

USA Swimming Board of Directors Meeting Minutes

January 28, 2023 / Virtual

PRESENT

Maya Andrews, Katy Arris-Wilson, Chris Brearton, Kenneth Chung, Tony Ervin, Kathy Fish, Bruce Gemmell, Natalie Hall, Clark Hammond, Tim Hinchey, Ira Klein, Katie Meili, Kathleen Prindle, Bill Schalz, Michelle Steinfeld, Ashley Twichell, Bob Vincent.

GUESTS

Bill Charney, Ellen Colket, Angela Monty, Rich Young.

STAFF

Matt Barbini, Paula D'Amico, Mitch Gold, Jake Grosser, Shana Ferguson, Elizabeth Hahn, Brendan Hansen, Courtney Intara, Terry Jones, Corey Manley, Lucinda McRoberts, Lindsay Mintenko, Patrick Murphy, Molly O'Mara Fillmore, Ellery Parish, Eric Skufca, Joel Shinofield, Eric Stimson.

CALL TO ORDER

Chris Brearton, Board Chair, called the January 28, 2023 Board of Directors meeting to order at 9:04 a.m. Mountain Time.

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.

Per direction from the USA Swimming Ethics Committee, Clark Hammond disclosed that he is assisting a member coach in a dispute with their club, which is a USA Swimming member club.

BOARD CHAIR'S WELCOME

Mr. Brearton remarked on a conversation with Casey Wasserman, Chairman of LA28, and Gene Sykes, Chair of the United States Olympic and Paralympic Committee (USOPC) Board of Directors, highlighting Mr. Wasserman's mention of USA Swimming's anticipated presence at the 2028 Olympic Games and Mr. Sykes' observation that USA Swimming is a pillar of excellence against which all other National Governing Body's (NGB) should be measured. Mr. Brearton stated that the organization should continue to be elite through strategic thinking and focus on long-term goals and objects while not being complacent.

43 **RULES OF ENGAGEMENT/PROTOCOL**

44 Mr. Brearton commented on the need for the Board to be prepared at meetings and
45 emphasized the importance of confidentiality during closed sessions. Mr. Brearton also
46 reported that moving forward, there will be more reliance on pre-reading materials to utilize
47 a consent agenda for future Board meetings, allowing for more strategic discussions.

48
49 **SAFE SPORT MOMENT**

50 Elizabeth Hahn, Program Director, Safe Sport, reported that in conjunction with USA
51 Swimming membership and the U.S. Center for SafeSport (USCSS), a solution is being reached
52 for the organization to fulfill the Center's requirements for a quality control system through
53 the organization's current framework. Additionally, Ms. Hahn noted that USCSS asked for
54 permission to use USA Swimming's information on the Safe Sport Recognition Program
55 (SSRP) as part of best practices for other NGBs.

56
57 **MINUTES**

58 **MOTION:** *To approve the November 20, 2022 Board of Directors meeting minutes (Attachment*
59 *2). Seconded. Motion passed unanimously.*

60
61 **BOARD PROCESS**

62 Michelle Steinfeld, Secretary & General Counsel, explained the use of a consent agenda for
63 future Board Meetings.

64
65 **BYLAW CHANGES**

66 **BYLAW 2.9 AMENDMENT**

67 Ms. Steinfeld presented a proposed amendment Bylaw 2.9, which reflects a change passed at
68 the 2022 annual meeting of the House of Delegates (HOD) to move the National Board of
69 Review policies to the USA Swimming Operating Policy Manual (Attachment 3).

70
71 **MOTION:** *To amend Bylaw 2.9, as follows, effective immediately:*

72
73 *2.9 TERMINATION OF MEMBERSHIP — Membership in USA Swimming may be terminated*
74 *according to the process set forth in ~~Part Four of the USA Swimming Rules and~~*
75 *~~Regulations~~ Policy 26 of the USA Swimming Operating Policy Manual.*

76
77 *Seconded. Motion passed unanimously.*

78
79 **BYLAW AMENDMENT RE FINA NAME CHANGE**

80 Ms. Steinfeld remarked on changes needed to the Bylaws to reflect Federation Internationale
81 de Natation's (FINA) name change to "World Aquatics."

82
83 **MOTION:** *To amend USA Swimming's Corporate Bylaws to replace all references to*
84 *"Federation Internationale de Natation" and "FINA" to "World Aquatics," due to that entity's*
85 *name change. Seconded. Motion passed unanimously.*

88 **BOARD GOVERNING POLICIES MANUAL**

89 **BOARD CHARGE/GAP ANALYSIS REVIEW**

90 Ms. Steinfeld presented the proposed Board Charge based on the Board Gap Analysis to be
91 provided to the Nominating Committee for guidance during the 2023 Board election cycle
92 (Attachment 4). Ms. Steinfeld explained that if passed, she would later send via email more
93 proposed detail on the Board Charge, for the Board to approve via Action Without a Meeting.

94
95 ***MOTION:** To approve the Board Charge to the Nominating Committee for the 2023 election*
96 *cycle, to include the Nominating Criteria in Board Governing Policy 2.9.2, as well as the*
97 *following criteria:*

- 98 • *Diversity;*
- 99 • *Technology; and*
- 100 • *Coach with full program development experience.*

101
102 *Seconded. Motion passed unanimously.*

103
104 **POLICY 2.3: BOARD WORK PLAN**

105 Ms. Steinfeld presented the Board Work Plan that was compiled by Board Chair, Chris
106 Brearton, Board Vice-Chair Fiscal Oversight, Kenneth Chung, and Board Vice-Chair, Kathy
107 Fish.

108
109 Mr. Brearton asked Mr. Hammond to coordinate an initiative to identify key stakeholders
110 within membership and assign Board members to routinely connect with each group.

111
112 Mr. Brearton also noted that the Board Work Plan reflects how the Board currently conducts
113 itself with few changes made.

114
115 ***MOTION:** To amend Policy 2.3 of the Board Governing Policies manual to reflect changes to the*
116 *Board Work Plan as reflected in Attachment 5, effective immediately. Seconded. Motion passed*
117 *unanimously.*

118
119 **BOARD GOVERNING POLICIES MANUAL: AMENDMENT TO POLICY 2.6 RE ANTI-**
120 **DISCRIMINATION TRAINING**

121 Ms. Steinfeld reported that the Board (along with USA Swimming staff) will be required to
122 complete the USOPC's anti-discrimination training annually (Attachment 6).

123
124 ***MOTION:** To amend Board Governing Policy 2.6, to include the following language, as required*
125 *by the USOPC:*

126
127 *11. Anti-Discrimination Training: Board members must participate in annual anti-*
128 *discrimination training, provided by the USOPC.*

129
130 *Seconded. Motion passed unanimously.*

WHISTLEBLOWER & ANTI-RETALIATION POLICY AMENDMENTS

Ms. Steinfeld presented proposed updates to USA Swimming's Whistleblower & Anti-Retaliation Policy as part of the USOPC's annual audit guide update.

MOTION: *To approve amendments to USA Swimming's Whistleblower & Anti-Retaliation Policy, as outlined in Attachment 7, effective immediately. Seconded. Motion passed unanimously.*

STATEMENT OF ETHICS & CONFLICT OF INTEREST POLICY AMENDMENTS

Ms. Steinfeld presented proposed edits to USA Swimming's Statement of Ethics & Conflict of Interest Policy to reflect USOPC audit guide changes.

MOTION: *To approve edits to USA Swimming's Statement of Ethics & Conflict of Interest Policy, as outlined in Attachment 8, effective immediately. Seconded. Motion passed unanimously.*

BGPM AMENDMENT RE FINA NAME CHANGE

Ms. Steinfeld presented proposed amendments to USA Swimming's Board Governing Policies Manual to reflect FINA's name change to "World Aquatics."

MOTION: *To amend USA Swimming's Board Governing Policies Manual to replace all references to "Federation Internationale de Natation" and "FINA" to "World Aquatics," due to that entity's name change. Seconded. Motion passed unanimously.*

OPERATING POLICY MANUAL UPDATE

PRIVACY POLICY & ZONE SANCTION APPEAL PROCESS

Ms. Steinfeld updated the Board on changes to USA Swimming's Operating Policy Manual, specifically within the Privacy Policy and Zone Sanction Appeal Process (Attachment 9).

BOARD EVENT APPROVAL

Shana Ferguson, Chief Commercial Officer, presented upcoming event locations for Board approval.

MOTION: *Pursuant to USA Swimming Rule 206.3.1, the Board approves the awards of the following events:*

- *2023 Open Water Championships (Sarasota, FL. Sarasota Sharks),*
- *2023 Phillips 66 National Championships (Indianapolis, IN, Indiana University Natatorium),*
- *2023 Toyota U.S. Open (Greensboro, NC, Greensboro Aquatic Center), and*
- *2024 U.S. Olympic Team Trials – Swimming (Indianapolis, IN, Indiana Sports Commission).*

Seconded. Motion passed unanimously.

178 **ENDS MONITORING**

179 **POLICY 1.0 BROADDEST: GROWTH/SUCCESS OF SWIMMING**

180 Ms. Steinfeld presented Policy 1.0, Broadest: Growth and Success of Swimming (Attachment
181 10).

182
183 ***MOTION:** That the Board approve that the performance monitoring report on Policy 1.0*
184 *"Broadest: Growth/Success of Swimming" conveys (a) interpretations of the policy that are*
185 *reasonable, and (b) that the report reasonably substantiates compliance with the policy*
186 *requirements, consistent with the CEO's interpretations. Seconded. Motion passed unanimously.*
187

188 **POLICY 1.3 PUBLIC ENGAGEMENT WITH SWIMMING**

189 Ms. Steinfeld presented Policy 1.3, Public Engagement with Swimming (Attachment 11).

190
191 ***MOTION:** That the Board approve that the performance monitoring report on Policy 1.3*
192 *"Public Engagement with Swimming" conveys (a) interpretations of the policy that are*
193 *reasonable, and (b) that the report reasonably substantiates compliance with the policy*
194 *requirements, consistent with the CEO's interpretations. Seconded. Motion passed unanimously.*
195

196 **MANAGEMENT PARAMETERS MONITORING**

197 **POLICY 3.3 TREATMENT OF STAFF**

198 Ms. Steinfeld presented Policy 3.3, Treatment of Staff (Attachment 12).

199
200 ***MOTION:** That the Board approve that the performance monitoring report on Policy 3.3*
201 *"Treatment of Staff" conveys (a) interpretations of the policy that are reasonable, and (b) that*
202 *the report reasonably substantiates compliance with the policy requirements, consistent with*
203 *the CEO's interpretations. Seconded. Motion passed unanimously.*
204

205 **POLICY 3.9 BOARD AWARENESS AND SUPPORT**

206 Ms. Steinfeld presented Policy 3.9, Board Awareness and Support (Attachment 13).

207
208 ***MOTION:** That the Board approve that the performance monitoring report on Policy 3.9*
209 *"Board Awareness & Support" conveys (a) interpretations of the policy that are reasonable,*
210 *and (b) that the report reasonably substantiates compliance with the policy*
211 *requirements, consistent with the CEO's interpretations. Seconded. Motion passed*
212 *unanimously.*
213

214 **INVESTMENT UPDATE**

215 Eric Skufca, Chief Financial Officer, explained the role and objectives of the organization's
216 Investment Committee noting its valuable work in 2022 during a year with increased market
217 volatility. Mr. Skufca presented the comparative balance sheet between 2021 and 2022,
218 highlighting the fluctuation in long-term investments year-over-year. Mr. Skufca noted the
219 decrease was primarily due to portfolio market losses and net portfolio distributions.
220

221 Mr. Skufca remarked on the Committee's role in managing the organization's Investment
222 Policy Statement (IPS) which serves as the guiderails for how the organization would like its
223 third-party investment advisors to manage the organization's assets. (Attachments 14 – 15).

Mr. Skufca introduced the Chair of the Investment Committee, Ellen Colket.

Mrs. Colket provided an overview of the Investment Committee, including its composition and annual commitments of quarterly reviews, reviews of the portfolios and their performance, and reporting updates to the Boards of both USA Swimming and the USA Swimming Foundation. Mrs. Colket noted that in addition to annually reviewing the IPS, the Committee also reviews the organization's investment advisors to provide the Board with a recommendation to retain or change advisors.

Mrs. Colket described the Committee's partnership with the organization's investment advisors, noting discussions with the advisors on how they manage other 501(c)(3) organizations, compared to USA Swimming, which they consider to be the "gold standard," how their management fees compare between USA Swimming and their other clients, noting the organization is average or below average (less fees than average) in fee structures, and lastly, how the organization can manage the market volatility of 2022 in maintaining its long term portfolio goals.

MOTION: *That the Board approve updates to the USA Swimming Investment Policy Statement as reviewed and recommended by the Investment Committee. Seconded. Motion passed unanimously.*

STRATEGIC CONVERSATIONS

SWIMS UPDATE/QUESTIONS

Mrs. Ferguson presented an update on Swims 3.0 (Attachment 16).

Joel Shinofield, Managing Director, Sport Development, described Sport Development's outreach campaign to member clubs with a negative registration variance, while also providing data on the outcome of those communications, including what was reported by clubs on why registration numbers are lower at this time than prior years.

Mrs. Ferguson noted outreach has been focused on athlete membership, as non-athlete membership is trending high.

Patrick Murphy, Senior Director, Member Data and Product, stated that the registration concerns are mostly "first time" issues and reported on what the team has learned to better assist membership moving forward to mitigate registration difficulties.

The Board discussed the nuances of the top reasons for diminished registration numbers, including what the organization can and cannot track when clubs fold and consolidate, facilities change, and clubs utilize other insurance opportunities.

Mr. Shinofield explained the history of membership requirements and regulations and where the organization is now, including increased regulations for membership from the government, the USOPC, and the USCSS. Additionally, Mr. Shinofield provided next steps on addressing SWIMS 3.0 issues, including a working group of clubs to improve the process in 2023, directly addressing technology issues with clubs and coaches, and improving the SWIMS 3.0 overall user experience.

270 Lastly, Mr. Murphy reported that Online Meet Entry launched January 3, 2023 and is live,
271 with current testing and integration with the NCAA Selection Tool.

272 **MEMBERSHIP**

273 Mrs. Ferguson presented membership data, including general membership trends over a
274 quad, as well as current membership projections and year-over-year membership variances.

275
276 Tim Hinchey, Chief Executive Officer, noted the objective for membership registration is to
277 think ahead to the next quad, with the goal of setting a new standard from 2024 – 2028.

278
279 The Board discussed registration data, focusing on clubs to grow membership, setting a new
280 standard during the next quad, membership retention and tracking, and membership
281 marketing initiatives.

282
283 Mrs. Ferguson presented proposed membership retention and growth goals for the 2023
284 year and 2024 quad as a whole.

285
286 The Board discussed strategies and opportunities to reach membership goals, including
287 providing additional tools and resources for coaches to engage them in the growth and
288 retention of athlete members.

289 Mrs. Ferguson remarked on the risks to membership numbers, including technology issues,
290 lack of communication, barriers from regulations, COVID-19 after-effects, and the natural
291 ebb and flow of membership numbers which, fortunately, can now be gathered and used to
292 create best practices for coaches and clubs.

293
294 Mr. Brearton asked for the 1.2 Working Group to work in collaboration with outside
295 stakeholders to take a deeper look into membership numbers to identify barriers and
296 develop a plan for moving forward.

297
298 Mr. Skufca reported on membership registration year to date pacing this year compared to
299 last year noting athlete membership registration is down by -4.86% while non-athlete
300 membership registration is ahead by +8.24%, netting a negative -3.4% in registration
301 overall. From a cashflow perspective given the current membership pacing and rates for
302 2023 vs. 2022, there's a positive year over year revenue variance of +0.06%.

303 **FINANCE**

304
305 Mr. Skufca reported that the current 2022 financial projection is more favorable than both
306 the original budget and the financial projection from the November 2022 Board meeting due
307 in part from both more revenues and less expenditures which were outlined.

308
309 Mr. Skufca spoke to the organization's financial planning procedures to account for
310 situations such as the current membership trend, through an on-going, proactive budgeting
311 process the staff does every year. The annual process includes an analysis of both projecting
312 revenue sources and strategically outlining program investments (expenditures),
313 specifically those that are tied to the organization's Ends and the period's key initiatives.

Mr. Skufca provided a timeline to close out the 2022 financial year to be completed in March 2023 ahead of the annual external financial audit.

POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES

Mr. Skufca presented Policy 3.4, Financial Condition & Activities (Attachments 17 - 20).

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. Motion passed unanimously.*

ANNUAL PLAN

Kathy Fish, Board Vice-Chair, reported that the Board working groups are focusing on measuring results and impact within the Annual Board Plan versus processes and tools, which the staff will assess (Attachments 21 - 22).

Natalie Hall presented the Key Performance Indicators (KPIs) within Policy 1.1, highlighting changes relating to relays, Open Water World Championships, the launch of an Athlete Transition Program, and establishing baselines for usage of mental and physical health resources by the National and National Junior Teams.

Kathleen Prindle provided an overview of the KPIs within Policy 1.2 and noted changes, including simplifying Policy 1.2 down to five KPIs from eight, with the ability to have more of a focus on membership growth.

Mrs. Fish added that additional changes will include updating membership growth goals per earlier discussions.

Katie Meili presented the updated Policy 1.3 KPIs, remarking on Policy 1.3's focus on engaging the community with the sport of swimming.

Mrs. Ferguson commented on the organization's continued efforts to track event attendance, along with members and public engagement with USA Swimming content and digital media.

Bob Vincent explained changes to Policy 1.4 KPIs that focused on technology, Officials Certification, and strategic financial tools and resources.

MOTION: *To approve Priority Results 1.1-1.4 and associated KPIs as the organization's 2023 Strategic Plan. Seconded. Motion passed unanimously.*

PRESENTATIONS

USA SWIMMING FOUNDATION UPDATE

Lucinda McRoberts, Chief Administrative Officer and Executive Director of the USA Swimming Foundation, commented on the successes of the Foundation in 2022 and noted the continued momentum with a presence at the Knoxville TYR Pro Swim Series.

Mr. Skufca reinstated the timeline for closing out 2022 financials and provided the Foundation's 2022 Projected Support (Attachments 23 – 24).

COVID VACCINE POLICY

Ms. Steinfeld reported that the current COVID vaccine requirement for USA Swimming events and international team travel will be eliminated on February 1, 2023.

HOUSE OF DELEGATES WORKING GROUP UPDATE

Katie Meili reported that the HOD Working Group recommends keeping the HOD composition the same for another year, while also retaining the Working Group to continue evaluating the HOD overtime (Attachment 25). Ms. Meili noted that the HOD Working Group would be submitting proposed legislation to the Rules & Regulations Committee to memorialize this recommendation, but also to clean up some language in the composition that would otherwise allow one individual to have more than one vote at the annual meeting of the HOD.

Ms. Steinfeld provided data on the engagement of HOD delegates.

WORKSHOP PREVIEW

Brendan Hansen, Director, Team Services, provided an overview of the Annual USA Swimming Workshop that will be held April 20th – 23rd, 2023 in Denver, CO, noting the type of sessions and opportunities that will be available to attendees. Mr. Hansen also mentioned that the Workshop will be widely communicated to the entirety of the membership, not just those attending.

Mr. Shinofield reported there will be a Board Town Hall during the Workshop so the Board can share the organization's priorities and listen to membership.

LEGISLATIVE UPDATE

Ms. Steinfeld reported on the Governance Committee's decision to begin the legislation process earlier in the year to allow for a notice and comment period through the USA Swimming website and for richer legislative discussion at the Annual Workshop.

LSC AFFILIATION UPDATE

Ms. Steinfeld explained the financial reporting requirements within the Local Swimming Committee (LSC) Affiliation Agreement, reporting that the following LSCs were currently out of compliance: Florida Gold Coast, Lake Erie, Southeastern, Mississippi, San Diego Imperial, and West Virginia.

UNITED STATES AQUATICS SPORTS & WORLD AQUATICS (FORMALLY FINA) REPRESENTATION

Ms. McRoberts reviewed the various World Aquatics' committees and panels, along with identifying the United States representatives for each.

Ms. McRoberts additionally noted the U.S. and USA Swimming representation within the United States Aquatic Sports.

408 **PERFORMANCE AND COMPETITION UPDATE**

409 Mr. Hansen introduced Corey Manley, Data Analysis.

410
411 Mr. Manley provided results data on the 2022 Speedo Winter Juniors (East & West) and the
412 2022 Toyota U.S. Open, showcasing what kind of reporting the organization can now provide
413 to membership for all USA Swimming meets through the digital transformation efforts
414 (Attachment 26).

415
416 Mr. Hansen added how impactful the data reports are with driving performance and
417 engaging with clubs, coaches, and athletes.

418
419 Mr. Manley further explained what will be contained within the organization's data
420 warehouse and how coaches and athletes can utilize the data to drive performance.

421
422 Matt Barbini, Director, Performance, National Team, commented on the high level of
423 competitiveness at the 2022 FINA Short Course World Championships with the U.S. winning
424 36 medals while noting the challenges around the high volume of relays in which the U.S.
425 won 10 medals. Mr. Barbini discussed the selection process for the competition and the
426 added benefit of our best athletes racing the best athletes in the world and the experience
427 gained.

428
429 **CLOSED SESSION (2.3.6)**

430 **RELAY INCENTIVES**

431 The Board went into Closed Session so Mrs. Mintenko could provide an update on future
432 relay incentives.

433
434 **LITIGATION AND RISK MANAGEMENT UPDATE**

435 The Board remained in Closed Session so Ms. Steinfeld could provide a legal update.

436
437 **FINANCE**

438 The Board remained in Closed Session to discuss finances.

439
440 **COMMERCIAL UPDATE**

441 The Board remained in Closed Session to discuss commercial updates.

442
443 **AICEEP UPDATE**

444 The Board remained in Closed Session to discuss the Athlete Inclusion, Competitive Equity,
445 and Eligibility Policy.

446
447 **EXECUTIVE SESSION: CEO KPIs**

448 The Board remained in Closed Session so it could conduct an Executive Session to discuss
449 Key KPIs for the President & CEO; all members of the staff left the meeting. Board Governance
450 Consultant Bill Charney was present with the Board for the discussion.

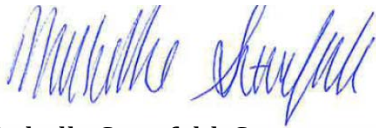
451
452 The Board came out of Closed Session to approve the following motion.

MOTION: *To approve the Executive Compensation Committee's recommendations, as amended, for CEO performance bonus KPIs for 2023. Seconded. Motion passed unanimously.*

ADJOURNMENT

Mr. Brearton adjourned the January 28, 2023 meeting of the Board of Directors at 5:05 p.m. Mountain Time.

Respectfully submitted:



Michelle Steinfeld, Secretary and General Counsel



Chris Brearton, Board Chair

USA Swimming Board of Directors Meeting Minutes

January 28, 2023 / Virtual

| | |
|---------------|--------------------------------------------------------------|
| Attachment 1 | Agenda |
| Attachment 2 | Page 2 – DRAFT BOD Minutes November 20, 2022 |
| Attachment 3 | Page 2 – Bylaw 2.9 |
| Attachment 4 | Page 3 – Board Gap Analysis |
| Attachment 5 | Page 3 – Board Chair Work Plan |
| Attachment 6 | Page 3 – BGPM Policy 2.6 |
| Attachment 7 | Page 4 – Revised Anti-Retaliation Policy |
| Attachment 8 | Page 4 – Statement of Ethics and Conflict of Interest Policy |
| Attachment 9 | Page 4 – Policy 33.0 Zone Sanction Appeal Process |
| Attachment 10 | Page 5 – Policy 1.0 Broadest End |
| Attachment 11 | Page 5 – Policy 1.3 Public Engagement with Swimming |
| Attachment 12 | Page 5 – Policy 3.3 Treatment of Employees and Volunteers |
| Attachment 13 | Page 5 – Policy 3.9 Board Awareness and Support |
| Attachment 14 | Page 5 – USA Swimming IPS _ Clean |
| Attachment 15 | Page 5 – USA Swimming IPS _ Redline |
| Attachment 16 | Page 6 – SWIMS Update |
| Attachment 17 | Page 8 – USA Swimming 2022 Budget vs 2022 Projection |
| Attachment 18 | Page 8 – USA Swimming Comparative Balance Sheet |
| Attachment 19 | Page 8 – USA-S 2022-2024 Quad Business Plan Summary |
| Attachment 20 | Page 8 – Policy 3.4 Financial Conditions and Activities |
| Attachment 21 | Page 8 – USA-S Ends KPIs_ Clean |
| Attachment 22 | Page 8 – USA-S Ends KPIs_ Redline |
| Attachment 23 | Page 9 – USA-S Foundation IPS_Clean |
| Attachment 24 | Page 9 – USA-S Foundation IPS_Redline |
| Attachment 25 | Page 9 – HOD Working Group Article VI Amendments |
| Attachment 26 | Page 10 – Competitive Summary Report |
| Attachment 27 | Staff Report for the Board |



AGENDA

USA Swimming
Board of Directors
Board of Directors Meeting - January 2023
Saturday, January 28, 2023, 9:00 am - 4:00 pm
Virtual

- A. Welcome 9:00
1. Call to Order / Record of Attendance (2.6.2)
 2. Board Chair's Welcome
 3. Rules of Engagement
 4. Introductions
 5. Safe Sport Moment
 6. Declaration of Conflict of Interest (2.5.4)
 7. Approval of Board Minutes
 - a. **ACTION: Approve November 20, 2022 Meeting Minutes**
- B. Board Process 9:10
1. Bylaw Changes
 - a. Bylaw 2.9 Amendment
 - i. **ACTION: Motion to Approve**
 - b. Bylaw Amendment re FINA Name Change
 - i. **ACTION: Motion to Approve**
 2. Board Governing Policies Manual Changes
 - a. Board Charge/Gap Analysis Review
 - i. **ACTION: Motion to Approve**
 - b. Policy 2.3: Board Work Plan and Agenda Preparation
 - i. **ACTION: Motion to Approve**
 - c. Board Governing Policies Manual: Amendment to Policy 2.6 re Anti-Discrimination Training
 - i. **ACTION: Motion to Approve**
 - d. Whistleblower & Anti-Retaliation Policy Amendments

- i. **ACTION: Motion to Approve**
- e. Statement of Ethics & Conflict of Interest Policy Amendments
 - i. **ACTION: Motion to Approve**
- f. BGPM Amendment re FINA Name Change
 - i. **ACTION: Motion to Approve**
- 3. Operating Policy Manual Update
 - a. Privacy Policy
 - b. Zone Sanction Appeal Process
- 4. Board Event Approval
 - a. **ACTION: Motion to Approve**
- C. ENDS Monitoring 9:35
 - 1. 1.0 Broadcast: Growth/Success of Swimming
 - a. **ACTION: Approve the Report**
 - 2. 1.3 Public Engagement with Swimming
 - 3. **ACTION: Approve the Report**
- D. Management Parameters Monitoring 9:40
 - 1. 3.3 Treatment of Staff
 - a. **ACTION: Approve the Report**
 - 2. 3.9 Board Awareness and Support
 - a. **ACTION: Approve the Report**
- E. Investment Update 9:45
 - 1. **ACTION: Motion to Approve Annual Investment Policy Statement Updates**
- F. **BREAK** 10:15
- G. Strategic Discussion 10:30
 - 1. SWIMS Update/Questions
 - 2. Membership
 - 3. Finance
 - a. 3.4 Financial Conditions & Activities

i. **ACTION: Approve the Report**

| | |
|-----------------------------------------------------------------------------------------|-------|
| H. Annual Strategic Plan | 12:30 |
| 1. ACTION: Approve Strategic Plan | |
| I. BREAK | 1:00 |
| J. Presentations | 1:15 |
| 1. Foundation Update | |
| 2. COVID Vaccine Policy | |
| 3. House of Delegates Working Group Update | |
| 4. Workshop Preview | |
| 5. Legislative Update | |
| 6. LSC Affiliation Update | |
| 7. United States Aquatics Sports (USAS) & World Aquatics (formally FINA) Representation | |
| 8. Performance and Competition Update | |
| K. BREAK | 2:15 |
| L. Closed Session | 2:30 |
| 1. Relay Incentives | |
| 2. Litigation Update | |
| 3. Safe Sport | |
| 4. Finance | |
| 5. Commercial Update | |
| 6. AICEEP Update | |
| 7. Executive Session: CEO KPIs | |
| M. Adjournment | 4:00 |

Total Meeting Time: 7h 0m

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

USA Swimming Board of Directors Meeting Minutes

November 20, 2022 / New York, NY

CALL TO ORDER

Chris Brearton, Board Chair, called the November 20, 2022 Board of Directors meeting to order at 8:59 a.m. Eastern Time with the following members in attendance:

PRESENT

Maya Andrews, Katy Arris-Wilson, Chris Brearton, Kenneth Chung, Tony Ervin, Kathy Fish, Bruce Gemmell, Natalie Hall, Clark Hammond, Tim Hinchey, Ira Klein, Katie Meili, Kathleen Prindle, Bill Schalz, Michelle Steinfeld, Ashley Twichell, Bob Vincent.

BOARD CHAIR'S WELCOME

Mr. Brearton briefly remarked on how the Board should continue to focus on the future of the sport of swimming.

GUESTS

Samantha Barany, Bill Charney, Kyle Deery, Ed Dellert, Jay Eckert, Dawson Hughes, David Shackley, Tom Ugast.

STAFF

Matt Barbini, Paula D'Amico, Jake Grosser, Shana Ferguson, Elizabeth Hahn, Lucinda McRoberts, Lindsay Mintenko, Patrick Murphy, Eric Skufca, Joel Shinofield, Eric Stimson.

RULES OF ENGAGEMENT / PROTOCOL

Mr. Brearton remarked on the importance of being prepared for meetings and Board members respectfully expressing opinions but leaving with "one voice."

SAFE SPORT MOMENT

Elizabeth Hahn, Program Director, Safe Sport, reminded the Board to complete Athlete Protection Training prior to their expirations and offered for the Board to reach out to the USA Swimming Safe Sport staff for any questions or assistance regarding Safe Sport issues.

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.

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

As directed by USA Swimming's Ethics Committee, Board Member Anthony Ervin disclosed that he is contracted with both the United States Olympic and Paralympic Committee (USOPC) and FINA. Additionally, Board Member Katy Arris-Wilson, disclosed that her daughter was named to the Junior National Team, also at the direction of the Ethics Committee.

MINUTES

MOTION: To approve the September 23, 2022 Board of Directors meeting minutes (Attachment 2). Seconded. **APPROVED.**

MOTION: To approve the September 24, 2022 Board of Directors meeting minutes (Attachment 3). Seconded. **APPROVED.**

BOARD PROCESS

BOARD CHAIR: WORK PLAN DEVELOPMENT

Mr. Brearton explained that he would like to revise the Board's work plan, which he will send to the Board for discussion between now and the next Board meeting in January 2023.

BYLAWS UPDATE

Michelle Steinfeld, Secretary & General Counsel, presented a proposed update to the Bylaw 2.6.3 (Attachment 4).

MOTION: To amend Bylaw 2.6.3, as follows, effective immediately:

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

Seconded. **APPROVED.**

BOARD COMMITTEE APPOINTMENTS

Eric Skufca asked the Board to appoint Marc Tucci to the Investment Committee.

MOTION: To appoint Marc Tucci to the Investment Committee for a 3-year term, as the individual appointed by the Board Chair and the Vice-Chair Fiscal Oversight with the approval of the Board of Directors. Seconded. **APPROVED.**

Ms. Steinfeld asked the Board to appoint Bruce Gemmell and Katie Ann Robison to the Nominating Committee.

MOTION: To appoint Bruce Gemmell to the Nominating Committee for a 3-year term, as the Board coach member appointed by the Board. Seconded. **APPROVED.**

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

MOTION: *To appoint Katie Ann Robinson to the Nominating Committee for a 3-year term, as an individual with an independent background, proposed by the Board Chair and approved by the Board of Directors. Seconded. APPROVED.*

Ms. Steinfeld provided a reminder of the current members of Board standing committees.

USA SWIMMING FOUNDATION UPDATE

Lucinda McRoberts, USA Swimming Foundation Executive Director, presented individuals for election to the Foundation Board of Direction Board (Attachment 5).

MOTION: *To elect the following individuals to the USA Swimming Foundation Board of Directors for a term of 2023-2025:*

Jill Bornstein (second term)

Dan Clough (first term)

John Enquist (first term)

Cynthia Eubanks (second term)

Kyle Jackson (first term)

Cullen Jones (second term)

Andrew Wilson (first term)

Seconded. APPROVED.

Eric Skufca, Chief Financial Officer, presented the Foundation's Financial Deliverables, highlighting projected results and anticipated balances on both the income statements and balance sheet. Mr. Skufca also acknowledged and credited the work of the Audit and Investment Committees during 2022.

Mr. Skufca additionally highlighted the Foundation's 2022 financial projection, including an increase in unrestricted revenue due to increased Direct Athlete Partnership Program and other major gift agreements, while noting projected financial support of \$1.16 million to the National Team, \$800,000 for Youth Learn to Swim Grants, \$130,000 for Adult Learn to Swim Grants, and \$264,000 to Sport Development (Attachments 6 – 7).

ENDS MONITORING

Mr. Brearton explained the CEO Monitoring Report schedule as conveyed in Policy 4.4 of the Board Governing Policies Manual.

POLICY 1.2: SUCESSFUL ATHLETES, COACHES AND CLUBS

Joel Shinofield, Managing Director, Sport Development, presented Policy 1.2, Successful Athletes, Coaches and Clubs (Attachment 8).

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

MOTION: That the Board approve that the performance monitoring report on Policy 1.2 "Successful Athletes, Coaches and Club" 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.**

MANAGEMENT PARAMETERS MONITORING

POLICY 3.0: GENERAL MANAGEMENT CONSTRAINT

Ms. McRoberts presented Policy 3.0, General Management Constraint (Attachment 9).

MOTION: That the Board approve that the performance monitoring report on Policy 3.0 "General Management Constraint" 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 presented Policy 3.4, Financial Condition & Activities (Attachments 10 - 12), overviewing the balance sheet, income statement projection, and cash management.

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 AND BUDGETING

Mr. Skufca presented Policy 3.6, Financial Planning & Budgeting (Attachments 13 - 15).

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.**

POLICY 3.7 COMPENSATION AND BENEFITS

Mr. Skufca presented Policy 3.7, Compensation and Benefits (Attachment 16).

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

BOARD GAP ANALYSIS PREVIEW

Ms. Steinfeld announced that the Board will participate in a Board Gap Analysis in January, to inform the Board Charge to the Nominating Committee for the 2023 Board election cycle.

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

HURRICANE GRANT UPDATE

Mr. Shinofield provided a brief Hurricane Grant Update, noting that USA Swimming has received seven completed applicants to date, requesting funds between \$3,500 - \$5,000.

AUDIT UPDATES: CENTER AND USOPC

Ms. Steinfeld reported that the legislative items presented to the House of Delegates for compliance with the USOPC Audit passed in September.

Mr. Shinofield remarked on the one item within the USOPC Audit where USA Swimming is not yet compliant which is the quality control system at the grass roots level required by the U.S. Center for SafeSport (USCSS). Mr. Shinofield noted the conversations the organization is having with the USSS regarding a way to meet the requirement with the organization's current Safe Sport efforts.

KAF 2.0 UPDATE

Board Member, Bob Vincent, provided the history of Keeping Athletes First (KAF) and the purpose behind the initiative.

Ms. McRoberts reported that while the first rendition of KAF is complete, there is more work to be done with the hope of enhancing and expanding the USA Swimming University through a second version of Keeping Athletes First (KAF 2.0), including video production and content development, curriculum development and mapping, officials' education, and live video capture and editing.

MOTION: *That the Board approve the use of the \$1.8M 2021 quad surplus to fund the Legacy Level Certification for coaches and the development of National Officials Certification.*
Seconded. APPROVED.

OPERATING POLICY MANUAL UPDATE

Ms. Steinfeld updated the Board on changes within the Operating Policy Manual, including changes to the International Relations Committee's composition the Financial Policies and Procedures.

LSC AFFILIATION AGREEMENT

Ms. Steinfeld reported that most Local Swimming Committees (LSC) are in compliance with the LSC Affiliation Agreement, with a few LSCs remaining to complete the financial portion of the agreement. Ms. Steinfeld noted that these LSCs received extended deadlines due to Internal Revenue Service extensions for tax return filing.

NIL & CSCAA

Mr. Shinofield introduced Samantha Barany, Executive Director of College Swimming & Diving Coaches Association of America (CSCAA).

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

Ms. Barany described the composition, principles, programming, and components of the CSCAA. Ms. Barany reported that generally swimming programs within the college systems are in a state of growth, noting there are still uncertainties within the college swimming landscape (Attachment 17).

Ms. Barany provided a high-level overview of athlete name, image, and likeness (NIL) issues. Ms. Barany explained how the treatment of NIL could impact college institutions and what changes in NIL may mean for college swimming.

USAS ELECTIONS

Ms. McRoberts announced the results from the recent U.S. Aquatic Sports officer elections for 2022 - 2024.

- President: Patty Miller (U.S. Masters Swimming)
- Vice-President, Administration: Greg Eggert (USA Water Polo)
- Treasurer: Jared Book (USA Diving)

LONG TERM STRATEGIC PLANNING

Ms. McRoberts described the yearly strategic planning cadence and stated that the Strategic Planning working groups will meet in January 2023 to determine long-term and short-term Key Performance Indicators to present for approval during the first quarter Board meeting in 2023 (Attachment 18). Ms. McRoberts additionally provided an overview of each group's current focus, leading to a Board discussion of what they would like to pursue and prioritize for each End moving forward.

SWIMS 3.0

Mr. Shinofield provided a timeline for the organization's digital transformation and additionally provided background as to why USA Swimming underwent a digital transformation, including fulfilling Safe Sport requirements, compliance with the USOPC, adding value to membership, addressing critical failures of the legacy technology, such as OME, improving the adaptability of applications in the future, and building a beneficial data warehouse for the entirety of the membership and organization.

Jake Grosser, Senior Director, Marketing & Communications, presented the organization's technology map to demonstrate the interconnectivity of USA Swimming technology, emphasizing the advantage of that interconnection, while also acknowledging that addressing one component may result in the need to address others as well.

Mr. Shinofield reported on the current accomplishments of the digital transformation, including rebuilding 20+ years of software, redesigning a database for future change, updating to modern software, and reallocating items from the website to more appropriate digital platforms.

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

Patrick Murphy, Director, Data Analytics, updated the Board on the current status of data reporting, noting that while data collection methods and data quality have drastically improved, it takes time to derive benefits from the improved data. Mr. Murphy also illustrated the significant change from serving 200-300 users in legacy SWIMS to supporting over 400,000 plus users now.

Mr. Grosser remarked how the organization has improved its ability to communicate directly with its members through the Salesforce Marketing Cloud, allowing the organization to save \$250,000 annually, utilize accurate contact information via a direct connection to the SWIMS database and CRM, utilize new communication channels, and maintain a promotional email database.

Mr. Murphy reported on metrics of the first 90 days of SWIMS 3.0, including the collection of \$37,000 in donations to the Foundation, growth in new member registrations, improved software performance, dynamic reporting functionality, and greater responsiveness to questions since launching in September.

Eric Stimson, Senior Advisor, Membership and Data Services, noted that membership registration is currently down because the organization intentionally asked LSCs to delay registrations until closer to the deadline of December 31, 2022, as opposed to registrations occurring during the September launch. Mr. Stimson reported that the organization is prioritizing customer support moving forward.

Shana Ferguson, Chief Commercial Officer, presented some of the challenges of SWIMS 3.0 and the organization's solutions moving forward for those challenges. Mr. Stimson further explained the support solutions, noting his increased communication with LSC Registrars.

Mr. Murphy noted a few lessons learned, including not providing automated refunds. Mr. Shinofield reported that times are operational in the database, while noting early reporting errors are due to legacy widgets on the website. The future benefits of the new database and software environment will be flexibility, member service, and adaptability.

COMMERCIAL UPDATE

Mrs. Ferguson provided a comprehensive commercial update, including the restructuring of the Commercial division, partnerships with OneAmerica, TYR, and Air Force Special Warfare, alignment with USA Track and Field, and USA Swimming's new plans for a connected television channel.

Mrs. Ferguson updated the Board on the success of FINA World Cup in Indianapolis, IN and provided an overview of the 2024 Swimming Trials, including tickets sales and venue layout.

Mrs. Ferguson presented the most up to date 2023 Events Calendar.

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

CLOSED SESSION (2.3.6)**LITIGATION AND RISK MANAGEMENT UPDATE**

The Board went into Closed Session so Ms. Steinfeld could provide a legal update.

RELAY INCENTIVES

The Board remained in Closed Session so Mrs. Mintenko could provide an update on potential future relay incentives.

TRIALS FINANCIALS

The Board remained in Closed Session so Mrs. Ferguson and Mr. Skufca could provide an update regarding projected finances for the 2024 Swimming Trials.

OPEN SESSION**2023 BUDGET APPROVAL**

Mr. Skufca explained the organization's budget process and provided a high-level comparison between the 2022 and 2023 budget, noting an increase of \$2.2 million in total revenue and an increase of \$665K in total operating expense compared to 2022. The 2023 budget totals an operating deficit of \$1.369 million (Attachment 19).

MOTION: *That the Board approve the 2023 Budget as presented. Seconded. APPROVED.*

2023 BOARD CALENDAR

Mr. Brearton presented the 2023 Board calendar.

- Saturday, January 28: Virtual Board Meeting
- Saturday, April 22: In-person Board Meeting @ USA Swimming Workshop, Denver, CO
- Monday, July 17: Virtual Board Meeting – Legislative Discussion
- Friday, September 22: In-person Board Meeting @ Annual Business Meeting, Colorado Springs, CO
- Saturday, November 18: In-person Board Meeting @ Golden Goggle Awards, Los Angeles, CA

CLOSED SESSION**EXECUTIVE: CEO ANNUAL COMPENSATION REVIEW**

The Board went to Closed Session so the Board could conduct an Executive Session to discuss compensation for the President & CEO; all members of the staff, including Mr. Hinchey, left the meeting.

ADJOURN

Mr. Brearton adjourned this meeting at 6:45 p.m. Eastern Time.

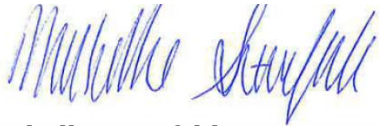
Respectfully submitted:

DRAFT

DRAFT

DRAFT

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.



Michelle Steinfeld, Secretary and General Counsel



Chris Brearton, Board Chair

DRAFT

DRAFT

DRAFT

DRAFT

These minutes will be officially approved by the USA Swimming Board of Directors at its January 28, 2023 meeting.

USA Swimming Board of Directors Meeting Minutes

November 20, 2022 / New York, NY

| | |
|---------------|-------------------------------------------------------------|
| Attachment 1 | Agenda |
| Attachment 2 | Page 2 – DRAFT BOD Minutes September 23, 2022 |
| Attachment 3 | Page 2 – DRAFT BOD Minutes September 24, 2022 |
| Attachment 4 | Page 2 – Bylaw 2.6.3 |
| Attachment 5 | Page 3 – Foundation Board of Directors Applicants |
| Attachment 6 | Page 3 – USA-S Foundation Q3 2022 Financial Statement |
| Attachment 7 | Page 3 – USA-S Foundation 2022 Budget v. 2022 Projection |
| Attachment 8 | Page 3 – Policy 1.2 Successful Athletes and Coaches |
| Attachment 9 | Page 4 – Policy 3.0 General Management Constraint |
| Attachment 10 | Page 4 – USA Swimming Q3 2022 Financial Statement Report |
| Attachment 11 | Page 4 – USA-S & Foundation Investment Portfolio Statements |
| Attachment 12 | Page 4 – Policy 3.4 Financial Condition and Activities |
| Attachment 13 | Page 4 – USA Swimming 2022 Projection vs. 2022 Budget |
| Attachment 14 | Page 4 – USA Swimming 2022 Quad Business Plan Summary |
| Attachment 15 | Page 4 – Policy 3.6 Financial Budget – Annual Forecast |
| Attachment 16 | Page 4 – Policy 3.7 Compensation and Benefits |
| Attachment 17 | Page 6 – CSCAA Report |
| Attachment 18 | Page 6 – Strategic Planning Update |
| Attachment 19 | Page 8 – USA Swimming 2023 Budget for Approval |
| Attachment 20 | Staff Update for the Board |
| Attachment 21 | Operating Policy Manual: Financial Policies - Redline |
| Attachment 22 | Operating Policy Manual: Financial Policies – Clean |

Bylaw 2.9 Changes

2.9 TERMINATION OF MEMBERSHIP — Membership in USA Swimming may be terminated according to the process set forth in ~~Part Four of the USA Swimming Rules and Regulations~~ Policy 26 of the USA Swimming Operating Policy Manual.



Board Gap Analysis

Prepared for USA Swimming

January 17, 2023



Overview

| | |
|---------------------------------|-------------------|
| Date: | December 20, 2022 |
| Number of Participants Pursued: | 15 |
| Number of Participants to Date: | 15 |
| Participation Rate: | 100.0% |

Assessment Process

The board of directors completed the assessment online, responding to questions that are quantitative and qualitative across the following areas:

| Industry Experience | Functional Expertise | Board Competencies |
|------------------------------------|------------------------------------------------------------|---------------------------------------------|
| Consumer Products & Services | Chief Executive | Setting Vision & Goals |
| Sports | Operations | Articulating Strategy |
| Retailing / E-commerce | P&L | Implementing Strategy |
| Media / Advertising | Finance / Audit | Bringing an Innovation Mindset |
| Technology | Sales / Revenue | Understanding Policy & Legal Dynamics |
| Financial Services | Marketing | Guiding on Risk Management |
| Professional Services | Communications/ Media | Clarifying Technology Trends |
| Education | Strategy / Business Transformation / Corporate Development | Supporting Cross-Functional Team Leadership |
| Non-Profit Services / Grant-making | Information Technology / Cyber Security / Related | Maintaining a Broad Perspective |
| Children's Programming / Advocacy | Human Resources / Talent Acquisition & Development | |
| Insurance | Legal / Compliance / Regulatory | |
| Fundraising | Investments / Capital Markets | |
| | Client Services / Customer Success | |
| | Athlete / Coach / Sports-related | |
| | Fundraising / Development | |

Important Strengths

These are the areas your board identified as important attributes to its success and where the board, collectively, is strong. When any current members step off the board, think about how these attributes will continue to be represented.

| Industry Experience | Functional Expertise | Board Competencies |
|-----------------------------------|------------------------------------------------------------|---------------------------------------------|
| Education | Chief Executive | Setting Vision & Goals |
| Sports | Operations | Articulating Strategy |
| Media / Advertising | P&L | Implementing Strategy |
| Technology | Finance / Audit | Understanding Policy & Legal Dynamics |
| Financial Services | Marketing | Guiding on Risk Management |
| Professional Services | Communications/ Media | Clarifying Technology Trends |
| Children’s Programming / Advocacy | Strategy / Business Transformation / Corporate Development | Supporting Cross-Functional Team Leadership |
| Insurance | Legal / Compliance / Regulatory | Maintaining a Broad Perspective |
| | Athlete / Coach / Sports-related | |

Critical Gaps

These are the areas your board identified as important to its success, but where the board sees itself as needing talent it doesn’t currently have. When selecting new board members, think about finding candidates with these attributes.

| Industry Experience | Functional Expertise | Board Competencies |
|---------------------|---------------------------------------------------|--------------------------------|
| None Present | Information Technology / Cyber Security / Related | Bringing an Innovation Mindset |
| | Investments / Capital Markets | |
| | Client Services / Customer Success | |

Industry Experience

The board of directors completed the assessment online, responding to questions that are quantitative and qualitative across the following areas:



Industry Experience

The board of directors completed the assessment online, responding to questions that are quantitative and qualitative across the following areas:

Less Important Strengths

Consumer Products & Services
Fundraising

Important Strengths

Education
Sports
Media / Advertising
Technology
Financial Services
Professional Services
Children's Programming / Advocacy
Insurance

Less Critical Gaps

Retailing / E-commerce
Non-Profit Services / Grant-making

Critical Gaps

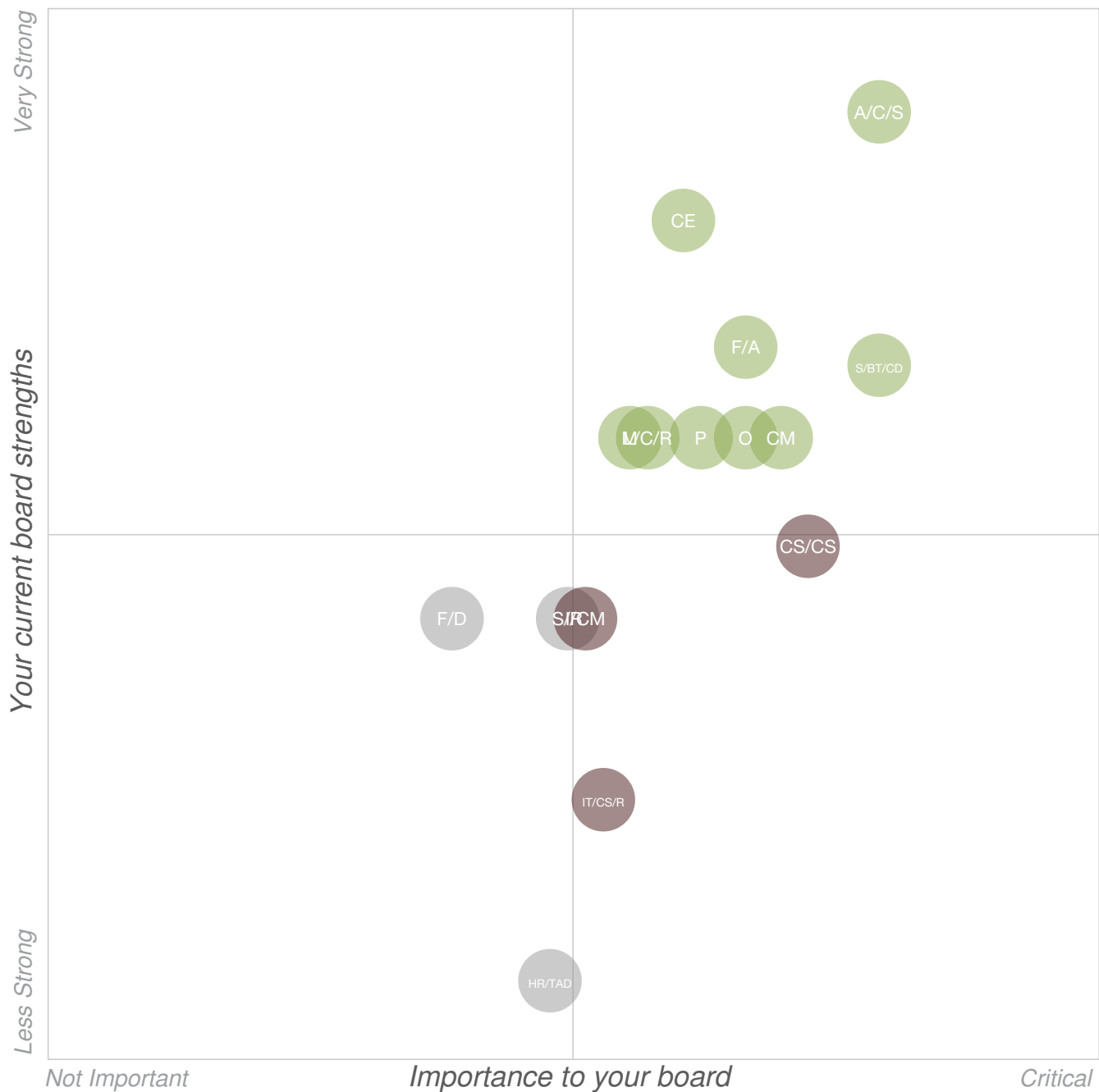
None Present

Comments:

- after seeing the first generaiton of a new boar dmakeup, I observe that the overall board makeup is lacking specific requirements industry experience. We cite "connection to swimming" as our industry requirement but have seen how woefully inadequate that broad requirement is, when making major decisions that impact clubs and athletes day-to-day operations and experience - more in-depth industry experience should be required ot best support an active amateur sports org
- real-world industry experience plus corporate background allows me to understand the needs of our constituents and apply board ideas to the actual practicality and operational implications to the sport.
- More important than industry experience is experience in a role with responsibility for either holding a management team accountable and/or having their own P&L responsibility. It is also critical that we have Board members who can read Financial Statements, have communication pathways with key stakeholders and/or are on the front lines of our NGBs products and services.
- For items listed as important or critical, I don't think it is necessary that all BOD members are knowledgable in every area, but that we have some board membership covering these areas.

Functional Expertise

The board of directors completed the assessment online, responding to questions that are quantitative and qualitative across the following areas:



Legend

- | | |
|------------------------------------------------------------------------|---------------------------------------------------------------|
| ■ CE - Chief Executive | ■ A/C/S - Athlete / Coach / Sports-related |
| ■ O - Operations | ■ IT/CS/R - Information Technology / Cyber Security / Related |
| ■ P - P&L | ■ I/CM - Investments / Capital Markets |
| ■ F/A - Finance / Audit | ■ CS/CS - Client Services / Customer Success |
| ■ M - Marketing | ■ S/R - Sales / Revenue |
| ■ CM - Communications/ Media | ■ HR/TAD - Human Resources / Talent Acquisition & Development |
| ■ S/BT/CD - Strategy / Business Transformation / Corporate Development | ■ F/D - Fundraising / Development |
| ■ L/C/R - Legal / Compliance / Regulatory | |

Functional Expertise

The board of directors completed the assessment online, responding to questions that are quantitative and qualitative across the following areas:

| Less Important Strengths |
|--------------------------|
| None Present |

| Important Strengths |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive Operations P&L Finance / Audit Marketing Communications/ Media Strategy / Business Transformation / Corporate Development Legal / Compliance / Regulatory Athlete / Coach / Sports-related |

| Less Critical Gaps |
|----------------------------------------------------------------------------------------------------|
| Sales / Revenue Human Resources / Talent Acquisition & Development Fundraising / Development |

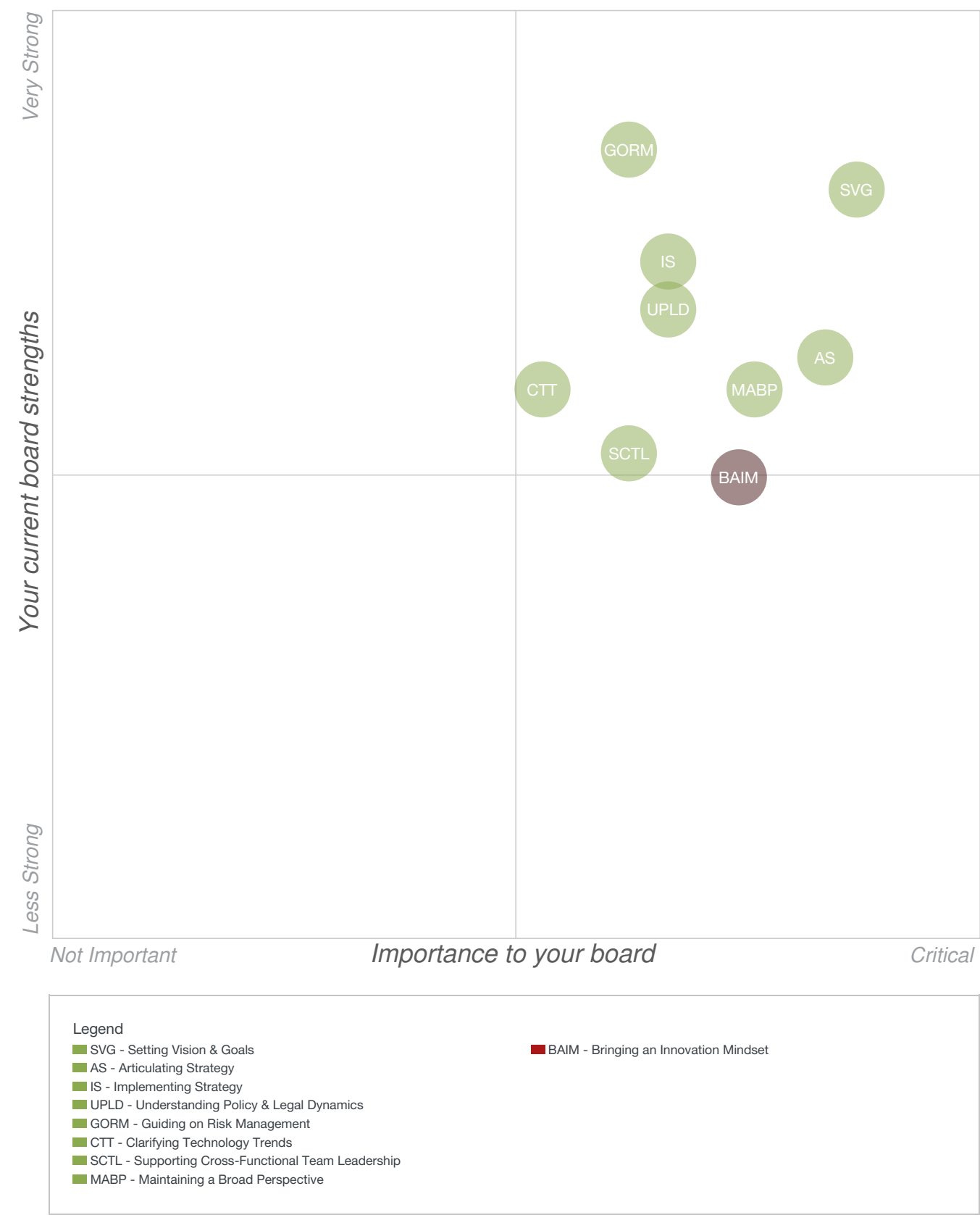
| Critical Gaps |
|--------------------------------------------------------------------------------------------------------------------------|
| Information Technology / Cyber Security / Related Investments / Capital Markets Client Services / Customer Success |

Comments:

- we have a separate Foundation board solely focused on fundraising - to replicate that on our strategic USA Swimming board is redundant, and provides gaps in other critical skillsets needed per my above comment.
- While specific expertise is important, the ability to strategically leverage experts is more important. This capability is found in CEOs but also others that have led large organizations.

Board Competencies

The board of directors completed the assessment online, responding to questions that are quantitative and qualitative across the following areas:



Board Competencies

The board of directors completed the assessment online, responding to questions that are quantitative and qualitative across the following areas:

| Less Important Strengths |
|--------------------------|
| None Present |

| Important Strengths |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Setting Vision & Goals Articulating Strategy Implementing Strategy Understanding Policy & Legal Dynamics Guiding on Risk Management Clarifying Technology Trends Supporting Cross-Functional Team Leadership Maintaining a Broad Perspective |

| Less Critical Gaps |
|--------------------|
| None Present |

| Critical Gaps |
|--------------------------------|
| Bringing an Innovation Mindset |

Comments:

- It is equally important that the staff running our NGB have these skills.

Board Demographics

Demographic diversity can be a key element in the healthy composition of your board.

| Committee Participation | | | | | | | | | | Additional Information | | | | | | | | | | | | | |
|-------------------------|-------|--------------|-----------|---------|-----|------------|-------|--------------|-----|------------------------|-----------------|-------------|------------------------|-------|----------|------|--------|-----------|-------------|-------------|--------------------------------------------------|----------------------------------------|------------------|
| Name | Audit | Compensation | Marketing | Cloning | AEC | Investment | Staff | Rules & Regs | AEC | Ethics | Board Diversity | Independent | Athlete Representative | Coach | Official | Male | Female | Nonbinary | Race: White | Race: Black | Race: Asian, Native Hawaiian or Pacific Islander | Race: Native American or Alaska Native | Military Service |
| Chris Brearton | | | | | | | | | | | | | | | | | | | | | | | |
| Maya DiRado | | | | | | | | | | | | | | | | | | | | | | | |
| Natalie Coughlin | | | | | | | | | | | | | | | | | | | | | | | |
| Kathleen Prindle | | | | | | | | | | | | | | | | | | | | | | | |
| Bruce Gemmell | | | | | | | | | | | | | | | | | | | | | | | |
| Kenneth Chung | | | | | | | | | | | | | | | | | | | | | | | |
| Bill Schalz | | | | | | | | | | | | | | | | | | | | | | | |
| Kathy Fish | | | | | | | | | | | | | | | | | | | | | | | |
| Ira Klein | | | | | | | | | | | | | | | | | | | | | | | |
| Anthony Ervin | | | | | | | | | | | | | | | | | | | | | | | |
| Katie Meili | | | | | | | | | | | | | | | | | | | | | | | |
| Clark Hammond | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|--------------------------|--|
| Ashley Twichell | |
| Bob Vincent | |
| Katy Arris- Wilson | |

Appendix

Board Competencies

Setting Vision & Goals — Building on the organization’s fundamental values and purpose in a manner consistent with its vision and guiding the leadership team in setting the organization’s goals and priorities.

Articulating Strategy — Translating vision and goals to effective strategies, thereby setting the stage for the management team to drive the execution.

Implementing Strategy — Translating strategies into actionable plans that can be executed to advance the organization’s success and enhance its performance.

Bringing an Innovation Mindset — Identifying change agents, questioning currently accepted practices and championing new approaches to execution of agreed-upon strategies.

Understanding Policy & Legal Dynamics — Appreciating the effects of rules, directives and laws that may impact the organization, its athletes and other constituents, both positively and negatively, and how such policies might evolve over time.

Guiding on Risk Management — Identifying, assessing and anticipating potential risks that would compromise safety, result in unfair treatment or impede the organization from achieving its objectives and recommending strategies to preempt possible risks.

Clarifying Technology Trends — Anticipating and assimilating trends in technology adoption, particularly as they relate to sports and related matters, with an eye toward capitalizing on new technologies that benefit the organization through greater efficiencies and/or a broader and more engaging experience for the various constituents.

Supporting Cross-Functional Team Leadership — Experience and ability to mentor others in leading teams across a range of functions and disciplines to foster coherence, motivation, and teamwork that results in optimal organizational performance.

Maintaining a Broad Perspective — Drawing on business practices and problem-solving modes of other organizations to foster a better understanding of the organization’s strengths and weaknesses and help inform it on emerging challenges and opportunities.

Policy 2.3 Board Work Plan and Agenda Preparation

Date of adoption / Last revision: ~~December 6, 2021~~ January 28, 2023

To fulfill its role, the Board will prepare and follow an annual work plan that: (1) re-explores *Ends/Priority Results* Policies and (2) continually improves Board performance through Board education and interactions with members, customers, staff, beneficiaries, and outside experts.

Accordingly:

1. **Annual Cycle:** The Board's annual planning cycle will conclude each year at its last meeting before the HOD's annual meeting in September, so that administrative planning and budgeting for the next fiscal year can be focused on addressing both long and short-term Ends.
2. **Work Plan Development:** At the November meeting, the Board Chair will ~~prepare and~~ present for the Board's consideration and approval a suggested work plan for the following year's meetings. Considerations should include:
 - A. **Board Education:** Identification of topics that will elevate the Board's competencies, primarily of external issues and trends that impact USA Swimming's Ends, and, to a lesser extent, key areas of operations and governance training.
 - B. **Orientation/Training for New Board Members:** Per Policy 2.1.5, to include review of USA Swimming's governance system and documents, overview of key strategic issues to be addressed early in new Board members' tenure, and operational overview. Orientation is to be conducted within three months of new Board members being seated. Board members must also complete training as required by the USOPC.
 - C. ~~Linkage Engage with Membership; the USOPC, and the American Public:~~ How the Board will connect with members, through phone calls and emails, and during swim meets and LSC meetings; ~~the USOPC, and the American public (e.g., through surveys, focus groups, and other methods of gaining input).~~
 - D. ~~Determination of Advocacy for Board-Proposed Changes to the Rules and Regulations:~~ The schedule plan for the Board review and consideration of proposed changes ~~prior to the annual deadline~~ to amend the Rules and Regulations, and determination of communications strategy and advocacy to help the HOD make informed decisions, with understanding of the rationale for and implications/intended benefits of Board-proposed legislative changes.
 - E. ~~Policy Review~~Strategic Planning Review: How the Board will systematically review its governing policies, with emphasis on strategic planning (short and long term) and its Ends, over the course of the year/quadrennium (e.g., by priority, by topic, or by emphasis of the Board's choosing).
 - F. **Assessment/Evaluation of CEO Performance:** Reviewing the schedule of planned monitoring activities to assure performance on *Ends/Priority Results* Policies and adherence to *Management Parameters* Policies.
 - G. **Self-Assessment:** Methods and timeline for periodic evaluation of how well the Board is fulfilling its role (i.e., in accordance with *Board Process* Policies and *Board-Management Delegation* Policies) and open discussion of how the Board's performance can be improved. At least once per quad, the Board will perform a self-evaluation using a USOPC-provided resource.
 - H. **Meeting Schedule/Locations:** Confirmation of the meeting schedule for the coming year to maximize Board member attendance and participation.
 - I. ~~Social Engagement: To build its effectiveness as a leadership team, the Board will include periodic team building activities in conjunction with its meetings.~~

3. **Meeting Agendas:** The Board Chair will determine the agenda for each Board meeting, although Board members and the CEO may request or recommend any appropriate matters for Board consideration.
 - A. A Board member or the CEO may recommend or request a matter for Board discussion by submitting the item to the Board Chair at least twenty-one (21) days prior to the regularly scheduled Board meeting.
 - B. To ensure Board member preparation and informed participation, meeting agendas and packets (background materials for decision items on the agenda, monitoring reports, etc.) are to be received by Board members at least seven (7) days prior to the regularly scheduled Board meeting.
 - C. Additional matters may be added to the agenda of any regularly scheduled Board meeting by the Board Chair and/or the CEO, or by affirmative vote of a majority of those present.
 - D. Meeting minutes from the prior meeting must be approved by the Board at each meeting. Minutes must document attendance for the meeting and include a summary of the discussion topics and content for the meeting. Minutes must include any Conflict of Interest disclosures, which will be requested by the Board Chair at the start of each meeting. Minutes must also include any recusals from discussions, votes, or the meeting (including when a Board member leaves and re-enters the meeting room or videoconference).
4. **CEO Performance Monitoring:** As a core element of the CEO's evaluation process (Policy 4.4 *Monitoring CEO Performance*), the Board will act on the CEO's monitoring reports received prior to the meeting, determining by majority vote whether the report:
 - A. Conveys a reasonable interpretation of the respective Policy's provision(s).
 - B. Provides reasonable substantiation of compliance with the Policy's provision(s), as interpreted
5. **CEO Annual Compensation Review:** As part of the Board's annual performance evaluation of the CEO, each year at the November meeting, the Board will summarize and review its judgments of monitoring activities (monitoring reports, audits, etc.) received during the last year and will determine any adjustments of the CEO's compensation and benefits, to be effective as of January 1. After that discussion, and prior to December 15, a subgroup of the Board selected by the Board Chair will meet and share with the CEO the Board's overall judgments of performance, including qualitative feedback. Determinations of any performance bonus/incentive compensation for a calendar year shall be determined at the first meeting of the subsequent calendar year and paid no later than February 28th.
6. **Closed Sessions:** The Board may convene, by majority vote, in closed session whenever it deems such closed session to be in the best interest of the organization, and the closed session will be attended only by Board members and others specifically invited by the Board Chair or the Board by majority vote. Board members, staff, and other persons present shall not discuss or disclose closed session proceedings outside of the closed session without prior authorization of the Board. High-level topics discussed in closed session are to be reflected in meeting minutes.



Policy 2.6 Board Members' Individual Responsibilities

Date of adoption / Last revision: ~~December 6, 2021~~ [January 28, 2023](#)

Board member engagement and participation is integral to the Board's leadership. Therefore, each Board member is expected to fulfill the following responsibilities:

1. **Commitment:** Board members are expected to, upon appointment or election to the Board and annually, sign a Letter of Commitment indicating that they have reviewed and commit to abide by the Articles of Incorporation, the Bylaws, future Board resolutions, the Rules and Regulations, including the Code of Conduct, and the Governing Policies.
2. **Attendance:** Board members are expected to attend Board meetings on a regular and punctual basis. Absence from more than one of the regularly scheduled meetings in the Board's annual planning cycle will constitute that member's resignation from the Board. The annual planning cycle starts upon adjournment of the HOD annual meeting.
 - A. In case of extenuating circumstances, a Board member may request a waiver to this provision. Waivers may be granted by vote of the Board or at the discretion of the Board Chair. In the latter case, the Board Chair shall inform the Board of such waiver.
3. **Preparation and Participation:** Board members are expected to review agenda materials in advance of Board and committee meetings and to participate productively in discussions.
4. **Stewardship:** Board members are expected to be alert to the concerns of the membership, the USOPC, and the American public that can be addressed through USA Swimming's mission and Ends.
5. **Responsiveness:** Board members will be attentive to Board communications and respond promptly to staff and Board member requests for feedback.
6. **CEO Relationship:** The CEO is accountable to the Board as a whole and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the Board Chair, is collegial and not hierarchical.
7. **Volunteerism:** Board members may individually volunteer in operational capacities. In such situations, they are subject to the direct supervision of the CEO or responsible staff person.
8. **Members in Good Standing:** As Board members are recognized representatives of USA Swimming, they are expected to remain in good standing within the sport and their respective communities.
9. **Contributions to USA Swimming Foundation:** Each Board member is expected and required to make an annual personal financial contribution to the USA Swimming Foundation. The demonstration of support, rather than the amount of the contribution, is of principal importance.
- ~~10.~~ **Participation in Organizational Activities:** Board members are also encouraged to (i) promote and support the activities of the USA Swimming Foundation; and (ii) attend the annual meeting of the HOD, and (iii) attend the USA Swimming National Workshop.
- ~~10.~~ **11. [Anti-Discrimination Training: Board members must participate in annual anti-discrimination training, provided by the USOPC.](#)**

USA SWIMMING WHISTLEBLOWER AND ANTI-RETALIATION POLICY

Revised: [January 28, 2023](#)

PURPOSE: The purpose of this Whistleblower and Anti-Retaliation Policy (the “Policy”) is to

- (i) encourage and provide a mechanism for USA Swimming, Inc. (“USA Swimming”) Board members, officers, employees, members, athletes, committee members, task force members, hearing panel members, and volunteers (“Covered Individuals”) to report alleged Retaliation (defined below);
- (ii) encourage cooperation in inquiries and investigations of reported Retaliation;
- (iii) protect Covered Individuals, including any good faith reporter or other reasonable party (e.g. witnesses, victims, etc.), from (a) intimidation or threats to prevent good faith reporting of violations under the jurisdiction of USA Swimming’s National Board of Review (“NBOR”), the USA Swimming Board of Directors, the U.S. Olympic & Paralympic Committee (the “USOPC”), ~~the~~ U.S. Center for SafeSport (the “Center”), law enforcement or other governmental or administrative body (b) Retaliation for good faith reporting of alleged violations, or (c) any other form of Retaliation; and
- (iv) encourage individuals to report any alleged ~~violations~~ [Violations](#)¹ in good faith, as well as alleged Retaliation described in (iii).

Additionally, where reasonable, contractors shall be required to comply with this Policy in their written contracts.

RETALIATION: No Covered Individual shall suffer harassment, intimidation, adverse employment or livelihood consequences, or any other form of retaliation (“Retaliation”) for (i) making a good faith report of a ~~violation~~¹ [Violation](#) to USA Swimming, the USOPC, the Center, law enforcement, or other governmental or administrative body; or (ii) participating in an investigation by USA Swimming, the USOPC, or the Center, or an inquiry or investigation by any court, law enforcement, or other governmental or administrative body. “Retaliation” also includes retaliation as described in Article 307 of the USA Swimming Rulebook² and the definition of retaliation included in Section 220501(b)(11) of the Ted Stevens Olympic and

¹ Violations covered under this Policy include, but are not limited to, compliance with the Act, the USOPC Bylaws and policies, USA Swimming’s Bylaws, policies, and procedures, ~~and~~ state and federal laws, [and accounting and financial practices](#), (“Violations”).

² **ARTICLE 307 PROHIBITIONS AGAINST RETALIATION FOR GOOD FAITH REPORTING OF ABUSE**

307.1 No Member shall retaliate against any individual who has made a good faith report under 306.1 or 304.3.14.

307.2 For the purposes of 307.1, there shall be a rebuttable presumption that any adverse action regarding the employment, membership, or other material rights of an individual who has made a good faith report under 306.1 or 304.3.14 within 90 days of a report is retaliatory. An adverse action includes, without limitation: discharge or termination; demotion or reduction in compensation for services; or the removal of or from, or restrictions on, access to facilities, team activities or team membership privileges.

Amateur Sports Act (the “Act”).³

Additionally, no employee, contractor, agent, volunteer, or USA Swimming itself shall take or threaten to take any action against an athlete as a reprisal for disclosing information to or seeking assistance from the Office of the Athlete Ombuds as outlined in Section 220509(b)(5) of the Act.

REPORTING PROCEDURE: Covered Individuals ~~have a responsibility~~ are required to report (in good faith) Retaliation to USA Swimming’s Ethics Committee, at the following email address: ethicscommittee@usaswimming.org. Reports may be submitted anonymously (though it may be more difficult to investigate anonymous reports). As members of the Ethics Committee, the following individuals will receive any reports sent to the Ethics Committee’s email address: a 10-Year Athlete representative of the Board of Directors, an Independent⁴ Board Member, a Semi-Independent⁵ member of USA Swimming, and USA Swimming’s Secretary & General Counsel.

Covered Individuals are also required to report Violations to the appropriate party with jurisdiction over the Violation (e.g., the USA Swimming National Board of Review, the USOPC, etc.). Knowingly making a false report is also a violation of this Policy and must be reported by any Covered Individual as such.

All athlete safety violations must be reported; however, cComplaints of Retaliation that fall under the exclusive jurisdiction of the Center should be directed to the Center. Nothing in this Policy replaces or changes an individual’s obligations under the SafeSport Code for the U.S. Olympic and Paralympic Movement. If the Ethics Committee receives a complaint that may fall under the Center’s jurisdiction, it must send the complaint to USA Swimming’s Program Director, Safe Sport, who will confirm whether the Center has exclusive jurisdiction over the matter and, if so, will make a report with the Center.

INVESTIGATION: Upon receipt of a filed complaint, the Ethics Committee shall promptly perform an initial inquiry and, as appropriate, The Ethics Committee will review and initiate an investigate investigation of reports of -Retaliation. A complaint may not warrant investigation following an initial inquiry if, for example, the Ethics Committee determines that it does not have jurisdiction over the matter under this Policy, if there is insufficient evidence, or if the reporting party declined to participate in the initial inquiry. If a member of the Ethics Committee is allegedly involved in or witness to the Retaliation, they will recuse themselves from the investigation.

After the initial inquiry and investigation ~~is~~ are complete, the Ethics Committee may decide to

³ “[A]ny adverse or discriminatory action, or the threat of an adverse or discriminatory action, including removal from a training facility, reduced coaching or training, reduced meals or housing, and removal from competition carried out against a Protected Individual as a result of any communication, including the filing of a formal complaint, by the Protected Individual or a parent or legal guardian of the Protected Individual relating to the allegation of physical abuse, sexual harassment, or emotional abuse, with the U.S. Center for SafeSport; a coach, trainer, manager, administrator, or official associated with the USOPC; the United States Attorney General; a federal or state law enforcement authority; the Equal Opportunity Employment Commission; or Congress.” Section 220501(b)(11) of the Act.”

⁴ As defined by USA Swimming Bylaw 4.6.4.

⁵ As defined by USA Swimming’s Rules & Regulations.

initiate a complaint in the name of the Ethics Committee by filing the complaint with the NBOR Chair and requesting a hearing. If the Ethics Committee does not decide to initiate a complaint [following an investigation](#), it may advise the complaining party that, while the Ethics Committee will not initiate a complaint in its own name, the complaining party may still file their complaint directly with the NBOR Chair. If the complaining party chooses to go forward with the complaint, the NBOR Chair may then decide to either assign the matter for hearing or dismiss the complaint. Following a hearing and decision of the NBOR, any real party in interest may appeal any decision of the NBOR pursuant to Article 407 of the Rulebook.

USA Swimming may discipline (up to and including by termination of employment or other association with USA Swimming) a Covered Individual for any such Retaliation. A Covered Individual making a report of a Retaliation in bad faith may be subject to disciplinary action.

The Ethics Committee should coordinate with USA Swimming's [Director of Human Resources & Employee Engagement Manager, Human Resources, Payroll & Benefits](#) if it receives any allegations of retaliation involving employees. If during an investigation, the Ethics Committee finds that an employee has retaliated against a "Protected Individual",⁴ the Ethics Committee must immediately report the retaliation to USA Swimming; USA Swimming must immediately terminate or suspend that individual without pay as required by Section 220509(c)(2) of the Act.

CONFIDENTIALITY: All such reports will be treated as confidentially as possible, given that there may need to be some disclosure to conduct the investigation. [For example, USA Swimming may need to waive confidentiality under this Policy based on legal reporting requirements.](#)

USA SWIMMING
STATEMENT OF ETHICS AND CONFLICT OF INTEREST POLICY

Revised: January 28, 2023

SECTION 1. STATEMENT OF ETHICS

USA Swimming, Inc. (“USA Swimming”) seeks to promote a culture of ethical conduct within its organization and throughout its membership. USA Swimming is committed to developing and implementing policies and procedures to equip its members with the guidance and resources necessary to navigate ethical issues. This Statement of Ethics and Conflict of Interest Policy (“Conflict of Interest Policy”) ~~are~~is intended to reflect certain organizational values, including respect for others, integrity and honesty, competence and accountability, and teamwork.

SECTION 2: CONFLICT OF INTEREST POLICY PURPOSE AND COVERED INDIVIDUALS

USA Swimming’s Board of Directors (the “Board”), officers, committee members, task force members, hearing panel members, volunteers, and employees (“Covered Individuals”) have the responsibility of administering the affairs of USA Swimming honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of USA Swimming. Those persons shall exercise the utmost good faith in all activities and transactions involved in their duties, and they shall not use their positions within USA Swimming, or knowledge gained there from, for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

USA Swimming requires that Covered Individuals recognize and avoid activities, transactions, relationships, or investments that involve, might appear to involve, or could result in a potential conflict of interest. Additionally, where reasonable, contractors shall be required to comply with this Conflict of Interest Policy in their written contracts.

SECTION 3. CONFLICT OF INTEREST DEFINITION

A conflicting interest may be defined as an interest or relationship, direct or indirect, with any of the following:

1. Persons and firms supplying goods and services to USA Swimming.
2. Persons and firms from whom USA Swimming leases property and equipment.
3. Persons and firms with whom USA Swimming is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting USA Swimming.
6. Agencies, organizations, and associations which affect the operations of USA Swimming.
7. Relatives, friends, close associates, and other employees.

Such an interest might arise through the following activities, including but not limited to:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with USA Swimming.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with USA Swimming.

3. Receiving remuneration for services with respect to individual transactions involving USA Swimming.
4. Using USA Swimming's time, personnel, equipment, supplies, or goodwill for anything other than USA Swimming-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with USA Swimming.¹

For example, a member of the USA Swimming Nominating Committee (including athlete members) may have a potential conflict of interest if a family member is applying for nomination to the Board.

In the event an individual is unsure whether they may have a potential conflict of interest, they should contact the Ethics Committee.

SECTION 4. CONFLICT OF INTEREST POLICY INTERPRETATION

The relationships and activities of potentially conflicting interest listed in Section 3 are not exhaustive. Conflicts might arise through other relationships or activities. Covered Individuals must recognize such relationships and activities by analogy.

The fact that one of the interests described in Section 3 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of USA Swimming. However, Covered Individuals must disclose the existence of any of the relationships and/or activities described in Section 3 before any related transaction is consummated. It shall be the continuing responsibility of Covered Individuals to scrutinize their transactions and outside business interests, investments, and relationships for potential conflicts and to immediately make such disclosures to USA Swimming.

Additional guidelines intended to assist Covered Individuals when making personal decisions relating to ethical behavior and conflict of interest include:

1. The business of USA Swimming is to be conducted in observance of both the spirit and letter of applicable federal and state laws.
2. USA Swimming properties, services, opportunities, authority, and influence are not to be used for private benefit.
3. Expenses incurred in furtherance of USA Swimming business are to be reasonable, necessary, and substantiated.
4. All are expected to exhibit honesty, loyalty, candor, and professional competence in their relationships with USA Swimming and with each other.
5. Each Covered Individual has the responsibility to maintain the confidentiality of the organization. This includes both proprietary and sensitive information.

SECTION 5. DISCLOSURE POLICY

Each Covered Individual shall annually sign a Disclosure Statement which affirms such individual:

¹ Additional information regarding the receipt of gifts is outlined in USA Swimming's Gifts and Entertainment Policy.

1. Has received a copy of this Conflict of Interest Policy,
2. Has read and understands this Conflict of Interest Policy,
3. Has agreed to comply with this Conflict of Interest Policy, and
4. Understands that USA Swimming is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

As new potential conflicts of interest arise, Covered Individuals must update their written disclosure.

Moreover, Board and committee minutes must include the following when a potential conflict of interest is involved in a discussion:

1. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Ethics Committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 6. DISCLOSURE PROCEDURE

All Disclosure Statements will be provided to the Ethics Committee for review. The Ethics Committee must document its review of any disclosures, by ~~confirming by signature on the Disclosure Statement that~~ demonstrating in its meeting minutes that each Disclosure Statement has been considered and drafting a memorandum to the Ethics Committee's file containing the evaluation of each disclosure. After disclosure of the conflict or potential conflict of interest and all material facts, and after any needed discussion with the interested person, the Ethics Committee shall decide if a conflict of interest exists and if there are mitigating measures that could be implemented to permit USA Swimming to move forward with the transaction or activity. If a member of the Ethics Committee discloses a conflict of interest or potential conflict of interest, that member will recuse themselves from any discussion of the Disclosure Statement.

If the Ethics Committee determines that Covered Individuals must take certain steps to manage or avoid their potential conflict, that direction on conflict mitigation must be provided to the Covered Individual in writing and the Covered Individual must acknowledge receipt and understanding in writing, including recognition that directives must be followed as a condition of membership.

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following, at a minimum, are observed:

1. The conflicting interest is fully disclosed to the Ethics Committee;
2. The Ethics Committee has reviewed the Disclosure Statement and considered alternatives to the proposed transaction or arrangement.
3. If the Ethics Committee determines that a more advantageous transaction or arrangement, free of any potential conflict of interest, is not reasonably possible under circumstances, the Ethics Committee shall determine whether the transaction or arrangement is in USA Swimming's best interest, for its own benefit, and whether it is fair and reasonable.
4. In conformity with the above determination, the Ethics Committee shall inform the Covered Individual and the Board or committee in writing whether there is a

- conflict of interest precluding USA Swimming from entering into the transaction or arrangement, or if there are mitigating measures that may be implemented to alleviate concerns regarding the potential conflict of interest.
5. The person with the conflict of interest must be excluded from the discussion and approval of such transaction.

Additionally, the following individuals must complete separate disclosure forms:

1. Members of the Selection Procedure Approval Committee, who are responsible for the creation and enforcement of selection procedures
2. Head Coaches and Assistant Coaches responsible for relay selection;
- 2.3. Any staff members involved in the creation and enforcement of selection procedures; and
- 3.4. Members of any panel empowered to resolve grievances

The Secretary & General Counsel will distribute disclosure forms to the individuals listed above prior to (a) creating and enforcing a selection procedure or (b) sitting on a grievance panel. To the extent that any conflicts are identified in these Disclosure Forms, the Ethics Committee will review these Disclosure Forms as outlined above, prior to that individual's service.

SECTION 7. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

Members of USA Swimming must report potential ~~conflicts of interest~~ violations of this Policy to the Ethics Committee; USA Swimming strictly prohibits any retaliation for reporting any alleged violations of this Conflict of Interest ~~policy~~Policy.

The Ethics Committee will investigate reports of any alleged violation of this Conflict of Interest Policy; if the Ethics Committee has reasonable cause to believe a Covered Individual has failed to disclose an actual or possible conflict of interest, or if the Ethics Committee determines that a Covered Individual has not followed one of its directives subsequent to disclosure, it shall inform the Covered Individual of the basis for such belief and afford the Covered Individual an opportunity to explain the alleged failure to disclose.

After the Ethics Committee reviews the Covered Individual's response, it will generate a report of its investigation and findings, and submit such report to all interested parties, as well as to the President & Chief Executive Officer (the "CEO") of USA Swimming and the Board, via email. If the Ethics Committee determines the Covered Individual has failed to disclose an actual or possible conflict of interest, or violated one of its directives following a disclosure, it will take appropriate and reasonable disciplinary and corrective action, including, but not limited to, retroactive disclosure and/or removal from the Covered Individual's leadership position(s) within the organization. The severity of the disciplinary or corrective action will depend upon the severity of the violation.

In the event a member of the Ethics Committee is the subject of the alleged violation and subsequent investigation, the CEO shall refer the matter to outside counsel.

Any appeal of the Ethics Committee's decision shall be referred to the National Board of Review.

SECTION 8. CONTACT INFORMATION

The USA Swimming Ethics Committee and the Secretary & General Counsel are responsible for the enforcement of this Conflict of Interest Ppolicy. All inquiries and questions should be referred to the Ethics Committee or the Secretary & General Counsel:

ethicscommittee@usaswimming.org

Michelle Steinfeld

msteinfeld@usaswimming.org

719-866-3594

SECTION 9. ADDITIONAL RESOURCES

Athlete Ombuds

The Office of the Athlete Ombuds offers independent, confidential advice to elite athletes regarding their rights and responsibilities in the Olympic and Paralympic Movement, and assists athletes with a broad range of questions, disputes, complaints and concerns.

Athlete Ombuds Confidentiality and Privacy Policy

- (A) In general.—The Office of the Athlete Ombuds shall maintain as confidential any information communicated or provided to the Office of the Athlete Ombuds in confidence in any matter involving the exercise of the official duties of the Office of the Athlete Ombuds. (B) Exception.—The Office of the Athlete Ombuds may disclose information described in subparagraph (A) as necessary to resolve or mediate a dispute, with the permission of the parties involved. (C) Judicial and administrative proceedings.—(i) In general.—The ombudsman and the staff of the Office of the Athlete Ombuds shall not be compelled to testify or produce evidence in any judicial or administrative proceeding with respect to any matter involving the exercise of the duties of the Office of the Athlete Ombuds.
- (B) Work product.—Any memorandum, work product, notes, or case file of the Office of the Athlete Ombuds—(I) shall be confidential; and (II) shall not be—(aa) subject to discovery, subpoena, or any other means of legal compulsion; or (bb) admissible as evidence in a judicial or administrative proceeding. (D) Applicability.—The confidentiality requirements under this paragraph shall not apply to information relating to—(i) applicable federally mandated reporting requirements; (ii) a felony personally witnessed by a member of the Office of the Athlete Ombuds; (iii) a situation, communicated to the Office of the Athlete Ombuds, in which an individual is at imminent risk of serious harm; or (iv) a congressional subpoena.

Contact Information

Phone: 719-866-5000

Email: ombudsman@usathlete.org

Website: usathlete.org

USOPC Ethics & Compliance

The USOPC Ethics and Compliance team seeks to empower athletes, USOPC employees and volunteers, NGB employees and volunteers, and other individuals within the U.S. Olympic and Paralympic Movement to raise and report their concerns. Specifically, the USOPC's Ethics and Compliance team reviews and investigates certain reports regarding NGB compliance with the

Ted Stevens Olympic and Amateur Sports Act and the USOPC or NGB Bylaws, including conflicts of interest and governance issues. The team also reviews and investigates allegations of USOPC non-compliance and alleged code of conduct violations.

The USOPC Ethics and Compliance team accepts reports related to NGB compliance with the Ted Stevens Olympic and Amateur Sports Act and the USOPC or NGB Bylaws, including conflicts of interest and governance issues, as well as allegations of USOPC non-compliance and alleged code of conduct violations, including discrimination claims.

Contact Information

Any individual may report concerns confidentially, or anonymously, online using the USOPC Integrity Portal (<https://secure.ethicspoint.com/domain/media/en/gui/53006/index.html>). If preferred, individuals may call the USOPC Integrity Hotline at 1-877-404-9935 to report their concern over the phone.

33.0 Zone Sanction Appeal Process

Date of adoption / Last revision: *Revised February 19, 2021*

RATIONALE

- 1) To establish a consistent appeal process for a meet host whose request for sanction or approval is denied by an LSC.
- 2) To allow for review of denials to make certain such denials are not limiting competitive opportunities for athletes.

AUTHORITY OF THE LSC

- 1) Each LSC has been authorized by USA Swimming to issue the sanction or approval for all swimming competitions and benefits, exhibitions, clinics, and entertainment involving competitive swimming within its geographical boundaries as described in Article 202 of the USA Swimming Rules and Regulations.
- 2) Additional requirements/conditions for sanction or approval may be established by a vote of the LSC House of Delegates in accordance with LSC bylaws.
- 3) The LSC has the right and authority to establish and collect relevant entry fees.
- 4) Prospective hosts must adhere to the LSC published guidelines, deadlines, and procedures.
- 5) Prospective hosts must follow USA Swimming rules and guidelines.

LSC REQUIREMENTS

As part of the sanction and approval process delegated by USA Swimming to LSCs, each LSC must:

- 1) Establish submission deadlines for sanction or approval applications and publish such deadlines along with relevant instructions and forms.
- 2) Establish and publish policies regarding applications submitted as well as relevant fees and penalties.
- 3) Establish and publish policies regarding applications submitted after the published deadlines citing relevant fees and penalties.
- 4) Provide written notification within ten (10) days to the applicant citing the reason for the denial and of the appeals process.
- 5) Update LSC policies and procedures as needed to reflect deadlines and instructions.

If an individual or entity has reason to believe that a meet host and/or LSC has violated USA Swimming's conditions of sanction (i.e. Rules 202.5.1-.10 in the USA Swimming Rules & Regulation), those concerns should be reported to USA Swimming's Safe Sport Division at safesport@usaswimming.org during, or immediately following, the meet.

AUTHORITY OF THE ZONE SANCTION APPEAL PANEL (ZSAP)

- 1) To review applicable LSC rules and policies as well as the prospective host/petitioner's actions to determine whether applicable rules and policies were followed and fairly applied.
- 2) The ZSAP does not have the authority to overrule LSC regulations and policies.
- 3) The ZSAP does not have the authority to establish entry fees.
- 4) The ZSAP is authorized to require an LSC to issue a sanction or approval except in those instances where, in the ZSAP's judgment, the sanction or approval was denied because the application was in conflict with a policy adopted by the LSC House of Delegates or because the application was in conflict with USA Swimming rules or requirements.

STANDARD TIMELINE AND PROCEDURES FOR AN APPEAL

To ensure that the Zones conduct the Zone Sanction Appeal process consistently, the following standard timeline and procedures for an appeal must be followed.

- 1) Each Zone shall designate a group of coaches, referees, and athletes available to serve on an Appeal Panel.
- 2) Each Zone shall also designate and publish the Zone Director to whom petitions are to be submitted.
- 3) A petitioner must file an appeal in writing with the designated Zone Director within **5 days of denial** of sanction by the applicable LSC.
- 4) Within 24 hours, the designated Zone Director shall provide a written response to the petitioner acknowledging receipt of the appeal.
 - a. If the petitioner does not receive acknowledgement within 24 hours from the designated Zone Director, the petitioner shall immediately contact the other Zone Director in writing.
 - b. The other Zone Director shall attempt to contact the designated Zone Director within 24 and, if unable to do so, the other Zone Director shall convene the ZSAP.

Note 1: The Zone Directors shall make every effort to adhere to a 24-hour timeline in convening the ZSAP. Failure to do so does not void the appeal or the decision.

Note 2: Even if initial contacts are made via phone, appeal requests and confirmation must be reduced to writing.

- 5) When an appeal is filed, the Zone Director shall notify the LSC and appoint a panel made up of a coach, referee, and athlete, each from a different LSC and none from the petitioner's LSC.
- 6) Documentation to be presented to the ZSAP by petition includes, at a minimum:
 - a. Meet information
 - b. Process followed by petitioner
 - c. Reasons for appeal
- 7) Documentation to be presented to the ZSAP by LSC includes, at a minimum:
 - a. Reason for denial
 - b. Pertinent LSC rules, timeline, process
- 8) The Zone Director convening the ZSAP shall provide the ZSAP with all pertinent written documentation for review and consideration. The ZSAP shall decide the matter within five (5) days of convening the ZSAP.
- 9) The ZSAP shall notify the Zone Director convening the ZSAP of its decision in writing.
- 10) The Zone Director convening the ZSAP shall notify the petitioner and the applicable LSC of the ZSAP decision.
- 11) The ZSAP decision is final and there are no further appellate opportunities.

- 12) The ZSAP Chair will complete a standard one-page report to document the decision.

ZONE SANCTION APPEAL PANEL (ZSAP) ELIGIBILITY SELECTION

- 1) Each Zone shall designate a group of individuals eligible to sit on a Zone Sanction Appeal Panel (ZSAP).
- 2) Designees shall be named for a one-year term by October 1 of each year and shall be eligible for reappointment.
- 3) When a petition is received, the Zone Director shall appoint a panel made up of a coach, a referee, and an athlete, each from a different LSC and none from the petitioner's LSC.
- 4) The ZSAP shall select its panel chair and all three members must participate in the appeal.

ZSAP INITIAL QUESTIONNAIRE

In order to facilitate a cohesive, fair, and consistent process, all ZSAP panels should use the following questions at the beginning of each initiated panel.

1. Did the LSC that has denied the sanction clearly communicate its rules and deadlines in a reasonable amount of time?
2. Did the appellant follow the rules and deadlines of the LSC?
3. Did the LSC provide a reasonable and concise explanation as to why the sanction was denied?
4. Did the LSC provide the appellant with the appropriate information concerning the appeal process within a reasonable period of time?
5. Did the LSC and the appellant try to come to an agreement before the appeal was filed?

Please see:

Appendix XIV: ZSAP Report Form

Appendix XV: Sanction Review Process - Questions & Scenarios

Performance Monitoring Report

TO: USA Swimming Board of Directors
FR: Tim Hinchey, Chief Executive Officer
RE: Internal Report – Ends
Annual Monitoring on **Policy 1.0: Broadest End – Growth and Success of Swimming**
DA: January 18, 2023

I hereby present the monitoring report on the Board's Broadest Ends Policy 1.0 "Growth and Success of 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 January 18, 2023.

Signed , President & CEO

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

CEO'S INTERPRETATION: (No changes since last report)

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

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

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

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

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

To summarize:

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

REPORT:

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

Our Ends reports have conveyed to the Board certain results areas in which we have had significant achievements and others in which performance must improve. As we head into the second year of a new three-year quad, our staff remains hyper focused on athlete safety, successful coaches and clubs, public engagement with the sport of Swimming and competitive success.

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 1.3: Public Engagement with Swimming**
DA: January 18, 2023

I hereby present the monitoring report on the Board's Ends policy 1.3 "Public Engagement with Swimming," in accordance with the monitoring schedule set forth in Board policy. The information contained in this report is true for the year ended January 18, 2023.

Signed , President & CEO

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

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

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

PROVISION A: "Swimming achieves water safety awareness and swimming skills to save lives."

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

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

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

Key Performance Indicators:

1. Annual reduction in drownings (to be assessed using CDC data or Total Aquatic Programming data, as available) (2019: 4532)
2. Priority for reduction – age 19 and under (to be assessed using CDC data or Total Aquatic Programming data, as available) (2019: 925)
3. Increase in the Swim Lesson Provider Network programs by 150 programs (1646)

REPORT:

| Key Performance Indicators | 2022 Results | | | | | Achievement | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|------|------------------------------|------|-------|-------|------|-----------------------------|-------|-------|-------|------|------------------------------------------|-------------------------|-------------------------|------------------------|-----|---------------------|----------------|----------------|-----------------|--|----|
| 1. Annual reduction in drownings (to be assessed using CDC data or Total Aquatic Programming data, as available) | <table><tr><th>CDC DATA</th><th>2018</th><th>2019*</th><th colspan="2">2020*</th></tr><tr><td>Drowning Deaths – All ages</td><td>3,710</td><td>4,532</td><td colspan="2">5,007</td></tr><tr><td>Highest rate</td><td>Children 4 & under: 482</td><td>Children 4 & under: 434</td><td colspan="2">Children 4 & under 482</td></tr><tr><td>Second highest rate</td><td>Age 30-34: 242</td><td>Age 55-59: 344</td><td colspan="2">Ages 25-29: 367</td></tr></table> | | | | | CDC DATA | 2018 | 2019* | 2020* | | Drowning Deaths – All ages | 3,710 | 4,532 | 5,007 | | Highest rate | Children 4 & under: 482 | Children 4 & under: 434 | Children 4 & under 482 | | Second highest rate | Age 30-34: 242 | Age 55-59: 344 | Ages 25-29: 367 | | No |
| | CDC DATA | 2018 | 2019* | 2020* | | | | | | | | | | | | | | | | | | | | | | |
| | Drowning Deaths – All ages | 3,710 | 4,532 | 5,007 | | | | | | | | | | | | | | | | | | | | | | |
| | Highest rate | Children 4 & under: 482 | Children 4 & under: 434 | Children 4 & under 482 | | | | | | | | | | | | | | | | | | | | | | |
| | Second highest rate | Age 30-34: 242 | Age 55-59: 344 | Ages 25-29: 367 | | | | | | | | | | | | | | | | | | | | | | |
| *Reports for All Ages include those of unknown age; excludes water transport fatalities Produced by: National Center for Injury Prevention and Control, CDC Data Source: NCHS Vital Statistics System for numbers of deaths. Bureau of Census for population estimates. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Priority for reduction – age 19 and under (to be assessed using CDC data or Total Aquatic Programming data, as available) (2020: 980) | <table><tr><th>CDC DATA</th><th>2018</th><th>2019*</th><th colspan="2">2020*</th></tr><tr><td>Drowning Deaths – Ages 1-19</td><td>896</td><td>925</td><td colspan="2">980</td></tr></table> | | | | | CDC DATA | 2018 | 2019* | 2020* | | Drowning Deaths – Ages 1-19 | 896 | 925 | 980 | | No | | | | | | | | | | |
| | CDC DATA | 2018 | 2019* | 2020* | | | | | | | | | | | | | | | | | | | | | | |
| | Drowning Deaths – Ages 1-19 | 896 | 925 | 980 | | | | | | | | | | | | | | | | | | | | | | |
| | *2020 data excludes water transport fatalities Produced by: National Center for Injury Prevention and Control, CDC Data Source: NCHS Vital Statistics System for numbers of deaths. Bureau of Census for population estimates. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Increase in the Swim Lesson Provider Network programs by 150 programs (394) | <table><tr><th>Swim Lesson Provider Network</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>New Providers Added</td><td>113</td><td>352</td><td>181</td><td>149*</td></tr><tr><td>Total # of Active/ Reporting Providers**</td><td>525</td><td>594</td><td>99</td><td>394</td></tr></table> | | | | | Swim Lesson Provider Network | 2019 | 2020 | 2021 | 2022 | New Providers Added | 113 | 352 | 181 | 149* | Total # of Active/ Reporting Providers** | 525 | 594 | 99 | 394 | Yes | | | | | |
| | Swim Lesson Provider Network | 2019 | 2020 | 2021 | 2022 | | | | | | | | | | | | | | | | | | | | | |
| | New Providers Added | 113 | 352 | 181 | 149* | | | | | | | | | | | | | | | | | | | | | |
| | Total # of Active/ Reporting Providers** | 525 | 594 | 99 | 394 | | | | | | | | | | | | | | | | | | | | | |
| *Data as of 12/8/22; applications still coming in as part of the requirement for Grant eligibility **Data on number of children served is currently submitted only by new Swim Lesson Provider Network applicants and Grant applicants, and is not a reflection of the total number of youth served through the network; SWIMS will allow for annual data submissions as part of an annual registration/renewal process. The estimated total number of unique participating network programs currently housed between our two existing databases is 1,143. | | | | | | | | | | | | | | | | | | | | | | | | | | |

Drowning Reductions: While we recognize USA Swimming cannot directly control drowning deaths around all bodies of water, we do aim to have a long-term demonstratable impact on communities and access to drowning prevention, such as learn to swim programs. CDC showed in 2020 we observed higher rates of drowning among young children and teens, particularly between 1-4 years old. Industry reports suggest this is indicative of lockdowns, limited access to services and perhaps not having equipped appropriate standards. This is specific to parents and caregivers having to juggle multiple responsibilities without appropriate barriers in and around their homes. Additionally, increased rates of teen drownings (250 in 2019 to 288 in 2020) and the locations in which they took place (increase of fatalities in natural bodies of water) are indicative of youth seeking activity when options and access were highly limited.

We continue to work through our USA Swimming member clubs and partners to create solutions at the grassroots level. Learn-to-swim programs through USA Swimming member clubs and the USA Swimming Foundation serve the dual purpose of reducing drownings and creating future opportunities in aquatic-based sports, including swimming. In 2022, the USA Swimming Foundation awarded over \$932,000 to learn to swim programs across the United States. With the 2023 grant deadline recently closing on December 15, 2022, we are hopeful to provide more opportunities to fund programs directly benefiting individuals who would not otherwise have the opportunity to learn to swim. Currently, we are well over the 150 applications for the 2023 grant.

Swim Lesson Provider Network:

In the Fall of 2019, the online reporting portal was taken offline as USA Swimming and the USA Swimming Foundation began to build out new IT platforms. Since that time, enrollment reports have not been required other than a provider's initial Network application and any grant application submissions and/or reports. With the pending launch of the SWIMS database for learn to swim providers, annual enrollment data will be collected as part of an annual registration/renewal process in September of each year. The SWIMS database is being constructed to provide the necessary data points and annual registration requirements to allow for a more comprehensive collection of information and back-end reporting.

Long term impacts of the COVID-19 pandemic continue to plague drowning rates and the learn to swim industry. Learn to swim opportunities were few and far between throughout the country during the pandemic, which created high demand for current programming.

Additionally, continued instructor and lifeguard shortages remain at the forefront for most programs. USA Swimming and the USA Swimming Foundation continue to see growth and engagement in the swim lesson provider network.

Based on the unfortunate increase in drowning rates, alongside continued increase in participation in the Swim Lesson Provider Network, I report **PARTIAL ACHIEVEMENT**.

PROVISION B: “Swimming achieves sustained growth in participation at all levels.”

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

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

Key Performance Indicators:

1. Sports and Fitness Industry Association (SFIA) core (> 50x per year) team swimming participation data reflects:
 - a. Maintenance of participation in age 6-12 (285,000)
 - b. Maintenance of participation in age 13-17 (489,000)
2. USA Swimming athlete membership to increase 15% by end of membership year 08/31/2022 (295,879)

REPORT:

| Key Performance Indicators | 2022 Results | Achievement | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|--------------------------------|---------|---------|--------------------------------|---------------------|---------|---------|---------|---------|---------|---------|------|---|---|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|-----|
| <p>1. Sports and Fitness Industry Association (SFIA) core (> 50x per year) team swimming participation data reflects:</p> <p>A. Maintenance of participation in age 6-12 (285,000)</p> <p>B. Maintenance of participation in age 13-17 (489,000)</p> | <table><tr><th>SFIA DATA: Swimming on a Team Participation Total (Both overall and core)</th><th>2020 (2021 report on 2020 data)</th><th>2021 (2022 report on 2021 data)</th></tr><tr><td>Ages 6-12 – Core Participants*</td><td>285,000</td><td>334,000</td></tr><tr><td>Ages 13-17 – Core Participants</td><td>489,000</td><td>462,000</td></tr></table> <p><i>*% of total U.S. population age 6-12 who are participants</i></p> | SFIA DATA: Swimming on a Team Participation Total (Both overall and core) | 2020 (2021 report on 2020 data) | 2021 (2022 report on 2021 data) | Ages 6-12 – Core Participants* | 285,000 | 334,000 | Ages 13-17 – Core Participants | 489,000 | 462,000 | Yes | | | | | | | | | | | | | | | | | | | |
| SFIA DATA: Swimming on a Team Participation Total (Both overall and core) | 2020 (2021 report on 2020 data) | 2021 (2022 report on 2021 data) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ages 6-12 – Core Participants* | 285,000 | 334,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ages 13-17 – Core Participants | 489,000 | 462,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>2. USA Swimming athlete membership to increase 15% by end of membership year 08/31/2022 (298,769)</p> | <table><tr><th>Athlete Members</th><th>8/31/17</th><th>8/31/18</th><th>8/31/19</th><th>8/31/20</th><th>8/31/21</th><th>8/31/22</th></tr><tr><td>Premium – Full year</td><td>343,850</td><td>335,345</td><td>316,698</td><td>285,157</td><td>233,299</td><td>291,729</td></tr><tr><td>Flex</td><td>0</td><td>0</td><td>25,175</td><td>25,987</td><td>44,254</td><td>50,373</td></tr><tr><td>Total*</td><td>383,431</td><td>374,672</td><td>374,549</td><td>325,283</td><td>298,769</td><td>352,989</td></tr></table> <p><i>* Includes Premium, Flex, Open Water Single Meet, Athlete Outreach, Athlete Seasonal and Club memberships.</i></p> | Athlete Members | 8/31/17 | 8/31/18 | 8/31/19 | 8/31/20 | 8/31/21 | 8/31/22 | Premium – Full year | 343,850 | 335,345 | 316,698 | 285,157 | 233,299 | 291,729 | Flex | 0 | 0 | 25,175 | 25,987 | 44,254 | 50,373 | Total* | 383,431 | 374,672 | 374,549 | 325,283 | 298,769 | 352,989 | Yes |
| Athlete Members | 8/31/17 | 8/31/18 | 8/31/19 | 8/31/20 | 8/31/21 | 8/31/22 | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium – Full year | 343,850 | 335,345 | 316,698 | 285,157 | 233,299 | 291,729 | | | | | | | | | | | | | | | | | | | | | | | | |
| Flex | 0 | 0 | 25,175 | 25,987 | 44,254 | 50,373 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total* | 383,431 | 374,672 | 374,549 | 325,283 | 298,769 | 352,989 | | | | | | | | | | | | | | | | | | | | | | | | |

Growth in Swimming Participation:

Due to the hard work and dedication of the Sport Development division, USA Swimming staff and the Board of Directors, this year's team participation has a positive growth correlation after two years of negative impacts from the 2020 Covid-19 pandemic. The worldwide pandemic stifled youth sport participation across the globe, including within the swimming community. This year, participation data from 2021 shows a 17% increase for youth ages 6-12 years old.

We look forward to continuing to provide opportunities for maintenance within our sport through mentorship, funding and opportunities at the grassroots, LSC and national levels.

USA Swimming Athlete Membership:

Grew 18% (total), 25% (Premium) & 14% (Flex)

New opportunities have become available for athlete membership, which has contributed to an overall growth of 18% within the past year. New approaches, greater flexibility and marketing/team support to engage families with young children has continuously been made available for USA Swimming member coaches and their clubs. Due to these and other efforts, we have seen a growth of 25% for Premium membership and 14% for Flex membership.

USA Swimming also has been working to further provide resources for LSCs and clubs to help allow them take ownership of their individual participation numbers and help market their programs. Per recommendations from the Coach Advisory Council (CAC), the 2022 Marketing Toolkit was made available to all USA Swimming member clubs and LSCs in the Fall of 2022. It includes numerous templates and best practice guides which members can utilize to best fit their own specific marketing needs. Available templates include, but are not limited to downloadable graphics, sample press releases to send to local media, sample letter to parents on the benefits of participating in the sport of swimming and an example marketing day event to bring in new families. The 2023 Marketing Toolkit is being directed by the CAC to create additional marketing templates for members to use in their personalized marketing approach.

I therefore report **ACHIEVEMENT**.

PROVISION B i.: "Growth in participation in underserved/underrepresented populations."

CEO'S INTERPRETATION: (No changes since last report)

Swimming participation reflects society from a demographic standpoint.

Key Performance Indicators:

1. 21.5% multi-cultural component of USA-S membership (internal demographic guide).
2. Continue to support 12 current Community Impact Grant programs and add three (3) more.
3. Execute two MOUs with HBCUs to establish local swim programming using their facilities.

| Key Performance Indicators | 2022 Updated Results | | | | Achievement |
|------------------------------------------------------------------------------------|--------------------------------------------------|---------|----------------------------------|------------|-------------|
| 1. 21.5% multi-cultural component of USA-S membership (internal demographic guide) | | | | | Yes |
| | Year | Total | Multi-Cultural Membership Count* | Percentage | |
| | 2020 | 255,874 | 62,320 | 24.4% | |
| | 2021 | 236,481 | 51,180 | 21.6% | |
| | 2022 | 272,229 | 63,737 | 23.4% | |
| | *Disclosed respondents in USA Swimming database. | | | | |
| 2. Continue to support 12 current Community Impact | | 2021 | 2022 | | Yes |
| | Total Recipients | 12 | 22 | | |

| | | |
|-------------------------------------------------------------------------------------------|------------------------------------------|-----|
| Grant programs and add three (3) more. | | |
| 3. Execute two MOUs with HBCUs to establish local swim programming using their facilities | USA Swimming has executed five (5) MOUs. | Yes |

Alongside other benefits of the SWIMS database, we will continue to be able to gather more accurate representation from our members in years to come. Being able to track this data is imperative to help USA Swimming better identify ways to serve, market and program to specific segments of current and potential membership.

This year, we see an increase of multi-cultural members to 23.4%. Although we strive to surpass our membership numbers prior to the COVID-19 pandemic, we believe we are continuing on the trajectory to increase members of diverse backgrounds and create opportunities for underserved communities.

To date, there are 22 community-based swim clubs who receive funding from the Community Impact Grants. Through the USA Swimming Foundation, USA Swimming member clubs are eligible to receive \$5,000 annually for up to three years. Grant recipients also receive tailored business education, coach education and professional development.

In 2022, five HBCUs were granted up to \$25,000 over a three-year period to help revitalize swimming within their communities. Programs are Texas Southern University, Cheyney University, Morehouse University, Coppin State University and Grambling University. Similar to the Community Impact Grant program, these programs receive tailored business education, coach education and professional development in addition to funds.

I therefore report **ACHIEVEMENT**.

PROVISION C: "There is growth in audience engagement."

CEO'S INTERPRETATION: (Changes are italicized)

Growth of swimming audience engagement through attending swimming events and an array of digital platforms. A key strategy and impact towards this will be showcasing and promoting swimming stars and events.

Key Performance Indicators:

1. Event attendance at USA-S events (e.g., TYR Pro Swim Series, Nationals and Winter Nationals): Finals attendance as a percentage of venue capacity (aggregate per event).
 - a. Targets: Trials and Nationals - 90%
 - b. TYR Pro Swim Series - 80%
2. 2% growth in Digital Swimming Index (DSI) Individuals (i.e., total fans of USA Swimming content) (4,928,990)
 - a. Maintain number of .org individual users (2,888,402)
 - b. 5% growth in Social media followers (1,565,588)
 - c. 3% growth in Unique email subscribers (475,000)
3. 1% growth in DSI Interactions (i.e., total engagements with USA Swimming digital media) (6,021,994)
 - a. Maintain number of .org unique sessions (5,720,685)
 - b. Maintain number of Live Stream Views (284,266)
 - c. 10% growth in Podcast Downloads (17,043)

REPORT:

| Key Performance Indicators | 2022 Results | | | | | Achievement |
|---------------------------------------------------------------------------------------------------------|--------------|--------------------|------------------------------------|----------|--------------------|-------------|
| 1. Event attendance at USA-S events (e.g., TYR Pro Swim Series, Nationals and Winter Nationals): Finals | | Total Tickets Sold | Tickets Sold - Finals Session Avg. | Capacity | % of Capacity Sold | No |

| | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------|-----------|----------|---------------------------------------------------------------------|---------|
| attendance as a percentage of venue capacity (aggregate per event). a. Targets: Trials and Nationals - 90% b. TYR Pro Swim Series - 80% | Westmont | N/A | N/A | N/A | 95% - venue told us this was a sellout but can't give solid numbers | |
| | San Antonio | 4408 | 583 | 2500 | 23% | |
| | Mission Viejo | 587 | 79 | 1000 | 10% | |
| | TPSS Total | 4995 | 331 | 1750 | 42% | |
| | | | | | | |
| | Phillips 66 Int. Team Trials | 6182 | 681 | 1350 | 50% | |
| | Phillips 66 Nationals | 8292 | 837 | 1300 | 64% | |
| | Toyota US Open | 1019 | 254 | 1350 | 13% | |
| | Nationals Total | 15,493 | 591 | 1333 | 44% | |
| | | | | | | |
| 2. 2% growth in Digital Swimming Index (DSI) Individuals (i.e., total fans of USA Swimming content) (4,928,990) a. Maintain number of .org individual users (2,888,402) b. 5% growth in Social media followers (1,565,588) c. 3% growth in Unique email subscribers (475,000) | | | | | | Partial |
| | | 2021 | 2022 | Growth % | | |
| | DSI - Individuals | 4,928,990 | 5,171,674 | 5% | | |
| | .org unique visitors | 2,888,402 | 2,362,348 | -18% | | |
| | Social Media followers | 1,565,588 | 1,591,296 | 1.6% | | |
| | Unique Email subscribers | 475,000 | 1,218,030 | 156% | | |
| | | | | | | |
| 3. 1% growth in DSI Interactions (i.e., total engagements with USA Swimming digital media) (6,021,994) a. Maintain number of .org unique sessions (5,720,685) b. Maintain number of Live Stream Views (284,266) c. 10% growth in Podcast Downloads (17,043) | | | | | | Partial |
| | | 2021 | 2022 | Growth % | | |
| | DSI - Interactions | 6,021,994 | 5,409,069 | -10% | | |
| | .org unique sessions | 5,720,685 | 4,858,704 | -15% | | |
| | Competition Live Stream Views | 284,266 | 521,255 | 83% | | |
| | Total HH Broadcast views * | 17,043 | 29,110 | 71% | | |
| | | | | | | |

REPORT:

Event Attendance at USA-S Events:

TYR Pro Swim Series – The event calendar in 2022 was significantly impacted by the effects of COVID-19 and an evolving Fina (now World Aquatics) calendar. We had to cancel the January meet in Knoxville due to the Omicron variant, and the dates of the remaining three meets were adjusted to accommodate first a cancelation of World Championships in Fukuoka and then the reassignment of a World Championships in Budapest. The Mission Viejo meet was the biggest casualty of these schedule changes as the athlete roster was not as strong for that meet. The Westmont meet was a bright spot in an otherwise chaotic spring, as the venue sold out in its first major national level meet.

We conducted two major “nationals” in spring/summer of 2022. The Phillips66 International Team Trials in Greensboro in April served to select the summer World Championship and Junior PanPacs teams. The Phillips66 National Championships in Irvine in July was our traditional late summer championship meet just prior to Speedo Junior Nationals in the same location. The Toyota US Open in December serves as “Winter Nationals.” Low attendance numbers in Greensboro were surprising given the breadth of talent, but the variability in the ticket reports we received from those two meets in the same venue has us questioning their validity and considering mandating a standard ticket system for all national-level USA Swimming events. Additionally, the Commercial team in Q3 of 2022 developed a standardized marketing toolkit for all venues to utilize to drive attendance.

Digital Swimming Index:

It is not unusual to see a dip in unique website viewers the year following a Trials/Games year. Much of this can be attributed to fewer people looking at times results and time standards or just a general lack of new public interest in swimming the year after a Games. The 156% growth in email subscribers directly points to the launch of Online Member Registration in 2022. We will continue to foster and promote the Kickset podcast, which is showing strength in its ability to reach fans of the sport. We will also continue to invest in the quality of our livestream offerings and in upcoming video on demand opportunities. The Commercial team will be recommending slightly adjusted metrics for 1.3C to account for new technology tools that were not available when the DSI was created in 2017.

I therefore report **PARTIAL ACHIEVEMENT**.

PROVISION D: “There is growth in member communication engagement.”

CEO’S INTERPRETATION: *(Changes are italicized)*

Growth in engagement with USA Swimming member communications (newsletters, announcements, etc.). Key strategies towards this will be optimizing email content and deliverability.

Key Performance Indicators:

1. Average 20% on open rates on member-targeted email communications and newsletters *(30.5%)*
 - a. 25% open rates on member-targeted communications *(33.2%)*
 - b. 15% open rates on newsletters *(26.9%)*

REPORT:

| Key Performance Indicators | 2022 Results | | | Achievement |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------|-------------|-------------|
| 1. Average 20% on open rates on member-targeted email communications and newsletters <i>(30.5%)</i> a. 25% open rates on member-targeted communications <i>(33.2%)</i> b. 15% open rates on newsletters <i>(26.9%)</i> | | 2021 | 2022 | Yes |
| | Open rates for all direct digital comms | 30.5% | 55.6% | |
| | Open rates for emails | 33.2% | 57.7% | |
| | Open rates for newsletters | 29.6% | 48.5% | |

In 2021, we averaged a very healthy 30.5% open rate for member-targeted communications, so with a 55.6% open rate in 2022, we’re seeing an even greater level of engagement with our membership. We must remain targeted and relevant in the emails and newsletters we send; as soon as our communications feel promotional or unnecessary, our open rates will decline. Emails and newsletters continue to be a primary driver of direct


communication to our membership, and our larger email subscriber base (due to OMR) will allow us to reach more members with direct digital communications.

I therefore report **ACHIEVEMENT**.

Performance Monitoring Report

TO: USA Swimming Board of Directors
FR: Tim Hinchey, Chief Executive Officer
RE: Internal Report – Management Parameters
Annual Monitoring on **Policy 3.3: Treatment of Employees and Volunteers**
DA: January 18th, 2023

I hereby present the monitoring report on Management Parameters Policy 3.3 “Treatment of Employees and Volunteers,” 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 January 18, 2023.

Signed , President & CEO

BROADEST POLICY PROVISION: “With respect to the treatment of employees and volunteers, the CEO will not cause or allow conditions that are unfair, unsafe or undignified.”

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

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

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

REPORT:

In 2022, we continued our efforts to deliver consistency in how volunteers are recognized, communicated with, and treated. Staff leads and liaisons remain responsive to support requests made by volunteer chairs, and, in 2022, committee chairs and LSC General Chairs were invited to attend the Annual Business Meeting in Colorado Springs, which included a Committee Chair Update Meeting.

The committee structure of USA Swimming remains largely unchanged. In December 2022, USA Swimming conducted the second Coach Advisory Council election; the coach members of USA Swimming elected one incumbent and three new members. Additionally, for the first time ever, USA Swimming sent the Committee Application to all eligible 2-Year Athletes who were at least 15 years old. We received 350 applications from this group of athletes. Given that there are limited open committee positions, we will work collaboratively with the Athletes’ Executive Committee to keep these athletes engaged in governance in other ways.

I therefore report **COMPLIANCE**.

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

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

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

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

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

REPORT:

Personnel policies are maintained in our Employee Handbook. Our Employee Handbook is updated on annual basis with revisions sent to employees by the end of January. The Manager, Human Resources, Payroll & Benefits and the Secretary & General Counsel are responsible for the oversight of the Employee Handbook, ensuring it is updated annually and distributing it to staff members. The Employee Handbook contains a process for initiating grievances and explains to employees how complaints will be handled.

Employees are required to sign the Acknowledgement of Receipt as verification that they have received the latest version of the Employee Handbook; these written acknowledgements are maintained in their digital personnel files. The acknowledgement also conveys awareness of access to the Boards Governing Policies Manual, as required by Provision 1A, below. The 2023 version was distributed digitally and is housed in the human resources information system.

A copy of the 2023 Employee Handbook is available for the Board Members’ review upon request.

I therefore report **COMPLIANCE**.

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

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

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

REPORT:

The 2023 Employee Handbook references the Board Governing Policies Manual and includes the link to access its most current version on the USA Swimming website.

I therefore report **COMPLIANCE**.

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

CEO’S INTERPRETATION: (*Changes since last report are italicized*)

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

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

While I do not consider the COVID-19 pandemic to be “reasonably foreseeable,” I do interpret this policy provision to include our coronavirus response.

REPORT:

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

Our OPTC headquarters does provide a greater degree of protection from some risks, such as intruders, than we would be exposed to in a regular office space, including security check-ins at points of access to campus, locked gates, and keycard access. The USOPC also hosts risk management events that USA Swimming regularly attends. In 2022, USA Swimming attended the USOPC’s OPTC Emergency Operations Training.

As to events, we are continuously identifying risk factors and appropriate steps that will enhance our preparedness in the event of an emergency situation.

Since the beginning of the COVID-19 pandemic, USA Swimming has been steadfastly committed to adhering to the guidance and restrictions set forth by state and local authorities, as well as by the USOPC regarding the use of our facilities. Additionally, over the course of 2022, we continuously monitored the COVID-19 situation to ensure that our protocols not only complied with all the rules and mandated procedures but also that they provided everyone at USA Swimming with the ability to balance their work, safety, and health needs. We have consistently communicated with USA Swimming employees as we weathered the second year of constantly changing conditions and will continue to do so throughout 2023.

In summary, effective risk management requires that we stay aware of changes as to the types of emergencies that are reasonably foreseeable and respond accordingly. This is an ongoing process, but there have been no notable problems regarding preparation in the past year. Additionally, we enhanced our efforts and capability to address emergency situations (including those that are less reasonably foreseeable) with the addition of a Risk Manager on staff who started in April 2022.

I therefore report **COMPLIANCE**.

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

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

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

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

REPORT:

There were no complaints filed with the Human Resources division in 2022. There are no outstanding complaints or investigations pending.

I therefore report **COMPLIANCE**.

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

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

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

The Employee Handbook must convey that if the grievance process does not produce a result satisfactory to the grieving employee, the employee may bring the concern to the Board as a last step in the process, but only if the grievance includes an allegation that Board policy has been violated. In such a case, he or she must be provided with a notice/reminder that, per the Employee Handbook, the matter may be presented to the Board “via written correspondence to the Board Chair.” “Prevention” of a staff member from doing so would include any threat of reprisal.

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

REPORT:

The Employee Handbook addresses the specific complaint/grievance process requirements consistent with this *Treatment of Employees and Volunteers* policy, including the ability to elevate the concern to the Board. It has not been invoked, as none of the concerns shared with our Human Resources division were unresolved at the senior management level.

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 3.9: Board Awareness and Support**
DA: January 18th, 2023

I hereby present the monitoring report on Management Parameters policy 3.9 “Board Awareness and Support” 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 January 18, 2023.

Signed , President & CEO

BROADEST POLICY PROVISION: “The CEO will not cause or allow the Board to be uninformed or unsupported in its work.”

CEO’S INTERPRETATION:

One of my primary obligations as CEO is to ensure that the Board has the information, resources and support necessary for the fulfillment of its role, as defined by statute, the Bylaws, and the Board’s governing policies. I submit that the subsequent provisions comprehensively define this policy. My interpretations and reporting data for each are presented below.

POLICY PROVISION 1: “The CEO will not withhold, impede or confound information necessary for the Board’s informed accomplishment of its job.”

CEO’S INTERPRETATION:

With the active support of the General Counsel, the CEO is to ensure that the Board is aware of all required functions and actions required of it by statute, Bylaws, and the USOPC, and that it receives information that is clear and sufficient to make informed decisions and take appropriate actions. Compliance of this standard will be demonstrated by fulfillment of the five sub-provisions of this policy, addressed below:

POLICY PROVISION 1A: “The CEO will not neglect to submit monitoring reports (including the CEO’s policy interpretations, as well as compliance data) required by the Board (see Monitoring Performance policy in Board-Management Delegation) in a timely, accurate and understandable fashion.”

CEO’S INTERPRETATION:

I am to submit monitoring reports in the month designated in Policy 4.4. Each report is to convey interpretation of each policy provision, noting whether it is changed or unchanged since the previous report, and factual data sufficient for the Board to make an informed judgment as to whether compliance (Parameters) or achievement (Ends) is sufficiently substantiated.

Fulfillment of this policy would be evidenced by the reports having been submitted in time for posting on BoardPaq at least seven (7) days prior to the scheduled Board meeting (per policy 2.3.3), and Board action on submitted reports noting that each met the criteria of including interpretations the Board deems reasonable, as well as reporting data the Board accepts as having demonstrated compliance/achievement.

REPORT:

As to being factually complete and understandable, no reports submitted to the Board in the last year were rejected for not meeting the “accurate and understandable” policy criteria, which I submit as evidence of having met that requirement to the Board’s satisfaction. Further, the external financial audit in this reporting year substantiated the veracity of our financial reporting.

In regard to timeliness, we have consistently met the 7-day advance expectation.

I therefore report **COMPLIANCE**.

POLICY PROVISION 1B: “The CEO will not let the Board be unaware of any actual or anticipated noncompliance with any Ends or Management Parameters policy, regardless of the monitoring schedule set forth by the Board.”

CEO’S INTERPRETATION:

I am to notify the Board, on a timely basis, whenever there is an incurred or anticipated violation of a Board Ends or Management Parameters Policy. Timeliness will vary depending on the perceived materiality of the non-compliance issue. Where in my estimation the importance is serious or potentially damaging to USA Swimming, or likely to be deemed that way by multiple members of the Board, actual or anticipated non-compliance issues should be reported as soon as they are known. For issues of lesser importance, and when the period of non-compliance is expected to be brief or related to an ongoing circumstance previously brought to the Board’s attention, non-compliance should be at least reported in the regularly (or otherwise) scheduled monitoring report.

REPORT:

Our monitoring reports have provided the Board with substantiation of compliance of Board policies and explanations of circumstances and/or steps taken to rectify exceptions. In addition, at each Board meeting in 2022, we have apprised the Board of budgetary challenges that resulted in a “Potential Non-Compliance” or “Non-Compliance” finding within some of the financial Performance Monitoring Reports primarily related to the organization’s unprecedented digital transformation and the uncertain and changing domestic and international events. As a result of these reports, the Board has been kept apprised of policy compliance issues and has been made aware when difficulties are encountered.

I therefore report **COMPLIANCE**.

POLICY PROVISION 1C: “The CEO will not let the Board be without objective background/decision information it periodically requests or unaware of relevant trends or incidental information (e.g., anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal/organizational changes). Notification of planned internal changes is to be provided in advance, when feasible.”

CEO’S INTERPRETATION:

In addition to formal reporting on Board policies, I am to fulfill requests for data and other information the Board may make from time to time, and to keep the Board apprised of material developments, such as with the U.S. Center for SafeSport developments, USOPC/NGBs, key international bodies, etc. Timelines for such notifications will be based on context - awareness of issues such as negative media coverage or litigation is based on when the material will become public and/or otherwise impact the organization.

When the Board is preparing to make policy decisions, I am to submit background information, as requested by the Board, on the pros and cons of the options being considered and/or those otherwise available and in my estimation (often based on Strategy Team input) viable for Board consideration.

I interpret material internal changes to be issues such as significant revisions to member-facing programs, to revenues or expenditures (that are compliant with our financial policies) or personnel changes at or above the Senior Director level.

In summary, I view this to be a “no surprises” policy, reflecting that when there are surprises about our functions/operations, the Board should maintain confidence that it learns about them from me and/or members of the Strategy Team (not from members, social media, etc.).

REPORT:

The Board has received litigation updates from the General Counsel at each regular Board meeting, and in 2022, there was not significant adverse media coverage of USA Swimming.

There were four material personnel changes made in 2022. Belle McLemore, Managing Director, Communications, and Abby Howard, Senior Director, Legal & Membership Affairs, departed USA Swimming for other opportunities. Patrick Murphy was promoted to Senior Director, Member Data & Product, and Jake Grosser was promoted to Senior Director, Marketing & Communications.

USA Swimming staff continues to work closely with the Board to keep them informed as it developed its Athlete Inclusion, Competitive Equity and Eligibility Policy. Although some members disagree with the substance of the

policy, its premise, rationale, and outcome were discussed with the Board on multiple occasions, and it was communicated to all relevant stakeholders in an appropriate and timely fashion.

I therefore report **COMPLIANCE**.

POLICY PROVISION 1D: “The CEO will not let the Board be unaware of any Board or Board member actions that, in the CEO’s opinion, are not consistent with the Board’s own policies on Board Process and Board-Management Delegation, particularly in the case of Board or Board member behavior that is detrimental to the working relationship between the Board and the CEO.”

CEO’S INTERPRETATION:

I am to notify the Board Chair of any Board or Board members’ actions which are inconsistent with the Board’s own policies (Board Process and Board-Management Delegation), especially if such actions undermine the Board/CEO relationship. A primary example would be individual board members attempting to exert authority over staff, such as by directing staff to engage in activities or work with vendors/volunteers of the Board members’ choosing. In the case of perceived noncompliance by the Board Chair, I will report issues directly to the Board if the perceived noncompliance is not resolved after discussing the perceived noncompliance with the Chair directly.

REPORT:

The delineation of Board and staff roles and responsibilities in our governance structure has contributed to there being no such issues in this reporting period. With gratitude for the positive sense of partnership with the Board, I therefore report **COMPLIANCE**.

POLICY PROVISION 1E: “The CEO will not present information in unnecessarily complex or lengthy form or without differentiating among three types of written communications: 1) monitoring, 2) decision preparation or “action item”; and 3) incidental/“FYI.”

CEO’S INTERPRETATION:

Written correspondence to the Board is to be concise. To assist Board members in making the distinction between information that they “must read” to participate fully and information that is more incidental in nature, written correspondence is to be labeled/highlighted as one of the three types listed in the policy.

REPORT:

As the Board has seen, emails/written correspondence that I send out are quite concise, with more thorough “CEO Updates” also provided in conjunction with Board meetings.

In the past year, we continued our efforts to ensure that Board packets are not cumbersome. Monitoring reports are specifically labeled, and action items are always flagged as such on Board agendas.

I therefore report **COMPLIANCE**.

POLICY PROVISION 2: “The CEO will not allow the Board to be without logistical and administrative support for official Board, officer or committee communications and functions.”

CEO’S INTERPRETATION:

As CEO, I am to ensure adequate support for operations of the Board, its officers, and committees. I interpret “official” to mean those functions dealing with the carrying out of the Board’s governing responsibilities, including those of its officers and committees. Examples of support include arranging meeting space, phone and communication facilities, distribution of correspondence, recording minutes, providing refreshments, etc.

REPORT:

Staff support for Board functions, including production and uploading/distribution of Board meeting packets, minutes, meeting logistics and refreshments, and similar arrangements for the work of official Board committees is regularly provided. There have been no exceptions.

I therefore report **COMPLIANCE**.

POLICY PROVISION 3: “The CEO will not deal with the Board in a way that favors or privileges certain Board members over others except when:

A. Fulfilling individual requests for information, or

B. Responding to officers or committees duly charged by the Board”

CEO’S INTERPRETATION:

I interpret this to mean I am to view the Board collectively and am to provide communications about Board issues and policy choices to all Board members, rather than just to the Chair and/or Board members I may view as “sympathetic” to my concerns. The exceptions are the two circumstances stated as “a” and “b.” While I am to pass requests for agenda items to the Chair, the background information supporting my request is to be distributed to all Board members. I interpret this policy as pertinent to business dealings, rather than personal or social relationships.

REPORT:

Monitoring reports, FYI information and background information on action items are distributed to all Board members. Correspondence does take place with individual board members, either in casual/social context, or from time to time when seeking input/advice or pursuant to exceptions as set forth in the policy.

I therefore report **COMPLIANCE.**

Investment Policy Statement

For

USA Swimming, Inc.

January 2023

A. Overview

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

B. Purpose of Investment Policy Statement

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

The Policy:

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

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

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

C. Goals and Objectives

1. Portfolio Goals

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

Investment Objectives

a. Investment Funds

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

b. Time Horizon

The time horizon for the Operating account is Intermediate: three to ten years. While the goals of the Operating account represent a perpetual need, ongoing operational dependence on the funds should inform overall asset allocation decisions.

D. Asset Allocation

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

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

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

Asset Allocation Table

| Investment Class | Minimum | Target | Maximum |
|---------------------------------------------------------------------------------|---------|--------|---------|
| Cash | 0% | 1% | 15% |
| Fixed Income | 28% | 39% | 48% |
| Equities - US <i>Incl: Small/Mid/Large Cap</i> | 30% | 43% | 63% |
| Equities – Intl <i>Incl: Emerging & Developed</i> | 0% | 10% | 15% |
| Real Assets <i>Incl: Commodities, Real Estate, & Alternatives</i> | 3% | 7% | 14% |

Historic and Expected Returns (*)

The long-term un-audited historic rate of return on the target allocation is shown below. It is based on the historic long-term total return for each asset class. This is compared against the

assumed long-term average rate of inflation (as measured by the Consumer Price Index). The difference between the nominal rate of return and the inflation rate is your real (after-inflation) expected return. Actual performance will vary from these historic returns and there is no guarantee that this return objective will be achieved either in any single year or over the longer term. The portfolio return will also be reduced by the deduction of advisory and money management fees.

| <u>Return Interval (*)</u> | <u>Year 1</u> | <u>Year 3</u> | <u>Year 5</u> | <u>Year 10</u> | <u>Year 20</u> |
|-----------------------------|---------------|---------------|---------------|----------------|----------------|
| 95 th Percentile | 29.0% | 18.8% | 15.8% | 12.9% | 11.1% |
| Expected Value | 6.3% | 6.6% | 6.5% | 6.6% | 6.6% |
| 5 th Percentile | -10.3% | -3.8% | -1.6% | 0.7% | 2.4% |

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

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 60% MSCI All Country World Index and 40% Barclays Aggregate Bond Index over a three-year rolling period net of fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 2%, net of fees. While periods of high inflation may challenge the secondary objective, it is still expected that the Portfolio will meet or exceed CPI + 2%, net of fees, over a market cycle. The Committee realizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such periods, the Committee expects rational explanations for such underperformance.

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

E. Investment Implementation

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

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

F. Rebalancing

Portfolio rebalancing will occur as allocation changes are deemed appropriate considering market conditions and/or changing needs of the Portfolio's funds. Rebalancing will also occur as the Portfolio's allocation drifts outside the stated target allocation ranges, as noted in the table above (Section D, Asset Allocation Table). While there is no set tenor to portfolio rebalancing, the Advisor will monitor the various weights on an ongoing basis and make changes as it deems appropriate.

Rebalancing and asset allocation changes will be communicated to the Investment Committee by the Advisor on an ongoing basis.

G. Liquidity Management Account

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

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

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

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

H. Costs

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

I. Communications

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

Investment Committee meetings will be held at least quarterly.

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

Appendix: KEY INFORMATION

ORIGINAL INVESTMENT POLICY ADOPTION: May 1990

REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19, 6/20, 8/21, 1/23

IRS TAX IDENTIFICATION: # 20-4264282

CUSTODIAN: FIS/Reliant Trust

INVESTMENT ADVISOR: First Western Trust Bank

Execution

This Investment Policy Statement is hereby approved and adopted on January XX, 2023.

For USA Swimming:

By: _____

Printed Name: Eric Skufca

Title: Chief Financial Officer

For Advisor:

Advisor: First Western Trust Bank

By: _____

Printed Name: John Sawyer

Title: Chief Investment Officer

Investment Policy Statement

For

USA Swimming, Inc.

~~August-January 2023~~¹

A. Overview

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

B. Purpose of Investment Policy Statement

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

The Policy:

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

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

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

C. Goals and Objectives

1. Portfolio Goals

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

Investment Objectives

a. Investment Funds

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

b. Time Horizon

The time horizon for the Operating account is Intermediate: three to ten years. While the goals of the Operating account represent a perpetual need, ongoing operational dependence on the funds should inform overall asset allocation decisions.

D. Asset Allocation

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

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

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

Asset Allocation Table

| <u>Investment Class</u> | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> |
|-------------------------|----------------|---------------|----------------|
| Cash | 0% | 1% | 15% |
| Fixed Income | 28% | 39% | 48% |
| Commodities | 0% | 3% | 7% |
| Real Estate | 3% | 4% | 7% |
| Equities | 43% | 53% | 63% |

| <u>Investment Class</u> | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> |
|---------------------------------------------------------------------------------|----------------|---------------|----------------|
| <u>Cash</u> | <u>0%</u> | <u>1%</u> | <u>15%</u> |
| <u>Fixed Income</u> | <u>28%</u> | <u>39%</u> | <u>48%</u> |
| <u>Equities - US</u> <i>Incl: Small/Mid/Large Cap</i> | <u>30%</u> | <u>43%</u> | <u>63%</u> |
| <u>Equities – Intl</u> <i>Incl: Emerging & Developed</i> | <u>0%</u> | <u>10%</u> | <u>15%</u> |
| <u>Real Assets</u> <i>Incl: Commodities, Real Estate, & Alternatives</i> | <u>3%</u> | <u>7%</u> | <u>14%</u> |

Historic and Expected Returns (*)

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

| <u>Return Interval (*)</u> | <u>Year 1</u> | <u>Year 3</u> | <u>Year 5</u> | <u>Year 10</u> | <u>Year 20</u> |
|-----------------------------|---------------|---------------|---------------|----------------|----------------|
| 95 th Percentile | 29.0% | 18.8% | 15.8% | 12.9% | 11.1% |
| Expected Value | 6.3% | 6.6% | 6.5% | 6.6% | 6.6% |
| 5 th Percentile | -10.3% | -3.8% | -1.6% | 0.7% | 2.4% |

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

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 60% MSCI All Country World Index and 40% Barclays Aggregate Bond Index over a three-year rolling period net of fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 2%, net of fees. While periods of high inflation may challenge the secondary objective, it is still expected that the Portfolio will meet or exceed CPI + 2%, net of fees, over a market cycle. The Committee realizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such periods, the Committee expects rational explanations for such underperformance.

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

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

E. Investment Implementation

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

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

F. Rebalancing

Portfolio rebalancing will occur as allocation changes are deemed appropriate considering market conditions and/or changing needs of the Portfolio's funds. Rebalancing will also occur as the Portfolio's allocation drifts outside the stated target allocation ranges, as noted in the table above (Section D, Asset Allocation Table). While there is no set tenor to portfolio

rebalancing, the Advisor will monitor the various weights on an ongoing basis and make changes as it deems appropriate.

Rebalancing and asset allocation changes will be communicated to the Investment Committee by the Advisor on an ongoing basis.

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

G. Liquidity Management Account

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

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

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

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

H. Costs

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

I. Communications

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

Investment Committee meetings will be held at least quarterly.

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

Appendix: KEY INFORMATION

ORIGINAL INVESTMENT POLICY ADOPTION: May 1990

REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19, 6/20, 8/21, 1/23

IRS TAX IDENTIFICATION: # 20-4264282

CUSTODIAN: FIS/Reliant Trust

INVESTMENT ADVISOR: First Western Trust Bank

Execution

This Investment Policy Statement is hereby approved and adopted on January XX, 2023.

For USA Swimming:

By: _____

Printed Name: Eric Skufca

Title: Chief Financial Officer

For Advisor:

Advisor: First Western Trust Bank

By: _____

Printed Name: John Sawyer

Title: Chief Investment Officer

SWIMS Update for USA Swimming Board of Directors



Achievements and where we started

- At the start of our digital transformation, we had 20+ year old software for 200 users
- We have built our own unique software and managed tech support for 350,000 users with over 140 different personas and entry points
- We formerly had a database that couldn't track member roles beyond our 8 member types and now we track 178 roles and can add a new one instantly
- Where we previously imported custom excel files that were manually pulled by the data team into emails, we now automatically pass all the member role and contact info to automated marketing/communication tool each night.
- OME was failing at the end of 2021 (Toyota US Open was critical breaking point) and our software had over 250 feature requests in queue
- Now we have a functioning, responsive and adaptable OME
- We launched 60+ report types for various constituent groups
- We have fixed 150 bugs and added 181 new features
- We have processed Foundation donations (\$45K+) and can now interact directly with parents for the first time



Priorities/Timeline

- NCAA Selection Tool
 - Heavy in Development, on target to launch before selection
- NCAA Error Tank
 - Went from 28,000 errors to just over 1,000 errors
 - Working through Relay errors/mismatches
 - Both of the above issues were due not to our system, but to NCAA roster management
- Online Meet Entry
 - Launched on time (January 3) for Fort Lauderdale TYR Pro Swim Series
- Payment Processing Enhancements
 - Launched on time (December 12) for Swim-A-Thon and OME (Jan 3)
 - Ready for implementation of OMR/LMS, using Swim-A-Thon and OME as Beta Test
- Member Merges
 - Merged over 18K members in the four weeks following Thanksgiving
- Staff Admin Tools
 - LMS Admin tool to provide staff resources to solve Safe Sport/Good Standing issues
 - Automated Refund tool ready to launch
- Officials Tracking System
 - Phase I & II delivered
 - Phase III paused per discussion in Nov board meeting. New target = Q2 2023

Priorities/Timeline, cont.

- The following changes have resulted from the November BOD meeting with timelines re-prioritized :
 - The re-prioritization has allowed us to invest time in greater collaboration with Team Unify/Sports Engine- benefit has been quick resolution of problems experienced by our members- examples:
 1. TU did not refresh their customer database on January 1 which led to TU users to no longer be able to access USA Swimming Member information for renewals, once alerted we were able to work with TU on identifying the problem and implementing a fix within 12 hours of notification.
 2. TU/Sports Engine team will travel to our offices for two days of meetings the week of the January BOD meeting
 - The re-prioritization has also allowed us to work in closer collaboration with the NCAA and ensure we are on pro-active rather than reactive with the partnership and software development.
 - **Adjusted Timelines:**
 - LMS: New target = March 2023
 - Native mobile apps time search: New target = end of April 2023
 - Lane Sheets: New target = March TYR Pro Swim Series
 - Club Recognition Program: New target = Q2 2023
 - Pre-Competitive Programming: New target = Q4 2023
 - Times API: New target = Q3 2023
 - LSC Evaluation Program: New target = Q3 2023

SWIMS Update for USA Swimming Board of Directors, cont.



Current Issues

- Internal
 - Software Team (specifically the 3 architects) were completely maxed before the holiday and continued to work through the break. We might want to consider a refactor sprint.
 - Software Performance – we see inconsistencies in performance and periods of time where our database is pegged. Some of this has to do with people scraping the website and has required us to do ongoing optimization work and some work in Azure.
 - LSCs
 - Many LSCs create more work by trying to do things that they could do in the old system. They used to have full control, and now they don't, which needs to be reconciled.
 - LSCs utilize the majority of Eric Stimson's time with questions, keeping him out of the ticket system.
 - Clubs
 - We are working with TeamUnify to create a more frictionless experience for our membership. TU in HQ on Jan 23 & 24.
 - Some clubs are unhappy with the change in registration process, typical change management issues, and evolution of the technology. Improved TU collaboration should yield solutions that will improve the experience our clubs have with OMR.
 - Members
 - Some confusion about why members have to pay this USA Swimming fee "for the first time" and why they have to manage their own registrations
 - We will continue to manage this confusion with direct communications. See next page for full communications plan.
-

NCAA Update

- Insufficient communication/training with NCAA teams upfront hurt us in Nov/Dec, but we are mitigating and advancing with re-prioritization
 - Some concerns with OME/Selection, but development is on target.
 - Roster syncing issues with Hytek; issue known and being worked on.
 - NCAA has been inconsistent with their implementation of business rules; continued comms with them to ensure we follow their rules has been a resource strain- example, our software follows NCAA rules, athletes not on the official roster invalidate relays, etc.
 - *Update- NCAA has agreed to allow us to give teams a short window to update their rosters, etc. without NCAA penalty. This should resolve remaining issues.*
 - Considerable improvement over the past 8 weeks
-

Future for Membership and Member Services

- Clubs & members recognize that this system is improving and is a huge asset
- Continued improvements to Reporting – this is our value add.
 - We had **1.2 million hits** to our Reporting tool in the 30 days prior to holiday break
- Value add through data analysis
 - We now have data on facilities, meet sanctioning, clubs hosting meets and simply built reports solely for Clubs without software development
 - Freeing up data team to add value through modern reporting is arguably the biggest add to Teams, Coaches, and Members
- Alerts and ease on completion for membership requirements – clear communication

"Good work with this project. I think once it becomes SOP – it will make all of our lives easier.

- Jon Siegel, Senior Director of Competitive Aquatics, Madison Area YMCA
email dtd Dec 22

SWIMS Update for USA Swimming Board of Directors, cont.



Membership Communications Plan

Web

- March 1 - Widget added to the homepage that directs to the Message Center and the Resource Hubs.
- March 1 - New "SWIMS Alerts" page added to Coaches & Team Leaders section of the site
 - "SWIMS Message Center" section up top
 - Message Center to communicate updates, service outages, new functionality, etc.
 - Target audience: LSC leaders and active club leaders – hope is that they will check the message board often and disseminate information to their constituents.

Editorial

- February 3 - Web article highlighting all of the features/upgrades (member focused)
 - Update/recycle the previous overview article
 - Feature in carousel and member news sections
 - Content
 - Intro: Why
 - Core Functionality
 - Feature enhancements
 - Custom Reporting
 - Marketing Automation System
- Mid-February- Special Feature: Technical Debt and USA Swimming's Digital Transformation
 - Intro concept of technical debt
 - Highlight systems that were in danger, data/PII at risk, etc.
 - Allude to other companies with recent technical debt problems
 - Highlight modern design features and technical roadmap that avoids accumulating technical debt going forward

Resource Hub Updates

- Jan 25 - Update with mini staff directory – point to subject matter experts and away from support system
- Jan 25 - Review existing video tutorials and remove outdated videos
- April 1 - Record updated webinars with new internal staff members
 - OMR
 - Renewals
 - Upgrade
 - TBD

Email/Newsletters

- Lanelines
 - Feature blurb in each Lanelines that highlights a new or renovated feature available in SWIMS/USA Swimming account (General membership focused)
 - Add in a permanent content block that identifies contacts for specific questions – goal is to send people direct to subject matter experts and not Support.
 - Jan 31 - Navigating your new USA Swimming Account Dashboard
 - Rolling – TBD content
- Coaches Connection
 - Feature blurb in each Coaches Connection that highlights a new or renovated feature available in SWIMS/USA Swimming account (Team Leader focused)
 - Add in a permanent content block that identifies contacts for specific questions – goal is to send people direct to subject matter experts and not Support.
 - Jan 17 – USA Swimming's new email communication system and the importance of maintain member roles in SWIMS for your staff/team.
 - Feb 1 - Navigating your new USA Swimming Account Dashboard
 - Rolling – TBD content
- LSC Newsletter
 - Feature blurb in each LSC Newsletter that highlights recent updates, encourages dissemination of information to LSC contacts, and highlights/links to new resources on the website.
 - Add in a permanent content block that identifies contacts for specific questions – goal is to send people direct to subject matter experts and not Support.
 - Mid-March – TBD content based on existing updates at the time
 - Rolling – TBD content
- Officials Newsletter
 - Feature blurb in each Officials Newsletter that highlights a new or renovated feature available in SWIMS, specific to Officials
 - Add in a permanent content block that identifies contacts for specific questions – goal is to send people direct to subject matter experts and not Support.
 - Mid-February - OTS updates
 - Rolling – TBD

USA Swimming
2022 Budget vs. 2022 November Projection vs. 2022 January (2023) Projection Summary
As of 1/20/2023

| | Approved Budget 2022 | November Projection 2022 | Current Projection 2022 | November to Current | | Comment |
|-------------------------------------|----------------------------|--------------------------------|-------------------------------|-------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | | | | \$ Variance Favorable (Unfavorable) | % Variance Favorable (Unfavorable) | |
| REVENUE: | | | | | | |
| Membership | \$ 22,129,990 | \$ 22,806,397 | \$ 22,856,397 | \$ 50,000 | 0.2% | Latest from Membership (2022 reconciliations). |
| Partnership Marketing | 5,297,239 | 4,322,299 | 4,322,299 | - | 0.0% | |
| USOPC Partnership | 5,327,465 | 5,338,665 | 5,338,665 | - | 0.0% | PPA and DAS. |
| Investment Income (short-term only) | 20,000 | - | - | - | 0.0% | |
| Foundation | 1,404,175 | 1,723,150 | 1,753,150 | 30,000 | 1.7% | Latest DAPP, other donors. |
| Sport and Events | 524,000 | 810,000 | 470,000 | (340,000) | -42.0% | Decrease in event revenue based on YTD actuals and current projection. |
| Olympic Trials | (75,000) | (25,000) | (5,000) | 20,000 | -80.0% | Minimal Trials activity. |
| Other Income | 353,398 | 372,892 | 372,892 | - | 0.0% | |
| Total Revenue | 34,981,267 | 35,348,403 | 35,108,403 | (240,000) | -0.7% | |
| EXPENSES: | | | | | | |
| Technical/Sport: | | | | | | |
| National Team | 8,479,138 | 8,788,625 | 8,478,625 | 310,000 | 3.5% | Decrease primarily due to DAS reallocation with USOPC. |
| Sport Development | 6,638,304 | 7,949,522 | 7,849,522 | 100,000 | 1.3% | Decrease primarily due to less Q4 travel and OMR credit card expense since last projection. |
| Event Operations | 4,424,765 | 6,315,678 | 6,240,678 | 75,000 | 1.2% | Decrease primarily due to less Q4 event expense since last projection. |
| Total Technical / Sport | 19,542,208 | 23,053,825 | 22,568,825 | 485,000 | 2.1% | |
| Other Programs: | | | | | | |
| Commercial | 6,130,179 | 5,265,850 | 5,165,850 | 100,000 | 1.9% | Decrease primarily due to less partner activation, travel, and USA Swimming Productions expense since last projection. |
| Risk Management / Insurance | 5,580,610 | 3,781,467 | 3,756,467 | 25,000 | 0.7% | Decrease primarily due to less variable lines (partic. accident) premium expense since last projection. |
| Foundation Support | 457,385 | 457,385 | 457,385 | - | 0.0% | |
| Total Other Programs | 12,168,174 | 9,504,702 | 9,379,702 | 125,000 | 1.3% | |
| Administration: | | | | | | |
| Executive | 1,509,677 | 1,593,160 | 1,593,160 | - | 0.0% | |
| Finance & Operations | 1,744,849 | 2,375,056 | 2,410,056 | (35,000) | -1.5% | Increase primarily due to increased IT/OMR applications cloud hosting expense since last projection. |
| Business Affairs | 2,622,813 | 1,709,847 | 1,694,847 | 15,000 | 0.9% | Decrease primarily due to less admin/travel expense since last projection. |
| Total Administration | 5,877,339 | 5,678,063 | 5,698,063 | (20,000) | -0.4% | |
| Total Expenses | 37,587,720 | 38,236,590 | 37,646,590 | 590,000 | 1.5% | |
| Operating Surplus (Deficit) | \$ (2,606,453) | \$ (2,888,187) | \$ (2,538,187) | \$ 350,000 | | |

USA Swimming
Comparative Preliminary Balance Sheet (2022 & 2021)
As of 1/20/2023

| | Preliminary 12/31/2022 | Final 12/31/2021 | \$ Change | Preliminary 2021 to 2022 Directional Explanation |
|--------------------------------------------|---------------------------|---------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASSETS | | | | |
| CURRENT ASSETS: | | | | |
| Cash and cash equivalents | \$ 4,827,053 | \$ 4,716,508 | \$ 110,545 | Slight ↑ based on the respective periods' operations and cashflow management (past and projected). |
| Accounts receivable | 3,000,000 | 2,689,280 | 310,720 | Flux due to timing of business & partner payments. YE balance is primarily OMR Stripe receivables and sponsorship receivables. |
| Prepaid expenses and deferred charges | 1,480,000 | 1,486,845 | (6,845) | Similar YOY balance primarily given similar annual deposits with vendors (insurance, travel, operating vendors, etc.). |
| Total Current Assets | 9,307,053 | 8,892,633 | 414,420 | |
| FIXED ASSETS: | | | | |
| Leasehold Improv., IT Systems, FF&E, Other | 16,790,923 | 14,760,728 | 2,030,195 | Flux due to new capital projects (KAF, Digital Transformation, etc.) offset by disposal of unused assets. |
| Accumulated depreciation & amortization | (12,376,737) | (10,743,617) | (1,633,120) | Balance follows depreciation schedules on all active fixed assets above. |
| Total Fixed Assets | 4,414,186 | 4,017,112 | 397,074 | |
| LONG-TERM INVESTMENTS: | | | | |
| Long-term Investments | 29,948,451 | 42,950,983 | (13,002,532) | ↓ primarily due to portfolio market losses and net portfolio distributions. |
| OTHER ASSETS: | | | | |
| Prepaid rent | 4,594,827 | 4,717,772 | (122,945) | Follows schedule pertaining to our building lease agreement with the USOPC. |
| Total Other Assets | 4,594,827 | 4,717,772 | (122,945) | |
| TOTAL ASSETS | \$ 48,264,517 | \$ 60,578,499 | \$ (12,313,982) | |
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT LIABILITIES: | | | | |
| Accounts payable | \$ 2,520,000 | \$ 2,806,832 | \$ (286,832) | Flux due to timing of business & vendor payments (travel, legal, USOPC, member/LSC reimburs., etc.). |
| Accrued expenses and other liabilities | 1,000,000 | 888,455 | 111,545 | Flux due to timing of business & vendor invoicing (payroll/benefits, meet host payables, etc.). |
| Line of Credit Payable | - | 1,821,000 | (1,821,000) | Line of credit executed in 2020 to fulfill BOD approved reserve investments. ST as of YE 2021, LT as of YE 2022 (see below). |
| Deferred revenue | 16,000,000 | 15,051,242 | 948,758 | Similar to 2021 YE balance primarily given similar revenue received for subsequent year's membership. |
| Total Current Liabilities | 19,520,000 | 20,567,529 | (1,047,529) | |
| NONCURRENT LIABILITIES: | | | | |
| Insurance Payable | 670,658 | 760,898 | (90,240) | Insurance loss reserve created based on 2021 (and beyond) insurance structure (deductible layer, etc.). |
| Line of Credit Payable | 1,000,000 | - | 1,000,000 | See above. Line of credit is long-term as of YE (maturity > 1 yr. as of YE). |
| Total Noncurrent Liabilities | 1,670,658 | 760,898 | 909,760 | |
| Total Liabilities | 21,190,658 | 21,328,427 | (137,769) | |
| NET ASSETS: | | | | |
| Unrestricted: | | | | |
| Undesignated Net Assets | 22,551,376 | 24,391,078 | (1,839,702) | |
| Board Designated - USSIC | 4,522,483 | 14,858,994 | (10,336,511) | |
| Total Unrestricted Net Assets | 27,073,859 | 39,250,073 | (12,176,214) | |
| Total Net Assets | 27,073,859 | 39,250,073 | (12,176,214) | Similar to Retained Earnings for a for-profit entity. Cumulative difference between revenues and expenses and also equal to assets less liabilities. |
| TOTAL LIABILITIES AND NET ASSETS | \$ 48,264,517 | \$ 60,578,499 | \$ (12,313,982) | |

USA Swimming
2024 Quad Business Plan Summary
As of 1/20/2023

| | Current Projection 2022 | Approved Budget 2023 | Forecast 2024 | Current 2024 Quad Budget |
|------------------------------------|-------------------------------|----------------------------|---------------------|--------------------------------|
| REVENUE: | | | | |
| Membership | \$ 22,856,397 | \$ 24,268,287 | \$ 25,151,121 | \$ 72,275,805 |
| Partnership Marketing | 4,322,299 | 5,360,598 | 6,278,913 | 15,961,810 |
| USOPC Partnership | 5,338,665 | 5,289,965 | 5,266,500 | 15,895,130 |
| Investment Income | - | - | - | - |
| Foundation | 1,753,150 | 1,554,375 | 1,618,750 | 4,926,275 |
| Sport and Events | 470,000 | 789,400 | 866,340 | 2,125,740 |
| Olympic Trials | (5,000) | (75,000) | 8,260,000 | 8,180,000 |
| Other Income | 372,892 | 346,417 | 387,939 | 1,107,249 |
| Total Revenue | 35,108,403 | 37,534,042 | 47,829,563 | 120,472,009 |
| EXPENSES: | | | | |
| Technical/Sport: | | | | |
| National Team | 8,478,625 | 9,274,604 | 10,815,824 | 28,569,052 |
| Sport Development | 7,849,522 | 9,065,042 | 9,812,105 | 26,726,669 |
| Event Operations | 6,240,678 | 4,285,885 | 4,465,200 | 14,991,763 |
| Total Technical / Sport | 22,568,825 | 22,625,531 | 25,093,129 | 70,287,485 |
| Other Programs: | | | | |
| Commercial | 5,165,850 | 5,299,214 | 7,005,897 | 17,470,961 |
| Risk Management / Insurance | 3,756,467 | 4,489,515 | 5,179,608 | 13,425,590 |
| Foundation Support | 457,385 | 457,385 | 457,385 | 1,372,155 |
| Total Other Programs | 9,379,702 | 10,246,114 | 12,642,889 | 32,268,705 |
| Administration: | | | | |
| Executive | 1,593,160 | 1,624,452 | 1,753,461 | 4,971,073 |
| Finance & Operations | 2,410,056 | 2,527,931 | 2,500,661 | 7,438,649 |
| Business Affairs | 1,694,847 | 1,878,978 | 1,877,104 | 5,450,929 |
| Total Administration | 5,698,063 | 6,031,361 | 6,131,226 | 17,860,650 |
| Total Expenses | 37,646,590 | 38,903,005 | 43,867,245 | 120,416,840 |
| OPERATING SURPLUS (DEFICIT) | \$ (2,538,187) | \$ (1,368,963) | \$ 3,962,318 | \$ 55,168 |

Performance Monitoring Report

TO: USA Swimming Board of Directors
FR: Tim Hinchey, Chief Executive Officer
Eric Skufca, Chief Financial Officer
RE: Internal Report – Management Limitations
Quarterly Monitoring on **Policy 3.4: Financial Condition and Activities**
DA: January 20, 2023

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

Similar to prior years and given the timing of this Monitoring Report as it relates to the completion of the 2022 financial “close” results, all stated 2022 financial results herein are preliminary as of our latest projections. Final 2022 results will be completed by early March 2023.

We certify that the information contained in this report and the accompanying Income Statement and Balance Sheet are true for the quarterly period ending December 31, 2022, on a preliminary basis.

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 determined to be consistent with the FY 2022 budget and Ends achievement.

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:

The previous version of this Monitoring Report dated November 11, 2022, included our latest comprehensive 2022 projection. In said projection, we anticipated a FY 2022 operating deficit of (\$2,888,187). Since November 2022, we have continued the financial planning and analysis process and our latest 2022 projection includes an operating deficit of (\$2,538,187) on still a preliminary basis as we continue our financial close to March 2023.

Understanding our 2022 financial results will not be finalized until March 2023, we report **COMPLIANCE** on a preliminary basis based on the current year's budget compared to the latest projection. The approved 2022 budget projected an operating deficit of (\$2,606,453) and our current preliminary projection reports an operating deficit of (\$2,538,187) or +\$68,266 less (or more favorable) than the deficit approved by this body in December 2021.

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

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

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

REPORT:

On a preliminary basis, cash and cash equivalents were \$4,827,053 as of December 31, 2022, with 2023 projected monthly operating expenses at approximately \$3,245,000 – thus in compliance at quarter-end. We note cash and cash equivalent balances were below the \$3,245,000 threshold at specific times throughout the quarter (e.g., prior to the September membership registrations via Online Member Registration), but these times were known, projected, and did not interfere with operating expenditures.

We therefore report **COMPLIANCE**.

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

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

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

REPORT:

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. The organization still maintains its revolving line of credit that originated in 2020 and has 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:

On a preliminary basis, approximately \$10,994,000 of Board-designated Reserve funds (capitalized or expensed) have been used 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 funds.

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 are no invoices in dispute as of January 20, 2023 (the date of this monitoring report) 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, BambooHR. Forms 1099/1096 were filed by January 31, 2022. The 2021 Form 990 was filed by the November 15, 2022 extension deadline. There are no outstanding, overdue filings.

We therefore report **COMPLIANCE**.

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

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

Any expenditure in excess of \$250,000 that was not disclosed as part of our budget plan must be approved by the Board.

REPORT:

As reported in this Monitoring Report in April, September, and November 2022, 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 “Duel in the Pool” events were not known of or included in the 2022 approved budget. We anticipate the collective total of these Event Operations and National Team expense deviations to surpass the \$250,000 threshold and have continued 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).

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, and event fees. At the time of this monitoring report, there were two event vendor contracts (totaling \$1,251,588) and one sponsor (totaling \$231,250) on our receivables that were both greater than \$10,000 and over 60 days past due. The two event vendors are from 2021 and 2019. We have been monitoring and communicating with these customers regularly and involved legal intervention. Note we have allowed for (i.e., financially wrote off) the two event vendor receivables in 2021, but we continue to actively pursue their collection. We expect collection from the one sponsor 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 (either direct or via CEO credit card) submitted by the CEO during the fourth quarter 2022.

We therefore report **COMPLIANCE**.

USA SWIMMING STRATEGIC PLAN

PRIORITY RESULT 1.1 - COMPETITIVE SUCCESS

REFLECTS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD 1/28/2023

| | |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1 | Competitive Success: USA Swimmers achieve sustained competitive success at the Olympic Games and other high-level international competitions. |
| Vision of Success | <i>Fulfillment of sub-points A-E below.</i> |
| 1.1 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. |
| Vision of Success | <i>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.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. 2023 World Aquatics Championships: Qualify all relays for the Olympic Games 2. 2023 World Aquatics Championships: Win the gold medal count, the total medal count, and the most relays 3. 2023 World Aquatics Championships: Improvement between Trials and World Championships times in 50% of Individual Olympic Events 4. 2023 World Aquatics Championships: Finalists in 85% of Individual Olympic Event opportunities 5. 2023 World Aquatics Championships: Two athletes finish in the top 13 in the 10K 6. No violations of team rules involving athlete conduct that are detrimental to the National Team |
| 1.1 B. | USA Swimming provides strong and identifiable pathways to develop talented athletes. |
| Vision of Success | <i>Athletes have a developmental system that provides an avenue to success.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. 2023 World Aquatics Junior Championships – Pool: Win gold medal count, overall medal count, and team score; and medal in all relays 2. Increase the number of male athletes age 20 or below at the time of performance that achieve the World Aquatics “A” time standard in Individual Olympic Events, as of September 10, 2023, each year of the quad. The number should not be below 23 3. Increase the number of female athletes age 18 or below at the time of performance that achieve the World Aquatics “A” time standard in Individual Olympic Events, as of September 10, 2023, each year of the quad. The number should not be below 23 |
| 1.1 C. | USA Swimming is a recognized leader in promoting a clean sport environment. |
| Vision of Success | <i>USA Swimming will be continually recognized by USADA, WADA, World Aquatics, 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.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 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. 2. Staff leadership proactively convenes meetings and information exchange with counterparts at USOPC, USADA, WADA, World Aquatics, ITA and the World Aquatics Integrity Unit. 3. Provide education for all university sports medicine staff for universities with NT and NJT members |
| 1.1 D. | National Team athletes have financial support while competing and resources that support successful post-competition transitioning out of sport. |
| Vision of Success | <i>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.</i> |
| | <ol style="list-style-type: none"> 1. Increase qualification bonus at Operation Gold Qualifying Competitions through the quad 2. Launch Athlete Transition Program with a focus on: mental health, financial wellness, and networking education and opportunities and establish baseline utilization of resources. |

| | |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1 E. | National Team and National Junior Team athletes receive available mental and physical health support, including resources for their health and success. |
| Vision of Success | <i>The health (physical and mental) of the National Team, including the prior quad's Olympic Team, is supported through an array of services.</i> |
| Key Performance Indicators | 1. Launch baseline health assessment for all National Team athletes; establish baseline utilization of resources |
| | 2. 100% of NT and NJT athletes are aware of and receive education on mental and physical health resources available to them on an annual basis; establish baseline utilization of resources |

PRIORITY RESULT 1.2 - SUCCESSFUL ATHLETES, COACHES AND CLUBS
REFLECTS ENDS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD 1/28/2023

| | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.2 | Successful Athletes, Coaches and Clubs |
| Vision of Success | <i>Fulfillment of sub-points A-E below.</i> |
| 1.2 A. | Athlete safety is given highest priority, earning USA Swimming's continued recognition as a leader in Safe Sport |
| Vision of Success | <i>We have a culture of proactivity in addressing Safe Sport, including survivor engagement, effective partnering with subject matter experts and weaving Safe Sport into the fabric of the organization to define USA Swimming's posture with regard to athlete protection.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. All six facets of the Safe Sport program are, over a continuum of communications, conveyed to USA-S membership 2. 50% of Eligible Clubs¹ achieve Safe Sport Club Recognition in 2023. (23.59%) 3. Maintain average response time to complaints of three business days or less and resolution time to complaints of six weeks or less. (TBD/3.83) |
| 1.2 B. | Athletes have developmental and competitive opportunities to be successful. |
| Vision of Success | <i>USA Swimming provides meaningful opportunities for performance and interpersonal expertise.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. Achieve athlete member retention of 85% for age 13 and Overs (94%) 2. Achieve athlete member retention of 56% for 12 and Under (42%) 3. Achieve year-over-year membership of 100% |
| 1.2 C. | Coaches have and use tools and skills to be successful. |
| Vision of Success | <i>Coaches look to USA Swimming for training and resources to professionally lead clubs and athletes, and to provide the technical and interpersonal expertise that drive performance improvement.</i> |
| Key Performance Indicators: | <ol style="list-style-type: none"> 1. Establish a baseline Net Promoter Score across in-person coach-specific events/offerings (e.g., YMCA, CST meets, and Swimposiums). 2. Establish a baseline Net Promoter Score across online Coach Education programs/offerings |
| 1.2 D. | Clubs of all sizes and levels are stable and thriving businesses that value USA Swimming membership. |
| Vision of Success | <i>Clubs are providing outstanding experiences for current members, growing membership where capacity allows and are financially and administratively stable.</i> |
| Key Performance Indicators: | <ol style="list-style-type: none"> 1. Establish baseline of USA Swimming members clubs engaged with Club Recognition Program 2. Average 2.5 attendees per club of those attending Club Leadership & Business Management School and establish a baseline Net Promoter Score for the program (1.5) |
| 1.2 D. i. | Clubs have tools and capacity to be welcoming and inclusive environments |
| Vision of Success | <i>USA Swimming is a sport for all where diversity is represented from the grassroots level to the National Team. Inclusion is a cultural norm.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. 23.9% multi-cultural component of USA-S membership (internal demographic guide) (23.40%) |

¹ An "Eligible Club" is defined as: A currently registered USA Swimming member club with no less than five registered athlete members, at least one of whom is a minor athlete.

PRIORITY RESULT 1.3 - PUBLIC ENGAGEMENT WITH SWIMMING
REFLECTS ENDS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD 1/28/2023

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.3 | Public Engagement with Swimming: There is growth in swimming participation and interest. |
| Vision of Success | <i>Fulfillment of sub-points A-D below.</i> |
| 1.3 A. | Swimming achieves water safety awareness and swimming skills to save lives. |
| Vision of Success | <i>All Americans have the opportunity to learn how to swim – developing safety skills in, on, and around water. Our highest drowning reduction priority is youth 19 & under, diverse, and under-served communities.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. Double the number of children reached via the Make a Splash Tour (1500) 2. Increase in the Swim Lesson Provider Network programs by 150 programs (1200) |
| 1.3 B. | Swimming achieves sustained growth in participation at all levels. |
| Vision of Success | <i>Growth in participation is interpreted to emphasize all levels nationally. Participants in swim schools, recreational swimming, etc. will engage on a continuum that will convert into membership growth.</i> |
| | <ol style="list-style-type: none"> 1. Remain in the top 20% among team sport growth according to Sports and Fitness Industry Association Data (17%) |
| 1.3 B. i. | Growth in participation in underserved/underrepresented populations. |
| Vision of Success | <i>Swimming participation reflects society from a demographic standpoint.</i> |
| | <ol style="list-style-type: none"> 1. Continue to support 22 current Community Impact Grant programs and add eight (8) more 2. Execute three additional MOUs with HBCUs to establish local swim programming using their facilities (5) 3. Expand Community Swim Team participation by two programs (1) |
| 1.3 C. | There is growth in audience engagement. |
| Vision of Success | <i>Growth of swimming audience engagement through attending swimming events and an array of digital platforms. A key strategy and impact towards this will be showcasing and promoting swimming stars and events.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. Event attendance at USA-S events (e.g., TYR Pro Swim Series, Nationals and Winter Nationals): Finals attendance as a percentage of venue capacity (aggregate per event). <ol style="list-style-type: none"> a. Targets: Trials and Nationals - 65% (44%) b. TYR Pro Swim Series – 65%. (42%) 2. 2% growth in Digital Swimming Index (DSI) Individuals (i.e., total fans of USA Swimming content) (1,666,753) <ol style="list-style-type: none"> a. 5% growth in Social media followers (1,591,296) b. 2% growth in USA Swimming app active users (75,457) 3. 1% growth in DSI Interactions (i.e., total engagements with USA Swimming digital media) (9,732,338) <ol style="list-style-type: none"> a. Maintain number of Live Stream Views (521,555) b. 10% growth in Podcast Downloads (29,110) c. 5% in quarterly growth in video on demand views (Connected TV & YouTube) (4,603,816) d. 5% growth in Social Media Likes (4,587,857) |
| 1.3 D. | There is growth in member communication engagement. |
| Vision of Success | <i>Growth in engagement with USA Swimming member communications (newsletters, announcements, etc.). Key strategies towards this will be optimizing email content and deliverability.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. Average 40% on open rates on member-targeted email communications and newsletters (55.6%) <ol style="list-style-type: none"> a. 40% open rates on member-targeted communications (57.7%) b. 40% open rates on newsletters (48.5%) |

PRIORITY RESULT 1.4 - RECOGNITION OF USA SWIMMING
REFLECTS ENDS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD 1/28/2023

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.4 | Recognition of USA Swimming: USA Swimming continues to be recognized as the “Best in Class” NGB. |
| Vision of Success | <p><i>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:</i></p> <ul style="list-style-type: none"> • <i>Keeping Athletes First: being steadfast in our commitment to provide tools and platforms for our athletes and clubs to thrive</i> • <i>USOPC Audit Compliance – full compliance</i> • <i>Strategic Partnerships: growth in the value of relationships with sponsors and key influencers</i> • <i>Technology: being a leader in use of technology for communications, business analytics, effective stewardship of membership data, etc.</i> • <i>Personnel: continuing to attract and retain talented professionals committed to achievement of our mission/Priority Results</i> • <i>Financial: maintaining adequate cash flow, cash balance and balance reserve to support operations throughout the year</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. KAF 2.0: Elevate consistency of standards for officials across LSCs through creation of National Officials Certification <ol style="list-style-type: none"> a. Determine standards and develop a basic core curriculum for training and certifying officials b. Determine pilot group and program with certain LSCs 2. USOPC Certification: Achieve Renewal in Good Standing (without Conditions) 3. Strategic Partnerships: Renew 75% of contracts terminating in 2023 and achieve a 24% increase in Partnership Revenue (\$4,322,299). 4. Technology: Maintain average resolution time for 85% of SWIMS support tickets, in accordance to priority: <ol style="list-style-type: none"> a. Urgent: 1 business day b. High: 3 business days c. Medium: 7 business days d. Low: 30 business days 5. Technology: Complete full Online Meet Entry launch, to include: (i) development; (ii) testing; and (iii) available for LSC use 6. Personnel: Enhance succession planning by developing and implementing a multi-session manager training curriculum, with separate programming for new and experienced leaders 7. Financial: Develop and document a comprehensive analysis to address strategic investment opportunities |

USA SWIMMING STRATEGIC PLAN

PRIORITY RESULT 1.1 - COMPETITIVE SUCCESS

REFLECTS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD 2/04/2022

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1 | Competitive Success: USA Swimmers achieve sustained competitive success at the Olympic Games and other high-level international competitions. |
| Vision of Success | <i>Fulfillment of sub-points A-E below.</i> |
| 1.1 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. |
| Vision of Success | <i>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.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. 2023 <u>2022</u> World Aquatics Championships: Qualify all relays for the Olympic Games 1.2. 2023 <u>2022</u> World Aquatics FINA-World Championships: Win the gold medal count, the total medal count, and the most relays 2.3. 2023 <u>2022</u> World Aquatics FINA-World Championships: Improvement between Trials and World Championships times in 50% of Individual Olympic Events 3.4. 2023 <u>2022</u> World Aquatics FINA-World Championships: Finalists in 85% of Individual Olympic Event opportunities 4.5. 2023 <u>2022</u> World Aquatics FINA-World Championships: Two athletes finish in the top 2013 in the 10K 5-6. No violations of team rules involving athlete conduct that are detrimental to the National Team |
| 1.1 B. | USA Swimming provides strong and identifiable pathways to develop talented athletes and coaches. |
| Vision of Success | With support from USA Swimming, coaches and clubs are able to offer A athletes <u>have</u> a developmental system that provides an array of avenues avenue to success. |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. 2023 <u>2022</u> FINA-World Aquatics World-Junior Championships – Pool: Win gold medal count, overall medal count, and team score; <u>and medal in all relays</u> 2. Increase the number of male athletes age 202 or below <u>at the time of performance that achieve the World Aquatics “A” time standard, ranked in the top 24 in the world</u> in Individual Olympic Events, as of September 10, 2023, each year of the quad. The number should not be below 23 3. Increase the number of female athletes age 1820 or below <u>at the time of performance that achieve the World Aquatics “A” time standard, ranked in the top 24 in the world</u> in Individual Olympic Events, as of September 10, 2023, each year of the quad. The number should not be below 2345 |
| 1.1 C. | USA Swimming is a recognized leader in promoting a clean sport environment. |
| Vision of Success | <i>USA Swimming will be continually recognized by USADA, WADA, World AquaticsFINA, 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.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 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. 2. Staff leadership proactively convenes meetings and information exchange with counterparts at USOPC, USADA, WADA, and World AquaticsFINA, ITA and the World Aquatics Integrity Unit. 3. Provide education for all university sports medicine staff for universities with NT and NJT members |
| 1.1 D. | National Team athletes have financial support while competing and resources that support successful post-competition transitioning out of sport. |
| Vision of Success | <i>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.</i> |
| | <ol style="list-style-type: none"> 1. Increase qualification bonus at Operation Gold Qualifying Competitions through the quad 2. Athletes transitioning to professional status or retiring are proactively offered resources to facilitate their “next stage” successLaunch Athlete Transition Program with a focus on: mental health, financial wellness, and networking education and opportunities and establish baseline utilization of resources. |

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1 E. | National Team <u>and National Junior Team</u> athletes receive <u>available</u> mental and physical health support, including resources for their health and success. |
| Vision of Success | <i>The health (physical and mental) of the National Team, including the prior quad's Olympic Team, is supported through an array of services.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> Reduce time lost in training and competition due to injury and illness by providing medical interventions and referralsLaunch baseline health assessment for all National Team athletes; establish baseline utilization of resources 100% of NT and NJT athletes <u>are aware of and</u> receive education on mental and physical health resources available to them on an annual basis; <u>establish baseline utilization of resources</u> |

PRIORITY RESULT 1.2 - SUCCESSFUL ATHLETES, COACHES AND CLUBS

REFLECTS ENDS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD x/x/2023²

| | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.2 | Successful Athletes, Coaches and Clubs —Members have and use resources for sustainable success. |
| Vision of Success | <i>Fulfillment of sub-points A-E below.</i> |
| 1.2 A. | Athlete safety is given highest priority, earning USA Swimming's continued recognition as a leader in Safe Sport |
| Vision of Success | <i>We have a culture of proactivity in addressing Safe Sport, including survivor engagement, effective partnering with subject matter experts and weaving Safe Sport into the fabric of the organization to define USA Swimming's posture with regard to athlete protection.</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> All six facets of the Safe Sport program are, over a continuum of communications, conveyed to USA-S membership 50% of Eligible Clubs¹ achieve Safe Sport Club Recognition in 2023². (30-723.59%) Maintain average <u>response time to complaints of three business days or less and</u> resolution time to complaints of six weeks or less. (TBD/5-203.83) |
| 1.2 B. | Athletes have developmental and competitive opportunities to be successful. |
| Vision of Success | <i>USA Swimming provides meaningful opportunities for performance and interpersonal expertise</i> that drives sustained athlete participation. |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. Achieve athlete member retention of 85% for age 13 and Overs (94%a) Annual growth in ratings across athlete-specific events/offerings. 2022: Maintain an average Qualtrics rating ≥5 (on 1-7 scale) for athlete camps (5) 2023: Ratings improve to average ≥6 2. Achieve athlete member growth/retention of 52% for 12 and Under (42%b) 3. Achieve year-over-year membership of 96% |
| 1.2 C. | Coaches have and use tools and skills to be successful. |
| Vision of Success | <i>Coaches look to USA Swimming for training and resources to professionally lead clubs and athletes, and to provide the technical and interpersonal expertise that drive performance improvement.</i> |
| Key Performance Indicators: | <ol style="list-style-type: none"> 1. Establish a baseline Net Promoter Score satisfaction rating across in-person coach-specific events/offerings (e.g., TYR Pro Swim Series, YMCA, CST meets, and Swimposiums). 2. 2022: Average Qualtrics ratings reach a score of 5 for all programs 3. 2023: Ratings improve to average ≥6 4. Establish a baseline Net Promoter Score across Launch online Coach Education Certification programs/offerings <ol style="list-style-type: none"> a. Pre-Deck and Core b. ADM Age Group / ADM Senior c. Head Coach 5. 2. (Future goal: Y-T-Y growth in percentage of coach members obtaining higher certification levels) |
| 1.2 D. | Clubs of all sizes and levels have and utilize resources and services for success <u>are stable and thriving businesses that value USA Swimming membership.</u> |
| Vision of Success | <i>Clubs are providing outstanding experiences for current members, growing membership where capacity allows and are financially and administratively stable. Clubs look to and value USA Swimming's support and resources, resulting in their success as business entities with increased membership growth.</i> |
| Key Performance Indicators: | <ol style="list-style-type: none"> 1. Establish baseline of USA Swimming members clubs engaged with Club Recognition Program<u>Update the following club resources, programs, and offerings:</u> 2. Club Recognition Program 3. Online new club application 4. 1. 2023-2024: Y-T-Y growth in participation and evaluative ratings |

¹ An "Eligible Club" is defined as: A currently registered USA Swimming member club with no less than five registered athlete members, at least one of whom is a minor athlete.

| | |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>2. Average 2.5 attendees per club of those attending achieved X% growth in optional attendance at Club Leadership & Business Management School and increased average evaluation/ratings to Y on a 1-7 scale establish a baseline Net Promoter Score for the program (1.5a, b)</p> <p>2022: Establish prototype of programming to bridge learn-to-swim opportunities to USA Swimming membership.</p> <p>2023: Fully implement</p> |
| 1.2 D. i. | Clubs have tools and capacity to be welcoming and inclusive environments |
| Vision of Success | <i>USA Swimming is a sport for all where diversity is represented from the grassroots level to the National Team. Inclusion is a cultural norm.</i> |
| Key Performance Indicators | <p>1. 23.9% multi-cultural component of USA-S membership (internal demographic guide) (23.40%) Expand Community Swim Team participation:</p> <p>Resume LA and Chicago CSTs</p> <p>Add two additional CSTs</p> |
| 1.2 D. ii. | Educational opportunities support and engage non-athlete volunteers (e.g., parents, team leaders, and officials) |
| Vision of Success | <i>Clubs look to USA Swimming for resources and tools to grow/assist the participation of volunteers who are knowledgeable and supportive.</i> |
| Key Performance Indicators | <p>1. Establish baseline for optional nonprofit club attendance and increase average evaluation/ratings to 6 on a 1-7 scale of Club Leadership & Business Management School (5)</p> <p>2. Elevate consistency of standards for officials across LSCs:</p> <p>a. Determine standards and develop a basic core curriculum for training and certifying officials</p> <p>b. Identify and approve/implement required Rulebook changes</p> <p>c. Initiate pilot program with certain LSCs</p> <p>d. 2023: Launch program for all LSCs</p> |
| 1.2 D. iii. | Facilities development and operational expertise contribute to clubs' success. |
| Vision of Success | <i>Clubs and communities look to and value USA-S as a resource for facility development, programming guidance and technical know-how, resulting in improved availability, access to, and success of aquatic facilities.</i> |
| Key Performance Indicators | <p>1. Growth in annual instances of clubs/facilities seeking USA Swimming support/advocacy for facility projects (benchmark to be established in 2022).</p> <p>2. All clubs to report facilities and manner in which they are used; complete and accurate inventory of clubs and uses created</p> |
| 1.2 E. | LSCs have and use resources and services to support the development and achievement of USA Swimming and its athletes, coaches, and clubs |
| Vision of Success | <i>LSCs consistently meet high standards in provision of education, opportunities, funding, and support for their members.</i> |
| Key Performance Indicators | <p>1. Achieve full compliance with LEAP program.</p> <p>2. Maintain full LSC participation in USA Swimming's (i) monthly LSC meetings, (ii) quarterly LSC Development Workshops; and (iii) annual USA Swimming Workshop.</p> <p>3. Double the number of LSCs participating in the shared services framework (10)</p> <p>4. 50% of LSCs participate in optional LSC Board attendance at in-person or virtual DEI education provided by USA Swimming</p> |

PRIORITY RESULT 1.3 - PUBLIC ENGAGEMENT WITH SWIMMING

REFLECTS ENDS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD x/x/2023²

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.3 | Public Engagement with Swimming: There is growth <u>in</u> swimming participation and interest. |
| Vision of Success | <i>Fulfillment of sub-points A-D below.</i> |
| 1.3 A. | Swimming achieves water safety awareness and swimming skills to save lives. |
| Vision of Success | Our highest awareness priority is A <i>All Americans have the opportunity to learn how to swim – developing safety skills in, on, and around water.</i> <i>Our highest drowning reduction priority is youth 19 & under, diverse, and under-served communities.</i> |
| Key Performance Indicators | 1. Double the number of children reached via the Make a Splash Tour (1500) Annual reduction in drownings (to be assessed using CDC data or Total Aquatic Programming data, as available) (2019: 4532) <u>23. Increase in the Swim Lesson Provider Network programs by 150 programs (12004646)</u> |
| 1.3 B. | Swimming achieves sustained growth in participation at all levels. |
| Vision of Success | <i>Growth in participation is interpreted to emphasize all levels nationally. Participants in swim schools, recreational swimming, etc. will engage on a continuum that will convert into membership growth.</i> |
| | 1. Remain in the top 20% among team sport growth according to Sports and Fitness Industry Association Data (17%) USA Swimming athlete membership to increase 15% by end of membership year 08/31/2022 (295,879) |
| 1.3 B. i. | Growth in participation in underserved/underrepresented populations. |
| Vision of Success | <i>Swimming participation reflects society from a demographic standpoint.</i> |
| | 12. Continue to support 242 current Community Impact Grant programs and add eightthree (83) more 23. Execute three additionaltwo MOUs with HBCUs to establish local swim programming using their facilities (5) 3. Expand Community Swim Team participation by two programs (1) |
| 1.3 C. | There is growth in audience engagement. |
| Vision of Success | <i>Growth of swimming audience engagement through attending swimming events and an array of digital platforms. A key strategy and impact towards this will be showcasing and promoting swimming stars and events.</i> |
| Key Performance Indicators | 1. Event attendance at USA-S events (e.g., TYR Pro Swim Series, Nationals and Winter Nationals): Finals attendance as a percentage of venue capacity (aggregate per event). a. Targets: Trials and Nationals - 9065% (44% Olympic Trials Wave I: 22.3%, Wave II 80.92%; US Open: 99%) b. TYR Pro Swim Series 8065% . (42%NA) 2. 2% growth in Digital Swimming Index (DSI) Individuals (i.e., total fans of USA Swimming content) (1,666,7534,928,000) a. Maintain number of .org individual users (2,888,402) b. a. 5% growth in Social media followers (1,591,2961,565,588) c. 3% growth in Unique email subscribers (475,000) <u>2% growth in USA Swimming app active users (75,457)</u> 3. 1% growth in DSI Interactions (i.e., total engagements with USA Swimming digital media) (9,732,3386,021,004) a. Maintain number of .org unique sessions (5,720,685) b. a. Maintain number of Live Stream Views (521,555284,266) c. <u>10% growth in Podcast Downloads (19,11047,043)</u> d. <u>5% in quarterly growth in video on demand views (Connected TV & YouTube) (4,603,816)</u> e. <u>d. 5% growth in Social Media Likes (4,587,857)</u> |
| 1.3 D. | There is growth in member communication engagement. |
| Vision of Success | <i>Growth in engagement with USA Swimming member communications (newsletters, announcements, etc.). Key strategies towards this will be optimizing email content and deliverability.</i> |
| Key Performance | 1. Average <u>420%</u> on open rates on member-targeted email communications and newsletters (55.630.5%) a. <u>4025%</u> open rates on member-targeted communications (57.733.2%) |

| | |
|------------|--------------------------------------------------------------------------|
| Indicators | b. 40.15 % open rates on newsletters (48.526.9%) |
|------------|--------------------------------------------------------------------------|

|

PRIORITY RESULT 1.4 - RECOGNITION OF USA SWIMMING

REFLECTS ENDS REVISIONS, INTERPRETATIONS AND KPI'S APPROVED BY BOARD x/xx/2023³²

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.4 | Recognition of USA Swimming: USA Swimming continues to be recognized as the “Best in Class” NGB. |
| Vision of Success | <p><i>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:</i></p> <ul style="list-style-type: none"> • <i>Keeping Athletes First: being steadfast in our commitment to provide tools and platforms for our athletes and clubs to thrive</i> • <i>USOPC Audit Compliance – full compliance</i> • <i>Strategic Partnerships: growth in the value of relationships with sponsors and key influencers</i> • <i>Technology: being a leader in use of technology for communications, business analytics, effective stewardship of membership data, etc.</i> • <i>Personnel: continuing to attract and retain talented professionals committed to achievement of our mission/Priority Results</i> • <i>Financial: maintaining adequate cash flow, cash balance and balance reserve to support operations throughout the year</i> |
| Key Performance Indicators | <ol style="list-style-type: none"> 1. KAF 2.0: Online Member Registration Launch <u>Elevate consistency of standards for officials across LSCs through creation of National Officials Certification</u> <ol style="list-style-type: none"> a. Online Member Registration Launch for Non-Athlete Members <u>Determine standards and develop a basic core curriculum for training and certifying officials</u> a. Online Member Registration Launch for Athlete Members b. Determine pilot group and program with certain LSCs 2. USOPC Audit Compliance Certification: Achieve full compliance <u>Renewal in Good Standing (without Conditions)</u> 3. Strategic Partnerships: <u>Renew 75% of contracts terminating in 2023 and achieve a 24% increase in Partnership Revenue (\$4,322,299). Growth in the value of relationships with sponsors and key influencers</u> 4. Technology: <u>Maintain average resolution time for 85% of SWIMS support tickets, in accordance to priority: Comprehensive IT Policy Manual developed and implemented based on the NIST (National Institute of Standards and Technology) framework and achievement of NIST Cybersecurity Framework Standard (goal of achieving 800-53 standard, the standard employed within federal information systems and organizations by 2023).</u> <ol style="list-style-type: none"> a. <u>Urgent: 1 business day</u> b. <u>High: 3 business days</u> c. <u>Medium: 7 business days</u> a.d. <u>Low: 30 business days</u> 5. Technology: <u>Complete full Online Meet Entry launch, to include: (i) development; (ii) testing; and (iii) available for LSC use</u> 4.6. Personnel: Voluntary retention rate of 90% <u>Enhance succession planning by developing and implementing a multi-session manager training curriculum, with separate programming for new and experienced leaders</u> 7. Financial: <u>Develop and document a comprehensive analysis to address strategic investment opportunities</u> |

Investment Policy Statement
For
USA Swimming Foundation, Inc.
January 2023

A. Overview

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

B. Purpose of Investment Policy Statement

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

The Policy:

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

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

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

C. Goals and Objectives

1. Portfolio Goals

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

2. Investment Objectives

a. Investment Funds

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

b. Time Horizon

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

D. Asset Allocation

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

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

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

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

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

Asset Allocation Table

| Investment Class | Minimum | Target | Maximum |
|---------------------------------------------------------------------------------|---------|--------|---------|
| Cash | 0% | 1% | 15% |
| Fixed Income | 20% | 29% | 50% |
| Equities - US <i>Incl: Small/Mid/Large Cap</i> | 50% | 55% | 80% |
| Equities – Intl <i>Incl: Emerging & Developed</i> | 0% | 10% | 20% |
| Real Assets <i>Incl: Commodities, Real Estate, & Alternatives</i> | 0% | 5% | 14% |

Historic and Expected Returns (*)

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

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

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

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 70% MSCI All Country World Index and 30% Barclays Aggregate Bond Index over a three-year rolling period net of fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%, net of fees. While periods of high inflation may challenge the secondary objective, it is still expected that the Portfolio will meet or exceed CPI + 3%, net of fees, over a market cycle. The Committee realizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such periods, the Committee expects rational explanations for such underperformance.

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

E. Investment Implementation

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

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

F. Rebalancing

Portfolio rebalancing will occur as allocation changes are deemed appropriate considering market conditions and/or changing needs of the Portfolio's funds. Rebalancing will also occur as the Portfolio's allocation drifts outside the stated target allocation ranges, as noted in the table above (Section D, Asset Allocation Table). While there is no set tenor to portfolio rebalancing, the Advisor will monitor the various weights on an ongoing basis and make changes as it deems appropriate.

Rebalancing and asset allocation changes will be communicated to the Investment Committee by the Advisor on an ongoing basis.

G. Liquidity Management Account

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

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

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

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

H. Costs

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

I. Communications

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

Investment Committee meetings will be held at least quarterly.

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

Appendix: KEY INFORMATION

ORIGINAL INVESTMENT POLICY ADOPTION: May 1990

REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19, 6/20, 10/21, 1/23

IRS TAX IDENTIFICATION: # 20-4264282

CUSTODIAN: FIS/Reliant Trust

INVESTMENT ADVISOR: First Western Trust Bank

Execution

This Investment Policy Statement is hereby approved and adopted on January XX, 2023.

For USA Swimming:

By: _____

Printed Name: Eric Skufca

Title: Chief Financial Officer

For Advisor:

Advisor: First Western Trust Bank

By: _____

Printed Name: John Sawyer

Title: Chief Investment Officer

Investment Policy Statement
For
USA Swimming Foundation, Inc.

~~August-January 2023~~¹

A. Overview

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

B. Purpose of Investment Policy Statement

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

The Policy:

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

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

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

C. Goals and Objectives

1. Portfolio Goals

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

2. Investment Objectives

a. Investment Funds

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

b. Time Horizon

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

D. Asset Allocation

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

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

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

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

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

Asset Allocation Table

| <u>Investment Class</u> | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> |
|--------------------------------------------------------------------------|----------------|---------------|----------------|
| Cash | 0% | 1% | 15% |
| Fixed Income | 20% | 29% | 50% |
| Commodities | 0% | 0% | 7% |
| Real Estate | 0% | 0% | 7% |
| Equities | 50% | 70% | 80% |
| <u>Investment Class</u> | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> |
| Cash | 0% | 1% | 15% |
| Fixed Income | 20% | 29% | 50% |
| Equities - US <i>Incl: Small/Mid/Large Cap</i> | 50% | 55% | 80% |
| Equities – Intl <i>Incl: Emerging & Developed</i> | 0% | 10% | 20% |
| Real Assets <i>Incl: Commodities, Real Estate, & Alternatives</i> | 0% | 5% | 14% |

Historic and Expected Returns (*)

The long-term un-audited historic rate of return on the target allocation is shown below. It is based on the historic long-term total return for each asset class. This is compared against the assumed long-term average rate of inflation (as measured by the Consumer Price Index). The

difference between the nominal rate of return and the inflation rate is your real (after-inflation) expected return. Actual performance will vary from these historic returns and there is no guarantee that this return objective will be achieved either in any single year or over the longer term. The portfolio return will also be reduced by the deduction of advisory and money management fees.

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

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

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

It will be the objective of the Portfolio to outperform a blended benchmark consisting of 70% MSCI All Country World Index and 30% Barclays Aggregate Bond Index over a three-year rolling period net of fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%, net of fees. While periods of high inflation may challenge the secondary objective, it is still expected that the Portfolio will meet or exceed CPI + 3%, net of fees, over a market cycle. The Committee realizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such periods, the Committee expects rational explanations for such underperformance.

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

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

E. Investment Implementation

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

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

F. Rebalancing

Portfolio rebalancing will occur as allocation changes are deemed appropriate considering market conditions and/or changing needs of the Portfolio's funds. Rebalancing will also occur as the Portfolio's allocation drifts outside the stated target allocation ranges, as noted in the table above (Section D, Asset Allocation Table). While there is no set tenor to portfolio rebalancing, the Advisor will monitor the various weights on an ongoing basis and make changes as it deems appropriate.

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

G. Liquidity Management Account

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

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

| | | | |
|-----------------------|---------|-------|-----------|
| Agency Discount Notes | None | N/A | None |
| Commercial Paper | 5% (**) | A2/P2 | 12 months |
| Corporate Bonds | 5% (**) | A3/A- | 12 months |

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

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

H. Costs

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

I. Communications

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

Investment Committee meetings will be held at least quarterly.

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

Appendix: KEY INFORMATION

ORIGINAL INVESTMENT POLICY ADOPTION: May 1990

REVISED: 5/93, 1/97, 5/97, 10/98, 4/01, 12/01, 10/02, 01/05, 04/07, 6/08, 5/10, 4/11, 12/12, 11/16, 5/18, 4/19, 6/20, 10/21, 1/23

IRS TAX IDENTIFICATION: # 20-4264282

CUSTODIAN: FIS/Reliant Trust

INVESTMENT ADVISOR: First Western Trust Bank

Execution

This Investment Policy Statement is hereby approved and adopted on ~~August 20, 2021~~ January XX, 2023.

For USA Swimming:

By: _____

Printed Name: Eric Skufca

Title: Chief Financial Officer

For Advisor:

Advisor: First Western Trust Bank

By: _____

Printed Name: John Sawyer

Title: Chief Investment Officer

ARTICLE 6 HOUSE OF DELEGATES

[Effective until September 30, 2023 unless the House of Delegates agrees by a majority vote to extend for an additional one-year period prior to the aforementioned date, or adopt as permanent legislation by a two-thirds (2/3) vote. The Board of Directors shall appoint an ad hoc working group by October 1, 2022, which will be comprised of an equal number of coaches, Actively Engaged Athletes, 10-Year Athletes, and non-coach, non-athlete members. Prior to any action to extend or make permanent by the House of Delegates, the ad hoc working group shall review the impact of this legislation and present recommendations or actions to the House of Delegates.]

6.1 MEMBERS – the following shall be the voting members of the House of Delegates:

- .1 All voting members of the Board of Directors, other than the 10-Year Athlete Representatives to the Board, who receive votes pursuant to Bylaw 6.1.13.
- .2 All Coach Directors, Non-Coach Directors, Athlete Directors, and the Junior Athlete Representatives from each the Zone Directors' Council;
- .3 Four (4) LSC Athlete Representatives (as defined in the then current Required LSC Bylaws) from each Zone selected by the Athlete Director and the Junior Athlete Representative from each Zone;
- .4 Three (3) non-coach, non-athlete members from each Zone selected by each respective Zone's Coach and Non-Coach Directors;
- .5 Seven (7) members of the Rules & Regulations Committee to include the Committee Chair, one (1) 2-Year Athlete member, and five (5) non-athlete members selected by the voting members of the Committee;
- .6 All coach members of the National Team Steering Committee, other than the Chair of the National Team Steering Committee (who is a voting member pursuant to 6.1.1, if a coach member, or pursuant to 6.1.13, if a 10-Year Athlete Representative);
- .7 Ten (10) members of the Age Group Development Committee to include at least five (5) coach members, three (3) non-athlete members, and two (2) 2-Year Athlete members selected by the voting members of the Committee;
- .8 Ten (10) members of the Senior Development Committee to include at least five (5) coach members, three (3) non-athlete members, and two (2) 2-Year Athlete members selected by the voting members of the Committee;
- .9 Seven (7) non-athlete coach members of the Coach Advisory Council selected by the voting members of the Council;
- .10 Thirteen-The Eleven (11) 2-Year Athlete members of the AEC, as well as two (2) additional 2-Year Athletes designated by the AEC by majority vote.
- .11 One (1) non-coach, non-athlete member from each LSC as selected by each respective LSC's Board of Directors;
- .12 Three (3) non-athlete coach members from each LSC as selected by each respective LSC's Board of Directors, except that the five (5) LSCs with the smallest number of registered athletes shall select two (2) non-athlete coach members and the five (5) LSCs with the largest number of registered athletes shall select four (4) non-athlete coach members. The size of the LSCs shall be determined by the number of registered athletes as of August 31 of the prior calendar year;
- .13 A sufficient number of 10-Year Athletes and 10-Year+ Athletes whose voting power shall constitute one-third (33.3%) of the total House of Delegates and shall include the voting members of the AAC, the 10-Year Athlete members of the AEC, and the 10-Year Athlete members of the Board of Directors. This may be achieved by actual votes or by weighted voting. A minimum of twenty percent (20%) must be 10-Year Athlete representatives and the remainder may be 10-Year+ Athlete representatives; any weighted voting must preserve these proportions. At least half (50%) of these athlete members of the House of Delegates must have obtained 10-Year Athlete or 10-Year+ Athlete representative eligibility through competing at an event that, at the time of election/selection, is on a UOPC Delegation Event program.
- .14 10-Year Athlete representatives and 10-Year+ representatives shall be directly elected by athletes who meet the same standards as 10-Year Athletes.
- .14,15 To the extent that any of the individuals selected by the voting members of the Committees under Bylaws 6.1.5 through 6.1.9, are afforded additional votes under other provisions of Article 6, the respective committee (by

majority vote) shall select a designee from the same membership governance category as the individual (e.g., a 2-Year Athlete committee member's vote will be designated to another 2-Year Athlete), to assume that individual's additional vote. For purposes of this Bylaw 6.1.15, the membership governance categories are coach, 10-Year Athlete, 10-Year+ Athlete, 2-Year Athlete, and non-coach non-athlete.

~~15.16~~ All members of the House of Delegates shall serve until their successors are selected, except that membership may be terminated by resignation filed with the Secretary & General Counsel or their designee. All members under 6.1 must be elected or selected on or before July 1 of each year and written certification thereof must be sent to the Secretary & General Counsel or their designee on or before July 15. No substitution of a member may be made unless written certification thereof is given to the Secretary & General Counsel or their designee at least 72 hours before the House of Delegates is called to order.

~~16.17~~ Membership on any committee notwithstanding, USA Swimming employees shall not be members of the House of Delegates.

6.2 MEETINGS

.1 The annual meeting of the House of Delegates shall be held at any date, time, and place, including via telecommunication, as may be fixed in the notice of such meeting. Notice shall be posted on the USA Swimming website at least sixty (60) days prior to the meeting.

.2 Special meetings of the House of Delegates may be held at any time, pursuant to a resolution of either the Board of Directors or the House of Delegates. A written notice of any special meeting of members, stating the time, place, and the objectives thereof, shall be e-mailed to each member at least fifteen (15) days before the meeting; such notice may be waived in writing by any member at any meeting before or after such meeting.

.3 The attendance of a member at any meeting without protesting the lack of notice prior to or at the commencement of the meeting shall be deemed a waiver of notice.

.4 The presence of those duly registered and eligible to vote at any meeting of the House of Delegates shall constitute a quorum.

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

Commented [MS1]: The Board can make this change; wouldn't need to present to the HOD

Competition Results

This past December, we had the fortune of hosting three of our most successful meets of the year in the Toyota US Open and dual-site Speedo Winter Junior Nationals. At our Toyota US Open from Greensboro, we saw 11 new records fall, ranging from Championship Records to World Junior Records. Additionally, as the first competition eligible for 2024 Olympic Trials qualification, we saw 90 US Athletes punch their ticket to Indianapolis next summer. The Toyota US Open continues to succeed as one of the premier international meets on the global swimming calendar, highlighted by the 36 nations represented at this year's meet.

Not to be outdone, our 2022 Speedo Winter Junior Nationals proved once again to be the focal competition of the season for our US clubs. Of our 200 USA Swimming Club Excellence Teams, 62% attended one of the meets, with 16 of our 20 Gold Medal clubs choosing to compete. In a competition that saw 39 National Junior Team members and 7 National Team members compete, 18 National Age Group records fell victim to the up-and-coming future of United States Swimming.

Please use the below link to see full details of the dashboard.

<https://app.powerbi.com/view?r=eyJrIjojZjMzNGE4NzYtODIxOC00NTc0LWI2MzYtNjg5NDA2ZjAxZDBhliwidCI6ImUyNmYxNDk4LTAyYzItNGQzMzMC04NjY1LTViOTMzNDI2ZThkZCIsImMiOjZ9>

Combined Results 2022 Speedo Winter Juniors East & West

2,605

Total number of best times across both Juniors sites

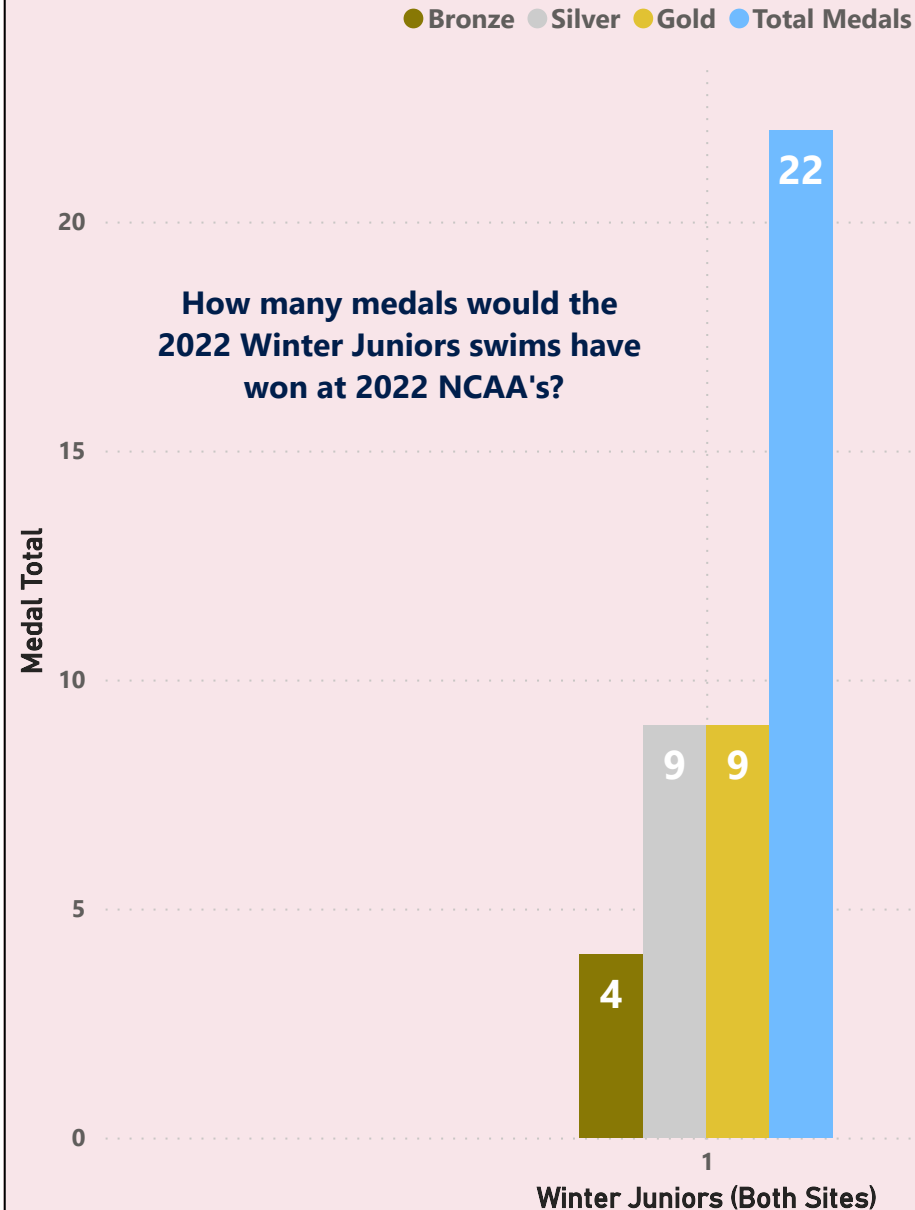
18

Number of National Age Group Records broken

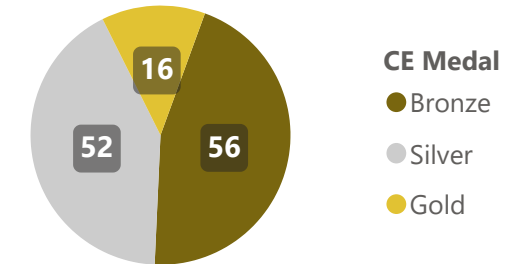
7

Number of 2022-2023 National Team members in attendance

Winter Juniors vs. NCAA: Medal Counts



Club Excellence Team Medal Type



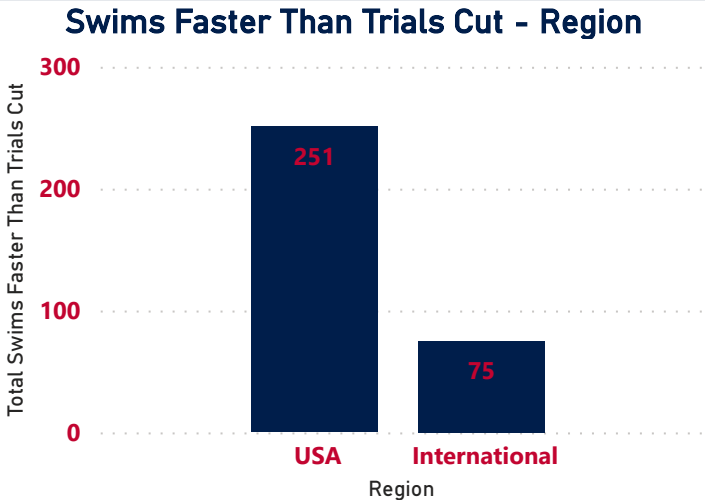
62%

Percentage of Club Excellence Teams in Attendance

39

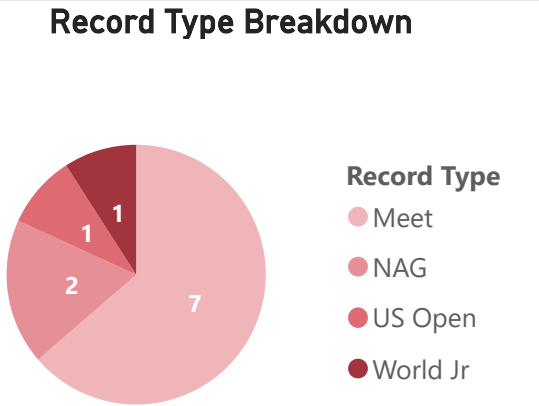
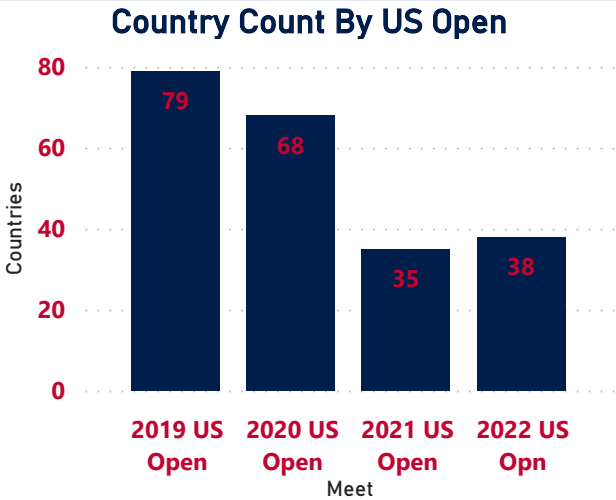
Number of 2022-2023 National Junior Team members in attendance

2022 Toyota US Open



90

Number of US athletes achieving 2024 Olympic Trials Cuts

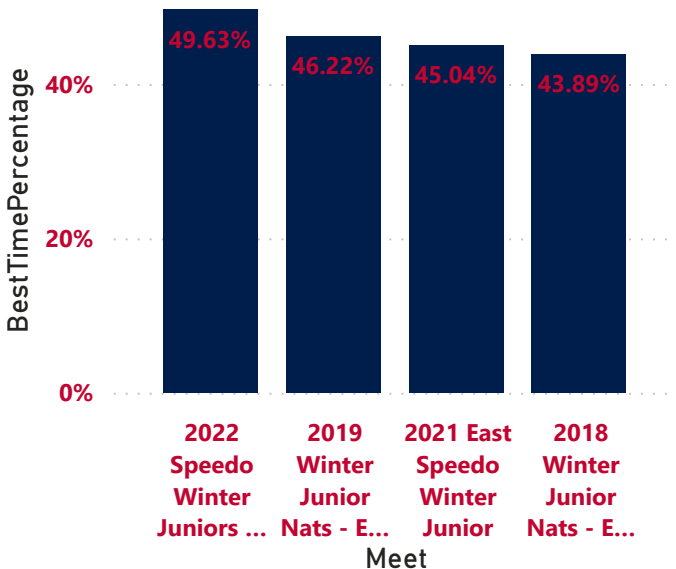


| EventName | Competition Category | 2022 Avg Finals Time | 2021 Avg Finals Time | Percent Faster |
|-----------------------------------|----------------------|----------------------|----------------------|----------------|
| 200 Meter Breaststroke - LCM | Male | 2:13.23 | 2:18.26 | 3.78% |
| 100 Meter Breaststroke - LCM | Female | 1:08.69 | 1:10.84 | 3.13% |
| 200 Meter Individual Medley - LCM | Male | 2:01.36 | 2:04.77 | 2.81% |
| 100 Meter Butterfly - LCM | Female | 59.35 | 1:00.94 | 2.68% |
| 200 Meter Breaststroke - LCM | Female | 2:30.58 | 2:33.93 | 2.22% |
| 50 Meter Freestyle - LCM | Male | 22.23 | 22.6 | 1.66% |
| 200 Meter Backstroke - LCM | Female | 2:10.75 | 2:12.67 | 1.47% |
| 400 Meter Individual Medley - LCM | Male | 4:19.37 | 4:23.11 | 1.44% |
| 100 Meter Butterfly - LCM | Male | 52.87 | 53.6 | 1.38% |
| 400 Meter Freestyle - LCM | Female | 4:09.16 | 4:12.58 | 1.37% |
| 100 Meter Breaststroke - LCM | Male | 1:01.69 | 1:02.53 | 1.36% |
| 200 Meter Freestyle - LCM | Male | 1:49.83 | 1:51.27 | 1.31% |
| 200 Meter Individual Medley - LCM | Female | 2:14.52 | 2:16.18 | 1.22% |

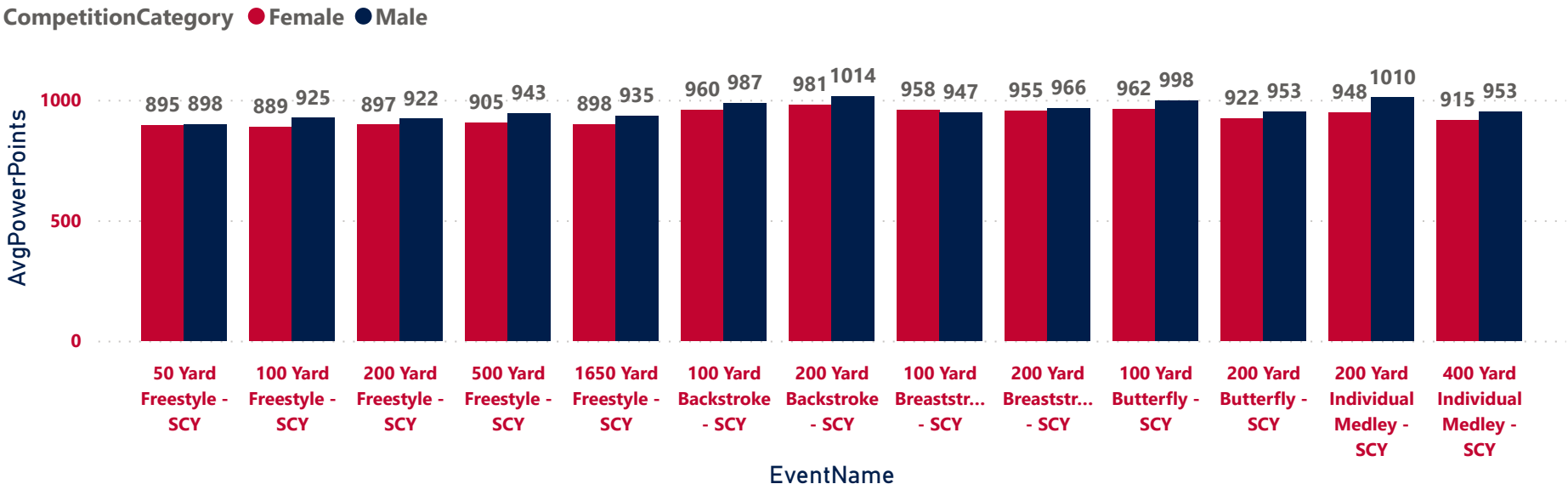
| EventName | CompetitionCategory | AvgAge | MinAge | MaxAge |
|-----------------------------------|---------------------|--------|--------|--------|
| 200 Meter Backstroke - LCM | Male | 18.38 | 17 | 20 |
| 400 Meter Freestyle - LCM | Female | 18.38 | 16 | 25 |
| 400 Meter Individual Medley - LCM | Female | 18.63 | 15 | 25 |
| 200 Meter Backstroke - LCM | Female | 18.75 | 16 | 21 |
| 200 Meter Freestyle - LCM | Female | 19.00 | 16 | 25 |
| 800 Meter Freestyle - LCM | Female | 19.00 | 17 | 25 |
| 1500 Meter Freestyle - LCM | Female | 19.17 | 17 | 25 |
| 100 Meter Backstroke - LCM | Female | 19.23 | 16 | 23 |
| 200 Meter Individual Medley - LCM | Female | 19.38 | 15 | 25 |
| 100 Meter Butterfly - LCM | Female | 19.50 | 16 | 24 |
| 100 Meter Freestyle - LCM | Female | 19.58 | 16 | 24 |
| 100 Meter Backstroke - LCM | Male | 20.00 | 16 | 23 |
| 100 Meter Freestyle - LCM | Male | 20.62 | 16 | 26 |

2022 Speedo Winter Juniors East

Speedo Winter Juniors Best Time Percentage



Average Power Points By Event



Speedo Winter Juniors East Time Comparison

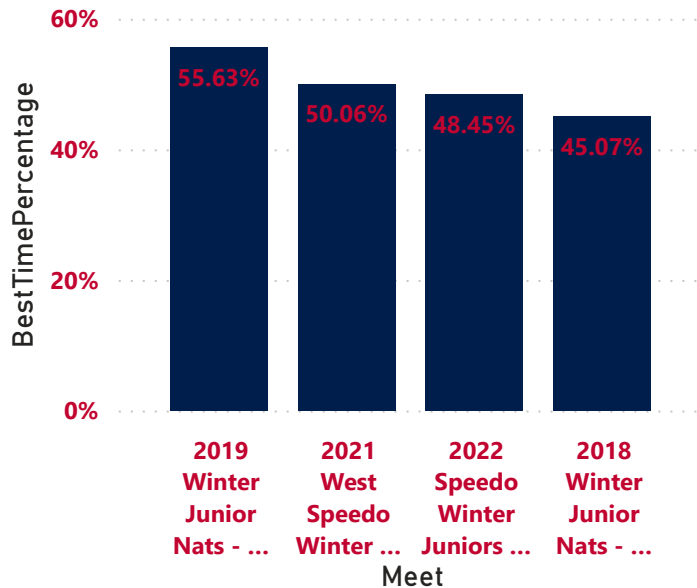
| EventName | Competition Category | 2022 Avg Finals Time | 2021 Avg Finals Time | Percent Faster |
|----------------------------------|----------------------|----------------------|----------------------|----------------|
| 1650 Yard Freestyle - SCY | Male | 15:06.48 | 15:22.45 | 1.76% |
| 200 Yard Breaststroke - SCY | Female | 2:10.69 | 2:12.8 | 1.61% |
| 200 Yard Individual Medley - SCY | Male | 1:44.66 | 1:45.82 | 1.11% |
| 500 Yard Freestyle - SCY | Male | 4:20.53 | 4:23.41 | 1.11% |
| 500 Yard Freestyle - SCY | Female | 4:44.81 | 4:47.59 | 0.98% |
| 100 Yard Breaststroke - SCY | Female | 1:00.59 | 1:01.16 | 0.94% |
| 100 Yard Butterfly - SCY | Male | 46.35 | 46.73 | 0.82% |
| 400 Yard Individual Medley - SCY | Female | 4:12.57 | 4:14.64 | 0.82% |
| 100 Yard Butterfly - SCY | Female | 52.48 | 52.83 | 0.67% |
| 200 Yard Individual Medley - SCY | Female | 1:58.28 | 1:58.97 | 0.58% |

Speedo Winter Juniors East Finalist Ages (A&B Final)

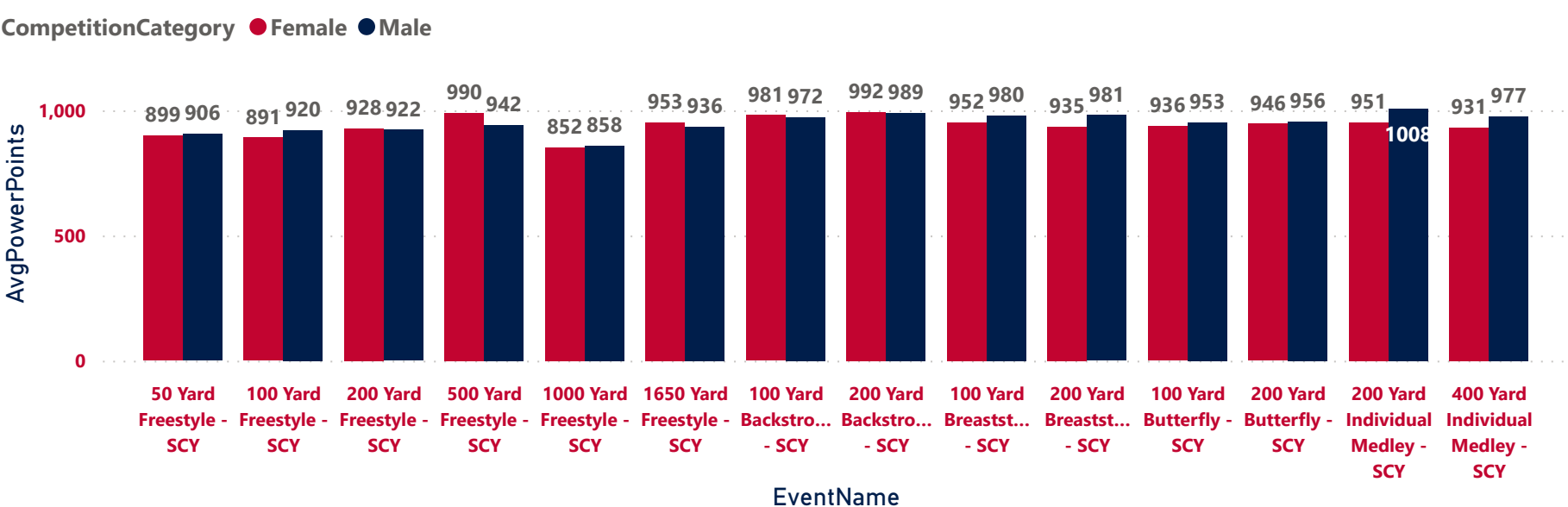
| EventName | CompetitionCategory | AvgAge | MinAge | MaxAge |
|----------------------------------|---------------------|--------|--------|--------|
| 200 Yard Butterfly - SCY | Female | 16.13 | 14 | 18 |
| 100 Yard Breaststroke - SCY | Female | 16.25 | 15 | 18 |
| 200 Yard Breaststroke - SCY | Female | 16.25 | 15 | 18 |
| 1650 Yard Freestyle - SCY | Female | 16.31 | 15 | 18 |
| 200 Yard Individual Medley - SCY | Female | 16.31 | 15 | 18 |
| 100 Yard Butterfly - SCY | Female | 16.40 | 14 | 18 |
| 200 Yard Backstroke - SCY | Female | 16.44 | 14 | 18 |
| 50 Yard Freestyle - SCY | Female | 16.44 | 14 | 18 |
| 100 Yard Backstroke - SCY | Female | 16.50 | 14 | 18 |
| 400 Yard Individual Medley - SCY | Female | 16.50 | 15 | 18 |
| 200 Yard Freestyle - SCY | Female | 16.55 | 15 | 18 |

2022 Speedo Winter Juniors West

Speedo Winter Juniors Best Time Percentage



Average Power Points By Event



Speedo Winter Juniors West Time Comparison

| EventName | Competition Category | 2022 Avg Finals Time | 2021 Avg Finals Time | Percent Faster |
|----------------------------------|----------------------|----------------------|----------------------|----------------|
| 1650 Yard Freestyle - SCY | Female | 16:11.27 | 16:32.54 | 2.19% |
| 400 Yard Individual Medley - SCY | Male | 3:45.84 | 3:49.93 | 1.81% |
| 200 Yard Backstroke - SCY | Female | 1:53.81 | 1:55.68 | 1.64% |
| 200 Yard Individual Medley - SCY | Male | 1:44.76 | 1:46.39 | 1.56% |
| 500 Yard Freestyle - SCY | Female | 4:37.89 | 4:40.9 | 1.08% |
| 100 Yard Backstroke - SCY | Female | 53.19 | 53.76 | 1.07% |
| 100 Yard Breaststroke - SCY | Male | 53.62 | 54.14 | 0.97% |
| 200 Yard Butterfly - SCY | Female | 1:55.82 | 1:56.85 | 0.89% |
| 200 Yard Breaststroke - SCY | Male | 1:56.9 | 1:57.87 | 0.83% |
| 500 Yard Freestyle - SCY | Male | 4:18.34 | 4:20.4 | 0.80% |

Speedo Winter Juniors West Finalist Ages (A&B Final)

| EventName | CompetitionCategory | AvgAge | MinAge | MaxAge |
|-----------------------------|---------------------|--------|--------|--------|
| 1650 Yard Freestyle - SCY | Female | 15.94 | 14 | 18 |
| 50 Yard Butterfly - SCY | Male | 16.00 | 16 | 16 |
| 50 Yard Backstroke - SCY | Female | 16.19 | 14 | 17 |
| 1000 Yard Freestyle - SCY | Male | 16.25 | 15 | 17 |
| 500 Yard Freestyle - SCY | Female | 16.25 | 14 | 18 |
| 100 Yard Breaststroke - SCY | Female | 16.31 | 15 | 18 |
| 200 Yard Breaststroke - SCY | Female | 16.31 | 15 | 18 |
| 200 Yard Butterfly - SCY | Female | 16.31 | 14 | 18 |
| 100 Yard Backstroke - SCY | Female | 16.41 | 15 | 18 |
| 1650 Yard Freestyle - SCY | Male | 16.44 | 15 | 18 |



TO: Board of Directors
FROM: Tim Hinchey III
COPY: Staff & Selected Others
DATE: January 20, 2023
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

Our National Team athletes ended the year on a high note at the 2022 FINA World Swimming Championships (25m) in Melbourne, Australia in December. The team tied for the most medals ever won at this event and tied for the most gold medals at this event. The U.S. won the Best Team Award and Ryan Murphy was awarded Best Male Performer.

Note that you will no longer see us using the acronym FINA in future-facing comments as our International Federation voted during that Melbourne Congress to change its name to World Aquatics. We continue to use the term FINA when reporting on past events.

National Junior Team

The National Junior Team clocked some very fast swims at the Toyota US Open and Speedo Winter Junior Nationals in December. We look forward to the National Junior Team Camp in April and are excited to offer a comprehensive educational platform in the areas of Mental Health, Nutrition, Sports Performance, USA Swimming Culture and Team Building. We are also proud to offer a health screening to help our athletes manage/recover from existing injuries as well as prevent future injuries. We will also offer two educational zooms for coaches in the next month. One will be from Emily Klueh geared towards mental health for coaches, the other one will be on sleep co-presented by Dr Randy Wilbur and Keenan Robinson. We will continue to offer zoom opportunities for coaches to engage in throughout the spring and summer.

High Performance

In November and December, the High Performance team provided service at the North American World Cup stops, Toyota US Open, and FINA World Championships (25m). At Short Course Worlds we helped the coaching staff navigate the complex puzzle of 12 relays and 96 relay positions over the course of six days of competition, contributing to an overall strong performance for the team with 36 total medals won.

On the dry side we have engaged with Amazon Web Services to explore upgrading our video and race analysis reporting platform and Gerford AI to work towards automation of race data capture. We are also in the midst of planning our National Team training camp (March at OPTC), National Team Coach Seminar (April in Denver), and Relay Camp (April in Austin).

Sports Medicine

The Sports Medicine team provided competition (recovery) medicine for two of the three FINA World Cup stops and Toyota US Open, allowing for a fall health screen for all but five 2022 World Championship Athletes. We provided health coverage for the 2022 Short Course Worlds, delivering a healthy team and providing high level recovery medicine throughout the meet, allowing a small athlete delegation to succeed in a dense competition with extremely high podium results.

The Sports Medicine team has been meeting monthly to design a first time ever Junior Team assessment for the 2023 Spring Camp. As we continue to learn, capturing underlying health risk early will aid in a long career.

Finally, we are in the fourth year of the only evidence-based female health program as we look for best practices for the female swimming physiology and biology.

Open Water

The team is in final preparation for open water programming in the lead up to 2024 World Championships and Olympic Games. We are excited to support a portion of the Open Water National Team in attending all of the World Aquatics series of competitions, and our entire Open Water National Team in attending 2 international competitions. OWNT attendance in 2023 international competitions is a huge priority as we will use these meets for selection towards the 2023 and 2024 World Championships.

Athlete Services

We hired Emily Klueh, Manager of Mental Health and Wellness, to help support NT and NJT athletes and coaches and to provide programming throughout the organization. Emily will sit in the athlete services division of the National Team.

We continue to share the various available resources for professional athletes and athletes who have exhausted NCAA eligibility:

- The LinkedIn Group for National Team Alumni will be highlighted differently in the National Team Newsletters.
- The ACE resources from the USOPC are included in the Newsletter and the Handbook.
- Opportunities for professional development such as Tuck Next Step or LA28 internships are shared via newsletters to alumni and current National Team members.
- These groups and resources were explained at the National Team Onboarding for the 2022-2023 National Team.

The development of a robust transition program for retiring athletes is in the early stages of preparation for launch in fall 2023:

- Retired athlete focus groups
- AAC athletes
- USOPC and other NGBs
 - USA Swimming was one of the top five NGBs to have athletes engage in the resources offered by the USOPC Athlete Development and Engagement Team
- USA Swimming Foundation

The USA Swimming Foundation DAPP program provides a very valuable resource for athletes to learn from a mentor who can assist as they consider retirement. This partnership places athletes with mentors who often have similar professional interests so they can network with their donor and the donor's network to discuss career aspirations, etc. All DAPP athletes will be receiving a call from Stacy Michael-Miller to discuss their partnership, what could enhance their mentorship, and what resources would best assist them going forward.

Continued Anti- doping Compliance and Education efforts:

- USADA provided in person education, webinars and materials to the following groups:
 - Registered Testing Pool Athlete USA Swimming specific education webinar
 - National Junior Team Education webinars, National Junior Team Camp and international competitions
 - Club Teams who trained at the USOPTC
 - USA Swimming regional coaches clinics
 - USA Swimming April Workshop and LSC Workshops
 - Diversity Select Camp: Educational Presentations specific to athletes and coaches
 - Zone Select Camps and Regional Diversity Camps
 - National Select Camp coaches and athletes
- We seem to be getting through to people! USADA provided GlobalDRO statistics for searches conducted by athletes in the USA that identified themselves as swimming athletes in the sport drop down on [GlobalDRO.com](https://www.usada.org/globaldro). These statistics are not made publicly available, but USADA can report these numbers to us as needed. Our number for 2022: 22954 searches!

Membership

Safe Sport

The Safe Sport team ended 2022 with a continued focus on training & education and connecting with membership. From October through December, Safe Sport staff trained 2,455 individuals, including athletes, parents, coaches, and other non-athlete members. These training sessions included representation from 224 clubs and 54 LSCs. Safe Sport staff also had a presence at the Toyota US Open and the Speedo National Junior Championships, where Safe Sport signage was displayed and meetings were held with all the officials in attendance. In October, we held a virtual LSC Safe Sport Chairs workshop with attendance by over 30 chairs that were engaged for the four hours of the workshop.

The Safe Sport Club Recognition portal went live at the beginning of November after being revamped to work alongside SWIMS 3.0., and clubs are actively working on their Safe Sport Club Recognition statuses

again. To date, there are 625 Safe Sport Recognized clubs. The Safe Sport team, along with LSC Safe Sport Chairs, are continuing to find ways to support and encourage clubs to make SSRP a priority.

In October, the Center conducted our annual Administrative Audit. The audit report focused on four areas: education and training, communication and reporting, quality control systems, and local affiliated organizations. USA Swimming received the draft audit report and earned scores of "implemented" in the areas of education and training, communication and reporting, and local affiliated organizations. We received a partially implemented score in the area of quality control systems. There were three corrective actions to take, and a management response was provided to the Center before the holiday break. Since the Safe Sport Committee pulled their proposed legislation regarding the requirement to implement a Quality Control System at local level meets back in September, USA Swimming staff members have met with the Center on multiple occasions to discuss how we can best meet the needs of our membership and comply with the Center's requirements. With positive dialogue, there has been movement towards the balance of these two expectations and we hope to have a resolution in the coming weeks.

Diversity, Equity and Inclusion (DEI) and Community Impact

Since the November board meeting, the DEI team has reached 394 new members and thirty clubs via eight in person DEI Programs and four virtual DEI educational webinars.

Things to note:

- Our optional membership-wide monthly DEI Trainings continue to recur on the second Thursday of each month.
- The third cycle of Community Impact Grant applications closes February 3, 2023, and currently has 31 applicants.
- Our community swim team program is currently in the contractual process in Los Angeles, Oakland, and Indianapolis.
- The HBCU Grant application period closed January 13, 2023, with seventeen applications.
- The Hurricane Ian Relief Grant application period closed November 30, with seventeen applications, nine rejections, and eight approvals for an award total of \$37,925.

Pre-Competitive Programs

The 2022 Learn to Swim Grant cycle is complete, with End of Year Reports having been submitted by the recipients. Details of these reports will be made available to the Foundation's Development team by Friday, January 20 in order to share results with donors. 2023 Learn to Swim Grant applications are in review by the Grant Review Committee until February 5, with awards tentatively scheduled for announcement February 21.

A new bi-monthly Pre-Competitive Webinar Series will launch February 8 to further support learn to swim and club programs in building relationships at the local level and establishing programming opportunities to bridge the gap between learn to swim and competitive swimming. Webinar series details are located at <https://www.usaswimming.org/coaches-leaders/team-leaders/programs-services#pre-competitive---learn-to-swim>.

The SWIMS 3.0 Pre-Competitive/Learn to Swim and the intended \$50 annual Listing Fee launch was placed on hold in Fall of 2022 to during reprioritization of resources. Due to this pause, and as of September 1, 2022, swim lesson providers no longer populate on the Find a Team/Lesson search tool. The goal is to have two separate finders: one for USA Swimming Clubs and one for lesson providers.

The US National Water Safety Action Plan Steering Committee is in the home stretch of releasing an initial Recommendations document this spring; the 2022 release was delayed due to a wealth of feedback received within last fall's industry-wide survey. Work continues on finalizing an organizational structure for long-term housing and management of the Plan and launch and implementation tool kits are now in development. For more information on the US National Water Safety Action Plan, visit <https://www.watersafetyusa.org/nwsap.html>.

2022 USA Swimming Workshop presented by LiveBarn:

This year's USA Swimming Workshop will be held in April in Denver. Over 400 members will attend along with the majority of the USA Swimming staff. Sessions for attendees will consist of five major educational tracks based on the USA Swimming membership we have attending: Officials, Coaches, LSC Development, SafeSport and Athletes. A legislation session to preview items to be voted on during the ABM will also be in the itinerary as it was an extremely popular session at last year's event.

The Workshop is quickly becoming the preeminent conference for professional development and ways to increase performance and growth. Alongside an environment to connect with USA Swimming staff and other members from different LSCs, this year's attendance looks to be a record high.

Team Services, Coach and Athlete Development

Coach Education – Online Certification:

Since the launch in September, we have 6800 users on the platform. More than 4000 have engaged in the Quality Coaching Framework (QCF) and almost 550 enrolled in the CORE Certification. The deadline to take the QCF for existing members is June 6, 2023. We should see a steady rise in the numbers over the next two quarters.

The IT team will begin work on the redesigning the user interface on the Education Hub in February for ease in navigation and to provide members with detailed information so that they may sample content and learn more about the courses before having to create a username and password. Once this work is complete, we will relaunch the Coach Certification program to create excitement and highlight new courses like the Head Coach Certification, and Core Certification in Spanish.

Other current work includes the Officials' Certification, currently in the Discovery phase, content building for Legacy Level coach certification, and a pilot Mentorship program starting in February. The Coach Education team will be meeting the week of January 23 for annual strategic planning.

Below are direct quotes from influential coaches within our membership specifically about the QCF and Core Certification:

- *"The QCF was good! I get new coaches with no experience, and they need this foundation."*
- *"I finished the course requirement for I LOVED IT! It makes me excited for the other courses and the future of our in-house continuing education."*

- *"I really enjoyed the QCF. I was skeptical, but I found it to be really valuable. It was a good reminder of the things you just forget, especially as an experienced coach. I thought the requirement was a reasonable ask from existing coaches."*
- *"Our staff have been having more conversations about what we have been learning. The excitement has been high, and I can see it with the interactions with our swimmers and each other."*

Team Services:

There were small shifts in priorities for the Team Services advisors this fall. Team Services assumed a heavy customer service role assisting member clubs and families as the transition to our new technology began. In the past, advisors would attend higher-level national meets such as Toyota US Open and Speedo Winter Juniors, but we shifted to attending local December prelim/finals meets held within each zone to connect with our smaller clubs and coaches we may not have interacted with in the past. This change proved successful as those tracked member conversations will lead our discussions with committees such as Age Group Development and Club Development for the approach to resources and services for clubs in 2023.

Our revamped Club Leadership Business Management School 101 (CLBMS 101) is being finalized in the Canvas Learning Management System with an expected release in August. The August release will enable new clubs to fulfill the requirement before the short course season starts. CLBMS 101 is required of all first-year teams during the registration process and gives clubs a solid foundation in business competency.

Our quarterly 10 & under coaches' calls focused on long-term athlete development and our American Development Model (ADM) were highly attended by our coaching community. We closed out 2022 with a record number of 300+ coaches attending those zoom offerings.

Lastly, Team Service advisors tested the concept of utilizing Microsoft TEAMS to track all conversations with member clubs and coaches. This shared tool allows for performance tracking of advisors at events, better internal communication amongst the team, and quicker response times with appropriate resources and services delivered to member clubs and coaches.

Programs:

USA Swimming's Sport Development spring camp locations are confirmed for the 2023 season. We are excited to offer a variety of camp opportunities for emerging athletes. Camps offer a unique motivational and educational experience to help athletes move from the local and regional level onto the National scene.

Zone Select Camps bring the top 56 swimmers in each zone together for a weekend of inspirational and informative sessions to preview the next steps in their athletic career. Selection is done automatically using the SWIMS times database.

- 2023 Zone Select Camps:
 - Eastern: University of Pennsylvania, May 18-21
 - Southern: University of Louisville, May 18-21
 - Central: University of Minnesota, May 25-28
 - Western: San Diego State University, June 15-18

Regional Diversity Select Camps aim to further expand the Diversity Camps pathway by identifying talented, young, diverse athletes in various regions. Athlete applications open in February.

- 2023 Regional Diversity Select Camps:
 - o University of Houston, June 1-4
 - o San Jose State University, June 8-11
 - o University of Maryland- Baltimore County, June 8-11

National camps also kick off this spring with the National Diversity Select Camp at the Olympic and Paralympic Training Center, May 4-7. This camp also offers a coach's track, available for the teams of selected athletes to send one coach for a weekend of facilitations and collaborative learning opportunities.

As part of our Coach Education in-person opportunities, USA Swimming's Regional Coach Clinics are back in full swing, with three options this spring. Regional Coach Clinics provide coaches of all levels and experiences with the blueprint and best-in-class expertise to reform their coaching using facilitated education, discussions, and activities.

- 2023 Regional Coach Clinics:
 - o Ocala, Florida, March 31-April 2
 - o Kansas City, Missouri, April 14-16
 - o Baltimore, Maryland, June 9-11

The 2023 Women's Leadership Summit aims to assist female coaches with varying levels of experience build their comfort and expertise in leadership through immersive educational sessions and interactive connection opportunities with fellow members of the USA Swimming community. The Summit includes three virtual sessions with a culminating in-person event at La Foret Retreat Center in Colorado Springs, March 31- April 2.

Technology, Product and Data Analytics

Digital Transformation:

Five months after the launch of SWIMS 3.0, the team continues to react and improve on the software application by adding functionality including the Safe Sport Recognition Program, Swim-A-Thon, two phases of the Officials Tracking System, and over 200 feature enhancements and bug fixes. The performance of the application continues to improve while we reduce cloud resources to save costs.

On January 3, USA Swimming launched the new Online Meet Entry application. Thanks to tremendous user testing and a strategically timed launch, the release of OME has been quite smooth, and we have received positive feedback like: "the new OME is actually very simple to use." OME was a major failure point within the legacy system last summer/fall, and we look forward to providing this new and improved resource to our clubs and LSCs.

Presently, the team is finalizing the NCAA Selections tool in addition to continued refinements with times matching, times recognition, records automation process, and IMX/IMR/VCC. We continue to build more "Admin tools" to allow staff and volunteers to fix mistakes and support members quickly. Currently, we have an LMS Admin tool, Refunds Automation Admin tool, Manage Transfers tool, and a tool to Manage User Accounts. Next on the docket is a Records Admin tool and a Security Management Admin tool.

The data warehouse and LSC/Club reporting continue to improve. The first iteration of the data warehouse is close to complete, and we have many ideas for version two. The democratization of data is going to be the biggest value add from this major initiative. The next step in reporting will be the evolution of modern dashboard reporting vs. the standard paginated reporting to which LSCs and clubs are accustomed. Dashboard reporting will require some education and explanation, but the data team is preparing to handle the important teaching element of using the new reporting tools.

We continue to release a new version of SWIMS once per week, and we are finalizing new application development over the next 3-4 months. 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) improving data quality.

Member Support:

Eric Stimson continues to lead the team with management of customer support tickets. Arguably the biggest challenge from this project was taking on the technical support of 400,000 users, compared to the 200-250 users in the former SWIMS software.

We continue to hover around 2500 unresolved tickets. Over the course of December, we closed 700 more tickets than were opened, yet we still received almost 4,000 tickets. The week of January 2, we received our highest weekly intake of tickets since the middle of September (almost 1500 tickets) primarily due to a mistake by TeamUnify. On January 1, all members that had not renewed were removed from the TeamUnify platform. This issue caused mass confusion for coaches and club admins. Many members registered a second time, and this unfortunately set the progress of our internal software back due to the mass quantity of refund requests and tickets. The issue was rectified with TeamUnify, but it took some days for the data to re-sync. The TeamUnify team will be in Colorado Springs the week of January 23 for considerable discussion around the best path forward.

Membership:

Through January 19, the 2023 registration year athlete membership total trails 2022 by ~25K athletes (-8.5%). This number peaked at a delta of ~48K and -18% in the middle of December. Due to the changes in registration processes this year, we expect this discrepancy to continue to crawl back to the -5% range in early 2023. Total 2023 membership numbers trail 2022 numbers by ~22K members (-6.8%).

COMMERCIAL

Technical Events/Competitions

The Toyota US Open in Greensboro, NC in December welcomed 519 athletes and saw six meet records and one World Junior record fall, that one to Summer McIntosh of Canada who clocked an unbelievable 4:28.61 in the 400m IM. Speedo Winter Juniors East (Greensboro) and West (Austin) hosted 729 and 979 swimmers respectively and an incredible 23 out of 36 events boasted new Speedo Winter Junior meet records.

We have hosted one major meet in 2023 – the TYR Pro Swim Series Knoxville, with 359 swimmers, two new TYR Pro Swim Series records, and one major power outage that required a move to the student recreation pool across the street. Our focus turns now to Speedo Sectionals, TYR Pro Swim Series Ft Lauderdale, and Open Water Nationals.

Creative/Productions

Creative and Productions began work on season 4 of *Off the Blocks*, with a total of six episodes scheduled for 2023 and a tentative premiere date in May. The team is currently developing a second series of content for the U.S. Air Force Special Warfare partnership, the 500 Days Out Trials ticket launch, and also developing comprehensive identity packages for five LSCs. To date, we have redesigned over 20 logos at no cost to the LSCs requesting this assistance.

Marketing & Communications

U.S. Olympic Team Trials- Swimming 2024 Ticket Sales

The pre-sale for USA Swimming members launched on December 1, following an exclusive window for National Team athletes and families. Bronze-level tickets were released shortly after on December 8, along with promotional messaging highlighting the affordability of Indianapolis and the larger Trials experience. Tickets sales will be released to the public on February 1 with an integrated marketing plan built in concert with the Indiana Sports Corp.

Digital Platforms

The Digital Platforms team continues to enhance the organization's marketing efforts by expanding the capabilities of our automated marketing platform, Salesforce Marketing Cloud. The system now includes mobile SMS capabilities, allowing us to create multi-channel marketing campaigns and adding tools for the team to leverage in future communications. The team also completed the setup of our first multi-wave, automatic email campaign that will welcome new members of USA Swimming with targeted emails highlighting membership requirements and promotional opportunities.

Communications

With the fall hiring of a new Communications Director, the team underwent a restructure of the now fully staffed team with clearly defined roles, added emphasis on storytelling and membership communications, and continued focus on managing media operations and public relations.

The following external announcements were released since the November board meeting:

- New Foundation board members
- New House of Delegates members
- USA Swimming and USA Track & Field joint sales effort with One & All agency
- Olympic Trials tickets pre-sale for members, National Team and family, U.S. Masters members
- 2022-23 Open Water National Team and National Junior Team
- 2023 World Aquatics Championships head coaches

Social Media

The aforementioned fully staffed Communications team includes the hiring of a social media coordinator, Sara Saiz. Statistics for social media are trending favorably:

- In December 2022, we earned 45.6K Twitter impressions (views on tweets) per day, which is more than double November's average.

- Current 90-day period compared to previous 90-day period:
 - Instagram posts have reached 1.3M accounts in the past 90 days, which is up 72.2% from the previous 90-day period.
 - Facebook engagement (reactions, comments & shares) are up 71.7% over the past 90 days.
 - Gained 22K Instagram followers over the past 90 days, which is up 5% from the previous 90-day period.
- For TPSS Knoxville, our social content reached over 3.6M accounts across Facebook, Twitter and Instagram with nearly 200 social posts across all platforms. Twitter impressions were more than 2x higher for this meet than the last TYR Pro Swim Series.

Athlete Marketing

Highlighted Appearances include:

- Swim Night at the Pittsburgh Penguins game with Leah Smith
- USA Swimming Autograph Session at TPSS Knoxville with Justin Ress, Ryan Held, Regan Smith & Trenton Julian
- USA Swimming Clinic at TPSS Knoxville with Hunter Armstrong
- Mid-State Championships appearance with Drew Kibler

Upcoming Appearances include:

- Swim-a-Thon Announcement video with Natalie Hinds
- USA Swimming Coaching Education Video with Regan Smith
- Harper for Kids Virtual School Appearance with Hali Flickinger
- Autograph sessions at the TYR Pro Swim Series:
 - Ft. Lauderdale: Shaine Casas, Erika Brown
 - Westmont: Shaine Casas, Erika Brown, Olivia Smoliga, Justin Ress

Partnership Marketing

Marriott decided in late December not to renew their sponsorship for 2023. The team is currently working on other promising opportunities in the hotel and hospitality space and should have significant updates for the next report. All three suit partner sponsorship deal renewals have been fully inked and will be announced in Q1. The first Centennial Partner deal for the 2024 Olympic Trials was sold, and suite sales to partners and donors will be released in March of 2023; this is the first time we will be able to offer suite sales for a Trials meet.

| |
|-----------------------------------------------------|
| <h2>USA SWIMMING FOUNDATION DEVELOPMENT</h2> |
|-----------------------------------------------------|

The USA Swimming Development team is incredibly proud to report a successful conclusion to what was already a banner year in 2022. Between the Golden Goggle Awards online auction, the live auction held during the event, and Raise-a-Paddle donations, a total of \$296,801 was raised in New York City--a record amount for a Golden Goggle Awards. The USA Swimming Foundation end-of-year solicitation campaign was also very successful, raising \$138,025.73 between Giving Tuesday and the end of the calendar year. The Foundation also added four new Board members and two new Ambassadors--Natalie Hinds and Chase Kalisz—for 2023. The perspectives added by these individuals will help the Foundation continue to ensure that its mission of Saving Lives, Building Champions, and Impacting Communities is at the forefront of its

activities. A working group of Foundation Board members continues to review governance documents to ensure consistency among them, and they anticipate proposed changes being made at the September or November 2023 Board meeting(s). Lastly, USA Swimming is currently undergoing the process of reviewing Learn to Swim Grant applications with award announcements being distributed at the beginning of February. The Foundation is in a position of strength and eager to carry a growth mindset into the ever-increasing opportunities 2023 has in store.

BUSINESS AFFAIRS

Human Resources

The 2022 Performance Reviews were successfully completed in the fourth quarter of 2022. Employees responded favorably to the new rating system and the process ran smoothly and on time.

Legal and Human Resources revised the 2023 Employee Handbook to include all new and updated policies and procedures. Human Resources sent the Employee Handbook to staff for review and acknowledgement on January 4, 2023. All required wage and law poster requirements have been updated on-site, and Human Resources has sent the Colorado Wage Order Comps #38 for 2023 to staff for review and acknowledgement.

USA Swimming currently has openings in the following positions:

- Coordinator, Payroll & Benefits
- Intern, USA Swimming Foundation
- Intern, Digital Marketing
- Intern, Sport Development

Since September 25, 2022, USA Swimming has welcomed the following new hires:

- Sara Saiz, Coordinator, Social Media
- Emily Klueh, Manager, Mental Health & Emotional Wellness
- Courtney Intara, Director, Legal Affairs

Last year, Colorado passed the Family and Medical Leave Insurance Program that became effective January 1, 2023. This program provides paid family medical leave for up to 16 weeks for eligible Colorado workers. The program is funded by premiums paid by both workers and employers through payroll deductions. For 2023, the total premium is 0.90% of all wages up to the Social Security limit, and it can be split between the employee and the employer. USA Swimming elected to pay for 100% of the premium for all eligible employees in 2023 as part of our comprehensive benefits package. Human Resources has sent out all required notifications and guides to employees and implemented the premium in the Bamboo HRIS software.

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. Following remediation efforts, of the four remaining categories, only one remains open at this time, pending results of USA Swimming's separate audit with the U.S. Center for SafeSport.

FINANCE & OPERATIONS

2022 Audit Preparation

The auditors from Stockman Kast Ryan & Co., LLP are scheduled to be on-site for our 2022 audit beginning March 13. In preparation for their upcoming year-end fieldwork, the auditors worked with Finance to complete their on-site interim/pre-audit work in early January 2023.

Year-End Close Process

The Finance department is in the process of closing our books for both USA Swimming and the USA Swimming Foundation for 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 year-end journal entries will be made to ensure our general ledger and internal financial statements are final and ready for the year-end audit. We anticipate completing our close by late February ahead of the auditors beginning their fieldwork in March.

2022 – 2024 Forecasts

Final 2023 Budgets for both entities were presented and approved at the November 2022 Board meetings. Additionally, we continue discussions and strategies as we continue our 2024 3-year “quad.” Latest versions of the 2024 quad projections were included in the 2023 budget file and we’ll look to formally initiate our 2024 annual budget process mid-2023.

Form 990s

As previously reported, both the USA Swimming and USA Swimming Foundation Tax Return Form 990s were filed timely in advance of the November 15, 2022 annual deadline. As we work to close the books for 2022, we concurrently prepare schedules to be used in preparation of our 2022 tax returns.

Travel Department Update

Finance continues to review our current travel agent contract and relationship as well as inquire with staff to determine if organizational needs and expectations are being met by the agency.

Risk Management

Risk Management continues to liaise with the new and incumbent brokers to foster current relationships and build new ones.

USA Swimming has bound all insurance coverage lines set to expire January 1, 2023, including General Liability, Sexual Abuse and Molestation, Property, Automobile, Worker’s Compensation, Participant Accident Excess Medical, Elite Athlete Health, Crime, and Foreign General Liability. Risk Management has initiated the Cyber Liability Insurance renewal and is on track to bind prior to its renewal date of February 22, 2023.

Risk Management has begun discussions with multiple insurance brokers on developing a Learn to Swim insurance marketplace, where membership purchase insurance cover for their Learn to Swim programs that best suit their needs. These insurance programs will be separate from the current USA Swimming insurance portfolio.

Information Technology

Cybersecurity

Efforts continue with a focus on policy, controls, and 2023 initiatives.

- Staff security policies were distributed within the 2023 Employee Handbook, and IT staff are reviewing the IT Policy Manual expected to go into effect Q2 2023.
- Quarterly controls review completed Q4 2022.
- 2023 initiatives underway include:
 - Configuring technical controls to support the recently released Records Retention Schedule.
 - Deployment of JAMF, a Mobile Device Management (MDM) tool to further connect, manage, and protect corporate cell phones.
 - Supporting the selection and deployment of an automated application security development tool (Rapid7 Insight).
 - Proof of concept was completed with Varonis (Data Management/Data Loss Prevention tool) in December. More information about the selection of a DM/DLP tool will be provided in the next Board update.

IT Operations:

Efforts focused primarily on infrastructure projects:

- Phone system: The organization is transitioning from our existing office phone system to the Zoom phone platform. Diligence and testing are complete and migration to the new system is planned for February 6, 2023. Shifting to Zoom phones provides staff an integrated one app experience and adds a multitude of features not provided by the previous phone provider. Additionally, the migration to Zoom leverages the existing relationship USA Swimming maintains with Zoom as the video meeting solution.
- On-premise backup provider: Rubrik was selected as the new on-premises backup provider. Rubrik is an industry leader and aligns with our efforts to be a best-in-class NGB. Rubrik's backup technology adds value to the disaster recovery stack ensuring recovery even if USA Swimming is affected by a ransomware attack. Rubrik is a modern platform with the ability to grow with USA Swimming's internal and external data footprint for the foreseeable future. Deployment is expected to be completed by the end of Q1 2023.