USA Swimming Board of Directors Meeting Minutes

February 5, 2021 / Virtual Zoom Conference Call

•	WILL TO ONDER
2	Bob Vincent, Board Chair, called the February 5, 2021 Board of Directors meeting to order

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

at 8:46 a.m. Mountain Time with the following members in attendance:

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9 **GUESTS**

- 10 Nathan Adrian, Kathleen Baker, Bill Charney, Ellen Colket, Ryan Gibbons, Tim Husson, Pam
- 11 Lowenthal, Michael McCaffery, Keith Moore, Ellery Parish, Dave Smith, Jack Swanson,
- 12 Michael White, Aaron Zhu.

CALL TO ORDER

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14 **STAFF**

- 15 Juan Caraveo, Paula D'Amico, Shana Ferguson, Abigail Howard, Kiki Laino, Jaime Lewis,
- 16 Isabelle McLemore, Stacy Michael-Miller, Lindsay Mintenko, Patrick Murphy, Eric Skufca,
- 17 Joel Shinofield, MJ Truex, Mike Unger, Scott Usher.

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MOMENT OF SILENCE

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

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AGENDA REVIEW

Bob Vincent presented the agenda (Attachment 1).

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RULES OF ENGAGEMENT / COVENANTS

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

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DECLARATION OF CONFLICT OF INTEREST (2.5.4)

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

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

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CEO WELCOME

- 40 President and CEO Tim Hinchey began by thanking the Board of Directors for its leadership
- and support and additionally thanked the staff for their dedication to our membership, by
- 42 prioritizing communication to all members during the pandemic and moving forward. Mr.
- 43 Hinchey noted how proud he is for the organization to fully deliver the Olympic Trials for
- not only for the elite National Team athletes, but the younger athletes as well. Lastly, Mr.
- 45 Hinchey remarked on the development of the volunteer base through evaluating and
- 46 elevating the organization's national committees.

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BOARD CHAIR'S REMARKS

- 49 Bob Vincent thanked the Board for their continued support and contributions during the
- 50 pandemic and noted his pride in the organization continuing to strive to be the best
- National Governing Body (NGB). Mr. Vincent remarked on the membership's missed and
- 52 limited opportunities in 2020 due to the pandemic but noted the organization's ability to
- do "more with less," including being fiscally responsible, being more effective
- communicators, and listening to membership when they asked for an Olympic Trials that
- would still allow many athletes to compete. Lastly, Mr. Vincent emphasized the importance
- of celebrating Black History Month, adding that USA Swimming will be releasing related
- 57 content all month long.

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MINUTES

- 60 Bob Vincent reported that the news of Kenneth Chung being elected as Vice Chair of Fiscal
- 61 Oversight was added to the minutes.

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MOTION: To approve the updated November 20, 2020 Board of Directors meeting minutes (Attachment 2). Seconded. **APPROVED.**

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FOUNDATION UPDATE

- 67 Foundation Chair Cecil Gordon expressed gratitude towards the Board of Directors and
- staff for their financial, administrative, and public relations support to the USA Swimming
- 69 Foundation over the past year. Dr. Gordon briefly reiterated that the Foundation Board of
- 70 Directors has four new members as well as a new partnership with U.S. Masters, which he
- 71 hopes will expand the Foundation's donor base. Dr. Gordon emphasized three areas of
- 72 focus for the Foundation: data driven finances; marketing, specifically the announcement of
- 73 the U.S. Masters partnership; and developing program and grant groups.

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STRATEGIC DISCUSSION: INVESTMENT TOOL FOR GROWTH

76 Chief Financial Officer (CFO) Eric Skufca introduced Investment Committee members, Ellen

77 Colket and Mike McCaffery (Attachment 3).

Ellen Colket and Mike McCaffery offered their professional and personal backgrounds and presented tools and strategies for the USA Swimming Operating Reserve Fund, specifically recommending the Board of Directors' set payout goals for the fund to assist with financial strategies.

The Board engaged in discussion on how to be more strategic with the portfolio and payout of the fund to build for the future and be more financially self-sustainable.

ATHLETES' EXECUTIVE COMMITTEE UPDATE

Maya Andrews introduced Ellery Parish, Athletes' Executive Committee (AEC) Chair.

Ellery Parish reported that athletes believe the two waves for the U.S. Olympic Team Trials – Swimming offers a fantastic solution to ensuring everyone's safety. Ms. Parish also provided an update on AEC's activities, including hosting an athlete orientation for athletes who are members of USA Swimming national committees, organizing Local Swimming Committee (LSC) Leadership Summits, and creating a mentorship program for the athlete representatives. Lastly, Ms. Parish encouraged the Board and staff to utilize the AEC to push communication in all directions as they are building a robust communication network.

ZONE DIRECTORS' COUNCIL CHECK-IN

Managing Director of Sport Development Joel Shinofield introduced the Co-Chairs of the Zone Directors' Council (ZDC), Ryan Gibbons and Dave Smith.

Dave Smith previewed upcoming Sectional and LSC meets within each Zone, including restrictions, challenges, and adjustments due to COVID-19 health and safety protocols. Mr. Smith remarked that the ZDC is working with staff to find ways to progress DEI and Safe Sport initiatives within the Zones and noted that in the past year the ZDC began to engage more athlete representatives (Attachment 4).

Ryan Gibbons reported on the transition process of bringing athletes onto the ZDC, including the athletes' role within the Council, the Zone and as non-voting members of the Athletes' Executive Committee (AEC). Mr. Gibbons briefly described the Council's strategic plans to create a pathway for the Board's goals of bilateral communication between the Board and the grassroots members as well as facilitating best practices in governance operations across Zones.

119	BOARD PROCESS
120	BOARD ACTIVITY BALANCING AND WORK PLAN REVIEW
121	Bob Vincent introduced the Board Activity and Work Plan for the Board to reassess those
122	documents in preparation for transition to a new Board Chair (Attachments 5 – 6).
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124	BOARD CHARGE TO NOMINATING COMMITTEE
125	Bob Vincent thanked Past Chair Jim Sheehan for his work on the Board of Directors as his
126	term on the Board is ending. Mr. Vincent noted that four Board members' terms are also
127	ending but are eligible for an additional term, including Jeannette Skow, Cecil Gordon, Jay
128	Thomas, and Maya Andrews.
129	
130	The Board engaged in discussion around the charge for the Nominating Committee,
131	including ensuring diverse representation on the Board, looking at the roles (coach,
132	official) that may be lost, and seeking individuals with a background in strategic
133	communication and technology. The Board also emphasized the need for a strategic
134	approach to recruiting individuals to run for the Board.
135	
136	BOARD POLICY MANUAL
137	Bob Vincent presented a proposed update to the Board Policy Manual which added in a
138	February due date for the Executive Compensation Committee (Attachment 7).
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140	MOTION: To approve the proposed update to the Board Policy Manual under the charge to
141	the Executive Compensation Committee. Seconded. APPROVED.
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143	LEGISLATIVE UPDATES
144	Bob Vincent commented on how the Board can work to progress legislative changes
145	moving forward, including engaging athletes, utilizing national committees for vetting
146	legislation, working closer with the Rules and Regulations Committee, and defining Board
147	advocacy.
148	
149	GOVERNANCE USOPC COMPLIANCE TASK FORCE
150	Vice Chair/Chair Elect Chris Brearton provided an overview on the Governance
151	Committee's task to identify where USA Swimming needs to address and come into
152	compliance with new United States Olympic and Paralympic Committee (USOPC) Bylaws
153	and federal laws. Mr. Brearton reported working groups composed of a representative
154	sample of membership will be formed to address three critical areas.
155	
156	Chief Administrative Officer and General Counsel Lucinda McRoberts provided a timeline of
157	when changes should be implemented, including calling a special meeting of the House of

158	Delegates in June 2021. Ms. McRoberts noted that the working groups will provide
159	solutions, which will then be socialized largely among the membership for further input.
160	
161	Mr. Brearton added that this will be an opportunity for the Board to show collaboration
162	with the membership to make positive changes for the organization.
163	
164	POLICY AND PROCEDURES MANUAL UPDATE
165	Lucinda McRoberts highlighted the changes to the Operating Policy Manual, including
166	omitting outdated language and references, aligning the format throughout the document,
167	and making certain substantive changes. Ms. McRoberts presented a timeline for
168	completion with the goal of providing a final version of the Operating Policy Manual on the
169	USA Swimming website by April 1, 2021 with a presentation to the Board of Directors at its
170	May 7, 2021 meeting.
171	
172	COMMITTEE TASK FORCE UPDATE
173	Jim Sheehan briefly summarized the task force's goals and process for effectively revising
174	national committees to be more beneficial to the organization, specifically the athletes,
175	through discussions with committee chairs and membership feedback.
176	
177	ENDS MONITORING
178	POLICY 1.0: BROADEST - GROWTH/SUCCESS OF SWIMMING
179	Bob Vincent presented Policy 1.0, Broadest/Growth and Success of Swimming (Attachment
180	8).
181	
182	MOTION: To approve the performance monitoring report on Policy 1.0, "Broadest End –
183	Growth and Success of Swimming," conveys (a) interpretations of the policy that are
184	reasonable, and (b) that the report reasonably substantiates compliance with the policy
185	requirements, consistent with the CEO's interpretations. Seconded. APPROVED.
186	
187	UPDATE ON POLICY 1.2: SUCCESSFUL ATHLETES, COACHES AND CLUBS
188	Joel Shinofield reported that the Key Performance Indicators within Policy 1.2, Successful
189	Athletes, Coaches, and Clubs, will be updated or replaced appropriately now that the
190	purview of the policy lies within Sport Development. Additionally, Mr. Shinofield stated
191	that the updated report will be available prior to the next Board of Directors meeting in

194 **MANAGEMENT PARAMETERS MONITORING (4.4)**

POLICY 3.3 TREATMENT OF EMPLOYEES AND VOLUNTEERS 195

Bob Vincent presented Policy 3.3, Treatment of Employees and Volunteers (Attachment 196

197 10).

May (Attachment 9).

MOTION: To approve the performance monitoring report on Policy 3.3, "Treatment of 198 Employees and Volunteers," conveys (a) interpretations of the policy that are reasonable, and 199 200 (b) that the report reasonably substantiates compliance with the policy requirements, 201 consistent with the CEO's interpretations. Seconded. APPROVED.

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POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES

Bob Vincent presented Policy 3.4, Financial Condition & Activities (Attachments 11 - 15).

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

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Kenneth Chung provided an overview of the 2020 financials, specifically noting reductions in both operating revenues and expenses compared to budget (approximately 27% and 32% reductions respectively). Mr. Chung commended the staff for managing the budget in a way that not only avoided a deficit but did so without cutting essential services to membership. In fact, Mr. Chung noted the organization increased services to membership during 2020, setting up the organization to build for the future.

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Eric Skufca reported that the finance team is still closing out the 2020 financials but noted that the numbers are tracking and trending materially consistent with the financial projection presented in November 2020. Mr. Skufca reiterated the organization's decision to stop the quarterly investment distributions for operations in 2020 and instead maintain focus on reducing operating expenditures where and when available and appropriate.

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SWIM TRIALS, LLC LINE OF CREDIT

226 Olympic Team Trials - Swimming, including historically fronting operational funds on 227 behalf of the joint venture at times. Mr. Chung noted how the organization explored options 228 and solutions with its partner Omaha Sports Commission whereby USA Swimming would 229 not need to provide direct, upfront, and temporary operating cash on behalf of the joint

Kenneth Chung provided background on USA Swimming's financial role for the U.S.

230 venture.

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Eric Skufca provided historical reference where and why USA Swimming provided upfront operating cash for the Swim Trials, LLC joint venture and rationale to reduce and or eliminate that practice moving forward (Attachment 16).

234 235

236 Chief Operating Officer (COO) Mike Unger briefly described the history and details of the 237 joint venture with the city of Omaha.

238239	The Board engaged in discussion regarding Trials finances, including what USA Swimming provides and receives as well at the financial partnership with the Omaha Sports
240	Commission.
241	
242 243	MOTION: To allow USA Swimming to be a 50% guarantor and be collateral for \$1.6M commercial revolving line of credit for Swim Trials, LLC. Seconded. APPROVED.
244	
245	PPP ROUND TWO
246	Eric Skufca briefly introduced the possibility of USA Swimming applying for the second
247	draw of the Paycheck Protection Program (PPP2) after participating in the first draw
248	(Attachment 17).
249	
250 251	Kenneth Chung presented the idea of creating a small working group to look at the nuances of applying for the PPP2, including how the organization could benefit from the fund.
252	
253	The Board voiced positive feedback with the organization moving forward with a small
254	working group to research another PPP opportunity.
255	
256	KEEPING ATHLETES FIRST INITIATIVE
257	Lucinda McRoberts reported that the Keeping Athletes First (KAF) working group added
258	two new members, Katie Meili and Jack Swanson. Ms. McRoberts additionally provided a
259	brief overview of the KAF initiative as well as details from the first meeting of 2021 on
260	online member registration. Ms. McRoberts noted that that the second meeting of the year
261	will focus on the Safe Sport Club Recognition program.
262263	GUEST SPEAKER:
264	Natalie Hall introduced National Team athlete and Olympian, Nathan Adrian.
265	Natalie Hall littloudced National Team adhete and Olympian, Nathan Adrian.
266	Nathan Adrian shared his challenges around preparing for the upcoming U.S. Olympic
267	Team Trials – Swimming in Omaha and the Olympic Games in Tokyo.
268	
269	STAFF UPDATES
270	CEO'S UPDATE
271	Tim Hinchey submitted a written report (Attachment 18).
272	
273	MEMBERSHIP UPDATE
274	Joel Shinofield reported that the organization is ahead of 2021 projected membership
275	numbers, trending close to 70%. Mr. Shinofield remarked on challenges to membership
276	numbers, including the increase in Flex memberships, pool access for member clubs, and

opportunities across the spectrum for the sport. Mr. Shinofield presented a membership summary highlighting the increase in flex memberships and the number of inactive clubs.

RETURN TO COMPETITION

Joel Shinofield reported that there are significant drops in competition and opportunities to compete compared to years past, specifically noting younger swimmers are not competing.

FLEX MOTION

Joel Shinofield shared that the Board approved changes to the Flex Membership in which the implementation was delayed due to COVID-19. Mr. Shinofield once again asked that the implementation be delayed until the 2023 membership year due to the slow incline of returning to 2019 membership numbers, being able to coincide these changes with the launch of Online Member Registration (OMR) and Digital Transformation, and to allow an easier transition for LSC/Club registrars.

MOTION: To change the effective date for implementation of the approved changes to the Flex Membership structure to the 2023 membership year. Seconded. **APPROVED.**

GUEST SPEAKER

Managing Director of the National Team Lindsay Mintenko introduced National Team athlete and Olympian, Kathleen Baker.

Kathleen Baker shared her experiences competing during the COVID-19 pandemic, including the importance of having meets for not only her physical training, but also her mental health. Ms. Baker noted the challenges and adjustments needed to compete during this time.

OLYMPIC TRIALS

Mike Unger thanked all those involved with providing perspective that led to the plan for the U.S. Olympic Trials - Swimming and reported on the areas that are still being worked out, including the athlete field, tickets and hotels, and a health and safety plan.

OLYMPIC GAMES

Lindsay Mintenko reported that little information has been given regarding the Olympic Games in Tokyo but emphasized that swimming athletes will be able to participate in the Olympics with the biggest changes being around the competitive experience, including many restrictions for the athletes, coaches, and team.

317	CLOSING ROUNDTABLE
318	NEXT MEETING / EVENTS
319	TYR Pro Swim Series
320	o San Antonio: March 3-7, 2021
321	o Mission Viejo: April 8-11, 2021
322	o Indianapolis: May 12-15, 2021
323	 Board of Directors Meeting: May 7, 2021 – Colorado
324	 Foundation Board Meeting: March 9, 2021 – Virtual
325	
326	MEETING ASSESSMENT
327	The Board engaged in a round table discussion assessing the day's meeting, including how
328	valuable it was to hear from athletes and the focus from staff on communication,
329	membership, competition, and safety. The Board also asked for more time for discussions,
330	additional pre-reading for further context, and to have everyone on individual Zooms.
331	
332	CLOSED SESSION (2.3.6)
333	LITIGATION UPDATE
334	The Board went into closed session so Lucinda McRoberts could provide a legal update.
335	
336	COMMERICAL UPDATE
337	The Board remained in closed session so USA Swimming's Chief Commercial Officer, Shana
338	Ferguson, could provide a confidential commercial update.
339	
340	PERSONNEL UPDATE
341	The Board remained in closed session so Lucinda McRoberts could provide a personnel
342	update. All staff except Tim Hinchey and Lucinda McRoberts left the meeting.
343	
344	COMPENSATION COMMITTEE UPDATE ON CEO KPIS
345	The Board remained in closed session for compensation discussions. All remaining staff left
346	the meeting.
347	ADJOUDN
348	ADJOURN
349	Bob Vincent, Board Chair, adjourned this meeting at 3:28 p.m. Mountain Time.
350	De out a stifuller and out it and
351	Respectfully submitted:
	Jucinda McRolect
	Julia Micolecti

Lucinda McRoberts, CAO & General Counsel

Bob Vincent, Board Chair

USA Swimming Board of Directors Minutes Attachments

February 5, 2021 / Virtual Zoom Conference Call

Attachment 1	Page 1 – Agenda: February 5, 2021
Attachment 2	Page 2 – DRAFT BOD Minutes November 20, 2020
Attachment 3	Page 2 – USA Swimming Reserve Fund Model 2021
Attachment 4	Page 3 – Zone Directors' Council's Report to the Board
Attachment 5	Page 4 – 2020 Board Activities – Balancing Matric
Attachment 6	Page 4 – 2020-21 Board Work Plan
Attachment 7	Page 4 - Board Governing Policy Manual Update
Attachment 8	Page 5 – Policy 1.0 Broadest/Growth and Success of Swimming
Attachment 9	Page 5 – Policy 1.2 Update
Attachment 10	Page 5 - Policy 3.3 Treatment of Employees & Volunteers
Attachment 11	Page 6 – 2020 Budget vs. Projection Summary
Attachment 12	Page 6 – Board Approved Reserve Investments Summary
Attachment 13	Page 6 - Comparative Balance Sheet as of 12.31.20
Attachment 14	Page 6 – USA-S - Foundation Investment Statements Q4 2020
Attachment 15	Page 6 – 3.4: Financial Condition and Activities
Attachment 16	Page 6 – Swim Trials LLC Preliminary Line of Credit Terms
Attachment 17	Page 7 – PPP2 USA Swimming
Attachment 18	Page 7 – Staff Report to the Board of Directors

AGENDA



8:30

USA Swimming Board of Directors February Board Meeting Friday, February 5, 2021, 8:30 am - 4:00 pm Virtual

A.	Welcome	8:30
	1. Call to Order / Record of Attendance (2.6.2)	
	2. Introductions	
	3. Moment of Silence	
	4. Agenda Review (2.3.3)	
	5. Rules of Engagement	
	6. Declaration of Conflict of Interest (2.5.4)	
	7. CEO's Welcome	
	8. Board Chair's Welcome	
	9. ACTION: Approve November 20, 2020 Minutes	
В.	Foundation Update	8:50
C.	Strategic Discussion: Investment Tool for Growth	9:00
D.	Athlete's Executive Committee Update	9:25
E.	BREAK	9:40
F.	Zone Director's Council Check-In	9:55
G.	Board Process	
	1. Board Charge to Nominating Committee	10:10
	2. Board Activity Balancing and Work Plan Review	10:25
	3. Legislative Updates	10:30
	4. ACTION: Update to Board Policy Manual w/KPI's for CEO	10:35
	5. Governance USOPC Compliance Task Force	10:40
	6. Committee Task Force Update	10:50
	7. Technical Rules Task Force	11:00

	8. Policy & Procedures Manual Update	11:05
Н.	Ends/Priority Results Monitoring	
	1. ACTION: Approve Broadest (Growth /Success of Swimming) (1.0)	11:10
	2. Update on Successful Athletes, Coaches and Clubs (1.2)	11:25
١.	Break	11:30
J.	Management Parameters Monitoring	
	1. ACTION: Approve Treatment of Staff (3.3)	11:45
	2. ACTION: Approve Financial Condition and Activities (3.4)	11:55
	a. Swim Trials, LLC Line of Credit	12:05
	b. PPP Round 2	12:10
K.	Keeping Athletes First Initiative	12:20
L.	Guest Speaker - Athlete	12:30
M.	Staff Updates	12:45
	1. Break	1:15
N.	Staff Updates (cont.)	1:30
Ο.	Closing Roundtable	2:00
	Next Meeting / Upcoming Events	
	2. Meeting Assessment	
Ρ.	Meeting Adjournment	
Q.	Break	2:15
R.	Closed Session	
	1. Litigation Update	2:20
	2. Commercial Update	2:50
	3. Strategic Discussion	3:00
	4. Compensation Committee Update on CEO KPIs (2.3.5)	3:30

Total Meeting Time: 7h 20m

USA Swimming Board of Directors Meeting Minutes

November 20, 2020 / Virtual Zoom Conference Call

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- 2 Bob Vincent, Board Chair, called the November 20, 2020 Board of Directors meeting to order
- 3 at 8:09 a.m. Mountain Time with the following members in attendance:

4

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

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GUESTS

- 10 Jerry Adams, Dale Ammon, Cheri Blauwet, Bill Charney, Ryan Gibbons, Tristan Formon, Tim
- 11 Husson, Jim Kelly, Pam Lowenthal, Keith Moore, Dave Patterson, Sean Redmond, Dave
- 12 Smith, Mary Turner, Michael White.

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14 **STAFF**

- 15 Juan Caraveo, Rebecca Chafin, Paula D'Amico, Tina Dessart, Chris Detert, Shana Ferguson,
- 16 Jake Grosser, Abigail Howard, Isabelle McLemore, Lindsay Mintenko, Patrick Murphy, Kaitlin
- 17 Pawlowicz, Devonie Pitre, Ashanee Player, Eric Skufca, Joel Shinofield, MJ Truex, Mike Unger,
- 18 Scott Usher, Morgan Weinberg.

19 20

MOMENT OF SILENCE

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

23 24

AGENDA REVIEW

25 Bob Vincent presented the agenda (Attachment 1).

26 27

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RULES OF ENGAGEMENT / PROTOCOL

Bob Vincent provided an overview of the Rules of Engagement, including coming to the meeting in the right frame of mind.

29 30 31

DECLARATION OF CONFLICT OF INTEREST (2.5.4)

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

34 35

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CEO'S WELCOME

- 41 Tim Hinchey, President & CEO, congratulated staff, volunteers, and coaches for a successful
- Toyota U.S. Open and noted that he is looking forward to celebrating the upcoming 18 & 42
- 43 Under Winter Championships in December. Mr. Hinchey additionally thanked staff for an
- incredible 2020 Golden Goggle Awards, as well as Dr. Cecil Gordon for an outstanding 44
- Foundation Board of Directors meeting and Dr. Gordon's continued efforts on the front lines 45
- 46 of the COVID-19 pandemic.

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BOARD CHAIR'S REMARKS

- 49 Bob Vincent remarked on how proud and excited he was about the Toyota U.S. Open. Mr.
- 50 Vincent additionally welcomed new Board members, Kathy Fish and Katie Meili, as well as
- 51 guest speaker, Dave Patterson.

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MINUTES

- To approve the September 25, 2020 Board of Directors meeting minutes 54 **MOTION:**
- (Attachment 2). Seconded. APPROVED. 55

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To approve the September 26, 2020 Board of Directors meeting minutes 57 **MOTION:** (Attachment 3). Seconded. APPROVED.

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GUEST SPEAKER - DAVID PATTERSON USOPC

- Lucinda McRoberts, Chief Administrative Officer & General Counsel, introduced Associate 61
- 62 Director of NGB Governance at the U.S. Olympic and Paralympic Committee (USOPC), David
- 63 Patterson.

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- 65 Mr. Patterson presented the governance model of Olympic and Paralympic organizations and
- how complex they are with obligations to many stakeholders. Mr. Patterson briefly described 66
- the audit process by the USOPC and compliancy, which is directed by Congress. Mr. Patterson 67
- 68 provided an overview of a Board's primary responsibilities to a National Governing Body
- 69 (NGB), with emphasis on governing the organization while the staff runs the organization.

- 71 Mr. Patterson provided a report on USA Swimming's current compliance areas and noted
- 72 that USA Swimming is doing well. He made recommendations on how the organization
- should approach national committees, including committee reporting structure, which 73

- committees should be making organizational decisions, and which should just provide recommendations. Mr. Patterson noted that USA Swimming has an abundance of committees.
- Mr. Patterson focused on USA Swimming's House of Delegates, which is a designated committee due to the authority to change bylaws and thus must have 33% elite athlete representation. He emphasized that this is not a gray area and said the organization will need to come into compliance by January 1, 2022. Mr. Patterson suggested ways in which to engage volunteer voices, including grassroot level athletes. Mr. Patterson additionally spoke to the importance the perspective Independent Directors can provide.
- Lastly, Mr. Patterson remarked on the opportunity USA Swimming has to build upon its current strength to become the best NGB in the world.
- Ms. McRoberts added that Mr. Patterson will work with USA Swimming's compliance taskforce moving forward.

FOUNDATION UPDATE

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- Bob Vincent remarked on how fantastic the Foundation Board of Directors meeting was and
 how far the USA Swimming Foundation has come in the past year.
- 95 Dr. Cecil Gordon, Foundation Board of Directors Chair, provided a brief summary of the 96 Foundation Board of Directors meeting from the previous day, including approval of the 97 2021 Foundation budget, a Memorandum of Understanding (MOU) with U.S. Masters 98 Swimming, additional and new Board members, and the appointment of Mike McCaffery to 99 the Investment Committee (Attachments 4 - 6).

USA SWIMMING - MASTERS MOU

- Dr. Cecil Gordon briefly provided background on how the USA Swimming Foundation and U.S. Masters Swimming formed their partnership through the work of a task force that included members of the Foundation Board (Attachment 7).
- Tim Hinchey further spoke to the development of the partnership with U.S. Masters Swimming, including partnering in other areas such as commercial.

DRAFT DRAFT

These minutes will be officially approved by the USA Swimming Board of Directors at its February 5, 2021 meeting.

- Dr. Gordon noted that with the new partnership and MOU, the Foundation Board added two 109 110 new Board positions to include members of U.S. Masters Swimming, and the Foundation
- Board also recommended Cullen Jones to replace Maya Andrews (Attachment 8). 111

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- **DIRECTOR CONFIRMATION**
- 114 **MOTION:** To approve one (1) new Foundation Board member – Cullen Jones – to fill Maya 115 Andrews' vacancy. Seconded. APPROVED.

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117 **MOTION:** To approve two (2) new Foundation Board members – Jay DeFinis and Jeff Moxie – 118 per MOU with USMS. Seconded. APPROVED.

119

Dr. Cecil Gordon presented a revision to the Foundation Board of Directors Bylaws in which 120 121 the U.S. Masters Chief Executive Officer will serve as a member of the Foundation Board of 122 Directors in a non-voting, ex-officio role (Attachment 9).

123 124

- BYLAWS UPDATE AND APPROVAL
- **MOTION:** To approve USA Swimming Foundation Bylaws revision. Seconded. **APPROVED.** 125

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Dr. Gordon thanked Chief Operating Officer Mike Unger and the rest of the staff for the success of the virtual 2020 Golden Goggle Awards and additionally noted the generosity of several Board members to the Foundation.

129 130

131 Scott Usher, Director, Development Fundraising and Alumni Affairs, provided a brief update 132 on the Golden Goggle Awards silent auction, which had currently raised over \$61K to date.

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134 Dr. Gordon introduced the Four Pillars of the Foundation Board.

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136 Tim Hinchey updated the Board on the Raise Money pillar, including the creation of a 137 DigiDeck platform and discussions regarding products and services to offer both larger audiences and directly to Champion Club Members, as well as major gift donors. 138

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140 Joel Shinofield, Managing Director of Sport Development, reported that through the Make a Difference in Communities pillar, the organization is exploring ways to expand opportunities 141 142 for competitive swimming through additional grants to learn-to-swim providers with the goal of funding this program by 2028 in the same manner in which the organization funds 143 144 the Make-A-Splash program.

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These minutes will be officially approved by the USA Swimming Board of Directors at its February 5, 2021 meeting.

- Shana Ferguson, Chief Commercial Officer, stated that everyone who has ever been a USA Swimming member will be engaged as an alumnus, not just Olympians and former National
- 148 Team members, through the Engage Alumni pillar.

149

Mike Unger noted that the focus for the Support Facilities and Pools pillar is providing access and opportunities for pools to be open. Mr. Unger reported that his group is working to create a database of pools throughout the country and additionally work in partnership with Sigma Gamma Rho on their goal of building and refurbishing 100 pools over the next eight years.

155

Dr. Gordon briefly touched on the USA Swimming Foundation "Ends" that were approved at the Foundation Board meeting.

158

Mr. Unger provided a debrief on the 2020 Golden Goggle Awards in which many were honored, including the 1980 Olympic Swimming Team, COVID-19 front line workers, USA Swimming clubs, and USA Swimming Award winner, Jon Urbanchek.

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Belle McLemore, Managing Director of Communications, presented on USA Swimming's integrated marketing campaign, Saving Lives Is Always In Season, which targeted six communities that were struggling with access to pools and lessons. In partnership with Phillips66, the goal of the campaign was to create national public awareness of the need for access to learn-to-swim programs.

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170

- **BOARD PROCESS**
- INTRODUCTION OF VICE CHAIR OF FISCAL OVERSIGHT CANDIDATES
- Bob Vincent introduced the candidates for Vice Chair of Fiscal Oversight, Kenneth Chung andKathy Fish.

173

Kathy Fish and Kenneth Chung provided an overview of their professional backgrounds, as well as the skills they would bring to the position of Vice Chair of Fiscal Oversight.

176

- 177 NOMINATING COMMITTEE APPOINTMENTS
- Bob Vincent presented the Nominating Committee appointments, Jennifer Gibson and Mary Wallack.

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181 **MOTION:** To approve the appointments of Jennifer Gibson and Mary Wallack to the Nominating Committee. Seconded. **APPROVED.**

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- Lucinda McRoberts explained the housekeeping updates to the USA Swimming Corporate
- Bylaws Articles 1.1, Description of Organization; 2.7, Fees; and 2.8, Delinquent Dues and Fees
- 186 (Attachment 10).

187

MOTION To approve updates to Article 1.1, Description of Organization, of the USA Swimming
 Corporate Bylaws. Seconded. APPROVED.

190

MOTION To approve updates to Article 2.7, Fees, of the USA Swimming Corporate Bylaws.
 Seconded. APPROVED.

193

194 *MOTION* To approve updates to Article 2.8, Delinquent Dues and Fees, of the USA Swimming Corporate Bylaws. Seconded. APPROVED.

196 197

HOD LEGISLATION BOARD POLICY MANUAL UPDATE

The Board engaged in discussion regarding steps and strategic approaches they can utilize to engage and communicate with the House of Delegates on Board recommended legislative proposals.

201

202 MOTION To approve the Board Governing Policy Manual Updates (Attachment 11). Seconded.
 203 APPROVED.

204205

- GOVERNANCE USOPC COMPLIANCE TASK FORCE
- Bob Vincent reported that the Governance Committee will identify where the organization falls short on compliance with the USOPC Bylaws and will form a task force to identify solutions for compliance.

209

Lucinda McRoberts added that this compliance process will be expedited due to the May deadline for legislative changes.

212

- 213 TECHNICAL RULES TASK FORCE
- Bob Vincent provided background on why the Technical Rules task force was formed, including the emergence of new technology.

- Joel Shinofield described the charge of the task force as evaluating technology as it relates to the technical rules of competition and provided examples of recent technology changes with
- swimsuits, Wi-Fi, pacing technology and new open water technology.

220 POLICY & PROCEDURES MANUAL DISCUSSION

- 221 Lucinda McRoberts previewed the comprehensive review of the Operating Policy Manual
- 222 (Attachment 12).

223

Ms. McRoberts additionally presented the "library" of USA Swimming documents and briefly described how each fit into governing the organization.

226227

ENDS/PRIORITY RESULTS MONITORING

Bob Vincent explained the process by which Ends monitoring reports are produced, distributed, and discussed prior to Board meetings.

230 231

POLICY 1.2 SUCCESSFUL ATHLETES, COACHES AND CLUBS

Bob Vincent presented Policy 1.2, Successful Athletes, Coaches and Clubs (Attachment 13).

233

Joel Shinofield reported that the KPIs within Policy 1.2 will be revised to reflect the current grassroots climate.

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

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POLICY 1.4 RECOGNITION OF USA SWIMMING

Bob Vincent presented Policy 1.4, Recognition of USA Swimming (Attachment 14).

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

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KEEPING ATHLETES FIRST

Lucinda McRoberts provided an overview of the Keeping Athletes First initiative from the approval of Board designated funds in November 2019 to the working group composition to the cadence of the group's meetings. Ms. McRoberts presented a summary of the cashflow for the initiative, noting that spending was slightly less than anticipated due to unanticipated adjustments for the COVID-19 pandemic.

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These minutes will be officially approved by the USA Swimming Board of Directors at its February 5, 2021 meeting.

Ms. McRoberts reported updates on each of the four initiatives including timelines, as well as components and action items for each.

Ms. McRoberts briefly described how USA Swimming's member database, SWIMS, effects critical pieces within the Keeping Athletes First initiative and how a new version of SWIMS is needed to successfully facilitate those various pieces. Ms. McRoberts asked that the

- financial resources are moved into one "bucket" as opposed to four with the intention of using part of the funds for updating SWIMS.
 - Bob Vincent added that the original financial numbers were estimates and that adjusting the use of funds is encouraged to continue being good financial stewards.
- MOTION: To approve the use of the \$5M in Board Designated Funds to accomplish the four identified initiatives, with the advice and consent of the Board of Directors and Keeping Athletes First Working Group. Seconded. APPROVED.

MANAGEMENT PARAMETERS MONITORING

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- POLICY 3.0 GENERAL MANAGEMENT CONSTRAINT
- 275 Bob Vincent presented Policy 3.0, General Management Constraint (Attachment 15).
- MOTION: To approve that the performance monitoring report on Policy 3.0, "General Management Constraint," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded. APPROVED.

POLICY 3.1 TREATMENT OF MEMBERS AND CUSTOMERS

- 283 Bob Vincent presented Policy 3.1, Treatment of Members and Customers (Attachment 16).
- MOTION: To approve that the performance monitoring report on Policy 3.1, "Treatment of Members and Customers," conveys (a) interpretations of the policy that are reasonable, and (b) that the report reasonably substantiates compliance with the policy requirements, consistent with the CEO's interpretations. Seconded. APPROVED.

POLICY 3.4: FINANCIAL CONDITION & ACTIVITIES

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

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

with the CEO's interpretations. Seconded. APPROVED.

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Eric Skufca, Chief Financial Officer, reported on the organization's revenue and expense variances, including total revenue reductions as well as total expense reductions across the board leading to a current operating surplus projection for 2020.

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Mr. Skufca presented and summarized the current organizational balance sheet while highlighting cash and cash equivalents, accounts receivable, and long-term investments.

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POLICY 3.6: FINANCIAL PLANNING AND BUDGETING

Bob Vincent presented Policy 3.6, Financial Planning & Budgeting (Attachments 20 - 23) and reminded the Board that the budget is within Policy 3.6.

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

312313

Eric Skufca presented the "quad" business plan summary (2017-2021) noting the material fluctuations, certainties, and uncertainties as the organization heads into an Olympic year in 2021 continuing to adjust and be financially fluid during the COVID-19 pandemic.

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Mr. Skufca explained that the organization is variable expense heavy, meaning the organization can pivot priorities to adjust to the current landscape and current revenue projections during these unique times to make the best financial decisions. Mr. Skufca additionally described the details regarding revenue from the U.S. Olympic Trials - Swimming.

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POLICY 3.7 COMPENSATION AND BENEFITS

325 Bob Vincent presented Policy 3.7, Compensation and Benefits (Attachment 24).

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Tim Hinchey mentioned how the organization is working as a team and doing a lot more with less.

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These minutes will be officially approved by the USA Swimming Board of Directors at its February 5, 2021 meeting.

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

333 *CEO's interpretations. Seconded.* **APPROVED.**

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- POLICY 3.11: USA SWIMMING FOUNDATION MANAGEMENT
- Bob Vincent presented Policy 3.11, USA Swimming Foundation Management (Attachment 337 25).

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

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344 *MOTION:* To approve changing the report due date to Spring Meeting. Seconded. APPROVED.

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- 346 **STAFF UPDATES**
- 347 Tim Hinchey submitted a written report to the Board (Attachment 26).

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- **EVENTS**
- Mike Unger provided a summary of the Toyota U.S. Open that included 1,136 athletes and 370 teams at nine sites across the country. Mr. Unger also reported on the safety protocols that were followed with suggestions for future competitions.

353

Lindsay Mintenko, Managing Director of the National Team, noted that from the National Team perspective, the U.S. Open was a success with the ability to add two new National Team members as well as 15 new Junior National Team members.

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Joel Shinofield added there was a lot of excitement before and after the meet from the officials, coaches, clubs, and athletes.

360

Mr. Unger remarked on the 18 & Under Winter Championships that will occur from December 1-13, 2020 at multiple sites as well as the 2021 TYR Pro Swim Series where the hope is to get back to a "normal" meet.

364

The Board discussed protocols that were followed and not followed as well as a few possible COVID-19 exposures at the U.S. Open meet sites.

Mr. Unger noted that there is a list of decisions still to be made regarding holding the U.S. Olympic Team Trials – Swimming, including spectator and athlete capacities, and alternative meet sites. Mr. Unger reported on a panel of experts that will be assembled to assist with the decision making for Trials.

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DIGITAL TRANSFORMATION

Joel Shinofield spoke about USA Swimming's need to utilize technology to provide services to our membership, including IT assets we currently rely on for member services and how they are utilized. Mr. Shinofield explained the existing value and where value can be created for members and non-members with new technology as well as improvements of our current technology. Mr. Shinofield reported on the various issues within the organization's current technology that need to be solved for the organization to implement and progress initiatives such as Keeping Athletes First, as well as any future initiatives to build and successfully service membership.

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Mr. Shinofield presented a three-phased financial roadmap to achieve the digital transformation the organization needs to better service the membership, which includes internal funds and funds already approved by the Board of Directors.

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The Board engaged in brief discussion regarding digital transformation, including details around re-architecting SWIMs, the financial dollars coming from operational funds within the budget, and the need to take six weeks to assess SWIMs in its current form in order to understand all the fixes and financial needs.

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CLOSING ROUNDTABLE

NEXT MEETING / EVENTS

- Board Meeting Friday, February 5, 2021 (likely virtual)
- Foundation Board Meeting TBD

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MEETING ASSESSMENT

The Board engaged in a round table discussion assessing the day's meeting, including expressing appreciation for the USOPC presentation on compliance, the success of the Toyota U.S. Open, and gratitude for the work staff is doing.

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CLOSED SESSION (2.3.6)

402 LITIGATION UPDATE

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

DRAFT

Lucinda McRoberts, CAO & General Counsel

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Respectfully submitted:

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Bob Vincent, Board Chair

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USA Swimming Board of Directors Minutes Attachments

November 20, 2020 / Virtual Zoom Conference Call

Attachment 1 Attachment 2	Page 1 – Agenda: November 20, 2020 Page 2 – DRAFT BOD Minutes September 25, 2020
Attachment 3	Page 2 – DRAFT BOD Minutes September 26, 2020
Attachment 4	Page 3 – USA-S Foundation Q3 2020 Financial Statement
Attachment 5	Page 3 – Foundation 2020 Budget vs. 2020 Projection
Attachment 6	Page 3 – Foundation 2020 Projection vs. 2021 Projection
Attachment 7	Page 3 – USA Swimming Foundation – Masters MOU
Attachment 8	Page 4 – USA-S Foundation Board Nominee Bios
Attachment 9	Page 4 – Foundation Bylaws Update
Attachment 10	Page 6 - Proposed USA-S Bylaws Update
Attachment 11	Page 6 – USA-S Policy Memo – HOD Advocacy
Attachment 12	Page 7 – USA-S Policy Manual References
Attachment 13	Page 7 - Policy 1.2: Successful Athletes, Coaches and Clubs
Attachment 14	Page 7 - Policy 1.4: Recognition of USA Swimming
Attachment 15	Page 8 - Policy 3.0: General Management Constraint
Attachment 16	Page 8 - Policy 3.1: Treatment of Members and Customers
Attachment 17	Page 8 – Policy 3.4 Financial Condition and Activities
Attachment 18	Page 8 – Q3 2020 USA-S Combined Investment Review
Attachment 19	Page 8 – USA Swimming - Q3 2020 Financial Statement Report
Attachment 20	Page 9 – Policy 3.6 Budget
Attachment 21	Page 9 – 2020 Budget vs. 2020 Projection
Attachment 22	Page 9 – Business Plan Summary 2017-2021
Attachment 23	Page 9 – USA Swimming 2021 Budget
Attachment 24	Page 9 - Policy 3.7 Compensation and Benefits
Attachment 25	Page 10 – Policy 3.11 USA Swimming Foundation Management
Attachment 26	Page 10 – Staff Update for the Board of Directors

What is the Reserve Fund Trying to Accomplish?



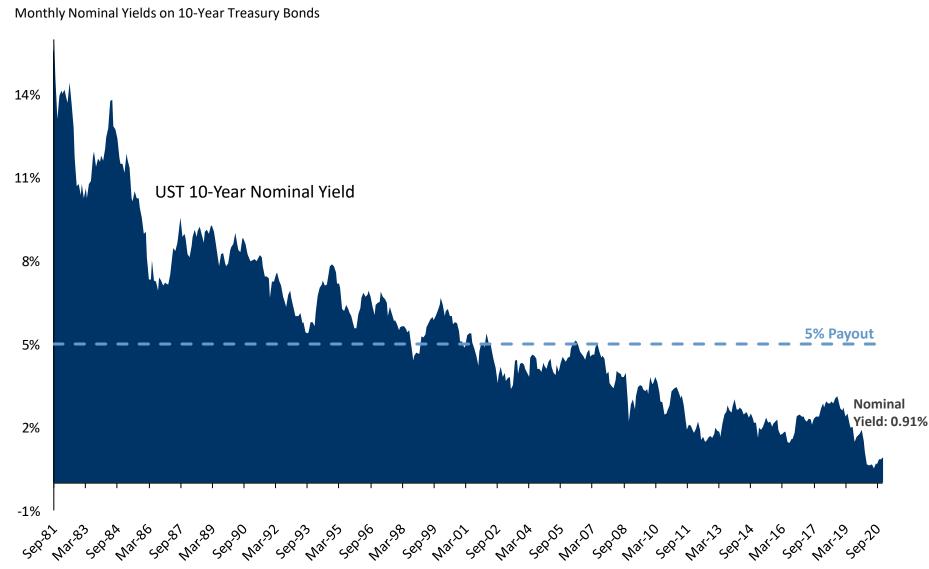
Objective	Purpose	Return
Payout	Fund Today's Generation	~5%
Purchasing Power Protection	Fund Tomorrow's Generation	1-2%
Real Return Generation	Grow Reserve Fund +	0-1%
		~6-8%

Inflation + 5% Return Poses a Challenge Today



U.S. Long-Term Nominal Yields

As of: 12/31/2020

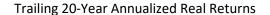


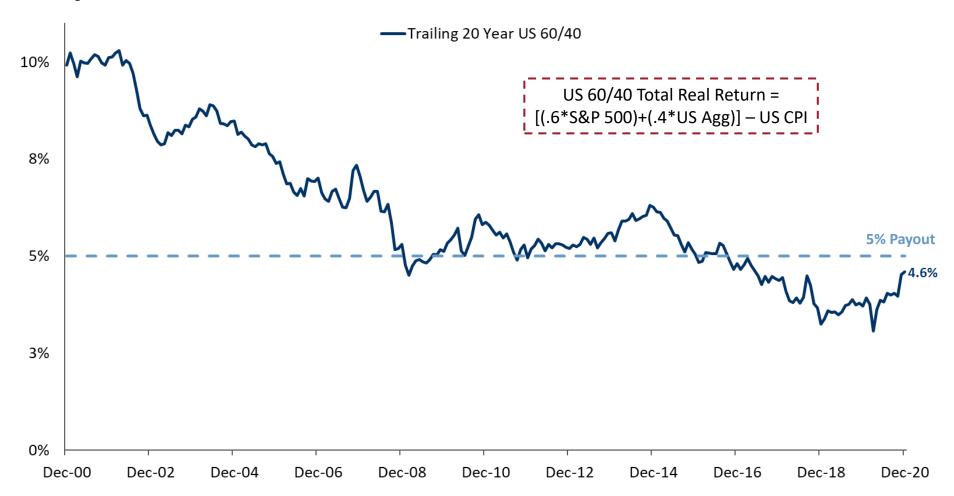
Actual Real Returns From U.S. 60/40 Portfolio Over Time



US 60/40 Total Real Return, 2001-2020

As of: 12/31/2020





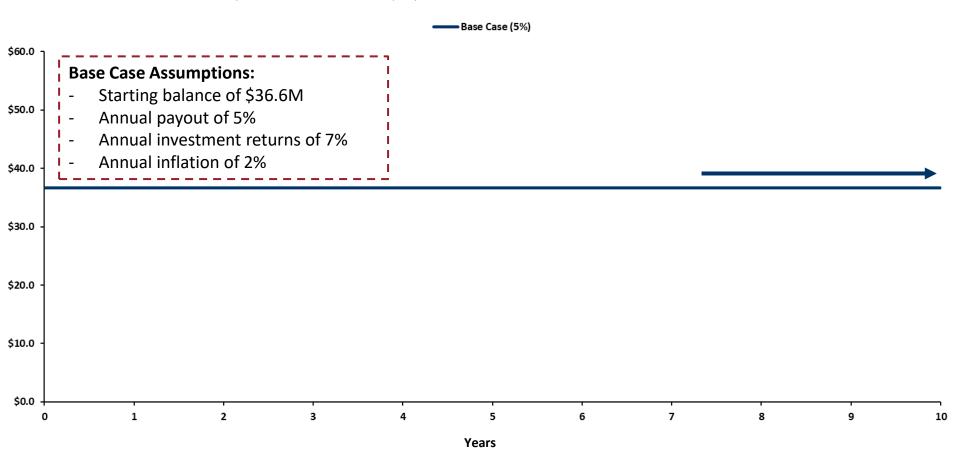
Framing Long-Term Spending Implications: Base Case



USA Swimming Operating Reserve Fund anchored around 5% payout policy, typical for perpetual funds today

Modeled Assets Over Time Under Base Case Scenario

Total Real Value of Assets (\$M) | LT ann. inflation of 2.0% | Expected ann. return of 7%



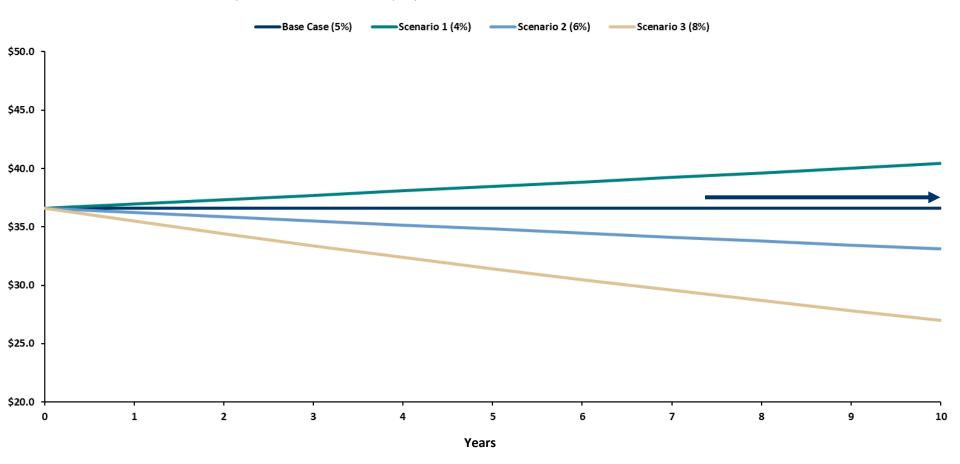
Framing Long-Term Spending Implications: Varied Payouts



USA Swimming Operating Reserve Fund anchored around 5% payout policy, typical for perpetual funds today

Modeled Assets Over Time Under Varying Payout Scenarios

Total Real Value of Assets (\$M) | LT ann. inflation of 2.0% | Expected ann. return of 7%



Meeting the \$45M Operating Reserve Fund Goal



Under varying payout scenarios, fundraising is necessary to meet USA Swimming's \$45M goal

Modeled Assets Over Time Under Varying Payout Scenarios

Total Real Value of Assets (\$M) | LT ann. inflation of 2.0% | Expected ann. return of 7% | Varying Annual Payouts

■ Scenario 1 (4%) ■ Scenario 2 (6%) ■ Scenario 3 (8%)

Ann. Funding Gap (\$M) +\$2.4M +\$3.2M +\$3.9M +\$1.3M +\$2.0M +\$2.7M +\$0.5M +\$1.2M +\$1.8M \$40.4 \$38.5 \$37.7 \$35.5 \$34.8 \$33.4 \$33.1 \$31.4 \$27.0 3 Years 5 Years 10 Years

Meeting the \$55M Operating Reserve Fund Goal



Under varying payout scenarios, fundraising is necessary to meet USA Swimming's \$55M goal

Modeled Assets Over Time Under Varying Payout Scenarios

Total Real Value of Assets (\$M) | LT ann. inflation of 2.0% | Expected ann. return of 7% | Varying Annual Payouts

■ Scenario 1 (4%) ■ Scenario 2 (6%) ■ Scenario 3 (8%)

Ann. Funding Gap (\$M) +\$5.8M +\$6.5M +\$7.2M +\$3.3M +\$4.0M +\$4.7M +\$1.5M +\$2.2M +\$2.8M \$40.4 \$38.5 \$37.7 \$35.5 \$34.8 \$33.4 \$33.1 \$31.4 \$27.0 3 Years 5 Years 10 Years



Additional Scenarios

Scenarios Considered:

- Base Case (5% Payout)
- Scenario 1 (0% Payout)
- Scenario 2 (3% Payout)
- Scenario 3 (4% Payout)



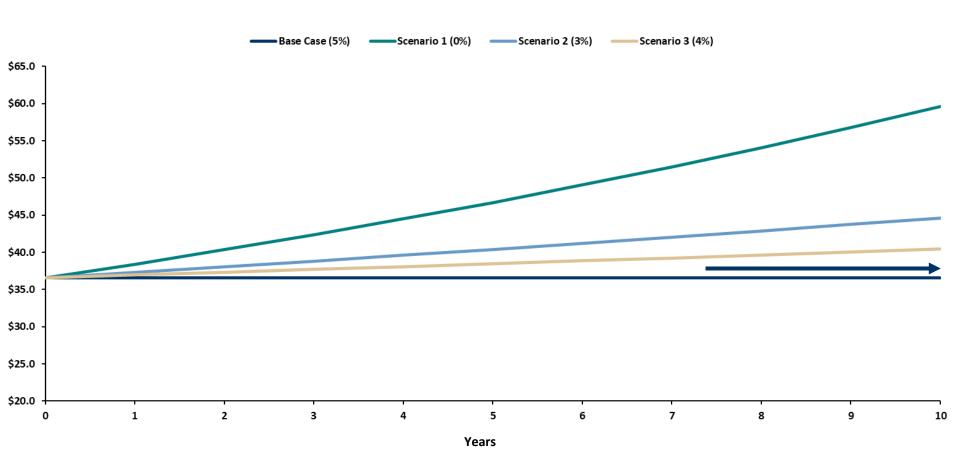
Framing Long-Term Spending Implications: Varied Payouts



USA Swimming Operating Reserve Fund anchored around 5% payout policy, typical for perpetual funds today

Modeled Assets Over Time Under Varying Payout Scenarios

Total Real Value of Assets (\$M) | LT ann. inflation of 2.0% | Expected ann. return of 7%



Meeting the \$45M Operating Reserve Fund Goal



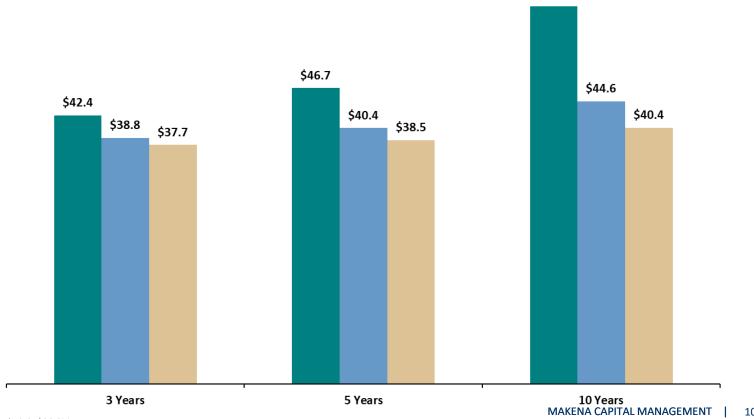
Under varying payout scenarios, fundraising is necessary to meet USA Swimming's \$45M goal

Modeled Assets Over Time Under Varying Payout Scenarios

Total Real Value of Assets (\$M) | LT ann. inflation of 2.0% | Expected ann. return of 7% | Varying Annual Payouts

■ Scenario 1 (0%) ■ Scenario 2 (3%) ■ Scenario 3 (4%)

Ann. Funding Gap (\$M) +\$0.9M +\$2.1M +\$2.4M +\$0.0M +\$0.9M +\$1.3M +\$0.0M +\$0.04M +\$0.5M



\$59.6

Meeting the \$55M Operating Reserve Fund Goal



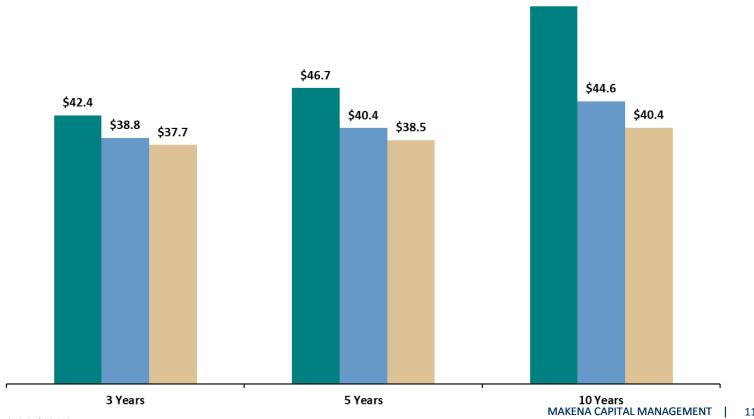
Under varying payout scenarios, fundraising is necessary to meet USA Swimming's \$55M goal

Modeled Assets Over Time Under Varying Payout Scenarios

Total Real Value of Assets (\$M) | LT ann. inflation of 2.0% | Expected ann. return of 7% | Varying Annual Payouts

■ Scenario 1 (0%) ■ Scenario 2 (3%) ■ Scenario 3 (4%)

Ann. Funding Gap (\$M) +\$4.2M +\$5.4M +\$5.8M +\$1.7M +\$2.9M +\$3.3M +\$0.0M +\$1.0M +\$1.5M \$59.6





USA Swimming Zone Directors' Council February 2021 Co-Chairs' Report to Board of Directors

Mr. Chairman and members of the USA Swimming Board of Directors:

Please accept the following report on behalf of the Co-Chairs of the Zone Directors' Council.

COMPOSITION OF THE ZONES

(figures from 2018 Membership Demographics Report)

Eastern Zone – 12 LSCs	804 clubs, 87,000 swimmers, 10,500 non athlete members
Central Zone – 15 LSCs	795 clubs, 97,600 swimmers, 10,500 non-athlete members
Southern Zone – 15 LSCs	645 clubs, 81,000 swimmers, 8,500 non-athlete members
Western Zone – 17 LSCs	856 clubs, 100,500 swimmers,10,300 non-athlete members

These numbers have likely been significantly impacted by the COVID-19 pandemic, which we expect to be reflected in the next released Membership Demographics Report.

Each of the 59 LSCs have the same functions as others while following the By-Laws template for LSCs, but are widely different in how they approach those functions. In the smaller LSCs, one non-athlete board member may be holding 3-4 different jobs. Because of this diversity, we find significant variance in how each LSC is managed and subsequently how easy or hard it is for the Zones to work with them. We continually attempt to keep our lines of communication open and encourage them to do the same.

SECTIONALS

Each Zone is divided into multiple sections, with varying degrees of autonomy. The Sections are largely independent of the Zones, as originally developed and are controlled by sectional committees. This makes centralizing competition structures and obtaining information very difficult. They inform each Zone when and where each Sectional is planned; however, in response to COVID-19 those planned meets have changed and only in the last month have new plans been developed. All Sections are planning on hosting Prelims/Finals meets, except for the Eastern Zone.

Western Zone

March 19-21- 3 Phoenix area pools with 300 swimmers each

March 10-13 – 1 pool in Dixie State University, Utah - 600 swimmers

April – 1 pool in Dixie State University, Utah - 500 swimmers

Eastern Zone

Planning for one meet at most, but still working out details. Surveys have been sent out to coaches in order to determine how many clubs/swimmers would be interested in a Sectional meet. Current plan involves a Sectionals at Christiansburg, VA in a Timed Finals format.

Southern Zone

<u>Eastern section</u> – 1 pool in Cary, NC – 144 swimmers per session, 2 Prelims sessions then a single Finals session. There is another pool available in Tupelo, MS but the eastern section did not want to use it, so the Shockwave club in Tupelo is hosting a meet for LA and MS swimmers called Top TYR, at the same March date for Sectionals.

Southern section – 2 pools, Sarasota and Coral Springs - 350 swimmers at each site

Western section – 1 pool in Mansfield, TX, only for NT swimmers, 550 swimmers, format TBD.

Central Zone

<u>North section</u> - Fargo, ND pool and Des Moines, IA pool with 250 and 138 athletes per session (respectively)

South section – Jenks, OK with 300 athletes per session (150M/150F)

East section - Indianapolis, IN pool and Elkhorn, IN pool, each with 200 athletes per session

RETURN-TO-WATER AND FUTURE COMPETITION

LSC Championships for the Spring run the gamut from smaller meets with multiple sessions to Virtual meets. We will continue to gather information on those as we can. Many LSCs which have had water access but have been heavily limited in practices or competitions seem to be opting to either not hold championship meets or heavily alter them in acknowledgement both of these restrictions and of limited training/in-season competition on behalf of clubs and athletes.

Every LSC that has water access and is legally permitted to do so is attempting to provide some type of competition from club intra-squad meets to full blown invitationals. While we are encouraged by the now-frequent releases of data indicating exceptionally low or nonexistent spread of COVID-19 at practices and meets, many of our LSCs are still struggling to see this information reflected in state, county and city policy changes. We hope that the advocacy work done by USA Swimming will continue to move forward.

Western Zone

Limited opportunities. Athletes have generally been allowed to train, but the only competitions have been in Arizona and Utah.

Eastern Zone

In a tough spot due to the harsher travel restrictions put on our states, and the need for negative tests/quarantines, etc. Most EZ LSCs are struggling to offer in-person competitions, especially in the northern part of EZ where many teams have only just recently gotten back in the water for practices this month and have barely had any competitions of any sort.

Southern Zone

Generally in good shape. There are some restrictions on meet size but kids are practicing and competing. The Western section has had a rough go but because of their limited number of teams and large areas, the clubs and swimmers are always traveling to compete. West Virginia has had major problems. The Governor shutdown all youth sports from November through January and just extended the shutdown through February.

Central Zone

In generally good shape; subject to heavy restrictions on size of meets and swimmers per lane, but training and competition is going forward.

Zone Age Group, Senior and Open Water Championships, normally conducted in late summer, are going forward and with the understanding that adjustments may have to be made later during the year. As with all major Summer competitions, the availability, distribution, and efficacy of COVID-19 vaccinations (and the resulting policy changes) will be the ultimate determinants of these plans.

DEI / SAFE SPORT

Some years back, both the DEI and Safe Sport programs shifted the appointment of Zone Coordinators away from the Zone Directors and took on the responsibility of appointing those coordinators directly. While that process has been fairly successful, we are actively looking for ways to better improve our ability to make Safe Sport and DEI progress as Zones. We have begun to have conversations with both staffs on how we can work more closely in the future, including how we can best handle future Coordinator appointments to ensure that all relevant voices are heard. Those talks have been very open, and we have high hopes that we will be able to work out a viable plan of cooperation in the future.

ATHLETE INVOLVEMENT ON THE ZDC

Following the change of governance at the 2017 Convention, the Zone Directors Council was created to provide information to the Board on Zone and LSC issues/concerns. When the Council meetings went virtual in early 2020, we started inviting our Zone Athlete reps to attend and were so impressed by their inputs and energy, we started working with staff and Bob to formalize the Zone Senior Athlete Reps as Zone Athlete Directors and thus bring them into the ZDC officially. Each Zone now has both a Senior and Junior Rep; both routinely attend our monthly Council meetings, however, only the Senior Rep is a formal member of the Council. While each Zone Director is elected to their position by all the Zone delegates, the Athlete Reps are elected by the Zone Athlete Committees.

ZONE ATHLETE REPRESENTATIVES

The transition process to bring athletes formally onto the ZDC has taken some time, but the results have been quite successful and we are excited to continue pursuing this route. Our Council now consists of an incredibly diverse group of USA Swimming backgrounds, including coaches, athletes, officials, LSC coordinators, former Board members, former National Committee Chairs, and a wide range of other experiences (Sport Development staff also attends our meetings), which has proved incredibly useful in generating quality discussion and progress.

Athletes were formally added to the ZDC by this body at the September 2020 Board meeting and began their formal involvement immediately following that. Additionally, Zones elected new Junior Athlete Representatives during Convention who began their work immediately. Each Zone's Athlete Representatives are responsible – in addition to their role on Zone Boards – for tending to the needs of their LSC Athlete Representatives. While each Zone has taken different specific approaches to this, the Zone Reps are now the first line of athlete communication for LSC Athlete Representatives and provide support, assistance, and curricula on both specific needs by LSC Reps and greater directions of the Zone. For example, many Board members may know of the Southern Zone's Athlete Workshop last July, and we're excited to share that both the Central and Southern Zone Athlete Reps will be hosting separate summits/seminars for their Athlete Reps in 2021.

The Zone Athletes communicate closely with the Athletes' Executive Committee; the four Zone Athlete Directors have been formalized through the AEC's Policies and Procedures as non-voting members of that committee and the Junior Athlete Representatives are invited to all meetings. AEC Chair Ellery Parish and ZDC Co-Chair Ryan have worked very closely to ensure that each group's work supports the other and that both groups work with significant alignment and shared goals while avoiding any redundancy, cycling, or discoordination. This has been highly successful; we are pleased to share with the Board that these groups are at their most effective and productive points in recent memory and we are excited to continue this partnership.

STRATEGIC PLANNING

As the ZDC's increase in activity this last year has been largely driven by our role assisting response and planning affiliated with COVID-19, we are seeking best paths forward as we hopefully transition to a world and sport without it. We have been able to solidify our paths towards the two goals given to us by the Board: providing bilateral communication between the Board and the grassroots members (both by communicating and implementing Board directives and by providing support and feedback to the Board where applicable), and facilitating best practices in governance and operations across Zones. With this in mind, we are beginning to identify pathways in which this ability can be best used.

As mentioned previously, we have been in communication with Safe Sport and DEI leaders to discuss how we can better support their missions and work with greater cohesion. These discussions have been occurring in the context of the ongoing restructuring in Sport Development, so we have been working with staff and committee leaders to plan out our participation in their newly-organized programs. In addition to working with the Zone Coordinator roles, we are likely going to be discussing distribution of member education, coordination with LSC athlete and program leadership, and ongoing communication methods, among other topics. We are very excited to continue these discussions and look forward to providing additional support to these programs.

As part of this transition, we are going to be holding a Strategic Planning session on Saturday, February 6th. This will be the first of these meetings that the ZDC has held, and we are both optimistic and excited for the opportunity to hold it. While our Board-given goals will absolutely remain at the center of our work, this session will facilitate the discussion of our best routes to pursue these goals. It will largely focus on the best usage of perspectives we can bring in the future and the additional subjects on which we can focus our efforts. We will provide the Chairman with all relevant conclusions and directives resulting from that session so that it can be shared with all of you.

CLOSING THOUGHTS

Moving forward, we hope to continue to be utilized as a positive asset by any group – governance or corporate – which may find us of use. We also hope that our positive virtues may provide great benefit to the Board and its work moving forward, particularly with governance restructuring to achieve USOPC compliance. Our group both provides a diverse sounding board and the ability to quickly and effectively communicate with our greater membership – assets which will be undoubtedly necessary when the time for drafting, advocating, and passing legislation comes. We highly encourage staff and the Board to keep in mind these strengths as this process moves forward, and are ready and able to assist, consult, and collaborate.

We are thankful for the chance to be leading this council as it continually demonstrates the positive results of a diverse group representing all of our governance stakeholders coming together to discuss the best options for our membership. While this is undoubtedly a tough time for our sport, we are excited for the future and are thankful for the organizational leaders we get to work with. We look forward to saying hello in-person hopefully sooner rather than later, and as always we are readily available and accessible if ever the Board or any members of our staff or governance structures feel that we could be of service.

Respectfully submitted February 5, 2021.

Dave Smith

ZDC Co-Chair

Dave Smith

SZ Non-Coach Director

Ryan Gibbons

ZDC Co-Chair

SZ Athlete Director

WAID!

Board Member	Category		Officer	Nominating Committee 2 - Proposed by Board Chair, Approved by Board (3 year terms)		Audit Committee Vice Chair Fiscal Oversight is Chair		Executive Compensation Committee 3 Board members (including 1 athlete)	Steering Committee	Rules & Regulations Committee	Foundation Board	DEI Council	Volunteer Working Group		additions	*Innovation in Technology Task Force	Athlete Rep to the Athletes Executive Council
	Semi-Ind		Vice Chair Elect				Chair (2021)								Chair		
Chung, Kenneth	At-Large	С			Member	Member						Board Rep	Member				
DiRado, Maya	Athlete	W												Ath Member			Liaison
Fish, Kathy	Semi-Ind	С						Member									
Gemmell, Bruce	Coach	Е							Chair								i
Gibson, Jennifer	Coach	S		Member													<u> </u>
Gordon, Cecil	At-Large	Е									Chair		Member				i
Hall, Natalie	Athlete	W						Chair (Ath Member)									<u> </u>
Meili, Katie	Athlete	Е					Ath Member								Member		<u> </u>
Prindle, Kathleen	Coach	S		Member										Member			i
Schalz, Bill	Coach	С					Member								Member		i
Sheehan, Jim	At-Large	Е						Member					Chair				i
Skow, Jeanette	Semi-Ind	W					Member			Ex-Officio					Member		l
Thomas, Jay	At-Large	S				Member											
Vincent, Bob	At-Large	Е	Board Chair				Member						Member	Member	Member	Member	
															•		
Needs			VP of FO	! Mem	VP of FO	VP of FO	1 Mem & 1 Ath	1 Member	None	1 Member**	None	None	None	1 Ath Member	None	None	New

Color Key

Board of Directors Officer

Board Standing Committees

Foundation Board

Board Working Group/Task Force

USA Swimming Working Group/Task Force

Operational Committee

Athlete Representative for the AEC

* supplimented with non-board members as needed

** not required but reccommended for liason and transparency purposes

USA Swimming Board of Directors 2020-21Annual Planning Calendar

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Date	Board Process	ENDS monitoring	Management Parameters Monitoring	Other Work	Educational Topics / Speakers
Board Meeting September 2020 – Post Election Welcome	2.8.6 – Governance Committee arranges New Board member orientation (to occur prior to November Board meeting ?.?.? - Identify any Board Officer Vacancies – Plan for Self-nominating Forms to be distributed prior to November meeting			2.9.8 – (by 9/30) Secretary/GC distributes Nominating Committee. Matrix – notice of appointments needed.	
November 19th – Board New Board Member Orientation – Virtual / Colorado Springs. CO					
Board Meeting November 20, 2020 – @Golden Goggles THEME: Successful Athletes, Coaches and Clubs. And, Recognition of USA Swimming.	2.3.5 – CEO Annual Compensation Review - Board determines any CEO bonus/incentive comp for previous year, if applicable 2.8.7 – Executive Comp Committee recommendations to Board ?.?.?. – Board votes and fills any Board Officer Vacancies	1.2 Successful Athletes, Coaches and Clubs DUE DATE: 1.4 Recognition of USA Swimming DUE DATE: Nov 11	3.0 – General Management Constraint 3.1 – Treatment of Members/ Consumers 3.4 – Financial Condition & Activities (INT) 3.6 – Financial Planning/Budgeting (INT – Annual Forecast) 3.7 – Compensation and Benefits 3.9 – Board Awareness and Support 3.11 – USA Swimming Foundation Management DUE DATE: Nov 11	2.3.1 – Chair proposes Board Work Plan to Board Update to Board re: Foundation Board Bylaws Update	Club and LSC Recognition Programs

USA Swimming Board of Directors 2020-21Annual Planning Calendar

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Date	Board Process	ENDS monitoring	Management Parameters Monitoring	Other Work	Educational Topics / Speakers
December 2020					
Board Meeting Jan / Feb 2021 – Colorado Springs, CO THEME: Broadest Growth and Success of Swimming	2.9.3 – Board establishes current year "charge" with targeted skills/ attributes for Nominating Cmte. 2.8.3.A – Audit Committee recommends Auditor engagement to Board by 2/28	1.0 – Broadest (Growth/ Success of Swimming DUE DATE: TBD	3.3 – Treatment of Staff 3.4 – Financial Condition & Activities (INT) DUE DATE: TBD	2.9.8 – Nominating Committee. Appointees confirmed by 1/15 2.9.8 – (post Board meeting) Nominating Committee selects chairperson and commences work.	Membership numbers,
March 2021					
Board Meeting April / May 2021 TBD THEME: Public Engagement with Swimming		1.3 – Public Engagement with Swimming DUE DATE: TBD	3.2 – External Relations 3.4 – Financial Condition & Activities (INT) 3.4 – Financial Condition (External Audit) 3.5 – Asset Protection 3.8 – Emergency Mgmt. Succession DUE DATE: TBD	2.9.8 – April 1 st : Call for Nominations announced 2.9.8 – (May 15 th) Nominations deadline	Mental Health USOPC Representative, FINA Representative,
June Board Update Call TBD					
July Board Update Call TBD					
August Board Update Call TBD				2.9.8 – (>30 days prior to House of Delegates meeting) – list of proposed nominees distributed	

USA Swimming Board of Directors 2020-21Annual Planning Calendar

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Date	Board Process	ENDS monitoring	Management Parameters Monitoring	Other Work	Educational Topics / Speakers
Board Meeting September 2021 – At Convention - Pre- House of Delegates THEME: Competitive Success	2.10.3 – Board establishes budget for governance prerogatives for next FY. 2.3.1 – Annual Board Planning cycle ends (Last meeting before House of Delegates meeting)	1.1 – Competitive Success DUE DATE: TBD	3.4 – Financial Condition & Activities (INT) 3.6 – Financial Planning & Budgeting (INT - Mid- Year Update / Re- forecast) 3.10 – LSC Reporting Requirements DUE DATE: TBD	2.9.8 – (14 days prior to House of Delegates meeting) Credentials & Elections Committee adds non-screened candidates to ballot.	
Board Meeting September 2021 – At Convention - Post- House of Delegates	2.3.2 – New Annual Board Planning Cycle begins – Chair proposes Work Plan (1 st meeting after House of Delegates meeting)			2.9.8 – (by 9/30) Secretary/GC distributes Nominating Committee. Matrix – notice of appointments needed. 2.6.1 – Board members sign Letter of Commitment and Conflict of Interest Disclosure	

Board Governing Policy Update

Policy 2.2 - Board Objectives, Section 1 - "Connection with Members":

1. Executive Compensation Committee

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 in February, 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.

^{*}Proposed change in red.

Performance Monitoring Report

TO: USA Swimming Board of Directors FR: Tim Hinchey, Chief Executive Officer

RE: Internal Report - Ends

Annual Monitoring on Policy 1.0: Broadest End - Growth and Success of Swimming

DA: January 27th, 2021

I hereby present the monitoring report on the Board's Broadest Ends Policy 1.0 "Growth and Success of Swimming", in accordance with the monitoring schedule set forth in Board policy and certify that the information contained in this report is true for the year ended December 31, 2020.

Signed Market & CEO

BROADEST PROVISION: "USA Swimming exists for: The growth and success of swimming in the United States (with results optimizing use of available resources.)"
CEO'S INTERPRETATION: (Changes are italicized)

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

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

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

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

As the Ends are not stated with explicit prioritization, it is my obligation to convey to the Board, through the Ends reporting process and reflected in part by subsequent budget allocations, any shifts, or changes in areas of emphasis. The Board has led this process through its articulation of Ends and its augmentation of our efforts with the Keeping Athletes First initiative and funding commitment, which remained a priority in 2020. Our Ends monitoring reports will continue to be the primary vehicle through which we keep the Board informed of our vision/interpretation and key priorities and metrics.

To summarize:

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

REPORT:

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

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

I therefore report ACHIEVEMENT.

November 20, 2020 Board of Directors' Minutes:

POLICY 1.2 SUCCESSFUL ATHLETES, COACHES AND CLUBS

Bob Vincent presented Policy 1.2, Successful Athletes, Coaches and Clubs (Attachment 13).

Joel Shinofield reported that the KPIs within Policy 1.2 will be revised to reflect the current grassroots climate.

1/27/2020 Update from Joel Shinofield, Managing Director of Sport Development

MJ Truex, Abby Howard, Patrick Murphy, and I completed an initial review of the 1.2 KPIs. In the review, we identified KPIs that are either relevant, out of date, or require updating to reflect our current practices.

Next Steps:

- Abby and MJ will work with their respective teams on draft revisions for KPIs within their purview.
- Abby and MJ will share any data needs with Patrick ensuring that those needs are included in the database re-architecture project within the Digital Transformation.
- Abby, MJ, Patrick, and I will review the draft KPIs with Kiki in late-February, allowing time for all required subsequent steps to be completed in advance of the April BOD meeting for review by the BOD.

Performance Monitoring Report

TO: USA Swimming Board of Directors

FR: Tim Hinchey, Chief Executive Officer

RE: Internal Report – Management Parameters

Annual Monitoring on Policy 3.3: Treatment of Employees and Volunteers

DA: January 27th, 2021

I hereby present the monitoring report on Management Parameters Policy 3.3 "Treatment of Employees and Volunteers," in accordance with the monitoring schedule set forth in Board policy and certify that the information contained in this report is true for the year ended December 31, 2020.

Signed Malfare , President & CEO

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

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

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

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

REPORT:

Volunteers have always been and will continue to be invaluable to USA Swimming. Furthermore, individual committees provide important resources and deliverables on an annual basis. Thus, it is imperative that they are treated as such. In 2020, we continued our efforts to deliver consistency in how volunteers are recognized, communicated with, and treated, starting with when they submit an application to participate. For example, acknowledgements and thank you notes were sent to each volunteer and were not, as before, only sent at the behest of individual committee chairs. Additionally, staff leads and liaisons are responsive to support requests made by volunteer chairs.

In order for the committees to continue to operate at the highest level possible, we have initiated a review of the committee structure to identify potential modifications to operational committees that will enhance productivity and efficiency while ensuring we benefit from the perspectives and talent offered by volunteer leaders. This effort is being spearheaded by Jim Sheehan and Bill Charney.

In regard to changes made to committees in the past year, in 2020, the Program and Events Committee, as well as the Awards Committee were both transitioned into individual coordinator positions.

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

I therefore report COMPLIANCE.

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

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

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

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

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

REPORT:

Personnel policies are maintained in our Employee Handbook. Our Employee Handbook is updated on annual basis with revisions sent to employees by the end of January. The Director, Human Resources and Employee Engagement, is responsible for the oversight of the handbook, ensuring it is updated annually and distributing it to staff members. Employees are required to sign the Acknowledgement of Receipt as verification that they have received the latest version of the Employee Handbook; these written acknowledgements are maintained in their digital personnel files. The acknowledgement also conveys awareness of access to the Board's Governing Policies, as required by Provision 1A, below. The 2021 version will be distributed digitally and will be housed in the human resources information system.

A copy of the 2021 Employee Handbook is available for the Board Members' review upon request.

I therefore report COMPLIANCE.

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

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

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

REPORT:

The 2021 Employee Handbook references the Board's Governing Policies manual and includes the link to access its most current version on the usaswimming.org website.

I therefore report **COMPLIANCE**.

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

CEO'S INTERPRETATION: (Changes are italicized)

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

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

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

REPORT:

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

Our OTC headquarters does provide a greater degree of protection from some risks, such as intruders, than we would be exposed to in a regular office space, including security check-ins at points of access to campus, locked gates, and keycard access. The USOPC also hosts risk management events that USA Swimming regularly attends, although due to COVID no such events took place in 2020.

As to events, we are continuously identifying risk factors and appropriate steps that will enhance our preparedness in the event of an emergency situation. However, given that events were limited in 2020, there this was not an area of immediate concern.

Since the beginning of the COVID-19 pandemic, USA Swimming has been steadfastly committed to adhering to the guidance and restrictions set forth by state and local authorities, as well as by the USOPC in regard to the use of our facilities. Additionally, over the course of 2020 we continuously monitored the COVID-19 situation to ensure that our protocols not only complied with all the rules and mandated procedures but also that they provided everyone at USA Swimming with the ability to balance their work, safety, and health needs. Furthermore, we were in constant communication with USA Swimming employees as we weathered this unprecedented global emergency.

In summary, effective risk management requires that we stay aware of changes as to the types of emergencies that are reasonably foreseeable and respond accordingly. This is an ongoing process, never completed, as 2020 perfectly illustrated. As to the results in the past year, there have been no notable blips with regard to preparation.

I therefore report **COMPLIANCE**.

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

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

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

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

REPORT:

There were no complaints filed with the Human Resources division in 2020, and there are no outstanding complaints or investigations pending.

I therefore report **COMPLIANCE**.

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

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

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

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

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

REPORT:

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

I therefore report **COMPLIANCE**.

USA Swimming

2020 Budget vs. 2020 Forecast Summary

As of 11/10/2020

1/2021 Update: Investment results are final at time of February BOD meeting, the "below the line" investment gains have been updated herein.

All other operating lines are consistent with the 11/2020 projection as total 2020 results are not final.

	Approved Budget	Current Forecast	\$ Variance Favorable	% Variance Favorable	
	2020	2020	(Unfavorable)	(Unfavorable)	Comment
REVENUE:					
Membership	\$ 23,806,500	\$ 21,922,025	\$ (1,884,475)	-7.9%	Based on YTD actuals (no Spring/Summer memberships as originally budgeted).
Partnership Marketing Revenue	5,615,475	2,590,490	(3,024,985)	-53.9%	Latest projections with Commercial (recogn. available activations, negotiations, make goods, etc.).
Consumer Revenue	185,000	25,000	(160,000)	-86.5%	Latest projections with Commercial (royalties and e-commerce).
USOPC Partnership	5,389,500	4,158,300	(1,231,200)	-22.8%	Assumes deferral of Olympic-related programs to 2021 (\$1.2M).
Investment Income	2,173,848	730,616	(1,443,232)	-66.4%	Assumes we will not be taking Q2-Q4 distribution from our portfolio for operations.
Foundation	1,245,000	1,220,000	(25,000)	-2.0%	Assumes no \$120K SAT grant from Foundation offset by \$45K of NT mental health funds given last year to be received and used by Swimming this year.
Sport and Events	6,062,000	328,365	(5,733,635)	-94.6%	Trials deferred to 2021.
Pandemic Relief		1,400,000	1,400,000	100.0%	PPP foregiven portion (anticipated).
Other Income	239,122	364,880	125,758	52.6%	
Total Revenue	44,716,445	32,739,676	(11,976,769)	-26.8%	
EXPENSES:					
Technical/Sport:					
Sport Development	5,364,094	4,136,102	1,227,992	22.9%	Athlete, Club, and Coach Edu & Dev. +\$840K (primarily travel and hosted events).
Events and Member Services	5,577,265	2,670,214	2,907,051	52.1%	Events cancelled/postponed +\$1.1M, TV/Webcast +\$630K, Zone workshops +\$200K, Officials
N.C. IT. Divi	44 404 500	0.000.007	4 000 070	40.50/	programming (cancelled/postponed) +\$170K, Convention +\$145K.
National Team Division	11,124,500	6,290,827	4,833,673	43.5%	Olympic Games Camp +\$1.025M, Olympic Prize/Medal money +\$1.01M, Jr. Team programming +\$542K, Olympic Games program +\$458K, Coach Services +\$453K, Short Course Worlds +352K, Open
					Water programming +\$176K, Payroll/G&A +\$199K.
Total Technical/Sport	22,065,859	13,097,143	8,968,716	40.6%	reate. programming the order a grown occur.
Other Programs:					
Commercial	7,664,380	4,577,662	3,086,718	40.3%	Aquazone +\$993K, Servicing and Event Marketing +\$449K, Swimming Productions +\$380K, Splash
Commercial	7,004,000	4,077,002	0,000,110	40.070	Magazine +\$336K, Swimming House +\$250K, Membership Promo +\$170K, Payroll/G&A +200K.
Risk Management	3,330,687	2,873,367	457,320	13.7%	Covid related rebates/discounts.
Foundation & Make a Splash Support	311,000	449,414	(138,414)	-44.5%	Assumes similar allocation to 2019 (nets zero).
Total Other Programs	11,306,067	7,900,443	3,405,624	30.1%	
Administration:					
					BOD +\$145K, Organizational Relations +\$123K, Olympic Games contingency +\$100K, Payroll/G&A
Executive	1,849,578	1,089,237	760,341	41.1%	·
Finance	946,515	874,856	71,659	7.6%	Payroll/G&A +\$62K.
Business Affairs	4,589,662	4,687,538	(97,876)	-2.1%	NBOR -(\$250K), Legal -(\$70K), Safe Sport (primarily travel and Aquazone presence) +\$77K, Human Resources +\$38K, Government Affairs +\$34K, Payroll/G&A +\$66K.
Total Administration	7,385,755	6,651,631	734,124	9.9%	
Total Expenses	40,757,681	27,649,217	13,108,464	32.2%	
Operating Surplus (Deficit) Before Investment G/(L)	\$ 3,958,764	\$ 5,090,459	\$ 1,131,695		
Investment Gains (Losses)	0	2,980,000	2,980,000		2020 portfolio gains. In addition to what is taken to Investment Income "above the line."
Operating Surplus (Deficit) After Investment G/(L)	\$ 3,958,764	\$ 8,070,459	\$ 4,111,695		

USA Swimming 2020 Budget vs. 2020 Forecast Summary As of 11/10/2020

1/2021 Update: Financial results are not final at this time, but the projections herein have been updated to reflect approx. funding of Board approved reserve investments.

	Approved Budget 2020	Current Forecast 2020	\$ Variance Favorable (Unfavorable)	Comment
BOARD APPROVED RESERVE INVESTMENTS			(Gillaroidalo)	
Operating Reserves: Disaster Donations Special IT Projects (CRM) Cost of Flex	(25,000) (350,000) (1,300,000)	(5,000) (470,685) (1,302,502)	20,000 (120,685) (2,502)	
Board Designated Funds: "Keeping Athletes First" (KAF) Initiative: Safe Sport Club Recognition Assistance Coach Education & LMS Safe Sport Staff Resources & Program Dev. Online Member Registration Legal USSIC Sale Letter of Credit	(1,000,000) (1,750,000) (500,000) (250,000) (250,000) (2,500,000)	(5,000) (275,000) - (250,000) (300,000) (1,825,000)	1,475,000 500,000 - (50,000)	
Total Board Approved Reserve Investments	\$ (7,925,000)	\$ (4,433,187)	\$ 3,491,813	

USA Swimming
Comparative Preliminary Balance Sheet (2020 & 2019)
1/25/2021

	Preliminary 12/31/2020	Final 12/31/2019	\$ Change	Preliminary 2019 to 2020 Directional Explanation
ASSETS				
CURRENT ACCETC.				
CURRENT ASSETS: Cash and cash equivalents	\$ 4,130,779	\$ 4,153,690	\$ (22,911)	Relatively flat given ↓ Q4 2020 membership cashflow offset by ↑ PPP and line of credit proceeds.
Accounts receivable	2,106,911	1,647,025	459,886	Flux due to timing of business & partner payments. YE balance is primarily sponsorship receivables.
Prepaid expenses and deferred charges	2,804,095	2,017,707	786,388	↑ primarily due to ↑ agreements with vendors (insurance, marketing partners, travel, etc.).
Total Current Assets	9.041.785	7,818,423	1,223,362	parties, due to page ements with vendors (marketing parties), duvel, etc.).
	-,- ,	,,	, =,==	
FIXED ASSETS:				
Leasehold Improv., IT Systems, FF&E, Other	13,538,583	14,224,901	(686,318)	Flux due to new capital projects (KAF, Digital Transf., etc.) offset by disposal of unused assets.
Accumulated depreciation & amortization	(9,521,267)	(9,737,034)	215,767	Balance follows depreciation schedules on all active fixed assets above.
Total Fixed Assets	4,017,316	4,487,867	(470,551)	
LONG-TERM INVESTMENTS:				
Long-term Investments	36,533,447	34,037,760	2,495,687	↑ primarily due to portfolio gains netted with distributions.
	,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,	(p · ·) · · · · · · · · · · · · · · · ·
OTHER ASSETS:				
Investment - Swim Trials, LLC	113,957	113,957	-	No investment in or capital call for the Trials Joint Venture entity in 2020.
Prepaid rent	4,825,420	4,918,788	(93,368)	Follows schedule pertaining to our building lease agreement with the USOPC.
Total Other Assets	4,939,377	5,032,745	(93,368)	
TOTAL ASSETS	\$ 54,531,925	\$ 51,376,796	\$ 3,155,129	
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	\$ 473,008	\$ 2,461,894	\$ (1,988,886)	Flux due to timing of business & vendor payments (travel, legal, member reimbur., etc.).
Accrued expenses and other liabilities	1,634,773	1,525,970	108,803	Flux due to timing of business & vendor invoicing (USOPC, payroll/benefits, meet host payables, etc.)
				↓ primarily due to less membership revenue received for subsequent year's membership and ↑ Trials revenue to be
Deferred revenue	12,581,013	15,857,251	(3,276,238)	recogn. in the following year.
Total Current Liabilities	14,688,794	19,845,115	(5,156,321)	
NONCURRENT LIABILITIES:				
Line of Credit Payable	1,821,000	_	1,821,000	New line of credit executed in 2020 to fulfill BOD approved reserve investments (USSIC letter of credit draws).
Total Noncurrent Liabilities	1,821,000		1,821,000	, , , , , , , , , , , , , , , , , , , ,
Total Liabilities	16,509,794	19,845,115	(3,335,321)	
NET ASSETS:				
Unrestricted:				
Undesignated Net Assets	20,395,126	13,522,032	6,873,094	
Board Designated - USSIC	17,627,005	18,009,649	(382,644)	
Total Unrestricted Net Assets	38,022,131	31,531,681	6,490,450	
	55,522,131	32,332,301	3, .33, 430	Similar to Retained Earnings for a for-profit entity. Cumulative difference between revenues and expenses and also
Total Net Assets	38,022,131	31,531,681	6,490,450	equal to assets less liabilities.
TOTAL LIABILITIES AND NET ASSETS	\$ 54,531,925	\$ 51,376,796	\$ 3,155,129	



Your Agenda Items

- I. General Updates
- II. Discussion Items
- III. Economic Outlook
- IV. Investment Review





Points of Interest

- S&P 500 ends the year at new record high.
- Fed reaffirms commitment to ultra-low rates for foreseeable future.
- The UK leaves the EU after 48 years.
- The jobs recovery stalled in December, with nonfarm payrolls shedding jobs for the first time since April.
- The FDA approves two COVID-19 vaccines for emergency use.
- New daily coronavirus cases and deaths in the US end the year at record levels.
- Joe Biden wins Presidential election while Democrats gain control of Congress.

<u>Inside this Issue:</u> Overview.....2

- S&P 500 Chronology
- Economic Scorecard

Domestic	Economic
Review	

International	Economic
Review	

Equity Markets.....5

Fixed Income Markets...6

Disclosures.....7

1Q21 Economic & Market Update

Fourth Quarter Recap

A year unlike any other ended with the S&P 500 closing at a new record high. For much of the quarter, however, investors veered back and forth between optimism about coronavirus vaccines and additional fiscal stimulus, and pessimism over surging coronavirus cases and deaths, and questions over the timing of new stimulus. In the end, optimism won out.



Following a bitter Presidential race, and contested outcome, Joe Biden was declared the winner of the Presidential election. Prior to the Georgia runoff elections in early January, it was widely expected that Republicans would retain control of the Senate and thus Congress would remain divided, the market's preferred outcome. Mixed government typically limits a given party's ability to pass their most extreme policy initiatives, thereby reducing market uncertainty. With Democrats winning both Georgia runoff elections, they will now hold slim majorities in both houses of Congress. The impacts on policy remain to be seen.

After numerous failed attempts at passing a second coronavirus relief bill, Congress finally approved a \$900B package in late December. Among other measures, the bill renews funding for the Paycheck Protection Program (PPP), provides \$600 direct payments to millions of individuals, extends enhanced unemployment benefits into March, suspends the federal moratorium on evictions until the end of January, and provides additional funding to support vaccine distribution programs, airlines, farmers, and food assistance programs.

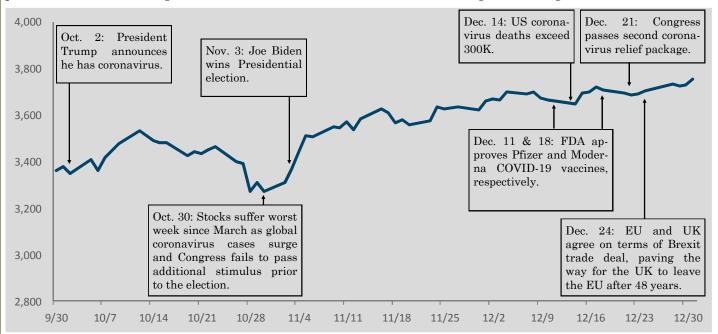
The coronavirus continued to exact a significant toll on individuals and the broader economy, during the quarter. Daily new cases surged, increasing from ~45K/day at the end of September, to routinely exceeding 200K/day in December. Deaths increased commensurately as well, rising from ~1K/day, to over 3.5K/day. In response, may cities and states reimposed measures designed to slow the spread of the virus, but which also had the effect of restricting economic activity. Fortunately, the FDA approved two vaccines in December, allowing investors to begin to see the proverbial light at the end of the tunnel.

As we turn the page on 2020, we are faced with a number of questions. When will we finally turn the corner on the coronavirus? When will life, and by extension, economic activity return to normal? How much higher can equity markets go, given current valuations? What do the incoming administration's policies mean for financial markets and the broader economy? In the following pages, we attempt to answer these questions, and more. However, to quote Yogi Berra, "It's hard to make predictions, especially about the future." That said, 2020 reminded us of a number of essential truths: 1) The known unknowns are typically not the things that ultimately cause problems; 2) Markets often behave in ways that confound even the "smartest" of investors; 3) Trying to time markets is generally a fools errand and 4) Investors should always remain focused on, and committed to, their long term financial goals no matter the near-term volatility.

OVERVIEW

4Q20 S&P 500 Chronology

The S&P 500 ended the year at a new record high as optimism about additional coronavirus stimulus and approval of vaccines outweighed concerns about renewed lock downs resulting from a surge in new cases.



Source: First Western Trust.

Economic Scorecard

Indicator	Level	Outcome	Trend*	Comment
3Q20 GDP	33.4%	Above Expectation	仓	Despite record rebound, 4Q20 GDP would need to increase 15% to recover 1Q20 and 2Q20 losses. Current estimate is 4.6%.
U.S. Unemployment (Dec.)	6.7%	Above Expectation	\Leftrightarrow	Nonfarm payrolls contracted 140K. First decline since April. Total employment remains 9.8M below pre-coronavirus levels.
Housing Starts (Nov.)	1.547M	Above Expectation	仓	Starts increased for the third consecutive month, rebounding to their highest level since February 2020.
ISM Manufacturing (Dec.)	60.7	Above Expectation	仓	Highest level since Aug. 2018. Strength was broad based with improvements in new orders, production, and employment.
ISM Services (Dec.)	57.2	Above Expectation	仓	Underlying conditions mixed with improvements in business activity and new orders while employment contracted.
Consumer Spending (Nov.)	-0.4%	Below Expectation	Û	First monthly decline since April. Likely impacted by surging coronavirus cases and falling incomes. Y/Y, down 2.4%.
Personal Income (Nov.)	-1.1%	Below Expectation	Û	Wages and salaries increased 0.4%. Offset by 3.3% decline in government benefits as coronavirus assistance winds down.
Consumer Confidence (Dec.)	88.6	Below Expectation	Û	Unexpectedly declined. Second consecutive monthly decline. Likely the result of concerns about surging coronavirus cases.
Core CPI (Dec.)	0.4%	Inline w/ Expectation	仓	Headline inflation was boosted by 8.4% increase in gasoline prices. Excluding gas, monthly inflation up just 0.1%.

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.
- It is not possible to invest directly in an index. There is no assurance that investment products based on the index will accurately track index performance or provide positive investment returns.
- Investment and insurance products and services are not a deposit, are not FDIC- insured, are not insured by any federal government agency, are not guaranteed by the bank and may go down in value.

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MAY LOSE VALUE

NO BANK GUARANTEE



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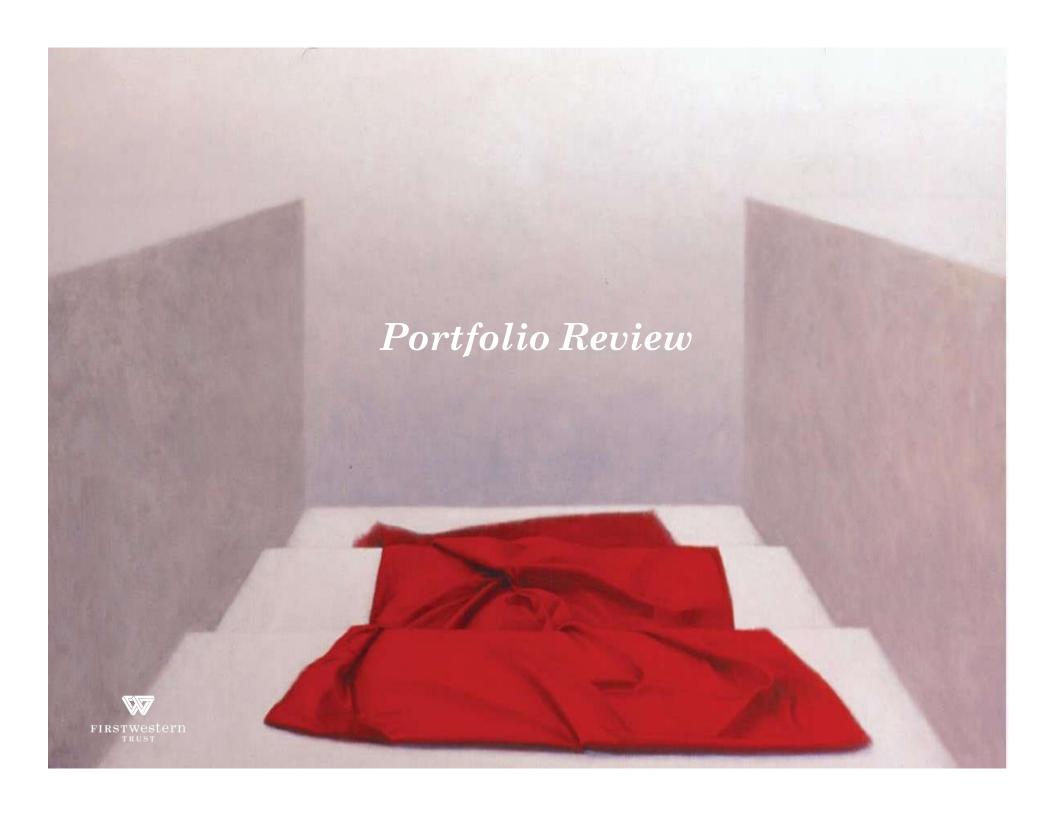
Asset Class Return



									10-Yr (20	010-2020)
2012	2013	2014	2015	2016	2017	2018	2019	2020	Annual Return	Annual Standard Deviation
REITs	Sm. Cap	REITs	REITs	Sm. Cap	Int'l - EM	Cash	Lg. Cap	Sm. Cap	Lg. Cap	MLPs
19.7%	38.8%	28.0%	2.8%	21.3%	37.3%	1.8%	31.5%	20.0%	14.2%	29.4%
Int'l - EM	Lg. Cap	Lg. Cap	Abs. Ret.	MLPs	Int'l - Dev.	FI	REITs	Lg. Cap	Sm. Cap	Sm. Cap
18.2%	32.4%	13.7%	1.7%	18.3%	25.0%	.01%	28.7%	18.4%	11.1%	18.9%
Int'l - Dev.	MLPs	10-Yr Tr.	Lg. Cap	HY	Lg. Cap	10-Yr Tr.	Sm. Cap	Int'l - EM	REITs	Int'l - EM
17.3%	27.6%	10.7%	1.4%	17.5%	21.8%	-0.03%	25.5%	18.3%	9.5%	17.8%
Sm. Cap	Int'l - Dev.	FI	10-Yr Tr.	Lg. Cap	Sm. Cap	HY	Int'l - Dev.	10-Yr Tr.	HY	REITs
16.3%	22.8%	6.0%	0.9%	12.0%	14.6%	-2.3%	22.0%	10.6%	6.6%	15.6%
Lg. Cap	Abs. Ret. 9.3%	Sm. Cap	FI	Cmdty.	REITs	REITs	Int'l - EM	Int'l - Dev.	Int'l - Dev.	Int'l - Dev.
16.0%		4.9%	0.6%	11.8%	8.7%	-4.0%	18.4%	7.8%	5.9%	15.3%
HY	HY	MLPs	Cash	Int'l - EM	Abs. Ret.	Lg. Cap	$rac{\mathrm{HY}}{14.4\%}$	FI	10-Yr Tr.	Cmdty.
15.6%	7.4%	4.8%	0.0%	11.2%	8.5%	-4.4%		7.5%	4.1%	14.1%
MLPs	REITs	HY	Int'l - Dev.	REITs	HY	Abs. Ret6.44%	10-Yr Tr.	HY	FI	Lg. Cap
4.8%	2.9%	2.5%	-0.8%	8.6%	7.5%		8.9%	6.2%	3.7%	13.6%
FI	Cash	Abs. Ret.	Sm. Cap	FI	FI	Sm. Cap	FI	Cash	Int'l - EM	HY
4.2%	0.0%	0.8%	-4.4%	2.7%	3.5%	-11.0%	8.7%	0.4%	3.6%	7.1%
10-Yr Tr.	FI	Cash	HY	Int'l - Dev.	10-Yr Tr.	Cmdty.	Cmdty.	Abs. Ret0.1%	Abs. Ret.	10-Yr Tr.
4.2%	-2.0%	0.0%	-4.6%	1.0%	2.1%	-11.3%	7.7%		1.4%	6.3%
Abs. Ret. 0.9%	Int'l - EM	Int'l - EM	Int'l - EM	Cash	Cmdty.	MLPs	MLPs	Cmdty.	Cash	Abs. Ret.
	-2.6%	-2.2%	-14.9%	0.2%	1.7%	-12.4%	6.6%	-3.1%	0.6%	4.8%
Cash 0.1%	10-Yr Tr. -7.8%	Int'l - Dev. -4.9%	Cmdty. -24.7%	10-Yr Tr. -0.2%	Cash 0.8%	Int'l - Dev. -13.8%	Cash 2.1%	REITs -5.1%	MLPs -2.4%	FI 3.0%
Cmdty. -1.1%	Cmdty. -9.5%	Cmdty. -17.0%	MLPs -32.6%	Abs. Ret4.6%	MLPs -11.1%	Int'l - EM -14.6%	Abs. Ret. 0.1%	MLPs -28.7%	Cmdty. -6.0%	Cash 0.2%

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

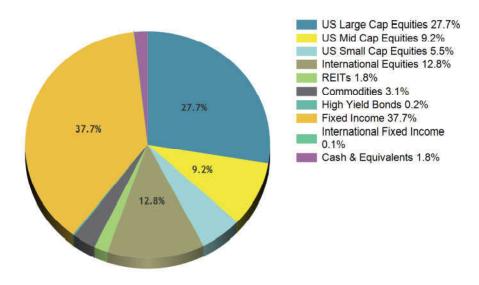
Sources: Morningstar Direct, Morningstar. As of 12/31/2020.



Portfolio Overview: As of December 31, 2020



Portfolio Sector Allocation as of 12/31/2020

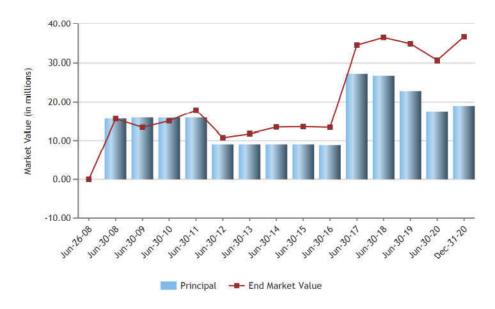


Activity Summary

	Quarter to Date	Year to Date	Since Inception 6/26/2008
Beginning Value(1),(2)	\$29,122,056	\$34,103,592	\$0
Net Contributions/Withdrawals(3)	\$4,499,921	-\$1,203,390	\$18,920,386
Gain/Loss	\$2,973,750	\$3,695,527	\$17,675,342
Ending Value(1),(2)	\$36,595,728	\$36,595,728	\$36,595,728

Portfolio Growth: 6/26/2008 - 12/31/2020

Since Inception(4) QTD YTD 3Yr 6/26/2008 **Total Portfolio** 9.46 12.73 8.54 6.29 Index Blended Benchmark 8.85 11.84 7.87 Consumer Price Index - All Items(5) 1.12 1.77 1.55



Performance History

⁽¹⁾ Values include Accrued Income.

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

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

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

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

Sector Overview: As of December 31, 2020



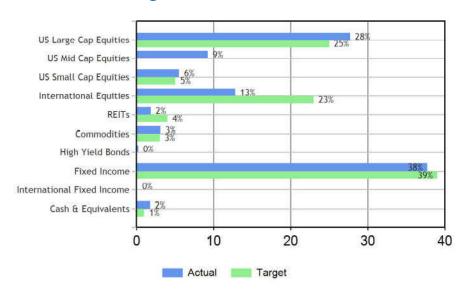
Portfolio Sector Allocation(3)

	Market Value(1),(2),(3)	Portfolio
	As of 12/31/2020	Weight
US Large Cap Equities	\$10,145,729	28%
US Mid Cap Equities	\$3,376,348	9%
US Small Cap Equities	\$2,019,522	6%
International Equities	\$4,695,574	13%
REITs	\$675,057	2%
Commodities	\$1,128,926	3%
High Yield Bonds	\$79,123	0%
Fixed Income	\$13,806,220	38%
International Fixed Income	\$27,428	0%
Cash & Equivalents	\$641,801	2%
Total	\$36,595,728	100%

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

						Inception To(4)		Inception
	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Date	Date
US Large Cap Equities	12.00	18.23	18.23	14.06	15.17	13.23	10.40	6/26/2008
US Mid Cap Equities	17.58						30.26	6/23/2020
US Small Cap Equities	24.20	14.02	14.02	7.51	11.63	10.37	8.57	6/26/2008
International Equities	17.53	12.86	12.86	6.66	9.63	5.33	3.60	6/26/2008
REITs	13.20	-1.95	-1.95	6.74	7.27	7.13	5.84	6/26/2008
Commodities	12.45						28.81	6/23/2020
High Yield Bonds	2.84	13.03	13.03	7.32	7.70		6.45	7/12/2011
Fixed Income	1.68	9.26	9.26	6.25	5.31	4.45	4.84	6/26/2008
International Fixed Income	2.35	7.32	7.32				7.34	9/15/2019
Portfolio	9.46	12.73	12.73	8.54	9.21	7.07	6.29	6/26/2008

Actual vs. Target Allocation



⁽¹⁾ Values include Accrued Income.

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

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

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

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

⁽a) Securities not included in Total Market Value but not in Performance due to the nature of the investment

Performance by Sector: As of December 31, 2020



	Market Value(1),(2),(4)	Portfolio(5)							Since(3),(4)	Inception
	As Of 12/31/2020	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
US Large Cap Equities	\$10,145,729	28%	12.00	18.23	18.23	14.06	15.17	13.23	10.40	6/26/2008
S&P 500 Index			12.15	18.40	18.40	14.18	15.22	13.88		
US Mid Cap Equities	\$3,376,348	9 %	17.58						30.26	6/23/2020
Russell Midcap Index			19.91	17.10	17.10	11.61	13.40	12.41		
US Small Cap Equities	\$2,019,522	6%	24.20	14.02	14.02	7.51	11.63	10.37	8.57	6/26/2008
Russell 2000 Index			31.37	19.96	19.96	10.25	13.26	11.20		
International Equities	\$4,695,574	13%	17.53	12.86	12.86	6.66	9.63	5.33	3.60	6/26/2008
MSCI EAFE Index			16.05	7.82	7.82	4.28	7.45	5.51		
MSCI Emerging Markets Index			19.70	18.31	18.31	6.17	12.81	3.63		
REITs	\$675,057	2%	13.20	-1.95	-1.95	6.74	7.27	7.13	5.84	6/26/2008
Wilshire U.S. REIT Index			10.62	-7.90	-7.90	3.30	4.25	8.27		
FTSE EPRA/NAREIT Developed Index			13.26	-9.04	-9.04	1.52	3.74	5.44		
Commodities	\$1,128,926	3%	12.45						28.81	6/23/2020
Bloomberg Commodity Index			10.19	-3.12	-3.12	-2.53	1.03	-6.50		
High Yield Bonds	\$79,123	0%	2.84	13.03	13.03	7.32	7.70		6.45	7/12/2011
BofAML HY Master II Index			6.48	6.17	6.17	5.89	8.43	6.62		
Fixed Income	\$13,806,220	38%	1.68	9.26	9.26	6.25	5.31	4.45	4.84	6/26/2008
Barclays Cap Aggregate Bond Index			0.67	7.51	7.51	5.34	4.44	3.84		
Barclays Municipal 1-10 Yr. Blend Index			0.98	4.23	4.23	3.82	2.96	3.26		
Barclays Municipal 1-15 Yr. Blend Index			1.33	4.73	4.73	4.23	3.39	3.84		
International Fixed Income	\$27,428	0%	2.35	7.32	7.32				7.34	9/15/2019
Barclays 1-3 Year Global Majors Index			2.71	7.22	7.22	3.07	3.11	-0.03		
Cash & Equivalents	\$641,801	2%	N/A	N/A						
BofAML US 3 Month T-Bill Index			0.03	0.67	0.67	1.61	1.20	0.64		
Total Portfolio	\$36,595,728	100%	9.46	12.73	12.73	8.54	9.21	7.07	6.29	6/26/2008

⁽¹⁾ Values include Accrued Income.

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

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

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

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





Individual Account Performance

		Inception	Market Value(1),(2)	Portfolio							Since
		Date	As of 12/31/2020	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception(3)
612422055	USA Swimming, Inc Equities - Pledged	6/26/2008	\$22,489,146	61.5%	15.02	15.18	15.18	9.64	11.64	8.90	7.32
612422063	USA Swimming, Inc Fixed Income	6/26/2008	\$14,106,582	38.5%	1.51	8.65	8.65	5.74	4.95	6.83	6.54
	USA Swimming, Inc.		\$36,595,728	100.0%	9.46	12.73	12.73	8.54	9.21	7.07	6.29

⁽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) December 31, 2020

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price _	Market Value	Pct. Assets	Yield
US Large Cap	Equities							
	VANGUARD INDEX FDS S&P 500 ETF SHS NEW	VOO	272.53	8,045,045.85	343.69	10,145,728.80	45.1	1.54
US Mid Cap E	auities							
24,027.534	•	BMDIX	25.17	604,676.71	28.17	676,855.63	3.0	?
29,517	ISHARES RUSSELL MID-CAP ETF	IWR	57.64	1,701,498.48	68.55	2,023,390.35	9.0	1.28
6,973		IWS	94.51	659,052.36	96.96	676,102.08	3.0	1.87
			_	2,965,227.55	_	3,376,348.06	15.0	1.14
US Small Cap	Equities							
63,754.651		DASCX	13.30	847,923.04	14.12	900,215.67	4.0	1.61
5,709	ISHARES RUSSELL 2000 ETF	IWM	173.63	991,225.82	196.06	1,119,306.54	5.0	1.04
			_	1,839,148.86	_	2,019,522.21	9.0	1.29
International I	Equities							
35,642.940		ODVIX	43.86	1,563,145.36	53.45	1,905,115.14	8.5	0.35
83,082.761	LAZARD INTL STRATEGIC EQUITY PORT INST CL	LISIX	14.26	1,184,561.63	16.83	1,398,282.87	6.2	1.01
29,489		VEA	40.42	1,191,866.88	47.21	1,392,175.69	6.2	2.04
	W WWW.		_	3,939,573.86	_	4,695,573.70	20.9	1.05
				-,,		.,,		
REITs 20,835.098	VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	VGISX	26.50	552,109.31	32.40	675,057.18	3.0	5.39

First Western Trust Bank PORTFOLIO APPRAISAL

USA Swimming, Inc. - Equities - Pledged 612422055 (Formerly Fidelity 673218332) December 31, 2020

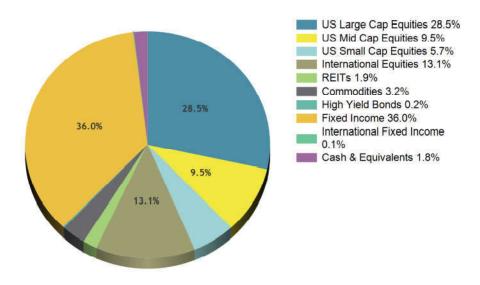
		Security	Unit	Total		Market	Pct.	
Quantity	Security	Symbol	Cost	Cost	Price	Value	Assets	Yield
Commodities								
191,019.580	PIMCO COMMODITY REALRETURN STRATEGY FUND INST #45	PCRIX	5.22	997,114.92	5.91	1,128,925.72	5.0	1.56
Cash & Equiva	alents							
	FIDELITY IMM GOV CLASS I FUND #57	FIGXX		607,739.86		607,739.86	2.7	0.01
	FIRST WESTERN ICS MONEY MARKET	FWICS		-159,749.89		-159,749.89	-0.7	-0.01
			_	447,989.97	_	447,989.97	2.0	0.02
TOTAL PORTFO	LIO			18,786,210.32		22,489,145.64	100.0	1.44

USA Swimming Foundation, Inc.

Portfolio Overview: As of December 31, 2020



Portfolio Sector Allocation as of 12/31/2020

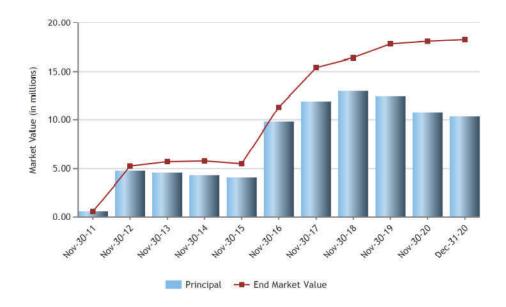


Activity Summary

Beginning Value(1),(2)	Quarter to Date \$17,005,915	Year to Date \$19,575,953	Since Inception 11/30/2011 \$586,463
Net Contributions/Withdrawals(3)	- \$411,283	-\$3,594,279	\$9,722,085
Gain/Loss	\$1,644,088	\$2,257,045	\$7,930,172
Ending Value(1),(2)	\$18,238,720	\$18,238,720	\$18,238,720

Portfolio Growth: 11/30/2011 - 12/31/2020

Since Inception(4) QTD YTD 3Yr 11/30/2011 **Total Portfolio** 9.69 14.05 8.62 8.08 Index 8.85 11.84 7.87 7.51 Blended Benchmark Consumer Price Index - All Items(5) 1.12 1.77 1.55



Performance History

⁽¹⁾ Values include Accrued Income.

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

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

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

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

USA Swimming Foundation, Inc.

Sector Overview: As of December 31, 2020



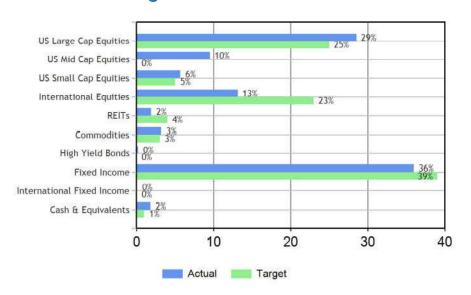
Portfolio Sector Allocation(3)

	Market Value (1),(2),(3)	Portfolio
	As of 12/31/2020	Weight
US Large Cap Equities	\$5,203,810	29%
US Mid Cap Equities	\$1,735,824	10%
US Small Cap Equities	\$1,035,806	6%
International Equities	\$2,394,041	13%
REITs	\$346,256	2%
Commodities	\$579,053	3%
High Yield Bonds	\$36,410	0%
Fixed Income	\$6,561,433	36%
International Fixed Income	\$16,457	0%
Cash & Equivalents	\$329,629	2%
Total	\$18,238,720	100%

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

						Inception To(4)		Inception
	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Date	Date
US Large Cap Equities	12.14	18.93	18.93	14.27	15.10		14.80	11/30/2011
US Mid Cap Equities	17.70						30.38	6/23/2020
US Small Cap Equities	24.30	14.19	14.19	7.91	11.73		12.21	11/30/2011
International Equities	17.71	12.41	12.41	6.56	9.58		7.62	11/30/2011
REITs	13.39	-1.63	-1.63	7.01	7.37		9.03	11/30/2011
Commodities	12.44						28.51	6/24/2020
High Yield Bonds	2.70	13.08	13.08	7.22	7.72		6.89	11/30/2011
Fixed Income	1.59	9.74	9.74	6.17	5.35		4.26	12/06/2011
International Fixed Income	2.35	6.95	6.95				7.03	9/15/2019
Portfolio	9.69	14.05	14.05	8.62	9.38		8.08	11/30/2011

Actual vs. Target Allocation



⁽¹⁾ Values include Accrued Income.

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

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

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

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

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

USA Swimming Foundation, Inc.

Performance by Sector: As of December 31, 2020



	Market Value(1),(2),(4)	Portfolio(5)							Since(3),(4)	Inception
	As Of 12/31/2020	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception	Date
US Large Cap Equities	\$5,203,810	29 %	12.14	18.93	18.93	14.27	15.10		14.80	11/30/2011
S&P 500 Index			12.15	18.40	18.40	14.18	15.22	13.88		
US Mid Cap Equities	\$1,735,824	10%	17.70						30.38	6/23/2020
Russell Midcap Index			19.91	17.10	17.10	11.61	13.40	12.41		
US Small Cap Equities	\$1,035,806	6%	24.30	14.19	14.19	7.91	11.73		12.21	11/30/2011
Russell 2000 Index			31.37	19.96	19.96	10.25	13.26	11.20		
International Equities	\$2,394,041	13%	17.71	12.41	12.41	6.56	9.58		7.62	11/30/2011
MSCI EAFE Index			16.05	7.82	7.82	4.28	7.45	5.51		
MSCI Emerging Markets Index			19.70	18.31	18.31	6.17	12.81	3.63		
REITs	\$346,256	2%	13.39	-1.63	-1.63	7.01	7.37		9.03	11/30/2011
Wilshire U.S. REIT Index			10.62	-7.90	-7.90	3.30	4.25	8.27		
FTSE EPRA/NAREIT Developed Index			13.26	-9.04	-9.04	1.52	3.74	5.44		
Commodities	\$579,053	3%	12.44						28.51	6/24/2020
Bloomberg Commodity Index			10.19	-3.12	-3.12	-2.53	1.03	-6.50		
High Yield Bonds	\$36,410	0%	2.70	13.08	13.08	7.22	7.72		6.89	11/30/2011
BofAML HY Master II Index			6.48	6.17	6.17	5.89	8.43	6.62		
Fixed Income	\$6,561,433	36%	1.59	9.74	9.74	6.17	5.35		4.26	12/06/2011
Barclays Cap Aggregate Bond Index			0.67	7.51	7.51	5.34	4.44	3.84		
Barclays Municipal 1-10 Yr. Blend Index			0.98	4.23	4.23	3.82	2.96	3.26		
Barclays Municipal 1-15 Yr. Blend Index			1.33	4.73	4.73	4.23	3.39	3.84		
International Fixed Income	\$16,457	0%	2.35	6.95	6.95				7.03	9/15/2019
Barclays 1-3 Year Global Majors Index			2.71	7.22	7.22	3.07	3.11	-0.03		
Cash & Equivalents	\$329,629	2%	N/A	N/A						
BofAML US 3 Month T-Bill Index			0.03	0.67	0.67	1.61	1.20	0.64		
Total Portfolio	\$18,238,720	100%	9.69	14.05	14.05	8.62	9.38		8.08	11/30/2011

⁽¹⁾ Values include Accrued Income.

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

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

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

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

USA Swimming Foundation, Inc.





Individual Account Performance

		Inception	Market Value(1),(2)	Portfolio							Since
		Date	As of 12/31/2020	Weight	QTD	YTD	1Yr	3Yr	5Yr	10Yr	Inception(3)
612422022	USA Swimming Foundation, Inc Equities	11/30/2011	\$11,535,264	63.2%	14.95	16.15	16.15	10.20	12.19		10.76
612422071	USA Swimming Foundation, Inc Fixed Income	12/6/2011	\$6,703,456	36.8%	1.46	9.00	9.00	5.64	4.90		3.80
	USA Swimming Foundation, Inc.		\$18,238,720	100.0%	9.69	14.05	14.05	8.62	9.38		8.08

⁽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

December 31, 2020

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Va l ue	Pct. Assets	Yield
US Large Cap 15,141	Equities VANGUARD INDEX FDS S&P 500 ETF SHS NEW	V00	263.49	3,989,526.74	343.69	5,203,810.29	45.1	1.54
US Mid Cap E								
12,324.299	BAIRD MIDCAP FUND - INST #76	BMDIX	25.61	315,650.54	28.17	347,175.50	3.0	?
15,140	ISHARES RUSSELL MID-CAP ETF	IWR	56.89	861,262.28	68.55	1,037,847.00	9.0	1.28
3,618	ISHARES RUSSELL MID-CAP VALUE ETF	IWS	94.49	341,873.86	96.96	350,801.28	3.0	1.87
			_	1,518,786.68	_	1,735,823.78	15.0	1.14
US Small Cap	Equities							
	DEAN SMALL CAP VALUE FUND CLASS A	DASCX	13.28	434,244.15	14.12	461,742.24	4.0	1.61
2,928	ISHARES RUSSELL 2000 ETF	IWM	173.67	508,503.22	196.06	574,063.68	5.0	1.04
			_	942,747.37	_	1,035,805.92	9.0	1.29
International E	Equities							
18,179.452	INVESCO DEVELOPING MARKETS FUND CLASS R6	ODVIX	44.02	800,262.19	53.45	971,691.71	8.4	0.35
42,082.651	LAZARD INTL STRATEGIC EQUITY PORT INST CL	LISIX	14.31	602,233.90	16.83	708,251.02	6.1	1.01
15,126	VANGUARD FTSE DEVELOPED MARKETS ETF	VEA	41.64	629,912.59	47.21	714,098.46	6.2	2.04
	WARRETOETT		_	2,032,408.67	_	2,394,041.19	20.8	1.05
REITs								
10,686.911	VIRTUS DUFF & PHELPS GLOBAL REAL ESTATE SECURITIES FUND CLASS I #1860	VGISX	27.62	295,197.32	32.40	346,255.92	3.0	5.39

First Western Trust Bank PORTFOLIO APPRAISAL

USA Swimming Foundation, Inc. - Equities 612422022

Moderate

December 31, 2020

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
Commodities 97,978.531	PIMCO COMMODITY REALRETURN STRATEGY FUND INST #45	PCRIX	5,21	510,346,24	5.91	579,053.12	5.0	1.56
Cash & Equiva	alents FIRST WESTERN ICS MONEY MARKET	FWICS		240,473.52		240,473.52	2.1	0.01
TOTAL PORTFO	LIO			9,529,486.55		11,535,263.74	100.0	1.44



USA Swimming USA Swimming Athletes Foundation

4th Quarter 2020

Anthony T. Corallo, CTP

Managing Director Senior Client Strategist Tel: 650-401-2239

tcorallo@sterlingcapital.com



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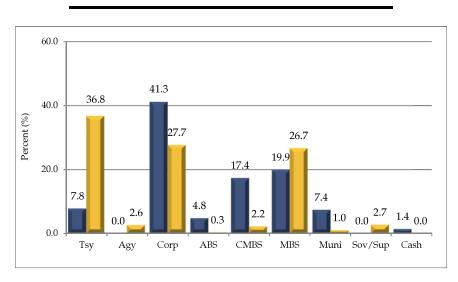


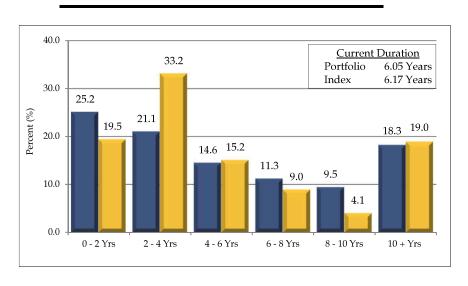


USA Swimming – Fixed Income Characteristics

Sector

Duration Distribution

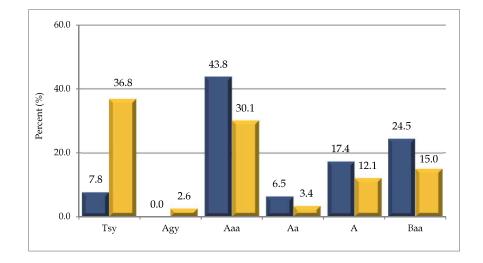




Ratings

S Characteristics

As of 12/31/20



Duration	6.05 Years
Maturity	7.94 Years
Yield-to-Maturity	1.41%
Benchmark Yield-to-Maturity	1.14%
Credit Rating	Aa3



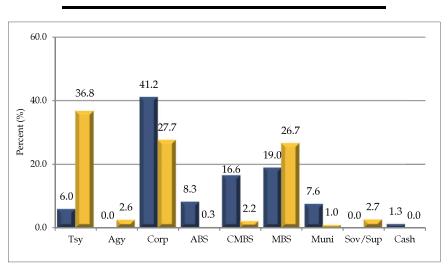


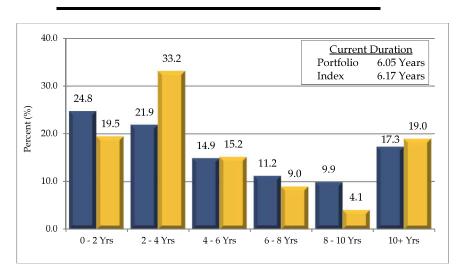
USA Swimming Foundation – Fixed Income Characteristics

Sector

As of 12/31/20

Duration Distribution





Ratings

60.0 45.2 36.8 40.0 Percent (%) 30.1 24.9 20.0 16.1 15.0 12.1 7.8 6.0 Α Baa Tsy Agy Aaa Aa

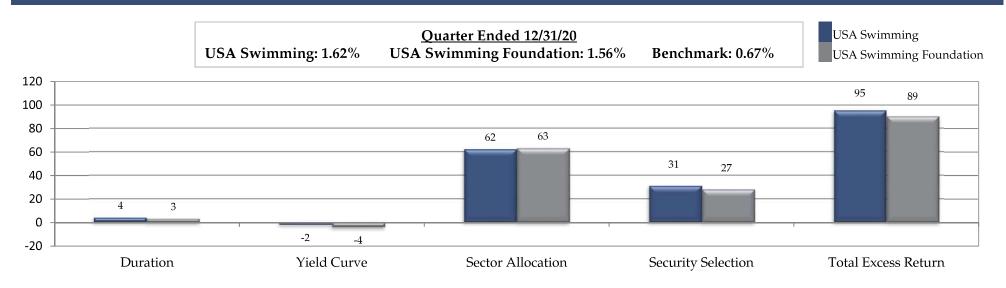
Characteristics

Duration	6.05 Years
Maturity	7.87 Years
Yield-to-Maturity	1.42%
Benchmark Yield-to-Maturity	1.14%
Credit Rating	Aa3

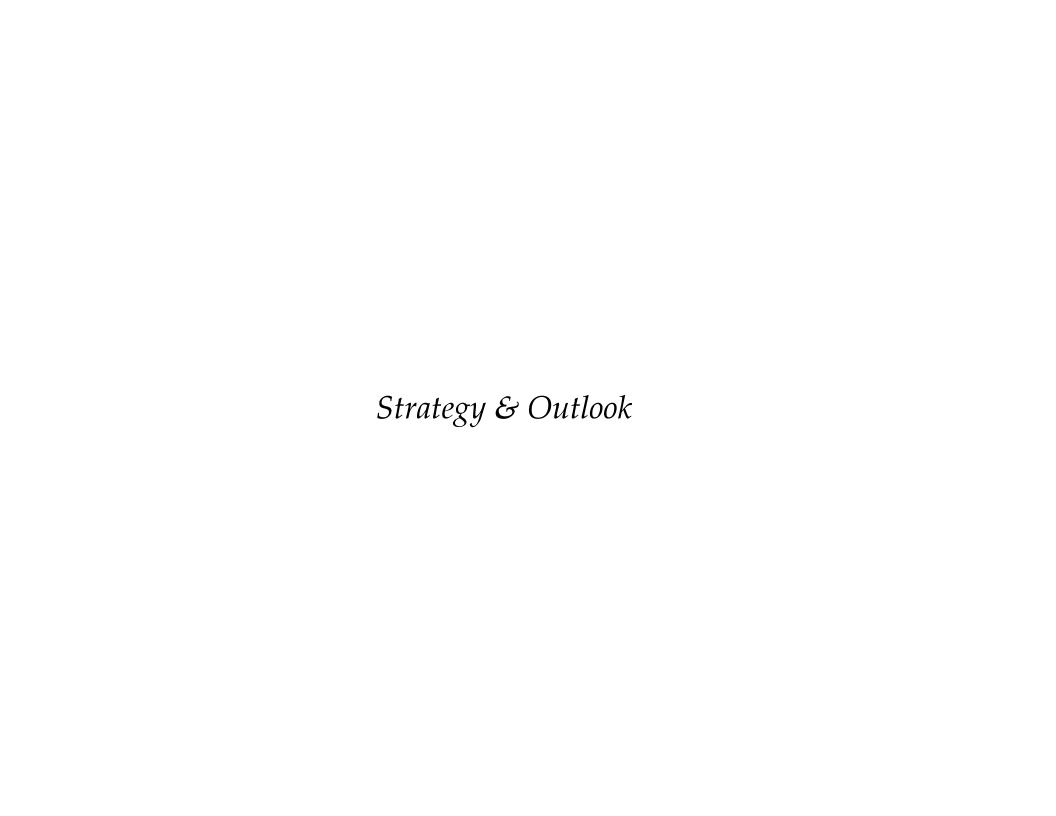
USA Swimming Foundation
Bloomberg Barclays U.S. Aggregate Bond Index



Performance Attribution



Active Decision	<u>Comments</u>	<u>Effect</u>
 Duration & Yield Curve Duration was managed approximately neutral to slightly short versus the index 	Rates were relatively stable in the front of the curve and higher in the longer segments	Small Positive
• Overweight the 6-10 year segment of the curve	• The curve steepened with the long segment rising, the 10 year treasury finished at 0.93%	Small Negative
Sector AllocationOverweight corporate bonds, underweight treasuries	The corporate bond market continued solid performance in the fourth quarter as the economy gradually recovered and the Fed supported markets	• Positive
Overweight taxable municipal and CMBS bonds	• Investors continued to search for yield creating demand for the sectors	• Positive
Security Selection & TimingOverweight lower rated bonds	The search for yield continued causing lower rated credit markets to outperform	• Positive
Allocation to energy, consumer and REIT sectors	Selection within sectors outperformed	• Positive
Allocation within securitized bonds	Overweight lower coupon MBS, relative outperformance	 Positive





Investment Outlook and Strategic Positioning

INVESTMENT OUTLOOK

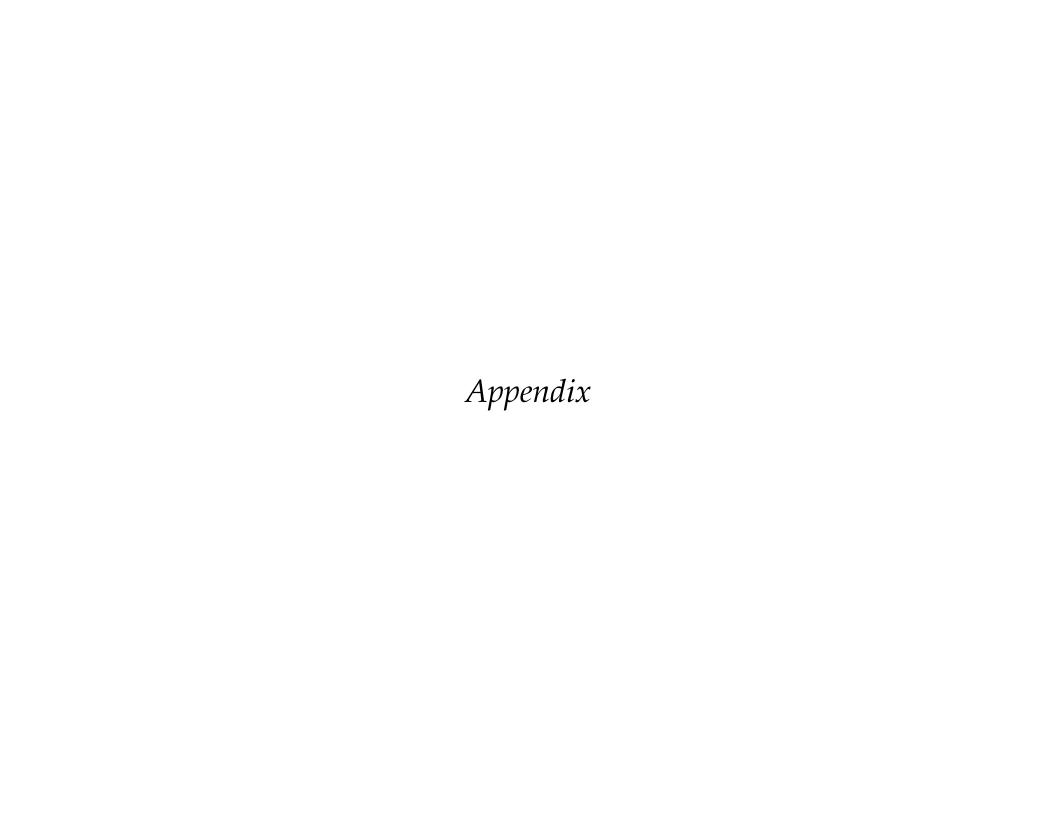
- Economic growth for 2021 will largely be determined by the evolution of the pandemic as the country works to return to a more normal way of life as vaccines are distributed. With the recent approval of multiple vaccine candidates, we are now closer to the end of the pandemic and we look for above trend economic growth of 4-5 percent as more industries are able to fully participate in the economic recovery.
- We expect a healing labor market, a robust housing market, and a healthy consumer in the aggregate to drive economic growth. We look for the services sector to bounce back with vigor in the second half as an increasingly larger percent of the population is vaccinated and consumers are increasingly more comfortable with travel and leisure activities.
- The policy outlook will remain highly accommodative with the Federal Reserve on hold at the zero bound for 2021 and likely beyond as its new flexible average inflation targeting program commits the Fed to not raise rates until inflation modestly exceeds 2% for some time. Meanwhile, with former Fed Chair Janet Yellen as the presumptive Treasury Secretary, there is potential for substantially more policy coordination between Treasury and the Fed.
- With narrow majorities in both the House and the Senate, the most controversial parts of the Biden agenda will be difficult to move forward, though the potential for higher taxes and increased regulation remain headwinds to corporate profitability and risk asset outperformance. Infrastructure spending is also likely to increase and is a potential area for bipartisanship to prevail.

STRATEGIC POSITIONING OF OUR PORTFOLIOS

Intermediate and Core Fixed Income

- Durations will be managed neutral to modestly short to benchmark durations.
- Underweight Treasury securities in favor of corporate bonds, taxable municipals, and non-agency securitized products.
- Balanced outlook on agency MBS as strong support from the Fed is offset by heavy supply and elevated prepayment risk. Our holdings remain biased towards seasoned collateral that should exhibit less prepayment responsiveness to the decline in interest rates.

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





Disclosures

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

Takeaways and Action Items:



Takeaways and Action Items				
Any upcoming cash flow needs?				



Disclosures

First Western Trust cannot provide tax advice. Please consult your tax advisor for guidance on how the information contained within may apply to your specific situation.

Insurance products are offered through First Western Insurance Services and licensed affiliates.

Investment products are not a deposit product or guaranteed by the financial institution or an affiliate of the financial institution. The product is not FDIC. The product is not insured by any agency of the U.S. government (if applicable).

The product involves investment risk and may lose value.

Past performance is no guarantee of future performance.



Performance Monitoring Report

TO: USA Swimming Board of Directors

FR: Tim Hinchey, Chief Executive Officer

Eric Skufca, Chief Financial Officer

RE: Internal Report – Management Limitations

Quarterly Monitoring on Policy 3.4: Financial Condition and Activities

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

Similar to prior years and given the timing of this Monitoring Report as it relates to the completion of the 2020 financial "close" results, all stated 2020 financial results herein are preliminary as of our latest projections. Final 2020 results will be completed by late February 2021.

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

Signed _______, President & CEO

______, CFO Date: January 27, 2021

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, 2019 were audited and issued a clean opinion. The Chief Financial Officer continues to abide by GAAP.

We therefore report **COMPLIANCE**.

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

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

REPORT:

The previous version of this Monitoring Report dated November 11, 2020 included our latest comprehensive 2020 projection. In this projection, we anticipated a FY 2020 operating surplus of \$5,090,459, better than the budget approved by this body in November 2019 by \$1,131,695, or 28.6%. Understanding our 2020 financial results will not be finalized until late February 2021, we note the November 2020 operating projection is still materially accurate and reasonable at the time of this Monitoring Report:

We report **COMPLIANCE** based on the current 2020 projection compared to the original 2020 budget approved in November 2019. While the operating results (both revenues and expenditures) are materially different than what was originally budgeted, our 2020 stand-alone operating results project a larger surplus than originally budgeted. We note the ongoing concerted efforts by the Strategy Team and Division Directors to strategically make operational decisions that can position us as well as possible throughout the 2021 "five-year quad" and beyond.

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

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

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

REPORT:

On a preliminary basis, cash and cash equivalents were \$4,130,779 as of December 31, 2020 with 2020 projected monthly operating expenses at approximately \$2,300,000 – thus in compliance at year-end. We note cash and cash equivalent balances were below the \$2,300,000 threshold at specific times throughout the quarter (e.g. Prior to October 10, 2020 when our first round of 2020-21 membership cashflow was received from our LSCs as anticipated), but these times were known, projected, and did not interfere with operating expenditures.

We therefore report **COMPLIANCE**.

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

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

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

REPORT:

Strategy Team members are not currently utilizing corporate credit cards, but approximately ten other staff have corporate credit cards, with balances paid in full through the last statements.

In April 2020, USA Swimming applied for the Paycheck Protection Program, which provides a forgivable loan to support businesses' payroll and operational needs. Following its application and loan approval, the Board discussed USA Swimming's participation in the program and approved steps taken.

In July 2020 after Board discussion and approval in the second quarter of 2020, the organization finalized and issued a \$3,000,000 revolving line of credit (low interest rate, 24-month term) collateralized by our investment portfolio with one of our banks. The line allows for increased strategic decision making as it relates to funding approved spending in times of heightened market volatility. To date, the organization has drawn just over \$1,800,000 on the line and has paid all required interest-only payments in full on a monthly basis.

We therefore report **COMPLIANCE**.

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

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

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

REPORT:

The Board-designated Reserve has been tapped (capitalized or expensed) approximately \$850,000 on a preliminary basis in 2020 for three Board approved planned investments: the "Keeping Athletes First" initiative, legal expenditures, and USSIC sale letter of credit drawdown interest payments. All initiatives were Board approved to be used out of the Board-designated Reserve.

We therefore report **COMPLIANCE**.

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

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

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

REPORT:

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

We therefore report **COMPLIANCE**.

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

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

All tax and governmentally required payments or filings (payroll, Form 990, 1099's, etc.) must be made in a timely and accurate manner.

REPORT:

All withholding taxes and other such payroll payments and filings have been made within deadline by our payroll provider, ADP. Forms 1099/1096 were filed by January 31, 2020 (and are scheduled to be filed by January 31, 2021 for this year). The 2019 Form 990 was successfully filed timely on September 29, 2020. There are no outstanding, overdue filings.

We therefore report **COMPLIANCE**.

POLICY PROVISION 8: "The CEO will not execute a purchase commitment, check or electronic funds transfer for greater than \$250,000, unless such expenditure was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable." CEO'S INTERPRETATION: (No change since previous report)

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

REPORT:

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 therefore report COMPLIANCE.

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

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

REPORT:

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

We therefore report **COMPLIANCE**.

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

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

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

REPORT:

Primary receivables are membership dues, sponsorship payments, event fees, etc. On a preliminary basis at quarter end, there were nine sponsor contracts, one event vendor contract, and one swim club on our receivables (before our contract amendment completion) that were both greater than \$10,000 and over 60 days past due (totaling over \$3,150,000). We are monitoring and communicating with these customers regularly and either anticipate successful resolution or contract amendments without legal intervention at this time. Note our projection files account for any anticipated contract amendments with sponsors.

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 2019 fiscal audit was not accompanied by any Management Letter recommendations.

We therefore report **COMPLIANCE**.

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

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

Staff is to maintain, disseminate and ensure adherence to travel/expense reimbursement policies applicable to staff, Board members and other volunteers.

REPORT:

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

We therefore report **COMPLIANCE**.

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

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

Documentation/receipts for CEO credit card statements and expense reports are to be provided electronically (Concur) to the Vice Chair – Fiscal Oversight for approval before payment.

REPORT:

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

We therefore report **COMPLIANCE**.



January 27, 2021

Eric Skufca
USA Swimming/Swim Trials
1 Olympic Plaza
Colorado Springs, CO 80909

RE: Commercial Revolving Line of Credit

Dear Mr. Skufca:

First Western Trust appreciates the opportunity to establish a relationship with you and Swim Trials, LLC; by providing these preliminary loan terms outlined below. Based on our review of available information, First Western Trust Bank is prepared to offer the terms and conditions for a commercial revolving line of credit. The information contained in this letter is confidential and is intended for the express use of Swim Trials, LLC; USA Swimming, Inc; and the Omaha Sports Commission.

The following terms are provided for discussion purposes only and does not represent a commitment to lend on the part of First Western Trust or to borrow on the part of Swim Trials, LLC. The final commitment to lend will be subject to full review of all necessary financial documentation and formal approval by First Western Trust.

Commercial Revolving Line of Credit:

Borrower: Swim Trials, LLC

Guarantors: USA Swimming, Inc. – fixed at 50% of the loan commitment

Omaha Sports Commission – fixed at 50% of the loan commitment

Purpose: Establish a commercial revolving line of credit.

Loan Amount: \$1,600,000

Loan Type: Commercial revolving line of credit

Term: 15 months

Interest Rate: Option 1: WSJP - .25%, variable, with a floor of 3.25% (if IM secured).

Option 2: WSJP + .50%, variable, with a floor of 4.25% (Collateral other

than IM account).

Repayment: Interest-only payments required monthly with outstanding balance due

at maturity.

Fees:	Option 1: \$0 if secured by FW7	
Other Fees:	Option 1: If secured by FWT IN	ral other than FWT IM account, filing fees
Collateral:		A Swimming FWT IM account Swimming FWT IM account and Il to-be pledged by Omaha Sports
1. Borrower agrees to mail loan.	_	th First Western Trust for the life of the
framework for further discussion possibility of a credit arrangement Ultimately, the terms and conditional performed relative to the finance.	ons. These terms reflect First Went and will not be binding on Fitions of any formal commitmen	commitment, but does provide a restern Trusts' interest in exploring the rirst Western Trust or the addressee. In the will be based upon due diligence and Guarantors.
Doug Hanisch, Vice President First Western Trust Bank 6501 E Belleview Ave, Suite 200 Englewood, CO 80111 303.640.2407		
x	_	x
Reviewed and Accepted by: USA Swimming, Inc.		Reviewed and Accepted by: Omaha Sports Commission

Date:

Date:

USA Swimming CARES Act / Pandemic Relief Summary January 2021

Product/Program	Timing	Key Requirements & Information	Can we apply?	Anticipated Relief (\$)
Paycheck Protection Program (PPP)	2020	• Entities with 500 or fewer employees	Yes	\$1,627,967.50
Round 1		Employee and compensation levels are maintained (or are subject to forgiveness		
(for reference only)		reduction)		(Note \$1,445,651 was forgiven 12/30/2020,
		The loan proceeds are spent on payroll costs and other eligible expenses		remainder still be finalized with SBA)
		• At least 60% of the proceeds are spent on payroll costs.		
PPP Round 2	Apply by 3/31/2021	For entities who participated in Round 1:	Yes	\$1,200,000 - \$1,600,000
		• Entities with 300 or fewer employees	(but Draw 2 wouldn't be	
		• 25% reduction in gross revenue between comparable quarters in 2019 to 2020 (or 2019 to	processed until Draw 1 is	(assuming a similar "payroll only" expense
		2021)	finalized with SBA)	application as Draw 1)
		• Employee and compensation levels are maintained (or are subject to forgiveness		
		reduction like Round 1)		
		• The loan proceeds are spent on payroll costs and other eligible expenses (expanded		
		eligible expenses)		
		Draw 1 must be complete and spent before Draw 2 disbursement		
		• Similar flexible "covered period" to Draw 1		
Employee Retention Credit (ERC)	Current program runs	• Employers of any size, including tax exempt organizations, but not government entities	Yes	\$900,000 - \$1,000,000
(2021 Program)	through June 30, 2021	(and now including PPP recipients)		
		• 20% reduction in gross receipts comparing a 2020 calendar quarter to the same 2019		
		quarter		
		• Credit of up to \$7,000 per employee per quarter (\$14,000 per employee for both eligible		
		2021 quarters)		



TO: Board of Directors FROM: Tim Hinchey III

COPY: Staff & Selected Others

DATE: January 29, 2021 SUBJECT: General Update

Dear USA Swimming Board of Directors,

In advance of our busy agenda, please see below some additional updates from our staff regarding current ongoing business at USA Swimming.

Best regards,

Tim Hinchey III

USA Swimming President & CEO

TECHNICAL/SPORT

U.S. Olympic Team Trials – Swimming

USA Swimming released the update on the Olympic Trials in Omaha, now set for June 4-7 (Wave I) and June 13-20 (Wave II). Webinars for coaches and clubs were held on Jan. 29 and Feb. 2 to answer questions about these two competitions. USA Swimming will be releasing information on all aspects of Trials ticket sales, hotels and the health and safety in the upcoming weeks. The competition information will also be released to all teams in the next couple of weeks.

International Relations

The International Relations Committee (IRC) held its first meeting of the year on Jan. 26. The major topics discussed were mainly the FINA Congress and Elections on June 5 in Doha, Qatar. Dale Neuburger will be the United States Aquatic Sports nominee for the FINA Treasurer position. His election will go before the (up to) 207 National Federations that will be in attendance. Dale has been the U.S. representative on the FINA Bureau since 2000, and this new position will extend his term from 2021-2025. At this point, we believe he is running unopposed.

National Team

The National Team Division is fully focused on supporting our athletes and coaches as we head into Tokyo. However, we are also working on our plans for Paris 2024. With Paris only three short years away, we need to be ready to come out of the Games in August focused on the next three years and how to best support our coaches and athletes in the shortened quad.

TYR Pro Swim Series

We were able to successfully host two competitions in January. With over 300 on-site COVID-19 tests and zero positive cases, we are looking forward to having one single meet in March, April and May. Many COVID protocols have been put in place and will remain in place through the May competition. Aside from considerations for the health and safety of our athletes, these protocols will be part of preparations for Trials and the Games, and therefore there is a need to start familiarizing our athletes with these procedures and inserting them into their competition day schedule as early as possible.

Olympic Games

Communication around the Games COVID protocols is starting to come from the USOPC and the Tokyo Organizing Committee. We are reviewing this closely and will provide additional thoughts.

We are having monthly calls with all three Olympic Team coaches around the logistics of the Games and the changing plans. These calls include making the health and safety of our team a priority, while putting our athletes in a position to perform at the highest level.

Coach Education

Since the pandemic has restricted opportunities to see and meet with our NT and NJT coaches, we have used this time to share online educational content with them. We will continue this until April, as people start getting ready for Trials. Our content has included:

- 1. Jonty Skinner on Dolphin Kicking
- 2. John Morse and Kate Lundsten on Team Culture
- 3. Jon School:
 - Introduction: From the Color System to the Gear System
 - Coaching and Life Philosophy
 - Basics of the Gear Training System
 - Season Planning and Taper Design
 - Planning Workouts for a Week
- 4. 10 Breaststroke Questions with Melanie Marshall and Ray Looze

The next education piece will be about Post-Olympic Blues.

COMMERCIAL

Business Intelligence

CRM (Customer Relationship Management) System

While a few data cleanup efforts remain, the CRM team has largely shifted its focus away from data migration and is starting to design and implement campaigns for the Olympic year. With the migration of USA Swimming Foundation donor data to Salesforce now complete, the team is now working with Sport Development to integrate coach and team data into the system. Once complete, Sport Development will be able to utilize Salesforce for their field services team, as well as leveraging new reporting capabilities.

Website

The web team continues to improve on the existing navigation structure and user experience on the website. With multi-site competitions becoming more prevalent, the live stream experience has continued to evolve with the implementation of an updated "picture in picture" format for concurrent streams. The new format produced a more balanced set of views between streams and has continued to boost streaming numbers over 50% compared to previous years. Additionally, updated banner ads have been deployed across the site featuring new ad placements, standardized design guidelines, and more precise targeting for partners.

Partnerships & Events

Commercial Deals

As stated in the previous report, we have signed an official supplier agreement with Hyperice and a announcement is slated for the first week of February. Carrying on the momentum of renewals and new partnership sales, the team is finalizing agreements with Frito-Lay, USANA, GoSwim and OMEGA. Frito-Lay is coming on-board as the "Official Salty Snack Provider" for 2021 with a digital package, owned-social integration and Splash Bash Viewers Guide entitlement with access to logos and imagery to be used in their summer POS displays throughout grocery stores nationwide. USANA joins the portfolio as the "Official Multivitamin of USA Swimming" for three years with cash and VIK allotments that would give USANA event activation rights, digital and social integration, and logo rights. To round out the new partner portfolio, we are in the final contract stages with GoSwim to be the "Official Swimming Technique App" for four years. This unique partnership with GoSwim allows us to access GoSwim's vast library of content and provide video technique to our social channels, use within the American Development Model (ADM) and Coach Education platforms. While we are always searching for new sales opportunities, we cannot lose sight of our valuable partner family and we are currently wrapping up another four-year renewal with OMEGA and finalizing our 2020-2021 contract extensions with Competitor Lane Lines, Master Spas and Myrtha Pools.

Event Marketing

Our partners, especially in the endemic space, are enthusiastic about the U.S. Olympic Team Trials—Swimming announcement, to include the extension of Wave 1. While the positive response is

welcomed, it has pushed us into logistical planning and finding creative ways to utilize the Toyota Aqua Zone and ensure a successful event for all involved. Due to the nature of COVID, we fully expect our partner activations to be lighter than originally planned. While smaller in scale, the fundamental goals of the Toyota Aqua Zone will largely stay intact—provide the opportunity for our partners to activate, ensure we maximize our ability for data collection, create a hospitality/beer garden space with our partner Golden Road, and take full advantage of our retail efforts within the USA Swimming Super Store.

eCommerce

As we highlighted briefly in the previous report, we are in the final discussions with a new eCommerce partner that will allow us to capitalize on our retail objectives surrounding Trials, without jeopardizing our long-standing partnership with SwimOutlet.com.

Communications

The priority has remained to work with every Division within the organization to enhance external communication to all members and partners. The communications team has continued to focus on new and original content for usaswimming.org, recently developing the My Why digital series of interviews. The team also led efforts in the scripting and promotion of the first-ever 18 & Under Winter Championships Awards Show, which aired online in late January.

USA SWIMMING FOUNDATION DEVELOPMENT

Disclaimer: All numbers are preliminary and will be finalized by March, 2021

In 2020, the Foundation awarded \$4,201,632 in funding to swim lesson providers, USA Swimming member clubs and the National Team.

- Swim lesson providers were awarded \$380,603
- USA Swimming member clubs received \$3,060,880
 - o \$3,000,880 was awarded as COVID relief grants
 - \$60,000 was awarded as Community Impact Grants for member clubs (pilot program)
- National Team received \$810,149

The Foundation raised \$1,222,766 in 2020. *Note:* This is approximately 35% of the fundraising efforts from 2019, which can be attributed to a difficult fundraising year and significant personnel staffing cuts. We are refocusing our efforts for 2021 to rebound and reset, but there is much work to do.

- Major Gifts & Grants total \$707,978 (versus \$1,988,960 YTD in 2019)
 - New Phillips 66 contract signed in 2019 included a \$1,000,000 charitable piece that was recorded as restricted revenue in 2019 per accounting standards and will be satisfied ratably over the life of the contract (\$200K/year for 5 years)
- Annual Fund total \$463,279 (versus \$722,816 YTD in 2019)
- Swim-a-Thon total \$51,509 (versus \$358,711 YTD in 2019)
 - o For 2020 and 2021 the 5% fee was waived

For 2020, supporting expenses were \$865,952 compared to \$1,451,749 in 2019. (Although swimming staff allocation is a net zero overall, it will increase supporting expenses and is not yet reflected.)

USA Swimming Foundation and U.S. Masters Swimming Partnership

On January 04, 2021 the USA Swimming Foundation and U.S. Masters Swimming announced a new philanthropic partnership to create greater support for adult learn-to-swim efforts. Fundraising efforts will happen jointly, and both organizations will benefit from shared resources and constituent groups.

A core component of our message has and will continue to be: a parent who knows how to swim is 87% more likely to teach their child to swim.

This strategic partnership will allow the USA Swimming Foundation the ability to create a truly generational impact on the sport of swimming and in communities across the country.

BUSINESS AFFAIRS

Human Resources

USA Swimming continues to follow COVID-19 safety guidelines in accordance with local, state and federal safety guidelines. Employees are working in the office on a voluntary basis, and the Human Resources division, in conjunction with the IT team, are working to ensure safety guidelines and social distancing to allow more staff access to the office as capacity restrictions lighten.

Human Resources hosted a 401(k)-education session to roll out a change in contribution and match requirements, along with continued education of USA Swimming employees. Attendance was strong, and several employees increased their contributions based on the information provided by OneAmerica.

Performance reviews launched at the beginning of January with an emphasis on keeping a realistic view of performance given the unique circumstances of 2020, in addition to driving business results in 2021.

Personnel conversations continue to take place as USA Swimming seeks to do more with less. Four employees remain furloughed. Two employees voluntarily resigned their positions at year-end due to personal reasons. USA Swimming is actively recruiting for a Program Director of DEI with the interview process underway.

<u>Information Technology</u>

Collaboration continues with the development staff in support of the Keeping Athletes First initiative. Efforts have been realigned with the recent approval of the strategic Digital Transformation project. Database Administrator, John Pharris, has been directly involved in reviewing the proposed database design and is providing valuable input on the architecture. As the scope of the migration to the cloud has expanded due to the Digital Transformation, the IT team is also leading efforts to develop a thorough infrastructure plan to ensure a robust and secure foundation to move forward with.

After careful review, the IT Security team has selected Ping Identity as the authentication and authorization technology for USA Swimming applications. The deployment of Ping will occur in phases. The first phase will be to configure a DEV and STAGING platform in Ping to support development efforts for the Digital Transformation project. All newly developed applications will use Ping as the identity provider moving forward. The second phase will be to migrate current SWIMS users to Ping One, which will secure authentication with modern standards and features such as Single Sign-On and Multi-Factor Authentication. The third phase will be to deploy Ping to the USA Swimming workforce for various applications in use at USA Swimming headquarters, and the fourth phase will be to migrate current DeckPass users. Each phase represents a milestone in increased data security for our members and their data.

Additional cyber security research is underway to select a new endpoint security solution, as well as to learn about products available to manage corporate data security and compliance. The data mapping project has made clear that a tactical tool will be necessary to effectively manage data security at USA Swimming. As new data and storage locations are deployed, the ongoing management of permissions, encryption, and PII compliance is critical to data security. This type of tool helps keep data more secure and can limit the scope of a potential data breach.

Risk Management

Following the renewal of the General Liability program (as previously reported), Risk Management has focused more recent efforts on additional renewals, including property, inland marine, workers compensation, and auto liability at a relatively flat rate with the same terms and conditions.

Risk Management continued its involvement in several organizational initiatives, including participation in LSC status zoom calls to provide guidance to clubs relative to re-opening and sanctioning protocols and engagement with the Aquatics Coalition.

The Operational Risk Committee continues to play an active role in helping clubs maintain training and continuity in coach certification. Several sub-committees have been established to undertake the review process regarding CPR certification, vendor review and Concussion protocol standardization. To further assist the clubs, the Committee agreed to extend on-line renewals through June 30, 2021 for existing coaches. To take advantage of the breadth of scientific and technical talent on the committee, a sub-group is working on setting up a two-part educational webinar on indoor and outdoor air quality exposures.

Finally, Risk Management continues to liaise with insurers on all pending claims and litigation.

Additional Initiatives

Kiki Laino, Director of Business Affairs, has also undertaken several projects on behalf of the business unit, including extensive efforts towards Committee appointments. After ensuring that each Committee fulfilled its compositional requirements and that a wide variety of USA Swimming members were able to participate, the Operating Policy Manual became a primary focus. Additionally, Business Affairs has provided meaningful assistance to Finance special projects and the Aquatics Coalition.

FINANCE

2020 Audit Preparation

The auditors from Waugh & Goodwin are scheduled to be on-site for our 2020 audit from March 17⁻31. In preparation for their upcoming year-end fieldwork, they worked with Finance to complete their on-site interim/pre-audit work in mid-December 2020.

Year End Close Process

The Finance department is in the process of closing our books for both entities for calendar year 2020. This includes, but is not limited to, ensuring all 2020 balance sheet accounts and transactions are correctly recorded such as cash and cash equivalents, accounts receivable, prepaid expenditures, fixed assets and related depreciation, investment accounts, accounts payable, accrued expenses, net asset accounts, among others. All accounts will be fully reconciled and all applicable year-end journal entries will be made to ensure our general ledger and internal financial statements are final and ready for the year-end audit. We anticipate completing our close by late February ahead of the auditors beginning their fieldwork in March.

2022-2024 Forecasts

Final 2021 Budgets for both entities were presented and approved at the November 2020 Board meetings. Additionally, we have already begun discussions and strategies around the 2024 Quad budgets and have completed our initial draft for which we will use for planning purposes throughout this year and to compile our 2022 annual budget with that process formally beginning in mid-2021.

Form 990s

As previously reported, both the USA Swimming and USA Swimming Foundation Tax Return Form 990s were filed timely in advance of the November 15, 2020 annual deadline. As we work to close the books for 2020, we concurrently prepare schedules to be used in preparation of our 2020 tax returns.

Travel Department Update

Given recent staffing adjustments, we have been working directly with our contracted travel agency, Shorts Travel Management, via their remote headquarters as opposed to the full-time agent in our office. As travel increases and we focus on the unique travel needs of our organization (e.g., National Team travel around Trials and Tokyo), we are proactively strategizing with Shorts to ensure all needs are effectively met in 2021.