

These minutes will be officially approved by the USA Swimming Board of Directors at its September 23, 2020 meeting.

USA Swimming Board of Directors Meeting Minutes

April 24, 2020 / Virtual Zoom Conference Call

1 **CALL TO ORDER**

2 Bob Vincent, Board Chair, called the April 24, 2020 Board of Directors meeting to order at
3 7:06 a.m. Mountain Time with the following members in attendance:

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

8
9 **GUESTS**

10 Dale Ammon (Western Zone Non-Coach Director), Wendy Boglioli (Guest Speaker), Bill
11 Charney (Charney Associates), Tristan Formon (Eastern Zone Coach Director), Rowdy
12 Gaines (Guest Speaker), Ryan Gibbons (Southern Zone Athlete Rep), Tim Husson (Eastern
13 Zone Non-Coach Director), Bradley Jacobs (Central Zone Athlete Rep), Jim Kelly (Southern
14 Zone Coach Director), Paw Lowenthal (Central Zone Non-Coach Director), Sean Redmond
15 (Western Zone Coach Director), Michael White (Central Zone Coach Director).

16
17 **STAFF**

18 Paula D'Amico, Dean Ekeren, Shana Ferguson, Abigail Howard, Isabelle McLemore, Lindsay
19 Mintenko, Eric Skufca, Joel Shinofield, Mike Unger.

20
21 **MOMENT OF SILENCE**

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

24
25 **AGENDA REVIEW**

26 Bob Vincent presented the agenda (Attachment 1).

27
28 **RULES OF ENGAGEMENT / PROTOCOL**

29 Bob Vincent provided an overview of the Rules of Engagement and Zoom protocol.

30
31 **DECLARATION OF CONFLICT OF INTEREST (2.5.4)**

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

35

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36 If a Board member determines there to be a conflict of interest at any point during the
37 course of the meeting when a specific subject is being discussed and / or action is being
38 taken, a declaration of a conflict of interest should be made at that time.
39

40 **CEO WELCOME**

41 Tim Hinchey commented on how proud he is of the USA Swimming leadership team to
42 support the membership during the COVID-19 pandemic and voiced appreciation for the
43 Board of Directors' contributions.
44

45 **BOARD CHAIR'S REMARKS**

46 Bob Vincent remarked on the challenges for the Board of Directors during the COVID-19
47 pandemic and noted his appreciation for it wanting to be part of the solution. Mr. Vincent
48 recognized the coaches on the Board who are supporting Sport Development to provide
49 resources to clubs and encouraged all Board members to engage in discussions with
50 athletes, coaches, and volunteers. Lastly, Mr. Vincent applauded staff for partnering with
51 LSCs to support clubs, as well as the USA Swimming Foundation for contributing grant
52 funding for clubs.
53

54 **GUEST SPEAKER: WENDY BOGLIOLI**

55 Chief Operating Officer Mike Unger introduced Wendy Boglioli.
56

57 Wendy Boglioli thanked Tim Hinchey and the USA Swimming staff for their leadership
58 during the pandemic and talked through how despite the current struggles, USA Swimming
59 with prevail. While recounting her swimming career, Ms. Boglioli spoke about the need to
60 overcome struggles beyond a focus on winning, but rather being a participant with hope
61 and a set of principles.
62

63 **BOARD PROCESS**

64 **MINUTES**

65 **MOTION:** *To approve the January 31, 2020 Board of Directors meeting minutes (Attachment*
66 *2). Seconded. APPROVED.*
67

68 **NOMINATING COMMITTEE UPDATE**

69 Chief Administrative Officer & General Counsel Lucinda McRoberts provided a Nominating
70 Committee update, including the timeline for nominations and applications, the
71 distribution channels utilized to solicit nominations, and that Mary Wallack has been
72 elected Chair of the committee.
73

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74 **FOUNDATION UPDATE**

75 Bob Vincent recognized Foundation Chair, Cecil Gordon, and the Foundation Board of
76 Directors for their leadership and financial support of USA Swimming clubs.

77
78 Cecil Gordon updated the Board on how the Foundation Board is moving forward,
79 including an upcoming meeting with USA Swimming staff, a Foundation Board of Director's
80 meeting on May 1, 2020 and rescheduled events such as the Make a Splash tour. Dr. Gordon
81 noted his pride in the Foundation Board of Directors for approving funds that would
82 provide relief to USA Swimming clubs during the COVID-19 pandemic. Lastly, Dr. Gordon
83 encouraged the Board to financially support the USA Swimming Foundation and
84 recognized Kenneth Chung and Anne Barry for their contributions.

85

86 **LEGISLATION**

87 Bob Vincent noted that any approved legislation will go forward as a submission by the
88 Board and therefore needs to be actively supported by the Board. Cecil Gordon urged the
89 Board to attend the House of Delegates to support the legislation they approve.

90

91 Lucinda McRoberts provided background on the recommended legislation and presented
92 each proposed item.

93

94 The Board engaged in discussion around the details and concepts for each of the
95 recommended legislative changes.

96

97 ***MOTION:** To approve the proposed changes to the Corporate Bylaws (where House of
98 Delegates approval is not required), effective immediately, and to submit the remaining
99 legislative packet to the Rules & Regulations Committee for consideration (Attachment 3).*

100 *Seconded. **APPROVED.***

101

102 **BOARD GOVERNING POLICY MANUAL UPDATE**

103 Lucinda McRoberts provided an overview of the proposed changes to the Policy Manual
104 noting most changes are housekeeping items, including updates to mirror the Bylaws
105 changes just approved.

106

107 ***MOTION:** To approve the updates to the Board of Directors' Governing Policies Manual,
108 effective immediately (Attachment 4). Seconded. **APPROVED.***

109

110

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111 **MONITORING**

112 Bob Vincent briefly described what the Ends Monitoring reports entail, as well as the
113 process by which they are distributed and discussed prior to Board meetings.

114

115 **PUBLIC ENGAGEMENT WITH SWIMMING (1.3)**

116 Bob Vincent presented Policy 1.3 Public Engagement with Swimming (Attachment 5).

117

118 Tim Hinchey commented on finding more ways to reflect the work USA Swimming is doing
119 regarding drowning prevention.

120

121 Managing Director of Sport Development, Joel Shinofield, noted that statistics monitoring is
122 used for future programing, as is information gathered from other entities, but also
123 acknowledged many factors that are outside of the organization's control, including the
124 impact of COVID-19 on membership numbers this year.

125

126 Chief Commercial Officer, Shana Ferguson, added that there are some statistics that the
127 organization drives, such as the digital swimming index and attendance at events, and
128 there are ways to improve the data and promote events.

129

130 **MOTION:** *To approve the performance monitoring report on Policy 1.3, "Public Engagement*
131 *with Swimming," conveys (a) interpretations of the policy that are reasonable, and (b) that*
132 *the report reasonably substantiates compliance with the policy requirements, consistent with*
133 *the CEO's interpretations. Secinded. APPROVED.*

134

135 **MANAGEMENT PARAMETERS MONITORING**

136 **POLICY 3.2 EXTERNAL RELATIONS**

137 Bob Vincent presented Policy 3.2 External Relations (Attachment 6).

138

139 Tim Hinchey provided composition background of the report, including an emphasis on the
140 diversity of new and continued relationships. Mr. Hinchey thanked Mike Unger for his work
141 with international constituents and Lucinda McRoberts for her work on several working
142 groups and task forces with the United States Olympic and Paralympic Committee (USOPC).

143

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

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

149 Bob Vincent presented Policy 3.4 Financial Condition & Activities (Attachments 7 - 13).

150

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

155

156 Chief Financial Officer Eric Skufca provided an overview of the 2019 final financials,
157 including beating the original 2019 operating budget by over \$1.1 million and an end of
158 year bottom line net surplus of nearly a half million dollars. Mr. Skufca additionally added
159 the 2019 external audit is being finalized and will be shared once completed.

160

161 Mr. Skufca highlighted 2020 quarter one investments and financials, including a current
162 blended portfolio market loss of 8.8% year to date through April 15, 2020.

163

164 Mr. Skufca explained a noncompliance item in Monitoring Report 3.4, Policy Provision #2
165 due to the current 2020 projection differing from the original 2020 budget as a result of
166 adjusted operations for 2020. Adjusted operations include, but are not limited to, the
167 postponement of the Olympic Games and the U.S. Olympic Team Trials - Swimming.

168

169 Mr. Skufca also presented to the Board the business rationale for applying for a
170 conventional line of credit. Because the pandemic has caused considerable decreases in
171 value to investment accounts, Mr. Skufca presented to the Board pursuing a conventional
172 loan with a low interest rate, rather than draw from its investment account before the
173 market has a chance to recover.

174

175 The Board engaged in discussion around potential financial exposure and repayment.

176

177 **MOTION:** *To approve the organization to borrow up to \$3M on a line of credit with a floating*
178 *prime interest rate to fund board approved reserve investments. Seconded. APPROVED.*

179

180 **POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES – EXTERNAL AUDIT**

181 Eric Skufca presented the Board with the Audit Committee's recommendation of continuing
182 to use Waugh & Goodwin, LLP as the external auditor for USA Swimming for the year
183 ending December 31, 2020.

184

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185 **MOTION:** To approve Waugh & Goodwin, LLP as the external auditor for USA Swimming for
186 the year ending December 31, 2020. Seconded. **APPROVED.**

187

188 **POLICY 3.5 ASSET PROTECTION**

189 Bob Vincent presented Policy 3.5 Asset Protection (Attachment 14).

190

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

195

196 **POLICY 3.8 EMERGENCY MANAGEMENT SUCCESSION**

197 Bob Vincent presented Policy 3.8 Emergency Management Succession (Attachment 15).

198

199 Tim Hinchey noted a couple of key executive moves, including hiring Steve Levine to
200 succeed George Ward as Senior Director, Risk Management.

201

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

206

207 **STAFF UPDATES**

208 **CEO REPORT: OUR PATH FORWARD**

209 Tim Hinchey highlighted USA Swimming's Priority Communications strategy. Mr. Hinchey
210 also submitted a 2020 Recovery Plan (Attachment 16) and provided background on how
211 USA Swimming conceptualized how to serve our membership and organization as a whole
212 during the COVID-19 pandemic, including advocating for the postponement of the Olympic
213 Games to take care of our National Team athletes and providing grant funding to clubs
214 provided by the USA Swimming Foundation and in partnership with LSCs.

215

216 Joel Shinofield highlighted the resources USA Swimming has provided to membership,
217 including governance guidance, mental health resources for coaches, personal financial
218 counseling to coaches through OneAmerica, Zoom licenses for clubs, and online remote
219 dryland insurance coverage. Mr. Shinofield reported on an increased online presence,
220 including virtual summits, clinics, LSC town hall meetings, and Safe Sport training and

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221 education webinars. This engagement with membership during the pandemic has allowed
222 the organization to receive feedback and further ideas on how to assist clubs.

223

224 Mr. Shinofield explained the need to look at different ways to run meets moving forward,
225 such as permitting fewer people on deck and breaking down larger meets into several
226 smaller, condensed meets.

227

228 Mr. Shinofield also highlighted that the Keeping Athletes First online member registration
229 initiative is helping us move towards being more of a technology organization and supports
230 our integrated Customer Relationship Management (CRM) system, which will allow for
231 more efficient communication under any circumstance.

232

233 The Board discussed clubs helping families, clubs helping clubs, and USA Swimming
234 communication on return to practice recommendations to clubs.

235

236 Shana Ferguson detailed the Commercial unit's member support through four key
237 initiatives: (i) communication, both internally and externally; (ii) marketing initiatives,
238 including tailored messaging, marketing toolkits for club members, and a virtual SwimBiz
239 with live seminars; (iii) donor and foundation development that includes adjusted
240 messaging reflecting the needs of our clubs, participating in Fanatics' All In Challenge that
241 provides food to those in need, one-on-one check in's with donors and trustees, and
242 producing motivational videos that feature swimming Olympians; and (iv) partnership
243 marketing initiatives in which USA Swimming is remaining flexible with partners during
244 this crisis.

245

246 Eric Skufca highlighted fluid projected revenue losses, as well as expense savings across all
247 divisions within the organization.

248

249 Managing Director of the National Team, Lindsay Mintenko, reported on USA Swimming's
250 plans to support athletes by extending direct athlete support that National Team athletes
251 are receiving, adding additional athletes to receive the same direct support, and hopefully
252 adding events in the fall that will include prize money for athletes.

253

254 **WEBSITE RE-DESIGN DEMO**

255 Shana Ferguson presented the full-page ad USA Swimming was given in the Sports
256 Business Journal, as well as images from the newly designed USA Swimming website that
257 will be launched in summer 2020.

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258 **KEEPING ATHLETES FIRST (KAF) INITIATIVE**

259 Lucinda McRoberts provided an update on the four KAF initiatives, (Online Membership
260 Registration, Safe Sport Resources & Program, Coach Education & Learning Management
261 System, and Safe Sport Club Recognition Assistance), including meeting timelines and
262 components within each initiative.
263

264 **TRIALS UPDATE**

265 Mike Unger provided an update on the Olympic Trials, including the importance of
266 relationships to establish dates that worked for a multitude of entities, the number of ticket
267 refunds are currently low, and time standards are still undecided. Mr. Unger also
268 mentioned that it is still uncertain when the 2021 World Championships will be
269 rescheduled.
270

271 **SPORT DEVELOPMENT**

272 Joel Shinofield reported that while USA Swimming is canceling summer meets, those meets
273 will be replaced, if possible, with regional meets that will lead into a fall season.
274

275 **2021 MEMBERSHIP START DATE**

276 Joel Shinofield presented a motion to move the 2021 membership start date and extend the
277 membership year, so that members do not have to renew in the fall.
278

279 **MOTION:** *For 2020, individuals applying for calendar year membership on or after June 1*
280 *will receive membership valid through December 31, 2021. Seconded. APPROVED.*
281

282 **SEASONAL MEMBERSHIP**

283 Joel Shinofield reported that the ability to use seasonal memberships has been cut short
284 due to the COVID-19 pandemic closures.
285

286 **MOTION:** *Seasonal memberships (Season 1, Season 2, and Individual Season) that expired on*
287 *or after March 16, 2020 may be extended to August 30, 2020. LSCs registering or renewing*
288 *any seasonal memberships may set the athlete's expiration date to no earlier than August 30,*
289 *2020, but no later than December 31, 2020, as long as the membership does not exceed 150*
290 *days after USA Swimming lifts the national moratorium on meet sanctions. Seconded.*
291 **APPROVED.**
292
293
294

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295 **FLEX MEMBERSHIP**

296 Joel Shinofield recommended to the Board that changes to the Flex membership structure
297 approved at the Board's January 31 meeting should be delayed for a year due to the
298 financial hardships currently affecting the membership.

299

300 **MOTION:** *To change the effective date for implementation of the approved changes to the*
301 *Flex membership structure to the 2022 membership year. Seconded. APPROVED.*

302

303 **GUEST SPEAKER: ROWDY GAINES**

304 Tim Hinchey introduced Rowdy Gaines and announced Mr. Gaines' promotion to Director
305 of Community Relations.

306

307 Rowdy Gaines spoke about his pride regarding the sport of swimming during COVID-19,
308 specifically USA Swimming's effective leadership and communication to its membership.
309 Mr. Gaines recounted the perseverance of the athletes from 1980 who used swimming as
310 their way to get through the adversity of being unable to participate in that year's Olympic
311 Games and talked about how adversity creates true leadership.

312

313 **CLOSING ROUNDTABLE**

314 **NEXT MEETING / EVENTS**

- 315 • 2020 / September
- 316 • 2020 / November 22 / New York, NY - Golden Goggles

317

318 **MEETING ASSESSMENT**

319 The Board engaged in a round table discussion assessing the day's meeting, including
320 expressing gratitude for the leadership and communication from the staff and Board.

321

322 **CLOSED SESSION (2.3.6)**

323 **LITIGATION UPDATE**

324 The Board went into closed session so Lucinda McRoberts, could provide a legal update.

325

326 **PERSONNEL UPDATE**

327 All remaining staff then left the meeting, so the Board could continue in closed session for a
328 personnel update.

329

330 Following closed session, the Board discussed the challenges surrounding planning for the
331 2020 U.S. Aquatics Sports Convention in Jacksonville, Florida in September, including the

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332 overall uncertainty of the circumstances, the likely inability to gather safely as a large
333 group or travel across the country, and the effect this ongoing situation has on our ability to
334 plan, coordinate and execute this extensive and interactive in-person assembly.

335
336 **MOTION:** *To hold the annual meeting of the USA Swimming House of Delegates via*
337 *telecommunication rather than at the U.S. Aquatics Sports Annual Convention in Jacksonville*
338 *due to the circumstances surrounding the COVID-19 pandemic. Seconded. APPROVED.*

339 **ADJOURN**

340 Bob Vincent, Board Chair, adjourned this meeting at 4:15 p.m. Mountain Time.

341

342

343 Respectfully submitted:

344



Lucinda McRoberts, CAO & General Counsel



Bob Vincent, Board Chair

DRAFT

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USA Swimming Board of Directors Minutes Attachments

April 24, 2020 / Virtual Zoom Conference Call

Attachment 1	Page 1 – Agenda: April 24, 2020
Attachment 2	Page 2 – DRAFT BOD Minutes January 31, 2020
Attachment 3	Page 3 – 2020 Board Proposed Rule Changes
Attachment 4	Page 3 – Board Governing Policy Manual Updates
Attachment 5	Page 4 – Policy 1.3 Public Engagement
Attachment 6	Page 4 – Policy 3.2 External Relations
Attachment 7	Page 5 – USAS Financial Statement Report 2019
Attachment 8	Page 5 – USAS Financial Written Report 2019
Attachment 9	Page 5 – Foundation Financial Statement Report 2019
Attachment 10	Page 5 – Foundation Financial Written Report 2019
Attachment 11	Page 5 – USAS Financial Statement Report Q1 2020
Attachment 12	Page 5 – USAS & Foundation Investment Statements Q1 2020
Attachment 13	Page 5 – Policy 3.4 Financial Conditions & Activities (Internal)
Attachment 14	Page 6 – Policy 3.5 Asset Protection
Attachment 15	Page 6 – Policy 3.8 Emergency Management Succession
Attachment 16	Page 6 – 2020 Recovery Plan

DRAFT

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USA Swimming Board of Directors Meeting Minutes

January 31, 2020 / Virtual Zoom Conference Call

1 **CALL TO ORDER**

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

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

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

10
11 **GUESTS**

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

15
16 **STAFF**

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

19
20 **MOMENT OF SILENCE**

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

23
24 **AGENDA REVIEW**

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

27
28 **RULES OF ENGAGEMENT / COVENANTS**

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

30
31 **DECLARATION OF CONFLICT OF INTEREST (2.5.4)**

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

35

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36 If a Board member determines there to be a conflict of interest at any point during the
37 course of the meeting when a specific subject is being discussed and / or action is being
38 taken, a declaration of a conflict of interest should be made at that time.
39

40 **CEO WELCOME**

41 Tim Hinchey welcomed the Board and staff, expressed his excitement for the upcoming
42 year with the Trials and Olympics, and thanked the Board for their CEO feedback from
43 2019.
44

45 **BOARD CHAIR'S REMARKS**

46 Bob Vincent remarked on the exciting new culture at headquarters after the office redesign,
47 the importance of using data to compile useful information to solve organizational issues,
48 and lastly mentioned the abbreviated timeline for the day's Board of Directors meeting.
49

50 **MINUTES**

51 ***MOTION:** To approve the November 23, 2019 Board of Directors meeting minutes*
52 *(Attachment 2). Seconded. **APPROVED.***
53

54 **BOARD PROCESS**

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

56 Bob Vincent informed the Board that their qualitative feedback was given to the Chief
57 Executive Officer and that the compensation adjustment was implemented.
58

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

60 Bob Vincent reported that two Board member's terms would be ending at the end of 2020
61 and thus there will be two vacancies on the Board of Directors come this fall. An emphasis
62 on financial literacy was noted as a competency for any potential candidates for the Board
63 of Directors.
64

65 **ENDS MONITORING**

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

67 Bob Vincent presented Policy 1.0 Broadest/Growth and Success of Swimming (Attachment
68 3).
69

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

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74 **MANAGEMENT PARAMETERS MONITORING (4.4)**

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

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

77

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

80

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

85

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

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

88

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

93

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

97

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

100

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

105

106 **STAFF UPDATES**

107 **CEO'S UPDATE**

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

109

110

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111 **COO UPDATE**

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

115
116 Mr. Unger highlighted topics from a recent meeting between USA Swimming and FINA,
117 including FINA's proactive plans for addressing open water issues at the 2020 Olympic
118 Games, competition calendar with future FINA competitions, anti-doping, and collaboration
119 with USA Swimming on coach education as well as education as a whole.

120
121 Tim Hinchey added that USA Swimming is also being proactive on the open water site
122 issues in Tokyo for the 2020 Olympic Games and working as many appropriate angles as
123 possible, including a productive meeting with the International Olympic Committee (IOC).

124
125 Mr. Unger reported on the recent USA Swimming Technical Summit including its purpose
126 to ensure we are providing the right competitions in the right way in order to provide
127 meaningful opportunities for athletes.

128
129 The Board engaged in discussion regarding how USA Swimming collaborates with other
130 swimming federations, as well as organizational communication pertaining to USA
131 Swimming meets.

132
133 **NATIONAL TEAM UPDATE**
134 Lindsay Mintenko provided National Team updates, including how the coronavirus in Asia
135 may impact training for the Olympic Team; performance and logistical planning for the
136 2020 Olympic Games; and athletes taking advantage of USA Swimming's mental health
137 initiatives via Talk Space and the Athlete Assist Program.

138
139 **FLEX MEMBERSHIP UPDATE AND MOTION**
140 Joel Shinofield presented on Flex Membership by highlighting its purpose to effectively
141 bring more athletes into the sport of swimming and provide more opportunities for people
142 to experience USA Swimming.

143
144 Patrick Murphy reported on current membership numbers and trends.

145
146 Mr. Shinofield provided membership projection assumptions under both the current Flex
147 Membership model and the proposed Flex Membership model based upon a conservative

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148 0% growth rate of Athlete memberships. Mr. Shinofield noted a \$6 million difference
149 between the two models in terms of membership revenue.

150
151 Tom Ugast elaborated on what that type of decline in membership revenue would mean for
152 the overall organization.

153
154 The Board engaged in discussion around how Flex Membership is being used and its
155 purpose as well as its importance as a tool to increase membership in the 10 and under
156 category. Additionally, the Board discussed seasonal memberships and how they are
157 utilized.

158
159 **MOTION: To approve the following Flex structure, effective for the 2021 Membership**
160 **Year. Seconded. APPROVED.**

161
162 *Ages 10 and Under: \$20.00 (\$10 USA-S, \$10 LSC): Two meets, multiple Flex registrations. This*
163 *price matches the minimal dues clubs often charge for their entry-level/novice/pre-*
164 *competitive programs and allows clubs to register these new athletes as USA Swimming*
165 *members, rather than seek lower cost/lower-value options in the marketplace.*

166
167 *Ages 11-12: \$35.00 (\$25 USA-S, \$10 LSC): Two meets, multiple Flex registrations, no*
168 *downgrades from Premium. This is an entry point for athletes who have possibly competed in*
169 *summer league or other rec programs and are likely competing in other sports, which charge*
170 *a similar membership fee.*

171
172 *Ages 13-18: \$45.00 (\$35 USA-S, \$10 LSC): Two meets, 150-day limit, multiple Flex*
173 *registrations, no downgrades from Premium. This is an entry point for athletes coming from*
174 *other sports, summer league, or middle school/high school swimming experiences. Also allows*
175 *entire high school teams or summer league teams to join for a season.*

176
177 **CLUB DUES INCREASE UPDATE**

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

180
181 **CAO UPDATE**

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

These minutes will be officially approved by the USA Swimming Board of Directors at its April 24, 2020 meeting.

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

187

188 **KEEPING ATHLETES FIRST INITIATIVE UPDATE**

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

193

194 **CFO UPDATE**

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

197

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

202

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

208

209 **CCO UPDATE**

210 Shana Ferguson reported that the USA Swimming Foundation staff is fully integrated into
211 the USA Swimming staff.

212

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

218

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

These minutes will be officially approved by the USA Swimming Board of Directors at its April 24, 2020 meeting.

222 **COMMUNICATION UPDATE**

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

225

226 **CLOSING ROUNDTABLE**

227 **NEXT MEETING / EVENTS**

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

- 229 • 2020 / April 24 - 25/ Fort Myers, FL - Open Water National & Junior Championships
- 230 • 2020 / September 23 / Jacksonville, FL - Convention
- 231 • 2020 / September 26 / Jacksonville, FL - Convention
- 232 • 2020 / November 22 / New York, NY - Golden Goggles

233

234 **MEETING ASSESSMENT**

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

237

238 **CLOSED SESSION (2.3.6)**

239 **LITIGATION UPDATE**

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

242

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

244

245 **ADJOURN**

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

247

248

249 Respectfully submitted:

250



Lucinda McRoberts, CAO & General Counsel



Bob Vincent, Board Chair

These minutes will be officially approved by the USA Swimming Board of Directors at its April 24, 2020 meeting.

USA Swimming Board of Directors Minutes Attachments

January 31, 2020 / Virtual Zoom Conference Call

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

DRAFT

USA SWIMMING
BOARD OF DIRECTORS
PROPOSED
AMENDMENTS TO RULEBOOK

No.	Description	Location
R-1	To provide for biennial legislation in odd years	Rulebook 502.1
R-2	To align athlete representation on committees with USOPC bylaws	Rulebook 501.1
R-3	To memorialize the existing practice of having NBOR complaints sent to and handled by the CEO's designee.	Rulebook 405.1; 405.3; 405.4; 406.1; 406.3; 407.1
R-4	To require Policies & Procedures of Zones, rather than Bylaws	Rulebook 605.2
R-5	To facilitate online member registration	Rulebook 302.2
R-6	To require all USA Swimming member clubs to adopt a photography policy	Rulebook 305.3
R-7	To facilitate rule changes for USOPC, USADA or USCSS requirements	Rulebook 502.1; Bylaws 10.1*
R-8	To update doping control language to account for athlete support personnel and other persons, consistent with USOPC requirements.	Rulebook 303.3
R-9	To manage requested changes to LSC Bylaws by USA Swimming staff	Rulebook 602.7; 602.8

* Passed contingent upon legislation passing in September

R-1 ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
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Location: Rulebook page 109: 502.1
Proposed by: Board of Directors
Purpose: To provide for biennial legislation in odd years.
Recommendation: *The Rules & Regulations Committee recommends* _____
Effective Date: Immediately

502.1 AMENDMENTS – The USA Swimming House of Delegates may amend the Rules and Regulations and certain provisions of the Corporate Bylaws biennially at its annual meeting hosted in odd years in accordance with Article 10 of the Corporate Bylaws and this Section 502.1 of the Rules and Regulations.

R-2 ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
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Location: Rulebook pages 107 – 109: 501.1.1 (A)(2); 501.1.2 (A) (4); 501.1.3 (A); 501.1.4 (A)
Proposed by: Board of Directors
Purpose: To align athlete representation on committees with USOPC Bylaws and to provide for designees for certain ex-officio members on the Rules & Regulations Committee .
Recommendation: *The Rules & Regulations Committee recommends* _____
Effective Date: September 26, 2020

501.1.1 (A) (2) A sufficient number of active athletes appointed by the ~~Athletes Committee~~ Board athlete representatives so as to constitute at least twenty percent (20%) of the voting membership of the Committee;

501.1.1 (A) (5) The President/CEO, ~~and~~ the Secretary & General Counsel of the Corporation, or their respective designees, and others appointed by the Rules & Regulations Committee Chair, as ex-officio members with voice but no vote.

501.1.2 (A) (4) Two (2) athletes (different genders) ~~selected~~ appointed by the ~~Athletes Committee~~ Board athlete representatives, ~~one (1) female/one (1) male~~, both former USA National Team members; and

501.1.3 (A) The Senior Development Committee shall consist of ten (10) members. The President/ CEO or his or her designee shall appoint eight (8) members, at least five (5) of whom shall be coaches, and the ~~Athletes Chair~~ Board athlete representatives shall appoint two (2) athlete members. The Age Group Development Committee Chair or his/her designee shall be an ex-officio member with voice but no vote.

501.1.4 (A) The Age Group Development Committee shall consist of ten (10) members. The President/CEO or his or her designee shall appoint (8) members, with at least one (1) representative from each Zone and at least five (5) coach members. The ~~Athletes Chair~~ Board athlete representatives shall appoint two (2) athlete members. The Senior Development Committee Chair or his/her designee shall be an ex-officio member with voice but no vote.

R-3 ACTION: Adopted Defeated Adopted/Amended Tabled Postponed Pulled
--

Location: Rulebook page 99-102: 405.1; 405.3; 405.4; 406.1; 406.3; 407.1.1; 407.1.2

Proposed by: Board of Directors

Purpose: To memorialize the existing practice of having NBOR complaints sent to and handled by the CEO's designee.

Recommendation: *The Rules & Regulations Committee recommends* _____

Effective Date: Immediately

405.1 FILING COMPLAINTS – All complaints within the exclusive jurisdiction of the National Board of Review as set out in 403.1.1A through E above shall set forth the allegations be filed with the Chief Executive Officer of USA Swimming (or his/her designee), who shall promptly perform an initial inquiry and, as appropriate, initiate an investigation of the matter as set forth below.

405.3 DISPOSITION AFTER INVESTIGATION – After the initial investigation has been completed, the Chief Executive Officer (or his/her designee) may decide to initiate a complaint in the name of USA Swimming by filing the complaint with the Chair of the National Board of Review and requesting that a hearing on the complaint be conducted. Any decision of the Chief Executive Officer (or his/her designee) not to forward a complaint to the National Board of Review shall be reviewed by the Board Chair of USA Swimming for a final decision. The Chief Executive Officer (or his/her designee) may also seek an emergency hearing as set forth in 405.4 below. If the Chief Executive Officer (or his/her designee) does not decide to initiate a complaint in the name of USA Swimming, then the Chief Executive Officer (or his/her designee) may (i) cause further investigation to be conducted into the alleged violations; (ii) seek to mediate the complaint; or (iii) advise the complaining party that, while USA Swimming will not initiate a complaint in its own name, the complaining party may still file his/her complaint directly with the Chair of the National Board of Review. If the complaining party chooses to go forward with the complaint, the Chair of the National Board of Review may then decide to either assign the matter for hearing or dismiss the complaint.

405.4 EMERGENCY HEARING - After the initial investigation has been completed and upon the request of the Chief Executive Officer (or his/her designee) in accordance with 405.3 above, the Chair of the National Board of Review may order an emergency hearing before the National Board of Review to determine if the member should be suspended pending the outcome of a full hearing before the National Board of Review. If an emergency hearing is ordered, the National Board of Review shall conduct the hearing and publish its results within twenty-one (21) days. Until such time as the National Board of Review makes a decision, all proceedings shall be confidential and not subject to disclosure to anyone other than the parties to the review and witnesses.

406.1 PETITION — Matters under the original jurisdiction of the National Board of Review shall be instituted by a written complaint (~~the "Petition"~~) served upon the Chief Executive Officer (or his/her designee). An investigation of the matter shall be conducted in accordance with Article 405. If the results of the investigation warrant referring the case to a National Board of Review, the Chief Executive Officer or (his/her designee) shall send a ~~copy of the~~ Petition together with the results of the investigation to the Chair of the National Board of Review.

406.3 RESPONSE — The Chair shall deliver the Notice of Hearing, together with a copy of the Petition received by the Chief Executive Officer (or his/her designee) to the Respondent(s) and a copy of the Notice of Hearing to the Petitioner(s). The Respondent(s) shall have thirty (30) days from the date of issuance to submit a written Response to the charges. The Response shall be delivered to the Chair, the Chief Executive Officer of USA Swimming (or his/her designee) and the Petitioner(s) or its counsel.

407.1 PROCEDURE

.1 Any real party in interest, including any officer of USA Swimming or the Chief Executive Officer (or his/her designee), may appeal any decision of the National Board of Review as follows:

.2 The Petition on appeal is to be served upon the Chief Executive Officer (or his/her designee), as well as the other party(ies) to the National Board of Review proceeding, and shall be accompanied by a \$250 filing fee payable to USA Swimming.

R-4 ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
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Location: Rulebook page 120: 605.2, 605.4
Proposed by: Board of Directors
Purpose: To better reflect the administrative nature of Zones.
Recommendation: *The Rules & Regulations Committee recommends* _____
Effective Date: Immediately

605.2 ZONE ~~BYLAWS~~ POLICIES & PROCEDURES, ELECTIONS OF DIRECTORS AND VOTING –

- .1 Each Zone shall adopt Bylaws Policies & Procedures which shall govern its affairs and shall be approved by the USA Swimming Secretary & General Counsel or his/her designee.
- .2 Zone Directors shall be elected in accordance with Zone Bylaws Policies & Procedures.

R-5 ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
-------------	---------	----------	-----------------	--------	-----------	--------

Location: Rulebook page 92: 302.2
Proposed by: Board of Directors
Purpose: To facilitate the implementation of online member registration.
Recommendation: *The Rules & Regulations Committee recommends* _____
Effective Date: Immediately

302.2 APPLICATION/RENEWAL – Athlete membership applications and payment as set forth in Article 2.7 of the Corporate Bylaws shall be submitted to the Registration Chair of the LSC. The Registration Chair may designate deputy registrars to accept applications on behalf of the Chair and forward for approval.

[Re-number remaining]

R-6 ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
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Location: Rulebook page 95: 305.3
Proposed by: Board of Directors
Purpose: To require all USA Swimming member clubs to adopt a photography policy to enhance our Minor Athlete Abuse Prevention Policies.
Recommendation: *The Rules & Regulations Committee recommends* _____
Effective Date: Immediately

305.3 Clubs shall establish their own photography policy. USA Swimming shall provide a model policy as an example, which shall serve as the default for any club that fails to establish its own policy. Club photography policies should be reviewed and agreed to annually by all athletes, parents, coaches and other non-athlete members of the club.

R-7	ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
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Location: Rulebook page 109: 502.1; Bylaws page 18

Proposed by: Board of Directors

Purpose: To permit the Board of Directors to update the USA Swimming Rules & Regulations to fulfill requirements imposed by the United States Olympic & Paralympic Committee, the U.S. Anti-Doping Agency and the U.S. Center for SafeSport.

Recommendation: *The Rules & Regulations Committee recommends* _____

Effective Date: Immediately

502.1 AMENDMENTS –

.3 ~~Additionally,~~ The Rules & Regulations Committee may alter, amend, or repeal any portion of Part One or Part Seven of the USA Swimming Rules and Regulations at any time to conform to the rules of the Federation Internationale de Natation (FINA).

.4 The Board of Directors may alter, amend, or repeal any portion of the USA Swimming Rules & Regulations at any time to conform to the rules and requirements of the United States Olympic & Paralympic Committee, the United States Anti-Doping Association, and/or the U.S. Center for SafeSport.

[Re-number remaining]

10.1 AUTHORITY TO AMEND AND VOTE REQUIRED

.4 The Board of Directors may alter, amend, or repeal any portion of the USA Swimming Rules & Regulations at any time to conform to the rules and requirements of the United States Olympic & Paralympic Committee, the United States Anti-Doping Association, and/or the U.S. Center for SafeSport.

[Re-number remaining]

R-8	ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
-----	---------	---------	----------	-----------------	--------	-----------	--------

Location: Rulebook pages 92-93: 303.3

Proposed by: Board of Directors

Purpose: To update doping control language to account for athlete support personnel and other persons, consistent with USOPC requirements.

Recommendation: *Rules & Regulations Committee approval not required.*

Effective Date: Immediately

303.3 As a member National Governing Body of the United States Olympic & Paralympic Committee (USOPC), and as a member Federation of Federation Internationale de Natation (FINA), USA Swimming is obligated to adhere to the anti-doping rules of the USOPC and FINA. In addition, USOPC Bylaw Chapter XXIII, Section 2(G) provides that, as a condition of membership in the USOPC, each National Governing Body shall comply with the procedures pertaining to drug testing and adjudication of related doping offenses of the independent anti-doping organization designated by the USOPC to conduct drug testing. The USOPC has designated the United States Anti-Doping Agency ("USADA") as that organization. The current anti-doping rules of the USOPC, FINA and USADA are available at the offices of USA Swimming or on line at the following websites:

WADA www.wada-ama.org

FINA www.fina.org

USOPC ~~www.usoc.org~~ www.teamusa.org

USADA www.usada.org

As a condition of membership in USA Swimming, it is the responsibility duty of each athlete individual member of USA Swimming, including athletes, athlete support personnel, and other persons, to comply with the all anti-doping rules of the World Anti-Doping Agency (WADA), FINA, USOPC and USADA, including the USOPC National Anti-Doping Policy, the USADA Protocol for Doping Policy, and all other policies and rules adopted by WADA, FINA, the USOPC, and USADA. Athlete members agree and to submit, without reservation or condition, to in-competition and out-of-competition doping controls conducted by either FINA or USADA or their designees at any time and understand that the use of methods or substances prohibited by the applicable anti-doping rules make them subject to penalties including, but not limited to, disqualification and suspensions. (Out of competition doping controls by USADA may take place at USA Swimming elite level camps, training sessions at USOC facilities, or with no advance notice any time for athletes designated by USA Swimming and USADA for inclusion in USA Swimming's no advance notice testing pool.) If it is determined that an individual member may have committed a doping violation, the member agrees to submit to the results management authority and processes of USADA, including arbitration under the USADA Protocol, or to the results management authority of FINA, if applicable or referred by USADA. Pursuant to USOC Bylaw Chapter XXIII, Section 2(G), the management of positive and elevated test results for USA Swimming athletes has become the responsibility of USADA. Any inconsistent provisions elsewhere in USA Swimming rules are hereby superseded. USA Swimming will, without further process, enforce and publish any sanction communicated to USA Swimming by USADA resulting from adjudication of a doping control under the USADA Protocol for Olympic Movement Testing.

R-9	ACTION:	Adopted	Defeated	Adopted/Amended	Tabled	Postponed	Pulled
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Location: Rulebook page 114: 602.7

Proposed by: Board of Directors

Purpose: To manage requested changes to LSC bylaws by USA Swimming staff to remove the administrative burden to the committee and formalize the role that staff is already playing.

Recommendation: *The Rules & Regulations Committee recommends* _____

Effective Date: January 1, 2022

[Strike the existing 602.7 and 602.8 and replace with the following:]

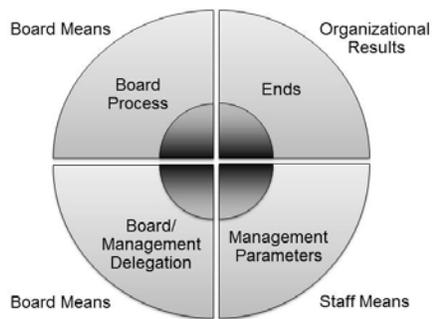
602.7 JURISDICTION OVER LSC BYLAWS

.1 The USA Swimming National Office is authorized and directed to assume jurisdiction over (a) requested changes to the mandatory portions of the Required LSC Bylaws, (b) approval of the use of certain alternative provisions set forth in Required LSC Bylaws, (c) review and approval of all Bylaws adopted by the LSCs and (d) review and approval of all subsequent amendments to the Bylaws by an LSC and related matters.

.2 An LSC may appeal a decision of the USA Swimming National Office to the Rules & Regulation Committee. An LSC may appeal a decision of the USA Swimming Rules & Regulations Committee to the USA Swimming Board of Directors.



Board of Directors' Governing Policies Manual



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Introduction

This Governing Policies Manual contains the current standing (ongoing) performance standards, values and expectations of the Board of Directors ("the Board") of USA Swimming (USA-S).

1. **Purpose:** This Manual is designed to help the Board approach decisions from the perspective of its own, previously established standards, values and expectations by:
 - A. Elevating efficiency of having all ongoing Board policies in one place.
 - B. Quickly orienting new Board members to current policies.
 - C. Eliminating redundant or conflicting policies.
 - D. Having greater ease of reviewing current policy when considering new issues.
 - E. Providing clear, proactive policies to guide the President & CEO ("the CEO") and staff, as well as Board officers, members and committees.
2. **Consistency:** The Board will ensure that each policy in this document is consistent with the law, the Articles of Incorporation, and the Bylaws, all of which have precedence over these Board policies. The Board will also ensure that these policies, and organizational practices, are consistent with and do not contradict the Rules and Regulations of USA Swimming as established by its House of Delegates. Except for time-limited or procedural-only Board decisions (approving minutes, electing officers, etc.), which are recorded in Board meeting minutes, all standing Board policies shall be included or referred to in this document. The CEO is responsible for developing operational and administrative policies and procedures that are consistent with the standards set forth in this Manual.
3. **Transition:** Unless a prior Board resolution or contract obligates the organization regarding a specific matter, these updated standards supersede previous Board resolutions. If an actual or apparent conflict arises between this Manual and other policies or Board resolutions, the matter shall be brought to the Board's attention for resolution.
4. **Changes:** The Board will regularly review these policies and, as appropriate, refine them. Proposed revisions may be submitted for Board consideration by any Board member or by the CEO. Whenever changes are adopted, the updated document should be dated and promptly disseminated to the Board and CEO.
5. **Specificity:** Each new policy will be drafted to fit into the appropriate section of the Manual. For consistency, policies should be drafted starting with the broadest policy statement, then adding specificity to the level of detail at which the Board would accept any reasonable interpretation when delegating further decisions relevant to that policy topic (i.e., to the Board Chair, Board Committees or the CEO).

Policy 1.0 Ends/Priority Results

Date of adoption / Last revision: *November 18, 2018*



1.0 Broadest/Purpose Statement:

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

PRIORITY RESULTS:

1.1 **COMPETITIVE SUCCESS: USA Swimmers achieve sustained competitive success at the Olympic Games and other high-level international competitions.**

- 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.
- B. Strong and identifiable pathways and systems retain and develop talented athletes and coaches.
- C. USA Swimming is a recognized leader in promoting a clean sport environment.
- D. National Team athletes have financial support while competing, and resources that support successful post-competition transitioning out of the sport.

1.2 **SUCCESSFUL ATHLETES, COACHES AND CLUBS: Members have and use resources for sustainable success.**

- A. Athletes have and use motivational, education and leadership supports for success.
- B. Coaches have and use tools and skills to be successful.
- C. Clubs of all sizes and levels have and use resources and services for success.
 - i. Clubs are safe and inclusive environments.
 - ii. Educational opportunities support and engage non-athlete volunteers (e.g. parents, team leaders, and officials).
 - iii. Facilities development and operational expertise contribute to clubs' success.
- D. LSCs have and use resources and services to support the development and achievement of athletes, coaches and clubs.

1.3 **PUBLIC ENGAGEMENT WITH SWIMMING: There is growth in swimming participation and interest.**

- A. Water safety awareness and swimming skills save lives.
- B. Swimming is recognized as a "Sport for Life" for all.
- C. Swimming achieves sustained growth in participation at all levels.
 - i. Priority: Growth in participation in all cultures, ages, genders, economic backgrounds, and levels of ability.
- D. There is growth in audience engagement.

1.4 **RECOGNITION OF USA SWIMMING: USA Swimming is recognized as the "Best in Class" NGB.**

- A. Members recognize the value and impacts of USA Swimming on their lives.
- B. USA Swimming is recognized as a leader in Safe Sport.

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Policy 2.0 Governance Purpose

Date of adoption / Last revision: *February 3, 2018*



Board Process

Acting on behalf of the membership, the [USOCUSOPC](#), and the American public, the purpose of the Board of Directors is to ensure that USA Swimming:

1. Achieves appropriate results for or on behalf of the membership, the [USOCUSOPC](#), and the American public (as specified in Board Ends/Priority Results policies) at an optimal cost and
2. Avoids unacceptable actions and situations.

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Policy 2.1 Governing Philosophy and Values

Date of Adoption / Last Revision: February 3, 2018

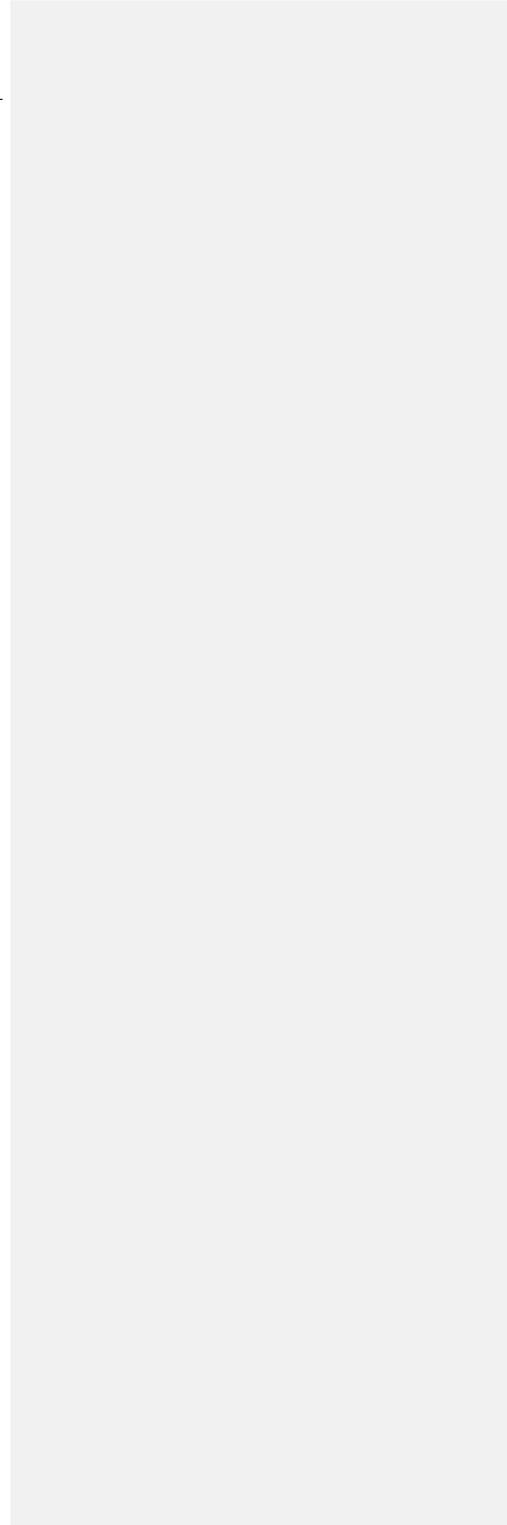


The Board will govern lawfully, and in compliance with the [USOCUSOPC](#)'s Bylaws. The Board will govern using Policy Governance principles, with an emphasis on: (a) integrity and truthfulness in all its activities and practices, (b) outward vision, (c) encouragement of diversity in viewpoints, (d) strategic leadership more than administrative detail, (e) clear distinction of Board and staff roles, (f) collective decisions, and (g) a focus on the future.

Accordingly:

1. The Board will uphold the USA Swimming Rules and Regulations.
2. The Board will cultivate a sense of group responsibility for its own performance. The Board will lead USA Swimming by proactively setting performance expectations for its own work and for that of the operating organization.
3. The Board will use the expertise of its members to enhance its understanding of issues, but will not simply defer to that expertise as the judgment of the entire Board.
4. The Board will set performance standards and expectations for USA-S through the careful articulation of written policies. The Board's primary focus will be on the achievement of intended long-term outcomes for and on behalf of the membership, the [USOCUSOPC](#), and the American public, not on the administrative/operational means of attaining those outcomes.
5. The Board will establish and adhere to its own performance expectations pertaining to matters such as attendance, meeting preparation and participation, policy-making, respect of roles, speaking to management, the membership and the public with one voice, and continually building the Board's governance capability and reputation.
 - A. Continual Board development will include periodic discussion of its own performance and orienting new Board members in the Board's governance process and these policies upon appointment or election.
 - B. Orientation for new Board members will include three primary components:
 - i. Governance process: The Governance Committee will ensure provision of training including the governance principles underlying this Governing Policies Manual, and review of USA-S' Bylaws and these policies, with particular emphasis on the Board Members' Code of Conduct policy.
 - ii. Current strategic issues: The Board Chair and the CEO will provide overview and background information on significant issues being addressed and likely to be decided upon early in new Board member's tenure.
 - iii. Operational overview: The CEO will help new Board members achieve a general understanding of USA-S' operating organization (financials, key personnel, key products/programs/services, FAQs, etc.).
6. Although the Board may change these governing policies at any time, it will diligently observe those currently in effect.
7. All policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.
8. The Board will be accountable to the membership, the [USOCUSOPC](#), and the American public for competent, conscientious and effective fulfillment of its governance obligations. The Board will not allow any officer, individual or Board Committee to be an obstacle to this commitment.
9. The Board will regularly evaluate and strive to improve its performance. Self-assessment will compare Board activity and discipline to the standards set forth in these *Board Process* and *Board-Management Delegation* policies.
10. The Board's activities will be open and accessible to reasonable scrutiny by the membership, the [USOCUSOPC](#), and the American public, with the exception of personnel or other matters of a sensitive nature.

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Policy 2.2 Board Objectives

Date of adoption / Last revision: February 3, 2018



On behalf of the membership, the [USOCUSOPC](#), and the American public, the Board's role is to define and ensure appropriate organizational performance.

To distinguish the Board's own role from those of the CEO and staff, the Board will concentrate its efforts on three primary job "products" or outputs:

1. **Connection with Members, the [USOCUSOPC](#), and the American Public:** The Board will connect the interests of the membership and the American public with operational performance.
 - A. **Needs Assessment:** The Board will assess needs and trends affecting the membership, the [USOCUSOPC](#), and the American public as they relate to USA-S' activities and scope of influence, and will develop and maintain Ends policies identifying and prioritizing intended organizational outcomes to address those needs.
 - i. As part of its needs assessment and outreach efforts, the Board will include structured dialogue with key constituent groups, including but not limited to zone, LSC, and committee leadership, as well as representatives of key allied and affiliated entities
 - B. **Advocacy:** The Board will inform the membership, the [USOCUSOPC](#), and the American public of USA Swimming's achievements on their behalf and of its expected future results.
 - i. Particular emphasis will be given to ensuring demonstrated transparency and accountability to the House of Delegates.
2. **Performance Standards:** The Board will maintain written performance standards, as set forth in these governing policies, addressing the broadest, and as appropriate, more defined levels of all organizational decisions and situations.
 - A. **Ends:** Strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients and their relative worth (what results, for which recipients, at what cost/priority).
 - B. **Management Parameters:** Constraints on executive authority defining the boundaries of prudence and ethics within which all management activity and decisions must take place.
 - C. **Board Process:** Specification of how the Board defines, carries out and assesses its own work.
 - D. **Board/Management Delegation:** How the Board delegates authority to management, and ensures its proper use; the CEO role, authority and accountability.
3. **Assurance of Organizational Performance:** The Board will ensure Ends fulfillment, financial solvency and organizational integrity by holding itself accountable for effective governance as defined in these policies, and holding the CEO accountable for successful achievement of Ends and adherence to Management Parameters.
4. In addition, the Board maintains responsibility for:
 - A. Establishment of new membership categories, and making recommendations to the House of Delegates for changes to fees for Club membership (including seasonal) and the Individual categories of annual, seasonal, outreach and single meet open water.
 - B. Serving as an appellate body for National Board of Review decisions.
 - C. Decisions outside the boundaries of authority delegated to the CEO (as proscribed in *Management Parameters* policies).

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Policy 2.3 Board Work Plan and Agenda Preparation

Date of adoption / Last revision: ~~February 3, 2018~~ November 23, 2019



To fulfill its role, the Board will prepare and follow an annual work plan that: (1) re-explores Ends 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 House of Delegates 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:** In September, the 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-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-S' governance system and documents, overview of key strategic issues to be addressed early in new Board members' tenure, and operational overview.
 - C. **Linkage with Membership, the [USOCUSOPC](#), and the American Public:** How the Board will connect with members, the [USOCUSOPC](#), and the American public (e.g., through surveys, focus groups, and other methods of gaining input).
 - D. **Policy Review:** How the Board will systematically review its governing policies, with emphasis on Ends, over the course of the year/quadrennium (e.g., by priority, by topic, or by emphasis of the Board's choosing).
 - E. **Assessment/Evaluation of CEO Performance:** Reviewing the schedule of planned monitoring activities to assure performance on Ends and Management Parameters policies.
 - F. **Self-Assessment:** Methods and timeline for periodic evaluation of how well the Board is fulfilling its role (i.e., in accordance with its Board Process and Board/Management Delegation policies) and open discussion of how the Board's performance can be improved.
 - G. **Meeting Schedule/Locations:** Confirmation of the meeting schedule for the coming year to maximize Board member attendance and participation.
 - H. **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 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 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 ~~ten (10)~~ seven (7) days prior to the scheduled Board meeting.
 - C. Additional matters may be added to the agenda of any regular Board meeting by the Board Chair and/or the CEO, or by affirmative vote of a majority of those present.
4. **CEO Performance Monitoring:** As a core element of the CEO's evaluation process (*see 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 provision(s), as interpreted.

Policy 2.3 Board Work Plan and Agenda Preparation (continued)



Board Process

5. **CEO Annual Compensation Review:** 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 1st. After that discussion, and prior to December 15th, a subgroup of the Board selected by the 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 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 in executive/closed session whenever it deems, by majority vote, to be in the best interest of the organization, and will be attended only by Board members and others specifically invited by the Board Chair or, by majority vote, the Board. Board members, staff and other persons present shall not discuss or disclose executive session proceedings outside of the executive session without prior authorization of the Board.

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Policy 2.4 Board Chair's Role and Authority

Date of adoption / Last revision: *February 3, 2018*



As USA Swimming's chief governance officer, the Chair's primary role is to be the presiding officer, ensuring the integrity of the Board's process. The Chair also leads meetings of the House of Delegates, and represents the Board to outside parties.

Accordingly:

1. The Chair's job is to ensure that the Board acts in a manner consistent with its policies and any requirements legitimately imposed upon it from outside the organization.
 - A. Agenda content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or to monitor, or to otherwise inform/educate the Board so it can best fulfill its responsibilities.
 - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The Chair is authorized to make decisions consistent with the Board Process and Board/Management Delegation policies, except for (a) employment/termination of the CEO, or (b) decisions pertaining to matters about which the Board has specifically delegated portions of its authority to others. The Chair may use any reasonable interpretation of these policies.
 - A. The Chair is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
 - B. The Chair has no authority to make decisions within the Board's Ends and Management Parameters policy areas. Therefore, as the CEO is accountable to the Board as a whole, the Chair does not have authority to supervise or direct the CEO.
 - C. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to the Chair.
 - D. The Chair may delegate this authority but remains accountable for its use.
 - E. The Board Chair shall appoint all non-athlete members of Board committees and their respective chairs unless otherwise designated in the USA Swimming Rules & Regulations, Bylaws or in Board Policies. The Board Chair is an ex-officio non-voting member of all Board committees.
3. The Chair will lead and participate in the Board's assessment of its own performance.
 - A. Criteria for assessment will be the Board's adherence to its Board Process and Board-Management Delegation policies.
 - B. The Board will self-assess its overall performance at least once per year.
 - C. The Board will ensure that there is at least a brief assessment of each meeting prior to adjournment, identifying factors that enhanced its productivity, as well as those that would have made the meeting more successful.
4. The Chair will also make appointments to the House of Delegates, per the USA-S Rulebook.

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Policy 2.5 Board Members' Code of Conduct

Date of adoption / Last revision: February 3, 2018



The Board expects of itself and its members ethical, professional and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

1. Duty of Care: Board members are to discharge their duties honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.
2. Duty of Obedience: Board members must abide by USA-S' governing documents (i.e. Articles of Incorporation, Bylaws and these Governing Policies). While vigorous debate is expected and encouraged, Board members are obliged to support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.
3. Duty of Loyalty: Board members must demonstrate loyalty to the interests of USA Swimming, superseding any conflicting loyalties such as that to segments of the membership, family members, advocacy or interest groups, affiliated entities, staff, other organizations or any personal interests as a consumer of the organization's services.
4. Board members must avoid any conflict of interest with respect to their fiduciary responsibility and abide by the USA Swimming Statement of Principles on Ethical Behavior and Conflict of Interest. (See Appendix C)
5. Board members must not attempt to exercise individual authority over the organization.
 - A. Board members' interactions with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly stipulated by the Board.
 - B. Board members' interaction with the media, public or other entities must recognize that Board members are not to speak for the CEO, the Board, or USA Swimming, except to repeat explicitly stated Board decisions.
 - C. Board members will not publicly express individual judgments of the performance of the CEO or of other employees, other than when participating in the Board's monitoring functions.
6. Board members will treat one another and staff members with respect, courtesy, and honesty.
7. Board members must respect the confidentiality appropriate to issues of a sensitive nature.
8. A Board member aware of credible information that suggests that a Board policy has been violated, by the Board, a Board member, or the CEO, has an affirmative obligation to bring the concern to the Board Chair. If the Chair is the subject of the concern, it should be brought to the Vice-Chair. If the CEO or a staff member is the subject of the concern, the Board will refer to its process for *Monitoring CEO Performance* (policy 4.4)
9. If a Board member is alleged to have violated the Board's Governing Policies.
 - A. The Chair (or Vice-Chair, if the Chair is the subject of the concern) will have an informal discussion with the individual whose action(s) are questioned. If this is not successful in resolving the concern, then:
 - B. The Chair will put the issue on the agenda for executive session. The respondent Board member will be allowed to present his or her views prior to the Board determining whether or not the action violated this Code of Conduct.
 - C. A Board Member found by the Board (by majority vote) to have violated these Governing Policies may be subject to subsequent censure or other Board action, as long as consistent with the Bylaws.

Policy 2.6 Board Members' Individual Responsibilities

Date of adoption / Last revision: February 3, 2018



Board Process

Board member engagement and participation is integral to the Board's leadership success. 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 USA-S' Bylaws and these Governing Policies, as may be amended from time to time.
2. **Attendance:** Board members are expected to attend Board meetings on a regular and punctual basis. Absence from more than one of the five (5) regularly scheduled meetings in the Board's annual planning cycle will constitute that member's resignation from the Board. The annual planning cycle starts upon adjournment of the House of Delegates annual meeting.
 - 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 [USOCUSOPC](#), and the American public that can be addressed through USA-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. **Members as Individuals:** 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 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: ~~_~~

~~A.~~ In addition to attending Board meetings, Board members are expected to:

~~B.~~ Board members are also encouraged to ~~(i):~~

~~i.~~ Promote and support the activities of the USA Swimming Foundation; ~~and (ii) -a~~

~~ii.~~ ~~10.~~ Attend the annual Convention.

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Policy 2.7 Board Committee Principles

Date of adoption / Last revision: *February 3, 2018*



The Board may establish Board Committees in addition to the Standing Committees of the Board that are set forth in the USA-S Rulebook to help the Board be more effective and/or efficient in its work. Board committees are not to interfere with the Board's delegation of authority to the CEO or the CEO's to other staff.

Accordingly:

1. Board committees are to help the Board do its job, not to help, advise, or exercise authority over staff.
2. Board committees will ordinarily undertake activities not delegated to the CEO such as by preparing policy alternatives and implications for Board consideration or performing specific monitoring functions.
3. Board committees may only speak or act for the Board when formally given such authority for specific and/or time-limited purposes. Expectations and authority will be carefully stated in the Board Committee Structure policy in order not to conflict with authority delegated to the CEO.
4. As the CEO works for the full Board, he or she will not be required to seek approval of a Board committee before taking action.
5. The composition of each Board committee as well as the number and purpose of committees is to be evaluated no less than bi-annually to assure continuity and relevance. Unless otherwise stated in the Board Committee Structure policy, appointments to committees will take place at or shortly after the first Board meeting following the annual House of Delegates meeting.
6. This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether it includes Board members. This policy does not apply to committees formed under the authority of the CEO. Task forces may be established by the Board or the Board Chair.
7. Unless specifically authorized by the Board, a Board Committee may not make any commitment of organizational resources or funds.

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Policy 2.8 Board Committee Structure

Date of adoption / Last revision: February 3, 2018



Board committees are those established by and with authority emanating from the Board or as designated the USA-S Rulebook, regardless of whether composition includes non-Board members. The only Board committees are those set forth below. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a resource (non-voting member/liaison) for each Board committee.

“Standing” Committees of the Board (set forth in Bylaws)

Commented [LM1]: To be updated following Board action on proposed Bylaw changes

1. Nominating Committee

- A. **Deliverable #1:** Fulfillment of Nominations process, as stipulated in the Bylaws, and the *Board Nominations and Election* policy.
- B. **Authority:** To incur costs as budgeted and management time as needed.
- C. **Composition:** Per the Bylaws, 9 voting members, plus the President/CEO or his or her designee (non-voting)
 - Two (2) shall be athlete members (different genders) appointed by the Athletes' Executive Committee.
 - Two (2) shall be coaches; one shall be appointed by the Age Group Development Committee and one shall be appointed by the Senior Development Committee from among all coach members of USA Swimming.
 - Two (2) shall be current members of the Board of Directors, proposed by the Board Chair and approved by the Board of Directors.
 - One (1) shall be appointed by the USA Swimming Foundation Board of Directors.
 - Two (2) individuals (different genders) of independent background intended to enhance and complement the diversity of thought and perspective of the remaining composition of this committee (such as ethnicity, geography, business skills) shall be proposed by the Board Chair and approved by the Board of Directors.
 - The Committee shall, at its first meeting of each nominations cycle, select a chairperson from among its own membership.
 - Terms of Nominating Committee members shall be three (3) years, staggered such that one-third (1/3) of its members are appointed each year. Members of the Nominating Committee shall be eligible for a maximum service of two terms.

2. Investment Committee

- A. **Deliverable #1:** Quarterly review of performance of USA-S' investments, as reported to the Committee by the Investment Advisor.
Deliverable #2: Recommendations for Board consideration of revisions to the Board's Investment Policy.
Deliverable #3: Oversight and periodic reporting to the Board re: the performance of the investment portfolio, per Investment policy.
Deliverable #4: Recommendations for the selection of Investment Advisor(s) to the Board.
- B. **Authority:** To incur costs as budgeted and management time as needed.
- C. **Composition:** Five members. The Vice Chair-Fiscal Oversight serves as chairperson, plus four members appointed by the Board Chair, including: a non-officer Board member; an athlete from a slate submitted by the Athletes' Committee, and two additional members with designated financial experience.

Policy 2.8 Board Committee Structure (continued)



Board Process

3. Audit Committee

- A. **Deliverable #1:** Confirmation of auditor's independence and recommendation to Board for engagement of auditor by no later than end of February each year.
Deliverable #2: - Annual specification of audit scope, consistent with Board monitoring schedule (see policy 4.4), including approval of any permitted non-audit services to be provided by the independent auditor.
Deliverable #3: Assurance that the auditor has unfettered access to organizational management and records.
Deliverable #4: Review with the independent auditor any problems encountered performing the audit, the audited financial statements, and any management letter provided by the auditor.
Deliverable #5: Recommendations for Board consideration regarding revisions to the Board's fiscal policies.
Deliverable #6: Review of annual Form 990 prior to distribution to Board of Directors and subsequent submission to IRS.
Deliverable #7: "Direct Inspection" (internal audit) monitoring of compliance with the Board's fiscal policies (Financial Condition, Asset Protection, Budget, Compensation and Benefits), as directed/scheduled by the Board per policy 4.4 *Monitoring CEO Performance*.
- B. **Authority:** To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs as budgeted for all matters related to the audit
- C. **Composition:** Five members. The Vice Chair-Fiscal Oversight serves as chairperson, plus four members appointed by the Board Chair, including: a non-officer Board member; an athlete from a slate submitted by the Athletes' Committee, and two additional members with designated financial experience.

4. Credentials / Elections Committee

- A. **Deliverable:** Certification of delegates at the annual meeting of the corporation, supervise elections held at the annual meeting, and certify results of elections held at the annual meeting.
- B. **Authority:** To incur costs as budgeted and management time as needed.
- C. **Composition:** Eight (8) non-athlete members appointed by the Board Chair and a sufficient number of athlete members as to constitute at least twenty percent (20%) of the voting membership. Each non-athlete member shall serve a four-year term, staggered so that one-fourth of such members are appointed each year. Members are not subject to consecutive term limits.

5. National Board of Review Committee

- A. **Deliverable:** Acts as a hearing body to resolve matters, questions and disputes involving USA Swimming, the Local Swimming Committees, or the membership – per the Rulebook.
- B. **Authority:** To incur costs as budgeted and management time as needed.
- C. **Composition:** The National Board of Review Committee shall consist of such number of members as the Board Chair may deem appropriate from time to time. Such members shall be appointed by the Board Chair, with the advice of the Secretary & General Counsel, who shall serve as an ex-officio member with voice but no vote. At least twenty percent (20%) of the voting membership of the National Board of Review Committee shall be athlete members. The Chair and Vice Chair(s) of the National Board of Review shall serve as the Chair and Vice Chair(s), respectively of the National Board of Review Committee. The term of the Chair, Vice Chair(s) and other members of the National Board of Review Committee shall be two years with a limit of five (5) full terms each may serve.

Policy 2.8 Board Committee Structure (continued)



6. Governance Committee

A. **Deliverable #1:** As directed by the Board or requested by the Chair, preparation and/or review of proposed policy/Bylaws revisions and implications for Board consideration.

Deliverable #2: Thorough orientation and training of new Board members.

Deliverable #3: Recommendations for Board consideration regarding additional Board training opportunities to enhance the Board's governance skills and capabilities.

B. **Authority:** To incur costs as budgeted and management time as needed.

C. **Composition:** Five members. To be chaired by the Vice-Chair/Chair Elect, and to include the Board Chair plus ~~two~~three additional ~~non-athlete~~ Board members, ~~chosen annually by the Board Chair, and including at least one Board athlete representative, chosen annually by the Board Chair~~decided annually among the Board athlete representatives.

7. Executive Compensation Committee

A. **Deliverable #1:** Recommendations for Board consideration regarding adjustments to the CEO's compensation and benefits package. To be presented to the Board in a timely manner to allow final action to be taken by the November meeting each year.

Deliverable #2: Accompanying the recommendations, provide data as to comparable compensation for similarly qualified persons in comparable positions.

Deliverable #3: Contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding CEO compensation.

Deliverable #4: Prepare for Board's consideration, and in consultation with the CEO, annual incentive plan goals and metrics for the bonus component of CEO compensation; annually review and report to the Board the CEO's performance results vis-a-vis previously established goals.

B. **Authority:** To incur costs as budgeted and management time as needed.

C. **Composition:** Three Board members – A committee chairperson, plus ~~two additional~~one non-athlete Board members chosen annually by the Board Chair, ~~and At least one of the three is to be an athlete~~ Board athlete representative, ~~decided annually among the Board athlete representatives~~member.

~~8. Membership Relations Committee (BOB – DELETE? OR REDEFINE?)~~

~~A. **Deliverable:** Development of mechanisms and plans for Board approval and implementation to ensure active communications between the Board and USA-S' membership, ensuring the Board is well informed about members' perspectives and values, and that the membership is informed of the Board's work on their behalf.~~

~~B. **Authority:** To incur costs as budgeted and management time as needed.~~

~~C. **Composition:** Three Board members – A committee chairperson, plus two additional Board members chosen annually by the Board Chair. At least one of the three is to be an athlete Board member.~~

9.8. Zone Directors' Council

A. **Deliverable:** Provision of advice and input to inform the Board of Directors of issues and opportunities within the four zones

B. **Authority:** To incur costs as budgeted and management time as needed

C. **Composition:** The eight (8) elected Zone Directors. Chair to be elected by the group from among its members.

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Policy 2.9 Board Nominations and Elections

Date of adoption / Last revision: February 3, 2018



The Board of Directors shall ensure that the nominations and elections process is administered in accordance with the Bylaws and the following policies.

1. **Composition:** The nine voting members of the Nominating Committee shall, per the Bylaws, be:
 - Two (2) shall be athlete members (different genders) appointed by the Athletes Executive Committee.
 - Two (2) shall be coaches; one shall be appointed by the Age Group Development Committee and one shall be appointed by the Senior Development Committee from among all coach members of USA Swimming.
 - Two (2) shall be current members of the Board of Directors, proposed by the Board Chair and approved by the Board of Directors.
 - One (1) shall be appointed by the USA Swimming Foundation Board of Directors.
 - Two (2) individuals (different genders) of independent background intended to enhance and complement the diversity of thought and perspective of the remaining composition of this committee (such as ethnicity, geography, business skills) shall be proposed by the Board Chair and approved by the Board of Directors.
 - In addition, the President/CEO or his or her designee shall be a non-voting member of the committee.

2. **Appointment:** Terms of Nominating Committee members shall be three (3) years, staggered such that one-third (1/3) of its members are appointed each year. Members of the Nominating Committee shall not be eligible to be appointed to this committee once they have served two terms.
 - A. By September 30 of each year, the Secretary & General Counsel shall distribute the current Nominating Committee roster/term matrix, noting that the committees and/or boards due to make appointments to the Nominating Committee are to do so by no later than January 15th. The notice is to convey that individuals serving on the Nominating Committee may not be presented on the slate of nominees.
 - B. The incumbent Chair of the Nominating Committee shall convene the initial meeting of the following year's committee within forty-five (45) days after the appointment deadline, and after the January/February Board meeting. At the initial meeting, the committee shall select a chairperson from among its own membership.
 - C. ~~For 2018, the initial appointments to the Nominating Committee shall be for staggered terms as follows:~~
 - i. ~~One year terms: 1 athlete member, 1 current Board member, 1 coach appointed by the Age Group Development Committee.~~
 - ii. ~~Two year terms: 1 "independent" individual appointed by the Board; 1 current Board member; 1 Foundation Board member.~~
 - iii. ~~Three year terms: 1 athlete member; 1 "independent" individual appointed by the Board; 1 coach appointed by the Senior Development Committee.~~

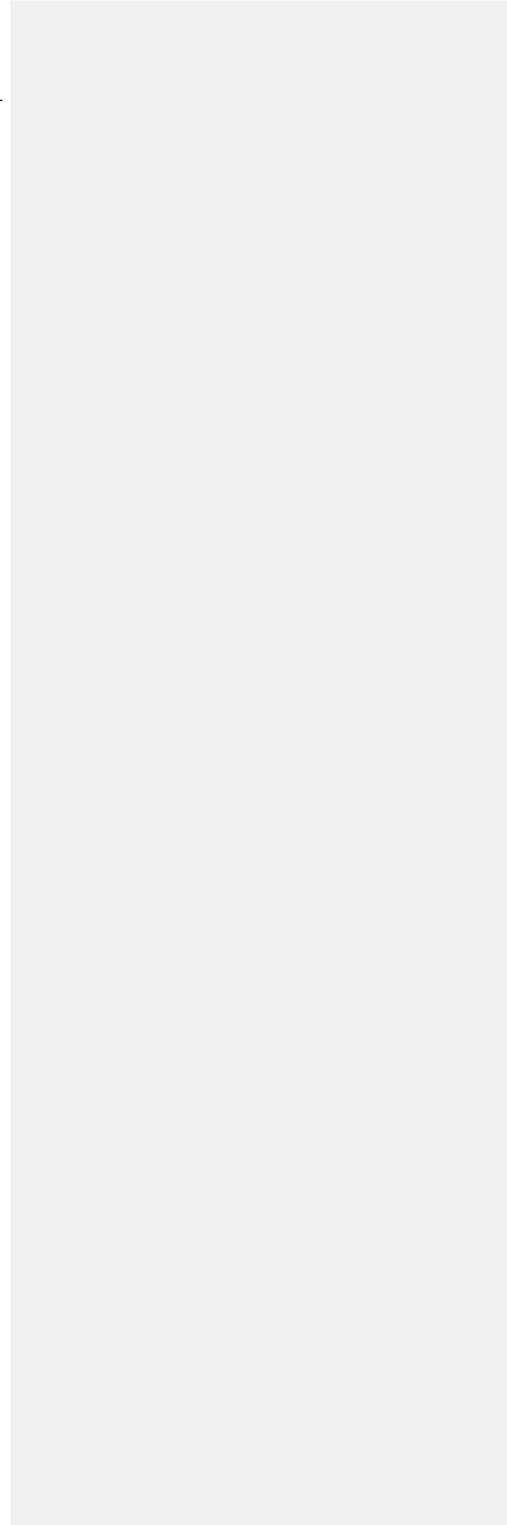
3. **Nominating Criteria:** No later than its January/February meeting each year, the Board will consider its needs for certain competencies, and will identify and provide a "charge" to the Nominating Committee that specifies experience, skills and attributes that would constitute "ideal candidates" to complement and augment the composition of the incumbent Board in the upcoming nominations/election cycle. Primary criteria may include:

Commented [LM2]: Update consistent with Bylaw changes



Policy 2.9 Board Nominations and Elections (continued)

- Past demonstration of commitment to USA-S, or a “demonstrable connection to the sport.”
 - Governance experience, e.g. knowledge and skills in policy-making, legal and fiduciary responsibilities.
 - High-level (board or management) experience in setting standards for and/or overseeing a multi- million-dollar corporation.
 - Financial literacy.
 - Demonstrated ability to participate productively in group processes.
 - Professional relationships/associations that may be beneficial to USA-S.
 - Commitment to support and adhere to the Board's governing documents (Bylaws, Governing Policies, etc.).
 - Ensuring diversity within the Board's composition (gender, ethnic, age, geography, etc.).
 - For incumbent or past Board members seeking re-nomination, fulfillment of individual Board members' responsibilities.
4. **Call for Nominations:** The Nominating Committee shall issue a Call for Nominations, which may be self-nominating or by third party with written consent of the proposed nominee. The Call for Nominations shall convey the number and qualifying criteria, per the Bylaws, of Board seats to be elected at the subsequent House of Delegates meeting, and shall include:
- The deadline by which nominations must be submitted.
 - Then-current Board policies on *Board Members' Code of Conduct* and *Board Members' Individual Responsibilities*, highlighting expectations regarding:
 - Board meeting attendance.
 - Advocating and voting for what's in the best interests of USA Swimming, its members and the sport, and not for any specific stakeholder groups.
 - That Board members are not to exercise individual authority over the President & CEO or any member of the USA Swimming staff, unless explicitly Board-authorized for a specific purpose.
 - Profile highlighting the “ideal candidate” skills and attributes as identified by the Board of Directors for that nominating cycle.
 - An application form addressing prospective candidates' qualifications, skills and reason(s) for interest in serving on the USA-S Board.
5. **Candidate Screening:** The Nominating Committee will screen proposed candidates to ensure that they meet all requirements for Board membership.
- A. ~~Based on candidate applications and membership status, those candidates the Nominating Committee wishes to advance for further consideration will be invited to participate in an initial videoconference interview with a minimum of two Nominating Committee members. All candidates who, based on their application, appear to be qualified will be invited to participate in an initial telephone interview with a minimum of two Nominating Committee (voting) members.~~ The Committee will maintain a list of standardized interview questions, and responses will be summarized and presented on a scoring matrix to be shared with all Nominating Committee members.
- B. Based on initial ~~videoconference~~ phone interviews, those candidates the Nominating Committee wishes to advance for further consideration will be provided with USA-S' Bylaws and its then-in-effect Governing Policies Manual, and invited to a second interview with at least two other Nominating Committee members. Candidates will be invited to ask questions pertaining to the Governing Policies and structure of the Board and organization.
- C. To be placed on the ballot, candidates will be required to sign, and submit by a specific deadline, a written commitment to serve in accordance with said Bylaws and Governing Policies.



Policy 2.9 Board Nominations and Elections (continued)



Board Process

6. **Selection of Nominees:** The Nominating Committee shall consider the merit and qualifications of all candidates who have fulfilled the screening process set forth above. It shall address the Board composition requirements of seats to be filled in the current nominations/elections cycle (see Bylaws Article 504.2 re: athletes, coaches, zone geography, semi-independent status, etc.). Overlaying these needs and the pool of vetted candidates, the Nominating Committee will recommend at least two, but not more than three, nominees for each seat open for election.
 - A. The list of proposed nominees for at-large Board positions will be presented to the House of Delegates at least thirty (30) days prior to its annual meeting. Accompanying the list, and in related correspondence sent to the Delegates, a biography/nominee statement, not to exceed 250 words, for each proposed nominee shall be distributed. A photo, if provided by the nominee, shall also be included.
 - B. The list of proposed nominees for Athlete Representative(s) to the Board will be distributed to athletes who meet the USOPC definition of "athlete representatives" at least 30 days prior to the annual meeting of the House of Delegates, along with instructions informing athletes how to vote in the electronic/virtual election. The period of the electronic election shall be ~~seventeen (710)~~ seventeen (714) days, commencing eleven (814) days prior to the annual meeting of the House of Delegates, and closing the day prior.
 - B.C. _____ In addition to the Call for Nominations and vetting process, other members may self-nominate or be nominated by a third party with written consent of the proposed nominee by submitting their names to the Credentials/Elections Committee no later than fourteen (14) days prior to the start of the meeting of the House of Delegates.
7. **Election:** The ballots distributed to the House of Delegates and to the athlete representatives shall explicitly state/present:
 - A. The list of vetted and proposed nominees shall be prominently highlighted as such on the respective ballots. Any other nominees will have their names listed with no supporting information.
 - B. The number of nominees Delegates or athlete representatives may vote for; and
 - C. For at-large Board positions, ~~T~~he composition requirements for seats open to election (e.g. # of coaches, zone geography, semi- independents, etc.).
 - D. The candidates with the highest number of votes subject to Board composition requirements shall be elected to the Board.
8. **Timeline:** The annual nominations and election cycle timeline shall be:

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Governing Policies of the USA Swimming Board of Directors

- September: Secretary & General Counsel distributes Nominating Committee Roster/Matrix, highlighting positions to be appointed for the subsequent cycle.
- January: Nominating Committee appointees confirmed by January 15th
- Jan/Feb: At the January/February Board meeting, Board determines “ideal candidate” attributes and skills charge to the Nominating Committee.
- February: Nominating Committee selects its chairperson. Begins updating Call for Nominations materials, forms and communications plan.
- April: First week of April: Call for Nominations announced and promoted/distributed via email and on USA-S website.
- May: May 15th: Deadline for nominations to be submitted (electronic)
- May-July: Nominating Committee screens candidates. Develops recommended slate of vetted candidates.
- August: List of proposed nominees, with accompanying biographical information/nominee statement and photograph, distributed at least 30 days prior to the meeting of the House of Delegates
- September: 14 days prior to the meeting of the House of Delegates, Credentials & Elections committee adds any names of individuals [to the respective ballots](#), who were not screened and recommended by the nominating committee, but who, per [Rulebook provision USA Swimming Corporate Bylaws Article 6.3507.3.C](#), self-nominated or consented to be nominated separate from the Nominating Committee process.
- Such names are to be presented “below the line” as such, and with no supporting information.
 - [Eight44 days prior to the meeting of the House of Delegates, electronic balloting begins for Athlete Representative. Balloting closes the day prior to the House of Delegates meeting, with the election results announced to the House of Delegates simultaneous to those of the at-large election results.](#)

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Policy 2.10 Budgeting for Board Prerogatives

Date of adoption / Last revision: February 3, 2018



The Board will consciously invest in its ability to govern effectively. Accordingly:

1. The Board will allocate resources to ensure that it has sufficient skills, methods and supports to assure excellence in its leadership.
 - A. Training will be used appropriately to orient new Board members and to increase existing Board members' skills and knowledge.
 - B. Outside monitoring, including fiscal audit, will be arranged as needed to help the Board have confidence that organizational performance meets expectations, as stated in these policies. This includes, but is not limited to, audits, reviews or opinions on fiscal, legal or governance matters.
 - C. Effective communications will be used as needed to ensure the Board understands members' and public viewpoints and values.
2. Costs will be prudently incurred, but sufficient to ensure the development and provision of superior governance. Annual governance prerogatives to be considered include costs for:
 - A. Board meetings (including Board member travel).
 - B. Board member reimbursements for authorized attendance at conferences, workshops, etc.
 - C. Board training (governance consulting, publications, etc.).
 - D. Fiscal audit and other third-party monitoring of organizational performance.
 - E. Opinion surveys, focus groups and other membership linkage activities.
 - F. Board committee functions (other than Audit, as itemized in D above).
 - G. Board Chair's discretionary expenses.
 - H. Board Meeting technology/software platform.
3. The Board will establish its budget for these prerogatives in the next fiscal year each year during the Board meeting normally held in September, so that it may be incorporated into the overall USA-S budget prepared by staff for presentation to the Board in November.

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Policy 3.0 General Management Constraint

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

The CEO will not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, in violation of commonly accepted business and professional ethics and practices, or inconsistent with the [USOCUSOPC](#)'s Bylaws or USA Swimming's Rules and Regulations.

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Policy 3.1 Treatment of Members / Customers

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

With respect to interactions with members/customers, the CEO will not cause or allow conditions or procedures which are unfair, unsafe, untimely, unresponsive, undignified or which fail to provide appropriate confidentiality.

Further, the CEO will not:

1. Collect, review, transmit, store or destroy member/customer data without protecting against improper access to that information.
2. Operate without clearly conveying to members/customers what may be expected from the USA Swimming programs and services offered,
3. Pertaining to members, operate without conveying applicable USA Swimming Code of Conduct expectations of members, including but not limited to it being the policy of USA Swimming that its members, including athletes, coaches, officials and volunteers, have the right to participate and compete in an environment that is safe and free from sexual abuse and harassment.
4. Operate without enforcing the USA Swimming Code of Conduct.

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Policy 3.2 External Relations

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

With respect to USA Swimming's interactions with other entities, the CEO will not operate without cultivating and maintaining senior leadership level relationships with all relevant national and international organizations, including but not limited to: [USOCUSOPC](#), FINA, NCAA, ASCA, CSCAA, ACES, USADA, etc.

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Policy 3.3 Treatment of Employees and Volunteers

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

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

Pertaining to employees, the CEO will not:

1. 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.
 - A. 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.
2. Allow employees to be unprepared to deal with reasonably foreseeable emergency situations.
3. 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.
 - A. Prevent employees from grieving to the Board when (a) internal grievance procedures outlined in the Personnel Manual have been exhausted and (b) the employee alleges that Board policy has been violated.

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Policy 3.4 Financial Condition and Activities

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

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 the Board's Ends priorities.

Further, the CEO will not:

1. Manage finances without adherence to applicable Generally Accepted Accounting Principles (GAAP) as promulgated by the Financial Accounting Standards Board (FASB).
2. 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.
3. Allow cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 30-day period.
4. Borrow funds (with exception of credit cards used for normal business purposes paid in full each month).
5. Use Board-designated Operating Reserve funds.
6. Operate without settling payroll obligations and payables in a timely manner.
7. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
8. Execute a purchase commitment, check or electronic funds transfer for greater than \$250,000 unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.
9. Acquire, encumber, lease or dispose of real property.
10. Operate without aggressively pursuing material receivables after a reasonable grace period.
11. Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.
 - A. Operate without clearly delineated procedures and limitations for payment/reimbursement of authorized expenses incurred by board members and committee members, and others who are entitled to reimbursement from USA-S.
 - B. 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.

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Policy 3.5 Asset Protection

Date of adoption / Last revision: February 3, 2018



Management Parameters

The CEO will not cause or allow USA Swimming's assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, the CEO will not:

1. Allow USA-Swimming to be without sufficient insurance coverage, including:
 - A. Casualty losses and property losses to at least replacement value.
 - B. Liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations.
 - C. Employee theft and dishonesty.
 - D. Cyber-security.
2. Subject USA-S' facilities and equipment to improper wear and tear or insufficient maintenance.
3. Operate without employing risk management practices to minimize exposure of the organization, the Board, staff or their agents to claims of liability.
4. Allow procurements without reasonable protection against conflicts of interest.
5. Allow a purchase of any material amount without having compared prices and quality.
6. Allow USA-S' intellectual property, information, resources and files to be exposed to loss, improper access, misuse or significant damage.
7. Operate without adhering to a Records Retention Schedule, approved by the Secretary & General Counsel, for the maintenance of documents and records.
8. Operate without internal controls over receipts and disbursements, and to prevent dissipation of assets, sufficient to meet the Board-appointed auditor's recommendations (as set forth in the auditor's Management Letter and/or other communications).
9. Compromise the independence and transparency of the Board's relationships with auditors or other providers of governance support. Such entities may not be engaged by the CEO unless explicitly Board authorized.
10. Invest operating capital or reserve funds in a manner inconsistent with the Investment Policy.
11. Endanger USA-S' public image or credibility.
12. Substantially alter the organization's corporate identity.

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Policy 3.6 Financial Planning and Budgeting

Date of adoption / Last revision: February 3, 2018



Management Parameters

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

Accordingly, the CEO will not allow budgeting that:

1. Risks incurring those liquidity situations or conditions described as unacceptable in the Financial Conditions and Activities policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, and disclosure of planning assumptions.
 - A. ~~An investment return of up to 4.7% of the previous FYE balance of income from~~ Undesignated and Board-Designated Operating Reserve funds may be ~~conservatively~~ projected as operating revenue.
3. Plans the expenditure in any quadrennial cycle of more funds than are conservatively projected to be received.
4. Fails to allocate appropriate gross cash revenues to the Board Designated Operating Reserve, if that fund level is and has been less than 75% of its targeted threshold of six months (50% of annual) Program Funding and Operating Costs for two consecutive years.
5. Omits allocation for Board activities per the Budgeting for Board Functions policy (see policy in Board Process).

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Policy 3.7 Compensation and Benefits

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

With respect to employment, compensation and benefits for employees, consultants, contractors or volunteers, the CEO will not cause or allow jeopardy to USA-S' fiscal integrity or public image.

The CEO will not:

1. Establish salaries and benefits that deviate materially from the geographic and/or professional market value for the skills employed.
2. Change his or her own compensation.
3. Change his or her own benefits, except as consistent with the package for all other employees.
4. Promise or imply anything other than "at-will" employment.
5. Create obligations to consultants or contract vendors that are not consistent with annual/quadrennial budget plans.
6. Establish or change retirement benefits that would cause situations unpredictable for the organization or inequitable for employees.

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Policy 3.8 Emergency Management Succession

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

The CEO will not operate without management succession planning processes to facilitate smooth and competent operation of the organization during key personnel transitions.

Further, the CEO will not:

1. Have fewer than two (2) other members of the management team sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor.

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Policy 3.9 Board Awareness and Support

Date of adoption / Last revision: February 3, 2018



Management Parameters

The CEO will not cause or allow the Board to be uninformed or unsupported in its work. The CEO will not:

1. Withhold, impede or confound information necessary for the Board's informed accomplishment of its job. The CEO will not:
 - A. Neglect to submit monitoring reports (including the CEO's policy interpretations, as well as compliance data) required by the Board (see *Monitoring CEO Performance* policy in Board-Management Delegation) in a timely, accurate and understandable fashion.
 - B. 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.
 - C. 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.
 - D. 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.
 - E. 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.
2. Allow the Board to be without logistical and administrative support for official Board, officer or committee communications and functions.
3. 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.

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without establish

Policy 3.10 LSC REPORTING REQUIREMENTS

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

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

Further, the CEO will not:

1. Operate without standardized contractual agreements (to be in place by 2018) between USA Swimming and the Boards of Directors of LSCs, delineating mutual expectations and responsibilities, including but not limited to:
 - A. Alignment with the mission/Ends of USA-S.
 - B. Protection of USA-S from assumption of financial liability for the activities of the affiliated chapters and regions.
 - C. Use of USA-S' name, insignia, logo and brand.
 - D. Requiring that any revisions to LSC Bylaws are submitted to USA-S' Secretary & General Counsel, or her/his designee, to verify consistency with "Required Bylaws" provisions of USA Swimming's Rules and Regulations.
 - E. Terms and conditions for disbursement of dues.

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Policy 3.11 USA SWIMMING Foundation Management

Date of adoption / Last revision: *February 3, 2018*



Management Parameters

With respect to management of the USA Swimming Foundation, The CEO will not operate without ensuring the fulfillment of mutual obligations outlined in the Memorandum of Understanding between the USA Swimming Foundation and USA Swimming.

POLICY LANGUAGE TBD

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Policy 4.0 Board/Management Connection

Date of adoption / Last revision: *February 3, 2018*



Board/Management Delegation

The Board's official connection to the operating organization, its achievements and conduct is through its chief executive officer, titled "President & CEO" ("CEO").

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Policy 4.1 Unity of Control

Date of adoption / Last revision: *February 3, 2018*



Board/Management Delegation

The Board of Directors acts with one voice in establishing expectations of the CEO.

Accordingly:

1. No Board member, officer or committee has authority over the CEO, or any member of the CEO's staff, except in rare instances when the person or committee has been explicitly authorized to direct or use staff resources for a specific issue.
2. Board members or committees may request information, but if such request--in the CEO's judgment--requires a material amount of staff time or funds or is disruptive, it may be declined. The committee or Board member may then refer the request to the full Board for consideration.

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Policy 4.2 Accountability of the CEO

Date of adoption / Last revision: *February 3, 2018*



Board/Management Delegation

All Board authority delegated to management is delegated through the CEO. Therefore, the authority and accountability of staff, as far as the Board is concerned, is the authority and accountability of the CEO.

Accordingly:

1. The Board will not give instructions to any staff other than the CEO (without consent of the CEO).
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will consider and evaluate CEO performance as synonymous with organizational achievement of Ends and compliance with Management Parameters. No performance measure established by the Board or a subset of the Board shall conflict with or modify this measure of performance.
4. Consequently, the CEO's accountability and evaluation will be based on performance in two areas:
 - A. Organizational achievement of the Board's Ends policies.
 - B. Organizational operations within the parameters of legality, prudence and ethics established in the Board's Management Parameters policies.

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Policy 4.3 Delegation to the CEO

Date of adoption / Last revision: *February 3, 2018*



Board/Management Delegation

The Board will direct the CEO through written policies setting forth the organizational Ends to be achieved and organizational situations/actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. Ends policies direct the CEO to achieve certain results, for certain recipients at a specified worth or priority. These policies will be systematically developed from the broadest, most general level, to more defined levels.
2. Management Parameters policies define the boundaries of legality, prudence and ethics within which the CEO is free to operate. These policies describe the practices, activities, decisions and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. Management Parameters will also be systematically developed from the broadest, most general level to more defined levels. To ensure accountability for performance, the Board will not prescribe organizational means delegated to the CEO.
3. An Ends or Management Parameters policy at a given level does not limit the scope of any preceding level.
4. The CEO is authorized to establish further policies, make decisions, take actions, establish practices and develop activities as long as they are consistent with any reasonable interpretation of these Ends and Management Parameters policies.
5. The Board may change its Ends and Management Parameters policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice and authority given to the CEO. However, as long as any particular policy delegation is in place, the Board will respect and support decisions made by the CEO that are consistent with reasonably interpreted Board policy.

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Policy 4.4 Monitoring CEO Performance

Date of adoption / Last revision: February 3, 2018



Board/Management Delegation

The Board will systematically monitor CEO job performance, determining the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Parameters policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not address accomplishment of Ends and compliance with Management Parameters will not be considered in the Board's evaluation of CEO performance.
2. Ends and Management Parameters policies may be monitored by one or more of three methods:
 - A. Internal Reports: The CEO discloses in writing his/her policy interpretations, along with data supporting his/her assessment of accomplishment of, or compliance with, the policy under review. As appropriate in a given context, the CEO may present information supporting the "reasonableness" of his/her interpretation.
 - B. External Reports: An external, disinterested third party selected by and reporting to the Board assesses accomplishment of, or compliance with, Board policies, as reasonably interpreted by the CEO.
 - C. Direct Board Inspections: A designated Board member(s) or committee assesses CEO compliance with a given policy, as reasonably interpreted by the CEO.
3. In every case, the Board is committed to accepting any reasonable CEO interpretation of the Board policy being monitored. The Board is the judge of reasonableness and will always use the "reasonable person" test (whether what the CEO did was what a reasonably prudent executive would do in that context), even if those choices differ from those the Board or any of its members may have made.
4. In every case, the Board will judge whether:
 - A. The CEO's interpretation is reasonable, and
 - B. Data demonstrate reasonable accomplishment of, or compliance with, the CEO's interpretation.
5. Interpretations determined by the Board not to be reasonable, or data determined not to demonstrate reasonable accomplishment of, or compliance with, a Board policy as interpreted, will be subject to a remedial process agreed to by the Board. *Such discussions will be in Executive/Closed Session (only voting Board members, officers plus any other parties specifically invited by the Board to attend).*
6. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule:

Policy 4.4 Monitoring CEO Performance, continued

Date of adoption / Last revision: May 12, 2018



Board/Management Delegation

CEO MONITORING SCHEDULE			
POLICY	METHOD	FREQUENCY	SCHEDULE (BY END OF MONTH)
Ends/Priority Results			
1.0 Broadest: (Growth/Success of Swimming)	Internal	Annually	Winter
1.1 Competitive Success	Internal	Annually	Convention
1.2 Successful Athletes, Coaches and Clubs	Internal	Annually	November
1.3 Public Engagement with Swimming	Internal	Annually	Spring (2018—Convention)
1.4 Recognition of USA Swimming:	Internal	Annually	November
Management Parameters			
3.0 General Management Constraint	Internal	Annually	November
3.1 Treatment of Members/Consumers	Internal	Annually	November
3.2 External Relations	Internal	Annually	Spring
3.3 Treatment of Staff	Internal	Annually	Winter
3.4 Financial Condition and Activities	Internal	Quarterly	Winter / Spring / Convention / Fall
	External	Annually	Spring (Audit)
3.5 Asset Protection	Internal	Annually	Spring
3.6 Financial Planning and Budgeting	Internal	Semi-annually	Convention – Mid-year update/re-forecast
			November – Annual Forecast
3.7 Compensation and Benefits	Internal	Annually	Winter November
3.8 Emergency Management Succession	Internal	Annually	Spring
3.9 Board Awareness and Support	Internal	Annually	November Winter
3.10 LSC Reporting Requirements	Internal	Annually	Convention
3.11 USA Swimming Foundation Management	Internal	Annually	November

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Policy 4.5 Board Access to CFO in Internal Auditor Capacity

Date of adoption / Last revision: February 3, 2018



Board/Management Delegation

Direct but limited access to the Board by the Chief Financial Officer (CFO), in an Internal Auditor capacity, is an exception to the exclusive role of the CEO in connecting governance and management.

Accordingly:

1. If after having brought to the CEO's attention any financial impropriety discovered in the course of his or her own work, the CFO feels that the CEO has failed to address the impropriety, the CFO must report that impropriety to the Vice Chair-Fiscal Oversight.
2. Impropriety in this context means a material deficiency in financial management or a violation of Board policies regarding financial affairs of USA-S.
3. Nothing in this policy impedes the CEO from exercising his or her Board-granted prerogative to interpret applicable Board policies under the "reasonable interpretation" rule, nor does it remove from the Board the right to judge reasonableness. However, *impropriety* as used above can indicate that in the opinion of the CFO as Internal Auditor, an interpretation made by the CEO is not "reasonable."
4. The CFO is in all other ways subject to the CEO's managerial authority, as are all other employees, and has no direct access to the Board except as described in this policy. The CEO may not impede the CFO's official access as an "Internal Auditor" as described in this policy, or seek to inappropriately influence the content of the CFO's reporting to the Board as set forth in this policy.
5. Nothing in this provision shall be deemed to limit or prohibit the Board from hiring external or internal auditors who report to the Board or any audit or other committees established by the Board for such purposes.

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Policy 4.6 Board Relationship w/the Secretary & General Counsel

Date of adoption / Last revision: February 3, 2018



As USA-S' chief legal officer, the role of the Secretary & General Counsel is to ensure that the actions of USA Swimming's Board of Directors and its President & CEO take place with competent and prudent legal counsel and representation.

The following pertains exclusively to the Secretary & General Counsel's capacity as the chief legal officer of USA Swimming:

1. Accountability of the Secretary & General Counsel

- A. The Secretary & General Counsel is accountable to, and serves at the pleasure of the CEO, and shall also provide regular updates pertaining to governance-related issues to the Board Chair.
- B. If Board members or committees request information or assistance without Board authorization, the Secretary & General Counsel may refuse such requests that require, in her or /his opinion, an inappropriate amount of staff time or funds or is disruptive. In such a case, the requestor may choose to bring the request to the Board.
- C. The Secretary & General Counsel accountability is for all resources, including personnel, under his or her control. Therefore, any accomplishments or violations due to actions of a subordinate of the Secretary & General Counsel are considered to be accomplishments or violations by the Secretary & General Counsel.
- D. The Secretary & General Counsel may accomplish the "Job Products" of the position in any manner not imprudent, unethical, or in violation of the prohibitions listed below under "Limitations on Secretary & General Counsel Authority."
- E. The Secretary & General Counsel may use any reasonable interpretation of Board policies.

2. Job Products of the Secretary & General Counsel

- A. Timely opinion on:
 - i. Any action or document submitted by the CEO for preparation or opinion.
 - ii. Legal ramifications of pending litigation.
 - iii. Legal process of the Board
 - iv. Any action or document of the Board or of duly appointed Board Committees submitted for opinion.
 - v. When requested or appropriate, alternate language or action to achieve Board or CEO intentions in a lawful manner.
- B. If after having brought to the CEO's attention any non-financial operational impropriety discovered in the course of his or her own work, the Secretary & General Counsel feels that the CEO has failed to address the impropriety, the Secretary & General Counsel must report that impropriety to the Chair.
 - i. Impropriety in this context means a material deficiency in operational management or a violation of board policies regarding operational affairs of USA-S.
 - ii. Nothing in this policy impedes the CEO from exercising his or her Board-granted prerogative to interpret applicable board policies under the "reasonable interpretation" rule, nor does it remove from the Board the right to judge reasonableness. However, *impropriety*, as used in provision #2.B above, would indicate that in the opinion of the Secretary & General Counsel, an interpretation made by the CEO is not "reasonable."
- C. The Secretary & General Counsel shall keep, or cause to be kept, at the principal offices of USA-S:
 - i. A book of minutes of all meetings, proceedings and actions of the Board and of the House of Delegates,
 - ii. A copy of the Articles of Incorporation and the Bylaws, as amended.

Policy 4.6 Board Relationship with the Secretary & General Counsel (continued)



- iii. A record of the membership, showing each member's name, address and class of membership;
 - iv. A notice of all meetings of members and of the Board of Directors as required by the Bylaws to be given.
 - D. The Secretary & General Counsel shall supervise the activities of the Board of Directors when the Board (or a panel thereof) hears an appeal from a National Board of Review decision or in those matters where the Board of Directors accepts original jurisdiction.
 - E. Advice regarding avoidance of litigation or settlement of litigation.
 - i. Timely provision to the Board and the CEO on the status of all threatened/actual litigation and the status of any settlement negotiations.
 - ii. Diligent and competent representation of USA-S in litigation.
 - iii. Negotiations for settlement
 - iv. Settlement of litigation, with authority as obtained from the CEO
3. **Limitations on the Secretary & General Counsel Authority.** The Secretary and General Counsel shall not:
- A. Exercise authority over CEO or staff other than those directly reporting to Secretary & General Counsel.
 - B. Violate applicable codes of professional ethics and conduct.
 - C. Treat the public or staff in a disrespectful or unfair manner.
 - D. Fail to apprise the CEO of the status of settlement negotiations and all threatened/actual litigation.
 - E. Contract out legal services except as justified by excess workload or insufficient expertise of legal staff, and within Board allocated budget for the Secretary & General Counsel's office.
 - F. Make expenditures or fiscal encumbrances beyond those authorized under Board policy.
 - G. Unreasonably withhold information from the CEO, nor fail to cooperate with the CEO in the performance of his or her official functions.
4. **Evaluation of Secretary & General Counsel Performance.**
- A. The Secretary & General Counsel accountability shall be established by the CEO, within the guidelines set forth above. The CEO shall be responsible for evaluating and compensating the Secretary & General Counsel.

Appendix A. Governing Principles

To ensure a design of its work that provides for systematic role clarity and accountability for both the Board and the operating organization, the Board acts and makes its governing decisions based on the following Policy Governance principles:

1. **Ownership:** The Board's authority is derived from, and its accountability is connected to, the membership, the [USOCUSOPC](#), and the American Public, standing in a position corresponding to shareholders in an equity corporation.
2. **Governance Purpose:** With the membership, the [USOCUSOPC](#), and the American public above it and USA-S operations below it, the Board's governance role is to exercise its authority and properly empower others rather than to be management's consultant, substitute, or adversary.
3. **"One Voice":** The Board makes authoritative decisions directed toward management and toward itself, its individual members and its committees, only as a total group, and it speaks to the public with one voice. The Board's authority, therefore, is group authority rather than a summation of individual authorities.
4. **Ends Policies:** The Board defines in writing the strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients and their relative worth (what results, for which recipients, at what cost/priority). These are not all the possible "side benefits" that may occur, but *those that form the purpose of USA-S, the achievement of which constitutes organizational success.*
5. **Board Means Policies:** The Board defines in writing those values-added behaviors, practices, disciplines and conduct of the Board itself, and of its delegation/accountability relationship with the President & CEO. These decisions are categorized as *Governance Process* and *Board-Management Delegation* policies.
6. **Management Parameters Policies:** The Board makes decisions with respect to management decisions and actions only in a proscriptive way in order to simultaneously (a) avoid prescribing means (how can it hold staff accountable for results if the Board has mandated the processes by which they're to be achieved?) and (b) put off limits those decisions or circumstances that would be unacceptable even if they work.
7. **Policy "Sizes":** The Board's policy decisions are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, one articulated level at a time.
8. **Delegation to Management:** The Board honors the exclusive authority/accountability of the President & CEO's role as the sole official connection between governance and management.
9. **Any Reasonable Interpretation:** In delegating further decisions – beyond those recorded in board policies – the Board grants the President & CEO the right to use any reasonable interpretation of the *Ends* and *Management Parameters* policies. With regard to *Governance Process* and *Board-Management Delegation policies*, the Board Chair is granted such authority, except when the Board has explicitly designated another Board member or party (e.g. committee or task force)
10. **Monitoring:** The Board monitors organizational performance through fair but systematic assessment of whether a reasonable interpretation of its *Ends* policies is being achieved and a reasonable interpretation of its *Management Parameters* policies is being complied with. This constitutes the basis of the President & CEO's evaluation.

Appendix B. Investment Policy

Date of adoption May 1990 / Last revision: April 2019

Investment Policy Statement For USA Swimming, Inc. April 2019

Overview

USA Swimming, Inc. is a not-for-profit organization with national headquarters located in Colorado Springs, Colorado. USA Swimming, Inc. maintains an investment portfolio for the benefit of its members and mission.

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 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.

Goals and Objectives

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.

Investment Objectives

A. Investment Funds

The invested assets of USA Swimming, Inc. is invested and maintained in a balanced 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 earnings caused to be withdrawn as hereinafter provided.

B. Short Term Operating Account

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

	Single Security <u>Limit</u>	<u>Minimum</u> Quality	<u>Maximum</u> Maturity
Money Market Funds	None	N/A	N/A
US Treasuries	None	N/A	1 yr
Agency Discount Notes	None	None	None
Commercial Paper	\$1,000,000	A2/P2	1 yr
Corporate Bonds	\$1,000,000	A3/A-	1 yr

Asset Allocation

The asset allocation under the Investment Policy will meet the stated goals and objectives. The asset allocation is based upon the following:

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

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.

Governing Policies of the USA Swimming Board of Directors

<u>Asset Allocation Mix</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Stocks	53%	43%	63%
Real Estate	4%	3%	7%
Commodity	3%	0%	7%
Bonds	39%	28%	48%
Cash	1%	0%	5%

Historic* and Expected Returns

The long-term un-audited historic rate of return on the Investments is shown below. It is based on the historic expected long-term total return for each asset class, and then adjusted for interest rate environment and each asset class' percentage weighting in your portfolio. This is compared against the assumed long-term average rate of inflation (as measured by the Consumer Price Index). The difference between the nominal rate of return and the inflation rate is your real (after-inflation) expected return. Actual performance will vary from these assumed rates 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.

	Year 1	Year 3	Year 5	Year 10	Year 20
95th Percentile	21.25	14.22	12.11	10.27	9.07
Expected Value	5.4	5.77	5.88	5.92	5.98
5th Percentile	-5.87	-1.17	0.27	1.87	3.01

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

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 53% MSCI All Country World Index, 4% NAREIT Dev Index, 3% Bloomberg Commodity Index and 40% Barclays Aggregate Bond Index over a three year rolling period after fees. A secondary objective of the Portfolio will be to earn inflation (CPI) plus 3%. The Committee recognizes that any particular investment strategy will have periods where it will fall short of achieving its goal. During such period, the Committee expects rational explanations for such under-performance.

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

Investment Vehicles

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 methods of effectively implementing the asset allocation strategy.

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

Rebalancing

The asset allocation shall be rebalanced to the target allocations set out above after any quarter in which one or more of the minimum or maximum allocations are exceeded. Furthermore, in the event of a sudden or significant change in the asset allocation attributable to market conditions, the asset allocation may be rebalanced between quarters.

Costs

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

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, 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 quarterly.

The Investment Committee may call more frequent meetings if significant concerns arise about the Advisor's investment strategy or performance of the Investments.

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

IRS TAX IDENTIFICATION: # 20-4264282

CUSTODIAN: BMO Harris Bank N.A. Trust

INVESTMENT ADVISOR: First Western Trust

Execution

This Investment Policy Statement is hereby approved and adopted on April, 2019.

By: _____

Printed Name: Eric Skufca

Title: CFO

By: _____

Printed Name: Douglas Barker

Title: Sr. Portfolio Manager

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Appendix C. Conflict of Interest Policy

Date of adoption / Last revision: September 1, 2016

USA SWIMMING STATEMENT OF PRINCIPLES ON ETHICAL BEHAVIOR AND CONFLICT OF INTEREST

SECTION 1. PURPOSE:

The USA Swimming, Inc. (USA Swimming) board of directors, officers, committee members and employees 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 transactions involved in their duties, and they shall not use their positions with USA Swimming or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

USA Swimming requires that its directors, officers, committee members and employees recognize and avoid activities or investments that involve, might appear to involve, or could result in a potential conflict of interest.

SECTION 2. PERSONS CONCERNED:

This statement is applicable to all USA Swimming directors, officers, committee members and employees.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, committee members and employees with any of the following third parties:

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. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

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. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that directors, officers, committee members and employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 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, it is USA Swimming's policy that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, committee members and employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Additional guidelines intended to assist 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 individual has the responsibility to maintain the confidentiality of the organization. This includes both proprietary and sensitive information.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

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

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The board or committee has determined that the transaction is in the best interest of the organization.

Disclosure involving directors and officers should be made to the board Chairperson (or if he or she is the one with the conflict, then to the Administration Vice Chair) who shall bring the matter to the attention of the board.

Disclosure involving employees should be made to the General Counsel (or if he or she is the one with the conflict, then to the Chief Executive Officer) who shall bring the matter to the attention of the board, as appropriate.

Disclosure involving committee members should be made to the committee Chairperson (or if he or she is the one with the conflict, to another committee member) who shall bring the matter to the attention of the committee.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting (as applicable) while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

SECTION 7. PROCEDURES FOR ADDRESSING POSSIBLE CONFLICTS OF INTEREST:

In the event a possible conflict of interest exists, the proposed transaction shall be addressed as follows:

1. An interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The Chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the board or committee shall determine whether USA Swimming can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in USA Swimming's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

SECTION 8. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY:

1. If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 9. RECORDS OF PROCEEDINGS:

The minutes of the board and committee meetings shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or 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 10. ANNUAL STATEMENTS:

Each director, officer, committee member and employee shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the 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.

The disclosure statements shall be reviewed by the Chairperson of the board and USA Swimming's General Counsel. Any issues not previously disclosed shall be referred by him or her to the board or appropriate Committee. The disclosure statements shall be retained in the files of the General Counsel.

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: April 15, 2020

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 March 31, 2020.

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: Water safety awareness and swimming skills save lives.

CEO’s VISION OF SUCCESS: (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
2. Priority for reduction – age 19 and under
3. Increase annual swim lesson enrollment in Make A Splash Local Partner programs by 135,000/year, based on 152 new partners each year, with each averaging service to 900 children. (Note: with this growth target, Foundation previously set goal of 2.5 million lessons annually by 2028. With exceptional growth last year, these targets will be revisited as part of the Foundation Board restructuring.)

REPORT:

Key Performance Indicators	2019 Results				Achievement
1. Annual reduction in per-capita drownings (to be assessed using bi-annual CDC data)	CDC DATA	2016	2017	2018	No
	Drowning Deaths – All ages	4,628	3,708	3,710	
	Highest rate	Children 4 & under: 499	Children 4 & under: 467	Children 4 & under: 482	
	2nd highest rate	Age 20-24: 351	Age 55-59: 273	Age 30-34: 242	
<i>*2018 data is new since last report. No 2019 CDC data yet available.</i>					

<p>2. Priority for reduction – age 19 and under (to be assessed using bi-annual CDC data)</p>	<table border="1"> <thead> <tr> <th data-bbox="386 178 589 205">CDC DATA</th> <th data-bbox="589 178 740 205">2016</th> <th data-bbox="740 178 894 205">2017</th> <th data-bbox="894 178 1049 205">2018</th> </tr> </thead> <tbody> <tr> <td data-bbox="386 205 589 289">Drowning Deaths – Ages 1-19</td> <td data-bbox="589 205 740 289">1,046</td> <td data-bbox="740 205 894 289">913</td> <td data-bbox="894 205 1049 289">896</td> </tr> </tbody> </table> <p data-bbox="386 317 1117 344"><i>*2018 data is new since last report. No 2019 CDC data yet available</i></p>				CDC DATA	2016	2017	2018	Drowning Deaths – Ages 1-19	1,046	913	896	<p>Yes</p>		
CDC DATA	2016	2017	2018												
Drowning Deaths – Ages 1-19	1,046	913	896												
<p>3. Increase annual swim lesson enrollment in Make A Splash Local Partner programs.</p>	<table border="1"> <thead> <tr> <th data-bbox="386 430 589 457"></th> <th data-bbox="589 430 740 457">2016</th> <th data-bbox="740 430 894 457">2017</th> <th data-bbox="894 430 1049 457">2018</th> <th data-bbox="1049 430 1211 457">2019</th> </tr> </thead> <tbody> <tr> <td data-bbox="386 457 589 569">Total Enrollments - Make A Splash Local Partner Programs</td> <td data-bbox="589 457 740 569">1,030,964</td> <td data-bbox="740 457 894 569">1,042,117 (+1.1%)</td> <td data-bbox="894 457 1049 569">1,371,962 (+31.7%)</td> <td data-bbox="1049 457 1211 569">2,660,004 (+93.9%)</td> </tr> </tbody> </table>					2016	2017	2018	2019	Total Enrollments - Make A Splash Local Partner Programs	1,030,964	1,042,117 (+1.1%)	1,371,962 (+31.7%)	2,660,004 (+93.9%)	<p>Yes</p>
	2016	2017	2018	2019											
Total Enrollments - Make A Splash Local Partner Programs	1,030,964	1,042,117 (+1.1%)	1,371,962 (+31.7%)	2,660,004 (+93.9%)											

Drowning Reductions: While we cannot directly control drowning reductions, we aim to have a long-term demonstrable impact and observe data that is relatively stable, with positive trends on the CDC data in the 19 and under age category.

Among initiatives underway, notable developments also include:

- The Foundation is a founding member of a collective called Water Safety USA, which has, over the last year, dedicated a Steering Committee, on which the USA Swimming Foundation has a seat, to drive and manage the development and eventual implementation of the U.S. National Water Safety Action Plan. This Plan is a strategic roadmap towards the achievement of a collective mission to reduce drowning fatalities in the United States by prompting meaningful changes in behaviors, policies and funding and by creating space for government, multilateral organizations and civil society to work together. The plan has a three-phase development process, and phase one—establishing scope and selecting a framework that supports both development and implementation—is now complete. The Steering Committee is now overseeing the implementation of phase two—establishing multi-sectoral working groups to develop goals, objectives and actions for each of the identified evidence-based strategies—which will be the focus of each working group. The Steering Committee is approaching this project as a 10-year Action Plan with progress monitored in the form of a report card every five years. The two largest challenges to date are: (i) funding the development of the plan, which has significantly impacted the timeline to date; and (ii) optics with respect to plan development/ownership such that the majority of the work and recommendations come from the working groups and their area experts, while allowing for stakeholder input throughout the process. Visit the Water Safety USA [website](#) under “National Plan” to learn more and to follow the Plan’s progress.
- The Swim Lesson Finder on the USA Swimming Foundation website is showing growth in utilization YOY with 25,058 page views in 2019, up from 8,433 page views in 2018.
- As part of our Foundation restructuring in 2019, its staff was integrated into the USA-S team, with the development staff becoming part of the Commercial business unit and Learn-to-Swim now working in Sport Development. This integration, visualized as the base of the USA Swimming Pyramid, reflects our expectation that Learn-to-Swim should feed the club development pipeline.

I report **PARTIAL ACHIEVEMENT.**

PROVISION B: Swimming is recognized as a “Sport for Life” for all.

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

Swimming is widely viewed as both an essential life skill and a lifelong sport, a “cradle to grave” ability that also opens doors to other benefits e.g. competitive, health/fitness, family time, etc.

Our highest priority to address “essential life skill” is swimming introduction at early age. “For all” is further defined in Ends provision 1.3.C.

Longer term priority: Convert Learn-to-Swim graduates to USA Swimming programs (e.g., Flex or Premium membership)

Key Performance Indicators:

1. Make a Splash Local Partner Network annual growth, adding 152 partners/year on average.
2. Sports & Fitness Industry Association’s (SFIA) annual “aspiration” research data (which looks at all age groups’ desire, or aspiration, to get involved in swimming activity) shows aggregate Y-T-Y elevation of combined ranking of fitness/team swimming among 6-12 year-olds.

Key Performance Indicators	2019 Results					Achievement
1. Year-to-year growth in the Make a Splash Local Partner Network	Make A Splash	2016	2017	2018	2019	Yes
	New Local Partners Added	167	252	195	301	
	Total # of Active/Reporting Local Partners	491 (as of 12/31/16)	645 (as of 12/31/17)	955 (as of 12/31/18)	1227 (as of 12/31/19)	
2. Growth in “aspiration” to participate in Swimming for Fitness and Swimming on a Team from individuals not currently involved in swimming, according to SFIA research.	SFIA DATA: ASPIRE to participate		(BASELINE) 2018	2019		TBD
	Ages 6-12 Swimming for Fitness		Rank # 7			
	Ages 6-12 Swimming on a Team		Rank # 9			
	Ages 13-17 Swimming for Fitness		Rank # 3			
	Note: 2019 SFIA data will be available in July 2020, at which time this KPI result will be updated					

REPORT:

Make a Splash Local Partner Network:

Actively reporting Local Partners increased by 301 in 2019 over 2018, with an increase in total enrollments of 1,288,042 students. USA Swimming Foundation provided funding for 20,600 children (vs.19,028 in 2018). Trends in statistics showing participation by race/ethnicity remain consistent with “Other” (which includes Caucasian) the highest, followed by African American and Hispanic/Latina, respectively. It should be noted that neither we, nor our network of swim lesson providers, can legally require this information at registration; therefore, our data is intended for observation rather than statistical accuracy.

Positive developments in the past year include: A finalized agreement with Aqua-Tots Swim Schools and continued conversations with SwimAmerica and British Swim Schools for participation in the provider network on behalf of all franchise or owned operations.

While we continue to recruit individual swim lesson programs, relationships with larger agencies, such as Starfish Aquatics Institute, Goldfish Swim Schools, Aqua-Tots, and Bear Paddle Swim Schools provide a stronger tie to the individual programs, providing more comprehensive enrollment data and additional opportunities to secure and distribute funding with service to targeted audiences.

Effective January 1, 2020, the “Make a Splash Local Partner network” has been redefined as the “Swim Lesson Provider Network.” The Make a Splash brand is now limited to the Make a Splash Tour presented by Phillips 66, and all other Make a Splash marks and references have been retired in order to complete the programs and services merger between the Foundation and Sport Development and to better represent the full spectrum of the sport from grassroots to the top of the pyramid.

Based on the year-to-year growth in Make A Splash Local Partners, I report **ACHIEVEMENT**.

Growth in Aspiration to Participate in Swimming:

Note: Narrative to be generated upon receipt and review of data from 2019 SFIA report.

PROVISION C: Swimming achieves sustained growth in participation at all levels.

CEO’s VISION OF SUCCESS: (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) data shows average annual growth (AAG) in age 6-17 team swimming participation.
2. SFIA data shows AAG in age 6-17 core (> 50x per year) team swimming participation.
3. SFIA data shows year-to-year growth age 6-12 (both overall and core) team swimming participation.
4. USA Swimming athlete membership to finish Y/E 8/31/20, utilize year-to-year membership statistics to guide programmatic and commercial support for athletes, coaches, and club to address membership trends.

REPORT:

Key Performance Indicators	2019 Results			Achievement												
<p>1. SFIA data shows average annual growth (AAG) in Swimmers on a Team participation for ages 6-17</p>	<table border="1"> <thead> <tr> <th data-bbox="509 785 760 869">SFIA DATA: Swimmers/Team Participation</th> <th data-bbox="764 785 948 869">2018 BASELINE</th> <th data-bbox="953 785 1198 869">2019</th> </tr> </thead> <tbody> <tr> <td data-bbox="509 875 760 926">Ages 6-17 3-year growth</td> <td data-bbox="764 875 948 926">+4.1%</td> <td data-bbox="953 875 1198 926"></td> </tr> <tr> <td data-bbox="509 932 760 982">Ages 6-17: 5-year growth</td> <td data-bbox="764 932 948 982">+4.1%</td> <td data-bbox="953 932 1198 982"></td> </tr> <tr> <td data-bbox="509 989 760 1039">Previous year growth</td> <td data-bbox="764 989 948 1039">2016-2017 Down 10.7%</td> <td data-bbox="953 989 1198 1039"></td> </tr> </tbody> </table> <p>Note: 2019 SFIA data will be available in July 2020, at which time this KPI result will be updated</p>			SFIA DATA: Swimmers/Team Participation	2018 BASELINE	2019	Ages 6-17 3-year growth	+4.1%		Ages 6-17: 5-year growth	+4.1%		Previous year growth	2016-2017 Down 10.7%		
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<p>2. SFIA data shows average annual growth (AAG) in core (> 50x per year) Swimmers on a Team participation for ages 6-17</p>	<table border="1"> <thead> <tr> <th data-bbox="509 1178 760 1289">SFIA DATA: Swimming on a Team Participation Core (>50X/year)</th> <th data-bbox="764 1178 948 1289">2018 BASELINE</th> <th data-bbox="953 1178 1198 1289">2019</th> </tr> </thead> <tbody> <tr> <td data-bbox="509 1295 760 1373">Team Swimmers 6-17: CORE - 3-year growth</td> <td data-bbox="764 1295 948 1373">Down 2.6%</td> <td data-bbox="953 1295 1198 1373"></td> </tr> <tr> <td data-bbox="509 1379 760 1457">Team Swimmers 6-17: CORE – 5-year growth</td> <td data-bbox="764 1379 948 1457">Down 1.2%</td> <td data-bbox="953 1379 1198 1457"></td> </tr> <tr> <td data-bbox="509 1463 760 1514">Previous year growth</td> <td data-bbox="764 1463 948 1514">2016-2017 Down 9.8%</td> <td data-bbox="953 1463 1198 1514"></td> </tr> </tbody> </table> <p>Note: 2019 SFIA data will be available in July 2020, at which time this KPI result will be updated</p>			SFIA DATA: Swimming on a Team Participation Core (>50X/year)	2018 BASELINE	2019	Team Swimmers 6-17: CORE - 3-year growth	Down 2.6%		Team Swimmers 6-17: CORE – 5-year growth	Down 1.2%		Previous year growth	2016-2017 Down 9.8%		
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Ages 6-12 – Total Participants	802,000															
Participation rate by group*	2.7%															

4. USA Swimming athlete membership to finish Y/E 8/31/20, utilize year-to-year membership statistics to guide programmatic and commercial support for athletes, coaches, and club to address membership trends.	Athlete Members	8/31/16	8/31/17	8/31/18	8/31/19	8/31/20 Revised Proj.	Partial
	Premium Full year	327,595	343,850	335,345	316,698	285,157	
	Flex	0	0	0	25,175	25,987	
	Total*	363,141	383,431	374,672	374,549	325,283	
	* Includes Premium, Flex, Open Water Single Meet, Athlete Outreach, Athlete Seasonal and Club memberships.						

Growth in Swimming Participation:

Note: Narrative to be generated upon receipt and review of data from 2019 SFIA report.

USA Swimming Athlete Membership:

2019 Membership held even, thus partial achievement in an environment where youth sport membership overall is in decline. Growing Premium and Flex membership will be priorities. Once the new CRM platform is in operation in June of 2020, we will be able to engage in more robust analysis of opportunities to engage with and build our audience. This is an area in which we anticipate revisiting and being more aggressive with growth targets/KPIs.

Achievement outcome to be updated when SFIA Data is reported in July. Projected membership numbers for 8/31/2020 reflect a no growth from March to August due to COVID-19.

PROVISION C.i: Priority: Growth in participation in all cultures, ages, genders, economic backgrounds, and levels of ability.

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

Swimming participation reflects society from a demographic standpoint. Shorter term priorities are demographic targets identified in the USOPC Diversity Study, with primary focus on ages 6-12, then 13-17.

Key Performance Indicator: Year-to-year growth of the multi-cultural component of USA Swimming's membership (internal demographic guide).

REPORT:

Key Performance Indicators		2019 Updated Results			Achievement
1. Year-to-year growth of the multi-cultural component of USA Swimming's membership (internal demographic guide).		As of August 2017	As of August 2018	As of August 2019	Yes
	Multi-cultural component of USA-S membership	18.61%	18.79%	21.7%	

The gain in 2019 is significant. Our aim is to see a trend showing sustained incremental growth in this statistic. While Y-T-Y assessment is helpful, trends over 4-year cycles will be more telling as to success in diversifying the swimming population. Our multi-cultural membership for seasonal athletes is 13.3%. Our multi-cultural membership for non-athletes is 14.5%.

A positive development in the past few years is the addition of new of Community Swim Teams. We have re-signed another three-year commitment with the Chicago Park District program and launched a new program in Los Angeles.

We have also signed a memorandum of understanding with the Indianapolis Park and Recreation department, but we are on hold due to COVID-19. We are exploring CST options in Minneapolis and Oakland.

Having integrated our Learn-to-Swim staff into Sport Development as part of the Foundation restructuring, we've taken a key step to being more purposeful in attracting and tracking these program participants athletes into the USA Swimming system.

I report ACHIEVEMENT.

PROVISION D: There is growth in audience engagement.

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

Growth of swimming audience engagement through attending swimming events and an array of platforms (reading, listening, viewing). A key strategy and impact towards this will be showcasing swimming stars and events.

Key Performance Indicators:

1. TV/Digital Viewership: Annual growth in Digital Swimming Index (DSI), which is an internal measure that aggregates total engagement (e.g., followers and users) with USA Swimming digital and media properties (e.g., website visitors, webcast viewers, social media followers, email subscribers and Deck Pass accounts) in combined indexes.
2. 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%; TYR Pro Swim Series – 80%.

REPORT:

Key Performance Indicators	2019 Report				Achievement
1. TV/Digital Viewership: Annual growth in Digital Swimming Index (DSI), which is an internal measure that aggregates total engagement (e.g., followers and users) with USA Swimming digital & media properties (e.g., website visitors, webcast viewers, social media followers, email subscribers and Deck Pass accounts) in combined indexes. *Broadcast numbers provided by NBC are only for broadcasts in which USA Swimming sponsors have inventory. We do not have viewership statistics for all sessions that are broadcast		2017	2018	2019	Yes
	DSI - Individuals	5.4M	4.6M	5.1M	
	.org unique visitors	5,426,775	2,243,083	2,459,550	
	Social Media followers	1,246,810	1,321,568	1,413,924	
	Unique Email subscribers	340,000	408,441	500,000	
	Total Deck Pass Accounts	611,331	648,424	715,687	
		2017	2018	2019	
	DSI - Interactions	9.4M	9.6M	11.6M	
	.org unique sessions	4,490,844	4,989,870	5,754,278	
	Deck Pass live views	331,161	327,849	243,853	
	Competition Live Stream Views	N/A	275,036	248,167	
	Total HH Broadcast views *	4,601,000	3,959,000	5,373,000	

2. Growth in attendance as % of venue capacity		Total Tickets Sold	Tickets Sold - Finals Session Avg.	Capacity	% of Capacity Sold
	2019 TPSS - 2 day / weekend view				
	Knoxville	1,207	516	1,000	51.6%
	Des Moines	2,374	826	800	103.3%
	Richmond	1,266	344	700	49.1%
	Bloomington	940	373	700	53.2%
	Clovis	368	188	800	23.5%
	TPSS Total		449		56.1%
	Phillips 66 Nationals	5902	1180	1192	99%
Toyota US Open	3,225	806	1950	41.30%	

Partial

REPORT:

Digital Swimming Index: In 2018, USA Swimming developed and introduced these aggregate measures of total engagement with our digital and media properties.

The Individuals DSI dropped from 2017 to 2018, primarily due to a decline in website visitors, but saw growth in 2019. Total Interactions DSI have gone up each year, setting an all-time high in 2019. By examining both sets of metrics, we see that while we are averaging a similar amount of individuals engaged digitally with the brand each year, the amount of interactions each individual has with our digital platforms in consistently growing (interactions/individual-2017: 1.7, 2018: 2.1, 2019: 2.3).

Seeing an 11% increase in the Individuals DSI and a 21% increase in the Interactions DSI, I report ACHIEVEMENT with regard to digital fan engagement.

Event Attendance at USA-S Events:

TYR PRO Swim Series – In 2019, USA Swimming moved the TYR Pro Swim Series to five new host cities. Some of these venues have smaller seating capacities, but there is still great interest in swimming in those communities. Since our last 1.3 Ends report, we received complete data on sales at Richmond and we’ve returned to Greensboro, Knoxville and Des Moines. The scheduled events in Mission Viejo and Indianapolis were cancelled due to COVID-19.

In the aggregate, attendance at the five 2019 TYR Pro Swim Series events, as a percent of capacity, averaged 56%. Our KPI for the series targets at least 80%.

Phillips 66 Nationals – In 2019, USA Swimming moved the Phillips 66 Nationals to Palo Alto, CA. The facility offered a smaller seating capacity and the field of athletes suffered on the heels of World Championships. Nonetheless, we averaged a 99% capacity crowd. Our KPI for Nationals targets at least 90%.

Toyota US Open – In 2019, USA Swimming hosted the Toyota US Open at the Georgia Tech Campus Recreation Center in Atlanta, GA. We averaged a 41% capacity crowd. Our KPI for the US Open targets at least 90%. We will work with host cities to devise much more aggressive ticket sales marketing strategies.

Although we need to achieve marked improvement at our attendance at the TYR Pro Swim Series and the Toyota US Open, due to the success at the Phillips 66 Nationals, I report PARTIAL ACHIEVEMENT.

TO: USA Swimming Board of Directors
FROM: Tim Hinchey III, President & CEO
RE: Internal Report – Annual Monitoring on **Policy 3.2- External Relations**
DATE: April 15, 2020

I hereby present my monitoring report on Management Parameters Policy 3.2 “External Relations,” per the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true as of this date.

Signed  _____, President & CEO

POLICY PROVISION: With respect to USA Swimming's interactions with other entities, the CEO will not operate without cultivating and maintaining senior leadership level relationships with all relevant national and international organizations, including but not limited to: USOPC, FINA, NCAA, ASCA, CSCAA, ACES, USADA, etc.

CEO's INTERPRETATION: (No change since previous report) Maintaining the respect of and positive relations with key agencies is integral to long-term fulfillment of our Ends. I interpret this to also include local and swimming related media entities. While I am the official spokesperson for the operating organization, I also rely on and expect key staff members to actively contribute to and guide necessary relationship development.

REPORT: The past year has been very productive in terms of continued development of existing relationships and cultivation of new relationships with key stakeholders—both within and outside of the Olympic Movement.

Specific examples appear below, and I would also highlight the positive impact on athlete and external relationships resulting from our advocacy to postpone the Tokyo 2020 Olympic Games. That initiative generated close to 15,000 total mentions, which were nearly entirely positive, and aggregate readership of 15.68B, which further enhanced public perception of USA Swimming as a “Best in Class” NGB. It is our hope that this leadership position will be beneficial in addressing the logistical challenges of the rescheduled U.S. Olympic Team Trials - Swimming and the Tokyo 2020 Olympic Games and in managing our partner relationships.

Examples include:

- USOPC & other USA Affiliates – Bill Smith, U.S. Aquatics Sports; Steve Roush, American Swimming Coaches Association (ASCA); Kathy Carter, LA2028; Sarah Hirshland, USOPC; Rick Adams, USOPC; Fin Kirwan, USOPC; Dawson Hughes, US Masters Swimming; Max Cobb, U.S. Biathlon; Li Li Leung, USA Gymnastics; Jeff Plush, USA Curling; Pat Kelleher, USA Hockey; Rocky Harris, USA Triathlon; Adam Andrasko, USA Synchro; and I participated on the USOPC “Chief of Athletes” final search committee.
- International Bodies – Cornel Marculescu, FINA; Pierre Durcroy, International Olympic Committee (IOC); David Luckes, IOC; Dick Pound, IOC; Ahmed El-Awadi, Swimming Canada; John Atkinson, Swimming Canada; Jack Buckner, British Swimming; Liam Tamcock, FINA Athlete Representative (Great Britain); Leigh Russell, Swimming Australia; Tracy Caulkins, Swimming Australia; Alex Baumann, Swimming Australia; Koji Ueno, Japan Amateur Swimming Federation; Shigeo Ogata, Member of FINA Technical Swimming Committee (Japan); and Laszlo Szakadati, Omega/Swiss Timing.
- Commercial - Steve Curtis, Toyota; Scott Davison, OneAmerica; John Russo, City Manager, City of Irvine; Chris Foy, Impression Sports; Steve Lockton, TYR; Geoff Barrett, Speedo; and Mark Pinger, Arena.
- Foundation Trustees & Donors - Alex Blavatnik; Mike McCaffrey; Teresa Lee; Julie and Jay Van Cleave; Ron Kaminski; Bill Stapleton; Fred Uytengsu; Peter and Judy Copses; Russ Meyer and Marcy Shaffer; Chris and Fiona Chandler; Jelena Kunovac; Tristin Mannion; and Tod Spieker.
- Coaches & Clubs – Chris Davis, Swim Atlanta; Dave Durden, University of California, Berkeley; Greg Meehan, Stanford University; Dave Salo, University of Southern California/Irvine Novaquatics; Bruce Gemell, Nation's Capital Swim Club (NCAP); and Mike Bottom, University of Michigan.

Since joining USA Swimming in July of 2017, and consistent with this policy, I have invested considerable time and attention to strengthening existing relationships and building new ones. I am confident that we are well-positioned to benefit from the value of those relationships, especially with FINA and the USOPC, as we in the Olympic Community regroup and prepare for next year's Olympic Games.

I am pleased to report COMPLIANCE.

USA Swimming
2020 Quad Business Plan Summary

	Actual 2017	Actual 2018	Actual 2019	Projection 2020	Current 2020 Quad Budget
REVENUE:					
Membership	\$ 22,483,811	\$ 22,778,145	\$ 23,203,900	\$ 23,806,500	\$ 92,272,356
Partnership Marketing Revenue	4,364,233	4,203,495	5,098,325	5,615,475	19,281,528
Consumer Revenue	527,967	235,749	286,027	185,000	1,234,743
USOPC Partnership	5,134,700	5,294,900	5,305,500	5,389,500	21,124,600
Investment Income	1,001,643	1,070,021	1,804,747	2,173,848	6,050,259
Foundation	792,500	963,600	1,193,750	1,245,000	4,194,850
Sport and Events	978,254	804,612	1,331,853	6,062,000	9,176,719
Other Income	331,745	749,322	505,716	239,122	1,825,905
Total Revenue	35,614,853	36,099,844	38,729,817	44,716,445	155,160,959
EXPENSES:					
Technical/Sport:					
Sport Development	4,455,110	4,653,677	4,544,558	5,364,094	19,017,439
Events and Member Services	8,581,871	7,715,136	7,692,830	5,727,265	29,717,101
National Team Division	8,004,303	9,013,587	10,699,839	11,224,500	38,942,229
Total Technical/Sport	21,041,284	21,382,400	22,937,228	22,315,859	87,676,770
Other Programs:					
Commercial	5,172,794	6,260,256	6,119,542	7,814,380	25,366,972
Risk Management	3,004,431	3,063,524	3,195,455	3,330,687	12,594,097
Foundation Support	525,371	996,997	449,414	311,000	2,282,782
Total Other Programs	8,702,595	10,320,777	9,764,411	11,456,067	40,243,850
Administration:					
Executive	4,013,797	1,530,149	1,600,769	1,949,578	9,094,293
Finance	1,364,162	871,532	1,157,804	996,515	4,390,013
Business Affairs	1,240,827	3,448,770	4,406,539	4,739,662	13,835,798
Total Administration	6,618,787	5,850,451	7,165,112	7,685,755	27,320,105
Total Expenses	36,362,666	37,553,628	39,866,750	41,457,681	155,240,726
OPERATING SURPLUS (DEFICIT)	(747,813)	(1,453,784)	(1,136,933)	3,258,764	(79,767)
Planned Reserve Investments:					
"Keeping Athletes First" (KAF) Initiative**:					
Safe Sport Club Recognition Assistance				(1,000,000)	(1,000,000)
Coach Education & LMS				(1,750,000)	(1,750,000)
Safe Sport Staff Resources & Program Dev.				(500,000)	(500,000)
Online Member Registration				(250,000)	(250,000)
Other:					
Disaster Donations		(20,606)	(5,000)	(25,000)	(50,606)
Special IT Projects (CRM)		(327,086)	(502,229)	(350,000)	(1,179,315)
Safe Sport Expenses / Contingency		(719,564)	(30,000)		(749,564)
Legal			(966,983)	(250,000)	(1,216,983)
Cost of Flex			(722,216)	(1,000,000)	(1,722,216)
Athlete Leadership Summit		(266,618)	(161,958)		(428,576)
Foundation Endowment Donation	(1,000,000)				(1,000,000)
Total Reserve Investments	(1,000,000)	(1,333,874)	(2,388,386)	(5,125,000)	(9,847,260)
Surplus (Deficit) Before Investment G/(L)	(1,747,813)	(2,787,658)	(3,525,319)	(1,866,236)	(9,927,027)
Investment Gains (Losses)	3,816,462	(2,480,166)	4,015,437	0	5,351,733
NET SURPLUS (DEFICIT)	\$ 2,068,649	\$ (5,267,824)	\$ 490,118	\$ (1,866,236)	\$ (4,575,294)

** "Keeping Athletes First" Initiative was Board approved in November 2019 at \$5M total. Current program projections have \$3.5M to be spent in 2020 and the remaining \$1.5M in 2021.

USA Swimming, Inc.
Balance Sheet
As of December 31, 2019 and 2018

	12/31/2019	12/31/2018	\$ Change
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$4,153,690	\$7,217,977	(\$3,064,286)
Accounts receivable	1,647,025	1,198,074	448,951
Prepaid expenses and deferred charges	2,017,707	1,402,452	615,256
Total Current Assets	7,818,423	9,818,503	(2,000,080)
FIXED ASSETS:			
Leasehold Improvements, IT Systems, FF&E, Other	14,224,901	13,609,972	614,928
Accumulated depreciation & amortization	(9,737,034)	(9,018,964)	(718,069)
Total Fixed Assets	4,487,867	4,591,008	(103,141)
LONG-TERM INVESTMENTS:			
Long-term Investments	34,037,760	32,023,658	2,014,102
OTHER ASSETS:			
Investment - Swim Trials, LLC	113,957	107,629	6,328
Prepaid rent	4,918,788	2,164,760	2,754,028
Total Other Assets	5,032,745	2,272,389	2,760,356
TOTAL ASSETS	\$51,376,796	\$48,705,558	\$2,671,238
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$2,461,894	\$1,744,550	\$717,344
Accrued expenses and other liabilities	1,525,970	1,603,786	(77,816)
Deferred revenue	15,857,251	14,315,659	1,541,592
Total Current Liabilities	19,845,115	17,663,995	2,181,120
NONCURRENT LIABILITIES:			
Total Liabilities	19,845,115	17,663,995	2,181,120
NET ASSETS:			
Unrestricted:			
Undesignated Net Assets	13,522,032	12,034,931	1,487,101
Board Designated - USSIC	18,009,649	19,006,632	(996,983)
Total Unrestricted Net Assets	31,531,681	31,041,563	490,118
Total Net Assets	31,531,681	31,041,563	490,118
TOTAL LIABILITIES AND NET ASSETS	\$51,376,796	\$48,705,558	\$2,671,238

USASwimming
Income Statement - By Division
For the 12 Months Ended December 31, 2019

	<u>Quarter Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>Favorable (Unfavorable)</u>	<u>Percentage</u>	<u>2018</u>	<u>Favorable (Unfavorable)</u>
REVENUE:							
Membership	\$720,522	\$23,203,900	\$23,203,900	\$0	0.00%	\$22,778,145	\$425,755
Partnership Marketing Revenue	1,786,871	5,098,325	5,582,500	(484,175)	(8.67%)	4,203,495	894,830
Consumer Revenue	108,616	286,027	229,500	56,527	24.63%	235,749	50,278
USOPC Partnership	758,750	5,305,500	5,304,500	1,000	0.02%	5,294,900	10,600
Investment Income	8,628	1,804,747	1,788,900	15,847	0.89%	1,070,021	734,726
Foundation	638,750	1,193,750	915,700	278,050	30.36%	963,600	230,150
Sport and Events	351,084	1,331,853	721,500	610,353	84.59%	804,612	527,241
Other Income	206,830	505,716	248,400	257,316	103.59%	749,322	(243,605)
TOTAL REVENUE	4,580,052	38,729,817	37,994,900	734,917	1.93%	36,099,844	2,629,974
EXPENSES:							
Technical/Sport:							
Sport Development	1,146,536	4,544,558	4,907,800	363,241	7.40%	4,653,677	109,119
Events and Member Services	1,914,879	7,692,830	7,250,300	(442,530)	(6.10%)	7,715,136	22,306
National Team	2,365,645	10,699,839	10,892,400	192,561	1.77%	9,013,587	(1,686,252)
Total Technical/Sport	5,427,060	22,937,228	23,050,500	113,273	0.49%	21,382,400	(1,554,827)
Other Programs:							
Commercial	1,299,208	6,119,542	6,751,600	632,059	9.36%	6,260,256	140,714
Risk Management	663,923	3,195,455	3,179,200	(16,255)	(0.51%)	3,063,524	(131,931)
Foundation and MAS Support	449,414	449,414	311,000	(138,414)	(44.51%)	996,997	547,583
Total Other Programs	2,412,545	9,764,411	10,241,800	477,390	4.66%	10,320,777	556,366
Administration:							
Executive	438,500	1,600,769	1,552,500	(48,269)	(3.11%)	1,530,149	(70,621)
Finance	178,910	1,157,804	1,139,300	(18,504)	(1.62%)	871,532	(286,272)
Business Affairs	1,180,257	4,406,539	4,247,900	(158,639)	(3.73%)	3,448,770	(957,769)
Total Administration	1,797,667	7,165,112	6,939,700	(225,412)	(3.25%)	5,850,450	(1,314,662)
TOTAL EXPENSES	9,637,272	39,866,750	40,232,000	365,250	0.91%	37,553,627	(2,313,123)
OPERATING SURPLUS (DEFICIT)	(\$5,057,220)	(\$1,136,933)	(\$2,237,100)	\$1,100,167	(49.18%)	(\$1,453,784)	\$316,851
Planned Reserve Investments:							
Disaster Donations	0	(5,000)	0	(5,000)	0.00%	(20,606)	15,606
Building Remodel	0	0	(120,000)	120,000	(100.00%)	0	0
IT Special Projects (CRM)	(178,264)	(502,229)	(950,000)	447,771	(47.13%)	(327,086)	(175,143)
Legal	(319,695)	(966,983)	0	(966,983)	0.00%	0	(966,983)
Safe Sport Contingency	0	(30,000)	0	(30,000)	0.00%	(719,564)	689,564
Athlete Leadership Summit	0	(161,958)	(214,000)	52,042	(24.32%)	(266,618)	104,660
Cost of Flex	(722,216)	(722,216)	(1,000,000)	277,784	(27.78%)	0	(722,216)
Total Planned Reserve Investments	(1,220,175)	(2,388,386)	(2,284,000)	(104,386)	4.57%	(1,333,874)	(1,054,513)
Surplus (Deficit) Before Investment Gain (Loss)	(6,277,395)	(3,525,319)	(4,521,100)	995,781	(22.03%)	(2,787,657)	(737,662)
Investment Gain (Loss)	1,526,590	4,015,437	0	4,015,437	0.00%	(2,480,166)	6,495,603
NET SURPLUS (DEFICIT)	(\$4,750,806)	\$490,118	(\$4,521,100)	\$5,011,218	(110.84%)	(\$5,267,824)	\$5,757,941

USA Swimming
Income Statement - By Category
For the 12 Months Ended December 31, 2019

	Quarter Actual	2019 Actual	2019 Budget	Favorable (Unfavorable)	Percentage	2018	Favorable (Unfavorable)
REVENUE:							
Memberships	\$720,522	\$23,203,900	\$23,203,900	\$0	0.00%	\$22,778,145	\$425,755
USOPC Partnership	758,750	5,305,500	5,304,500	1,000	0.02%	5,294,900	10,600
Partnership Marketing Revenue	1,786,871	5,098,325	5,582,500	(484,175)	(8.67%)	4,203,495	894,830
Consumer Revenue	108,616	286,027	229,500	56,527	24.63%	235,749	50,278
Sport and Events	351,084	1,331,853	721,500	610,353	84.59%	804,612	527,241
Foundation and Swim-A-Thon	638,750	1,193,750	915,700	278,050	30.36%	963,600	230,150
Investment Income	8,628	1,804,747	1,788,900	15,847	0.89%	1,070,021	734,726
Other Income	206,830	505,716	248,400	257,316	103.59%	749,322	(243,605)
Total Revenue	4,580,052	38,729,817	37,994,900	734,917	1.93%	36,099,844	2,629,974
EXPENSES:							
Salaries and Wages	3,107,349	9,445,205	9,512,060	66,855	0.70%	8,875,813	(569,392)
Employee Benefits	512,569	2,017,811	2,088,327	70,516	3.38%	1,924,175	(93,636)
Employment Taxes	168,387	600,571	588,913	(11,658)	(1.98%)	566,101	(34,470)
Total Payroll and Benefits	3,788,305	12,063,587	12,189,300	125,713	1.03%	11,366,088	(697,499)
Travel and Hospitality	790,089	6,105,030	6,185,488	80,458	1.30%	5,655,175	(449,855)
Direct Athlete Support	1,199,852	4,503,223	4,704,300	201,077	4.27%	3,950,436	(552,787)
Professional Fees & Honoraria	1,122,416	3,753,418	3,712,275	(41,143)	(1.11%)	2,609,260	(1,144,158)
Insurance	685,677	3,189,429	3,139,300	(50,129)	(1.60%)	3,032,730	(156,699)
Television and Video Production	284,460	1,767,763	1,823,800	56,037	3.07%	1,397,422	(370,342)
Depreciation and Amortization	430,521	1,364,762	1,270,900	(93,862)	(7.39%)	1,158,333	(206,429)
Dues, Fees & Tickets	449,235	1,275,061	1,055,988	(219,073)	(20.75%)	1,080,174	(194,887)
Rent and Lease Expense	182,402	1,067,566	764,092	(303,474)	(39.72%)	1,771,069	703,503
Apparel	69,850	684,538	608,150	(76,388)	(12.56%)	438,194	(246,344)
Gear, Equipment, & Signage	137,694	629,186	605,482	(23,704)	(3.91%)	771,634	142,448
Grants	61,663	621,347	680,000	58,653	8.63%	1,244,908	623,561
Supplies and Expense	89,064	603,682	830,398	226,716	27.30%	781,836	178,154
Awards	67,780	565,719	481,074	(84,645)	(17.59%)	517,728	(47,991)
Information Technology Expenses	77,222	482,933	427,840	(55,093)	(12.88%)	442,837	(40,096)
Printing and Duplication	87,614	357,066	751,355	394,289	52.48%	552,704	195,638
Advertising	22,919	316,723	352,400	35,677	10.12%	291,506	(25,217)
Telephone and Internet Service	50,371	194,164	332,409	138,245	41.59%	171,246	(22,918)
Protocol & Gifts	17,088	177,916	151,200	(26,716)	(17.67%)	166,950	(10,967)
Miscellaneous Expenses	23,051	143,636	61,249	(82,387)	(134.51%)	153,397	9,761
Contingency	0	0	105,000	105,000	100.00%	0	0
Total Expenses	9,637,272	39,866,750	40,232,000	365,250	0.91%	37,553,627	(2,313,123)
OPERATING SURPLUS (DEFICIT)	(\$5,057,220)	(\$1,136,933)	(\$2,237,100)	\$1,100,167	(49.18%)	(\$1,453,784)	\$316,851
Planned Reserve Investments:							
Disaster Donations	0	(5,000)	0	(5,000)	0.00%	(20,606)	15,606
Athlete Leadership Camp	0	(161,958)	(214,000)	52,042	(24.32%)	(266,618)	104,660
Building Remodel	0	0	(120,000)	120,000	(100.00%)	0	0
IT Special Projects (CRM)	(178,264)	(502,229)	(950,000)	447,771	(47.13%)	(327,086)	(175,143)
Legal	(319,695)	(966,983)	0	(966,983)	0.00%	0	(966,983)
Safe Sport Contingency	0	(30,000)	0	(30,000)	0.00%	(719,564)	689,564
Cost of Flex	(722,216)	(722,216)	(1,000,000)	277,784	(27.78%)	0	(722,216)
Total Planned Reserve Investments	(1,220,175)	(2,388,386)	(2,284,000)	(104,386)	4.57%	(1,333,874)	(1,054,513)
Surplus (Deficit) Before Investment Gain (Loss)	(6,277,395)	(3,525,319)	(4,521,100)	995,781	(22.03%)	(2,787,657)	(737,662)
Investment Gains (Losses)	1,526,590	4,015,437	0	4,015,437	0.00%	(2,480,166)	6,495,603
NET SURPLUS (DEFICIT)	(\$4,750,806)	\$490,118	(\$4,521,100)	\$5,011,218	(110.84%)	(\$5,267,824)	\$5,757,941

USA Swimming, Inc.
Statement of Revenue
For the Periods Ended December 31, 2019

	Quarter Actual	2019 Actual	2019 Budget	Favorable (Unfavorable)	Percentage	2018 Actual	Favorable (Unfavorable)
MEMBERSHIP:							
Athlete Membership	(\$2,634)	\$18,987,846	\$18,361,200	\$626,646	3.41%	\$19,451,286	(\$463,440)
Flex	220	252,400	413,250	(160,850)	-38.92%	0	252,400
Cost of Flex	722,216	722,216	1,000,000	(277,784)	-27.78%	0	722,216
Outreach Athlete Membership	0	53,210	56,825	(3,615)	-6.36%	56,845	(3,635)
Seasonal Athlete Membership	720	561,540	701,760	(140,220)	-19.98%	742,470	(180,930)
Non-Athlete Membership	0	2,368,610	2,413,860	(45,250)	-1.87%	2,269,250	99,360
Life Membership	0	37,334	36,000	1,334	3.71%	37,668	(334)
Allied Membership	0	500	1,000	(500)	-50.00%	500	0
Club Membership	0	212,310	212,310	0	0.00%	212,380	(70)
Seasonal Club Membership	0	4,800	4,560	240	5.26%	4,720	80
Affiliate Membership	0	500	800	(300)	-37.50%	600	(100)
Single Meet Open Water	0	1,510	1,920	(410)	-21.35%	1,930	(420)
Delegate Fees	0	500	350	150	42.86%	250	250
Other Membership Income	0	624	65	559	860.00%	246	378
TOTAL MEMBERSHIP	720,522	23,203,900	23,203,900	0	0.00%	22,778,145	425,755
PARTNERSHIP MARKETING REVENUE:							
Corporate Sponsorship	1,698,091	4,805,468	5,035,000	(229,532)	-4.56%	4,020,160	785,309
Supplier Income	44,375	215,000	352,500	(137,500)	-39.01%	140,000	75,000
Licensee Income	44,000	54,000	25,000	29,000	116.00%	15,000	39,000
Web Advertising	0	0	135,000	(135,000)	-100.00%	1,260	(1,260)
Print Advertising	0	20,330	30,000	(9,670)	-32.23%	22,560	(2,230)
List Rental Income/Mailing Service	406	3,527	5,000	(1,473)	-29.46%	4,515	(988)
TOTAL PARTNERSHIP MARKETING REVENUE	1,786,871	5,098,325	5,582,500	(484,175)	-8.67%	4,203,495	894,830
CONSUMER REVENUE:							
SwimBiz	0	6,530	10,000	(3,470)	-34.70%	7,960	(1,430)
Phillips 66 Summer Nationals	0	0	0	0	0.00%	3,500	(3,500)
Royalties	89,251	195,415	97,500	97,915	100.43%	133,000	62,415
Deck Pass App	0	0	0	0	0.00%	7,774	(7,774)
Publication/Video Sales	0	180	0	180	0.00%	330	(150)
SwimOutlet	19,961	83,901	120,000	(36,099)	-30.08%	82,229	1,672
Splash Magazine Subscriptions	(595)	0	2,000	(2,000)	-100.00%	956	(956)
TOTAL CONSUMER REVENUE	108,616	286,027	229,500	56,527	24.63%	235,749	50,278
USOPC PARTNERSHIP:							
USOPC Performance Funding	755,550	3,022,200	3,022,200	0	0.00%	3,022,200	0
USOPC Performance VIK	0	60,000	60,000	0	0.00%	60,000	0
USOPC Direct Athlete Support	0	2,207,300	2,207,300	0	0.00%	2,207,300	0
USOPC International Relations Grant	3,200	16,000	15,000	1,000	6.67%	5,400	10,600
TOTAL USOPC PARTNERSHIP	758,750	5,305,500	5,304,500	1,000	0.02%	5,294,900	10,600
INVESTMENT INCOME:							
Investment Income - Operating Budget	0	1,738,899	1,738,900	(1)	0.00%	990,500	748,399
Interest Income - Savings	(708)	(705)	0	(705)	0.00%	(944)	239

USA Swimming, Inc.
Statement of Revenue
For the Periods Ended December 31, 2019

	Quarter Actual	2019 Actual	2019 Budget	Favorable (Unfavorable)	Percentage	2018 Actual	Favorable (Unfavorable)
Interest Income - Short Term Securities	9,336	66,553	50,000	16,553	33.11%	80,465	(13,912)
TOTAL INVESTMENT INCOME	8,628	1,804,747	1,788,900	15,847	0.89%	1,070,021	734,726
FOUNDATION AND SWIM-A-THON:							
USA Swimming Foundation	578,750	1,133,750	855,700	278,050	32.49%	903,600	230,150
Foundation Rent	60,000	60,000	60,000	0	0.00%	60,000	0
TOTAL FOUND. AND SWIM-A-THON	638,750	1,193,750	915,700	278,050	30.36%	963,600	230,150
SPORT AND EVENTS:							
Golden Goggle Awards	56,575	69,678	0	69,678	0.00%	(93,376)	163,054
Coach Education Clinics	48,205	195,473	210,000	(14,527)	-6.92%	194,966	507
Altitude Camps	169,058	606,339	295,000	311,339	105.54%	661,442	(55,103)
Olympic Trials	(93,672)	(93,672)	0	(93,672)	0.00%	(46,541)	(47,131)
Pro Swim Series Host Fees	10,000	65,000	60,000	5,000	8.33%	0	65,000
International Swim League (ISL)	91,000	241,000	0	241,000	0.00%	0	241,000
Facilities Conference	3,291	11,964	8,000	3,964	49.55%	14,287	(2,323)
Club Governance Programs	0	235	0	235	0.00%	0	235
Custom Visits (BAP)	0	9,300	6,000	3,300	55.00%	500	8,800
Safe Sport Leadership Conference	0	3,275	0	3,275	0.00%	0	3,275
Safe Sport Materials	0	12,348	0	12,348	0.00%	15,884	(3,535)
International TV Rights	0	0	70,000	(70,000)	-100.00%	0	0
Bad Debts	0	0	0	0	0.00%	(15,000)	15,000
Other Registration	66,628	210,912	72,500	138,412	190.91%	72,450	138,462
TOTAL SPORTS AND EVENTS	351,084	1,331,853	721,500	610,353	84.59%	804,612	527,241
OTHER INCOME:							
NCAA Top Times List	0	96,720	96,700	20	0.02%	93,000	3,720
Combined Federal Campaign	1,494	5,419	0	5,419	0.00%	6,728	(1,309)
Forfeited Prize Money	56,951	56,951	0	56,951	0.00%	404,076	(347,125)
Imputed Interest - Prepaid Rent	115,102	228,912	151,700	77,212	50.90%	163,669	65,243
Credit Card Rebate	0	0	0	0	0.00%	22,322	(22,322)
Other Revenue	33,284	117,714	0	117,714	0.00%	59,526	58,188
TOTAL OTHER INCOME	206,830	505,716	248,400	257,316	103.59%	749,322	(243,605)
TOTAL OPERATING REVENUE	\$4,580,052	\$38,729,817	\$37,994,900	\$734,917	1.93%	\$36,099,844	\$2,629,974
INVESTMENT GAINS (LOSSES):							
Investment Income (Loss) less Operating Allocation	1,546,864	4,101,709	111,000	3,990,709	3595.23%	(2,386,608)	6,488,317
Money Manager Fees	(20,275)	(86,272)	(111,000)	24,728	-22.28%	(93,558)	7,286
TOTAL INVESTMENT GAINS (LOSSES)	1,526,590	4,015,437	0	4,015,437	0.00%	(2,480,166)	6,495,603
TOTAL REVENUE	\$6,106,642	\$42,745,254	\$37,994,900	\$4,750,354	12.50%	\$33,619,677	\$9,125,577

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2019

	<u>Quarter Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>Favorable (Unfavorable)</u>	<u>Percentage</u>	<u>2018</u>	<u>Favorable (Unfavorable)</u>
TECHNICAL/SPORT:							
SPORT DEVELOPMENT							
<i>Athlete Development Programs</i>							
1117 LSC Camps	(\$45)	\$9,180	\$10,200	\$1,020	10.00%	\$6,338	(\$2,842)
1118 Zone Select Camps	17	118,240	120,600	2,360	1.96%	141,167	22,927
1119 National Select Camps	91,002	105,220	108,700	3,480	3.20%	94,282	(10,939)
1120 Camp (VIK)	0	19,125	25,000	5,875	23.50%	18,781	(345)
1135 Tech Services Support	2,304	2,333	2,900	567	19.55%	6,639	4,306
1163 Open Water Select Camp	55	62,555	60,500	(2,055)	(3.40%)	58,440	(4,115)
Program Group Total	93,333	316,653	327,900	11,247	3.43%	325,646	8,993
<i>Coach Education and Development</i>							
1213 Coach Education Development	15,237	37,792	62,800	25,008	39.82%	38,283	491
1231 USA-S Hosted Coaches Clinics	6,691	69,268	100,000	30,732	30.73%	120,579	51,311
1233 Disability Swimming Coaches Workshop	0	0	0	0	0.00%	444	444
1237 Non-USAS Clinic Participation	2,197	26,442	38,100	11,658	30.60%	32,093	5,651
1240 Online Coach Clinics/Podcasts	0	5,032	15,900	10,868	68.35%	5,601	568
1242 Coach Mentoring	22,445	102,036	116,100	14,064	12.11%	121,355	19,319
1245 Master Coach Program	33,599	98,759	139,400	40,641	29.15%	118,724	19,964
1290 Travel & Program Support	48,285	162,981	171,000	8,019	4.69%	139,257	(23,724)
Program Group Total	128,453	502,311	643,300	140,989	21.92%	576,334	74,023
<i>Club Education and Development</i>							
1302 Club Excellence Program	3,317	445,851	463,000	17,149	3.70%	459,261	13,410
1305 Club Recognition Program	0	0	7,500	7,500	100.00%	0	0
1311 Club Governance Programs	5,799	18,905	47,000	28,095	59.78%	26,110	7,205
1314 Club Resources	27	11,747	33,600	21,853	65.04%	5,508	(6,239)
1332 Club Research Technology	4,854	30,549	50,600	20,051	39.63%	113,446	82,897
1390 Travel & Program Support	16,055	135,849	169,100	33,251	19.66%	182,918	47,069
Program Group Total	30,052	642,902	770,800	127,898	16.59%	787,243	144,342
<i>LSC Development & Education</i>							
1470 LSC Consulting	31,754	67,850	60,000	(7,850)	(13.08%)	82,377	14,526
1475 LEAP Program	3,500	37,108	70,500	33,392	47.36%	50,123	13,015
1481 Leadership Workshops	14,991	20,671	37,300	16,629	44.58%	16,918	(3,752)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2019

	<u>Quarter Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>Favorable (Unfavorable)</u>	<u>Percentage</u>	<u>2018</u>	<u>Favorable (Unfavorable)</u>
<i>Program Group Total</i>	50,245	125,629	167,800	42,171	25.13%	149,418	23,789
Facilities Advocacy & Development							
1505 Build a Pool Conference	14,893	53,216	62,700	9,484	15.13%	50,966	(2,250)
1507 Aquatic Industry Relations	2,520	18,990	22,400	3,410	15.22%	26,399	7,408
1590 Travel & Program Support	522	10,448	11,800	1,352	11.46%	4,995	(5,453)
<i>Program Group Total</i>	17,934	82,655	96,900	14,245	14.70%	82,360	(295)
Membership Growth and Diversity							
1638 Diversity Management Support	6,983	58,895	113,500	54,605	48.11%	65,600	6,705
1640 Community Swim Team Development	13,157	34,413	65,600	31,187	47.54%	56,807	22,394
1645 Zone Diversity Camps & Meetings	6,249	29,153	45,400	16,247	35.79%	25,430	(3,723)
1651 Diversity VIK	0	12,431	15,000	2,569	17.13%	12,973	542
1665 Diversity Select Camp	0	72,877	71,100	(1,777)	(2.50%)	62,811	(10,065)
<i>Program Group Total</i>	26,388	207,769	310,600	102,831	33.11%	223,622	15,853
Committees							
1823 Convention Education Committee	87	8,955	13,500	4,545	33.67%	14,553	5,598
1830 LSC Development Committee	120	25,539	26,400	861	3.26%	20,661	(4,878)
1841 Disability Swimming Committee	77	292	600	308	51.32%	2,021	1,729
1842 Diversity Committee	3,132	24,063	20,800	(3,263)	(15.69%)	11,325	(12,738)
1851 Age Group Development Committee	0	0	800	800	100.00%	7,038	7,038
1856 Club Development Committee	0	0	600	600	100.00%	192	192
1860 Governance Committee	0	0	0	0	0.00%	156	156
1865 Zone Director Committee	62	484	0	(484)	0.00%	0	(484)
1885 Senior Development Committee	0	0	11,200	11,200	100.00%	3,936	3,936
<i>Program Group Total</i>	3,478	59,333	73,900	14,567	19.71%	59,884	551
Administration							
1990 Administration & Operational Support	98,497	331,224	307,100	(24,124)	(7.86%)	310,301	(20,923)
1999 Salary and Benefits	698,156	2,276,082	2,209,500	(66,582)	(3.01%)	2,138,868	(137,214)
<i>Program Group Total</i>	796,653	2,607,306	2,516,600	(90,706)	(3.60%)	2,449,169	(158,137)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2019

	Quarter Actual	2019 Actual	2019 Budget	Favorable (Unfavorable)	Percentage	2018	Favorable (Unfavorable)
TOTAL SPORT DEVELOPMENT	1,146,536	4,544,558	4,907,800	363,241	7.40%	4,653,677	109,119
EVENTS AND MEMBER SERVICES							
Events							
2005 Olympic Trials	1,065	9,401	14,500	5,099	35.17%	4,468	(4,932)
2006 Joint Venture	330	330	0	(330)	0.00%	0	(330)
2015 Pan Pacific Championships	0	0	0	0	0.00%	48,289	48,289
2018 Winter National Championships	228,292	230,657	239,700	9,043	3.77%	113,668	(116,989)
2019 National Championships/Trials	0	793,526	550,400	(243,126)	(44.17%)	969,019	175,493
2022 International Swimming League Events	12,468	13,896	0	(13,896)	0.00%	0	(13,896)
2023 US Open	3,129	4,008	0	(4,008)	0.00%	29	(3,979)
2025 Pro Swim Series	77,247	389,426	344,300	(45,126)	(13.11%)	428,078	38,652
2027 Speedo Sectionals	15,000	220,000	215,000	(5,000)	(2.33%)	220,007	7
2028 IM Xtreme Games	4,000	8,000	24,000	16,000	66.67%	8,000	0
2029 Zone Championships	5,000	100,000	110,000	10,000	9.09%	90,657	(9,343)
2035 Futures Championships	0	121,662	137,800	16,138	11.71%	118,104	(3,558)
2040 Jr. Pan Pacific Championships	0	0	0	0	0.00%	25,000	25,000
2045 Jr. National Championships (Summer LC)	219	141,912	138,400	(3,512)	(2.54%)	143,387	1,475
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	119,839	127,665	139,500	11,835	8.48%	110,138	(17,527)
2069 Open Water Championships	16,916	102,056	101,500	(556)	(0.55%)	77,516	(24,541)
2077 National Events Uniforming VIK	1,320	14,820	40,000	25,180	62.95%	47,998	33,179
2076 Bag Tags VIK	14,104	15,000	10,000	(5,000)	(50.00%)	16,627	1,627
2716 Omega Timing Systems VIK	400,000	400,000	320,000	(80,000)	(25.00%)	400,000	0
Program Group Total	898,928	2,692,358	2,385,100	(307,258)	(12.88%)	2,820,985	128,626
Member Programs							
2411 Member Dues and Services	3,120	11,073	18,300	7,227	39.49%	8,010	(3,063)
2412 Technology Projects	0	0	12,500	12,500	100.00%	25,000	25,000
2418 SWIMS 2.0	42,070	169,508	160,000	(9,508)	(5.94%)	111,939	(57,569)
2423 Rulebook	59	99,565	147,000	47,435	32.27%	113,685	14,120
2431 Swimposium	26,369	83,184	134,100	50,916	37.97%	84,427	1,243
2432 Zone Workshops	0	268,601	230,000	(38,601)	(16.78%)	139,508	(129,093)
2434 On-Line Registration	28,971	96,358	150,000	53,642	35.76%	38,026	(58,332)
2498 Awards	1,751	18,270	13,200	(5,070)	(38.41%)	21,516	3,246
Program Group Total	102,340	746,558	865,100	118,542	13.70%	542,110	(204,448)

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	Quarter Actual	2019 Actual	2019 Budget	Favorable (Unfavorable)	Percentage	2018	Favorable (Unfavorable)
Member Programs - Officials							
2433 Officials Training Sessions	39,172	94,272	132,000	37,728	28.58%	89,834	(4,439)
2437 Officials On-Line Testing	0	0	2,600	2,600	100.00%	0	0
2438 Officials Certification Program	0	0	15,200	15,200	100.00%	21,000	21,000
2440 Officials Clinic	(101)	699	2,300	1,601	69.60%	64,479	63,779
2441 Officials International Travel	14	19,876	30,100	10,224	33.97%	22,439	2,563
2450 Officials Mentoring & Training	29	778	4,300	3,522	81.92%	1,167	389
Program Group Total	39,114	115,625	186,500	70,875	38.00%	198,918	83,293
Other Programs and Services							
2501 Publications and Video Sales	7	27,964	40,000	12,036	30.09%	22,784	(5,180)
2502 Mailing Service	14	123	500	377	75.30%	158	35
2505 Trials Hospitality	0	0	1,500	1,500	100.00%	0	0
2518 Altitude Camps	130,037	649,110	300,000	(349,110)	(116.37%)	678,926	29,815
2519 Times Projects	14,950	38,368	38,900	532	1.37%	51,240	12,872
2535 Pool Environment Research & Education	0	0	20,000	20,000	100.00%	0	0
2715 TV/Web Cast Production	194,610	1,328,938	1,261,000	(67,938)	(5.39%)	1,320,082	(8,856)
Program Group Total	339,618	2,044,504	1,661,900	(382,604)	(23.02%)	2,073,190	28,686
Committees & Governance							
2801 Convention	(4,336)	126,531	112,500	(14,031)	(12.47%)	98,890	(27,641)
2802 Convention - Athletes	676	91,065	128,200	37,135	28.97%	107,240	16,175
2825 Registration / Membership	0	14,346	16,200	1,854	11.44%	15,933	1,586
2832 Awards	97	478	300	(178)	(59.23%)	1,013	535
2835 Credentials / Elections	0	3,263	3,000	(263)	(8.75%)	2,667	(595)
2836 Rules and Regulations	385	22,356	31,800	9,444	29.70%	25,822	3,466
2857 Times & Recognition Committee	18,685	24,883	23,000	(1,883)	(8.19%)	20,581	(4,303)
2862 Program & Events Committee	0	750	27,400	26,650	97.26%	0	(750)
2866 Officials	42	19,269	19,300	31	0.16%	22,462	3,193
2887 Athletes Executive Committee	90	19,445	30,500	11,055	36.25%	23,567	4,122
Program Group Total	15,638	322,387	392,200	69,813	17.80%	318,176	(4,212)
Administration							
2990 Administration & Operational Support	72,854	257,746	208,200	(49,546)	(23.80%)	259,238	1,492
2999 Salary and Benefits	446,387	1,513,652	1,551,300	37,648	2.43%	1,502,519	(11,133)
Program Group Total	519,241	1,771,398	1,759,500	(11,897)	(0.68%)	1,761,757	(9,640)
TOTAL EVENTS AND MEMBER SERVICES	1,914,879	7,692,830	7,250,300	(442,530)	(6.10%)	7,715,136	22,306

USA Swimming, Inc.
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	<u>Quarter Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>Favorable (Unfavorable)</u>	<u>Percentage</u>	<u>2018</u>	<u>Favorable (Unfavorable)</u>
NATIONAL TEAM							
Competitions							
3001 Olympic Games	0	150	500	350	70.00%	78	(72)
3007 Pan Pacific Championships	0	0	0	0	0.00%	369,335	369,335
3013 Pan American Games	21,653	101,898	58,100	(43,798)	(75.38%)	0	(101,898)
3015 World University Games	7,741	489,750	363,400	(126,350)	(34.77%)	0	(489,750)
3020 NT vs. NCAA	0	0	0	0	0.00%	350	350
3022 International Swimming League	8,133	8,133	0	(8,133)	0.00%	0	(8,133)
3031 Long Course World Championships	4,655	344,510	457,500	112,990	24.70%	0	(344,510)
3033 Short Course World Championships	(476)	0	0	0	0.00%	293,375	293,375
Program Group Total	41,706	944,442	879,500	(64,942)	(7.38%)	663,138	(281,304)
Junior Team Programs							
3009 Jr. Team International Competition	1,428	117,635	202,500	84,865	41.91%	79,245	(38,390)
3012 Jr. Pan Pacific Championships	0	0	0	0	0.00%	283,729	283,729
3045 Junior Team Camps	381	41,638	60,200	18,562	30.83%	46,122	4,484
3050 FINA World Junior Championships	4,140	325,303	364,700	39,397	10.80%	0	(325,303)
3051 Jr. Team Pro Swim Series	4,400	12,100	38,500	26,400	68.57%	14,371	2,271
3053 World 100	0	11,654	20,600	8,946	43.43%	698	(10,956)
3992 Ntl. Jr. Team Program Support	9,062	29,824	41,000	11,176	27.26%	30,229	405
Program Group Total	19,411	538,155	727,500	189,345	26.03%	454,394	(83,760)
Open Water Programs							
3040 FINA Open Water Jr. Championships	0	7,948	34,500	26,552	76.96%	83,348	75,400
3061 Open Water World Championships	2,752	30,591	49,500	18,909	38.20%	0	(30,591)
3063 Open Water University Games	0	0	20,500	20,500	100.00%	0	0
3065 Open Water World Cup	5,147	84,218	91,500	7,282	7.96%	129,114	44,895
3067 Open Water Camps	552	15,499	50,200	34,701	69.13%	10,048	(5,451)
3068 Open Water - Foundation	0	20,427	25,000	4,573	18.29%	0	(20,427)
3075 Open Water International Camps	0	102,680	79,100	(23,580)	(29.81%)	0	(102,680)
3495 Open Water Program Support	2,193	22,264	29,000	6,736	23.23%	37,728	15,464
Program Group Total	10,644	283,627	379,300	95,673	25.22%	260,237	(23,390)
Camps							
3005 Olympic Games Prep Camps	0	0	20,000	20,000	100.00%	0	0
3069 National Team Specialty Camps	4,885	4,885	28,100	23,215	82.62%	21,797	16,912

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3071 Altitude Training Camps	5,263	29,991	39,000	9,009	23.10%	35,794	5,803
3073 National Team Camps	0	55,049	43,000	(12,049)	(28.02%)	55,855	806
3076 National Team International Camps	0	454,003	594,600	140,597	23.65%	284,848	(169,156)
3479 Advance Team Visits	3,375	24,381	21,000	(3,381)	(16.10%)	17,997	(6,384)
Program Group Total	13,523	568,310	745,700	177,390	23.79%	416,291	(152,019)
Athlete Services							
3101 Athlete Support-Stipends & Grants	461,832	1,731,509	1,584,800	(146,709)	(9.26%)	1,508,376	(223,133)
3103 Athlete Support-Medals & Records	0	472,500	600,000	127,500	21.25%	450,000	(22,500)
3107 Athlete Support-Op Gold Qualification Bonus	89,082	582,832	585,000	2,168	0.37%	479,935	(102,897)
3024 Swim Squads	0	0	0	0	0.00%	32,076	32,076
3025 Pro Swim Series Athlete Support	218,195	804,823	830,000	25,177	3.03%	616,893	(187,930)
3021 World Cup Athlete Support	(931)	(376)	9,500	9,876	103.95%	4,539	4,914
3127 National Team Investment Grant	278,877	546,867	600,000	53,133	8.86%	589,396	42,529
3106 ConocoPhillips Athlete Support	89,167	128,915	100,000	(28,915)	(28.91%)	142,129	13,214
3110 National Team Uniforming (VIK)	(10,929)	324,429	325,000	571	0.18%	197,910	(126,519)
3120 Athlete Support-Olympic Prep	0	2,132	20,000	17,868	89.34%	0	(2,132)
3130 Foundation Travel & Training	0	54,970	80,000	25,030	31.29%	30,985	(23,985)
3131 Foundation Athlete Endowments	92,499	114,999	80,000	(34,999)	(43.75%)	62,500	(52,499)
3453 Drug Control Program	603	9,557	70,200	60,643	86.39%	17,896	8,339
Program Group Total	1,218,395	4,773,157	4,884,500	111,343	2.28%	4,132,634	(640,524)
Coach Services							
3203 Coach Incentive & Reward Program	1	330,001	330,000	(1)	0.00%	326,464	(3,537)
3210 Olympic Team Prep - Coaches	1,448	50,283	20,000	(30,283)	(151.41%)	20,000	(30,283)
3220 Contract Labor - National Team Tech Advisor	19,959	80,682	83,700	3,018	3.61%	50,073	(30,609)
3222 National Team Consultant	6,600	34,523	37,100	2,577	6.94%	30,044	(4,480)
3460 Olympic Staff Recognition	0	29,370	37,000	7,630	20.62%	11,760	(17,610)
3010 Coach Education	10,809	32,270	34,100	1,830	5.37%	28,750	(3,520)
3077 National Team Coaches Meeting	0	113,624	114,000	376	0.33%	109,813	(3,811)
Program Group Total	38,816	670,753	655,900	(14,853)	(2.26%)	576,904	(93,849)
High Performance Support							

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3301 National Team Performance Support	28,275	131,894	155,600	23,706	15.24%	156,927	25,032
3310 USOPC Practitioner Travel Support	6,886	61,388	26,700	(34,688)	(129.92%)	21,426	(39,961)
Program Group Total	35,161	193,282	182,300	(10,982)	(6.02%)	178,353	(14,929)
Sport Medicine & Science							
3201 Athletes and Coach Wellness Programs	13,508	13,908	0	(13,908)	0.00%	0	(13,908)
3353 Sport Medicine & Science Network	12,643	115,046	117,600	2,554	2.17%	113,299	(1,748)
3155 Elite Athlete Accident Coverage	0	35,500	35,000	(500)	(1.43%)	33,251	(2,249)
3200 Athlete Life Skills	300	14,508	40,000	25,493	63.73%	867	(13,640)
3351 Athlete Testing & Lab Expenses	7,396	21,135	27,100	5,965	22.01%	19,357	(1,777)
3390 Sport Medicine & Science Program Support	9,751	25,228	51,700	26,472	51.20%	0	(25,228)
Program Group Total	43,597	225,325	271,400	46,075	16.98%	166,774	(58,551)
Other Programs and Services							
3481 National Team Equipment	3,768	14,389	18,500	4,112	22.22%	13,090	(1,298)
3496 National Team Selection	0	3,250	0	(3,250)	0.00%	7,294	4,043
3499 Team Management Technology	(8,269)	58,799	0	(58,799)	0.00%	64,800	6,001
Program Group Total	(4,501)	76,438	18,500	(57,938)	(313.18%)	85,184	8,746
Committees							
3846 Sports Medicine	0	0	3,300	3,300	100.00%	202	202
3850 Open Water Development	0	0	800	800	100.00%	613	613
3868 Open Water Committee	0	7,228	16,900	9,672	57.23%	5,588	(1,640)
3882 National Steering Committee	1,817	15,065	16,600	1,535	9.25%	11,366	(3,698)
3888 National Team Ath Committee	0	65	12,300	12,235	99.47%	4,014	3,949
Program Group Total	1,817	22,358	49,900	27,542	55.19%	21,783	(575)
Administration							
3990 Administration & Operational Support	387,048	620,982	222,600	(398,382)	(178.97%)	315,501	(305,481)
3999 Salary and Benefits	560,029	1,783,011	1,875,300	92,289	4.92%	1,742,394	(40,616)
Program Group Total	947,076	2,403,993	2,097,900	(306,093)	(14.59%)	2,057,895	(346,097)
TOTAL NATIONAL TEAM	2,365,645	10,699,839	10,892,400	192,561	1.77%	9,013,587	(1,686,252)

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	<u>Quarter Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>Favorable (Unfavorable)</u>	<u>Percentage</u>	<u>2018</u>	<u>Favorable (Unfavorable)</u>
TOTAL TECHNICAL/SPORT	<u>5,427,060</u>	<u>22,937,228</u>	<u>23,050,500</u>	<u>113,273</u>	<u>0.49%</u>	<u>21,382,400</u>	<u>(1,554,827)</u>
OTHER PROGRAMS:							
COMMERCIAL							
Corporate Partnerships							
5901 Servicing	48,610	265,738	187,900	(77,838)	(41.43%)	104,984	(160,755)
5905 Sales Development Support	1,717	30,709	50,000	19,291	38.58%	51,523	20,814
Program Group Total	<u>50,327</u>	<u>296,447</u>	<u>237,900</u>	<u>(58,547)</u>	<u>(24.61%)</u>	<u>156,506</u>	<u>(139,941)</u>
Communications							
5711 Splash Magazine	102,380	633,834	812,700	178,866	22.01%	815,806	181,973
5714 PR-USA Swimming Programs	0	29,269	75,000	45,731	60.97%	5,422	(23,847)
5724 Communication Operations	53,272	246,957	171,200	(75,757)	(44.25%)	231,407	(15,550)
5730 USA Swimming Productions	121,947	863,172	856,200	(6,972)	(0.81%)	881,727	18,555
Program Group Total	<u>277,599</u>	<u>1,773,232</u>	<u>1,915,100</u>	<u>141,868</u>	<u>7.41%</u>	<u>1,934,362</u>	<u>161,130</u>
Marketing							
5109 Athlete Partnership Fulfillment	6,639	33,894	50,000	16,106	32.21%	19,579	(14,315)
5620 Family Program	5,744	47,348	34,600	(12,748)	(36.84%)	55,137	7,789
5709 Nationals Marketing	5,219	565,702	334,190	(231,512)	(69.28%)	554,771	(10,931)
5760 Jr Nationals Marketing	37,834	40,166	75,000	34,834	46.45%	0	(40,166)
5762 Pro Swim Series Marketing	52,453	226,027	143,340	(82,687)	(57.69%)	0	(226,027)
5764 US Open Marketing	83,164	86,194	36,000	(50,194)	(139.43%)	0	(86,194)
5770 Event Marketing	0	2,110	38,570	36,460	94.53%	47,811	45,701
5722 Social Media Aggregation	621	6,471	0	(6,471)	0.00%	0	(6,471)
5710 Membership/Recruiting							
Promotion (SwimToday)	12,511	209,130	450,000	240,870	53.53%	372,418	163,288
5713 Deck Pass	18,747	25,271	125,000	99,729	79.78%	11,265	(14,006)
5715 SwimBiz	0	84,153	75,000	(9,153)	(12.20%)	70,815	(13,338)
5716 Swimjitsu	2,709	11,006	0	(11,006)	0.00%	7,548	(3,458)
5755 USA Swimming House-Trials	(6,084)	1,716	10,200	8,484	83.17%	0	(1,716)
5720 Video Production Services	12	5,405	25,000	19,595	78.38%	4,711	(694)
5913 Multicultural Promotions	0	0	98,600	98,600	100.00%	88,355	88,355
5902 Merchandise Program	3,448	13,434	26,000	12,566	48.33%	17,279	3,845
5904 Marketing Contract Labor	0	6,500	0	(6,500)	0.00%	95,600	89,100
5911 Aqua Zone - Olympic Trials	(616)	13,639	15,000	1,361	9.08%	5,700	(7,939)
Program Group Total	<u>222,401</u>	<u>1,378,164</u>	<u>1,536,500</u>	<u>158,336</u>	<u>10.30%</u>	<u>1,350,989</u>	<u>(27,175)</u>

Administration

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	Quarter Actual	2019 Actual	2019 Budget	Favorable (Unfavorable)	Percentage	2018	Favorable (Unfavorable)
5990 Administration & Operational Support	124,141	345,990	243,500	(102,490)	(42.09%)	303,299	(42,691)
5999 Salary and Benefits	512,213	1,840,934	2,291,400	450,466	19.66%	2,041,646	200,712
5718 usaswimming.org - Web site	112,527	484,773	527,200	42,427	8.05%	473,453	(11,320)
<i>Program Group Total</i>	<u>748,881</u>	<u>2,671,697</u>	<u>3,062,100</u>	<u>390,403</u>	<u>12.75%</u>	<u>2,818,398</u>	<u>146,700</u>
TOTAL COMMERCIAL	<u>1,299,208</u>	<u>6,119,542</u>	<u>6,751,600</u>	<u>632,059</u>	<u>9.36%</u>	<u>6,260,256</u>	<u>140,714</u>
RISK MANAGEMENT SERVICES							
Member Programs							
9413 Member Insurance Premiums & Retention	659,943	3,148,050	3,102,800	(45,250)	(1.46%)	3,000,544	(147,506)
9415 Other Risk Management	330	10,330	16,700	6,370	38.14%	12,318	1,988
<i>Program Group Total</i>	<u>660,273</u>	<u>3,158,380</u>	<u>3,119,500</u>	<u>(38,880)</u>	<u>(1.25%)</u>	<u>3,012,862</u>	<u>(145,518)</u>
Committees							
9827 Operational Risk Committee	89	20,777	32,300	11,523	35.68%	34,466	13,689
<i>Program Group Total</i>	<u>89</u>	<u>20,777</u>	<u>32,300</u>	<u>11,523</u>	<u>35.68%</u>	<u>34,466</u>	<u>13,689</u>
Administration							
9490 Administration & Operational Support	3,561	16,299	27,400	11,101	40.52%	16,197	(102)
<i>Program Group Total</i>	<u>3,561</u>	<u>16,299</u>	<u>27,400</u>	<u>11,101</u>	<u>40.52%</u>	<u>16,197</u>	<u>(102)</u>
TOTAL RISK MANAGEMENT SERVICES	<u>663,923</u>	<u>3,195,455</u>	<u>3,179,200</u>	<u>(16,255)</u>	<u>(0.51%)</u>	<u>3,063,524</u>	<u>(131,931)</u>
FOUND. & MAKE A SPLASH SUPPORT							
6666 Foundation Support	0	0	0	0	0.00%	250,000	250,000
6667 USA Swimming Staff Allocation	449,414	449,414	311,000	(138,414)	(44.51%)	342,921	(106,493)
6668 Unclaimed Prize Endowment	0	0	0	0	0.00%	404,076	404,076
TOTAL FOUNDATION & MAS SUPPORT	<u>449,414</u>	<u>449,414</u>	<u>311,000</u>	<u>(138,414)</u>	<u>(44.51%)</u>	<u>996,997</u>	<u>547,583</u>
TOTAL OTHER PROGRAMS	<u>2,412,545</u>	<u>9,764,411</u>	<u>10,241,800</u>	<u>477,390</u>	<u>4.66%</u>	<u>10,320,777</u>	<u>556,366</u>

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For the Periods Ended December 31, 2019

	<u>Quarter Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>Favorable (Unfavorable)</u>	<u>Percentage</u>	<u>2018</u>	<u>Favorable (Unfavorable)</u>
SUPPORT DIVISIONS:							
EXECUTIVE							
Other Executive							
7920 CEO Contingency	14,219	68,825	60,000	(8,825)	(14.71%)	26,860	(41,965)
7930 Board Chair Travel and Expenses	6,514	43,612	35,000	(8,612)	(24.60%)	29,833	(13,778)
7945 CSCAA Grant	30,000	120,000	125,000	5,000	4.00%	120,000	0
7971 Organizational Relations - Domestic	3,528	53,609	80,000	26,391	32.99%	84,164	30,554
7984 Organizational Relations - Internat'l	2,026	26,203	65,000	38,797	59.69%	33,577	7,374
7981 International Relations	4,422	30,917	69,100	38,183	55.26%	59,463	28,546
7937 Splash Makers II	0	0	0	0	0.00%	1,536	1,536
Program Group Total	60,710	343,165	434,100	90,935	20.95%	355,433	12,268
Committees & Governance							
7803 Board of Directors	47,121	132,316	185,300	52,984	28.59%	174,281	41,965
7807 Zone Administration	0	0	0	0	0.00%	5,370	5,370
7808 Task Force & Other Committees	78,358	182,985	34,000	(148,985)	(438.19%)	140,077	(42,907)
7811 International Relations Committee	0	8,778	31,000	22,222	71.68%	19,522	10,744
7820 Nominating Committee	600	2,068	0	(2,068)	0.00%	149	(1,919)
Program Group Total	126,079	326,146	250,300	(75,846)	(30.30%)	339,400	13,253
Administration							
7990 Administration & Operational Support	28,411	123,454	100,300	(23,154)	(23.08%)	130,084	6,630
7999 Salary and Benefits	223,301	808,003	767,800	(40,203)	(5.24%)	705,232	(102,771)
Program Group Total	251,711	931,457	868,100	(63,357)	(7.30%)	835,316	(96,142)
TOTAL EXECUTIVE	438,500	1,600,769	1,552,500	(48,269)	(3.11%)	1,530,149	(70,621)
FINANCE							
Other Programs							
8500 LSC/Club Financial Resources	0	5,056	10,000	4,944	49.44%	4,529	(527)
Program Group Total	0	5,056	10,000	4,944	49.44%	4,529	(527)
Committees							
8895 Investment Committee	35	139	300	161	53.54%	83	(57)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2019

	Quarter Actual	2019 Actual	2019 Budget	Favorable (Unfavorable)	Percentage	2018	Favorable (Unfavorable)
8880 Audit Committee	0	0	300	300	100.00%	11	11
<i>Program Group Total</i>	<i>35</i>	<i>139</i>	<i>600</i>	<i>461</i>	<i>76.77%</i>	<i>94</i>	<i>(46)</i>
Administration							
8990 Administration & Operational Support	52,657	182,541	133,200	(49,341)	(37.04%)	143,348	(39,193)
8999 Salary and Benefits	126,218	970,068	995,500	25,432	2.55%	723,561	(246,507)
<i>Program Group Total</i>	<i>178,875</i>	<i>1,152,609</i>	<i>1,128,700</i>	<i>(23,909)</i>	<i>(2.12%)</i>	<i>866,909</i>	<i>(285,700)</i>
TOTAL FINANCE	178,910	1,157,804	1,139,300	(18,504)	(1.62%)	871,532	(286,272)
BUSINESS AFFAIRS							
Legal and NBR							
9695 Legal	122,656	435,168	150,000	(285,168)	(190.11%)	116,306	(318,862)
9692 National Board of Review	0	24	54,000	53,976	99.96%	34,152	34,128
9690 Legal - Admin. & Oper. Support	12,816	18,705	8,400	(10,305)	(122.68%)	19,011	306
<i>Program Group Total</i>	<i>135,472</i>	<i>453,897</i>	<i>212,400</i>	<i>(241,497)</i>	<i>(113.70%)</i>	<i>169,470</i>	<i>(284,428)</i>
Safe Sport							
9335 Safe Sport - Background Checks	17,401	34,500	61,200	26,700	43.63%	31,962	(2,537)
9370 LSC Safe Sport Chairs Workshop	0	0	0	0	0.00%	344	344
9375 Safe Sport Online Education	15,000	60,000	77,200	17,200	22.28%	7,796	(52,204)
9386 Safe Sport Athlete Fellowship	0	11,956	21,500	9,544	44.39%	14,258	2,302
9385 Safe Sport Programs	46,025	210,202	235,800	25,599	10.86%	207,567	(2,635)
9387 Safe Sport - USOPC Center for Safe Sport	0	155,205	158,200	2,995	1.89%	44,650	(110,555)
9388 Safe Sport - Leadership Conference	0	47,829	63,600	15,771	24.80%	169	(47,660)
9389 Safe Sport - SwimAssist	19,508	132,782	100,000	(32,782)	(32.78%)	27,722	(105,060)
<i>Program Group Total</i>	<i>97,934</i>	<i>652,474</i>	<i>717,500</i>	<i>65,027</i>	<i>9.06%</i>	<i>334,468</i>	<i>(318,006)</i>
Other Programs							
9380 Human Resources	23,459	113,439	97,600	(15,839)	(16.23%)	96,954	(16,485)
9290 Government Relations	0	8,640	167,700	159,060	94.85%	0	(8,640)
9295 Information Technology Support	93,458	541,142	640,200	99,058	15.47%	490,942	(50,201)
<i>Program Group Total</i>	<i>116,917</i>	<i>663,221</i>	<i>905,500</i>	<i>242,279</i>	<i>26.76%</i>	<i>587,896</i>	<i>(75,325)</i>
Committees							
9810 Safe Sport Committee	(378)	11,531	32,500	20,969	64.52%	11,565	33

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Periods Ended December 31, 2019

	<u>Quarter Actual</u>	<u>2019 Actual</u>	<u>2019 Budget</u>	<u>Favorable (Unfavorable)</u>	<u>Percentage</u>	<u>2018</u>	<u>Favorable (Unfavorable)</u>
<i>Program Group Total</i>	35	139	600	461	76.77%	94	(46)
Administrative							
9990 Administration & Operational Support	69,575	236,422	198,500	(37,922)	(19.10%)	180,683	(55,739)
9999 Salary and Benefits	760,737	2,388,995	2,181,500	(207,495)	(9.51%)	2,164,689	(224,306)
<i>Program Group Total</i>	<u>830,311</u>	<u>2,625,417</u>	<u>2,380,000</u>	<u>(245,417)</u>	<u>(10.31%)</u>	<u>2,345,372</u>	<u>(280,045)</u>
TOTAL BUSINESS AFFAIRS	<u>1,180,257</u>	<u>4,406,539</u>	<u>4,247,900</u>	<u>(158,639)</u>	<u>(3.73%)</u>	<u>3,448,770</u>	<u>(957,769)</u>
TOTAL SUPPORT DIVISIONS	<u>1,797,667</u>	<u>7,165,112</u>	<u>6,939,700</u>	<u>(225,412)</u>	<u>(3.25%)</u>	<u>5,850,450</u>	<u>(1,314,662)</u>
GRAND TOTALS	<u>\$9,637,272</u>	<u>\$39,866,750</u>	<u>\$40,232,000</u>	<u>\$365,250</u>	<u>0.91%</u>	<u>\$37,553,627</u>	<u>(\$2,313,123)</u>

USA Swimming, Inc.
Statement of Cash Flows
For the Quarter and 12 Months Ended December 31, 2019

	December 31, 2019	
	Quarter 4	YTD
Operating activities:		
Change in Net Assets	\$ (4,750,806)	\$ 490,118
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	431,774	718,069
Net realized and unrealized (gains) losses on investments	(1,217,917)	(4,925,738)
Changes in operating assets and liabilities:		
Accounts receivable	6,240,769	(448,951)
Prepaid expenses and deferred changes	(895,203)	(615,256)
Olympic Trials Joint Venture	93,672	(6,328)
Accounts payable, accrued exp and other liabilities	1,228,576	639,528
Deferred revenue	7,810,687	1,541,592
Net cash provided by/(used in) operating activities	13,692,358	(3,097,084)
Investing activities:		
(Purchase)/Proceeds of Long-term investments, net	(5,334,753)	2,911,635
Increase in prepaid rent	(2,895,529)	(2,754,028)
Acquisition of property and equipment	2,345,910	(614,928)
Net cash provided by/(used in) investing activities	(5,884,372)	(457,321)
Financing activities:		
Collection of pledges receivable restricted for endowment	-	-
Net cash provided by/(used in) financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	3,057,180	(3,064,286)
Cash & cash equivalents beginning of period	1,096,510	7,217,977
Cash & cash equivalents end of period	\$ 4,153,690	\$ 4,153,690

USA Swimming 2019 Annual Financial Report – Final

Submitted by: Eric Skufca, CFO 3/15/2020

2019 SUMMARY

- Operating results were better than the (\$2,237,100) deficit budget by \$1,100,167 with an annual operating deficit of (\$1,136,933).
- Overall revenue exceeded budget by \$734,917 or 1.9%, and overall expense savings were \$365,250 or 0.9% compared to budget.
- Investment balance increased \$2,014,102, as explained within the 'Informational Commentary' section below. Note our portfolio market gain of 18.87% beat our blended benchmark gain of 18.66%.
- Total net assets year over year increased \$490,118.

INFORMATIONAL COMMENTARY

Below is additional background on our 2019 financial philosophy and strategy, which is intended as pre-reading to the 'Financial Statement Analysis' that follows.

Organizational Budgeting Philosophy and Strategy:

Historically, USA Swimming has budgeted and operated on a four-year (Olympic/Trials quad) basis with a goal of breakeven operating results over that term. For example, years 1-3 of a quad would be budgeted at a deficit, and a surplus in year 4 was anticipated to bring the organization back to breakeven with our Olympic Trials and other Olympic Games related opportunities. This strategy makes sense on many levels (e.g. not wanting to sacrifice programming in years 1-3 knowing a potential surplus could be coming in year 4), but can also prove difficult given various uncertainties (e.g. revenue, expense, markets, landscape, etc.) between year 1 and year 4 that can put strain on the latter years of a quad.

The 2020 quad follows the pattern mentioned above: 2017-2019 had originally budgeted operating deficits and 2020 had the surplus to make breakeven. Entering 2019, with a cumulative deficit from the first two years of the quad as budgeted and looking at another budgeted deficit in 2019, executive management made a concerted and strategic decision to materially adjust 2019 programming in order to reduce our overall deficit leading into 2020. Across the organization, programming was analyzed, and expenditures were prioritized, which led to continued or increased investment in certain areas but purposeful spending reductions in many others.

When reviewing 2019 results and the 'Financial Statement Analysis' below, note there are certain areas where the organization continued to spend as originally budgeted, areas where management increased spending for current or future investment in the entity, but many areas that were cut back to right-size a quad budget.

Investment Balance and Revenue pre-reading:

The 2019 investment revenue budgeted and recognized for operations was based on the 12/31/2017 portfolio balance of \$36,995,750 and a 4.7% return or \$1,738,900 rounded.

The 2019 actual performance was a gain of \$5,754,337 or 18.87% (note our gain fared better than our blended benchmark gain of 18.66%). \$1,738,900 was transferred to operations (despite performance) in much the same way a retiree would take an IRA distribution regardless of investment performance. Investment returns are unpredictable year-to-year but are expected to be positive in the long term. The remaining gains (net contributions/distributions) increased reserves.

Operating investment revenue was \$1,804,747, including the \$1,738,900 transfer plus \$65,847 of interest earnings from short-term invested cash. The investment gain “below the line” of \$4,015,437 equals the actual gain \$5,754,337 plus the (\$1,738,900) transfer.

The investment portfolio increased by \$2,014,102 primarily due to \$5,754,337 investment gain, (\$1,738,900) transfer to operations, and (\$2,000,000) of other net transfers. The other transfers helped to fund the operating loss (\$1,119,729), fixed asset investments (e.g. office remodel, FF&E, etc.), and reserve spending of (\$2,388,386) as further explained in the ‘Income Statements’ section below.

FINANCIAL STATEMENT ANALYSIS

Accompanying this written summary are the final, unaudited USA Swimming financial statements for 2019. The following are key items and variances as highlighted in the statements:

2020 Quad Update (page 1) – The 2020 Business Plan has been updated with the 2019 results and 2020 projection. Using 2017-2019 actuals and a current 2020 projection, we have positively trended towards a breakeven quad and continue to proactively manage 2020 budgets realizing the potential for financial unknowns throughout 2020.

Balance Sheet (page 2) – The cash and cash equivalent position decreased year-over-year by (\$3,064,286) to \$4,153,690, as primarily reflected in the increase to the prepaid rent and FF&E lines related to the office remodel project that was completed in 2019. See the ‘Statement of Cash flows’ on page 19 for more detail.

Long-term investments increased by \$2,014,102 to \$34,037,760, as explained in the ‘Investment Balance and Revenue’ section above.

Total net assets increased by \$490,118 to \$31,531,681 due to the aforementioned “below the line” investment gain of \$4,015,437 offset by the year’s operating loss (\$1,136,933) and reserve spending of (\$2,388,386).

Income Statements (pages 3 - 4) – Operating deficit of (\$1,136,933) was better than budget by \$1,100,167. Total operating revenue of \$38,729,817 exceeded the budget by \$734,917 or 1.93%.

Total operating expenses of \$39,866,750 beat the budget by \$365,250 or 0.91%. The Commercial and Sport Development divisions produced the largest budget savings.

Excluded from the operating budget are Board-approved Planned Reserve Investments totaling (\$2,388,386), which includes Legal, 'Cost of Flex,' CRM project, Athlete Leadership Summit, Safe Sport contingency, and disaster relief grants.

Statement of Revenue (pages 5 - 6) – Total operating revenue of \$38,729,817 was \$734,917 better than budget.

Membership dues of \$22,203,900 equaled the budget given the 'Cost of Flex' reserve funding of (\$722,216).

USOPC funding of \$5,305,500 was consistent with the annual budget, as these monies are contracted via the Performance Partnership and Direct Athlete Support Agreements.

Partnership Marketing revenue of \$5,098,325 missed the budget by (\$484,175) or (8.67%) primarily due to the timing of the Neptune Benson contract (originally budgeted equally between 2019 and 2020, but executed as 25% in 2019, 75% in 2020, which resulted in (\$200,000) for 2019 but has no effect on the quad total), no web advertising as budgeted (\$135,000), and more partner allocation expenses associated with sponsorship contracts (\$104,000), among others.

Sport and Events revenue of \$1,331,853 was greater than budget by \$610,353 primarily due to the unbudgeted relationship with International Swim League (ISL) and our contracted involvement of \$241,000, Golden Goggles Awards gala of \$69,678 (budgeted \$0), and \$311,339 in more Altitude Training camp revenue than budgeted (note these camps are run by the USOPC and this camp revenue will net nearly \$0 to USA Swimming, as this revenue has associated expenses taken within the Events & Member Services division).

Sport Development (pages 7 - 9)

Total expenses of \$4,544,558 represented budget savings of \$363,241. The majority of these savings were spending cuts intended to reduce the organization's overall quad deficit. The largest areas of reduction came from the club and coach education and development programs through travel and contract labor savings on the Master Coach program, hosted coach clinics, and education development. Additionally, membership growth and diversity programs were under budget primarily due to program and curriculum development.

- \$140,989 Coach Education and Development (program group)
- \$127,898 Club Education and Development (program group)
- \$102,831 Membership Growth and Diversity (program group)

Events & Member Services (pages 9 - 10)

Total expenses of \$7,692,830 were over budget by (\$442,530). "Trialization" continued to be an emphasis in 2019, especially at Summer Nationals. The aforementioned Altitude Camps drew more volume and more expense than budgeted (as mentioned, these nearly net zero to USA Swimming as there's corresponding event revenue). Member programs finished with budget savings due to Online Registration, Swimposium, Rulebook, among others.

- (\$243,126) National Championships
- \$118,542 Member Programs (program group)
- (\$349,110) Altitude Camps

National Team (pages 11 - 13)

Total expenses of \$10,699,839 represented a budget savings of \$192,561. The National Junior Team and Open Water group had fewer events than budgeted resulting in travel savings. Travel savings were also seen at National Team Camps. National Team put more athletes than originally budgeted on stipends given times and it being the year before the Olympics. Also, there were savings within the Medals & Records program as compared to budget (2019 Worlds). Lastly, Administration & Operational expenses were over budget primarily due to the Marriott hotel contract write-off for the Olympic prep camp originally planned for Hawaii.

- \$189,345 Junior Team (program group)
- \$95,673 Open Water (program total)
- \$177,390 Camps (program total)
- (\$146,709) Athlete Support – Stipends & Grants
- 127,500 Athlete Support – Medals & Records
- (\$398,382) Administration & Operational Support

Commercial (pages 14 - 15)

Total expenses of \$6,119,542 represented a budget savings of \$632,059. Payroll and Benefits saw the largest savings given timing of staffing and restructuring. Finding areas (creative, marketing, etc.) to strategically reutilize within the Membership Promotion program also saw savings as well as the timing of the winter issue of Splash Magazine. Lastly, event marketing had increased investment due to the continued focus on event build-out from a marketing and commercial angle.

- \$178,866 Splash Magazine
- (\$293,099) Event Marketing (net total of the five programs)
- \$240,870 Membership Promotion
- \$450,466 Payroll and Benefits

Risk Management (page 15)

Total expenses of \$3,195,455 represented a budget deficit of (\$16,255) or (0.51%).

Foundation & Make a Splash Support (page 15)

Total expenses of \$449,414 were over budget by (\$138,414) due to greater USA Swimming payroll allocation costs. The increase in allocation cost results from increased involvement by USA Swimming staff on Foundation programming, particularly in the second half of the year with the departure of the Foundation Executive Director.

Executive (page 16)

Total expenses of \$1,600,769 were over budget by (\$48,269). Executive programming was under budget primarily due to travel savings. Consulting fees for Board structure and task force related items were greater than the budget due to scope of work.

- \$90,935 Executive (program group)
- (\$148,985) Task Force & Other Committees

Finance (pages 16 - 17)

Total expenses of \$1,157,804 were over budget by (\$18,504) or (1.62%) primarily due to certain professional fees (e.g. annual audit) being budgeted within Executive but recorded within Finance.

Business Affairs (pages 17 - 18)

Total expenses of \$4,406,539 were over budget by (\$158,639) or (3.73%). Legal and National Board of Review (NBR) are dependent upon the legal needs that arise during the year, and there

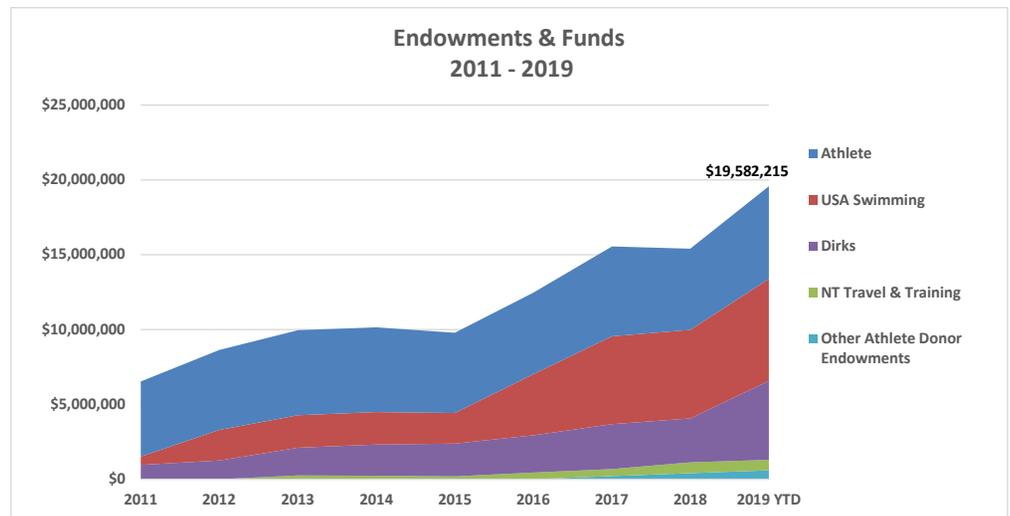
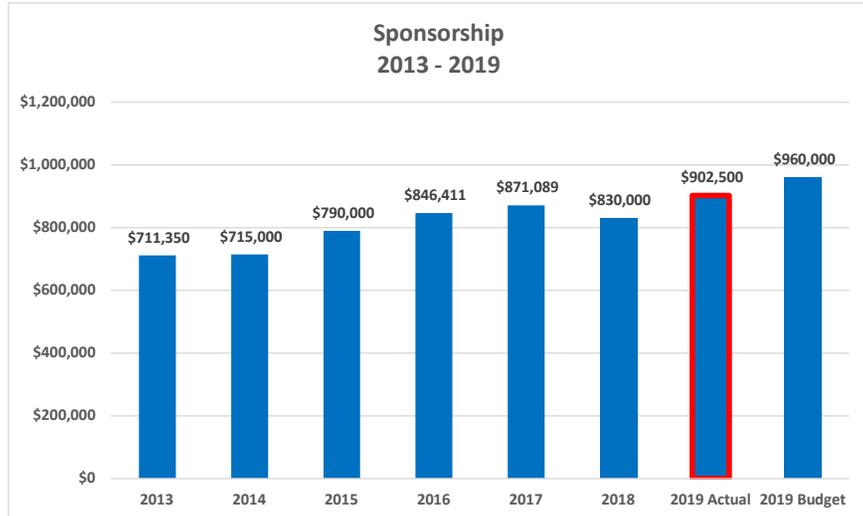
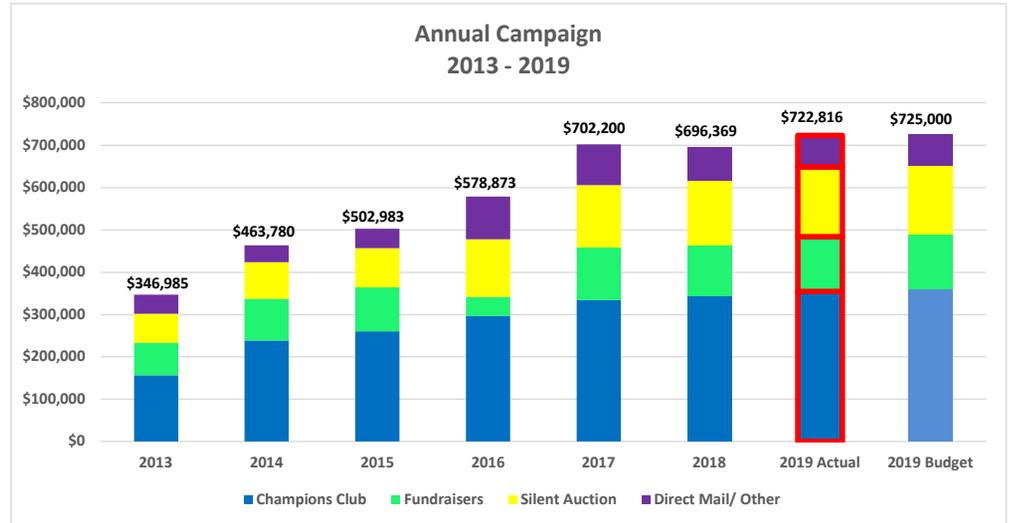
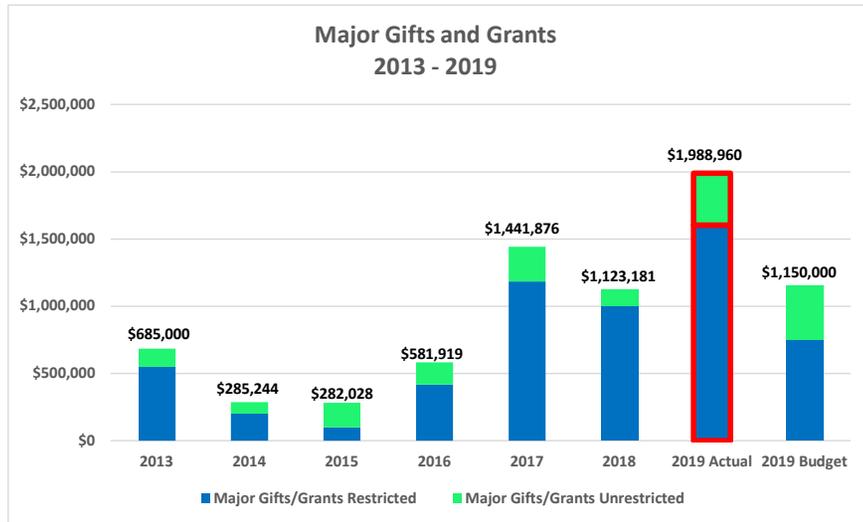
was greater need than expected for outside counsel due to a variety of circumstances. Government Relations was under budget as the Division deferred the majority of its efforts until the political landscape shifts. Information Technology spent less than budgeted in software/servicing expense. Salaries and Benefits were over primarily due to the hiring of a Sr. Software Engineer that was previously working on USA Swimming projects full-time as a consultant (long term cost benefit).

- (\$241,497) Legal & NBR (program group)
- \$159,060 Government Relations
- \$99,058 Information Technology
- (\$207,495) Salaries and Benefits

Statement of Cash flows (page 19) – The statement of cash flows summarizes the amount of cash and cash equivalents entering and leaving a company. This statement agrees to the (decrease) in cash & cash equivalents on the balance sheet for the year of (\$3,064,286). The decrease in cash is primarily attributable to the cash needs for the office remodel in 2019 as shown within the “Investing activities” of the statement:

- (\$2,754,028) Increase in prepaid rent (the construction and design portion of the remodel project given our new lease amortization schedule)
- (\$614,928) Acquisition of property and equipment (the furniture and fixture portion of remodel project net against any write-offs of now unused fixed assets)

**USA Swimming Foundation
Revenue, Endowments, and Funds
December 31, 2019**



USA Swimming Foundation, Inc.
Balance Sheet
As of December 31, 2019 and 2018

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>\$ Change</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$1,481,836	\$1,363,748	\$118,088
Accounts receivable	160,808	127,001	33,807
Pledges receivable - current	851,999	771,066	80,933
Prepaid expenses and deferred charges	11,737	10,881	856
Total Current Assets	2,506,380	2,272,697	233,683
FIXED ASSETS:			
Equipment and Software	229,963	229,963	0
Accumulated depreciation & amortization	(227,375)	(217,020)	(10,354)
Total Fixed Assets	2,589	12,943	(10,354)
LONG-TERM INVESTMENTS:			
Long-term Investments	19,582,215	15,411,518	4,170,697
OTHER ASSETS:			
Pledges receivable - long-term	1,052,500	2,490,000	(1,437,500)
Swim-a-Thon	120,000	120,000	0
Total Other Assets	1,172,500	2,610,000	(1,437,500)
TOTAL ASSETS	\$23,263,684	\$20,307,158	\$2,956,526
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$60,976	\$31,196	\$29,780
Due from (to) USA Swimming	99,871	86,561	13,310
Accrued expenses and other liabilities	41,646	73,916	(32,271)
Deferred revenue	135,740	0	135,740
Total Current Liabilities	338,232	191,673	146,559
NONCURRENT LIABILITIES:			
Total Liabilities	338,232	191,673	146,559
NET ASSETS:			
Unrestricted:			
Undesignated Operating Funds	26,972	(19,603)	46,576
Board Designated Operating Reserves	1,201,000	1,201,000	0
Board Designated Endowments	13,700,689	12,069,287	1,631,402
Total Unrestricted	14,928,662	13,250,684	1,677,978
Temporarily Restricted	2,346,790	1,310,573	1,036,218
Permanently Restricted	5,650,000	5,554,229	95,771
Total Net Assets	22,925,452	20,115,486	2,809,966
TOTAL LIABILITIES & NET ASSETS	\$23,263,684	\$20,307,158	\$2,956,526

USA Swimming Foundation, Inc.
Income Statement
For the 12 Months Ended December 31, 2019

	2019	2019	2019	2019	2019	2019	2019	2018	2018
	Unrestricted	Board Desig.	Temp Restr	Perm Restr	TOTAL	Budget	Variance	TOTAL	Variance
Revenue:									
Annual Campaign	\$722,816	\$0	\$0	\$0	\$722,816	\$725,000	(\$2,184)	\$696,369	\$26,447
Major Gifts/Grants	385,950	0	1,603,010	0	1,988,960	1,150,000	838,960	1,123,181	865,779
Major Gifts - Trustee Satisfied Restrictions	350,000	0	(350,000)	0	0	0	0	0	0
Major Gifts/Grants - Other Satisfied Restrictions	315,338	0	(315,338)	0	0	0	0	0	0
Endowment Distributions	887,500	(600,000)	(287,500)	0	0	0	0	0	0
Sponsorship	902,500	0	(200,000)	0	702,500	960,000	(257,500)	480,000	222,500
Swim-a-Thon	358,711	0	0	0	358,711	375,000	(16,289)	361,920	(3,209)
Golden Goggle Awards	50,000	0	0	0	50,000	150,000	(100,000)	100,000	(50,000)
USA Swimming Support - Cash	0	0	0	0	0	0	0	250,000	(250,000)
USA Swimming Support - Forfeited Prize Money	0	0	0	0	0	0	0	404,076	(404,076)
USA Swimming Support - Staff Allocation	449,414	0	0	0	449,414	311,000	138,414	342,921	106,493
Other Income	25,425	0	0	0	25,425	50,000	(24,575)	37,827	(12,402)
Investment Income (Loss)	25,094	2,231,402	586,046	95,771	2,938,313	700,000	2,238,313	(852,583)	3,790,897
Total Revenue	4,472,747	1,631,402	1,036,218	95,771	7,236,138	4,421,000	2,815,138	2,943,710	4,292,428
Expenses:									
Supporting Expenses:									
Annual Campaign	342,926	0	0	0	342,926	421,885	78,959	401,460	58,534
Major Gifts/Grants	483,336	0	0	0	483,336	415,811	(67,525)	361,357	(121,979)
Swim-a-Thon	131,837	0	0	0	131,837	190,273	58,436	213,165	81,327
Marketing	11,267	0	0	0	11,267	29,000	17,733	19,647	8,380
Operational and Administrative	482,379	0	0	0	482,379	462,695	(19,684)	466,092	(16,288)
Total Supporting Expenses	1,451,745	0	0	0	1,451,745	1,519,664	67,919	1,461,720	9,975
Program Expenses:									
Make a Splash - Grants	608,555	0	0	0	608,555	618,200	9,645	701,591	93,036
Make a Splash - Programs	917,173	0	0	0	917,173	979,373	62,200	920,785	3,612
Total Make A Splash Expenses	1,525,728	0	0	0	1,525,728	1,597,573	71,845	1,622,376	96,648
Building Champions - National Team Grants	1,013,750	0	0	0	1,013,750	735,700	(278,050)	783,600	(230,150)
Building Champions - Sport Dev. Grants	120,000	0	0	0	120,000	120,000	0	120,000	0
Building Champions - Other Programs	187,892	0	0	0	187,892	144,753	(43,139)	144,753	(43,139)
Building Champions - Alumni Programs	127,056	0	0	0	127,056	109,710	(17,346)	96,742	(30,314)
Total Building Champions Expenses	1,448,698	0	0	0	1,448,698	1,110,163	(338,535)	1,145,096	(303,603)
Total Program Expenses	2,974,426	0	0	0	2,974,426	2,707,736	(266,690)	2,767,472	(206,954)
Total Expenses	4,426,172	0	0	0	4,426,172	4,227,400	(198,772)	4,229,192	(196,980)
Surplus (Deficit)	46,576	1,631,402	1,036,218	95,771	2,809,966	193,600	2,616,366	(1,285,482)	4,095,449
NET CHANGE IN TOTAL NET ASSETS	\$46,576	\$1,631,402	\$1,036,218	\$95,771	\$2,809,966	\$193,600	\$2,616,366	(\$1,285,482)	\$4,095,449

USA Swimming Foundation, Inc.
Income Statement
For the 12 Months Ended December 31, 2019 and 2018

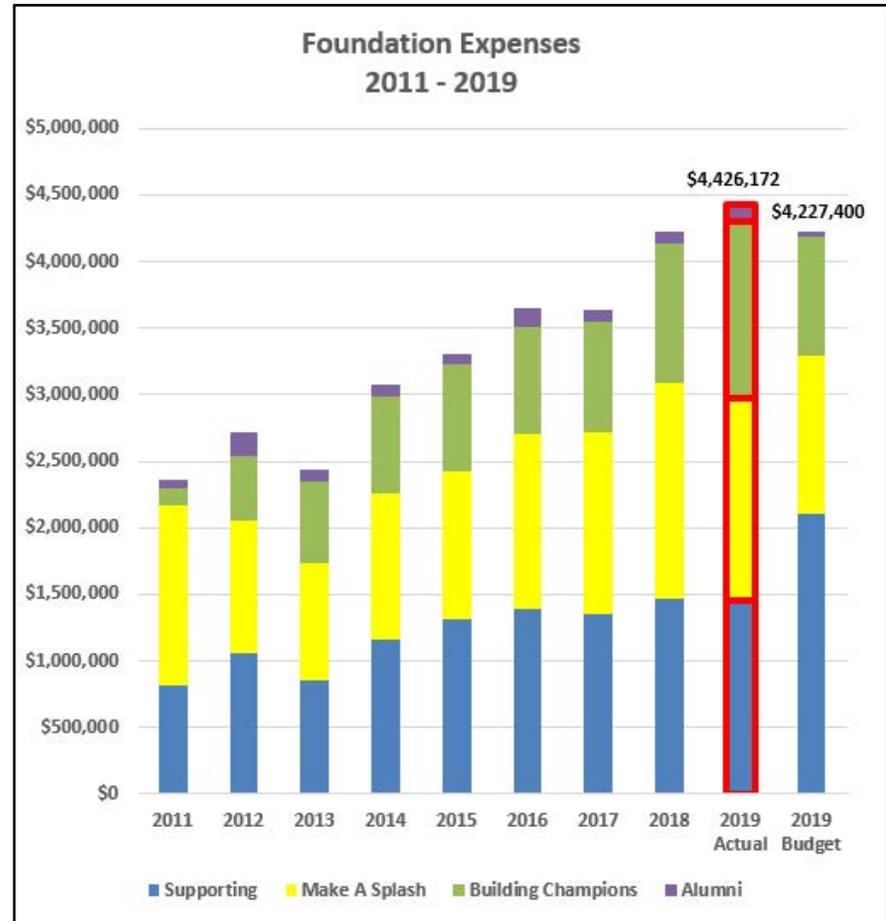
	<u>Quarter Actual</u>	<u>Year-To-Date 2019</u>	<u>Budget 2019</u>	<u>Budget Remaining</u>	<u>Year-To-Date 2018</u>	<u>Favorable (Unfavorable)</u>
UNRESTRICTED:						
Revenue:						
Annual Campaign	\$363,723	\$722,816	\$725,000	(\$2,184)	\$696,369	\$26,447
Major Gifts/Grants - Unrestricted	86,831	385,950	400,000	(14,050)	120,000	265,950
Major Gifts - Trustee Satisfied Restrictions	0	350,000	400,000	(50,000)	315,500	34,500
Major Gifts/Grants - Other Satisfied Restrictions	74,870	315,338	156,400	158,938	121,266	194,072
Endowment Distributions In	572,500	887,500	680,000	207,500	713,600	173,900
Sponsorship	28,125	902,500	960,000	(57,500)	830,000	72,500
Swim-a-Thon	109,719	358,711	375,000	(16,289)	361,920	(3,209)
Golden Goggle Awards	50,000	50,000	150,000	(100,000)	150,000	(100,000)
USA Swimming Support	0	0	0	0	250,000	(250,000)
USA Swimming Support - Staff Allocation	449,414	449,414	311,000	138,414	342,921	106,493
Other Income	1,942	25,425	50,000	(24,575)	37,827	(12,402)
Investment Income (Loss)	828	25,094	20,000	5,094	22,060	3,035
Total Unrestricted Revenue	1,737,951	4,472,747	4,227,400	245,347	3,961,461	511,286
Expenses:						
Supporting Expenses:						
Annual Campaign	240,833	342,926	421,885	78,959	401,460	58,534
Major Gifts/Grants	411,720	483,336	415,811	(67,525)	361,357	(121,979)
Swim-a-Thon	71,116	131,837	190,273	58,436	213,165	81,327
Marketing	854	11,267	29,000	17,733	19,647	8,380
Operational and Administrative	(529,113)	482,379	462,695	(19,684)	466,092	(16,288)
Total Supporting Expenses	195,409	1,451,745	1,519,664	67,919	1,461,720	9,975
Program Expenses:						
Make a Splash - Grants	10,355	608,555	618,200	9,645	701,591	93,036
Make a Splash - Programs	498,862	917,173	979,373	62,200	920,785	3,612
Total Make a Splash Expenses	509,217	1,525,728	1,597,573	71,845	1,622,376	96,648
Building Champions - National Team Grants	548,750	1,013,750	735,700	(278,050)	783,600	(230,150)
Building Champions - Sport Development Grants	30,000	120,000	120,000	0	120,000	0
Building Champions - Other Programs	147,764	187,892	144,753	(43,139)	144,753	(43,139)
Building Champions - Alumni Programs	89,963	127,056	109,710	(17,346)	96,742	(30,314)
Total Building Champions Expenses	816,477	1,448,698	1,110,163	(338,535)	1,145,096	(303,603)
Total Program Expenses	1,325,695	2,974,426	2,707,736	(266,690)	2,767,472	(206,954)
Total Unrestricted Expenses	1,521,104	4,426,172	4,227,400	(198,772)	4,229,192	(196,980)
Operating Surplus (Deficit)	216,847	46,576	0	46,576	(267,731)	314,306
Transfers to/from USA Swimming Endowment	0	0	0	0	(501,000)	501,000
Transfers to/from - Operating Reserve	0	0	0	0	(120,750)	120,750
CHANGE IN UNDESIGNATED FUNDS	\$216,847	\$46,576	\$0	\$46,576	(\$889,481)	\$936,056

USA Swimming Foundation, Inc.
Income Statement
For the 12 Months Ended December 31, 2019 and 2018

	<u>Quarter Actual</u>	<u>Year-To-Date 2019</u>	<u>Budget 2019</u>	<u>Budget Remaining</u>	<u>Year-To-Date 2018</u>	<u>Favorable (Unfavorable)</u>
BOARD DESIGNATED:						
Endowment Distributions Out	(\$285,000)	(\$600,000)	(\$480,000)	(\$120,000)	(\$533,600)	(\$66,400)
Transfer to/from USA Swimming Endowment	0	0	0	0	501,000	(501,000)
Transfer to/from Operating Reserves	0	0	0	0	120,750	(120,750)
USA Swimming - Forfeited Prize Money	0	0	0	0	404,076	(404,076)
Investment Income	641,329	2,231,402	480,000	1,751,402	(679,684)	2,911,086
Change in Board Designated Net Assets	<u>\$356,329</u>	<u>\$1,631,402</u>	<u>\$0</u>	<u>\$1,631,402</u>	<u>(\$187,458)</u>	<u>\$1,818,860</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$573,176</u>	<u>\$1,677,978</u>	<u>\$0</u>	<u>\$1,677,978</u>	<u>(\$1,076,938)</u>	<u>\$2,754,916</u>
TEMPORARILY RESTRICTED:						
Major Gifts/Grants - Temporarily Restricted	\$53,010	\$1,603,010	\$750,000	\$853,010	\$1,003,181	\$599,829
Endowment Distributions Out - Satisfied Restrictions	(287,500)	(287,500)	(200,000)	(87,500)	(180,000)	(107,500)
Satisfied Restrictions	(74,870)	(865,338)	(556,400)	(308,938)	(836,766)	(28,572)
Investment Income	232,817	586,046	200,000	386,046	(99,188)	685,234
Change in Temp. Restricted Net Assets	<u>(\$76,543)</u>	<u>\$1,036,218</u>	<u>\$193,600</u>	<u>\$842,618</u>	<u>(\$112,773)</u>	<u>\$1,148,991</u>
PERMANENTLY RESTRICTED:						
Investment Income	0	95,771	0	95,771	(95,771)	191,542
Change in Perm. Restricted Net Assets	<u>\$0</u>	<u>\$95,771</u>	<u>\$0</u>	<u>\$95,771</u>	<u>(\$95,771)</u>	<u>\$191,542</u>
NET CHANGE IN TOTAL NET ASSETS	<u>\$496,633</u>	<u>\$2,809,966</u>	<u>\$193,600</u>	<u>\$2,616,366</u>	<u>(\$1,285,482)</u>	<u>\$4,095,449</u>

USA Swimming Foundation, Inc.
Expense Detail
For the Year Ended December 31, 2019

	SUPPORTING EXPENSES	PROGRAM EXPENSES	2019 EXPENSES	2018 EXPENSES	Variance
EXPENSES:					
Salaries and Benefits	\$505,407	\$542,322	\$1,047,729	\$952,577	(\$95,151)
Professional Services	79,720	389,554	469,273	455,748	(13,526)
Salaries and Benefits - USAS	324,365	125,049	449,414	342,921	(106,493)
Travel	125,514	81,449	206,962	208,965	2,003
Printing and Duplication	91,155	4,857	96,013	108,287	12,275
Rent and Overhead	85,000	0	85,000	60,000	(25,000)
Freight and Postage	44,601	13,090	57,691	77,685	19,994
Recognition and Fulfillment	36,785	20,518	57,303	92,560	35,258
Catering and Entertainment	24,155	11,302	35,457	41,986	6,529
Awards and Gifts	29,005	729	29,734	22,845	(6,889)
Credit Card/ Blackbaud Fees	24,117	0	24,117	21,517	(2,599)
Dues Fees & Subscriptions	19,373	902	20,275	39,338	19,063
Apparel	14,651	4,101	18,752	34,360	15,608
Miscellaneous Expenses	14,683	1,500	16,183	17,378	1,195
Repairs and Equipment	767	12,316	13,083	24,650	11,567
Space/Equipment Rental	1,511	11,001	12,512	16,329	3,818
Video and Photography	7,088	3,400	10,488	31,183	20,695
Depreciation and Amortization	10,354	0	10,354	45,334	34,979
Office Supplies and Expense	7,754	2,485	10,239	16,536	6,297
Telephone and Internet Service	4,163	3,489	7,652	9,205	1,553
Graphics and Art Work	1,580	2,490	4,070	2,670	(1,400)
Advertising	0	1,568	1,568	1,360	(208)
Tickets	0	0	0	566	566
Subtotal	1,451,745	1,232,121	2,683,867	2,624,001	(59,866)
Grants - MAS	0	608,555	608,555	701,591	93,036
Grants - USA Swimming	0	1,133,750	1,133,750	903,600	(230,150)
Total Grants	0	1,742,305	1,742,305	1,605,191	(137,114)
TOTAL EXPENSES	\$1,451,745	\$2,974,426	\$4,426,172	\$4,229,192	(\$196,980)



USA Swimming Foundation 2019 Financial Report – Final

Submitted by: Eric Skufca, CFO 3/15/2020

2019 HIGHLIGHTS

- \$2,711,776 fundraising:
 - \$1,988,960 major gifts/grants exceeded \$1,150,000 budget by \$838,960 or 73%. Total includes \$1,000,000 for the charitable, restricted portion of the new Phillips 66 sponsorship (\$200,000 per year for the five-year term), \$400,000 in new trustee agreements, \$191,270 in the fundraising portion of the Goldfish partnership, and \$150,000 athlete partnerships.
 - \$722,816 annual campaign missed \$725,000 budget by (\$2,184) or (0.3%).
- \$902,500 sponsor support including \$650,000 from the new Phillips 66 contract and \$125,000 apparel sponsors. Missed the \$960,000 budget by (\$57,500) or (6%) of which (\$100,000) was budgeted, but not recognized from Marriott and Comcast as explained below.
- \$358,711 Swim-a-thon receipts missed the (\$375,000) annual budget by (\$16,289) or (4%).
- \$46,576 operating surplus exceeded the breakeven \$0 annual budget.
- \$19,582,215 investments increased \$4,170,697 for the year due to net endowment contributions, distributions, and a +18.59% investment gain for the year.
- \$1,013,750 National Team grants including \$743,750 from endowments, \$150,000 from Sponsors (Phillips 66 and Toyota) and \$120,000 from donors. Exceeded the \$735,700 budget by (\$278,050) or (38%).
- \$608,555 Make A Splash grants missed the \$618,200 annual budget by \$9,645 or 1.5%.

EXECUTIVE SUMMARY

Operating Surplus:

The 2019 operating surplus was \$46,576 compared to the breakeven budget of \$0. The following were the primary contributors to the annual operating surplus:

Unrestricted Operating Revenue (better than budget by \$245,347 or 5.8%):

- Endowment distributions were better than budget by \$207,500 or 30%.
- USA Swimming Staff Allocation better than budget by \$138,414 or 44% (recorded as donated time with a matching expense thus net zero to operating results).
- Major Gifts/Grants were better than budget by \$94,888 or 10%.
- Sponsorship revenue missed budget by (\$57,500) or (6%).
- Golden Goggles donation from USA Swimming was \$50,000 instead of the budgeted \$150,000 for a delta of (\$100,000).

Unrestricted Operating Expense (greater than budget by (\$198,772) or (4.7%)):

- Supporting expenses were less than budget by \$67,919 or 4.5%.
- Program expenses were greater than budget by (\$266,690) or (9.8%) primarily given the increase in National Team grants.

Revenue:

\$2,711,776 of total fundraising included \$1,988,960 of major gifts/grants and \$722,816 annual campaign. The \$1,988,960 of major gifts/grants included \$1,603,010 of restricted major gifts that exceeded the \$750,000 budget and \$385,950 of unrestricted major gifts/grants that were applied to the \$400,000 budget. Totals exceeded both 2018 actuals and 2019 budget.

Trustee receipts finished ahead of 2018 by \$34,500 but fell short of the 2019 budget by (\$50,000).

Sponsorship revenue continued to be a major funding source at \$902,500 for the year, but missed budget by (\$57,500) primarily due to the USA Swimming deals with Marriott and Comcast not having executable Foundation components as originally budgeted (both were budgeted at \$50,000) offset by the unbudgeted SwimWays contract for \$52,500 per year for 2019 and 2020.

Expense:

Total expenses of \$4,426,172 were over budget by (\$198,772) or (4.7%). Total expense breakout was 67.2% program and 32.8% supporting expenses. National Team grants of \$1,013,750 comprised the largest budget to actual expense variance of (\$278,050). The extra grants paid for increased athlete travel and stipend costs and were all funded via endowments/funds, sponsors, and other donors.

USA Swimming staff payroll allocation (net \$0 to Foundation) was higher than 2018 by (\$106,493) as there was increased time spent by USA Swimming staff on Foundation programming primarily in the second half of 2019 with the departure of the former Foundation Executive Director.

Endowments:

The endowment/fund portfolios increased \$4,170,697 year-over-year to \$19,582,215. Primary additions included contributions of \$2,000,000 from the Gould Foundation (Dirks) endowment holder and the +18.59% investment gain. Reductions were distributions of (\$887,500).

Net Assets:

Total net assets increased \$2,809,966 year over year primarily attributed to the net investment gain of \$2,938,313 and operating surplus of \$46,576.

Revenue and Endowment Charts (Page 1)

- \$1,988,960 major gifts / grants
 - \$1,603,010 restricted (primarily charitable portion of the new Phillips 66 partnership, four new Trustee commitments, new athlete partnerships).
 - \$385,950 unrestricted (primarily the fundraising portion the Goldfish partnership).
- \$722,816 annual campaign including \$354,226 Champions Club.
- \$902,500 sponsor support including \$650,000 from Phillips 66.
- \$19,582,215 Funds & Endowments:
 - USA Swimming \$6,821,150
 - Athlete \$6,190,919
 - Gould/Dirks \$5,278,650
 - National Team Travel & Training (unclaimed FINA) \$688,620
 - Other Athlete Donors \$602,876

Balance Sheet (Page 2)

- \$1,481,836 – Cash and cash equivalents increased \$118,088 for the year.
- \$19,582,215 – Investments increased \$4,170,697 including investment gains of +18.59%.
- \$14,928,662 – Unrestricted net assets increased \$1,677,978 for the year.
- \$22,925,452 – Total net assets increased \$2,809,966 for the year.

Income Statements – Pages 3, 4 and 5

Surplus (Deficit):

- \$46,576 operating surplus – better than 2018 and 2019 breakeven budget.
- \$2,809,966 total net surplus – better than 2018 and 2019 budget.

Revenue:

- \$722,816 annual campaign.
- \$1,988,960 major gifts / grants – \$1,603,010 restricted and \$385,950 unrestricted.
- \$350,000 trustee receipts from previous years' and new pledges.
- \$887,500 endowment distributions.
- \$902,500 sponsorship – (detail on 'Financial Supplement' page 2).
- \$358,711 Swim-a-thon receipts.
- \$50,000 USA Swimming donation for Golden Goggle Awards.
- \$449,414 USA Swimming staff allocation (net \$0 to Foundation).

- \$50,519 unrestricted investment and other income – mainly interest on short-term security investments.

Expenses (Page 6 additional detail):

- \$1,451,745 supporting expenses – less than 2018 by \$9,975.
- \$2,974,426 program expenses – greater than 2018 by (\$206,954).
 - \$608,555 Make A Splash grants – less than 2018 by \$93,036.
 - \$1,013,750 National Team athlete support – greater than 2018 by (\$230,150).
 - \$120,000 Swim-a-Thon royalties provided grant to USA Swimming for Club development programs – same as 2018.

USA Swimming, Inc.
Balance Sheet
As of March 31, 2020 and 2019

	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>\$ Change</u>	<u>Audited 12/31/2019</u>	<u>\$ Change</u>
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$4,730,350	\$6,884,078	(\$2,153,729)	\$4,153,690	\$576,659
Accounts receivable	1,986,494	1,786,652	199,841	1,647,025	339,468
Prepaid expenses and deferred charges	1,357,901	709,818	648,083	2,017,707	(659,806)
Total Current Assets	<u>8,074,744</u>	<u>9,380,549</u>	<u>(1,305,804)</u>	<u>7,818,423</u>	<u>256,321</u>
FIXED ASSETS:					
Leasehold Improvements, IT Systems, FF&E, Other	13,452,642	15,048,361	(1,595,718)	14,224,901	(772,258)
Accumulated depreciation & amortization	(9,163,572)	(9,327,804)	164,232	(9,737,034)	573,461
Total Fixed Assets	<u>4,289,070</u>	<u>5,720,556</u>	<u>(1,431,486)</u>	<u>4,487,867</u>	<u>(198,797)</u>
LONG-TERM INVESTMENTS:					
Long-term Investments	29,170,250	34,197,510	(5,027,260)	34,037,760	(4,867,510)
OTHER ASSETS:					
Investment - Swim Trials, LLC	113,957	107,629	6,328	113,957	0
Prepaid rent	4,895,915	2,117,593	2,778,321	4,918,788	(22,874)
Total Other Assets	<u>5,009,872</u>	<u>2,225,222</u>	<u>2,784,649</u>	<u>5,032,745</u>	<u>(22,874)</u>
TOTAL ASSETS	<u>\$46,543,936</u>	<u>\$51,523,837</u>	<u>(\$4,979,901)</u>	<u>\$51,376,796</u>	<u>(\$4,832,860)</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$674,604	\$1,222,558	(\$547,954)	\$2,461,894	(\$1,787,290)
Accrued expenses and other liabilities	1,528,875	1,278,074	250,801	1,525,970	2,905
Deferred revenue	2,140,370	285,000	1,855,370	15,857,251	(13,716,881)
Total Current Liabilities	<u>4,343,849</u>	<u>2,785,632</u>	<u>1,558,217</u>	<u>19,845,115</u>	<u>(15,501,265)</u>
NONCURRENT LIABILITIES:					
Total Liabilities	<u>4,343,849</u>	<u>2,785,632</u>	<u>1,558,217</u>	<u>19,845,115</u>	<u>(15,501,265)</u>
NET ASSETS:					
Unrestricted:					
Undesignated Net Assets	24,333,514	29,731,573	(5,398,059)	13,522,032	10,811,482
Board Designated - USSIC	17,866,572	19,006,632	(1,140,059)	18,009,649	(143,077)
Total Unrestricted Net Assets	<u>42,200,086</u>	<u>48,738,205</u>	<u>(6,538,118)</u>	<u>31,531,681</u>	<u>10,668,406</u>
Total Net Assets	<u>42,200,086</u>	<u>48,738,205</u>	<u>(6,538,118)</u>	<u>31,531,681</u>	<u>10,668,406</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$46,543,936</u>	<u>\$51,523,837</u>	<u>(\$4,979,901)</u>	<u>\$51,376,796</u>	<u>(\$4,832,860)</u>

USA Swimming
Income Statement - By Division
For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
REVENUE:						
Membership	\$20,505,664	\$23,806,500	(\$3,300,836)	-13.87%	\$20,523,473	(\$17,809)
Partnership Marketing Revenue	1,353,718	5,615,475	(4,261,757)	-75.89%	1,190,166	163,552
Consumer Revenue	1,243	185,000	(183,757)	-99.33%	17,046	(15,803)
USOPC Partnership	1,183,579	5,389,500	(4,205,921)	-78.04%	1,140,409	43,170
Investment Income	20,451	2,173,848	(2,153,397)	-99.06%	607,737	(587,285)
Foundation	302,500	1,245,000	(942,500)	-75.70%	135,000	167,500
Sport and Events	245,611	6,062,000	(5,816,389)	-95.95%	242,597	3,013
Other Income	118,251	239,122	(120,871)	-50.55%	114,851	3,400
TOTAL REVENUE	23,731,017	44,716,445	(20,985,428)	-46.93%	23,971,279	(240,261)
EXPENSES:						
Technical/Sport:						
Sport Development	949,213	5,364,094	4,414,882	82.30%	889,385	(59,828)
Events and Member Services	1,197,220	5,577,265	4,380,045	78.53%	1,215,193	17,973
National Team	1,563,427	11,124,500	9,561,073	85.95%	1,641,593	78,166
Total Technical/Sport	3,709,859	22,065,859	18,355,999	83.19%	3,746,171	36,312
Other Programs:						
Commercial	1,559,910	7,664,380	6,104,470	79.65%	1,319,792	(240,119)
Risk Management	1,311,902	3,330,687	2,018,785	60.61%	1,241,737	(70,165)
Foundation and MAS Support	0	311,000	311,000	100.00%	0	0
Foundation - Other	144,954	0	(144,954)	0.00%	0	(144,954)
Total Other Programs	3,016,766	11,306,067	8,289,301	73.32%	2,561,529	(455,237)
Administration:						
Executive	352,730	1,849,578	1,496,849	80.93%	372,395	19,666
Finance	227,714	946,515	718,801	75.94%	508,247	280,533
Business Affairs	1,155,025	4,589,662	3,434,637	74.83%	1,153,202	(1,823)
Total Administration	1,735,468	7,385,755	5,650,287	76.50%	2,033,844	298,376
TOTAL EXPENSES	8,462,094	40,757,681	32,295,587	79.24%	8,341,544	(120,550)
OPERATING SURPLUS (DEFICIT)	\$15,268,924	\$3,958,764	\$11,310,160	285.70%	\$15,629,735	(\$360,811)
Planned Reserve Investments:						
"Keeping Athletes First" (KAF) Initiative:						
Safe Sport Club Recognition Assistance	0	(1,000,000)	1,000,000	-100.00%	0	0
Coach Education & LMS	0	(1,750,000)	1,750,000	-100.00%	0	0
Safe Sport Staff Resources & Program Dev.	0	(500,000)	500,000	-100.00%	0	0
Online Member Registration	(41,140)	(250,000)	208,860	-83.54%	0	(41,140)
Other:						
Disaster Donations	0	(25,000)	25,000	-100.00%	0	0
IT Special Projects (CRM)	(288,497)	(350,000)	61,503	-17.57%	(62,136)	(226,361)
Legal	(101,936)	(250,000)	148,064	-59.23%	0	(101,936)
Safe Sport Contingency	0	0	0	0.00%	(45,000)	45,000
Athlete Leadership Summit	0	0	0	0.00%	(28,442)	28,442
Cost of Flex	0	(1,300,000)	1,300,000	-100.00%	0	0
Total Planned Reserve Investments	(431,573)	(5,425,000)	4,993,427	-92.04%	(135,578)	(295,996)
Surplus (Deficit) Before Investment Gain (Loss)	14,837,350	(1,466,236)	16,303,586	-1111.93%	15,494,158	(656,807)
Investment Gain (Loss)	(4,168,945)	0	(4,168,945)	0.00%	2,202,484	(6,371,429)
NET SURPLUS (DEFICIT)	\$10,668,406	(\$1,466,236)	\$12,134,641	-827.61%	\$17,696,642	(\$7,028,236)

USA Swimming, Inc.

Statement of Revenue

For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
MEMBERSHIP:						
Athlete Membership	\$17,666,198	\$18,831,446	(\$1,165,248)	-6.19%	\$17,821,400	(\$155,202)
Flex	258,920	377,540	(118,620)	-31.42%	176,490	82,430
Cost of Flex	0	1,276,342	(1,276,342)	-100.00%	0	0
Outreach Athlete Membership	42,290	51,500	(9,210)	-17.88%	44,625	(2,335)
Seasonal Athlete Membership	79,920	609,360	(529,440)	-86.88%	93,990	(14,070)
Non-Athlete Membership	2,218,912	2,463,756	(244,844)	-9.94%	2,142,900	76,012
Life Membership	33,334	40,000	(6,666)	-16.67%	34,334	(1,000)
Allied Membership	0	1,000	(1,000)	-100.00%	0	0
Club Membership	203,840	212,310	(8,470)	-3.99%	207,690	(3,850)
Seasonal Club Membership	1,240	4,680	(3,440)	-73.50%	1,240	0
Affiliate Membership	450	800	(350)	-43.75%	0	450
Single Meet Open Water	220	1,500	(1,280)	-85.33%	90	130
Delegate Fees	0	350	(350)	-100.00%	150	(150)
Other Membership Income	340	(64,084)	64,424	-100.53%	564	(224)
TOTAL MEMBERSHIP	20,505,664	23,806,500	(3,300,836)	-13.87%	20,523,473	(17,809)
PARTNERSHIP MARKETING REVENUE:						
Corporate Sponsorship	1,298,183	5,335,475	(4,037,292)	-75.67%	1,155,791	142,392
Supplier Income	44,375	225,000	(180,625)	-80.28%	34,375	10,000
Licensee Income	0	30,000	(30,000)	-100.00%	0	0
Print Advertising	11,160	25,000	(13,840)	-55.36%	0	11,160
TOTAL PARTNERSHIP MARKETING REVENUE	1,353,718	5,615,475	(4,261,757)	-75.89%	1,190,166	163,552
CONSUMER REVENUE:						
SwimBiz	0	0	0	0.00%	5,050	(5,050)
Royalties	1,243	100,000	(98,757)	-98.76%	11,726	(10,483)
Publication/Video Sales	0	0	0	0.00%	70	(70)
SwimOutlet	0	85,000	(85,000)	-100.00%	0	0
Splash Magazine Subscriptions	0	0	0	0.00%	200	(200)
TOTAL CONSUMER REVENUE	1,243	185,000	(183,757)	-99.33%	17,046	(15,803)
USOPC PARTNERSHIP:						
USOPC Performance Funding	770,550	3,082,200	(2,311,650)	-75.00%	755,550	15,000
USOPC Performance VIK	0	60,000	(60,000)	-100.00%	0	0
USOPC Direct Athlete Support	413,029	2,232,300	(1,819,271)	-81.50%	372,059	40,970
USOPC International Relations Grant	0	15,000	(15,000)	-100.00%	12,800	(12,800)
TOTAL USPOC PARTNERSHIP	1,183,579	5,389,500	(4,205,921)	-78.04%	1,140,409	43,170
INVESTMENT INCOME:						
Investment Income - Operating Budget	0	2,113,848	(2,113,848)	-100.00%	579,633	(579,633)
Interest Income - Savings	1	0	1	0.00%	1	0
Interest Income - Short Term Securities	20,450	60,000	(39,550)	-65.92%	28,103	(7,652)

USA Swimming, Inc.

Statement of Revenue

For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
TOTAL INVESTMENT INCOME	20,451	2,173,848	(2,153,397)	-99.06%	607,737	(587,285)
FOUNDATION AND SWIM-A-THON:						
USA Swimming Foundation	235,000	975,000	(740,000)	-75.90%	135,000	100,000
Foundation Rent	67,500	270,000	(202,500)	-75.00%	0	67,500
TOTAL FOUND. AND SWIM-A-THON	302,500	1,245,000	(942,500)	-75.70%	135,000	167,500
SPORT AND EVENTS:						
Golden Goggle Awards	(357)	125,000	(125,357)	-100.29%	502	(859)
Coach Education Clinics	39,435	188,000	(148,566)	-79.02%	55,565	(16,131)
Altitude Camps	155,067	290,000	(134,933)	-46.53%	102,632	52,435
Olympic Trials	0	5,160,000	(5,160,000)	-100.00%	0	0
Pro Swim Series Host Fees	25,000	75,000	(50,000)	-66.67%	20,000	5,000
International Swim League (ISL)	0	50,000	(50,000)	-100.00%	0	0
Facilities Conference	2,846	8,000	(5,154)	-64.43%	3,465	(619)
Custom Visits (BAP)	1,667	6,000	(4,333)	-72.22%	5,000	(3,333)
Safe Sport Leadership Conference	0	0	0	0.00%	3,275	(3,275)
Safe Sport Materials	0	0	0	0.00%	7,674	(7,674)
International TV Rights	0	25,000	(25,000)	-100.00%	0	0
Other Registration	21,954	135,000	(113,046)	-83.74%	44,485	(22,531)
TOTAL SPORTS AND EVENTS	245,611	6,062,000	(5,816,389)	-95.95%	242,597	3,013
OTHER INCOME:						
NCAA Top Times List	50,295	100,600	(50,306)	-50.01%	48,360	1,935
Combined Federal Campaign	13	0	13	0.00%	1,805	(1,792)
Imputed Interest - Prepaid Rent	66,538	138,522	(71,984)	-51.97%	37,937	28,601
Other Revenue	1,405	0	1,405	0.00%	26,749	(25,343)
TOTAL OTHER INCOME	118,251	239,122	(120,871)	-50.55%	114,851	3,400
TOTAL OPERATING REVENUE	\$23,731,017	\$44,716,445	(\$20,985,428)	-46.93%	\$23,971,279	(\$240,261)
INVESTMENT GAINS (LOSSES):						
Investment Income (Loss) less Operating Allocation	(4,148,051)	0	(4,148,051)	0.00%	2,224,697	(6,372,748)
Money Manager Fees	(20,894)	0	(20,894)	0.00%	(22,213)	1,319
TOTAL INVESTMENT GAINS (LOSSES)	(4,168,945)	0	(4,168,945)	0.00%	2,202,484	(6,371,429)
TOTAL REVENUE	\$19,562,073	\$44,716,445	(\$25,154,372)	-56.25%	\$26,173,763	(\$6,611,690)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2020

	<u>Year To Date Actual</u>	<u>2020 Budget</u>	<u>Remaining Dollars</u>	<u>Remaining Percentage</u>	<u>Year To Date 2019</u>	<u>Favorable (Unfavorable)</u>
TECHNICAL/SPORT:						
SPORT DEVELOPMENT						
<i>Athlete Development Programs</i>						
1117 LSC Camps	\$663	\$10,200	\$9,537	93.50%	\$1,066	\$403
1118 Zone Select Camps	4,333	127,844	123,511	96.61%	3,848	(484)
1119 National Select Camps	497	0	(497)	0.00%	857	360
1120 Camp (VIK)	0	25,000	25,000	100.00%	546	546
1135 Tech Services Support	0	2,900	2,900	100.00%	29	29
1163 Open Water Select Camp	0	62,460	62,460	100.00%	499	499
<i>Program Group Total</i>	<u>5,493</u>	<u>228,404</u>	<u>222,911</u>	<u>97.60%</u>	<u>6,845</u>	<u>1,352</u>
<i>Coach Education and Development</i>						
1213 Coach Education Development	17,916	62,800	44,884	71.47%	6,659	(11,257)
1231 USA-S Hosted Coaches Clinics	3,713	138,236	134,523	97.31%	11,308	7,595
1233 Disability Swimming Coaches Workshop	0	8,160	8,160	100.00%	0	0
1237 Non-USAS Clinic Participation	4,109	38,100	33,991	89.21%	4,899	790
1240 Online Coach Clinics/Podcasts	4,969	10,100	5,131	50.80%	4,917	(53)
1242 Coach Mentoring	7,866	129,322	121,456	93.92%	7,574	(292)
1245 Master Coach Program	0	25,000	25,000	100.00%	552	552
1290 Travel & Program Support	26,025	191,680	165,655	86.42%	28,937	2,912
<i>Program Group Total</i>	<u>64,599</u>	<u>603,398</u>	<u>538,799</u>	<u>89.29%</u>	<u>64,846</u>	<u>247</u>
<i>Club Education and Development</i>						
1302 Club Excellence Program	21,916	463,000	441,084	95.27%	3,543	(18,373)
1305 Club Recognition Program	0	7,500	7,500	100.00%	0	0
1311 Club Governance Programs	10,000	31,154	21,154	67.90%	10,060	60
1314 Club Resources	5,688	13,734	8,046	58.58%	5,508	(180)
1332 Club Research Technology	10,420	30,500	20,080	65.84%	21,552	11,132
1710 Learn Programs	0	0	0	0.00%	261	261
1390 Travel & Program Support	20,240	169,382	149,142	88.05%	48,610	28,370
<i>Program Group Total</i>	<u>68,265</u>	<u>715,270</u>	<u>647,005</u>	<u>90.46%</u>	<u>89,534</u>	<u>21,270</u>
<i>LSC Development & Education</i>						
1470 LSC Consulting	13,380	67,902	54,522	80.30%	10,096	(3,284)
1475 LEAP Program	5,000	53,500	48,500	90.65%	1,000	(4,000)
1481 Leadership Workshops	0	26,971	26,971	100.00%	2,925	2,925
<i>Program Group Total</i>	<u>18,380</u>	<u>148,373</u>	<u>129,993</u>	<u>87.61%</u>	<u>14,021</u>	<u>(4,359)</u>
<i>Facilities Advocacy & Development</i>						
1505 Build a Pool Conference	21,003	60,200	39,197	65.11%	19,398	(1,605)
1507 Aquatic Industry Relations	0	22,400	22,400	100.00%	7,865	7,865
1590 Travel & Program Support	30,000	146,800	116,800	79.56%	3,836	(26,164)

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
<i>Program Group Total</i>	51,003	229,400	178,397	77.77%	31,099	(19,904)
Membership Growth and Diversity						
1638 Diversity Management Support	8,074	106,550	98,476	92.42%	14,915	6,841
1640 Community Swim Team Development	8,687	70,500	61,813	87.68%	7,980	(707)
1645 Zone Diversity Camps & Meetings	4,954	35,400	30,446	86.01%	0	(4,954)
1651 Diversity VIK	6,455	15,000	8,546	56.97%	1,791	(4,664)
1665 Diversity Select Camp	26,001	75,256	49,255	65.45%	30,543	4,543
<i>Program Group Total</i>	54,170	302,706	248,536	82.10%	55,230	1,059
Committees						
1823 Convention Education Committee	0	500	500	100.00%	8,313	8,313
1830 LSC Development Committee	446	4,550	4,104	90.20%	14,052	13,606
1841 Disability Swimming Committee	30	500	470	94.05%	61	32
1842 Diversity Committee	0	500	500	100.00%	14,198	14,198
1851 Age Group Development Committee	0	500	500	100.00%	0	0
1856 Club Development Committee	0	500	500	100.00%	0	0
1885 Senior Development Committee	0	500	500	100.00%	0	0
<i>Program Group Total</i>	476	7,550	7,074	93.70%	36,624	36,148
Administration						
1990 Administration & Operational Support	100,550	471,718	371,168	78.68%	79,380	(21,171)
1999 Salary and Benefits	586,276	2,657,275	2,070,999	77.94%	511,807	(74,470)
<i>Program Group Total</i>	686,827	3,128,993	2,442,167	78.05%	591,187	(95,640)
TOTAL SPORT DEVELOPMENT	949,213	5,364,094	4,414,882	82.30%	889,385	(59,828)

EVENTS AND MEMBER SERVICES

Events						
2005 Olympic Trials	318	40,000	39,682	99.20%	7,476	7,158
2006 Joint Venture	1,641	0	(1,641)	0.00%	0	(1,641)
2018 Winter National Championships	1,997	213,836	211,839	99.07%	143	(1,854)
2019 National Championships/Trials	2,281	0	(2,281)	0.00%	1,975	(305)
2022 International Swimming League Events	0	25,000	25,000	100.00%	0	0
2023 US Open	1,823	116,013	114,190	98.43%	544	(1,279)
2025 Pro Swim Series	143,903	280,348	136,445	48.67%	129,833	(14,069)
2027 Speedo Sectionals	95,000	220,000	125,000	56.82%	95,000	0
2028 IM Xtreme Games	4,000	24,000	20,000	83.33%	4,000	0
2029 Zone Championships	15,000	100,000	85,000	85.00%	5,000	(10,000)
2035 Futures Championships	5,000	90,574	85,574	94.48%	6,180	1,180
2040 Jr. Pan Pacific Championships	25,000	25,000	0	0.00%	0	(25,000)
2045 Jr. National Championships (Summer LC)	0	0	0	0.00%	3,898	3,898
2050 Jr. NTL. Champ. (Winter SC) & Long Course Inv.	126	138,256	138,130	99.91%	2,070	1,944
2069 Open Water Championships	7,670	102,117	94,447	92.49%	13,443	5,773
2072 FINA Championship Series	0	0	0	0.00%	3,048	3,048

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
2077 National Events Uniforming VIK	0	40,000	40,000	100.00%	13,500	13,500
2076 Bag Tags VIK	18	10,000	9,982	99.82%	15	(3)
2716 Omega Timing Systems VIK	0	400,000	400,000	100.00%	0	0
Program Group Total	303,776	1,825,144	1,521,368	83.36%	286,125	(17,651)
Member Programs						
2411 Member Dues and Services	4,467	9,136	4,669	51.11%	5,338	872
2412 Technology Projects	0	25,000	25,000	100.00%	0	0
2418 SWIMS 2.0	42,684	189,500	146,816	77.48%	39,398	(3,286)
2423 Rulebook	88,816	108,800	19,984	18.37%	95,255	6,438
2430 Athlete Leadership Camp	0	30,000	30,000	100.00%	0	0
2431 Swimposium	5,673	96,188	90,515	94.10%	3,767	(1,906)
2432 Zone Workshops	1,250	202,036	200,786	99.38%	4,726	3,476
2434 On-Line Registration	28,971	106,500	77,529	72.80%	9,444	(19,527)
2498 Awards	340	12,290	11,950	97.23%	129	(211)
Program Group Total	172,202	779,450	607,248	77.91%	158,057	(14,144)
Member Programs - Officials						
2433 Officials Training Sessions	962	89,055	88,093	98.92%	3,774	2,812
2437 Officials On-Line Testing	0	1,100	1,100	100.00%	0	0
2438 Officials Certification Program	0	5,200	5,200	100.00%	0	0
2440 Officials Clinic	232	48,960	48,728	99.53%	217	(16)
2441 Officials International Travel	2,337	23,467	21,130	90.04%	5,301	2,964
2450 Officials Mentoring & Training	254	4,068	3,814	93.76%	442	188
Program Group Total	3,785	171,850	168,065	97.80%	9,733	5,948
Other Programs and Services						
2501 Publications and Video Sales	8,624	30,000	21,376	71.25%	20,069	11,445
2502 Mailing Service	0	500	500	100.00%	0	0
2505 Trials Hospitality	1,447	40,768	39,321	96.45%	0	(1,447)
2518 Altitude Camps	159,512	300,000	140,488	46.83%	112,828	(46,684)
2519 Times Projects	20,381	34,400	14,019	40.75%	4,628	(15,753)
2535 Pool Environment Research & Education	0	30,000	30,000	100.00%	0	0
2715 TV/Web Cast Production	191,784	881,640	689,856	78.25%	154,416	(37,368)
Program Group Total	381,748	1,317,308	935,560	71.02%	291,941	(89,808)
Committees & Governance						
2801 Convention	783	110,522	109,739	99.29%	1,150	367
2802 Convention - Athletes	0	78,009	78,009	100.00%	0	0
2825 Registration / Membership	11	500	489	97.77%	14,346	14,335
2832 Awards	0	300	300	100.00%	294	294
2835 Credentials / Elections	0	500	500	100.00%	0	0
2836 Rules and Regulations	3,989	19,490	15,501	79.54%	6,120	2,132
2857 Times & Recognition Committee	2,039	500	(1,539)	-307.83%	3,473	1,434

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
2860 Program & Events Committee	0	500	500	100.00%	0	0
2866 Officials	7,755	8,498	743	8.74%	4,360	(3,395)
2887 Athletes Executive Committee	200	500	300	60.02%	6,113	5,913
Program Group Total	14,776	219,319	204,542	93.26%	35,857	21,080
Administration						
2990 Administration & Operational Support	53,752	210,200	156,448	74.43%	69,838	16,085
2999 Salary and Benefits	267,180	1,053,994	786,814	74.65%	363,642	96,462
Program Group Total	320,933	1,264,194	943,261	74.61%	433,480	112,547
TOTAL EVENTS AND MEMBER SERVICES	1,197,220	5,577,265	4,380,045	78.53%	1,215,193	17,973
NATIONAL TEAM						
Competitions						
3001 Olympic Games	0	458,150	458,150	100.00%	0	0
3007 Pan Pacific Championships	0	0	0	0.00%	10,000	10,000
3013 Pan American Games	0	0	0	0.00%	137	137
3015 World University Games	0	0	0	0.00%	20,145	20,145
3031 Long Course World Championships	0	0	0	0.00%	828	828
3033 Short Course World Championships	0	352,360	352,360	100.00%	0	0
Program Group Total	0	810,510	810,510	100.00%	31,110	31,110
Junior Team Programs						
3009 Jr. Team International Competition	0	122,500	122,500	100.00%	10,431	10,431
3012 Jr. Pan Pacific Championships	1,375	335,070	333,695	99.59%	0	(1,375)
3045 Junior Team Camps	168	52,200	52,033	99.68%	37,659	37,491
3050 FINA World Junior Championships	0	0	0	0.00%	320	320
3051 Jr. Team Pro Swim Series	3,945	25,000	21,055	84.22%	2,750	(1,195)
3053 World 100	0	3,000	3,000	100.00%	0	0
3992 Ntl. Jr. Team Program Support	7,333	25,660	18,327	71.42%	5,686	(1,647)
Program Group Total	12,821	563,430	550,609	97.72%	56,846	44,025
Open Water Programs						
3040 FINA Open Water Jr. Championships	0	63,845	63,845	100.00%	0	0
3060 Open Water Olympic Games	0	54,300	54,300	100.00%	0	0
3065 Open Water World Cup	41,878	81,910	40,032	48.87%	47,182	5,304
3067 Open Water Camps	1,617	9,000	7,383	82.04%	7,335	5,719
3068 Open Water - Foundation	0	0	0	0.00%	421	421
3075 Open Water International Camps	102	0	(102)	0.00%	0	(102)
3495 Open Water Program Support	3,134	27,306	24,172	88.52%	8,461	5,327
Program Group Total	46,731	236,361	189,630	80.23%	63,400	16,669

Camps

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
3005 Olympic Games Prep Camps	162	1,024,295	1,024,133	99.98%	0	(162)
3069 National Team Specialty Camps	15,000	109,000	94,000	86.24%	0	(15,000)
3071 Altitude Training Camps	8,011	32,000	23,989	74.97%	7,750	(261)
3073 National Team Camps	319	20,000	19,681	98.40%	48,748	48,428
3076 National Team International Camps	0	0	0	0.00%	8,103	8,103
3479 Advance Team Visits	4,874	16,800	11,926	70.99%	9,690	4,816
Program Group Total	28,367	1,202,095	1,173,728	97.64%	74,291	45,924
Athlete Services						
3101 Athlete Support-Stipends & Grants	413,029	1,725,000	1,311,971	76.06%	372,059	(40,970)
3103 Athlete Support-Medals & Records	0	1,010,000	1,010,000	100.00%	0	0
3107 Athlete Support-Op Gold Qualification Bonus	6,000	670,000	664,000	99.10%	0	(6,000)
3025 Pro Swim Series Athlete Support	202,174	622,000	419,826	67.50%	245,390	43,216
3021 World Cup Athlete Support	0	0	0	0.00%	(3,200)	(3,200)
3127 National Team Investment Grant	22,608	300,000	277,392	92.46%	74,272	51,664
3106 ConocoPhillips Athlete Support	2,500	100,000	97,500	97.50%	350	(2,150)
3110 National Team Uniforming (VIK)	59,322	325,000	265,678	81.75%	8,860	(50,462)
3120 Athlete Support-Olympic Prep	0	15,000	15,000	100.00%	0	0
3130 Foundation Travel & Training	0	50,000	50,000	100.00%	0	0
3131 Foundation Athlete Endowments	20,001	80,000	59,999	75.00%	0	(20,001)
3453 Drug Control Program	3,780	47,450	43,670	92.03%	2,177	(1,603)
Program Group Total	729,413	4,944,450	4,215,037	85.25%	699,907	(29,506)
Coach Services						
3203 Coach Incentive & Reward Program	0	330,000	330,000	100.00%	0	0
3210 Olympic Team Prep - Coaches	46,938	86,440	39,502	45.70%	0	(46,938)
3220 Contract Labor - National Team Tech Advisor	17,087	75,628	58,541	77.41%	19,365	2,277
3222 National Team Consultant	6,941	36,623	29,682	81.05%	7,829	888
3460 Olympic Staff Recognition	0	30,000	30,000	100.00%	0	0
3010 Coach Education	4,110	26,716	22,606	84.61%	7,075	2,965
3077 National Team Coaches Meeting	0	5,000	5,000	100.00%	13,465	13,465
Program Group Total	75,077	590,407	515,330	87.28%	47,733	(27,344)
High Performance Support						
3301 National Team Performance Support	39,695	170,145	130,450	76.67%	40,933	1,238
3310 USOPC Practitioner Travel Support	4,570	49,500	44,930	90.77%	10,424	5,854
Program Group Total	44,265	219,645	175,380	79.85%	51,357	7,092
Sport Medicine & Science						
3201 Athletes and Coach Wellness Programs	5,114	75,000	69,887	93.18%	0	(5,114)
3353 Sport Medicine & Science Network	10,853	96,000	85,147	88.69%	26,246	15,393
3155 Elite Athlete Accident Coverage	35,698	35,550	(148)	-0.42%	24,349	(11,350)
3351 Athlete Testing & Lab Expenses	6,704	24,100	17,396	72.18%	5,081	(1,622)
3390 Sport Medicine & Science Program Support	8,445	38,688	30,243	78.17%	0	(8,445)

USA Swimming, Inc.
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For the Quarter Ended March 31, 2020

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<i>Program Group Total</i>	66,814	269,338	202,524	75.19%	55,676	(11,138)
Other Programs and Services						
3481 National Team Equipment	5,416	25,500	20,084	78.76%	3,759	(1,657)
3496 National Team Selection	1,540	19,500	17,960	92.10%	0	(1,540)
3499 Team Management Technology	69,149	69,415	266	0.38%	67,068	(2,081)
<i>Program Group Total</i>	<u>76,106</u>	<u>114,415</u>	<u>38,310</u>	<u>33.48%</u>	<u>70,827</u>	<u>(5,278)</u>
Committees						
3846 Sports Medicine	0	500	500	100.00%	0	0
3850 Open Water Development	0	0	0	0.00%	30	30
3868 Open Water Committee	12	300	288	96.13%	3,940	3,928
3882 National Steering Committee	2,326	10,350	8,024	77.52%	152	(2,175)
3888 National Team Ath Committee	21	500	479	95.73%	0	(21)
<i>Program Group Total</i>	<u>2,359</u>	<u>11,650</u>	<u>9,291</u>	<u>79.75%</u>	<u>4,121</u>	<u>1,762</u>
Administration						
3990 Administration & Operational Support	68,248	332,162	263,914	79.45%	79,940	11,692
3999 Salary and Benefits	413,226	1,830,037	1,416,810	77.42%	406,384	(6,842)
<i>Program Group Total</i>	<u>481,474</u>	<u>2,162,199</u>	<u>1,680,725</u>	<u>77.73%</u>	<u>486,324</u>	<u>4,850</u>
TOTAL NATIONAL TEAM	<u>1,563,427</u>	<u>11,124,500</u>	<u>9,561,073</u>	<u>85.95%</u>	<u>1,641,593</u>	<u>78,166</u>
TOTAL TECHNICAL/SPORT	<u>3,709,859</u>	<u>22,065,859</u>	<u>18,355,999</u>	<u>83.19%</u>	<u>3,746,171</u>	<u>36,312</u>
OTHER PROGRAMS:						
COMMERCIAL						
Corporate Partnerships						
5901 Servicing	163,221	373,375	210,154	56.28%	32,122	(131,100)
5905 Sales Development Support	12,750	50,000	37,250	74.50%	14,849	2,099
5916 Sigma Gamma Rho	4,109	0	(4,109)	0.00%	0	(4,109)
<i>Program Group Total</i>	<u>180,081</u>	<u>423,375</u>	<u>243,294</u>	<u>57.47%</u>	<u>46,970</u>	<u>(133,110)</u>
Communications						
5711 Splash Magazine	194,868	736,000	541,132	73.52%	21,862	(173,007)
5714 PR-USA Swimming Programs	1,463	25,000	23,537	94.15%	4,572	3,109
5724 Communication Operations	70,899	271,596	200,697	73.90%	67,329	(3,570)
5730 USA Swimming Productions	124,699	699,325	574,626	82.17%	190,207	65,508
<i>Program Group Total</i>	<u>391,930</u>	<u>1,731,921</u>	<u>1,339,991</u>	<u>77.37%</u>	<u>283,970</u>	<u>(107,960)</u>
Marketing						

USA Swimming, Inc.
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5109 Athlete Partnership Fulfillment	6,480	58,700	52,220	88.96%	4,804	(1,676)
5620 Family Program	4,881	77,960	73,079	93.74%	86	(4,795)
5709 Nationals Marketing	52,567	95,000	42,433	44.67%	13,595	(38,972)
5762 Pro Swim Series Marketing	102,187	176,606	74,419	42.14%	27,508	(74,680)
5764 US Open Marketing	0	42,950	42,950	100.00%	0	0
5770 Event Marketing	861	23,466	22,605	96.33%	61,733	60,873
5722 Social Media Aggregation	922	35,000	34,078	97.36%	0	(922)
5710 Membership/Recruiting Promotion (SwimToday)	34,991	249,600	214,609	85.98%	190,127	155,136
5713 Deck Pass	17,377	136,000	118,623	87.22%	4,578	(12,799)
5715 SwimBiz	0	0	0	0.00%	7,071	7,071
5716 Swimjitsu	2,583	10,780	8,197	76.04%	2,670	87
5755 USA Swimming House-Trials	0	250,000	250,000	100.00%	0	0
5720 Video Production Services	282	14,675	14,393	98.08%	195	(87)
5913 Multicultural Promotions	0	0	0	0.00%	3,564	3,564
5902 Merchandise Program	568	79,205	78,637	99.28%	872	305
5904 Marketing Contract Labor	0	25,000	25,000	100.00%	13,000	13,000
5911 Aqua Zone - Olympic Trials	2,272	1,000,200	997,928	99.77%	53,004	50,732
Program Group Total	225,972	2,275,142	2,049,170	90.07%	382,808	156,836
Administration						
5990 Administration & Operational Support	82,776	350,087	267,311	76.36%	88,168	5,391
5999 Salary and Benefits	530,011	2,195,795	1,665,784	75.86%	394,716	(135,295)
5718 usaswimming.org - Web site	149,141	662,180	513,039	77.48%	123,161	(25,980)
5726 Business Intelligence	0	25,880	25,880	100.00%	0	0
Program Group Total	761,928	3,233,942	2,472,014	76.44%	606,044	(155,884)
TOTAL COMMERCIAL	1,559,910	7,664,380	6,104,470	79.65%	1,319,792	(240,119)
RISK MANAGEMENT SERVICES						
Member Programs						
9413 Member Insurance Premiums & Retention	1,309,866	3,279,732	1,969,866	60.06%	1,233,481	(76,385)
9415 Other Risk Management	0	19,700	19,700	100.00%	0	0
Program Group Total	1,309,866	3,299,432	1,989,566	60.30%	1,233,481	(76,385)
Committees						
9827 Operational Risk Committee	0	500	500	100.00%	3,534	3,534
Program Group Total	0	500	500	100.00%	3,534	3,534
Administration						
9490 Administration & Operational Support	2,036	30,755	28,719	93.38%	4,722	2,686
Program Group Total	2,036	30,755	28,719	93.38%	4,722	2,686
TOTAL RISK MANAGEMENT SERVICES	1,311,902	3,330,687	2,018,785	60.61%	1,241,737	(70,165)

USA Swimming, Inc.
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FOUND. & MAKE A SPLASH SUPPORT						
6667 USA Swimming Staff Allocation	0	311,000	311,000	100.00%	0	0
TOTAL FOUNDATION & MAS SUPPORT	0	311,000	311,000	100.00%	0	0
FOUNDATION - OTHER						
6990 Administration & Operational Support	175	0	(175)	0.00%	0	(175)
6999 Salaries and Benefits	144,779	0	(144,779)	0.00%	0	(144,779)
TOTAL FOUNDATION - OTHER	144,954	0	(144,954)	0.00%	0	(144,954)
TOTAL OTHER PROGRAMS	3,016,766	11,306,067	8,289,301	73.32%	2,561,529	(455,237)
SUPPORT DIVISIONS:						
EXECUTIVE						
Other Executive						
7920 CEO Contingency	7,672	60,000	52,328	87.21%	3,174	(4,498)
7930 Board Chair Travel and Expenses	4,368	44,797	40,429	90.25%	6,468	2,100
7931 Olympic Games Executive Contingency	2,689	100,000	97,311	97.31%	0	(2,689)
7945 CSCAA Grant	30,000	120,000	90,000	75.00%	30,000	0
7971 Organizational Relations - Domestic	19,000	67,500	48,500	71.85%	11,432	(7,568)
7984 Organizational Relations - Internat'l	6,798	40,000	33,202	83.00%	4,160	(2,638)
7981 International Relations	4,296	44,274	39,978	90.30%	10,852	6,557
Program Group Total	74,823	476,571	401,748	84.30%	66,086	(8,737)
Committees & Governance						
7803 Board of Directors	4,195	154,643	150,448	97.29%	28,998	24,803
7808 Task Force & Other Committees	39,905	166,670	126,765	76.06%	29,653	(10,252)
7811 International Relations Committee	0	500	500	100.00%	8,369	8,369
7820 Nominating Committee	0	8,892	8,892	100.00%	255	255
Program Group Total	44,100	330,705	286,605	86.66%	67,275	23,175
Administration						
7990 Administration & Operational Support	21,915	166,880	144,965	86.87%	41,671	19,755
7999 Salary and Benefits	211,892	875,422	663,531	75.80%	197,364	(14,528)
Program Group Total	233,807	1,042,302	808,496	77.57%	239,034	5,228
TOTAL EXECUTIVE	352,730	1,849,578	1,496,849	80.93%	372,395	19,666

FINANCE

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
For the Quarter Ended March 31, 2020

	Year To Date Actual	2020 Budget	Remaining Dollars	Remaining Percentage	Year To Date 2019	Favorable (Unfavorable)
Other Programs						
8500 LSC/Club Financial Resources	220	10,112	9,892	97.82%	0	(220)
Program Group Total	220	10,112	9,892	97.82%	0	(220)
Committees						
8895 Investment Committee	0	200	200	100.00%	51	51
8880 Audit Committee	0	100	100	100.00%	0	0
Program Group Total	0	300	300	100.00%	51	51
Administration						
8990 Administration & Operational Support	46,628	215,946	169,318	78.41%	34,882	(11,746)
8999 Salary and Benefits	180,866	720,157	539,291	74.89%	473,313	292,448
Program Group Total	227,494	936,103	708,609	75.70%	508,196	280,702
TOTAL FINANCE	227,714	946,515	718,801	75.94%	508,247	280,533
BUSINESS AFFAIRS						
Legal and NBR						
9695 Legal	43,414	200,000	156,586	78.29%	137,994	94,580
9692 National Board of Review	48	20,000	19,952	99.76%	0	(48)
9690 Legal - Admin. & Oper. Support	3,359	8,358	4,999	59.81%	1,217	(2,142)
Program Group Total	46,821	228,358	181,537	79.50%	139,212	92,391
Safe Sport						
9335 Safe Sport - Background Checks	230	1,200	970	80.85%	4,990	4,760
9375 Safe Sport Online Education	15,925	72,700	56,775	78.10%	15,000	(925)
9386 Safe Sport Athlete Fellowship	3,007	5,826	2,819	48.39%	6,318	3,311
9385 Safe Sport Programs	51,023	309,396	258,373	83.51%	36,274	(14,750)
9387 Safe Sport - USOPC Center for Safe Sport	0	296,000	296,000	100.00%	82,621	82,621
9388 Safe Sport - Leadership Conference	0	2,500	2,500	100.00%	46,851	46,851
9389 Safe Sport - SwimAssist	41,998	100,000	58,002	58.00%	7,934	(34,064)
Program Group Total	112,183	787,622	675,439	85.76%	199,987	87,804
Other Programs						
9380 Human Resources	27,163	122,147	94,984	77.76%	37,698	10,535
9290 Government Relations	3,428	58,916	55,488	94.18%	0	(3,428)
9295 Information Technology Support	263,545	564,310	300,765	53.30%	203,704	(59,841)
Program Group Total	294,136	745,373	451,237	60.54%	241,402	(52,734)
Committees						
9810 Safe Sport Committee	0	500	500	100.00%	9,443	9,443
Program Group Total	0	500	500	100.00%	9,443	9,443

USA Swimming, Inc.
Quarterly Statement of Expenses - By Program
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	<u>Year To Date Actual</u>	<u>2020 Budget</u>	<u>Remaining Dollars</u>	<u>Remaining Percentage</u>	<u>Year To Date 2019</u>	<u>Favorable (Unfavorable)</u>
Administrative						
9990 Administration & Operational Support	68,241	280,530	212,289	75.67%	50,767	(17,474)
9999 Salary and Benefits	633,644	2,547,279	1,913,634	75.12%	512,391	(121,253)
<i>Program Group Total</i>	<u>701,885</u>	<u>2,827,809</u>	<u>2,125,923</u>	<u>75.18%</u>	<u>563,158</u>	<u>(138,727)</u>
TOTAL BUSINESS AFFAIRS	<u>1,155,025</u>	<u>4,589,662</u>	<u>3,434,637</u>	<u>74.83%</u>	<u>1,153,202</u>	<u>(1,823)</u>
TOTAL SUPPORT DIVISIONS	<u>1,735,468</u>	<u>7,385,755</u>	<u>5,650,287</u>	<u>76.50%</u>	<u>2,033,844</u>	<u>298,376</u>
GRAND TOTALS	<u>\$8,462,094</u>	<u>\$40,757,681</u>	<u>\$32,295,587</u>	<u>79.24%</u>	<u>\$8,341,544</u>	<u>(\$120,550)</u>



FIRSTwestern
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QUARTERLY INVESTMENT REVIEW

USA SWIMMING, INC.

&

USA SWIMMING FOUNDATION, Inc.

1st Quarter 2020



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I. QUARTERLY ECONOMIC AND MARKET REVIEW

II. PORTFOLIO PERFORMANCE

III. FUNDS REVIEW

IV. OUTLOOK



PRIVATE BANKING INVESTMENT MANAGEMENT PERSONAL TRUST WEALTH PLANNING

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2Q20 Economic & Market Update

Points of Interest

- The coronavirus spread rapidly with global cases reaching 933k by quarter-end.
- The S&P 500's longest bull market on record ended just days after its 11th anniversary due to concerns about coronavirus.
- The Fed cut rates twice in March, reducing the Fed Funds rate to 0%.
- The 10-Year Treasury yield fell to a new record low 0.32%
- March unemployment jumped 0.9% to 4.4%.
- Congress passed a \$2.2T stimulus bill to aid individuals and businesses impacted by coronavirus.

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• Economic Scorecard	
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First Quarter Recap

A quarter that began with high hopes following the signing of the U.S./China Phase One trade deal, ended with the global economy teetering on the brink of recession.

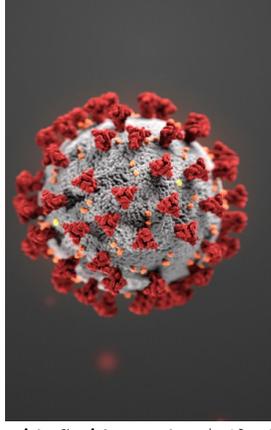
Over the course of the quarter, the world witnessed the coronavirus expand from an isolated issue in China to a global pandemic. In an effort to stem its spread, numerous governments issued shelter-in-place orders. The effects on global economic growth were nearly instantaneous even if the impacts on the spread of the virus weren't quite as clear. In the U.S., weekly jobless claims went from 282k to 6.6M in just two weeks. Other economic data corroborated the rapidly weakening conditions.

As the virus spread and economic growth slowed, investors struggled to gauge the ultimate impacts. Faced with a slowdown whose speed is unique in modern history, investors dumped equities in favor of safe-haven assets. At times, even bonds were not safe enough as many investors clamored to simply hold cash.

In response to the market turmoil, central banks around the world cut interest rates while simultaneously introducing numerous policies and programs designed to blunt the worst impacts of the virus. In the U.S., the Federal Reserve cut rates twice in the span of just 12 days, with the second cut effectively reducing the Fed Funds rate to 0%. In addition, the Fed resurrected its quantitative easing program, initially stating that it would buy \$700B, before scrapping that and announcing simply that it was prepared to purchase an unlimited amount of bonds. The central bank also unveiled other programs in an effort to ease strains in the credit markets and ensure their proper functioning.

Acting with similar haste, Congress passed, and President Trump signed into law, a \$2.2T spending package designed to provide support to both individuals as well as businesses. In addition to providing direct payments to millions of Americans impacted by the virus, the legislation also provides support to business in order to help them remain solvent until the worst impacts of the virus subside.

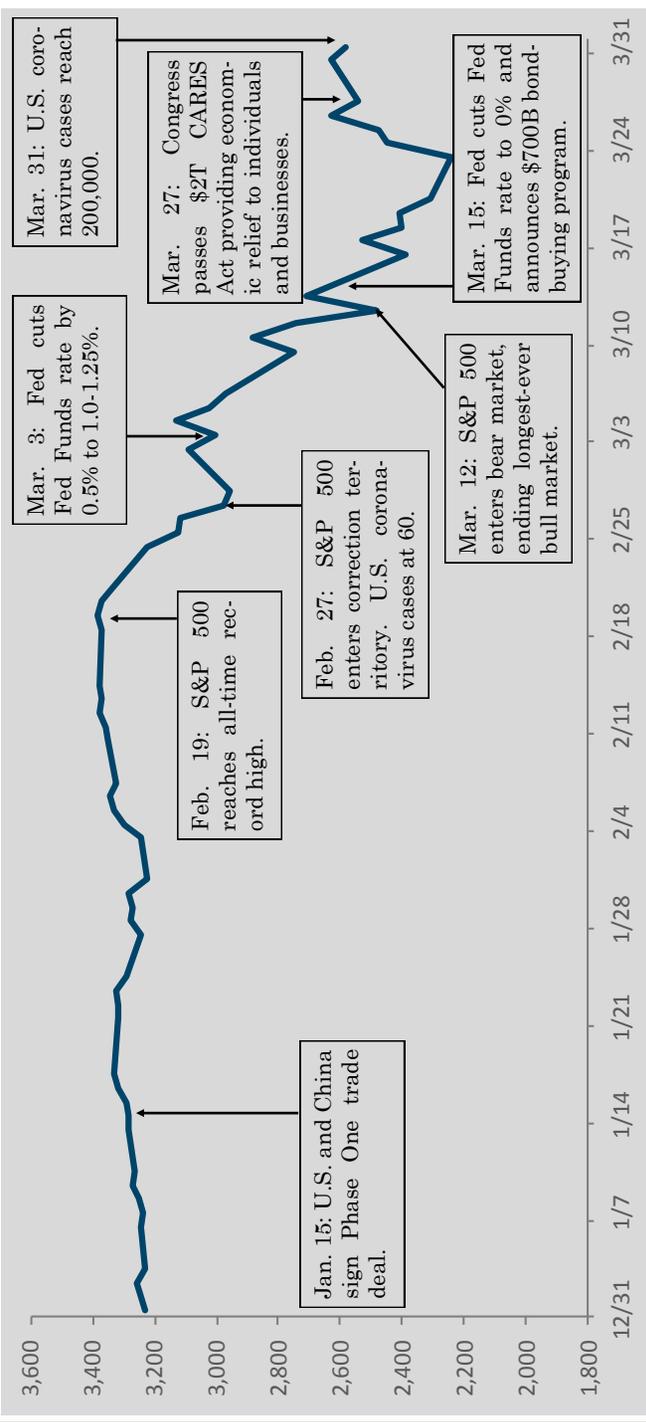
Outlook— Throughout our country's history, when faced with dire challenges, time and again we have risen to them and prevailed. Ultimately, we do not expect the fight against the coronavirus to be any different. We recognize, however, that the worst is yet to come, both from an economic and medical standpoint. The speed with which the Fed and Congress responded to the growing threat of the virus was encouraging. Likewise the private sector has responded by racing to develop testing, anti-viral medicines and vaccines. However, until we begin to observe a “flattening of the curve”, financial markets will likely remain volatile. That said, once it becomes evident that we are gaining the upper hand on the virus, we believe that markets could begin to recover quickly, followed by a reacceleration in economic activity. For investors, our advice is to remain disciplined. Assuming you had a well designed financial plan prior to the market selloff, stick to it and avoid making rash decisions during this period of heightened volatility.



OVERVIEW

1Q20 S&P 500 Chronology

Global equity markets were roiled by the rapidly spreading coronavirus and its attendant impacts on economic growth. The S&P 500 went from a record high on February 19 to a bear market in just 16 trading days.



Source: First Western Trust.

Economic Scorecard

Indicator	Level	Outcome	Trend*	Comment
4Q19 GDP	2.1%	Inline w/ Expectation	↔	Slowing consumer spending and a contraction in business spending was offset by a sharp rise in net exports.
U.S. Unemployment (Mar.)	4.4%	Above Expectation	↑	Actual rate likely much higher. Weekly jobless claims suggest unemployment at end of March closer to 10%.
Housing Starts (Feb.)	1.599M	Above Expectation	↓	Though down from the elevated levels seen in December and January, still the third highest reading since 2006.
Case-Shiller Home Price Index (Jan.)	3.1%	Below Expectation	↑	Fourth consecutive monthly increase and highest level in a year.
Core CPI (Feb.)	0.1%	Below Expectation	↔	Y/Y, headline inflation up 2.3%, down -0.2% from January. Core CPI up 2.4%, Y/Y.
Consumer Spending (Feb.)	0.2%	Inline w/ Expectation	↔	Relatively modest in February. Poised to slow dramatically in March due to wide spread shelter-in-place orders.
Personal Income (Feb.)	0.6%	Above Expectation	↔	Boosted by higher wages and government payments to farmers to offset impacts of U.S./China trade war.
Consumer Confidence (Mar.)	120	Above Expectation	↓	Lowest level since June 2017. Likely to worsen as survey completed prior to many large-scale shelter-in-place orders given.
ISM Manufacturing (Mar.)	49.1	Above Expectation	↓	Headline better-than-expected. Underlying details weak, with new orders and employment falling to lowest levels since 2009.

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

DISCLOSURE INFORMATION

- Information and research contained herein do not represent a recommendation of investment advice to buy or sell stocks or any financial instrument nor is it intended as an endorsement of any security or investment and it does not constitute an offer or solicitation to buy or sell any securities.
- Any forecasts, figures, or opinions set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice.
- These materials have been prepared solely for informational purposes based upon information generally available to the public from sources believed to be reliable.
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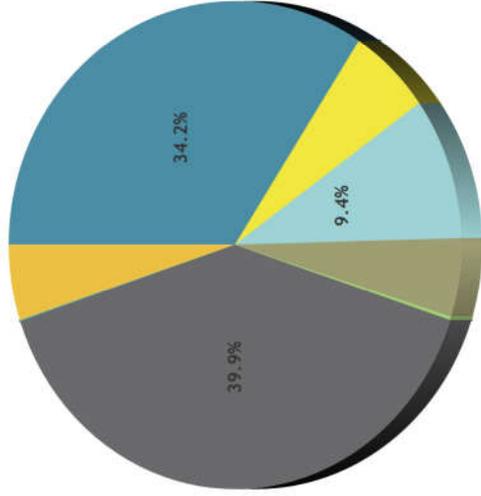
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Portfolio Sector Allocation as of 3/31/2020

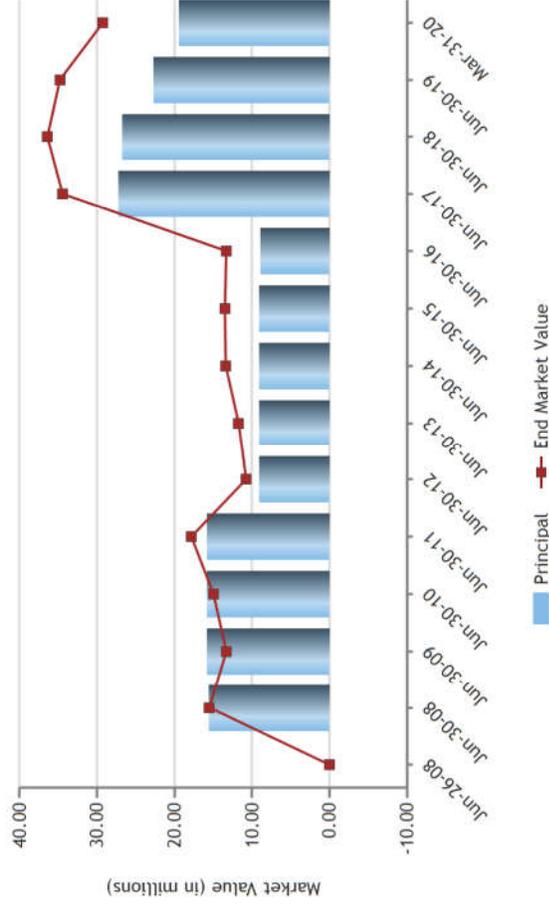
- US Large Cap Equities 34.2%
- US Small Cap Equities 5.9%
- International Equities 9.4%
- REITs 5.2%
- High Yield Bonds 0.2%
- Fixed Income 39.9%
- International Fixed Income 0.1%
- Cash & Equivalents 5.0%



Activity Summary

	Quarter to Date	Year to Date	Since Inception 6/26/2008
Beginning Value ^{(1),(2)}	\$34,103,563	\$34,103,563	\$0
Net Contributions/Withdrawals ⁽³⁾	-\$692,992	-\$692,992	\$19,430,784
Gain/Loss	-\$4,184,435	-\$4,184,435	\$9,795,352
Ending Value ^{(1),(2)}	\$29,226,136	\$29,226,136	\$29,226,136

Portfolio Growth: 6/26/2008 - 3/31/2020



Performance History

	QTD	YTD	3Yr	Since Inception ⁽⁴⁾ 6/26/2008
Total Portfolio	-12.14	-12.14	3.32	4.47
Index				
Blended Benchmark	-12.38	-12.38	2.60	
Consumer Price Index - All Items ⁽⁵⁾	0.43	2.00	1.59	

(1) Values include Accrued Income.
 (2) Values do not include Non-Discretionary or Non-Reportable Assets.
 (3) As accounts are added to or removed from the relationship, they are displayed as a contribution/withdrawal.
 (4) Returns are Annualized for periods over 1 year.
 (5) YTD reflects year-over-year change in inflation; Inception reflects annualized rate of inflation since inception. The CPI period-end is the prior month-end.

USA Swimming, Inc.

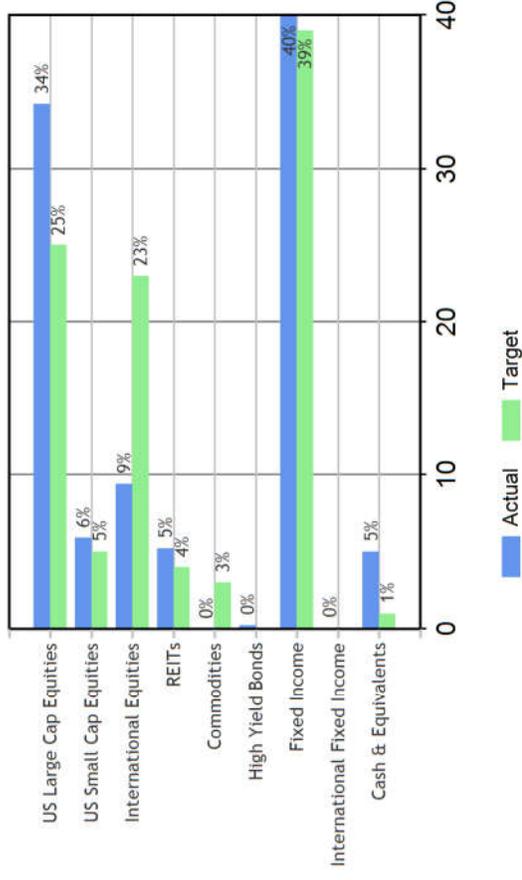
Sector Overview: As of March 31, 2020



Portfolio Sector Allocation⁽³⁾

	Market Value ^{(1),(2),(3)} As of 3/31/2020	Portfolio Weight
US Large Cap Equities	\$10,003,040	34%
US Small Cap Equities	\$1,728,051	6%
International Equities	\$2,754,721	9%
REITs	\$1,523,098	5%
Commodities	\$0	0%
High Yield Bonds	\$67,914	0%
Fixed Income	\$11,661,111	40%
International Fixed Income	\$21,585	0%
Cash & Equivalents	\$1,466,616	5%
Total	\$29,226,136	100%

Actual vs. Target Allocation



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

	QTD	YTD	1Yr	3Yr	5Yr	Inception To ⁽⁴⁾ 10Yr	Inception Date
US Large Cap Equities	-19.50	-19.50	-7.05	5.13	6.65	9.86	7.53 6/26/2008
US Small Cap Equities	-32.08	-32.08	-26.18	-6.10	-1.39	6.39	4.44 6/26/2008
International Equities	-23.56	-23.56	-15.87	-0.54	-0.08	2.18	0.45 6/26/2008
REITs	-25.01	-25.01	-15.57	1.23	0.79	5.64	3.83 6/26/2008
High Yield Bonds	-3.86	-3.86	6.12	4.44	3.48		5.06 7/12/2011
Fixed Income	0.90	0.90	7.10	4.60	3.47	4.14	4.45 6/26/2008
International Fixed Income	-18.63	-18.63					-16.92 9/15/2019
Portfolio	-12.14	-12.14	-3.89	3.32	3.23	5.25	4.47 6/26/2008

(1) Values include Accrued Income.

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

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

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

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

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

USA Swimming, Inc.

Performance by Sector: As of March 31, 2020



	Market Value ^{(1),(2),(4)} As Of 3/31/2020	Portfolio ⁽⁵⁾ Weight	YTD	1Yr	3Yr	5Yr	10Yr	Since ^{(3),(4)} Inception	Inception Date
US Large Cap Equities	\$10,003,040	34%	-19.50	-7.05	5.13	6.65	9.86	7.53	6/26/2008
S&P 500 Index			-19.60	-6.98	5.10	6.73	10.53		
US Small Cap Equities	\$1,728,051	6%	-32.08	-26.18	-6.10	-1.39	6.39	4.44	6/26/2008
Russell 2000 Index			-30.61	-23.99	-4.64	-0.25	6.90		
International Equities	\$2,754,721	9%	-23.56	-15.87	-0.54	-0.08	2.18	0.45	6/26/2008
MSCI EAFE Index			-22.83	-14.38	-1.82	-0.62	2.72		
MSCI Emerging Markets Index			-23.60	-17.69	-1.62	-0.37	0.69		
REITs	\$1,523,098	5%	-25.01	-15.57	1.23	0.79	5.64	3.83	6/26/2008
Wilshire U.S. REIT Index			-25.63	-19.38	-2.49	-0.19	7.67		
FTSE EPRA/NAREIT Developed Index			-28.53	-23.97	-3.85	-2.06	4.40		
High Yield Bonds	\$67,914	0%	-3.86	6.12	4.44	3.48		5.06	7/12/2011
BofAML HY Master II Index			-13.12	-7.45	0.55	2.67	5.50		
Fixed Income	\$11,661,110	40%	0.90	7.10	4.60	3.47	4.14	4.45	6/26/2008
Barclays Cap Aggregate Bond Index			3.15	8.93	4.82	3.36	3.88		
Barclays Municipal 1-10 Yr. Blend Index			-0.56	2.77	2.85	2.32	3.00		
Barclays Municipal 1-15 Yr. Blend Index			-0.50	3.31	3.39	2.74	3.51		
International Fixed Income	\$21,585	0%	-18.63					-16.92	9/15/2019
Barclays 1-3 Year Global Majors Index			0.69	3.11	2.29	1.83	0.05		
Cash & Equivalents	\$1,466,616	5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.57	2.25	1.83	1.19	0.64		
Total Portfolio	\$29,226,136	100%	-12.14	-3.89	3.32	3.23	5.25	4.47	6/26/2008

(1) Values include Accrued Income.

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

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

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

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

USA Swimming, Inc.

Quarterly Performance Report: As of March 31, 2020



Individual Account Performance

	Inception Date	Market Value ^{(1),(2)} As of 3/31/2020	Portfolio Weight		YTD	1Yr	3Yr	5Yr	10Yr	Since Inception ⁽³⁾
612422055	6/26/2008	\$16,824,469	57.6%		-20.33	-10.88	1.82	2.72	5.94	4.48
612422063	6/26/2008	\$12,401,667	42.4%		0.81	6.69	4.18	3.13	6.44	6.29
USA Swimming, Inc.		\$29,226,136	100.0%		-12.14	-3.89	3.32	3.23	5.25	4.47

(1) Values include Accrued Income.

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

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

First Western Trust Bank
PORTFOLIO APPRAISAL
USA Swimming, Inc. - Equities - Pledged
612422055 (Formerly Fidelity 673218332)
 March 31, 2020

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield	
US Large Cap Equities									
42,239	VANGUARD INDEX FDS S&P 500 ETF SHS NEW	VOO	229.90	9,710,952.68	236.82	10,003,039.98	59.5	2.24	
US Small Cap Equities									
30,566.970	DFA US SMALL CAP PORT INSTL	DFSTX	30.34	927,339.10	23.48	717,712.46	4.3	1.53	
8,827	ISHARES RUSSELL 2000 ETF	IWM	143.85	1,269,739.30	114.46	1,010,338.42	6.0	1.83	
				2,197,078.40		1,728,050.88	10.3	1.70	
International Equities									
90,557.113	LAZARD INTL STRATEGIC EQUITY PORT INST CL	LISIX	13.63	1,234,471.86	11.72	1,061,329.36	6.3	2.42	
18,189.287	OPPENHEIMER DEVELOPING MKTS FD CL I	ODVIX	40.41	735,040.49	35.19	640,081.01	3.8	0.90	
31,593	VANGUARD FTSE DEVELOPED MARKETS ETF	VEA	39.13	1,236,138.98	33.34	1,053,310.62	6.3	3.89	
				3,205,651.33		2,754,720.99	16.4	2.63	
REITS									
61,242.388	VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	VGIX	30.28	1,854,514.60	24.87	1,523,098.19	9.1	7.02	
Cash & Equivalents									
	FIDELITY IMM GOV CLASS I FUND #57	FIGXX		1,699,663.75		1,699,663.75	10.1	0.23	
	FIRST WESTERN ICS MONEY MARKET	FWICS		-884,105.09		-884,105.09	-5.3	-0.25	
				815,558.66		815,558.66	4.8	0.74	
TOTAL PORTFOLIO							16,824,468.70	100.0	2.61

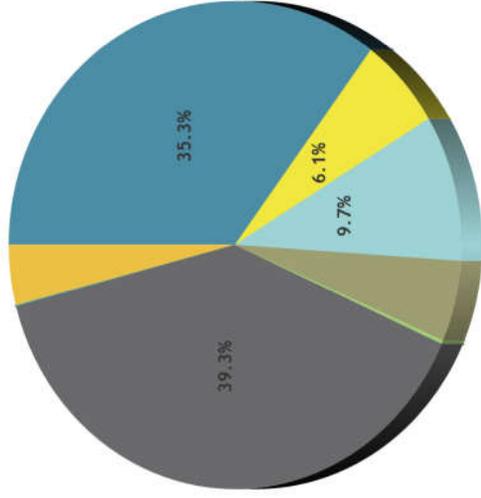
USA Swimming Foundation, Inc.

Portfolio Overview: As of March 31, 2020



Portfolio Sector Allocation as of 3/31/2020

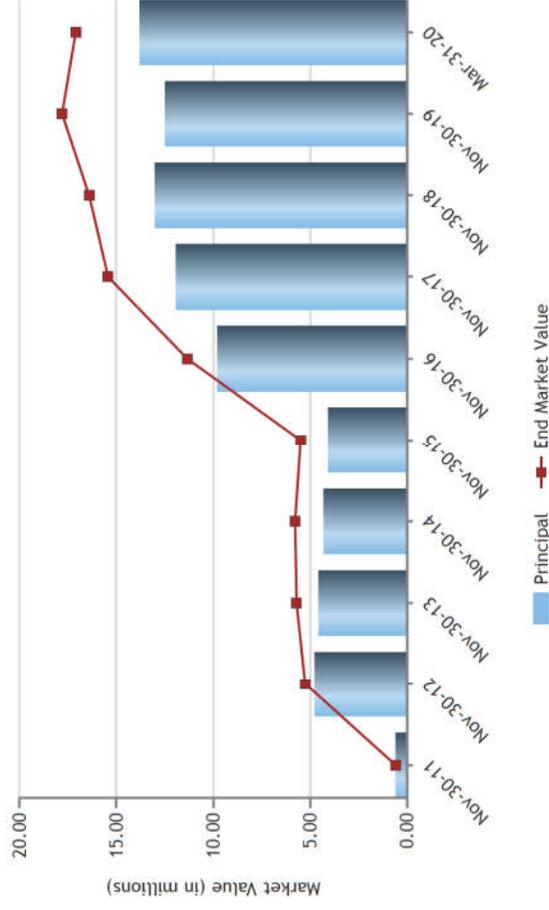
- US Large Cap Equities 35.3%
- US Small Cap Equities 6.1%
- International Equities 9.7%
- REITs 5.4%
- High Yield Bonds 0.2%
- Fixed Income 39.3%
- International Fixed Income 0.1%
- Cash & Equivalents 4.0%



Activity Summary

	Quarter to Date	Year to Date	Since Inception 11/30/2011
Beginning Value^{(1),(2)}	\$19,575,873	\$19,575,873	\$586,463
Net Contributions/Withdrawals ⁽³⁾	-\$105,296	-\$105,296	\$13,211,069
Gain/Loss	-\$2,371,979	-\$2,371,979	\$3,301,068
Ending Value^{(1),(2)}	\$17,098,599	\$17,098,599	\$17,098,599

Portfolio Growth: 11/30/2011 - 3/31/2020



Performance History

	QTD	YTD	3Yr	Since Inception ⁽⁴⁾ 11/30/2011
Total Portfolio	-12.08	-12.08	3.02	5.49
Index				
Blended Benchmark	-12.38	-12.38	2.60	5.09
Consumer Price Index - All Items ⁽⁵⁾	0.43	2.00	1.61	

(1) Values include Accrued Income.
 (2) Values do not include Non-Discretionary or Non-Reportable Assets.
 (3) As accounts are added to or removed from the relationship, they are displayed as a contribution/withdrawal.
 (4) Returns are Annualized for periods over 1 year.
 (5) YTD reflects year-over-year change in inflation; Inception reflects annualized rate of inflation since inception. The CPI period-end is the prior month-end.

USA Swimming Foundation, Inc.

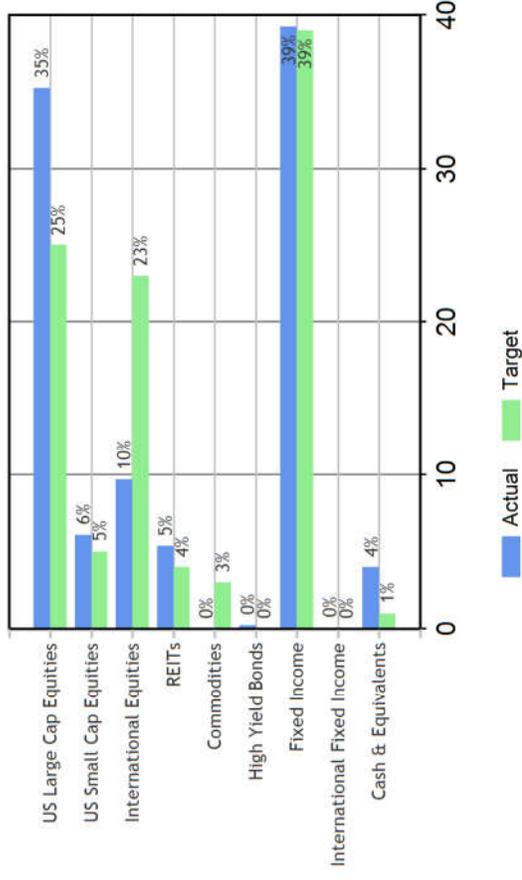
Sector Overview: As of March 31, 2020



Portfolio Sector Allocation⁽³⁾

	Market Value ^{(1),(2),(3)} As of 3/31/2020	Portfolio Weight
US Large Cap Equities	\$6,028,727	35%
US Small Cap Equities	\$1,041,360	6%
International Equities	\$1,660,192	10%
REITs	\$917,934	5%
Commodities	\$0	0%
High Yield Bonds	\$42,347	0%
Fixed Income	\$6,712,059	39%
International Fixed Income	\$12,951	0%
Cash & Equivalents	\$683,030	4%
Total	\$17,098,599	100%

Actual vs. Target Allocation



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

	QTD	YTD	1Yr	3Yr	5Yr	Inception To ⁽⁴⁾ 10Yr	Inception Date
US Large Cap Equities	-19.23	-19.23	-6.65	5.24	6.52	10.96	11/30/2011
US Small Cap Equities	-31.96	-31.96	-25.91	-5.72	-1.33	6.55	11/30/2011
International Equities	-23.45	-23.45	-15.76	-0.45	-0.01	3.45	11/30/2011
REITs	-24.83	-24.83	-15.21	1.47	0.85	6.39	11/30/2011
High Yield Bonds	-3.63	-3.63	5.95	4.36	3.52	5.49	11/30/2011
Fixed Income	1.09	1.09	6.71	4.40	3.46	3.62	12/06/2011
International Fixed Income	-18.91	-18.91				-17.22	9/15/2019
Portfolio	-12.08	-12.08	-3.88	3.02	3.16	5.49	11/30/2011

(1) Values include Accrued Income.

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

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

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

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

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

USA Swimming Foundation, Inc.

Performance by Sector: As of March 31, 2020



	Market Value ^{(1),(2),(4)} As Of 3/31/2020	Portfolio ⁽⁵⁾ Weight	YTD	1Yr	3Yr	5Yr	10Yr	Since ^{(3),(4)} Inception	Inception Date
US Large Cap Equities	\$6,028,727	35%	-19.23	-6.65	5.24	6.52		10.96	11/30/2011
S&P 500 Index			-19.60	-6.98	5.10	6.73	10.53		
US Small Cap Equities	\$1,041,360	6%	-31.96	-25.91	-5.72	-1.33		6.55	11/30/2011
Russell 2000 Index			-30.61	-23.99	-4.64	-0.25	6.90		
International Equities	\$1,660,192	10%	-23.45	-15.76	-0.45	-0.01		3.45	11/30/2011
MSCI EAFE Index			-22.83	-14.38	-1.82	-0.62	2.72		
MSCI Emerging Markets Index			-23.60	-17.69	-1.62	-0.37	0.69		
REITs	\$917,934	5%	-24.83	-15.21	1.47	0.85		6.39	11/30/2011
Wilshire U.S. REIT Index			-25.63	-19.38	-2.49	-0.19	7.67		
FTSE EPRA/NAREIT Developed Index			-28.53	-23.97	-3.85	-2.06	4.40		
High Yield Bonds	\$42,347	0%	-3.63	5.95	4.36	3.52		5.49	11/30/2011
BofAML HY Master II Index			-13.12	-7.45	0.55	2.67	5.50		
Fixed Income	\$6,712,059	39%	1.09	6.71	4.40	3.46		3.62	12/06/2011
Barclays Cap Aggregate Bond Index			3.15	8.93	4.82	3.36	3.88		
Barclays Municipal 1-10 Yr. Blend Index			-0.56	2.77	2.85	2.32	3.00		
Barclays Municipal 1-15 Yr. Blend Index			-0.50	3.31	3.39	2.74	3.51		
International Fixed Income	\$12,951	0%	-18.91	-18.91				-17.22	9/15/2019
Barclays 1-3 Year Global Majors Index			0.69	3.11	2.29	1.83	0.05		
Cash & Equivalents	\$683,030	4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BofAML US 3 Month T-Bill Index			0.57	2.25	1.83	1.19	0.64		
Total Portfolio	\$17,098,599	100%	-12.08	-3.88	3.02	3.16		5.49	11/30/2011

(1) Values include Accrued Income.

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

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

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

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

USA Swimming Foundation, Inc.

Quarterly Performance Report: As of March 31, 2020



Individual Account Performance

	Inception Date	Market Value ^{(1),(2)} As of 3/31/2020	Portfolio Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Since Inception ⁽³⁾
612422022	11/30/2011	\$10,138,231	59.3%	-20.45	-20.45	-10.90	2.00	3.01		6.86
612422071	12/6/2011	\$6,960,368	40.7%	0.96	0.96	6.25	4.00	3.04		3.19
		\$17,098,599	100.0%	-12.08	-12.08	-3.88	3.02	3.16		5.49

(1) Values include Accrued Income.

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

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

First Western Trust Bank
PORTFOLIO APPRAISAL
USA Swimming Foundation, Inc. - Equities

612422022

Moderate

March 31, 2020

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield	
US Large Cap Equities									
25,457	VANGUARD INDEX FDS S&P 500 ETF SHS NEW	VOO	230.16	5,859,074.74	236.82	6,028,726.74	59.5	2.24	
US Small Cap Equities									
18,421.959	DFA US SMALL CAP PORT INSTL	DFSTX	31.67	583,491.91	23.48	432,547.60	4.3	1.53	
5,319	ISHARES RUSSELL 2000 ETF	IWM	145.67	774,839.83	114.46	608,812.74	6.0	1.83	
				1,358,331.75		1,041,360.34	10.3	1.70	
International Equities									
54,576.538	LAZARD INTL STRATEGIC EQUITY PORT INST CL	LISIX	14.45	788,379.16	11.72	639,637.03	6.3	2.42	
10,962.235	OPPENHEIMER DEVELOPING MKTS FD CL I	ODVIX	40.96	449,040.99	35.19	385,761.05	3.8	0.90	
19,040	VANGUARD FTSE DEVELOPED MARKETS ETF	VEA	41.61	792,314.95	33.34	634,793.60	6.3	3.89	
				2,029,735.09		1,660,191.68	16.4	2.63	
REITS									
36,909.276	VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	VGIX	29.73	1,097,460.62	24.87	917,933.69	9.1	7.02	
Cash & Equivalents									
	FIRST WESTERN ICS MONEY MARKET	FWICS		490,018.20		490,018.20	4.8	0.25	
TOTAL PORTFOLIO							10,138,230.65	100.0	2.58

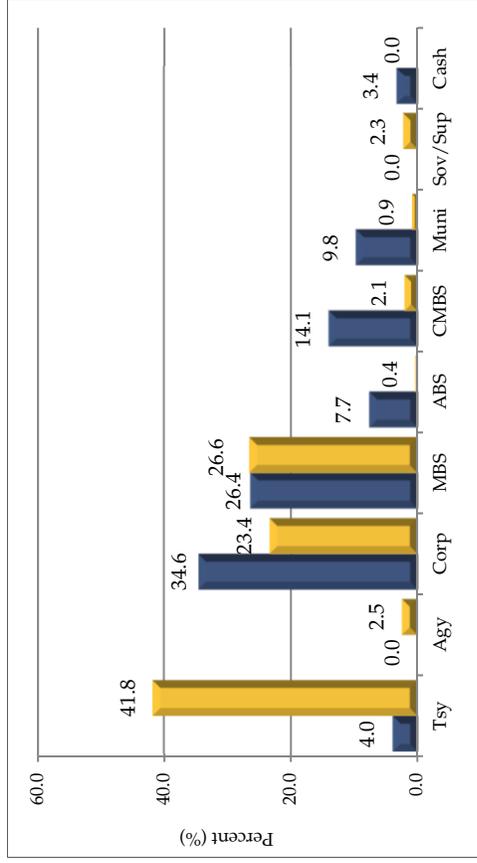


STERLING
CAPITAL

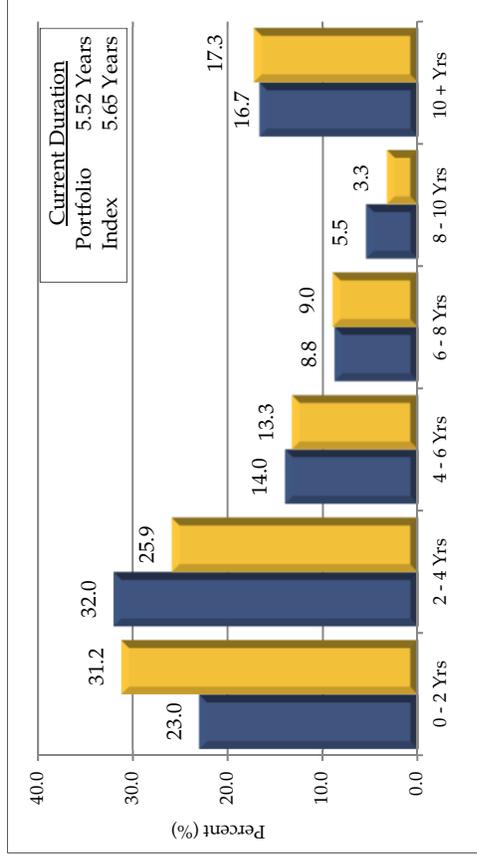
USA Swimming – Fixed Income Characteristics

As of 3/31/20

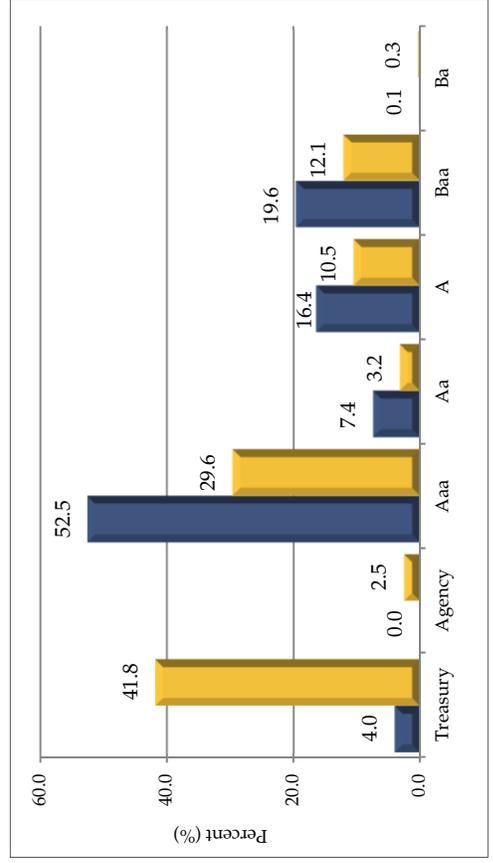
Sector



Duration Distribution



Ratings



Characteristics

Duration..... 5.52 Years
 Maturity..... 7.61 Years
 Yield-to-Maturity..... 2.50%
 Benchmark Yield-to-Maturity..... 1.60%
 Credit Rating..... Aa3



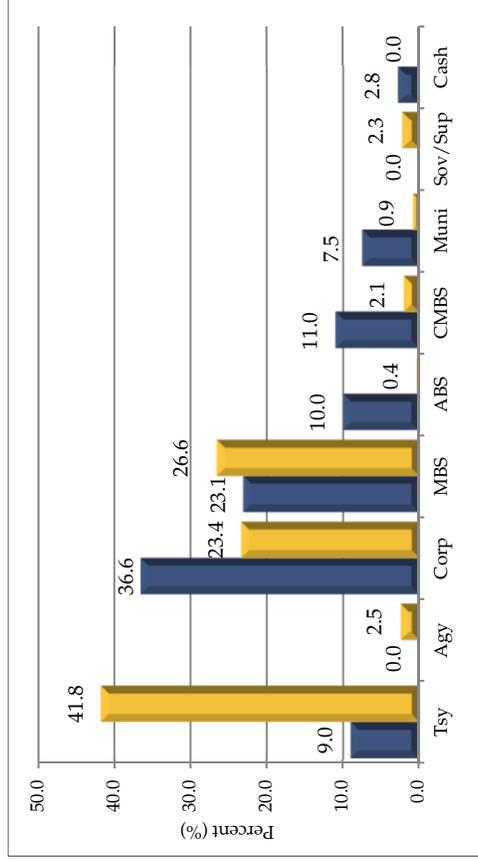


STERLING
CAPITAL

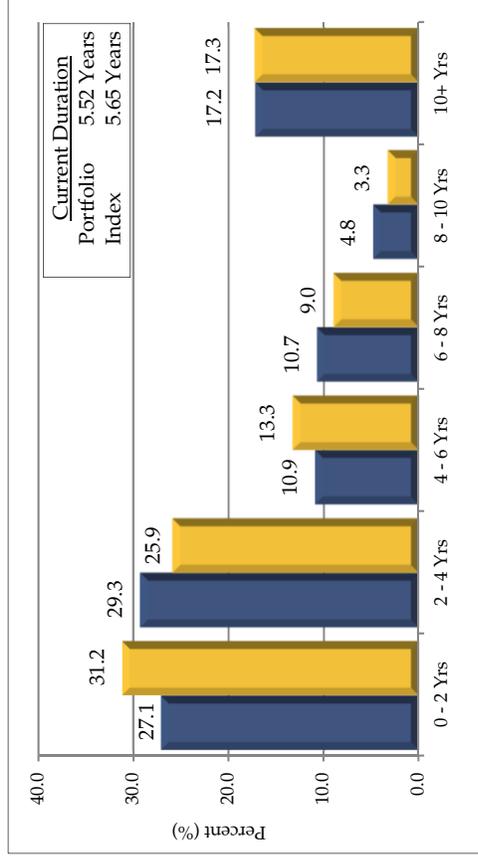
USA Swimming Foundation – Fixed Income Characteristics

As of 3/31/20

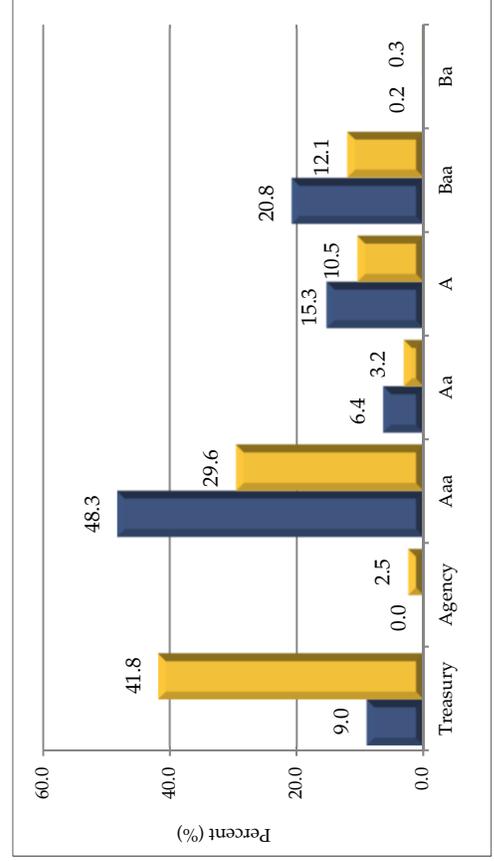
Sector



Duration Distribution



Ratings



Characteristics

Duration..... 5.52 Years
 Maturity..... 7.59 Years
 Yield-to-Maturity..... 2.58%
 Benchmark Yield-to-Maturity..... 1.60%
 Credit Rating..... Aa3

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

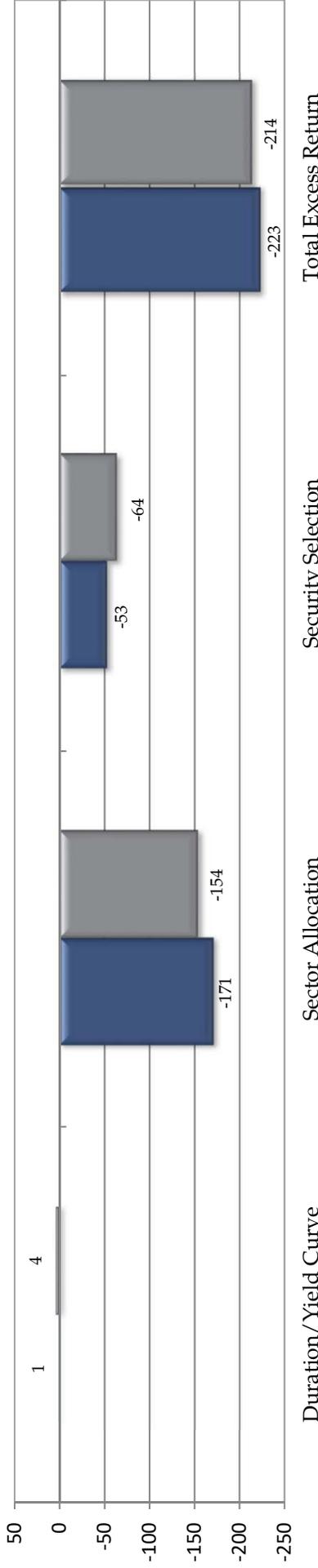


STERLING
CAPITAL

Performance Attribution

Quarter Ended 3/31/20
USA Swimming: 0.92% **USA Swimming Foundation: 1.01%** **Benchmark: 3.15%**

USA Swimming
 USA Swimming Foundation



Active Decision

Duration & Yield Curve

- Duration managed approximately neutral, moved to short versus benchmark; Overweight the 8-10 year segment

Sector Allocation

- Overweight corporate bonds
- Overweight CMBS sector

Security Selection & Timing

- Allocation to energy and REIT sectors

Comments

- Rates significantly declined with the 10 year at approximately 0.70%. In an effort to improve market function, restore liquidity, and ensure that credit continued to flow to the real economy, the Federal Reserve rapidly deployed a series of emergency measures. The Fed quickly cut the federal funds rate 150 basis points, returning to the zero lower bound. Additionally, the Fed announced open-ended quantitative easing. The curve positioning was slightly additive

Effect

- Small Positive

- Overweight lower rated bonds

- Lower rated credit risk materially underperformed with the impending growth concerns

- Negative

Source: FactSet, holdings-based attribution.



STERLING
CAPITAL

Investment Outlook and Strategic Positioning

INVESTMENT OUTLOOK

- U.S. growth will be massively disrupted by the global coronavirus pandemic and related shut downs in many states. We will likely see the worst growth print in the modern era in the second quarter as economic activity grinds to a halt.
- The exact magnitude of the drop in growth is less important to the overall outlook than whether the virus's spread can be successfully contained and whether additional waves of infections require more and longer economic shut downs.
- The Fed has responded with unprecedented quantitative easing and by redeploying its toolkit from the Financial Crisis in an effort to ease market liquidity concerns and to ensure credit continues to flow through the economy.
- Congress also followed through with a large scale fiscal package. Fiscal stimulus won't be enough to stave off a collapse in growth, but it will hopefully bridge consumers and small businesses alike through the near term and prevent a wave of defaults.
- With monetary and fiscal support, risk asset prices are likely to perform well later in the year, particularly those asset classes directly supported by the Fed.

STRATEGIC POSITIONING OF OUR PORTFOLIOS

- Durations will be managed modestly short to benchmark.
- Underweight Treasury securities in favor of corporate bonds, taxable municipals, and non-agency securitized products.
- We have reduced our underweight to agency MBS as valuations have improved. Our holdings remain weighted towards seasoned collateral that should exhibit less prepayment responsiveness to the decline in interest rates.

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 & ACTIVITIES**

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

We certify that the information contained in this report and the accompanying Income Statement and Balance Sheet are true for the quarterly period ending March 31, 2020 on a preliminary basis.

Signed  _____, President & CEO

 _____, CFO

Date April 15, 2020

BROADEST POLICY PROVISION: *“With respect to financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.”*

CEO’s INTERPRETATION: (No change since previous report) I submit that the Board’s concerns about avoiding fiscal jeopardy are comprehensively interpreted in this policy’s subsequent provisions. Regarding expenditures, I interpret “material deviation from Ends priorities” to mean avoidance of waste, such that all expenditures be viewed and can be correlated as investments towards the achievement of USA Swimming’s Ends.

REPORT: As to expenditures deviating from Ends policies, anticipated expenditures were itemized in our approved FY 2020 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 2020 budget and Ends achievement.

We therefore report COMPLIANCE.

Interpretations and reporting data on the fiscal jeopardy provisions are presented with those provisions, below.

POLICY PROVISION #1: *“The CEO will not manage finances without adherence to applicable Generally Accepted Accounting Principles (GAAP), as promulgated by the Financial Accounting Standards Board (FASB).”*

CEO’s INTERPRETATION: (No change since previous report) I interpret this to be a clearly articulated standard, addressed to the best of our Chief Financial Officer’s ability throughout the year, with compliance verified at the conclusion of each fiscal year in the report of the independent auditor.

REPORT: The organization’s financial statements as of and for the year ended December 31, 2018 were audited and issued a clean opinion. The Chief Financial Officer continues to abide by GAAP. Please note as of the date of this monitoring report, the 2019 audit is still being finalized and should be completed, reviewed by the CFO and Audit Committee, and issued in late April 2020 consistent with prior years.

We report COMPLIANCE.

POLICY PROVISION #2: “The CEO will not expend more funds than have been projected to be received in the fiscal year, except up to the amount of any Board-approved operating deficit for such fiscal year.”

CEO’s INTERPRETATION: (No change since previous report) This policy requires that annual operating expenses be less than total projected revenues, with the exception being up to the amount of a deficit-spend that the Board may have approved for a given fiscal year.

REPORT: On a preliminary basis, year-to-date revenues are \$23,731,017 with corresponding operating expenses of \$8,462,094, for a year-to-date operating excess of \$15,268,924. Current forecast for fiscal year end is total revenue of \$34,268,268 and expenses of \$32,188,183, thus we project an operating surplus of \$2,080,085. Our original 2020 budget included \$44,716,445 of total revenue and \$40,757,681 of operating expense, thus a budgeted operating surplus of \$3,958,764 or a difference from our current projection of (\$1,878,678). The decrease in projected operating surplus primarily results from an anticipated decrease in membership revenue due to the COVID-19 pandemic and closure of pools across the country, as well as the postponement of the Olympic Games and Olympic Trials. Understanding the amount of unknowns at this time, below are some of the material deviations from our original 2020 budget at the time of this monitoring report:

- Total revenues projected less than original budget by (\$10,448,177) or (23%).
 - Sport & Events revenue projected less by (\$5,472,500) primarily due to the Trials postponement and the deferral of these revenues until 2021,
 - Membership revenues projected less by (\$2,024,168) given the current facility closures throughout the country which will affect the last remaining months of the 2019-2020 membership year,
 - Partnership Marketing revenue projected less by (\$1,473,035) given the cancellation of certain events and postponement of others including Trials which affects the ability to activate/fulfill our sponsor contracts in certain situations,
 - Investment Income projected less by (\$1,409,232) as a result from the organization discontinuing portfolio distributions to be used for operations for the remainder of 2020.

- Total operating expenses less than original budget by \$8,569,498 or 21%.
 - National Team division projected less by \$4,346,352 primarily due to the postponement of the Olympic Games, Trials, and other events,
 - Commercial division projected less by \$2,100,142 primarily due to the postponement of Trials activations,
 - Sport Development division projected less by \$698,470 primarily due to events and travel being cancelled or postponed,
 - Events & Member Services division projected less by \$582,941 primarily due to events and travel being cancelled or postponed.

We report NON-COMPLIANCE based on the current 2020 projection compared to the original 2020 budget approved in November 2019. We note the ongoing concerted efforts by the Strategy Team and Division Directors to strategically make operational decisions that can position us as well as possible throughout the 2021 “five-year quad.”

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 \$4,730,350 at March 31, 2020 with 2020 projected monthly operating expenses at approximately \$2,700,000. Liquidity was in excess of the threshold required by this policy throughout the quarter.

We therefore report COMPLIANCE.

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

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

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

We report COMPLIANCE.

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

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

REPORT: On a preliminary basis, the Board-designated Operating Reserve has been tapped \$143,076 for two Board approved planned investments: the "Keeping Athletes First" initiative and legal expenditures. Both initiatives were Board approved to be used out of the Board-designated Reserve.

We report COMPLIANCE.

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

CEO's INTERPRETATION: (No change since previous report) Payroll must meet its obligations every two weeks. For other payables, I interpret "timely" to mean by the date stipulated in agreement with the vendor, or if not explicit, within thirty days of invoice (assuming provision of goods or services has been completed).

REPORT: Payroll has met the schedule as interpreted above. USA Swimming processes payables weekly. There were no invoices in dispute as of March 31, 2020 and all payables have been paid on time.

We report COMPLIANCE.

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

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

REPORT: All withholding taxes and other such payroll payments and filings have been made within deadline by our payroll provider, ADP. Forms 1099/1096 were filed by January 31, 2020. Form 990 was under the annual filing extension to November 15, 2019 and was filed on time. There are no outstanding filings and there have been no late penalties.

We report COMPLIANCE.

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

CEO's INTERPRETATION: (No change since previous report) Any expenditure in excess of \$250,000 that was not disclosed as part of our budget plan must be approved by the Board.

REPORT: No such expenditures in excess of \$250,000 have been incurred that were not part of our approved budget plan thus far in this fiscal year.

We report COMPLIANCE.

POLICY PROVISION #9: "The CEO will not acquire, encumber, lease or dispose of real property."

CEO's INTERPRETATION: (No change since previous report) All decisions regarding the purchase, lease, sale or other claim of/on land, buildings, office or warehouse space are considered to be at the discretion of the Board.

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

We report COMPLIANCE.

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

CEO’s INTERPRETATION: USA Swimming is not to be lackadaisical regarding collections. “Material” is interpreted to be receivables that, when collected, are of greater value than the cost of collection (including staff time), but generally anything over \$10,000.00. “Aggressively” is interpreted to mean that we will seek legal counsel after a “grace period” of 60 days and reasonable collection efforts have been unsuccessful.

REPORT: Primary receivables are membership dues, sponsorship payments, event fees, etc. At quarter end, there were three sponsor contracts and one event vendor contract on our receivables that were both greater than \$10,000 and over 60 days past due (totaling \$831,000). We are monitoring and communicating with these customers regularly and still anticipate successful resolutions without legal intervention at this time.

We therefore report COMPLIANCE.

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

CEO’s INTERPRETATION: (No change since previous report) Controls must be in place that ensure that all disbursements are appropriately authorized. Further, all payments (checks, credit card purchases, petty cash, etc.) and capitalized assets must have corresponding documentation sufficient to satisfy the auditor. I interpret fulfillment of this policy to be evidenced by written Policies and Procedures that the auditor considers when performing audit procedures. Complete implementation (or absence) of recommendations brought forth by the auditor in a Management Letter is further evidence of compliance.

REPORT: Controls in place are consistent with Board policy. The 2017 and 2018 fiscal audits were not accompanied by any Management Letter recommendations. The 2019 audit will be complete towards the end of April 2020.

We therefore report COMPLIANCE.

#11A: “The CEO will not operate without clearly delineated procedures and limitations for reimbursement of authorized expenses incurred by board members and committee members, and others who are entitled to reimbursement from USA-S.”

CEO’s INTERPRETATION: (No change since previous report) Staff is to maintain, disseminate and ensure adherence to travel/expense reimbursement policies applicable to staff, Board members and other volunteers.

REPORT: All travel/expense reimbursement processes have been uniformly applied with minimal exceptions (e.g. a missing cab receipt) that are neither material nor regular.

We report COMPLIANCE.

#11B: “CEO credit card statements and/or expense reimbursements must be reviewed and authorized for payment by the Vice Chair-Fiscal Oversight. CEO credit card statements must be reviewed and approved within 30 days of payment.”

CEO’s INTERPRETATION: (No change since previous report) Documentation/receipts for CEO credit card statements and expense reports are to be provided electronically (Concur) to the Vice Chair – Fiscal Oversight for approval before payment.

REPORT: Vice Chair-Fiscal Oversight reviewed and approved all expense reimbursements submitted by the CEO during the first quarter 2020. As to credit card statements, the CEO does not currently utilize a corporate credit card.

We report COMPLIANCE.

TO: USA Swimming Board of Directors
FROM: Tim Hinchey III, President & CEO
RE: Internal Report – Annual Monitoring on **Policy 3.5: Asset Protection**
DATE: April 15, 2020

I hereby present my monitoring report on Management Parameters Policy 3.5, "Asset Protection," per the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true for the annual reporting period ending this date.

Signed , President & CEO

BROADEST PROVISION: *The CEO will not cause or allow USA Swimming's assets to be unprotected, inadequately maintained or unnecessarily risked.*

CEO's Interpretation: (*Changes italicized*) It is my obligation to ensure that our organization's intellectual property, financial assets, facilities, equipment and other assets are protected in a manner that ensures our ongoing viability and reputation. I interpret "unprotected" to mean assets being easily subject to theft or misuse. I interpret "inadequately maintained" to mean assets, *including both physical and intellectual property*, not receiving recommended or standard upkeep. And, I interpret "unnecessarily risked" to mean assets that are jeopardized in ways that, *upon reasonable review and issue identification*, can be prudently mitigated.

It is my interpretation that this Broad policy statement is comprehensively defined by the subsequent provisions, each of which are interpreted and reported on below.

POLICY PROVISION #1: **The CEO will not allow USA Swimming to be without sufficient insurance coverage, including (A) casualty losses and properly losses to at least replacement value; (B) liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations; (C) employee theft and dishonesty; and (D) cyber-security.**

CEO's Interpretation: (No change since last report) The property and casualty expectation is explicit, but I interpret it as meaning that we have some leeway in determining what our deductible should be, with discretion based upon the best value for insurance premiums paid. As to liability insurance, I interpret this to require that we be insured in an amount at least equal to the average of comparably large NGBs. I interpret the provision on employee theft and dishonesty as requiring coverage that meets or exceeds the risks given the levels of access to cash, and giving us the option of carrying such a rider on our theft and casualty policy, or to protect our interests by purchasing a fidelity bond on all employees having access to our cash and bank accounts. I also interpret this policy to mean that we must maintain cyber liability insurance coverage and implement best practices to protect our digital files, website, email and other digital assets.

REPORT:

#1A: Regarding property and casualty losses, coverage for our building is carried by the USOPC. They survey the building value on a periodic basis to maintain proper limits of liability. Our responsibility is to cover replacement of our physical assets (furnishings, computers, media, merchandise, etc.). One year ago, the replacement cost of these assets was estimated at \$1,282,704. Subsequent to the completion of the office remodeling project, our finance department updated the values, currently estimated at \$2,243,662. The revised valuation was conveyed to Risk Management, and our insurance policy values were increased accordingly in January 2020. We also carry \$1,000,000 extra expense coverage for relocation of our office due to a casualty loss. Our current property/inland marine insurance policy provides coverage for full replacement value, so **I report compliance.**

#1B: As to determination of the amount of D&O/Management Liability coverage required by this policy, our former Senior Director, Risk Management, George Ward, (who retired earlier this month) corresponded with his counterparts at the USOPC and other large NGBs. The USOPC requires NGBs to have a minimum of \$1M. Based on recent assessments, the amount of coverage for other larger NGBs ranges from \$1 Million to \$10 Million, with an average of \$5 Million. Our current coverage amount is \$10 million. **I report compliance.**

#1C: As to employee theft and dishonesty, we have coverage of \$1,000,000 per incident, which includes coverage for the CEO and CFO. These coverage levels have been in place since 2000 and have been assessed annually by Risk Management and Finance. **I report compliance.**

#1D: Our cyber liability policy addresses technology solutions liability, media and intellectual property liability, network security and privacy liability, business interruption, increased operational costs, cyber extortion insurance, and media and IP liability. Given overall scope of cyber-liability concerns, and new CRM, Aggregate Limits were increased from \$1 million to \$3 million in 2018. In 2020, USA Swimming's Risk Management team renewed its cyber liability policy with Coalition, a cyber insurance company that also offers, at no extra cost, breach monitoring and other tools to identify potential system vulnerabilities. **I report compliance.**

POLICY PROVISION #2: *The CEO will not subject USA-S' facilities and equipment to improper wear and tear or insufficient maintenance.*

CEO's Interpretation: (No change since last report) Our facilities and equipment must be maintained in a manner that protects their longevity and long-term value. Capitalized equipment is to be maintained according to manufacturers' specifications and the opinions of vetted experts.

REPORT: Our office equipment is routinely maintained, updated and replaced if necessary, in accordance with a regular maintenance schedule for all capitalized equipment. All major equipment (copiers, computers, etc.) is covered under extended warranties or service agreements. With the office renovation, including new furnishings, completed last summer, there are no deferred maintenance issues or liabilities. The Dirks Building exterior is maintained, per the lease, by the USOPC. **I report compliance.**

POLICY PROVISION #3: *The CEO will not operate without employing risk management practices to minimize exposure of the organization, the Board, staff or their agents to claims of liability.*

CEO's Interpretation: (No change since last report) Recognizing that any organization is subject to litigation, efforts must be made to minimize our vulnerability to liability claims, whether they be due to personnel issues, programs, services, access to/use of our facilities, and especially athlete safety, which as the last year has demonstrated, will remain an utmost priority.

REPORT: Our status as a large NGB, and especially our reach with hundreds of thousands of young athletes, puts risk management at the forefront of our work, operationally and programmatically. Our Risk Management division, now led by Steve Levine, is also augmented by our Operational Risk Committee and professional advisors who consistently focus on identifying areas in which we can minimize risk/liability exposure. USA Swimming provides participant accident insurance of \$25,000 for excess accident medical expenses of our athletes and primary sports accident coverage of \$25,000 for elite athletes. With respect to COVID-19, Risk Management worked with its insurance carrier to offer an accommodation relative to online training offered by clubs, subject to coaches monitoring the training directly through a streaming mechanism (e.g., Zoom). **I report compliance.**

POLICY PROVISION #4: *The CEO will not allow procurements without reasonable protection against conflicts of interest.*

CEO's Interpretation: (No change since last report) Staff are to be aware of and use clearly delineated purchase requisition procedures and understand that conflict of interest situations are to be identified and either avoided or resolved by non-conflicted parties in a transparent manner. Definitions of related-party transactions are to be included in the Employee Handbook, as are procedures to ensure avoidance or resolution of conflicts of interest. We are to avoid anything the auditor would consider to be a related-party transaction, such as buying products/services from companies with which a staff/Board member has a close association/relationship, unless there has been an open process through which multiple quotes have been solicited.

REPORT: The USA Swimming Employee Handbook, last revised in January 2020, has an extensive section, entitled "Ethical Behavior and Conflict of Interest," that explicitly addresses definitions and examples of conflicts of interest, procedures to avoid them, and how violations will be addressed. All employees annually sign a statement affirming that they have received, read, understand and commit to comply with the policy. All staff involved in purchasing are thoroughly aware and trained in these.

There are a number of parties with whom we do business which are "related-parties," but in all cases the process was an open selection, per Board policy, with no disclosure of privileged information. The USA Swimming Foundation and

the USOPC are the organization's two largest "related-parties." The annual audit references both of these "related-parties" and concludes appropriate interaction and reporting. **I report compliance.**

POLICY PROVISION #5: *The CEO will not allow a purchase of any material amount without having compared prices and quality.*

CEO's Interpretation: (No change since last report) All purchases over \$50,000 of commonly available items must be comparative shopped through at least two reputable and approved vendors. Price and quality should be taken into account. I interpret this provision to exclude "sole source" vendors that provide products or services recognized as otherwise not commonly available. I interpret this provision to mean that it is my duty to ensure that all staff who have authority for making purchases are aware of these purchase requirements.

REPORT: USA Swimming will employ sound business practices when purchasing goods and services to reduce costs and avoid conflicts of interest. The USA Swimming Accounting Policies and Procedures Manual, last revised in December 2018, has an extensive section entitled "Purchasing" that explicitly addresses the purchase requisition, bid processes, and outlines the authorization and approval guidelines. In practice, we comparison shop for nearly all purchases above \$5,000 and include appropriate approval signatures and supporting documentation attached to all applicable transactions. **I report compliance.**

POLICY PROVISION #6: *The CEO will not allow USAS' intellectual property, information, resources and files to be exposed to loss, improper access, misuse or significant damage.*

CEO's Interpretation: (No change since last report) Steps must be taken to ensure that our files and intellectual property are protected against theft, loss, damage or disclosure to inappropriate parties. I interpret "intellectual property, information, resources and files" to be proprietary programs, processes or services for which our organization holds a trademark, trade name, service mark, or registered logo, and all digital files, emails, websites and social media accounts held in our name.

REPORT: All computer systems are protected by an in-depth security strategy that includes next-generation firewalls, web application firewalls, endpoint security, and a backup system to keep electronic data protected. Network systems are actively monitored for security events and incidents (24/7/365), as well as for common vulnerabilities and exposures. Our staff members are required to use complex passwords and use two-factor authorization where applicable. Computer systems are updated with security patches within 30 days of publishing. Security settings and software on mobile devices and computers are configured to protect against remote access and ensure security can be maintained in the case of employee termination. Hardcopy information and files are kept in locked, fire-safe filing cabinets.

We previously reported concerns regarding misuse due to lack of consistency in the terms of agreement between USA-S and LSCs. In response to the Board's policy 3.10 (LSC Reporting Requirements), a "cohesive national organizational structure," including a license for the use of the USA Swimming name, insignia logo and brand, was established, with new LSC Affiliation Agreements executed with all 59 LSCs by January 2020. **I report compliance.**

POLICY PROVISION #7: *The CEO will not operate without adhering to a Records Retention Schedule, approved by the Secretary & General Counsel, for the maintenance of documents and records.*

CEO's Interpretation: (No change since last report) I interpret this policy to mean that we must maintain and adhere to a written policy/schedule for the retention, protection and discard of all sensitive records.

REPORT: USA Swimming currently employs a multifaceted approach to the maintenance of documents and records that accounts for (i) financial records; (ii) records subject to pending litigation; and (iii) business records containing personal identifying information. USA Swimming also maintains an information technology system that maintains a copy of all digital records indefinitely. Nonetheless, in connection with the online member registration component of the Keeping Athletes First initiative, which will result in USA Swimming collecting and maintain additional personally identifiable information, USA Swimming is currently working with outside counsel and industry experts to maintain and enhance current schedules and practices to better position the organization in this space. **I report compliance.**

POLICY PROVISION #8: *The CEO will not operate without internal controls over receipts and disbursements, and to prevent dissipation of assets, sufficient to meet the Board-appointed auditor's standards (as set forth in the auditor's Management Letter and/or other communications).*

CEO's Interpretation: (No change since last report) Internal controls recommendations brought forth by our auditing firm, Waugh & Goodwin, LLP, whether in a Management Letter (if provided) or in other correspondence, are to be implemented. If staff disagrees with any of the suggestions, the decision not to implement, or to adopt alternative recommendations, is to be made by the Board.

REPORT: Our last audit, dated April 18, 2019, reported on our financial position as of December 31, 2018. The applicable Management Representation Letter for the 2019 audit was not accompanied by any Management Letter recommendations for changes to our internal controls processes/systems. The auditor has not separately conveyed any concerns or recommendations. **I therefore report compliance.**

POLICY PROVISION #9: *The CEO will not compromise the independence and transparency of the Board's relationships with auditors or other providers of governance support. Such entities may not be engaged by the CEO unless explicitly Board authorized.*

CEO's Interpretation: (No change since last report) This policy requires that the Board has the basis for confidence in the independence of its auditors and advisers, and that any of those entities are not also benefiting from undisclosed business dealings with the CEO or staff. If, as CEO, I wish to engage a party already retained by the Board for any operational purpose, such engagement must first be explicitly authorized by the Board.

REPORT: We have not retained the auditor for operational purposes during the past year. In 2019, we extended our contract with Bill Charney for continued governance support for the Board, and for support to me and the Strategy Team related to Board issues and other special projects (e.g., Foundation Board restructuring). This continuation was allocated for in 2019 and 2020 budgets, and Board Chair, Bob Vincent, authorized extending our Agreement (through 2020) with Bill. **I report compliance.**

POLICY PROVISION #10: *The CEO will not invest operating capital or reserve funds in a manner inconsistent with the Investment Policy.*

CEO's Interpretation: (No change since last report) I interpret "operating capital" to mean the Short-Term Operating Account, which, per the Investment Policy, is operating funds that could reasonably be expected to be spent over the next 3-12 months, management of which is assigned to the Chief Financial Officer.

REPORT: We adhere to and comply with USA Swimming's Investment Policy Statement, last revised in April 2019, for all our investing practices (short-term and long-term). Other than our business operating and savings accounts at Wells Fargo Bank (FDIC insured), at which we keep an average balance of 30 days of operating cash, all other operating funds are invested in market-rate interest bearing investment vehicles (Commercial Paper, Money Market Funds, US Treasuries, Agency Discount Notes, Corporate Bonds) also through Wells Fargo. Board designated reserves and all restricted funds are invested as directed by the Board through its Investment Committee. **I report compliance.**

POLICY PROVISION #11: *The CEO will not endanger USA-S' public image or credibility.*

CEO's Interpretation: (No change since last report) I interpret this provision as emphasizing the importance of protecting the organization's name and reputation as its most vital asset. In addition to commonly accepted ethical business practices, all employees, particularly in management, must recognize that their actions and public behaviors affect public perception of USA Swimming. Any such behaviors that bear negatively on those perceptions are to be addressed and mitigated.

REPORT: As emphasized by End 1.4 (Recognition as Best In Class NGB), elevating and protecting our reputation is integral to all aspects of our sustainable success. Whether through courtesies and friendliness exhibited in member/customer service, the building of collaborative relationships with business partners and other entities/NGBs, or our steadfast commitment to leadership in Safe Sport, our Strategy Team and other staff leaders are building a culture of excellence and accountability for performance.

As an example, at the September 2019 Convention in St. Louis, we acknowledged shortcomings in the area of membership communications and made a pronounced commitment to improve. Six months later, our response to the

COVID-19 crisis and our communications in support of our Olympic team and our clubs and LSCs have resulted in positive feedback from members and endemic media.

I am proud that, to our knowledge, there have been no situations brought to our attention in which the CEO and/or staff's public presentations or demeanor have been alleged to be less than professional. **I report compliance.**

POLICY PROVISION #12: *The CEO will not substantially alter the organization's corporate identity.*

CEO's Interpretation: I interpret this policy to mean that it is not within my latitude to change our name or make any material changes to our corporate identity or well-earned "brand" image. If I am contemplating any such changes, I must first notify the Board, and I must receive Board input in the form of policy parameters or expectations for such an action.

REPORT: No such changes have been made. **I report compliance.**

TO: USA Swimming Board of Directors
FROM: Tim Hinchey III, President & CEO
RE: Internal Report – Annual Monitoring on **Policy 3.8: Emergency Management Succession**
DATE: April 15, 2020

I hereby present my monitoring report on Management Parameters Policy 3.8 “Emergency Management Succession,” per the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true for the annual reporting period through this date.

Signed , President & CEO

BROADEST PROVISION: The CEO will not operate without management succession planning processes to facilitate smooth and competent operation of the organization during key personnel transitions.

CEO’s INTERPRETATION:

For purposes of this policy, “key personnel” is interpreted to include the four Business Unit leaders (see below).

“Management succession planning processes” are interpreted as those that ensure personnel support and documentation is in place to preserve continuity of the responsibilities and key functions if and when any of these positions becomes vacant (either planned or unplanned). This capability is to guide and lead the respective business units, and to support and communicate with other staff and the CEO, with ability to maintain regular operations without material disruption if we experience departure or unavailability of a key staff member.

REPORT: The CEO is primarily supported by four executives. These include:

- Mike Unger, Chief Operating Officer
- Lucinda McRoberts, Chief Administrative Officer
- Eric Skufca, Chief Financial Officer
- Shana Ferguson, Chief Commercial Officer

Along with Belle McLemore, Managing Director, Communications; Lindsay Mintenko, Managing Director, National Team; and Joel Shinofield, Managing Director, Sport Development, these nine individuals make up the Strategy Team. Each Strategy Team member is supported by directors and managers who can work independently and function in a supporting role to their business unit executive. In the instance of sudden unavailability of an executive, the circumstances will dictate whether the workload would be temporarily assigned to/shared by other executives/business units and/or directors/managers in their respective divisions.

As to CAO, CFO, and CCO, their business units have reasonable short-term capabilities in-house, and/or we can leverage outside support with relative ease.

Two years ago, I identified that our most significant susceptibility with regard to succession planning would be an unanticipated departure of Mike Unger, COO, given the unique make-up of his position responsibilities, his historical knowledge, and his high-level relationships internationally with media, federation, and athletes. While Mike remains in an integral role, especially overseeing the technical side of the sport and leading our events team as we move towards the U.S. Olympic Team Trials - Swimming and the Olympic Games, Joel Shinofield and Lindsay Mintenko have continued to exhibit growth and accomplishments in their respective positions. Combined with my continued investment in relationships with international stakeholders, we have reached a point where we no longer have that extreme vulnerability as to core “bench strength.”

With Shana Ferguson having joined us one year ago this month, the Strategy Team composition has remained stable and cohesive, particularly during the COVID-19 crisis.

Below the Strategy Team level, the most significant management level departures this year include Debbie Hesse's resignation as Foundation Executive Director last Summer and George Ward's retirement as Senior Director, Risk Management earlier this month.

As we have restructured the Foundation and integrated its staff into USA Swimming, Debbie's position has not been replaced. Instead, we have elevated Scott Usher to the role of Director of Development, and he now works with and under Shana in the Commercial business unit.

Steve Levine joined as new Senior Director, Risk Management in March, and he and George were able to work together to facilitate a seamless transition, in part due to Steve's prior experience as Director of Risk Management for the USOPC.

Finally, though we've had no departures at the Strategy Team level this year, my interpretation of this policy also addresses "unavailability" of key personnel. That term took on new meaning as a result of the COVID-19 crisis, and our quick adaptation to work-from-home for the entire staff, while remaining forward focused in our membership responsiveness and communications, has been a team effort of which I am extraordinarily proud. Lucinda and her team, especially Director, Human Resources & Employee Engagement Robyn Beresh, have greatly enhanced our systems and professionalism in ways that will ensure our "bench" remains strong and capable during periods of key personnel transitions or other major disruption.

I am pleased to report COMPLIANCE.

PROVISION #1: The CEO will not have fewer than two (2) other members of the management team sufficiently familiar with Board and CEO issues and processes to enable either take over with reasonable proficiency as an interim successor.

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

I interpret this as meaning I am to ensure that at least two senior executives (i.e. Strategy Team members) have the capability of filling in as an interim CEO, as may be designated by the Board of Directors, if I become unavailable. This capability is to lead the operational organization and support and communicate with the Board with ability to fulfill the Board's expectations of the CEO (i.e. the Ends and Management Parameters policies) on an interim basis.

REPORT: Mike Unger, COO is already designated in our Bylaws as Interim CEO and can (and has) ably served in that role.

Our CAO and General Counsel, Lucinda McRoberts, is also capable of filling in on an interim basis in the event of my unavailability. Lucinda has been with USA Swimming for eight years (the first three as outside counsel and the last five in-house) and serves as an ex-officio Board member.

Operationally, the entire Strategy Team works closely together, is looped in on other Board communications, and shares my commitment to assure its fulfillment.

Therefore, I am pleased to report COMPLIANCE.



OUR WAY FORWARD

RECOVERY PLAN

THE FINANCIAL INVESTMENT IN OUR BASE

USA Swimming initially pledges a minimum of \$1M in grants to support clubs and members within LSCs with the fewest resources, funded by the USA Swimming Foundation.

Clubs will apply for grants directly to USA Swimming through its COVID-19 Relief Program for Teams. USA Swimming will coordinate a two-phased approach to applications:

- Phase 1: immediate need to clubs in current financial peril
- Phase 2: for clubs to prepare to re-open later this year and restart our sport at the local level

The strong strategic partnership built between the USA Swimming Foundation, USA Swimming and its 59 LSCs is the catalyst for the success of this program.

USA Swimming will look to LSCs to support its commitment to the sport of swimming by creating local grant funding for their local member clubs. Our collective goal is to generate more than \$5M in funding across our 59 LSCs and provide grants to those clubs that successfully apply and are approved based on need.

ENHANCED PRODUCTS, SERVICES & BENEFITS TO ALL CLUBS

USA Swimming will continue to focus its efforts on delivering world-class club services at all levels. This includes: one-on-one meetings with clubs, coaches and LSCs, enhanced webinars, leveraging Zoom meetings, and converting existing USA Swimming in-person scheduled events to virtual experiences, while still providing the core content and information as planned.

During this challenging time, USA Swimming will identify and find new ways to support our athletes, coaches, clubs and all members. New support programs will include, but not be limited to:

- Providing all uninsured coaches access to USA Swimming's "EAP" (Employee Assistance Program) to support mental health needs and requests
- Providing access to Zoom to any club or LSC that currently does not have access to this video communication tool for a minimum of 90 days
- Providing access to USA Swimming's 401K provider OneAmerica (based in Indianapolis, IN) for private financial health counseling sessions over the phone
- Providing referrals to outside legal counsel that can offer guidance to LSCs and clubs, as needed
- Providing governance support from Charney & Associates
- Providing access to our athlete Ambassadors and National Team athletes for individual club virtual "drop-ins" to talk to clubs and athletes
- Creating and delivering a marketing toolkit to all clubs in anticipation of heading "back to the pool"
- Providing strategy sessions for clubs to plan for resuming operation



OUR WAY FORWARD

RECOVERY PLAN

FUNDRAISING AND BUSINESS DEVELOPMENT

Like many businesses, USA Swimming and its Foundation have suffered significant financial losses within its investment portfolio. Therefore, it will be critical to continue managing our Annual Fund Campaign to support the financial stability and growth of the NGB and its member clubs. We will also continue to communicate with our top donors who support our “Saving Lives and Building Champions” mission, as our National Team requires investment now more than ever following the one-year postponement of the Olympic Games.

Additionally, we are engaging with our commercial partners on a weekly basis to ensure their continued support of our NGB, while recognizing the challenging business environments each of them face in their own sectors. We will work to find creative solutions to continue these critical relationships throughout 2020 and into 2021.

Finally, as we brainstorm additional ways to support member clubs, we will continue to invest and support Swim-a-Thon as a major national campaign this Fall. Fingers crossed that we are all back in the pool by then, which would make this initiative a significant call to action for swimmers to help their own local clubs financially. USA Swimming commits to not only delivering the same level of national marketing support, promotion and prizes, but will also defer our 5% share in 2020 and 2021 back to our local participating clubs.

REDUCING AND MANAGING OUR NGB EXPENSES

Like all businesses and non-profit organizations, we must start our way forward by reducing all non-essential expenses at home, here in Colorado Springs, which has been underway since early March. The CEO and CFO, in collaboration and with the rest of our Strategy Team and Board of Directors, will continue to identify areas of expense reduction for the organization across all divisions. Nothing is off the table in terms of expense reduction, other than supporting our National Team athletes and member clubs across this great country.

