of 06.29.2022. Source: New York Fed.org. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

Shifting Fed Expectations

Federal Reserve Dot Plot



Market Pricing of Fed Funds over Time



- Both the Fed and the market have rapidly adjusted expectations for future rate hikes in the face of persistently high inflation.

Breakeven Inflation Rate

10-Year Breakeven Inflation Rate



- Measures of inflation expectations remain elevated on concerns of longer-term durability of inflation.

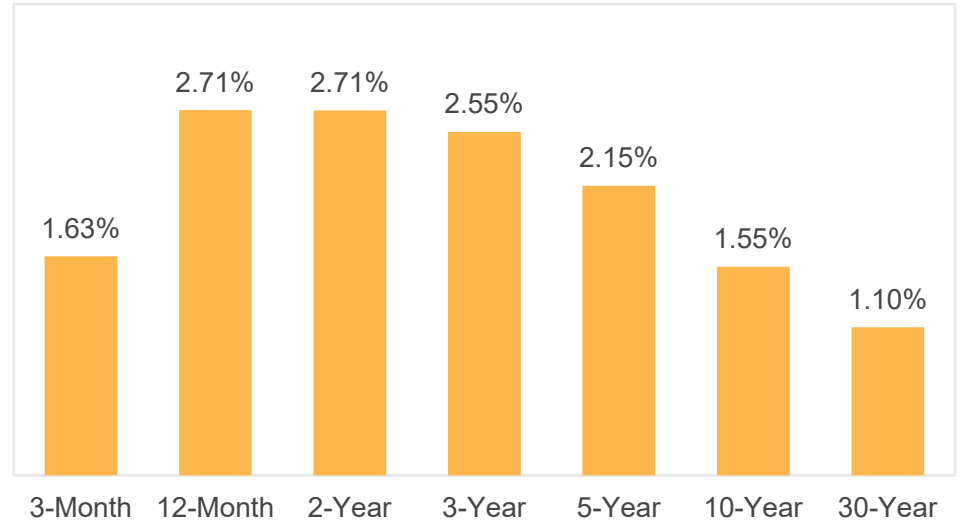
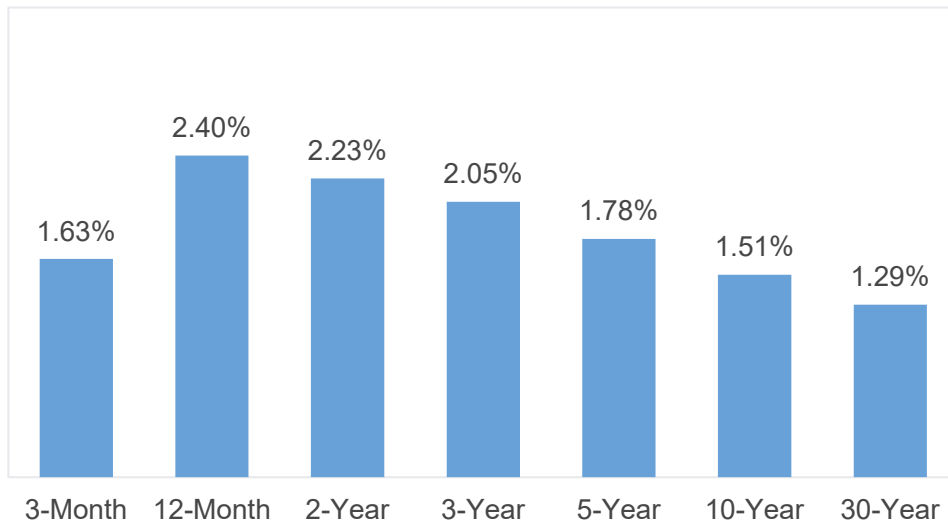
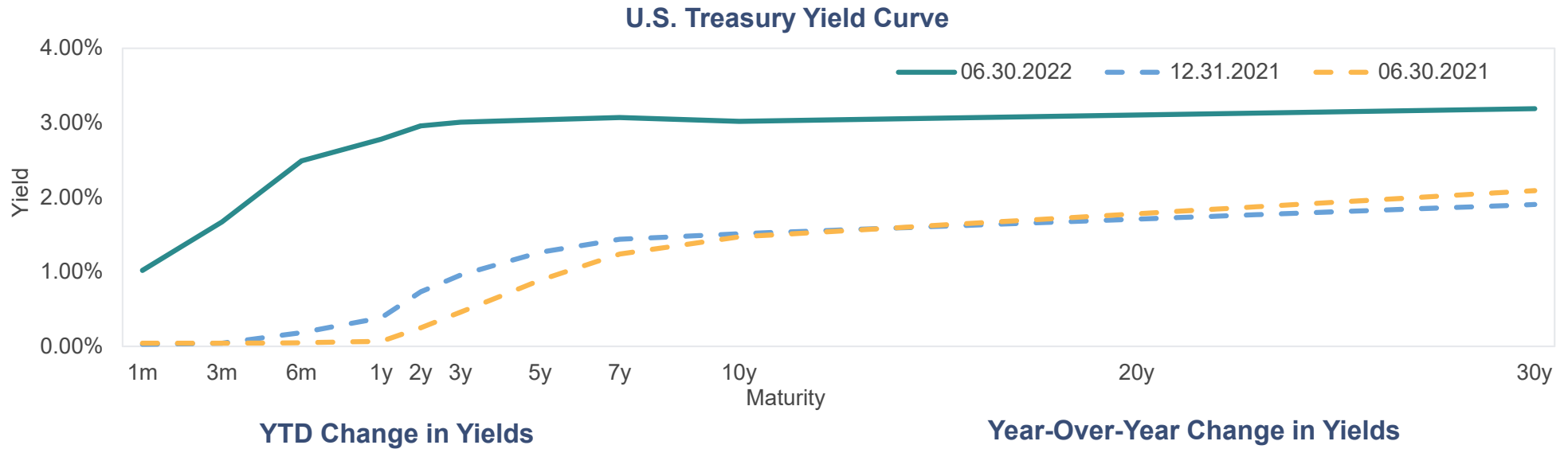
Data is as of 06.29.2022. Sources: Bloomberg L.P.; Sterling Capital Management Analytics. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful.

Bloomberg U.S. Aggregate Index OAS

	OA Duration	YTW	Current OAS	12Mth Std Dev	Spread / Risk	OAS Level					OAS Change						OAS Level & Change		
						Prev Mth End	1Mth	3Mths	6Mths	12Mths	MTD	1Mth	YTD	3Mth	6Mth	12Mth	Dec-20	Dec-21	2021 Change
Bloomberg US Aggregate	6.44	3.72	55	6.6	8.3	55	48	40	37	32	0	7	19	15	18	23	36	42	-6
U.S. Treasury	6.40	3.09																	
CMBS	4.87	4.07	101	14.3	7.1	101	103	85	68	59	0	-2	33	16	33	42	68	81	-13
ABS	2.25	3.78	75	18.3	4.1	75	81	59	39	22	0	-6	37	16	36	53	38	33	5
Agency Pass Throughs	5.86	3.77	46	7.0	6.6	46	34	22	33	27	0	12	15	24	13	19	31	39	-8
Corporate	7.57	4.70	155	21.7	7.2	155	134	116	93	80	0	21	63	39	62	75	92	96	-4
Financial Institutions	5.73	4.73	159	25.5	6.2	159	133	113	83	71	0	26	76	46	76	88	83	83	0
Banking	5.09	4.64	150	25.3	5.9	150	125	106	77	65	0	25	73	44	73	85	77	72	5
Brokerage	6.66	4.62	153	21.9	7.0	153	125	103	82	68	0	28	71	50	71	85	82	79	3
Finance Companies	3.89	5.87	281	49.2	5.7	281	225	190	120	106	0	56	162	91	161	175	119	150	-31
Insurance	9.03	4.81	159	21.9	7.3	159	139	125	99	86	0	20	60	34	60	73	99	105	-6
REITS	6.15	4.86	176	25.6	6.9	176	148	119	91	82	0	28	85	57	85	94	91	107	-16
Industrials	8.35	4.68	153	20.0	7.7	153	133	116	95	83	0	20	58	37	58	70	95	101	-6
Basic Industry	8.52	5.02	184	21.4	8.6	184	156	136	115	101	0	28	69	48	69	83	115	121	-6
Capital Goods	7.37	4.6	147	20.1	7.3	147	128	107	86	76	0	19	61	40	61	71	86	98	-12
Communications	9.48	4.98	184	23.0	8.0	184	158	144	119	103	0	26	66	40	65	81	118	120	-2
Consumer Cyclical	7.07	4.46	134	20.5	6.5	134	121	102	78	68	0	13	56	32	56	66	78	82	-4
Consumer Non-Cyclical	8.72	4.6	143	19.1	7.5	143	122	108	88	78	0	21	55	35	55	65	88	90	-2
Energy	7.85	4.92	175	19.0	9.2	175	150	132	116	102	0	25	59	43	59	73	116	137	-21
Technology	7.85	4.49	136	19.9	6.8	136	117	100	81	66	0	19	55	36	55	70	81	75	6
Transportation	9.82	4.72	154	18.4	8.4	154	136	118	99	90	0	18	56	36	55	64	98	115	-17
Other Industrial	14.68	4.46	131	20.1	6.5	131	123	121	85	73	0	8	46	10	46	58	85	99	-14
Utility	9.41	4.77	156	19.9	7.8	156	142	128	108	93	0	14	49	28	48	63	107	106	1
Electric	9.39	4.76	156	19.4	8.1	156	141	128	108	94	0	15	49	28	48	62	107	107	0
Natural Gas	9.46	4.94	168	25.7	6.5	168	152	138	109	90	0	16	60	30	59	78	108	105	3

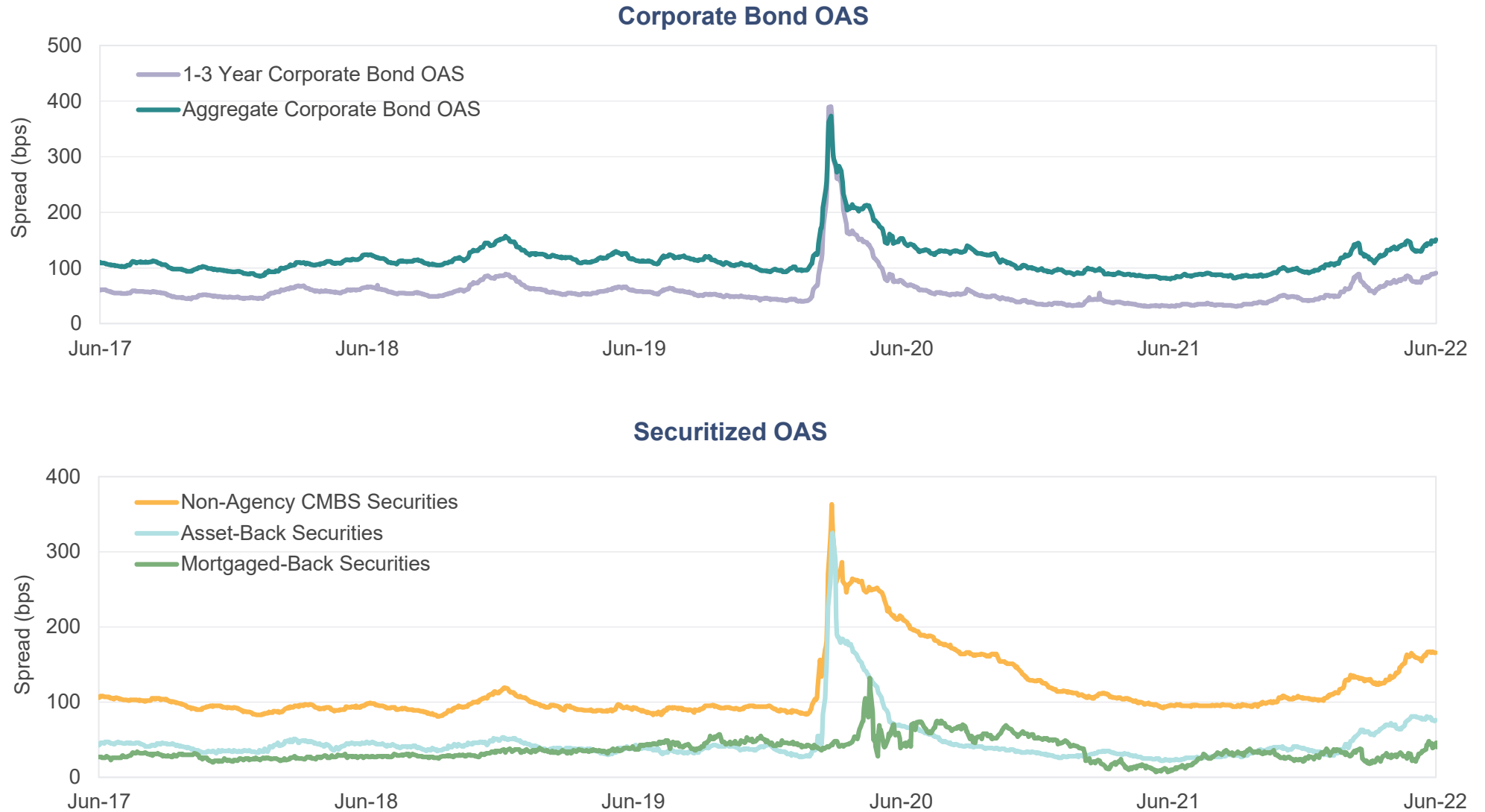
Data as of 06.30.2022 for the first five columns. Source: Bloomberg L.P.

Treasury Yield Curve Change Over Time



Data is as of 06.30.2022. Source: FactSet. Yields are subject to market conditions and are therefore expected to fluctuate.

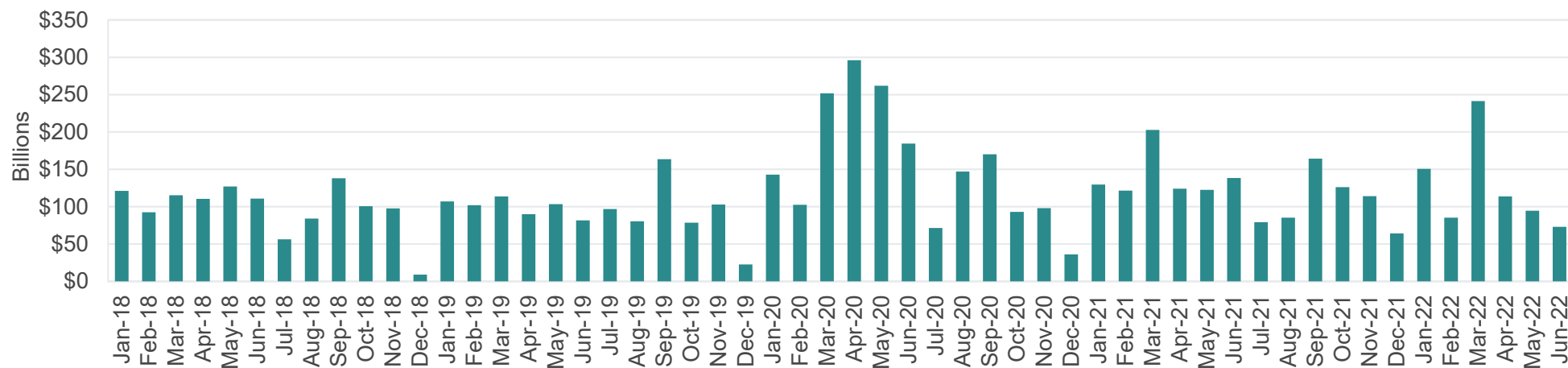
Corporate and Securitized Spreads



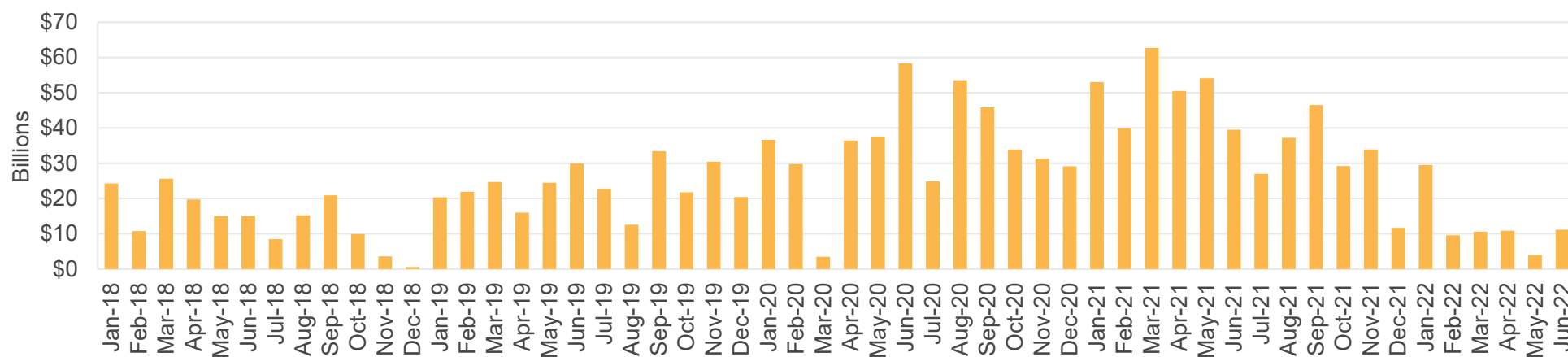
Data is as of 06.28.2022. Source: Bloomberg L.P.

U.S. Corporate Issuance

U.S. Corporate Investment Grade Issuance



U.S. High Yield Issuance



Appendix

Important Information

Definitions & Disclosures

The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

The Bloomberg 1-3 Year U.S. Aggregate Bond Index is the 1-3 year component of the U.S. Aggregate Index. The Bloomberg U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass through securities, and asset-backed securities.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index composed of securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. It is not possible to invest in the Bloomberg U.S. Aggregate Bond Index, which is unmanaged and does not incur fees and charges.

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Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful.

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Important Information

Designations

The **Accredited Asset Management Specialist® (AAMS)** is a professional designation awarded by the College for Financial Planning (CFP) to financial professionals who successfully complete a self-study program, pass an exam, and agree to comply with a code of ethics. To keep the privileges associated with the designation, AAMS professionals must complete 16 hours of continuing education every two years.

The **Associate of the Society of Actuaries (ASA)** is a professional organization for actuaries based in North America. The Society's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and contingent events. Requirements for membership for the SOA include the actuarial exams, a comprehensive series of competitive exams. Topics covered in the exams include mathematics, finance, insurance, economics, interest theory, life models, and actuarial science.

The **Certified Financial Planner® (CFP)** certification is a graduate-level credential awarded by the CFP Board. To earn the CFP, candidates must: 1) take the required coursework; 2) meet educational requirements; 3) pass the examination; 4) have qualifying experience; and 5) agree to adhere to the CFP Board's standards of ethics and professional conduct.

The **Certified Investment Management Analyst® (CIMA)** credential is a graduate-level investment certification and is awarded by the Investment Management Consultants Association® (IMCA) - that sets global standards for the investment management consulting profession. To earn the CIMA designation, candidates must: 1) have at least three years of qualified financial experience; 2) Pass an extensive background check; 3) complete the two-step program of study; 4) pass the qualification and certification examinations; and 5) adhere to the IMCA's Ethics and other ongoing standards.

The **Certificate in Investment Performance Measurement® (CIPM)** program is a graduate-level investment performance and risk evaluation credential and is awarded by CFA Institute — the largest global association of investment professionals. To earn the CIPM, candidates must: 1) pass two sequential examinations; 2) have at least two years of qualified professional investment experience; 3) join CIPM Association; and 4) commit to comply with the CFA Institute Bylaws and Rules of Procedure.

The **Certified Public Accountant Licensure (CPA)** is a graduate-level accounting license and is awarded by the American Institute of CPAs (AICPA). To earn the CPA licensure, candidates must: 1) have at least two years of public accounting experience; and 2) pass the examination. Please note, every state has its own education and experience requirements that must be met.

The **Certified Regulatory and Compliance Professional™ (CRCP)** designation is a graduate-level compliance certification and is awarded by the Financial Industry Regulatory Authority (FINRA). To earn the CRCP designation, candidates must: 1) pass two weeklong residential courses; 2) pass the two consecutive examinations; and 3) meet continuing education requirements.

The **Certified Treasury Professional® (CTP)** designation is recognized as the leading credential in corporate treasury worldwide and awarded by the Association for Financial Professionals® (AFP). To earn the CTP designation, candidates must: 1) pass the examination, 2) have at least two years of qualified work/education/teaching experience, and 3) meet continuing requirements.

The **Chartered Alternative Investment Analyst® (CAIA)** charter is a graduate-level alternative investment credential awarded by the CAIA Association - a global provider of Alternative Investment education. To earn the CAIA, candidates must: 1) pass two sequential examinations.

The **Chartered Financial Analyst® (CFA)** charter is a graduate-level investment credential awarded by the CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The **Chartered Financial Consultant® (ChFC)** credential was introduced in 1982 as an alternative to the CFP® mark. This designation has the same core curriculum as the CFP® designation, plus two or three additional elective courses that focus on various areas of personal financial planning. To secure the designation, applicants must have three years of full-time business experience within the preceding five years and must complete nine college-level courses, equivalent to 27 semester credit hours (9 courses).

The **Chartered Retirement Planning Counselor® (CRPC)** designation is a retirement planning credential and is awarded by the College for Financial Planning. To earn the CRPC, candidates must: 1) complete the educational program; 2) pass the final examination; 3) complete the designation application.

The **Certified Trust and Fiduciary Advisor (CTFA)** designation is a professional designation offered by the American Bankers Association (ABA), which provides training and knowledge in taxes, investments, financial planning, trusts, and estates.

The **Accredited Investment Fiduciary® (AIF®)** designation is a professional certification that demonstrates an advisor or other person serving as an investment fiduciary has met certain requirements to earn and maintain the credential. The purpose of the AIF® Designation is to assure that those responsible for managing or advising on investor assets have a fundamental understanding of the principles of fiduciary duty, the standards of conduct for acting as a fiduciary, and a process for carrying out fiduciary responsibility



A single slice of bread is centered on a green, textured surface. The bread is slightly irregular in shape and has a few dark spots. It is surrounded by a white, draped cloth that frames the scene. The lighting is soft, creating a subtle shadow beneath the bread.

Economic Outlook

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.
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- 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

- **Employment.** Nonfarm payrolls added 390K jobs in May. 96% of the 21.4M jobs lost in March/April 2020 have been recovered. Unemployment at 3.6%.
- **Economic Recovery.** Growth continues, albeit at slowing rate. 1Q22 GDP fell -1.5%, however, underlying details better than headline number suggested with positive consumer and business spending.
- **Corporate Earnings.** Growth slowing in natural deceleration from 2021 post-Covid rebound. Despite strong revenue growth, earnings being pressured by rising costs. 1Q22 earnings growth of 10.1%
- **Economic Reopening.** Few if any remaining covid-related restrictions. Consumer spending on services accelerating.

The Bad

- **Ukraine War.** Fighting has displaced millions, killed thousands, devastated both countries' economies, and resulted in rising prices globally for numerous commodities.
- **Inflation.** By any measure, at its highest level in 40 years. As a result, real wages falling despite strong wage growth.
- **Commodity Prices.** Ukraine and Russia are large exporters of numerous commodities including, corn and wheat. UN food price index up 22.8% from a year ago. Rising food prices could result in political instability in poorer countries.
- **Supply Chains.** Following some improvement at start of year, again being pressured by fighting in Ukraine and outbreaks of Covid cases in China forcing large-scale lockdowns in many parts of country, including large industrial cities/regions.

The Undecided

- **Interest Rates.** Rising, but still very low by historical standards. 10-Year Treasury yield back above 3%. Concerns about yield curve inversion.
- **Monetary Policy.** After being slow to react, Fed now acting aggressively to quell inflation. Fed raised rates by 0.75% in June, the largest hike since 1994. Current environment raises risk of policy error(s).
- **Consumer Spending.** Remains strong, but questions/concerns about consumers' ability to withstand extended period of heightened inflation. At what point does the consumer reign in spending?
- **Stagflation or Stagnation?** Rising inflation and slowing economic growth raises specter of stagflation. While not the most likely outcome, certainly within the range of possibilities.

Commodity Export Rankings



Corn: Ukraine (#4), Russia (#5)



Wheat: Russia (#1), Ukraine (#5)



Sunflower Oil: Ukraine (#1)



Nitrogen: Russia (#1)

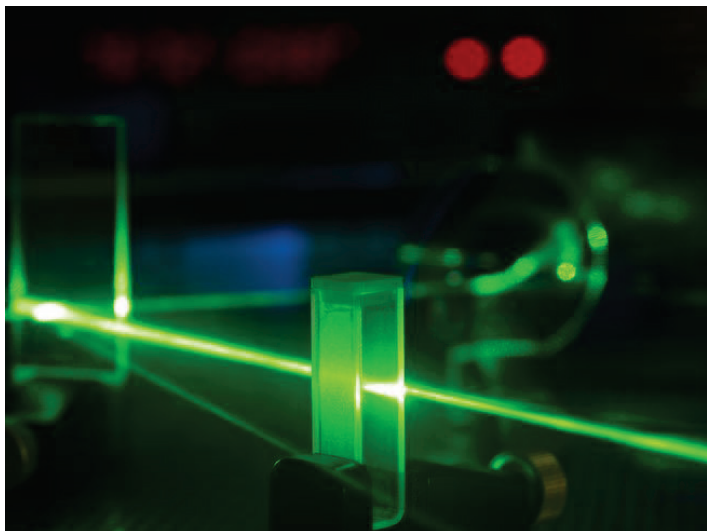
Commodity Export Rankings



Oil & Natural Gas: Russia (#3 and #1)



Coal: Russia (#3)



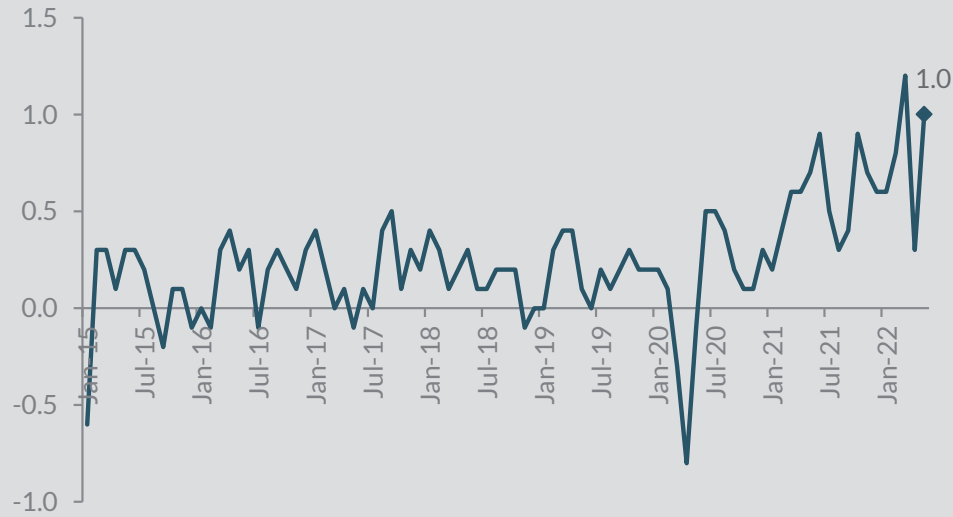
Neon: Ukraine (#1)



Nickel: Russia (#1)

Price Indicators

Monthly Headline CPI (%) Jan. 2015 – May 2022



Annual Headline CPI (%) Jan. 2015 – May 2022



Annual Headline PPI (%) Jan. 2015 – May 2022

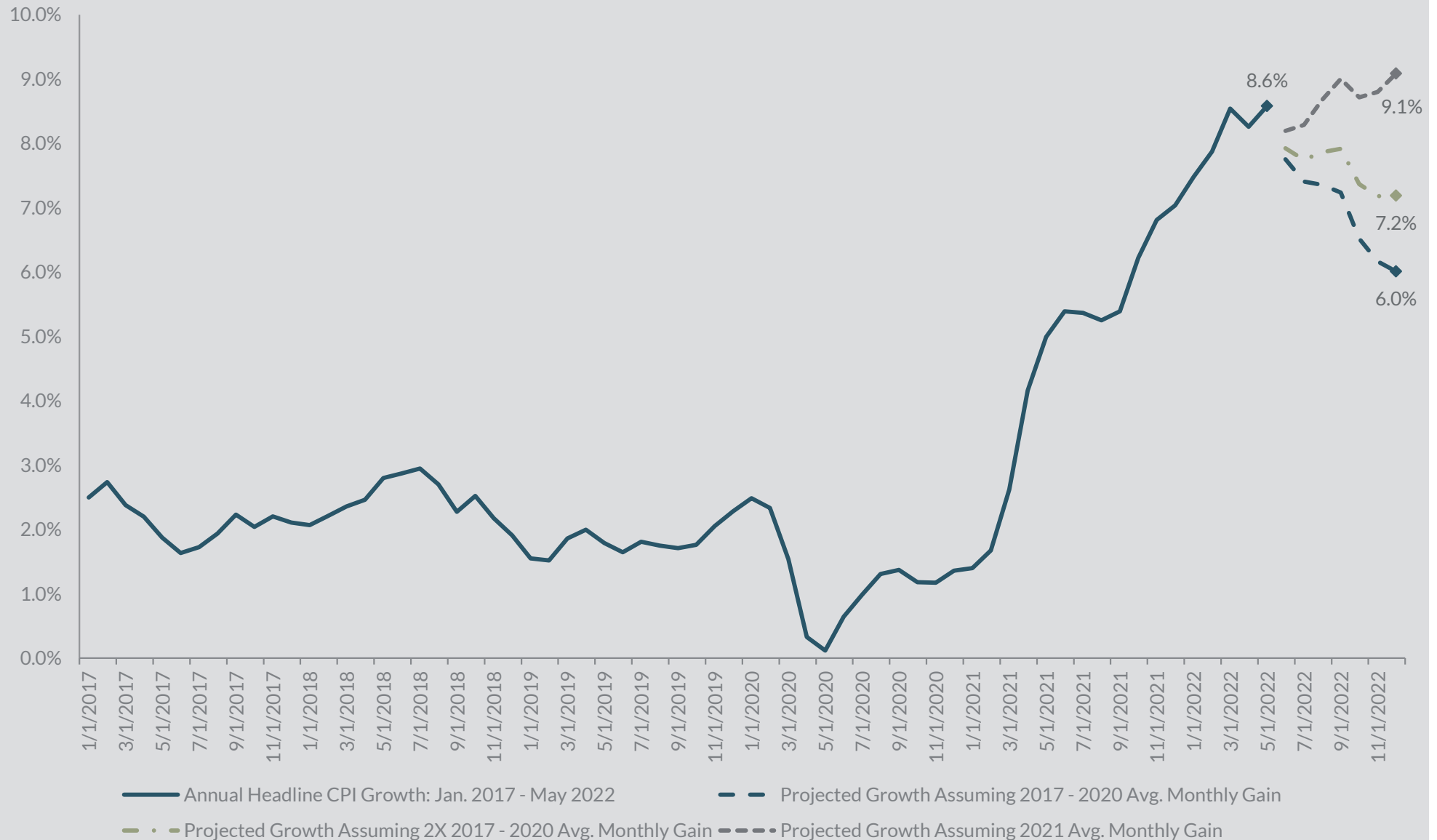


ISM Prices Paid: Jan. 2015 – May 2022



Inflation: Where Is It Headed?

Inflation Outlook



Interest Rate Spikes

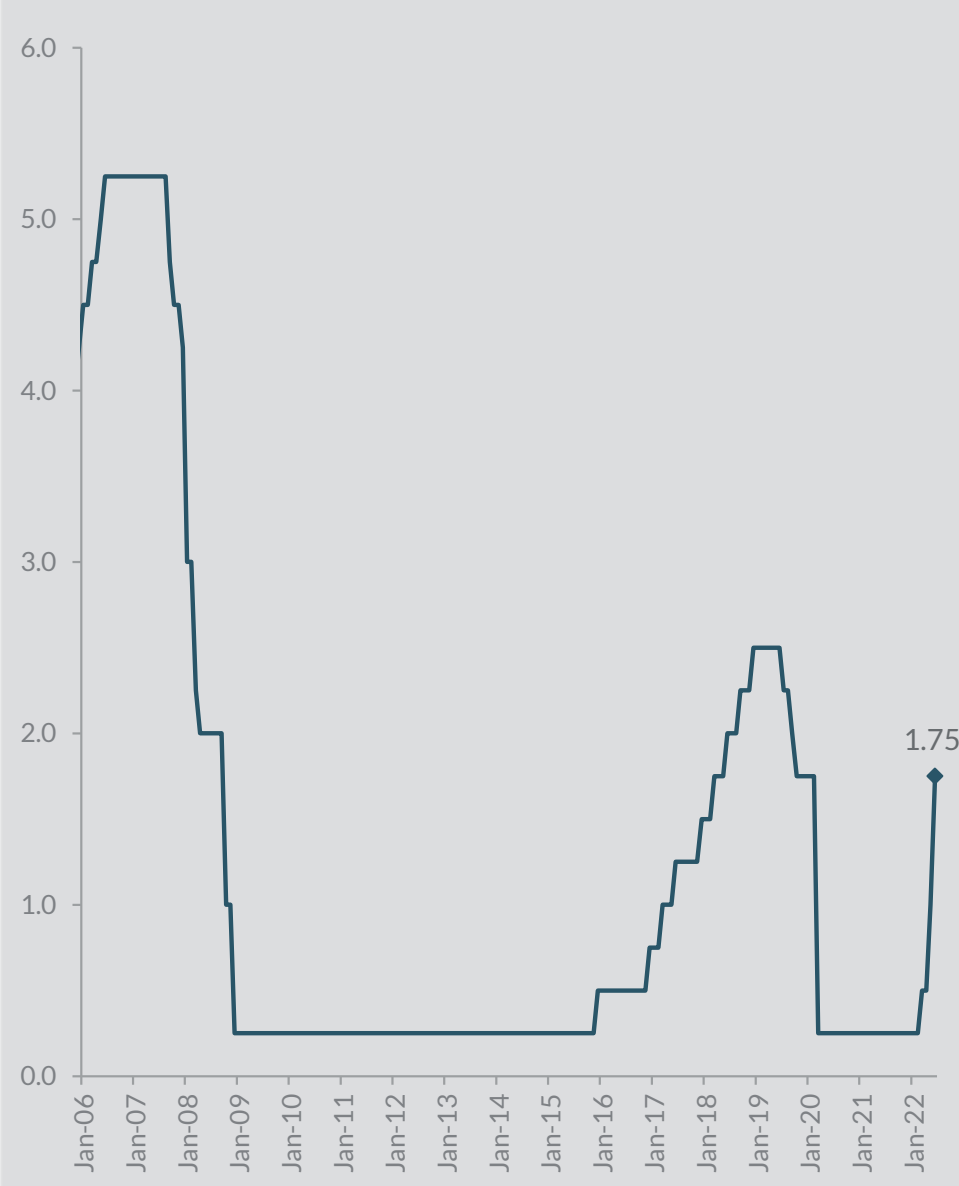
Despite news headlines to the contrary, sudden interest rate spikes are neither unusual nor a guarantee for market selloffs. Since 2000, there have been 15 occasions in which the 10-Year Treasury yield has increased 0.75%, or more, in less than 90 trading days. Over those same periods, the average S&P 500 return was 5.3%.

Interest Rate Spikes: Jan. 2000 – May 2022

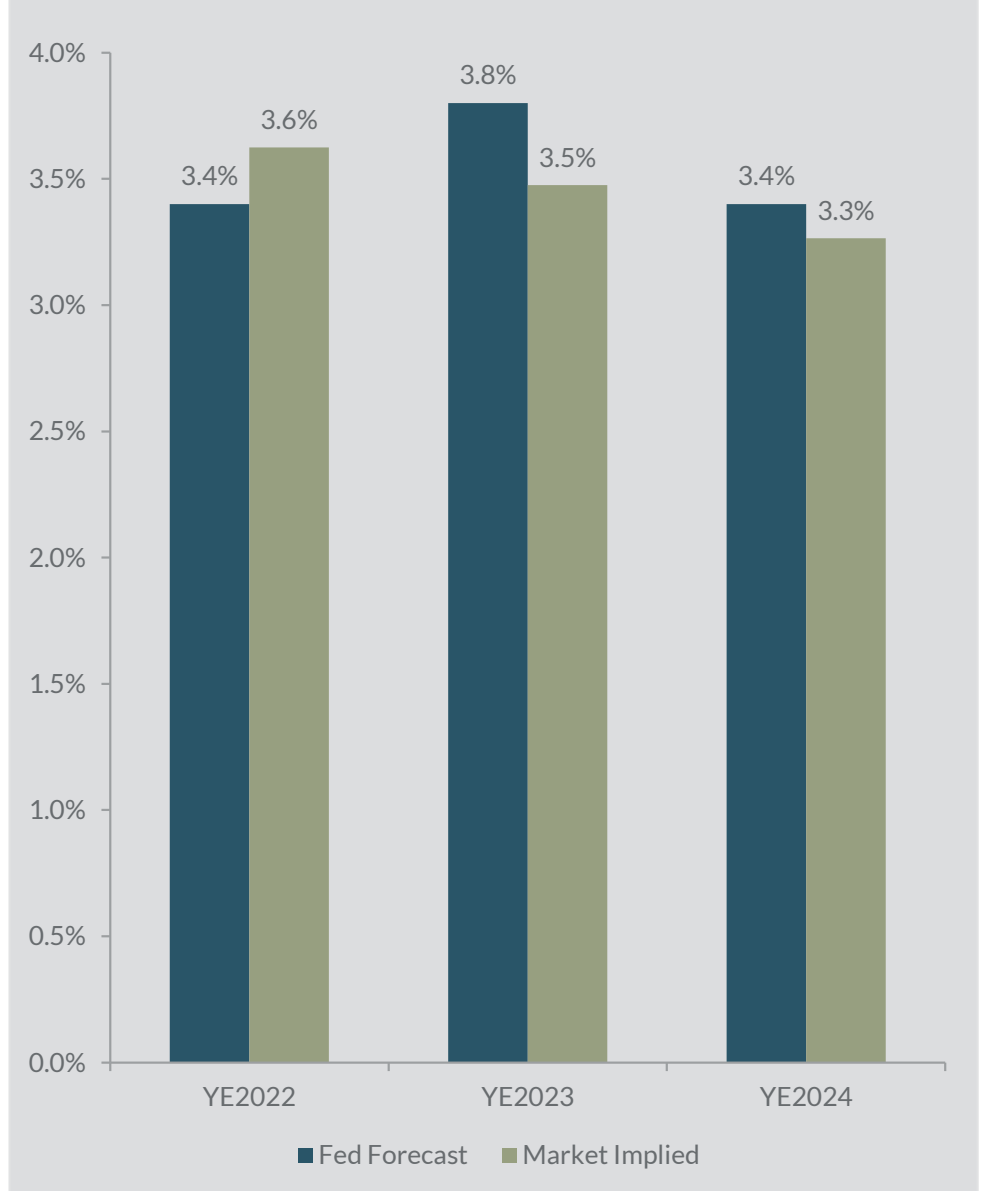


Monetary Policy

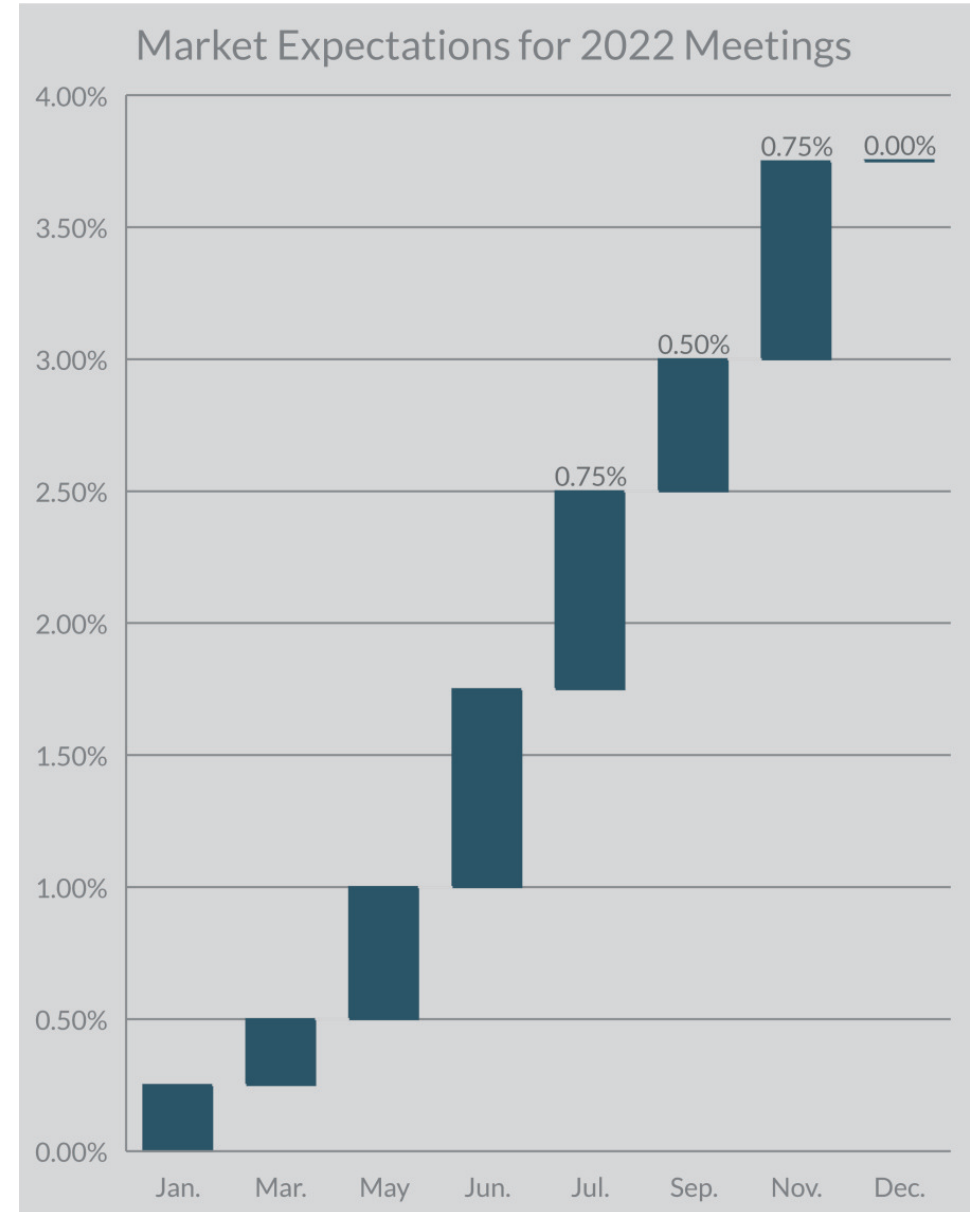
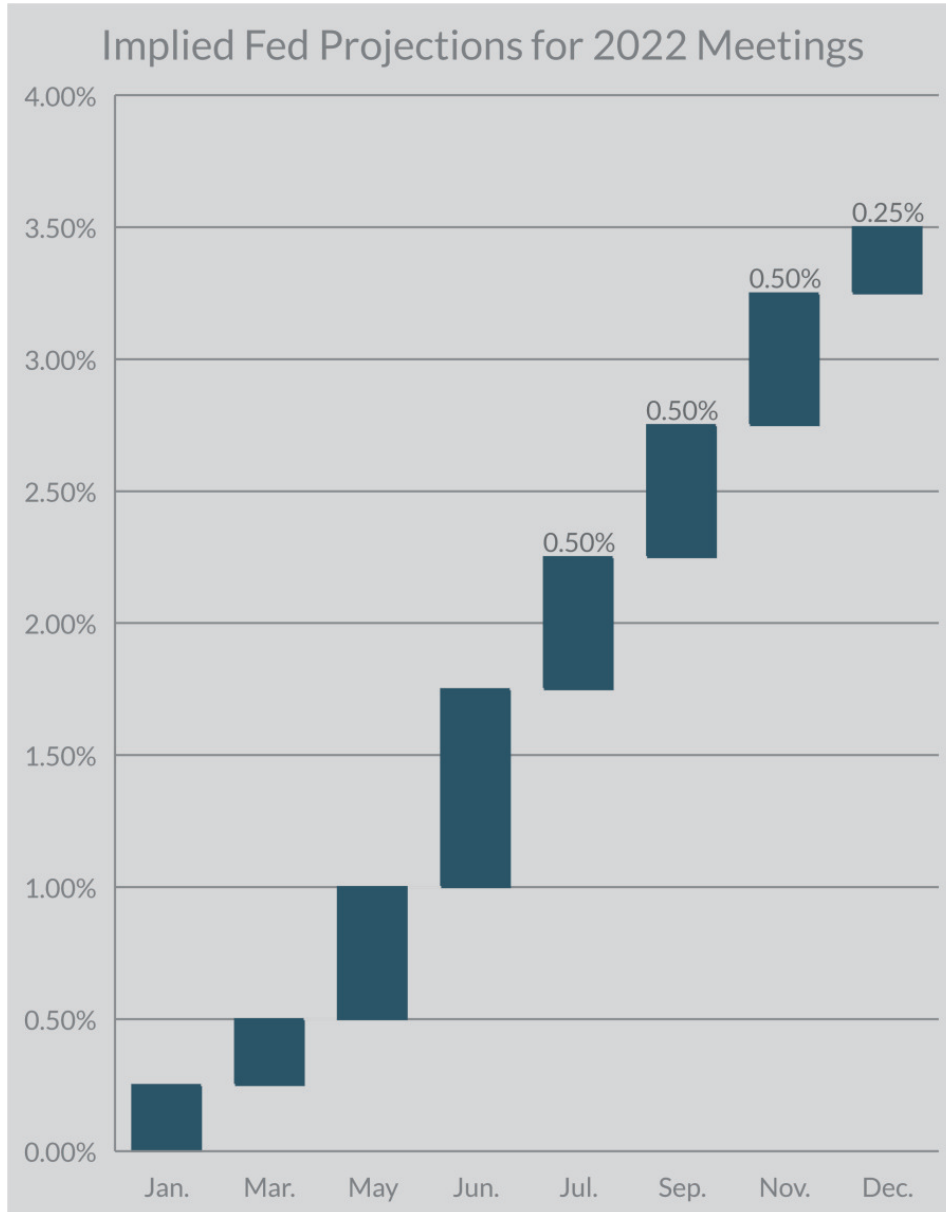
U.S. Fed Funds Rate: Jan. 2006 - May 2022



Fed Funds Rate Forecast: Fed. Vs. Market Implied



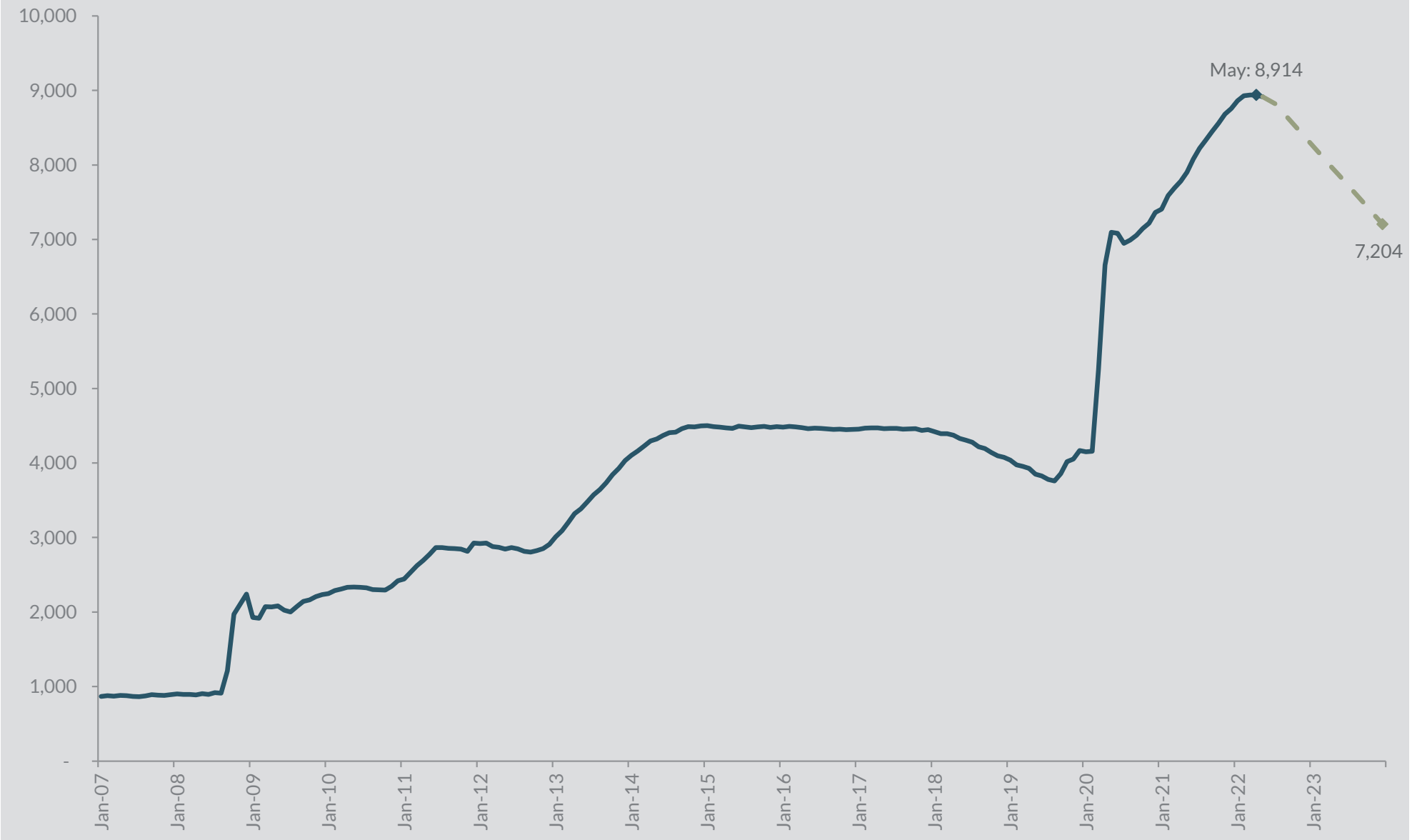
Fed Rate Hikes



Sources: U.S. Federal Reserve, CME Group, First Western Trust. As of 6/16/22.
Note: No meetings scheduled for August or October.

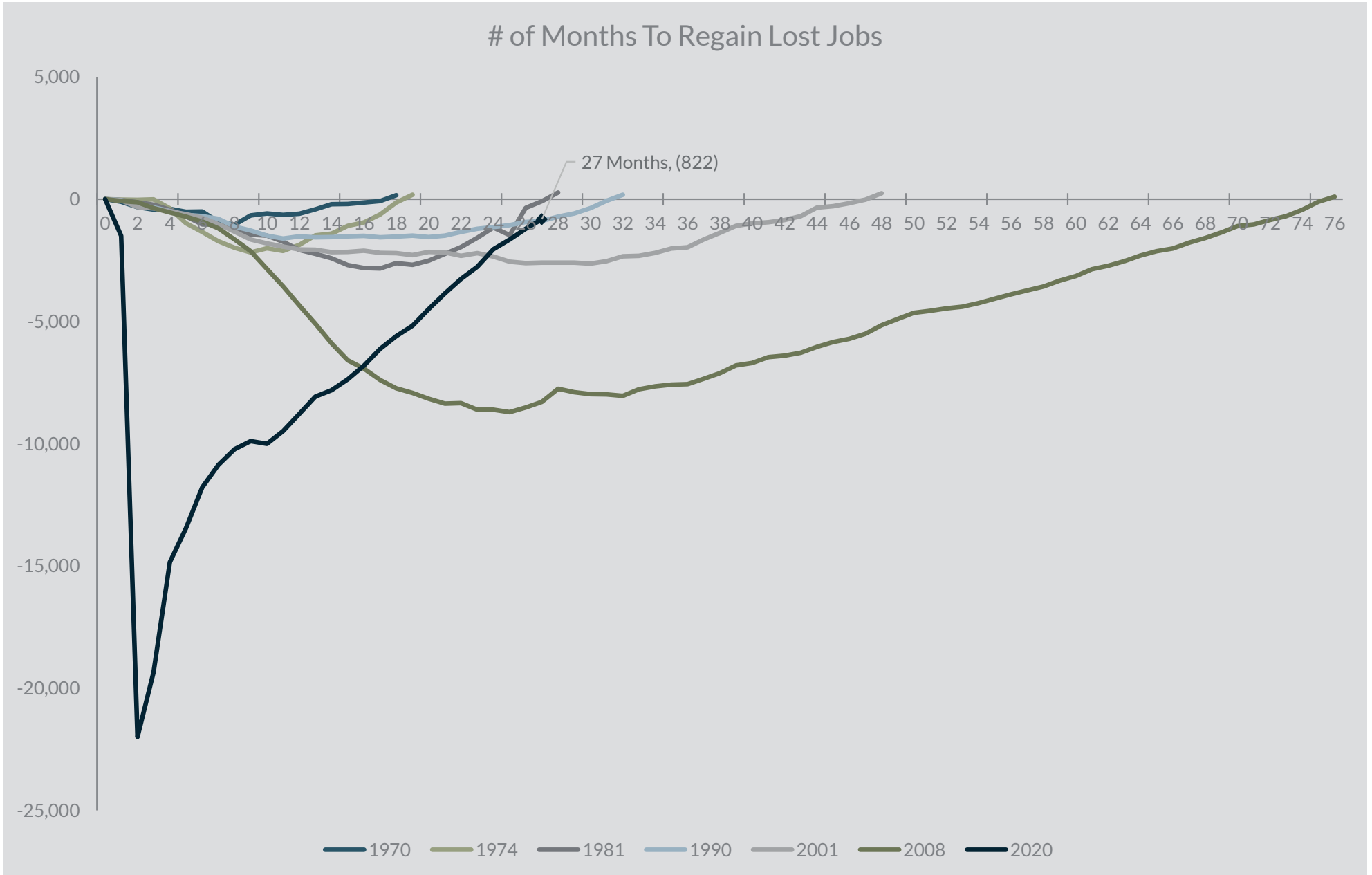
Bye-Bye QE, Hello QT

US Federal Reserve Balance Sheet (\$B): Jan. 2007 - Dec. 2023



Employment Rebound

of Months To Regain Lost Jobs



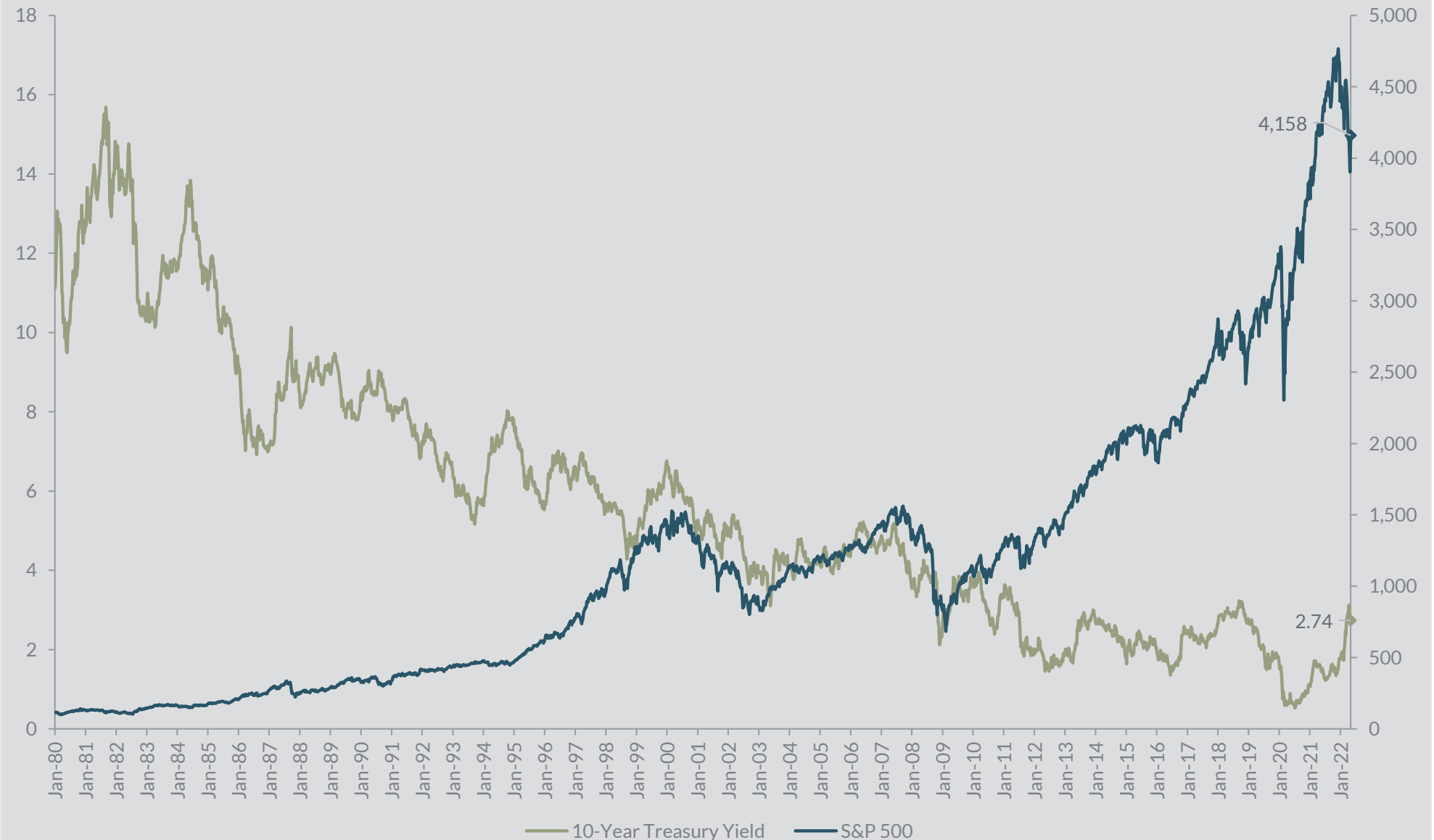
Asset Class Return

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	10-Yr (2012-2022)	
											Annual Return	Annual Standard Deviation
REITs 19.7%	Sm. Cap 38.8%	REITs 28.0%	REITs 2.8%	Sm. Cap 21.3%	Int'l - EM 37.3%	Cash 1.8%	Lg. Cap 31.5%	Sm. Cap 20.0%	REITs 41.3%	Cmdty. 32.7%	Lg. Cap 14.4%	MLPs 29.9%
Int'l - EM 18.2%	Lg. Cap 32.4%	Lg. Cap 13.7%	Abs. Ret. 1.7%	MLPs 18.3%	Int'l - Dev. 25.0%	FI .01%	REITs 28.7%	Lg. Cap 18.4%	MLPs 40.2%	MLPs 27.9%	Sm. Cap 10.8%	Sm. Cap 18.2%
Int'l - Dev. 17.3%	MLPs 27.6%	10-Yr Tr. 10.7%	Lg. Cap 1.4%	HY 17.5%	Lg. Cap 21.8%	10-Yr Tr. -0.03%	Sm. Cap 25.5%	Int'l - EM 18.3%	Lg. Cap 28.7%	Cash 0.0%	REITs 9.8%	Int'l - EM 15.6%
Sm. Cap 16.3%	Int'l - Dev. 22.8%	FI 6.0%	10-Yr Tr. 0.9%	Lg. Cap 12.0%	Sm. Cap 14.6%	HY -2.3%	Int'l - Dev. 22.0%	10-Yr Tr. 10.6%	Cmdty. 27.1%	Abs. Ret. -1.0%	Int'l - Dev. 7.2%	REITs 15.3%
Lg. Cap 16.0%	Abs. Ret. 9.3%	Sm. Cap 4.9%	FI 0.6%	Cmdty. 11.8%	REITs 8.7%	REITs -4.0%	Int'l - EM 18.4%	Int'l - Dev. 7.8%	Sm. Cap 14.8%	HY -7.8%	HY 5.4%	Int'l - Dev. 13.7%
HY 15.6%	HY 7.4%	MLPs 4.8%	Cash 0.0%	Int'l - EM 11.2%	Abs. Ret. 8.5%	Lg. Cap -4.4%	HY 14.4%	FI 7.5%	Int'l - Dev. 11.3%	FI -8.9%	Int'l - EM 4.2%	Cmdty. 13.7%
MLPs 4.8%	REITs 2.9%	HY 2.5%	Int'l - Dev. -0.8%	REITs 8.6%	HY 7.5%	Abs. Ret. -6.44%	10-Yr Tr. 8.9%	HY 6.2%	HY 5.4%	10-Yr Tr. -10.6%	MLPs 2.6%	Lg. Cap 13.4%
FI 4.2%	Cash 0.0%	Abs. Ret. 0.8%	Sm. Cap -4.4%	FI 2.7%	FI 3.5%	Sm. Cap -11.0%	FI 8.7%	Cash 0.4%	Abs. Ret. 4.2%	Int'l - Dev. -11.3%	FI 1.7%	HY 6.7%
10-Yr Tr. 4.2%	FI -2.0%	Cash 0.0%	HY -4.6%	Int'l - Dev. 1.0%	10-Yr Tr. 2.1%	Cmdty. -11.3%	Cmdty. 7.7%	Abs. Ret. -0.1%	Cash 0.0%	Int'l - EM -11.8%	Abs. Ret. 1.6%	10-Yr Tr. 6.1%
Abs. Ret. 0.9%	Int'l - EM -2.6%	Int'l - EM -2.2%	Int'l - EM -14.9%	Cash 0.2%	Cmdty. 1.7%	MLPs -12.4%	MLPs 6.6%	Cmdty. -3.1%	FI -1.5%	Lg. Cap -12.8%	Cmdty. 0.9%	Abs. Ret. 4.6%
Cash 0.1%	10-Yr Tr. -7.8%	Int'l - Dev. -4.9%	Cmdty. -24.7%	10-Yr Tr. -0.2%	Cash 0.8%	Int'l - Dev. -13.8%	Cash 2.1%	REITs -5.1%	Int'l - EM -2.5%	REITs -13.0%	10-Yr Tr. 0.9%	FI 3.5%
Cmdty. -1.1%	Cmdty. -9.5%	Cmdty. -17.0%	MLPs -32.6%	Abs. Ret. -4.6%	MLPs -11.1%	Int'l - EM -14.6%	Abs. Ret. 0.1%	MLPs -28.7%	10-Yr Tr. -3.7	Sm. Cap -16.6%	Cash 0.6%	Cash 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).

10-Year Treasury Yield vs. S&P 500

10-Year Treasury Yield vs. S&P 500: Jan. 1980 - May 2022



Outlook

- **U.S. Economy-** Economic growth expected to decelerate over the course of the year as momentum from post-Covid rebound subsides. Rising rates from tighter monetary policy will also present a headwind to growth. Assuming economy does not experience a recession, employment will likely remain a bright spot as concerns about Covid continue to dissipate, remaining restrictions are relaxed, and companies continue to hire in an effort to meet strong demand for goods and services.
- **Global Economy-** Growth to remain challenged by various headwinds including fighting in Ukraine, rising inflation, and slower Chinese growth. Sanctions against Russian exports, and supply chain disruptions due to fighting in Ukraine will impact European economic growth. Emerging market growth will be hampered by slowing Chinese growth, due to strict enforcement of Zero-Covid policies and slowing real estate sector.
- **Interest Rates/Inflation-** Expectation at the outset of the year that inflation would peak in 2Q22, being challenged by surging global food and energy prices stemming in part from fighting in Ukraine. In addition, China's stringent enforcement of its Zero-Covid policy and resulting lockdowns of Shanghai and other major cities in 2Q22 adds further strain to supply chains and inflation. Interest rates likely to continue moving higher as global central banks pursue more aggressive monetary policy to tackle inflation.
- **Equity Markets-** Volatility likely to persist in near-term as investors continue to reprice risk assets in the face of rising inflation and expectations for aggressive Fed monetary policy. Unlike other periods of heightened market volatility when investors could take solace in the idea of a Fed put- the belief that the Fed would use monetary policy to support equity markets in times of turmoil- the Fed is now ostensibly a source of the volatility as it becomes increasingly aggressive in its fight against inflation. Markets also grappling with concerns of a policy error by the Fed as it attempt to orchestrate a soft landing- raising rates with causing a recession- which Powell has stated will be "challenging".
- **Fixed Income Markets-** Higher interest rates a headwind to fixed income returns. Any sign(s) that the Fed is taking a less-aggressive approach to monetary policy would benefit bond returns. However, Fed is committed to lowering inflation, meaning that for at least the remainder of 2022, the risk is to the upside for more, not fewer, rate hikes. Higher rates present a more attractive entry point for new investors.




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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 16, 2022

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 16, 2022.

Signed , President & CEO

, CFO

NOTE TO BOARD: This Monitoring Report is, per Board policy 4.4, to update the Board as to a mid-year "re-forecasting" projection as to our anticipated fiscal year-end status for 2022. The 2023 budget/forecast will be presented at the November 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 December of 2021, projected an operating deficit of (\$2,606,453). Based on actual financial activities through June 30, 2022, and whole year financial projections as of the date of this monitoring report, our current projection is for a FYE operating deficit of (\$3,268,722), which trails the number approved by this body in December 2021 by (\$662,269). Note the current projection to budget is directionally consistent with the net operating results presented and discussed at the April 2022 Board meeting. 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 **POTENTIAL NON-COMPLIANCE** at this time based on the current 2022 projection compared to the original 2022 budget approved in December 2021. 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 2022 and the 2024 "three-year quad."

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 an annual deficit of (\$3,268,722). 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 concern for any reason, 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 2022 budget planning process was refined for presentation to the Board in December 2021. 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 2021 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 2022 budget was crafted, presented, and approved amidst most financially notable:

- Continued global pandemic
- Uncertain and changing domestic and international event schedule
- Material “Keeping Athletes First” non-operating development (Online Member Registration, Coach Education & LMS, and Safe Sport initiatives) which have 2022 financial operating implications (see specifically credit card/merchant fees within the Sport Development section below)

Given the above and other rationale, there have been many substantial deviations from the original budget in both revenues and expenditures as summarized below:

- Operating revenues projected more than the original budget (net) by an estimated \$577,000 or 1.6%.
 - Partnership Marketing revenue projected less by an estimated (\$805,000) based on current projections including signed contracts and projected new contracts and/or partnerships.
 - Membership revenue projected more by an estimated \$676,000 due to the latest analysis and year-do-date actuals.

- Sport and Events revenue projected more by an estimated \$380,000 primarily due to revenues and FINA reimbursements from an unbudgeted FINA World Cup event.
- Foundation revenue projected more by an estimated \$334,000 due to increased donations to USA Swimming and larger Donor Athlete Partnership Program (DAPP).
- Operating expenses projected more than the original budget (net) by an estimated (\$1,239,000) or (3.3%).
 - Event Operations division projected more by an estimated (\$2,131,000) primarily due to schedule updates and net adjusted meet additions (unbudgeted Team Trials, FINA World Cup, and Jr. Pan Pacs, larger Summer Nationals).
 - Sport Development division projected more by an estimated (\$1,568,000) primarily due to unbudgeted credit card/merchant fees from the new Online Member Registration (OMR) process (\$1,000,000).
 - Risk Management / Insurance projected less by an approximate \$1,449,000 given 2022 premiums were finalized after budget submission/approval (at more favorable terms in certain areas).
 - Commercial division projected less by an estimated \$994,000 primarily due to adjusting programming to assist with Event Operations calendar/expense updates and increase.
 - National Team division projected more by an approximate (\$278,000) primarily due to the net adjusted scheduling updates (Dual in the Pool and World Cup additions, WUGS postponement) and more athlete medal/prize money primarily at World Championships.

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: *(Italicized updates below)*

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. *(Please note the practice of drawing from the investment portfolio for operating revenue has been discontinued and not applicable since early 2020).*

REPORT:

Our currently projected FYE revenue and expenses for 2022 are \$35,558,259 and (\$38,826,981), respectively, resulting in a net annual deficit of (\$3,268,722). As we continue through the first year of the current “3 year quad” (2022-2024 due to the Olympic Games and Trials postponement from 2020 to 2021), our 2024 Quad Business Plan (attached) is reasonable at this time, but we will continue to monitor and adjust the 2024 “quad” operating results understanding there are still material uncertainties over the next 3 years 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 \$38,729,815	Expenses \$39,866,748	Net (\$1,136,933)
FY 2020	Revenues \$32,349,224	Expenses \$26,121,984	Net \$6,227,240
FY 2021	Revenues \$33,377,847	Expenses \$34,406,064	Net (\$1,028,218)
“Quad” Total – Final:	Revenues \$176,171,584	Expenses \$174,311,090	Net \$1,860,493

To summarize the current forecasted operating results for the 2022-2024 “Quad”,

FY 2022 Forecast	Revenues \$35,558,259	Expenses \$38,826,981	Net (\$3,268,722)
FY 2023 Forecast	Revenues \$37,472,667	Expenses \$39,034,396	Net (\$1,561,728)
FY 2024 Forecast	Revenues \$48,330,313	Expenses \$43,900,965	Net \$4,429,348
“Quad” Total – Forecast:	Revenues \$121,361,240	Expenses \$121,762,341	Net (\$401,102)

We therefore report **POTENTIAL NON-COMPLIANCE** at this time but are continuing to actively analyze and strategize areas effectively achieve the Organizational Ends results while making reasonable and prudent financial decisions throughout the 2024 “three year quad” and beyond.

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 \$11,293,947 reserve surplus above the required Operating Reserve of \$19,413,491 (six months projected operating expenses) at December 31, 2021.

The CFO calculated the Operating Reserve requirement again as of June 30, 2022 and has reported \$965,064 of excess reserves above the required Operating Reserve of \$19,413,491 (six months projected operating expenses).

Note the December 31, 2021 calculation was at 158% of the targeted reserve level (or 9.49 months vs. the targeted 6 months) and the surplus is at 105% (or 6.30 months) as of June 30, 2022. 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 2024 “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 \$10,430,627 of Board Designated funds from the sale of USSIC in reserves as of June 30, 2022, none of which is currently dedicated (or restricted) 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 23, 2022 Board meeting, the Board will be asked to approve, per its policy 2.10.3, its budget for Board prerogatives for FY 2023.

We therefore report **COMPLIANCE**.

USA Swimming
2022 Budget vs. 2022 Projection Summary
As of 9/14/2022

	Approved Budget 2022	Current Projection 2022	\$ Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)	Comment
REVENUE:					
Membership	\$ 22,129,990	\$ 22,806,397	\$ 676,407	3.1%	Latest from Membership.
Partnership Marketing	5,297,239	4,492,299	(804,940)	-15.2%	Latest from Commercial given current signed contracts and projected new contracts.
USOPC Partnership	5,327,465	5,338,665	11,200	0.2%	More IR grant and other grassroots grants than budgeted.
Investment Income (short-term only)	20,000	-	(20,000)	-100.0%	Not anticipating ST interest earnings given market and cashflow.
Foundation	1,404,175	1,738,500	334,325	23.8%	Increased DAPP, other donors.
Sport and Events	524,000	904,000	380,000	72.5%	\$200K FINA World Cup - unbudgeted. Altitude Camps higher volume (net zero to bottom line).
Olympic Trials	(75,000)	(75,000)	-	0.0%	
Other Income	353,398	353,398	-	0.0%	
Total Revenue	34,981,267	35,558,259	576,992	1.6%	
EXPENSES:					
Technical/Sport:					
National Team	8,479,138	8,757,535	(278,397)	-3.3%	Schedule updates (net) (e.g., Dual in the Pool, World Cup additions, WUGS postponement, Jr. Pan Pacs), Athlete support increases (Worlds medal Credit card fees on OMR (-\$1M), Payroll/G&A (-\$736K).
Sport Development	6,638,304	8,206,735	(1,568,431)	-23.6%	Event schedule updates (-\$2.55M) (unbudgeted Team Trials -\$425K, bigger Nationals -\$1.2M), FINA World Cup (-\$550K), Payroll/G&A +\$330K.
Event Operations	4,424,765	6,555,448	(2,130,683)	-48.2%	
Total Technical / Sport	19,542,208	23,519,719	(3,977,511)	-20.4%	
Other Programs:					
Commercial	6,130,179	5,136,481	993,698	16.2%	Partnerships & Event Marketing +\$393K, BI & Digital +\$171K, Splash Mag +\$168K, Marketing Campaign +\$100K, Payroll/G&A +\$147K.
Risk Management / Insurance	5,580,610	4,131,467	1,449,143	26.0%	Final 2022 premiums concluded after budget submission/approval (more favorable terms).
Foundation Support	457,385	457,385	-	0.0%	
Total Other Programs	12,168,174	9,725,333	2,442,841	20.1%	
Administration:					
Executive	1,509,677	1,552,141	(42,464)	-2.8%	
Finance & Operations	1,744,849	2,354,901	(610,052)	-35.0%	
Business Affairs	2,622,813	1,674,887	947,926	36.1%	
Total Administration	5,877,339	5,581,929	295,410	5.0%	Staff movement between Administration divisions.
Total Expenses	37,587,720	38,826,981	(1,239,261)	-3.3%	
Operating Surplus (Deficit)	\$ (2,606,453)	\$ (3,268,722)	\$ (662,269)		

USA Swimming
2022 Budget vs. 2022 Projection Summary
As of 9/14/2022

NON-OPERATING INVESTMENT GAINS (LOSSES) and
BOARD APPROVED RESERVE INVESTMENTS - Cash Basis

	Approved Budget 2022	Current Projection 2022	\$ Variance Favorable (Unfavorable)	Comment
Non-Operating Investment Gains (Losses)	<u>\$ 2,400,000</u>	<u>\$ (4,000,000)</u>	<u>\$ (6,400,000)</u>	Given YTD 2022 activity as of 9/8/2022 (\$5.3M loss) during volatile market.
Operating Reserves:				
Disaster Donations	\$ (25,000)	\$ (25,000)	\$ -	
Board Designated Funds:				
"Keeping Athletes First" (KAF) Initiative:				Based on latest KAF projections. Projecting the remainder of the approved \$5M to be spent/known in 2022. ↓
Safe Sport (Club Rec, Staff Res & Prog Dev)	-	(498)	(498)	
Coach Education & LMS	(729,359)	(699,099)	30,260	
Online Member Registration	(827,118)	(910,566)	(83,448)	
Legal & Risk Management	-	(1,800,000)	(1,800,000)	
USSIC Sale Letter of Credit	<u>(1,000,000)</u>	<u>(3,500,000)</u>	<u>(2,500,000)</u>	
Total Board Approved Reserve Investments	<u>\$ (2,581,477)</u>	<u>\$ (6,935,163)</u>	<u>\$ (4,353,686)</u>	

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

Year to Date	2022	2022	Favorable
Actual	Budget	Projection	(Unfavorable)

OPERATING REVENUE:

MEMBERSHIP:

Athlete Membership	\$19,193,412	\$18,536,100	\$19,067,664	\$531,564
Flex	417,600	475,000	420,000	(55,000)
Outreach Athlete Membership	30,415	22,500	27,500	5,000
Seasonal Athlete Membership	421,020	370,950	375,120	4,170
Non-Athlete Membership	2,546,475	2,525,820	2,514,402	(11,418)
Life Membership	46,334	35,000	35,000	0
Club Membership	192,430	204,960	196,000	(8,960)
Seasonal Club Membership	3,800	4,360	4,000	(360)
Single Meet Open Water	590	300	300	0
Other Membership Income	1,520	(45,000)	166,411	211,411
TOTAL MEMBERSHIP	22,853,596	22,129,990	22,806,397	676,407

PARTNERSHIP MARKETING REVENUE:

Corporate Sponsorship	2,824,799	4,844,739	4,089,799	(754,940)
Supplier Income	405,625	225,000	225,000	0
Licensee Income	43,707	102,500	102,500	0
Royalty Income	44,524	125,000	75,000	(50,000)
Web Advertising	1,950	0	0	0
Phillips 66 Summer Nationals	25,475	0	0	0
TOTAL PARTNERSHIP MARKETING REVENUE	3,346,080	5,297,239	4,492,299	(804,940)

USOPC PARTNERSHIP:

USOPC Performance Funding	2,246,749	2,995,665	2,995,665	0
USOPC Direct Athlete Support	773,395	2,232,300	2,232,300	0
USOPC International Relations Grant	13,200	12,000	13,200	1,200
USOPC Other Support	12,500	87,500	97,500	10,000
TOTAL USOPC PARTNERSHIP	3,045,843	5,327,465	5,338,665	11,200

INVESTMENT INCOME:

Interest Income - Savings	1	0	0	0
Interest Income - Short Term Securities	0	20,000	0	(20,000)
TOTAL INVESTMENT INCOME	1	20,000	0	(20,000)

FOUNDATION

USA Swimming Foundation	1,118,500	1,134,175	1,468,500	334,325
Foundation Rent	202,500	270,000	270,000	0
TOTAL FOUNDATION	1,321,000	1,404,175	1,738,500	334,325

SPORT AND EVENTS:

Golden Goggle Awards	(7,787)	125,000	125,000	0
Coach Education Clinics	76,823	179,000	179,000	0
Altitude Camps	267,411	75,000	280,000	205,000
Olympic Trials	0	(75,000)	(75,000)	0
Pro Swim Series Host Fees	20,000	50,000	20,000	(30,000)
FINA Events	0	0	200,000	200,000
International TV Rights	0	15,000	0	(15,000)
Other Registration	32,033	80,000	100,000	20,000
TOTAL SPORTS AND EVENTS	388,481	449,000	829,000	380,000

OTHER INCOME:

NCAA Top Times List	100,589	100,589	100,589	0
Imputed Interest - Prepaid Rent	190,229	252,810	252,810	0
Other Revenue	19,403	0	0	0

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

	Year to Date	2022	2022	Favorable
	Actual	Budget	Projection	(Unfavorable)
TOTAL OTHER INCOME	310,222	353,399	353,399	0
TOTAL OPERATING REVENUE	\$31,265,222	\$34,981,268	\$35,558,260	\$576,992

OPERATING EXPENSES:

TECHNICAL/SPORT:

NATIONAL TEAM

Competitions

3001 Olympic Games	16,875	20,000	17,000	3,000
3015 World University Games	0	340,000	0	340,000
3031 Long Course World Championships	158,090	607,300	360,896	246,404
3033 Short Course World Championships	3,500	300,950	451,900	(150,950)
3035 Dual in the Pool	203,514	0	250,000	(250,000)
Program Group Total	381,979	1,268,250	1,079,796	188,454

Junior Team Programs

3009 Jr. Team International Competition	47,096	82,680	70,000	12,680
3012 Jr. Pan Pacific Championships	224,014	0	300,000	(300,000)
3045 Junior Team Camps	46,115	40,700	47,500	(6,800)
3050 FINA World Junior Championships	0	331,610	0	331,610
3992 Ntl. Jr. Team Program Support	3,479	21,950	16,950	5,000
Program Group Total	320,703	476,940	434,450	42,490

Open Water Programs

3040 FINA Open Water Jr. Championships	37,172	60,330	70,000	(9,670)
3061 Open Water World Championships	75,012	120,030	120,030	0
3065 Open Water World Cup	61,902	101,500	121,500	(20,000)
3067 Open Water Camps	3,072	15,600	3,072	12,528
3495 Open Water Program Support	3,222	18,850	8,000	10,850
Program Group Total	180,380	316,310	322,602	(6,292)

Camps

3005 Olympic Games Prep Camps	353	0	353	(353)
3069 National Team Specialty Camps	0	20,000	30,000	(10,000)
3071 Altitude Training Camps	7,275	30,000	30,000	0
3073 National Team Camps	0	28,000	0	28,000
3076 National Team International Camps	516,789	590,000	520,000	70,000
3518 Altitude Camps	254,141	95,000	300,000	(205,000)
3479 Advance Team Visits	987	10,500	10,500	0
Program Group Total	779,544	773,500	890,853	(117,353)

Athlete Services

3101 Athlete Support-Stipends & Grants	773,395	1,700,000	1,700,000	0
3100 USOPC Covid 19 Support Grant	0	0	2,500	(2,500)
3103 Athlete Support-Medals & Records	628,750	500,000	670,000	(170,000)
3107 Athlete Support-Op Gold Qualification Bonus	212,500	260,000	215,000	45,000
3025 Pro Swim Series Athlete Support	241,805	130,000	280,000	(150,000)
3021 World Cup Athlete Support	12,517	500	60,000	(59,500)
3106 Phillips 66 Athlete Support	105,463	110,000	200,000	(90,000)
3110 National Team Uniforming (VIK)	0	75,000	75,000	0
3130 Foundation Travel & Training	0	50,000	0	50,000
3131 Foundation Athlete Endowments	277,500	80,000	277,500	(197,500)
3453 Drug Control Program	3,505	23,200	23,200	0
Program Group Total	2,255,435	2,928,700	3,503,200	(574,500)

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

	Year to Date	2022	2022	Favorable
	Actual	Budget	Projection	(Unfavorable)
<i>Coach Services</i>				
3203 Coach Incentive & Reward Program	0	330,000	330,000	0
3460 Olympic Staff Recognition	0	12,000	12,000	0
3010 Coach Education	0	20,000	0	20,000
<i>Program Group Total</i>	<i>0</i>	<i>362,000</i>	<i>342,000</i>	<i>20,000</i>
<i>High Performance Support</i>				
3301 National Team Performance Support	59,183	120,000	97,000	23,000
3310 USOPC Practitioner Travel Support	5,779	29,000	29,000	0
3312 Nutrition & Physiology Service	9,072	0	10,000	(10,000)
<i>Program Group Total</i>	<i>74,034</i>	<i>149,000</i>	<i>136,000</i>	<i>13,000</i>
<i>Sport Medicine & Science</i>				
3201 Athletes and Coach Wellness Programs	66,226	112,500	112,500	0
3353 Sport Medicine & Science Network	103,061	58,500	106,000	(47,500)
3155 Elite Athlete Accident Coverage	20,316	30,000	20,316	9,684
3351 Athlete Testing & Lab Expenses	0	5,000	0	5,000
3390 Sport Medicine & Science Program Support	25,624	25,050	29,050	(4,000)
<i>Program Group Total</i>	<i>215,228</i>	<i>231,050</i>	<i>267,866</i>	<i>(36,816)</i>
<i>Other Programs and Services</i>				
3481 National Team Equipment	30,727	13,515	35,000	(21,485)
3496 National Team Selection	4,783	10,150	4,783	5,367
<i>Program Group Total</i>	<i>35,511</i>	<i>23,665</i>	<i>39,783</i>	<i>(16,118)</i>
<i>Committees</i>				
3846 Sports Medicine	0	500	0	500
3868 Open Water Committee	0	500	0	500
3882 National Steering	1,273	12,000	20,000	(8,000)
3888 National Team Athlete	0	500	500	0
<i>Program Group Total</i>	<i>1,273</i>	<i>13,500</i>	<i>20,500</i>	<i>(7,000)</i>
<i>Administration</i>				
3990 Administration & Operational Support	127,230	273,750	231,050	42,700
3999 Salary and Benefits	926,710	1,662,473	1,489,435	173,038
<i>Program Group Total</i>	<i>1,053,940</i>	<i>1,936,223</i>	<i>1,720,485</i>	<i>215,738</i>
TOTAL NATIONAL TEAM	5,298,027	8,479,138	8,757,535	(278,397)
SPORT DEVELOPMENT				
<i>Athlete Development Programs</i>				
1117 LSC Camps	\$5,137	\$6,500	\$6,500	\$0
1118 Zone Select Camps	154,578	125,530	160,530	(35,000)
1119 National Select Camps	18,570	110,300	92,900	17,400
1120 Camp (VIK)	0	25,000	25,000	0
1135 Tech Services Support	3,250	4,000	4,000	0
<i>Program Group Total</i>	<i>181,536</i>	<i>271,330</i>	<i>288,930</i>	<i>(17,600)</i>
<i>Coach Education and Development</i>				
1213 Coach Education Development	22,618	42,800	36,800	6,000
1231 USA-S Hosted Coaches Clinics	23,152	63,200	25,000	38,200
1237 Non-USAS Clinic Participation	0	27,760	12,975	14,785
1240 Online Coach Clinics/Podcasts	0	7,600	0	7,600
1242 Coach Mentoring	113	97,320	59,320	38,000
1290 Travel & Program Support	87,738	125,026	145,026	(20,000)
<i>Program Group Total</i>	<i>133,622</i>	<i>363,706</i>	<i>279,121</i>	<i>84,585</i>

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

	Year to Date	2022	2022	Favorable
	Actual	Budget	Projection	(Unfavorable)
Club Education and Development				
1302 Club Excellence Program	458,248	480,000	463,248	16,752
1305 Club Recognition Program	0	7,500	7,500	0
1311 Club Governance Programs	10,000	16,000	14,000	2,000
1314 Club Resources	(24,422)	10,000	10,000	0
1332 Club Research Technology	21,978	15,000	22,000	(7,000)
1390 Travel & Program Support	26,887	116,660	116,660	0
Program Group Total	492,691	645,160	633,408	11,752
Member Programs				
1411 Member Dues and Services	285	50,000	1,000,000	(950,000)
1412 Technology Projects	0	0	5,000	(5,000)
1418 Legacy SWIMS Depreciation	76,790	151,325	151,325	0
1431 Swimposium	13,380	74,820	74,820	0
1429 Zone Workshops	227,367	253,450	227,345	26,105
1434 Membership Technology	45,373	271,525	283,778	(12,253)
Program Group Total	363,194	801,120	1,742,268	(941,148)
LSC Development & Education				
1470 LSC Consulting	12,423	15,750	15,750	0
1475 LEAP Program	0	3,000	0	3,000
1481 Leadership Workshops	8,250	24,950	24,950	0
Program Group Total	20,673	43,700	40,700	3,000
Facilities Advocacy & Development				
1590 Travel & Program Support	28,000	48,000	48,000	0
Program Group Total	28,000	48,000	48,000	0
DEI Management & Support				
1638 DEI Management Support	255,236	210,000	287,600	(77,600)
1640 Community Swim Team Development	21,682	43,000	25,765	17,235
1642 DEI Research Study	30,000	35,000	35,000	0
1645 Regional DEI Camps & Meetings	89,806	125,530	103,530	22,000
1651 DEI VIK	0	25,000	25,000	0
1665 DEI Select Camp	66,527	85,000	85,000	0
Program Group Total	463,250	523,530	561,895	(38,365)
Safe Sport				
1735 Safe Sport - Background Checks	72	275	275	0
1775 Safe Sport Online Education	41,900	63,000	63,000	0
1786 Safe Sport Athlete Fellowship	0	3,950	0	3,950
1785 Safe Sport Programs	39,339	164,585	109,004	55,581
1787 Safe Sport - USOPC Center for Safe Sport	199,180	275,000	267,000	8,000
1789 Safe Sport - SwimAssist	22,798	46,510	40,000	6,510
Program Group Total	303,289	553,320	479,279	74,041
Committees				
1810 Safe Sport	0	250	250	0
1823 Workshop Education	0	250	0	250
1830 LSC Development	0	250	0	250
1841 Disability Swimming	0	250	0	250
1842 DEI	834	250	900	(650)
1851 Age Group Development	0	250	0	250
1856 Club Development	0	250	0	250
1857 Times & Recognition	3,113	15,000	25,000	(10,000)
1865 Zone Director	229	11,820	11,820	0

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

	Year to Date	2022	2022	Favorable
	Actual	Budget	Projection	(Unfavorable)
1885 Senior Development	0	250	0	250
1887 Athletes Executive	0	500	0	500
Program Group Total	4,176	29,320	37,970	(8,650)

Administration

1990 Administration & Operational Support	335,475	432,930	569,830	(136,900)
1999 Salary and Benefits	2,244,268	2,926,188	3,525,334	(599,146)
Program Group Total	2,579,743	3,359,118	4,095,164	(736,046)
TOTAL SPORT DEVELOPMENT	4,570,174	6,638,304	8,206,735	(1,568,431)

EVENT OPERATIONS

Events

2005 Olympic Trials	30,044	6,600	31,000	(24,400)
2002 Non Olympic Trials	418,221	0	425,000	(425,000)
2018 US Open (frmly Winter National Champs)	390	173,225	383,225	(210,000)
2019 National Championships/Trials	1,738,270	532,750	1,757,850	(1,225,100)
2023 Speedo Summer Champs (Frmly Invitational & US Open)	47,859	98,900	0	98,900
2025 Pro Swim Series	704,690	164,650	933,125	(768,475)
2027 Speedo Sectionals	151,184	220,000	220,000	0
2028 IM Xtreme Games	0	8,000	0	8,000
2029 Zone Championships	15,682	100,000	100,000	0
2032 Spring Cup 18-Under	0	35,000	0	35,000
2035 Futures Championships	92,086	121,030	170,500	(49,470)
2040 Jr. Pan Pacific Championships	51,699	30,000	55,000	(25,000)
2045 Jr. National Championships (Summer LC)	22,708	0	500,000	(500,000)
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	2,767	103,315	162,200	(58,885)
2069 Open Water Championships	54,384	82,120	98,800	(16,680)
2072 FINA Events	53,882	0	550,000	(550,000)
2077 National Events Uniforming VIK	0	40,000	40,000	0
2076 Bag Tags VIK	15,386	10,000	10,000	0
2716 Omega Timing Systems VIK	0	400,000	400,000	0
Program Group Total	3,399,252	2,125,590	5,836,700	(3,711,110)

Member Programs - Officials

2433 Officials Training Sessions	6,042	83,715	10,000	73,715
2437 Officials Online Testing	0	1,000	0	1,000
2438 Officials Certification Program	0	5,000	0	5,000
2440 Officials Clinic	2,944	23,500	3,000	20,500
2441 Officials International Travel	5,284	22,870	20,000	2,870
2450 Officials Mentoring & Training	466	1,700	500	1,200
Program Group Total	14,736	137,785	33,500	104,285

Other Programs and Services

2501 Publications and Video Sales	0	18,500	0	18,500
2502 Mailing Service	0	200	0	200
2423 Rulebook	35,927	24,800	36,800	(12,000)
2498 Awards	9,376	14,800	10,000	4,800
2519 Times Projects	696	966	696	270
2715 TV/Web Cast Production	0	1,164,500	0	1,164,500
Program Group Total	45,999	1,223,766	47,496	1,176,270

Committees & Governance

2801 Annual Business Meeting (formerly Convention)	11,536	48,750	114,750	(66,000)
2802 Annual Business Meeting - Athletes (formerly Convention-Athletes)	0	23,925	0	23,925
2832 Awards	0	500	0	500
2836 Rules and Regulations	989	0	2,500	(2,500)

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

	Year to Date	2022	2022	Favorable
	Actual	Budget	Projection	(Unfavorable)
2860 Program & Events Coordinator (formerly Committee)	0	100	0	100
2866 Officials	1,301	15,000	1,500	13,500
Program Group Total	13,826	88,275	118,750	(30,475)
Administration				
2990 Administration & Operational Support	45,776	205,300	121,700	83,600
2999 Salary and Benefits	277,523	644,049	397,302	246,747
Program Group Total	323,298	849,349	519,002	330,347
TOTAL EVENT OPERATIONS	3,797,112	4,424,765	6,555,448	(2,130,683)
TOTAL TECHNICAL/SPORT	13,665,313	19,542,208	23,519,719	(3,977,511)

OTHER PROGRAMS:

COMMERCIAL

Partnerships & Event Marketing

5901 Servicing	106,713	141,250	141,250	0
5900 Contractuals	564	207,500	207,500	0
5905 Sales Development Support	8,250	50,500	50,500	0
5916 Sigma Gamma Rho	61,134	79,725	79,725	0
5620 Family Program	19,441	33,675	42,761	(9,086)
5709 Nationals Marketing	299,439	501,000	301,000	200,000
5760 Jr Nationals Marketing	0	30,000	0	30,000
5762 Pro Swim Series Marketing	0	135,000	0	135,000
5764 US Open Marketing	0	77,500	20,000	57,500
5770 Event Marketing	0	25,000	25,000	0
5902 Merchandise Program	37,732	18,000	38,000	(20,000)
Program Group Total	533,273	1,299,150	905,736	393,414

Communications

5109 Athlete Partnership Fulfillment	26,863	42,500	35,000	7,500
5711 Splash Magazine	222,425	390,000	222,500	167,500
5722 Social Media Aggregation	20,378	48,000	38,000	10,000
5714 PR-USA Swimming Programs	38,915	40,000	42,000	(2,000)
5724 Communication Operations	223,514	240,670	275,000	(34,330)
Program Group Total	532,096	761,170	612,500	148,670

Creative Services

5710 Membership/Recruiting Promotion	0	100,000	0	100,000
5730 USA Swimming Productions	162,445	342,360	309,360	33,000
Program Group Total	162,445	442,360	309,360	133,000

Business Intelligence & Digital Platforms

5713 USA Swimming App	30,841	61,960	58,060	3,900
5726 Business Intelligence	471,696	572,506	552,506	20,000
5718 usaswimming.org - Web site	220,548	561,044	413,496	147,548
	723,085	1,195,510	1,024,062	171,448

Administration

5990 Administration & Operational Support	204,456	290,250	334,810	(44,560)
5999 Salary and Benefits	1,302,005	2,141,739	1,950,013	191,726
Program Group Total	1,506,462	2,431,989	2,284,823	147,166
TOTAL COMMERCIAL	3,457,360	6,130,179	5,136,481	993,698

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

	Year to Date	2022	2022	Favorable
	Actual	Budget	Projection	(Unfavorable)
RISK MANAGEMENT / INSURANCE				
<i>Member Programs</i>				
9413 Member Insurance Premiums & Retention	3,307,132	5,553,990	4,098,117	1,455,873
9415 Other Risk Management	17,913	11,500	15,750	(4,250)
<i>Program Group Total</i>	3,325,045	5,565,490	4,113,867	1,451,623
<i>Committees</i>				
9827 Operational Risk Committee	0	500	0	500
<i>Program Group Total</i>	0	500	0	500
<i>Administration</i>				
9490 Administration & Operational Support	10,120	14,620	17,600	(2,980)
<i>Program Group Total</i>	10,120	14,620	17,600	(2,980)
TOTAL RISK MANAGEMENT / INSURANCE	3,335,165	5,580,610	4,131,467	1,449,143
FOUNDATION SUPPORT				
6667 USA Swimming Staff Allocation	0	457,385	457,385	0
TOTAL FOUNDATION SUPPORT	0	457,385	457,385	0
FOUNDATION - OTHER				
6999 Salaries and Benefits	85,919	0	0	0
TOTAL FOUNDATION - OTHER	85,919	0	0	0
TOTAL OTHER PROGRAMS	6,878,443	12,168,174	9,725,333	2,442,841
SUPPORT DIVISIONS:				
EXECUTIVE				
<i>Other Executive</i>				
7920 CEO Contingency	10,327	25,000	25,500	(500)
7930 Board Chair Travel and Expenses	6,151	27,640	13,300	14,340
7945 CSCAA Grant	66,667	100,000	100,000	0
7971 Organizational Relations - Domestic	20,361	28,000	28,000	0
7984 Organizational Relations - Internat'l	3,295	15,000	15,000	0
7981 International Relations	12,162	10,000	12,500	(2,500)
<i>Program Group Total</i>	118,962	205,640	194,300	11,340
<i>Committees & Governance</i>				
7803 Board of Directors	31,074	77,829	86,844	(9,015)
7808 Board Governance Consultant	98,223	150,150	150,150	0
7811 International Relations Committee	0	250	250	0
7820 Nominating Committee	0	1,940	6,175	(4,235)
<i>Program Group Total</i>	129,297	230,169	243,419	(13,250)
<i>Administration</i>				
7990 Administration & Operational Support	69,982	90,574	141,050	(50,476)
7999 Salary and Benefits	612,497	983,294	973,372	9,922
<i>Program Group Total</i>	682,479	1,073,868	1,114,422	(40,554)
TOTAL EXECUTIVE	930,737	1,509,677	1,552,141	(42,464)

FINANCE & OPERATIONS

Other Programs

USA SWIMMING, INC.
BUDGET VS. PROJECTION
2022

	Year to Date	2022	2022	Favorable
	Actual	Budget	Projection	(Unfavorable)
8295 Information Technology	611,484	876,962	805,904	71,058
8500 LSC/Club Financial Resources	0	50	0	50
Program Group Total	611,484	877,012	805,904	71,108
Committees				
8895 Investment Committee	0	100	0	100
Program Group Total	0	100	0	100
Administration				
8100 Allocated Expenses	23,262	0	0	0
8990 Administration & Operational Support	176,031	176,225	274,250	(98,025)
8999 Salary and Benefits	861,539	691,512	1,274,747	(583,235)
Program Group Total	1,060,833	867,737	1,548,997	(681,260)
TOTAL FINANCE & OPERATIONS	1,672,316	1,744,849	2,354,901	(610,052)
BUSINESS AFFAIRS				
Legal and NBR				
9695 Legal	149,538	210,000	210,000	0
9692 National Board of Review	68	0	100	(100)
9690 Legal - Admin. & Oper. Support	29,932	6,225	35,090	(28,865)
Program Group Total	179,538	216,225	245,190	(28,965)
Other Programs				
9280 Human Resources	71,132	80,300	117,300	(37,000)
9290 Government Relations	11,316	100,000	40,000	60,000
Program Group Total	82,448	180,300	157,300	23,000
Administrative				
9990 Administration & Operational Support	93,607	203,950	138,700	65,250
9999 Salary and Benefits	713,347	2,022,338	1,133,697	888,641
Program Group Total	806,954	2,226,288	1,272,397	953,891
TOTAL BUSINESS AFFAIRS	1,068,940	2,622,813	1,674,887	947,926
TOTAL SUPPORT DIVISIONS	3,671,994	5,877,339	5,581,929	295,410
TOTAL OPERATING EXPENSES	\$24,215,750	\$37,587,720	\$38,826,981	(\$1,239,261)
OPERATING SURPLUS (DEFICIT)	\$7,049,472	(\$2,606,452)	(\$3,268,722)	(\$662,269)

USA Swimming
2024 Quad Business Plan Summary
As of 9/14/2022

	Projection 2022	Budget 2023	Budget 2024	Current 2024 Quad Budget
REVENUE:				
Membership	\$ 22,806,397	\$ 24,268,287	\$ 25,151,121	\$ 72,225,805
Partnership Marketing	4,492,299	5,360,598	6,278,913	16,131,810
USOPC Partnership	5,338,665	5,239,965	5,266,500	15,845,130
Investment Income	-	-	-	-
Foundation	1,738,500	1,543,000	1,619,500	4,901,000
Sport and Events	904,000	789,400	866,340	2,559,740
Olympic Trials	(75,000)	(75,000)	8,760,000	8,610,000
Other Income	353,398	346,417	387,939	1,087,755
Total Revenue	35,558,259	37,472,667	48,330,313	121,361,240
EXPENSES:				
Technical/Sport:				
National Team	8,757,535	8,944,115	10,593,960	28,295,611
Sport Development	8,206,735	9,467,030	9,846,291	27,520,057
Event Operations	6,555,448	4,292,085	4,500,200	15,347,733
Total Technical / Sport	23,519,719	22,703,231	24,940,452	71,163,401
Other Programs:				
Commercial	5,136,481	5,144,051	7,001,596	17,282,128
Risk Management / Insurance	4,131,467	4,731,730	5,458,155	14,321,352
Foundation Support	457,385	457,385	457,385	1,372,155
Total Other Programs	9,725,333	10,333,166	12,917,136	32,975,635
Administration:				
Executive	1,552,141	1,615,825	1,744,715	4,912,681
Finance & Operations	2,354,901	2,489,548	2,449,213	7,293,663
Business Affairs	1,674,887	1,892,626	1,849,449	5,416,962
Total Administration	5,581,929	5,997,999	6,043,377	17,623,305
Total Expenses	38,826,981	39,034,396	43,900,965	121,762,341
OPERATING SURPLUS (DEFICIT)	\$ (3,268,722)	\$ (1,561,728)	\$ 4,429,348	\$ (401,102)

USA Swimming
2024 Quad Board Approved Reserve Investments Summary
As of 9/14/2022

NON-OPERATING INVESTMENT GAINS (LOSSES) and
BOARD APPROVED RESERVE INVESTMENTS - Cash Basis

	Projection 2022	Budget 2023	Budget 2024	Current 2024 Quad Budget
Non-Operating Investment Gains (Losses)	\$ (4,000,000)	\$ 1,800,000	\$ 1,600,000	\$ (600,000)
Operating Reserves:				
Disaster Donations	(25,000)	(25,000)	(25,000)	(75,000)
Board Designated Funds:				
"Keeping Athletes First" (KAF) Initiative:				
Safe Sport				
(Club Rec, Staff Res & Prog Dev)	(498)	-	-	(498)
Coach Education & LMS	(699,099)	(270,000)	(270,000)	(1,239,099)
Online Member Registration	(910,566)	-	-	(910,566)
Legal & Risk Management	(1,800,000)	(1,500,000)	-	(3,300,000)
USSIC Sale Letter of Credit	(3,500,000)	-	-	(3,500,000)
Total Board Approved Reserve Investments	\$ (6,935,163)	\$ (1,795,000)	\$ (295,000)	\$ (9,025,163)

SECTION 1: USA Swimming 2023 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	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Projection Comments	2023 Budget	2023 Budget Comments
SECTION 2:										
	EXPENSES:									
60001	PHONE SERVICE	0	0	0	0	0	0		0	
60002	LONG DISTANCE PHONE SERVICE	0	0	0	33	0	0		0	
60003	CELLULAR PHONE CHARGES	0	0	0	13	0	0		0	
60004	CONFERENCE CALLS	267	71	0	0	0	0		0	
60005	INTERNET SERVICE	12	0	0	600	0	0		0	
60010	POSTAGE	10	0	0	0	0	0		250	
60011	FREIGHT	425	71	0	68	0	0		0	
60013	EXCESS BAGGAGE & TIPS	170	413	65	105	0	0		0	
60015	PRINTING AND DUPLICATION	758	187	0	0	0	0		100	
60017	PERSONAL CAR MILEAGE	2,499	3,448	29	231	0	250		500	
60020	SUPPLIES	913	791	0	0	0	0		250	
60033	MEALS & ENTERTAINMENT	13,605	5,161	6,375	15,507	6,000	11,000	Current actual + anticipate	13,000	Meals for and with BOD members.
60035	CAR RENTAL-GAS	16	218	16	16	0	0		200	
60036	OTHER LODGING	39,988	39,317	4,260	4,460	0	0		0	
60038	OTHER AIRFARE	200	933	0	292	0	0		0	
60039	AIRFARE - VIK	0	0	841	3,458	0	0		0	
60041	GROUND TRANSPORTATION	4,025	5,476	1,628	3,714	3,000	3,000	Current actual + anticipate	4,400	
60044	HOSPITALITY	28,538	18,782	0	5,818	7,500	11,300	Current actual + anticipate	14,000	Catering for meetings
60047	GOLDEN GOGGLES	4,260	5,610	0	0	3,400	0		0	
60056	PROTOCOL/GIFTS	0	0	0	0	0	0		0	
60060	GEAR/EQUIPMENT/SIGNAGE	0	0	0	0	0	0		0	
60061	APPAREL	0	0	0	21	0	0		0	
60062	APPAREL - VIK	0	0	0	0	0	0		0	
60065	EQUIPMENT/SPACE RENTAL	14,757	3,825	0	14,858	2,000	2,000	AV for Goggles	5,100	AV, space rental when not at HQ
60070	CAMERA, PHOTO, VIDEO	0	0	0	0	0	0		0	
60080	SUBSCRIPTIONS	3,588	3,588	183	1,794	1,794	1,794	BoardPaq	1,794	BoardPaq
60087	CREDIT CARD FEES	4	48	25	22	0	0		0	
60097	OTHER PROFESSIONAL SERVICES	75	225	0	0	0	0		0	
60098	DUES & FEES	1,495	3,695	0	143	0	0		0	
69998	PROJECTED VARIANCE	0	0	0	0	0	0		0	
New										
New										
60034	CAR RENTAL	829	1,342	234	344	600	300		1,050	Calculations below
60040	AIRFARE	42,552	29,977	463	8,176	25,200	25,600		30,800	
60042	LODGING	2,480	127	0	15,497	24,975	28,250		42,000	
60043	PER DIEM	12,814	9,012	0	3,339	3,360	3,350		3,300	
	TOTAL EXPENSES	174,281	132,316	14,118	78,508	77,829	86,844		116,744	

SECTION 3:

Airfare:					
	Trips	Rate			
	44	700		30,800	
		700		0	
				<u>30,800</u>	
Lodging:					
	Trips/Travelers	Days/Nights	Rate		
	14	5	250	17,500	
	14	5	350	24,500	
				<u>42,000</u>	
Car Rental					
	1	14	75	1,050	
			75	0	
				<u>1,050</u>	
Per Diem:					
	15	4	30	1,800	
	15	2	50	1,500	
				<u>3,300</u>	

SECTION 1: USA Swimming 2023 Program Budget Proposal
BOARD CHAIR TRAVEL AND EXPENSES Program:7930

Insert New
Line

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 Number	Account	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Projection Comments	2023 Budget	2023 Budget Comments
SECTION 2:										
EXPENSES:										
60002	LONG DISTANCE PHONE SERVICE	0	0	0	66	0	0		0	
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	10	0	150		200	
60007	IT INTERNET	0	0	0	29	0	0		0	
60010	POSTAGE	0	0	6	0	0	50		50	
60011	FREIGHT	11	25	29	482	0	0		0	
60015	PRINTING AND DUPLICATION	27	0	0	27	0	0		0	
60017	PERSONAL CAR MILEAGE	301	693	0	0	0	0		0	
60033	MEALS & ENTERTAINMENT	524	2,603	5,484	11,065	2,000	2,000	Based on actuals + anticipated	3,000	
60035	CAR RENTAL-GAS	117	0	0	0	0	0		0	
60036	OTHER LODGING	5,235	565	0	0	0	0		0	
60039	AIRFARE - VIK	0	0	0	17,835	0	0		0	
60041	GROUND TRANSPORTATION	1,969	2,870	75	1,219	1,000	1,200		1,200	
60044	HOSPITALITY	0	33	0	41	0	0		0	
60045	TICKETS	0	41	0	0	0	0		0	
60046	LAUNDRY SERVICES	0	0	0	0	0	0		0	
60047	GOLDEN GOGGLES	0	330	0	0	0	0		0	
60061	APPAREL	0	0	0	10	0	0		200	
60080	SUBSCRIPTIONS	0	0	91	0	0	0		0	
60087	CREDIT CARD FEES	116	0	0	0	0	0		0	
60097	OTHER PROFESSIONAL SERVICES	0	0	0	0	0	0		0	
60098	DUES & FEES	378	0	0	76	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	1,822	503	0	0	0	0		0	
60040	AIRFARE	10,922	17,754	2,019	21,060	6,600	5,000	Based on actuals + anticipated	5,500	Travel: Four BOD meetings, one domestic event, one international event.
60042	LODGING	6,374	15,897	2,788	30,122	16,120	4,500	Based on actuals + anticipated	5,200	
60043	PER DIEM	2,039	2,296	208	819	1,920	400		740	
TOTAL EXPENSES		29,833	43,612	10,700	82,862	27,640	13,300		16,090	

SECTION 3:

Airfare:		Trips	Rate	
		5	700	3,500
		1	2000	2,000
				<u>5,500</u>
Lodging:		Trips/ Travelers	Days/ Nights	Rate
		1	11	250
		1	7	350
				<u>2,750</u>
				<u>2,450</u>
				<u>5,200</u>
Car Rental				
		0	0	75
				75
				75
				<u>0</u>
				<u>0</u>
Per Diem:				
		1	7	50
		1	6	65
				<u>350</u>
				<u>390</u>
				<u>740</u>

SECTION 1: USA Swimming 2023 Program Budget Proposal
ADMINISTRATION & OPERATIONAL SUPPORT Program:8990

Program Manager: Tami Bock

Program Description: Administrative and overhead charges for Finance & Operations.

Insert New Line

Account Number	Account	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Projection Comments	2023 Budget	2023 Budget Comments
SECTION 2: EXPENSES:										
60001	PHONE SERVICE	1,453	1,760	1,258	1,057	1,300	3,350	Note Finance & Ops G&A increased, but Business Affairs G&A decreased due to shifting of headcount from one Business Unit to the other	3,685	Note Finance & Ops G&A increased, but Business Affairs G&A decreased due to shifting of headcount from one Business Unit to the other
60002	LONG DISTANCE PHONE SERVICE	112	0	0	0	0	0		0	
60003	CELLULAR PHONE CHARGES	3,379	2,745	3,052	2,699	3,000	5,400		5,940	
60004	CONFERENCE CALLS	0	18	84	0	0	0		0	
60005	INTERNET SERVICE	30	62	0	9	150	0		0	
60006	OTHER COMMUNICATIONS COST	177	171	324	331	400	0		0	
60007	IT INTERNET	0	0	0	0	0	750		825	
60010	POSTAGE	2,731	2,567	3,130	960	2,200	2,200		2,420	
60011	FREIGHT	1,235	790	455	411	450	450		495	
60012	UPS - STAFF EXPENSE	0	0	0	0	0	0		0	
60013	EXCESS BAGGAGE & TIPS	110	0	0	35	100	100		110	
60015	PRINTING AND DUPLICATION	3,308	2,116	1,800	708	1,200	1,200		1,320	
60017	PERSONAL CAR MILEAGE	554	221	16	97	200	200		220	
60019	FURNITURE & FIXTURES	77	0	42	0	0	0		0	
60020	SUPPLIES	7,916	9,320	2,571	2,761	7,200	7,200		7,920	
60025	ADVERTISING	1,755	0	0	0	0	0		0	
60030	SOFTWARE	11,934	14,471	749	5,384	6,500	8,450		9,295	
60031	COMPUTER REPAIR/MAINTENANCE	1,972	3,382	373	2,255	2,000	0		0	
60033	MEALS & ENTERTAINMENT	549	993	316	643	1,050	2,000		2,200	
60035	CAR RENTAL-GAS	0	0	2	11	100	100		110	
60036	OTHER LODGING	0	301	0	0	0	0		0	
60038	OTHER AIRFARE	0	0	0	0	0	0		0	
60039	AIRFARE - VIK	0	0	0	1,380	0	0		0	
60041	GROUND TRANSPORTATION	305	470	106	650	750	850		935	
60044	HOSPITALITY	21	0	0	51	0	0		0	
60046	LAUNDRY SERVICES	0	0	0	0	0	0		0	
60056	PROTOCOL/GIFTS	18	414	172	89	300	300		330	
60060	GEAR/EQUIPMENT/SIGNAGE	13	0	458	3,592	350	350		385	
60061	APPAREL	28	0	0	0	0	100		110	
60064	BUILDING RENT	23,362	24,127	25,035	25,661	26,350	56,400		62,040	
60065	EQUIPMENT/SPACE RENTAL	577	3,065	2,756	4,330	5,150	4,600		5,060	
60066	REPAIR/MAINTENANCE	96	0	0	64	100	100		110	
60070	CAMERA, PHOTO, VIDEO	0	68	0	0	0	0		0	
60071	TELEVISION/VIDEO PRODUCTION	0	0	0	0	0	0		0	
60075	AUTOMOBILE EXPENSE	19	20	5	29	100	100		110	
60080	SUBSCRIPTIONS	2,026	1,183	1,191	1,079	1,900	8,300		9,130	
60082	Purchase Price Variance	0	0	0	0	0	0		0	
60086	TRAVEL AGENCY FEES	20	197	4,949	4,761	200	250		275	
60087	CREDIT CARD FEES	0	0	0	0	0	0		0	
60089	INTEREST EXPENSE	0	0	0	0	0	0		0	
60090	DEPRECIATION & AMORTIZATION	26,620	32,073	35,540	34,778	29,450	72,750		80,025	
60092	BANK FEES	19,212	18,988	20,500	20,098	20,500	25,100		27,610	
60093	AUDIT/TAX FEES	17,800	19,125	51,050	34,700	22,050	31,100		51,410	Audit & Tax Fees (allows for firm change depending on Audit Committee's decision)
60094	LEGAL FEES	1,050	0	0	0	0	0		0	
60095	STATE REGISTRATION FEES	0	0	0	0	0	0		0	
60096	INSURANCE	0	10	0	0	0	0		0	
60097	OTHER PROFESSIONAL SERVICES	11,632	35,136	34,416	28,072	33,250	26,000		28,600	
60098	DUES & FEES	1,981	2,736	2,176	3,812	2,800	6,700		7,370	
60100	GRANTS	0	0	0	0	0	0		0	
60300	ADMINISTRATION ALLOCATION	0	0	0	0	0	0		0	
61006	VISION PREMIUMS	0	5	0	0	0	0		0	
61017	HEALTH	0	8	0	0	0	0		0	
61019	DENTAL INSURANCE	0	35	0	0	0	0		0	
61020	WORKERS COMPENSATION INSURA	0	0	0	0	0	0		0	
61022	EYE CARE REIMBURSEMENTS	0	0	0	0	0	0		0	
61024	STAFF DEVELOPMENT	0	595	0	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	MEDIA ERRORS & OMISSIONS	0	0	0	0	0	0		0	
62041	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	375	1,000		1,575	
60040	AIRFARE	533	1,521	468	1,933	3,000	3,500		4,900	
60042	LODGING	305	3,109	524	4,297	2,775	4,500		3,885	
60043	PER DIEM	434	740	99	655	975	850		1,365	
TOTAL EXPENSES		143,348	182,541	193,617	187,391	176,225	274,250		319,765	

SECTION 3:

Airfare:	Trips	Rate	
	7	700	4,900
		700	0
		700	0
			<u>4,900</u>
Lodging:	Trips/Travelers	Days/Nights	Rate
	7	3	185
			3,885
			0
			0
			<u>3,885</u>
Car Rental			
	7	3	75
			1,575
			0
			0
			<u>1,575</u>
Per Diem:			
	7	3	65
			1,365
			0
			0
			<u>1,365</u>

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 16, 2022

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 September 16, 2022.

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 monthly 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. In October 2021, USA Swimming presented a 2022-2023 Affiliation Agreement to LSCs. All LSCs have executed the 2022-2023 Affiliation Agreement. In addition to the topics covered by the 2020-2021 Affiliation Agreement, the 2022-2023 Affiliation Agreement also covers the following areas: Group Tax Exemption, LSC Membership Registration and Collection of Payments, Outreach Membership Reporting, Responsibility to Cooperate, Meet Sanctions, Issuance of Public Statements and Political Lobbying Activities.

USA Swimming continues to communicate and work with LSCs on compliance efforts. Currently, five 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 notices of noncompliance were sent to the applicable LSCs this month and provide for a thirty-day period in which to cure noncompliance. If an LSC fails to come into compliance during the cure period, it will be reported to the Board of Directors and USA Swimming will request appropriate sanctions pursuant to Section 11: Penalties.

I therefore report **COMPLIANCE**.

Performance Monitoring Report

TO: USA Swimming Board of Directors

FR: Tim Hinchey, Chief Executive Officer

RE: Internal Report – Management Parameters

Annual Monitoring on **Policy 3.11: USA Swimming Foundation Management**

DA: September 14, 2022

I hereby present the monitoring report on the Board's policy 3.11 "USA Swimming Foundation Management," in accordance with the monitoring schedule set forth in Board policy. The information contained in this report is true for the year ended September 14, 2022.

Signed , President & CEO

POLICY PROVISION: The CEO will not operate without ensuring the fulfillment of mutual obligations outlined in the Memorandum of Understanding between the USA Swimming Foundation and USA Swimming.

CEO's INTERPRETATION:

As CEO of both USA Swimming and the USA Swimming Foundation, I am to ensure that both organizations fulfill their responsibilities to each other, as outlined in the MOU dated November 21, 2019.

REPORT:

The MOU was executed in November 2019 in order to implement a significant restructuring of the Foundation, key elements of which included: integrating its (formerly separate) staff into the USA Swimming team; expanding its Board size from 7 to 12 in 2020, from 12 to 15 in 2021, from 15 to 17 in 2022 (and expecting up to 19 in 2023); and, converting the Foundation Board from its previous governance focus to a defined role as a fundraising board. In further support of the Foundation's evolution, I appointed USA Swimming Chief Administrative Officer, Lucinda McRoberts, to serve as the Foundation's Executive Director and hired Elaine Calip as USA Swimming's Senior Director, Development.

The Foundation has built upon the progress made in 2021 by focusing on the following key developments in 2022, all of which were made pursuant to and consistent with the MOU. Current 2022 projections include:

- Awarding an approximate combined \$2.33 million to: youth swim lesson providers (\$802K), adult swim lesson providers (\$130K), USA Swimming clubs (\$268K), and the USA Swimming National Team (\$1.13M);
- Providing grants to 27 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 through its Community Outreach Program;
- Achieving record award amounts in learn-to-swim grants (\$932K), Donor Athlete Partnership Program funding (\$278K), and Community Impact grants (\$110K);
- Returning to an in-person Make-A-Splash Tour presented by Phillips 66 for the first time since 2019, with stops in Philadelphia, PA; Borger, TX; and Rodeo, CA, and awarding \$24,000 to local clubs and communities (made possible by the generous support of Mid-Atlantic Swimming LSC).

Eric Skufca has, in his dual role as CFO of both USA Swimming and the Foundation, continued to manage the Foundation's funds and accounts as discrete from those of USA Swimming, and in accordance with the Foundation Board's Investment Policy Statement.

Further, the MOU requires the Foundation Board and CEO to commit to minimum funding levels that USA Swimming will incorporate into its budget planning. Those amounts will be discussed at the September 22, 2022 Foundation Board of Directors meeting and subsequently approved and incorporated into the 2023 budget. Additionally, budgeted distributions to USA Swimming (for National Team support) from the Foundation's internal

funds continue to be budgeted consistent with our historical payout guidelines. Both entities have budgeted realistically conservative to start and always can adjust mid-year, as needed.

The Foundation's 2022 projected results and 2023 budget will be presented to the USA Swimming Board at its November 2022 meeting.

I therefore report **COMPLIANCE**.

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 16, 2022

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 September 16, 2022.

Signed , President & CEO

BROADEST POLICY PROVISION: "Competitive Success: 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: (Changes italicized)

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:

1. 2022 FINA World Championships: Win the gold medal count, the total medal count, and the most relays
2. 2022 FINA World Championships: Improvement between Trials and World Championships times in 50% of Individual Olympic Events
3. 2022 FINA World Championships: Finalist in 85% of Individual Olympic Events
4. 2022 FINA World Championships: Two athletes finish in the top 20 in the 10K
5. No violations of team rules involving athlete conduct that are detrimental to the National Team

REPORT:

2022 Key Performance Indicators	2022 Results	Achievement
1. 2022 FINA World Championships: Win the gold medal count, the total medal count, and the most relays	Won the gold medal count: 17 Won the total medal count: 45 Won the most relays: 5 of 8	Yes
2. 2022 FINA World Championships: Improvement between Trials and World Championships times in 50% of Individual Olympic Events	58% of individual event qualifiers improved their times from Trials	Yes

3. 2022 FINA World Championships: Finalist in 85% of Individual Olympic Events	Finalist in 85% of Individual Olympic Events	Yes
4. 2022 FINA World Championships: Two athletes finish in the top 20 in the 10K	Four athletes finished in the top 15 in the 10K	Yes
5. No violations of team rules involving athlete conduct that are detrimental to the National Team	None to report	Yes

At the 2022 FINA World Championships in Budapest, our team captured an astonishing 45 medals, including 37 in Olympic events—crushing the previous team medal record from 2017.

Although our total medal count was somewhat inflated by certain international athletes prioritizing other competitions or taking a post-Olympic break, we can only race the people next to us, and our team's performance was remarkable by any of our internal performance metrics. We also did not have the full complement of our roster.

Second, our team improved from Trials to competition at a rate comparable to other dominant international performances. 58% of individual event qualifiers improved their times from Trials, which is on par with 2017 (59%) and 2016 (63%). This is an important metric for us to evaluate the effectiveness of our training camp and competition plans. It is also competition agnostic, making it far more controllable than medal count.

Another important internal metric is the percentage of athletes who make finals (although it is more dependent on the depth of the competition). In Budapest, we hit our targets by qualifying for 86% of potential final spots and 85% of final spots in Olympic events.

Following the retirement of USA Swimming's three most accomplished open water swimmers, nearly the entirety of our 2022 Open Water National Team is new to our system. This expected changeover has led to a change in strategy where we are investing heavily in providing these young athletes with multiple international racing opportunities. Providing these race opportunities will give our athletes with the tools they need to perform at the top level. The World Championship performances were a by product of the opportunities, which we will continue to provide in the next two years.

I therefore report **ACHIEVEMENT**.

POLICY PROVISION B: "USA Swimming provides strong and identifiable pathways to develop talented athletes and coaches."

CEO'S VISION OF SUCCESS: (Changes italicized)

With support from USA Swimming, coaches and clubs are able to offer athletes a developmental system that provides an array of avenues to success.

Key Performance Indicators:

1. 2022 FINA World Junior Championships – Pool: Win gold medal count, overall medal count, and team score
2. 52 athletes ranked in the top 16 in the world in Individual Olympic Events, as of September 1, 2022
3. Increase the number of male athletes age 22 or below, ranked in the top 24 in the world in Individual Olympic Events, as of September 1, 2022, each year of the quad. The number should not be below 23
4. Increase the number of female athletes age 20 or below, ranked in the top 24 in the world in Individual Olympic Events, as of September 1, 2022, each year of the quad. The number should not be below 15

REPORT:

2022 Key Performance Indicators	2022 Results	Achievement
1. 2022 FINA World Junior Championships – Pool: Win gold medal count, overall medal count, and team score	With the cancelation of World Juniors, NJT athletes won 46 medals at Junior Pan Pacs, 19 gold, winning the overall medal count and team score	Yes
2. 52 athletes ranked in the top 16 in the world in Individual Olympic Events, as of September 1, 2022	With a combined WR system, USA Swimming had 63 athletes ranked in the top 16 in the World as of September 1, 2022.	Yes
3. Increase the number of male athletes age 22 or below, ranked in the top 24 in the world in Individual Olympic Events, as of September 1, 2022, each year of the quad. The number should not be below 23	With a combined WR system, USA Swimming had 30 male athletes under the age of 22 in the top 24 in the World in Individual Olympic Events	Yes
4. Increase the number of female athletes age 20 or below, ranked in the top 24 in the world in Individual Olympic Events, as of September 1, 2022, each year of the quad. The number should not be below 15	With a combined WR system, USA Swimming had 25 female athletes under the age of 20 in the top 24 in the World in Individual Olympic Events	Yes

The depth of USA Swimming continues to be one of our greatest strengths. Continuing to provide opportunities for all levels of athletes in the pipeline remains a priority. Winning the medal count at Junior Pan Pacific Championships and the World Championships by such a significant margin shows tremendous depth of talent as we head into Paris.

I therefore report **ACHIEVEMENT**.

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 USOPC 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 rules and resources available to them on an annual basis. 100% USA Swimming coaches take required USADA course.
2. Staff leadership proactively convenes meetings and information exchange with counterparts at USOPC, USADA, WADA, and FINA.
3. Provide education for all university sports medicine staff for universities with NT and NJT members

REPORT:

2022 Key Performance Indicators	2022 Results	Achievement
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1. 100% of National Team and National Junior Team members receive USADA anti-doping education on rules and resources available to them on an annual basis.	In person sessions this year increased to almost 450 athletes and 70 coaches. Virtual education was provided for 100% of our NT and NJT athletes, as well as those who represented USA Swimming internationally this year. Additional education was sent for all National level competitions.	Yes
2. Staff leadership proactively convenes meetings and information exchange with counterparts at USOPC, USADA, WADA, and FINA.	USA Swimming's relationship with USADA is one of the strongest among NGBs. From USADA's 2021 annual report: <i>"With one of its most robust content partnerships, TrueSport provides values-based, interactive digital learning activities for USA Swimming's Deck Pass program."</i> In 2021, users completed nearly 7,500 of these Deck Pass activities and TrueSport awarded more than 3.8 million virtual recognition badges. Currently Jordan Wilimovsky is a True Sport ambassador.	Yes
3. Provide education for all university sports medicine staff for universities with NT and NJT members	We have recorded staff introducing USADAs Health Pro Advantage which has been shared with NCAA Physicians and ATCs. USADA is currently updating course to be more user friendly, so we will launch this introduction when they intro the new program in late December/early January.	Yes

USA Swimming has a strong working relationship with USADA. We continue to provide USADA information regarding athletes training in the US, and we work closely with their staff. USA Swimming was the second highest tested sport in 2021 according to the USADA annual report, with over 800 tests performed. USADA education continues to be a coach membership requirement.

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 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. National Team Division continues to provide a robust direct athlete support program, including athlete stipends, grants, and travel assistance with input from the AAC National Team monthly dividend increases by at least COLA (Cost of Living Adjustments) index annually.
2. Increase qualification bonus at Operation Gold Qualifying Competitions through the quad
3. Athletes transitioning to professional status or retiring are proactively offered resources to facilitate their "next stage" success

REPORT:

2022 Key Performance Indicators	2022 Results	Achievement
1. National Team Division continues to provide a robust direct athlete support program, including athlete stipends, grants, and travel assistance with input from the AAC	The NTD athletes support program continues to support athletes throughout their swimming career. Athletes are reminded of several grant opportunities that are available to them every year from tuition to travel grants. Prize money was added this year for the Pro Swim Series and National Championships.	Yes
2. Increase qualification bonus at Operation Gold Qualifying Competitions through the quad	Although we reset the budget following an Olympic year, the budget anticipates an increase from 2022 to 2023.	Yes
3. Athletes transitioning to professional status or retiring are proactively offered resources to facilitate their "next stage" success	Resources continue to be given to athletes who are not only transitioning out of the sport, but also from NCAA to pro swimming.	Yes

USA Swimming Foundation support of National Team athletes increased by \$13,567 from 2021 to 2022, which included all 25 athletes who applied for the Donor Athlete Partnership Program receiving support. This Fall, we will offer preliminary in-person onboarding sessions with the plans to have enhanced in-person onboarding sessions next Fall. Starting in September, we have increased our direct athlete support program to include additional athletes at a higher rate.

Transitional resources include:

- The LinkedIn Group for National Team Alumni
- The ACE resources from the USOPC
- National Team Onboarding
- Continued resources from the mental health consultant in conjunction with staff regarding transitioning programs
- The USA Swimming Foundation DAPP program; and
- National Team Staff working with several USA Swimming Foundation Directors and Trustees to develop new and further ideas

I therefore report **ACHIEVEMENT**.

POLICY PROVISION E: “National Team athletes receive mental and physical health support, including resources for their health and success.”

CEO’S VISION OF SUCCESS: (No change since previous report)

The health (physical and mental) of the National Team, including the prior quad’s Olympic Team, is supported through an array of services.

Key Performance Indicators:

1. Reduce time lost in training and competition due to injury and illness by providing medical interventions and referrals
2. Expand our mental health network of resources for NT and NJT athletes and coaches
3. 100% of NT and NJT athletes receive education on mental and physical health resources available to them on an annual basis

REPORT:

2022 Key Performance Indicators	2022 Results	Achievement
1. Reduce time lost in training and competition due to injury and illness by providing medical interventions and referrals	Two of four post- Games surgeries were in conjunction with USAS. Having camps at the OPTC this year provided several opportunities for medical interventions that allowed athletes to address issues in real time that impacted their summer performances.	Yes
2. Expand our mental health network of resources for NT and NJT athletes and coaches	We are continually working on providing new opportunities for NT and NJT athletes and coaches. With the naming of the new NT and NJT education and services will be expanded to more athletes.	Yes
3. 100% of NT and NJT athletes receive education on mental and physical health resources available to them on an annual basis	100% of our NT and NJT continues to receive information on mental and physical health resources. Additionally, there are plans to expand NJT opportunities in the fall.	Yes

The goal of the USA Swimming Sports Medicine Network continues to be to provide the highest level of proactive care to our athletes, so that we can prevent injuries and illnesses rather than treat them after they occur. In 2021, we fielded one of the healthiest Olympic teams in our history, and we’re proud to say that in this post-Olympic year, which is historically a time of high turnover in our athlete population, no National Team athletes have retired due to injury.

Lastly, we are continuing our successful partnership with the FitRWoman program. Over the past two years this service has allowed us to provide equitable performance medical care for our female population for the first time. We look forward to expanding this inclusive service to more female athletes and will take a proactive approach to address the unique training and lifestyle issues that can impact our female athletes before any setbacks arise.

Each season reinforces that athlete mental health is an ongoing effort that will never be “finished.” Year by year, we strive to make progress in the quality, availability, and awareness of our mental health offerings. We have and will

continue to educate our coaches and athletes on the many resources available to them from the USOPC Mental Health services team, including mental health coverage in the EAHI, which has been invaluable to many athletes.

Adding former National Team athlete and licensed clinical mental health counselor, Emily Klueh, as a consultant to the National Team and National Junior Team has provided an additional resource for our athletes. In addition to work on the ground at competitions and training camps, Emily will be providing education to coaches working with age group, National Junior Team, and National Team athletes. She also continues to look for ways to expand our mental health offerings, including crisis management, SHMAT review, triage and resource allocation, mental fitness education, staff and coach education, and transition programming.

USA Swimming will add and adjust resources as needed and will stay attuned to the needs of our constituents as they evolve.

I therefore report **ACHIEVEMENT**.

Performance Monitoring Report

TO: USA Swimming Board of Directors
FR: Tim Hinchey, Chief Executive Officer
RE: Internal Report – Ends
Annual Monitoring on **Policy 1.4: Recognition of USA Swimming**
DA: September 16, 2022

I hereby present the monitoring report on the Policy 1.4 “Recognition of USA Swimming” 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 September 16, 2022.

Signed , President & CEO

BROADEST PROVISION: “USA Swimming is recognized as the “Best in Class” NGB.”

CEO’S VISION OF SUCCESS: *(Changes Italicized)*

Having high achievement over time in Priority Results 1.1, 1.2 and 1.3 continues to be fundamental to USA Swimming being considered a “best in class” NGB. “Best in class” also requires that we sustain organizational capability and commitment to excellence over time in key areas, including but not limited to:

- Keeping Athletes First: being steadfast in our commitment to provide tools and platforms for our athletes and clubs to thrive
- USOPC Audit Compliance – full compliance
- Strategic Partnerships: growth in the value of relationships with sponsors and key influencers
- Technology: being a leader in use of technology for communications, business analytics, effective stewardship of membership data, etc.
- Personnel: continuing to attract and retain talented professionals committed to achievement of our mission/Priority Results.

Key Performance Indicators:

1. KAF: Online Member Registration Launch
 - a. Online Member Registration Launch for Non-Athlete Members
 - b. Online Member Registration Launch for Athlete Members
2. USOPC Audit Compliance: Achieve full compliance
3. Strategic Partnerships: Growth in the value of relationships with sponsors and key influencers
4. *Technology: Comprehensive IT Policy Manual developed and materially implemented based on the NIST (National Institute of Standards and Technology) framework and achievement of NIST Cybersecurity Framework Standard (goal of achieving by 2023).*
5. Personnel: Voluntary retention rate of 90%

REPORT:

2022 Key Performance Indicators	2022 Results	Achievement
1. KAF: Online Member Registration Launch <ol style="list-style-type: none">a. Online Member Registration Launch for Non-Athlete Membersb. Online Member Registration Launch for Athlete Members	<ol style="list-style-type: none">a. OMR launched for Non-Athlete Membersb. OMR launched for Athlete Members	Partial
2. USOPC Audit Compliance: Achieve full compliance	Compliant in 44 of 48 categories with the remaining being remediated	Yes

	or inapplicable	
3. Strategic Partnerships: Growth in the value of relationships with sponsors and key influencers	New partnerships and approaches underway, but some non-renewals	Partial
4. <i>Technology: Comprehensive IT Policy Manual developed and materially implemented based on the NIST (National Institute of Standards and Technology) framework and achievement of NIST Cybersecurity Framework Standard (goal of achieving by 2023).</i>	59 of 73 policies in process with anticipated completion and distribution by year-end	Partial
5. Personnel: Voluntary retention rate of 90%	Voluntary retention rate of 92%	Yes

KAF: Online Member Registration Launch:

USA Swimming's organization-wide digital transformation initiative finally arrived at its first launch points. 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 Recognition Program, Safe Sport Recognition Program, Online Meet Entry, etc.), modifications to existing Sitefinity website applications (Times Searches, Deck Pass, etc.), integration of Coach Education and other member requirements, and security enhancements. Because of the scope of the largest software project in USA Swimming's history, we are managing the project as an Agile software development effort with two-week sprint development cycles for the first time ever. The Software team is currently finishing Sprint 43.

On August 8th, a slimmed-down version of SWIMS 3.0 launched to LSC Registrars. On August 15th, additional functionality was released to Club Administrators. On September 1st, the rest of the Minimum Viable Product features were officially deployed, and USA Swimming processed its first ever Online Member Registration (OMR) for athlete and non-athlete members.

A large reason for the success of the soft launches goes to the LSC and Club "Change Champions." We began working closely with a group of 10-12 clubs (Club Admins/Head Coaches). The initial feedback on SWIMS 3.0 was very negative. Over the course of ten weeks, every champion in that group began to see the potential and saw how quickly the software team could make improvements and build additional functionality. We plan to engage this group again in the future as we work towards simplifying the payment process for larger clubs in a future iteration of SWIMS 3.0.

The full launch for OMR took place on September 1, and while it was not a flawless launch, we have handled as many as 6000 registrations per day. Following the launch, the software team has been busy pushing "hot-fixes" and continually adding additional features and fixing bugs based on member feedback. The technical aspects of online member registration are functional; however, member experience and feedback suggest we need to improve our efforts to facilitate success via guided user behavior. We will continue to work with individuals, clubs and LSCs to ensure that happens.

The SWIMS 3.0 team completed full OMR integration with three third-party team management vendors: Commit Swimming, SwimTopia, and TeamUnify. In all, there are four APIs (data transfers) offered to third-party vendors in addition to an "Event" system where the third-party is notified any time a member registers or does something in SWIMS 3.0. This will ensure that data between USA Swimming and team management software stays more in sync than ever before.

The SWIMS 3.0 Customer Support team continues to champion countless customer support tickets. While supporting 400,000 users is a huge change, the contracted support group along with internal staff and select LSC registrars are collectively answering every single ticket. We anticipate the number of user questions will decrease over the coming months.

USA Swimming has never undertaken a software project as large as this digital transformation. Most Keeping Athletes First Initiatives, as well as other initiatives like the CRM project, rely on the success of the OMR to ensure better data quality, compliance, eligibility tracking, and communication to members.

Therefore, we report **PARTIAL ACHIEVEMENT**.

USOPC Audit Compliance:

The USOPC issued USA Swimming's 2022 USOPC Audit Report on July 6, 2022. The USOPC found that USA Swimming was compliant in 44 out of 48 categories, giving USA Swimming the highest score of all USOPC Audits of National Governing Bodies. Of the four remaining categories, one was not applicable to USA Swimming because it only applies to paralympic sports. The second category was listed as "Undetermined" based on pending results of USA Swimming's separate audit with the U.S. Center for SafeSport; this item will be completed September 24, 2022 when the House of Delegates votes on legislation to remediate the audit finding. The third category related to minor procedural changes to USA Swimming's National Board of Review procedures, which USA Swimming has already updated and the USOPC has confirmed the changes to be compliant. The final category involved athlete representation in governance; the USOPC confirmed that USA Swimming was already fully compliant in practice, but it asked for certain language to be added to the Bylaws and the Rulebook to reflect the current practice. The Board has already passed some of the new athlete representation language and the House of Delegates will vote on the remainder in September. Once fully compliant in September, USA Swimming will send supporting documentation to the USOPC and the USOPC will issue a supplemental report.

Therefore, we report **ACHIEVEMENT**.

Strategic Partnerships:

The growth of Strategic Partnerships continues to be a major focus of USA Swimming in order to drive revenue and build interest in the success of the sport. While the post-Olympic year yielded a slight decrease in renewals with existing partners, USA Swimming continues to field interest from new potential partners. In an effort to innovate beyond the existing sales model, USA Swimming has aligned with USA Track and Field to sign an agency to bring shared sponsors at zero cost to either organization. Further, USA Swimming is making an investment in a connected digital platform that will drive new revenue and viewership to cataloged and new content. Finally, USA Swimming continues to seek licensing agreements with product manufacturers in order to place the shield on more products for more swimming fans.

Therefore, we report **PARTIAL ACHIEVEMENT**.

Technology:

The Information Technology Policy Manual under development is a collection of 73 IT related policies, of which 59 have been drafted and are in various stages of the review process by Legal, Human Resources, and Risk Management staff. IT policies are planned for distribution by the end of 2022 and will be in effect starting January 1, 2023. Some policies have been distributed and in effect already due to the nature of the policy. For example, the Incident Response Plan was finalized and placed into effect in June.

These policies, along with the accompanying standards, and procedures will serve as a comprehensive IT Policy Manual. The topics covered are derived from the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), which provides implementation details, requirements, and controls against which USA Swimming cybersecurity efforts can be measured. The policies are scheduled to be reviewed every 6 months ensuring accuracy and/or reacting to new requirements, projects, or threats.

Therefore, we report **PARTIAL ACHIEVEMENT**.

Personnel:

Since January 1, 2022, seven employees have left USA Swimming. Of those seven, four were unplanned voluntary departures, two were planned voluntary departures, and one was terminated (i.e., six voluntary departures). With an average number of 73 employees for 2022, this represents a voluntary retention rate of 92%.

Therefore, we report **ACHIEVEMENT**.



TO: Board of Directors
FROM: Tim Hinchey III
COPY: Staff & Selected Others
DATE: September 16, 2022
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

National Team Division

After a busy of summer of competing all over the world from Budapest to Australia and Hawaii, the open water World Junior Team is finishing its last trip of the summer where sit on top of the team standings after day one in the Seychelles. USA Swimming athletes won 45 medals in Budapest at the World Championship, 46 medals in Hawaii at the Junior Pan Pacific Championships and came home victorious down under at Duel in the Pool. Earlier this month, the 2022-2023 National Team was named, and the National Junior Team will be announced on Monday, September 19. This fall will bring additional international travel for the open water team, and the short course Worlds team will head back down under to Melbourne in December.

We look forward to having the National Team back on campus at the Olympic/Paralympic Training Center (OPTC) this year and we continue to provide athlete support services and medical services to our National Team and National Junior Team athletes. We have placed a strong emphasis on increasing our mental health services this upcoming year as well as working on a program to help USA Swimming athletes transition in several different areas of their careers. Planning for next year and 2024 is currently on the way as this quad is moving at warp speed!

This past year we added three new staff members to the National Team Division: Erik Posegay joins us at the Program Director for the National Junior Team and Kirk Grand and Curtis Goss join the team as High-Performance Specialists.

Membership Affairs

Safe Sport

The Safe Sport team continues to prioritize opportunities to train and educate. Since the last report, the staff trained approximately 3,253 individuals including coaches, athletes, parents and officials. In addition to its monthly virtual training offerings, this includes the Safe Sport Leadership Conference and a virtual training focused on Boundaries and Positive Culture hosted in conjunction with April's Child Abuse Prevention and Sexual Assault Awareness Month.

The staff announced the hires of two additional team members in July: Michael Mares and Cha'Vera Jackson both come to USA Swimming from the El Paso County Department of Human Services where they worked in the Child Protection Division. Their experience in advocating for youth and in providing resources and conflict resolution make for great additions to the Safe Sport team. These staff members will focus on response and resolution as well as education and training efforts.

The Phillips66 National Championship provided an opportunity for activation and compliance. The event served as USA Swimming's site for its event audit by the U.S. Center for SafeSport. The audit report focuses on three areas: education and training, communication and reporting, and quality control systems. USA Swimming has received the draft audit report and earned scores of "implemented" with no corrective actions required in all areas. Additionally, the Safe Sport activated in the Toyota AquaZone at the event and provided a giveaway night for all in attendance.

With the roll-out of SWIMS 3.0 and updates the Club Portal, through which member clubs submit for Safe Sport Club Recognition, the ability for member clubs to submit for Safe Sport Club Recognition will be on hold until November 1, 2022. The expiration dates for clubs set to expire between September 1 and December 31 have been extended to January 31, 2023.

USA Swimming also announced a new membership requirement for adult non-athlete members residing in the state of California. All such members are now required to complete a Mandatory Reporting training course no later than November 3, 2022. Any such members who do not complete the requirement will not be members in good standing unless or until the training course is completed.

In August, USA Swimming announced its alignment with RealResponse's anonymous text reporting platform. This service allows members to report misconduct to USA Swimming via text message anonymously while also allowing USA Swimming staff to respond and communicate with the reporting party who can maintain anonymity throughout the communications.

Diversity, Equity and Inclusion (DEI) and Community Impact

USA Swimming announced the hire of Noah Wilson as a coordinator for diversity, equity and inclusion efforts who is assisting greatly in executing the staff's strategic framework.

The staff has engaged with over 500 members at events, meetings with clubs, engaging with LSC DEI Chairs, through the DEI committee and council, and Historically Black Colleges and Universities to better understand the needs of the membership.

The DEI staff conducted a training for all USA Swimming staff and is planning a second all-staff training anticipated to occur in November 2022. The DEI staff is also planning to begin offering bi-monthly DEI trainings to the membership beginning in October 2022. These trainings will be in unit-based curriculum format with the objective of teaching the foundations of DEI, as well as educational units on topics including gender, race, and ability inclusion.

In 2022, USA Swimming and the USA Swimming Foundation will award over \$210,000 in Community Impact Grants and in grants to Historically Black Colleges and Universities. The grants support competitive swimming opportunities in historically impoverished and/or racially diverse communities. In addition to financial support, USA Swimming will provide tailored business and coaching education and development. USA Swimming is partnering with eight historically impoverished and/or racially diverse communities to elevate water safety programming and awareness.

Pre-Competitive Programs

2022 Youth and Adult Learn-to-Swim Grant end-of-year reports have been posted for completion by this year's grant recipients; reports are due December 15. The 2023 Learn-to-Swim Grant application window will open October 18, and informational webinars are slated for October 20, details to be posted to the USA Swimming website shortly.

SWIMS 3.0 pre-competitive launch is slated for October 3. Learn-to-swim data has not been migrated to the new SWIMS 3.0 platform in order to start with clean and accurate information. Swim lesson providers will be required to reapply to maintain participation in the network and be listed on the Find a Team/Lesson search tool on the USA Swimming website. Additionally, as of September 1, swim lesson providers will not show on the Find a Team/Lesson search tool until the new pre-competitive section launches and applicants are approved. Starting January 1, 2023, programs applying for participation in the swim lesson provider network will incur a \$50 annual listing fee, to renew on the same cycle as USA Swimming member clubs.

In partnership with Team Services, a series of learn-to-swim focus groups provided insight to challenges programs face in transitioning youth from learn to swim to competitive programs. A pre-competitive webinar series is in development for later this fall.

The U.S. National Water Safety Action Plan Steering Committee has recently closed an industry-wide open-comment period on over 160 recommendations, which includes a comprehensive Delphi survey for a sub-set of expert participants. Work continues determining an organizational structure for long-term housing and management of the Plan, and a draft launch plan is currently under review by the Steering Committee. A final list of recommendations is expected to be released by end of year, with expanded materials, tool kits, and information provided in May of 2023. For more information on the U.S. National Water Safety Action Plan, visit <https://www.watersafetyusa.org/nwsap.html>.

2022 USA Swimming Workshop

The inaugural USA Swimming workshop was held successfully in late April in Denver, CO. Over 400 members attended along with the majority of the USA Swimming staff. Sessions for attendees focused on SWIMS 3.0/OMR platform role out, Coach Education, LSC Leadership, athlete programming, and DEI. A

legislation session which previewed items to be voted on during the ABM was popular among attendees as well.

Other activities held during the event were a keynote session, health and wellness sessions each day, a “garage sale” of merchandise for members and an awards luncheon to honor several categories of awards previously given at the ABM.

The 2023 and 2024 workshops are planned for the same location in Denver.

Team Services, Coach and Athlete Development

Coach Education – Online Certification

The Coach Education team launched the four-year project on September 1, 2022. The courses launched are: Welcome to USA Swimming (English and Spanish), Quality Coaching Framework, CORE Certification, Children with Challenges

American Development Model Age Group and American Development Model Senior will launch on Monday, September 19. The Head Coach Certification is set to launch in January 2023. The Spanish versions of Quality Coaching Framework and CORE will be released on a rolling basis with the goal to have them launched by the end of the year. The team gained valuable insight from the pilot CORE group that led to a successful launch. The team is still addressing the feedback, prioritizing the most important items, and are systematically and methodically addressing each one. Most challenges have come from the IT side, and feedback relating to aesthetics are items we can more readily address given our in-house instructional designer.

Looking forward to 2023, next on the docket is to begin the Legacy Level Certification, Officials National Certification, and development of Continuing Education Units.

Coach Education – In-Person

In April, USA Swimming hosted our return to Regional Coaches Clinic with a kickoff in Colorado Springs at the United States Olympic and Paralympic Museum. 50 coaches gathered from both locally and across the country for a weekend of learning and networking. Clinic highlights included the opportunity to tour the museum, a pool session at Pikes Peak Athletics, and bringing the coaches together to learn from each other. Jon Mann, once again, attended the RCC to provide valuable feedback to the Team Service facilitators on their content delivery.

We are planning our next Regional Coaches Clinic November 11-13, 2022, in Louisville, KY. It will follow the same format as the one in April and will be held at the Blairwood Pool.

Team Services

During the Spring and Summer of 2022, the Team Services advisors prioritized spending time with the membership and on pool decks. The advisors assisted with all USA Swimming camp offerings ranging from Zone Select to Regional Diversity Camps. Team Services interacted with members at seven Speedo Sectionals meets, all five Futures locations, Zone Age Group and Senior meets in all four Zones, NCSAs, and even a few LSC Summer Championships meets. This is the most connection the advisors have ever had with membership. The advisors made a point to visit with event officials, coaches, and parents at these events to discuss upcoming USA Swimming opportunities and the launch of SWIMS 3.0 and USA Swimming University.

Programs

USA Swimming recently announced the hire of a new Program Operations Manager, Kristin Alfano, who started September 6. Kristin swam at Division I South Dakota State University and has program management experience working with USA Triathlon. Prior to her work with USAT, Kristin was an Aquatics Specialist at the OPTC. Kristin's most recent experience has been working at Lifetime as the Aquatics Manager in Glendale, AZ. As part of her responsibilities, Kristin was the head coach of the swim team bringing valuable direct sport experience to the role.

The fall will also bring the return of the National Age Group Summit, held every 2 years. This prestigious opportunity is for the nation's top age group coaches and is by invitation only. This year's selection focused on programs producing top distance athletes and will also feature an emphasis on mental health with former National Team member Emily Kleuh, PhD. The National Age Group Summit will be held November 3-6.

That same weekend, the annual Mighty Series, featuring the Mighty 2500, will also be held. This year's workshop focuses on the smaller LSCs bringing them together to network and discuss challenges and solutions common to them. Jon Mann is the featured facilitator.

As if November wasn't exciting enough, we will be hosting USA Swimming's first Leadership Summit for coaches welcoming all genders. Since 2015 USA Swimming has been hosting two-to-three Women's Leadership Summits per year with the thought to expand this offering to all genders. We are proud to announce the event November 18-20. Leading up to the in-person summit, will be three virtual opportunities to learn and connect. These virtual meetings are a requirement to attend the in-person meeting. Additionally, USA Swimming provided three scholarships to coaches in need who applied. This summit will be cofacilitated by Jon Mann and Cathy Wright Eger. There were 80 applicants for 40 openings.

Finally, our two remaining camps for the year will be held in Colorado Springs, CO October 6-9 and October 13-16, 2022. The National Select Camp, Sport Development's highest-level camp, will host the girls the first weekend and boys the following weekend. These camps feature home coaches tracks as well.

Technology, Product and Data Analytics

Digital Transformation

USA Swimming's organization-wide digital transformation initiative finally arrived at its first launch points. The digital transformation includes a full re-architecture and design of the SWIMS application/database in addition to the enhancement of legacy website applications (e.g., Club Recognition, Safe Sport Club Recognition, Online Meet Entry, etc.), modifications to existing Sitefinity website applications (e.g., times searches, deck pass, etc.), integration of Coach Education and other member requirements, and the implementation of world-class security. Due to the scope of the largest software project in USA Swimming's history, the project is managed as an Agile software development effort with two-week sprint development cycles for the first time ever. The software team is currently finishing Sprint 43.

On August 8, 2022, a slimmed-down version of SWIMS 3.0 launched to LSC Registrars. On August 15, additional functionality was released to Club Administrators. On September 1, the rest of the Minimum

Viable Product features were officially deployed, and USA Swimming processed its first ever online member registration.

It is important to recognize LSC and Club “Change Champions” as significant contributors to the success of the launch. The initial feedback on SWIMS 3.0 was very negative, however, over the course of 10 weeks, every champion in the group began to recognize the project’s potential and saw how quickly the software team could make improvements and build additional functionality. The staff plans to engage this group again in the future as it works towards simplifying the payment process for larger clubs in a future iteration of SWIMS 3.0.

Following the successful launch, the software team has been busy pushing “hot-fixes” and continually adding additional features and fixing bugs. Over the next 8-12 weeks, the team will steadily test applications such as Online Meet Entry, Club Recognition, Safe Sport Club Recognition, and Swim-A-Thon. OME will launch in middle of October with CRP, SSRP, and SAT due to launch November 1. The team has worked closely with the USA Swimming Officials Committee to develop a proof of concept for the future Officials Tracking System. Over the coming months, the team will work through OTS wireframes in addition to a staged release of OTS functionality with the hope that National/LSC Certifications launch in early December.

The SWIMS 3.0 team completed full integration with three third-party team management vendors: Commit Swimming, SwimTopia, and TeamUnify. In all, there are four APIs (data transfers) offered to third-party vendors in addition to an “Event” system where the third-party is notified any time a member registers or does something in SWIMS 3.0. This will ensure that data between USA Swimming and team management software stays more in sync than ever before.

USA Swimming’s internal data team continues to fine-tune the new Data Warehouse and reporting functionality in SWIMS 3.0. While Reporting is never complete, there are now a larger number of reports available to member clubs than ever before.

The SWIMS 3.0 Customer Support team continues to champion countless customer support tickets. While supporting 400,000 users is a huge change, the contracted support group along with internal staff and select LSC registrars are collectively answering every single ticket. We anticipate the number of user questions will decrease over the coming months.

USA Swimming has never undertaken a software project (arguably any project of any kind) as large as this digital transformation. The project increased in scope every week, yet the team still met every deadline. As discussed, most Keeping Athletes First initiatives as well as other initiatives like the CRM project relied on the success of the digital transformation. While SWIMS 3.0.0 has launched, we will be rolling out version 3.1.0 as we launch OME and version 3.2.0 with CRP/SSRP/SAT in November. SWIMS 3.3.0 will launch in December with portions of the new OTS. While we have surpassed the first huge milestone, the team has a solid 8-10 months of additional development to get the software where we want it to be. 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.

Membership

Through August 2022, athlete membership exceeded 2021 end-of-year totals by over 57,000 members. Compared with the 2019 membership year, athlete registrations are down approximately 5%. The 2022

membership year closed with 353,000 athlete members, higher than any other membership year except 2013 and 2019.

The membership of 12 & Under athletes continues to trail the registration of 13 & Over athletes. 12 & Under membership fell off the 2019 pace by approximately 8% but it is exceeding the 2021 membership year by 31%.

Non-athlete membership trails 2019 registration by just under 400 members. Non-athlete membership rebounded to its second highest total ever after 2019.

COMMERCIAL

Technical Events/Competitions

USA Swimming staff produced numerous events since April to include Phillips66 International Team Trials, Mission Viejo TYR Pro Swim Series, Phillips66 National Championships, Speedo Junior Nationals, and a Junior Pan Pacific Championship that saw 20 meet records and one FINA World Junior Record fall. The team is currently preparing for the FINA World Cup in Indianapolis November 2-5, the Toyota U.S. Open in Greensboro, and the Speedo Winter Juniors in Greensboro and Austin.

Communications

The Communications team distributed the 2022 print edition of Splash Magazine in advance of a busy summer of competition that also saw the team traveling to major competitions worldwide. In addition to providing media support to all of the events listed above in the Technical Events section, the Communications team also hit the ground at the National Team training camp in Croatia, the FINA World Championships in Budapest, and the Duel in the Pool in Sydney.

The Make-a-Splash Tour presented by Phillips66 returned to an in-person event in May for the first time since 2019 and was a major media effort co-led by the Communications team during which the message of water safety was delivered to over 435 million media impressions.

Social Media analytics

Of interest in the last month alone:

- We reached over 4.5 million accounts with Duel in the Pool (DIP) and Junior PanPacs (JPP) content
 - DITP: > 3 million
 - JPP: > 1.5 million
- More than 200 social posts in a two week stretch between DITP & JPP
 - DITP: 88 hard posts
 - JPP: 80 hard posts
 - Extra posts to get to 200 number comes through IG stories
- 16 writeups (editorial & press release) for seven days of combined competition
 - Web articles generated almost 79,000 pageviews

Two team members recently left the Communications team, so the search is on for a new Communications Director and a Social Media Coordinator. These positions are projected to be filled in the coming weeks.

Athlete Marketing

USA Swimming signed 22 professional athletes to the APA program for the June – August season.

Highlighted Appearances:

- Mission Viejo Nadadores team experience with Ryan Held in conjunction with the TPSS Mission Viejo
- Fan Zone experience at the P66 National Championship with Michael Andrew, Shaine Casas, Mallory Comerford, Bobby Finke, Natalie Hinds, Justin Ress, Kieran Smith, Trenton Julian, Chase Kalisz, and Ryan Murphy
- USA Swimming & USA Swimming Video content capture with Hunter Armstrong, Erika Brown, Nic Fink, Hali Flickinger, Drew Kibler, Lilly King, Annie Lazor, Charlie Swanson, and Michael Brinegar
- Washington Nationals Swim Night with Drew Kibler

Upcoming Appearances:

- Harper for Kids Virtual School Appearance with Michael Brinegar
- Safe Sport Kahoot! Webinar with Lilly King & Annie Lazor

Digital Platforms

To accompany the launch of the new SWIMS database and Online Member Registration (OMR), the USA Swimming App – USA Swimming’s new official mobile application – is now available on iOS and Android. The app offers users the opportunity to easily access updated member cards and create parent accounts to manage multiple children at once as well as a suite of new functionality including access to live streams, video on demand, and event ticketing. The USA Swimming website also underwent sweeping changes to update account access on the site, reengineer all widgets to integrate with the new SWIMS database, and update all content to reflect the new account and registration processes.

Partnerships

USA Swimming and USA Track & Field selected their joint sales agency of choice after a competitive RFP process. The two NGBs and the agency are planning for a joint press release to be announced this month to kickoff the sales initiatives. With momentum from endemic renewals such as arena, Speedo, TYR and Air Force, the team is focused on closing promising new leads.

In conjunction with the Indiana Sports Corp, the Partnerships team built a new 2024 Olympic Team Trials sales revenue category centered around “Centennial Partners” to commemorate the 100th anniversary of the Trials in Indianapolis and the Games in Paris. While there are still regular sponsorship and premium ticket opportunities available, Centennial Partners is a base rights package geared towards corporate

partners within the regional area that are interested in participating in the full Indy Experience to include USA Swimming House, USA Swimming Live, and activation within with the Toyota Aqua Zone.

USA SWIMMING FOUNDATION DEVELOPMENT

With the hiring of Elaine Calip as Senior Director, Development, the USA Swimming Development team is complete and has turned its attention to internal strategic planning in advance of a pre-Olympic year. Our focus has been on evaluation and enhancement of the following programs and components: USA Swimming Foundation Ambassadors, commercial relationships, the Make a Splash Tour presented by Phillips 66, governance documents and committee structure, new Board member and staff orientation, the Trustees Council, Supporters Club, and internal tracking specifications. Following a year of transition, and with these pieces in place, we anticipate executing at an unprecedented level in 2023.

With that said, fundraising doesn't stop. In May, the Development team secured a record amount of Donor Athlete Partnership Program commitments and ensured that all 25 athlete applicants to the program would be funded. In the intervening months, we have also had success renewing Trustee Council commitments and grant funding.

BUSINESS AFFAIRS

Human Resources

USA Swimming officially transitioned its Human Resources Information/Payroll system from ADP to BambooHR on July 1, 2022. The implementation process was a success, with positive feedback from management and staff members. Human Resources is currently developing an online interactive onboarding experience using BambooHR that will ensure administration, management, and new hires alike feel welcomed, informed, and set up for success.

Human Resources had some staffing changes over the last quarter. Sara Atkins is no longer with USA Swimming and Ashley Anderton was promoted to Manager, Human Resources, Payroll & Benefits. Currently, Human Resources is still searching for Ashley's replacement for the Coordinator, Payroll & Benefits position. Recruitment continues to be our focus over the last quarter to ensure that USA Swimming is hiring top talent.

USA Swimming currently has openings in the following positions:

- Director, Communications
- Staff Counsel
- Coordinator, Payroll & Benefits
- Coordinator, Social Media
- Coordinator, National Team
- Intern, Sport Development

Since June 2022, USA Swimming has welcomed the following new hires:

- Mollie Albert, Coordinator, Digital Marketing
- Elaine Calip, Senior Director, Development

- Curtis Goss, Specialist, National Team High Performance
- Carley Lowe, Intern, Data Analytics
- Cha’Vera Jackson, Manager, Safe Sport
- Michael Mares, Coordinator, Case Management
- Kristin Alfano, Manager Program Operations

Human Resources will facilitate year-end evaluations in October. Human Resources is revamping the rating scales and questions to empower employees and allow managers to deliver fair and practical evaluations.

Human Resources has also partnered with WILL Interactive to provide online annual sexual harassment training for employees and managers. Human Resources is currently implementing the software and will have all current employees complete by October 31, 2022. Going forward, this training will be conducted for all employees annually, as well as during new hire onboarding.

The Human Resources Division continues to address COVID-19 mitigation to ensure a safe and healthy work environment for all employees.

Additional Initiatives

The USOPC issued USA Swimming’s 2022 USOPC Audit Report on July 6, 2022. The USOPC found that USA Swimming was compliant in 44 out of 48 categories, giving USA Swimming the highest score of all USOPC Audits of National Governing Bodies. Of the four remaining categories, one was not applicable to USA Swimming because it only applies to paralympic sports. The second category was listed as “Undetermined” based on pending results of USA Swimming’s separate audit with the U.S. Center for SafeSport; this item will be completed September 24, 2022 when the House of Delegates votes on legislation to remediate the audit finding. The third category related to minor procedural changes to USA Swimming’s National Board of Review procedures, which USA Swimming has already updated and the USOPC has confirmed the changes to be compliant. The final category involved athlete representation in governance; the USOPC confirmed that USA Swimming was already fully compliant in practice, but it asked for certain language to be added to the Bylaws and the Rulebook to reflect the current practice. The Board has already passed some of the new athlete representation language and the House of Delegates will vote on the remainder in September. Once fully compliant in September, USA Swimming will send supporting documentation to the USOPC, and the USOPC will issue a supplemental report.

FINANCE & OPERATIONS

2021 Audits

The auditors from Waugh & Goodwin have completed the 2021 audit reports and both reports have been reviewed and accepted by the Audit Committee and approved by the respective Boards. Both audit reports received clean, unqualified opinions without any recommendations or adjustments.

Additionally, and similar to prior year, Stockman, Kast, Ryan & Co., out of their Colorado Springs, CO office, is completing our external audit of the 401(k) Plan. We anticipate completion in early fall.

Quarter-End Close Process

The Finance division continues to process third quarter activity in preparation of closing our books for both entities for the third quarter of calendar year 2022. This includes, but is not limited to, ensuring all

2022 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.

2022 Projections and 2023 Budgets

Final 2022 Budgets for both USA Swimming and the USA Swimming Foundation were presented and approved at the December 2021 Board meetings. Over the past few months and until mid-November, Finance is collaboratively completing 2022 projection forecasts as well as 2023 (and 2022-2024 “quad”) budgets ahead of the November 2022 Board meeting where budgets will be presented.

Form 990s

With our audit and tax firm Waugh & Goodwin, Finance is finalizing both the USA Swimming and USA Swimming Foundation Tax Return Form 990s. The team expects returns will be finalized, reviewed, and issued well in advance of the November 15th, 2022, annual deadline. Note as the books are closed and audits are finalized each year, the team concurrently prepares schedules to be used in tax return preparation to expedite the process.

Risk Management

USA Swimming hired a new Risk Manager, Chloe Adkins, in April 2022. In addition to internally learning the organization’s risk management strategies, coverages, and platforms, Chloe continues to liaise with the new and incumbent brokers to foster current relationships and build new ones.

The Risk Management division completed all remaining 2022 coverage renewals over the past few months and continues active conversations with multiple parties on strategy and structure for next year’s coverages, specifically General Liability and Sexual Abuse and Molestation coverage.

The organization’s third-party risk financing study was initiated in June to evaluate the current risk program and to create a comprehensive plan for strategically financing USA Swimming’s insurance program (results are expected by the end of September). Chloe has also been working on the Ends 1.4 portion of the Board’s Long-Term Strategic Plan Project by mapping and summarizing the enterprise risk management to set the foundation of the project.

All expiring January 1, 2023 lines of insurance including General Liability, Sexual Abuse and Molestation, Property, Auto, Worker’s Compensation, Participant Accident Excess Medical, Elite Athlete Health, Crime, and Foreign General Liability renewals have been initiated. Other expiring February and March 2023 renewals including Local Swimming Committee Crime and Event Medical Professional Liability will be initiated within the next two months.

Information Technology

Collaboration continues in several areas in support of the Keeping Athletes First and Digital Transformation/SWIMS initiatives. IT staff are involved with application testing and end user support, the tuning of the Azure architecture, and Multi-Factor Authentication (MFA) implementations. Implementation plans for cybersecurity remediations, disaster recovery, and high availability solutions in

support of SWIMS are planned to be implemented over the next quarter in an iterative approach to minimize risk of the availability or performance of the application.

Cybersecurity efforts continue with a major focus on the Governance, Risk, and Compliance (GRC) project. The continuous efforts in GRC will provide continuity and clear standards for IT operations. A cybersecurity Incident Response “tabletop” planning exercise was completed, and Incident Response Team members were familiarized with the Incident Response Plan. Many security policies have been finalized and are being reviewed between IT, Legal, and HR. The topics covered are derived from the National Institute of Standards and Technology Cybersecurity Framework, which provides implementation details, requirements, and controls against which USA Swimming cybersecurity efforts can be measured.

Operational security efforts completed this quarter include a quarterly controls review, vulnerability remediations, updates to Active Directory, and a best practices audit on the corporate firewalls.