

Board of Directors Committee Reports

Audit

Committee Members

Brandon Franklin, Chair; Elyce Dilworth, Vice Chair

Jill Gellatly, Laura Holmes-Shope, Laura Winslow

Ex-Officio: Teddy Decker, Dawson Hughes, Susan Kuhlman Parker (resigned 6/20/2022)

Introduction

The Audit Committee (the Committee) assists the Board of Directors (the Board) with its financial oversight responsibilities. In doing so, the Committee's primary responsibility is to monitor the reliability and integrity of the financial statements of United States Masters Swimming, Inc. (USMS), monitor compliance with legal and regulatory requirements, monitor and evaluate the effectiveness of the organization's internal controls, and monitor the independence and performance of USMS's external auditors. The Committee reports its findings to the Board.

With regard to the 2021 audit, USMS received an "unmodified" opinion from Kerkerling, Barberio & Co. ("KB"). An "unmodified opinion" is one that is free of material financial statement errors.

Discussions and Projects Since Last Annual Meeting

1. Reviewed and recommended approval of the 2021 audited financial statements to the Board. This included an annual meeting of Committee members with KB via Zoom.
2. Reviewed and recommended approval of the Form 990 tax forms for the year ended December 31, 2021.
3. Held the annual executive session with the CEO, Dawson Hughes.
4. An Executive Summary Report was provided to the Board for the July mid-year meeting. The report included the results of the 2021 audit process and findings.

Action Items

None. Committee tasks for the 2022 year have been completed.

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Compensation and Benefits

Committee Members

Erika Braun, Chair; Ian King Vice Chair

Dan Cox, Jeff Moxie, Maggie Williams-Dalgart

Ex-Officio: Dawson Hughes; EC – President: Peter Guadagni

Introduction

The Compensation and Benefits committee advises the Board of Directors on compensation and benefits programs for USMS staff.

Discussions and Projects Since Last Annual Meeting

5. Conducted market survey data analysis to benchmark USMS positions to other national governing bodies (NGBs) to determine if any positions were lagging the market. Updated USMS salary grade structure to align with the market based on position levels and target grade midpoints to market.
6. Provided staff merit budget for Finance committee for 2022 budget planning and recommended an additional market adjustment budget to ensure competitive compensation for both internal and external equity.
7. Revised Staff Bonus Plan document to include the eligibility of full-time non-exempt hourly employees.
8. Recommended a new bonus scale for staff with an updated bonus target based on position level with the opportunity to earn a stretch component up to 150% potential if financial measurable achievements exceed budget.
9. Reviewed and recommended 2022 CEO bonus goals to Board to include increasing the membership retention component weighting from 15% to 20% and updated financial measurement targets in alignment with 2022 budget.
10. Reviewed and recommended 2022 CEO compensation to the Board to include a merit increase in alignment with the Association of Chief Executives for Sport (ACES).
11. Evaluated CEO actual performance against 2021 bonus goals and provided bonus payout calculation to BOD for final approval, which was paid at nearly 130% of target.
12. Provided advice and counsel to CEO on personnel matters.

Action Items

1. Launch the 2022 CEO Board Relations survey to Board members in early August and summarize results with prior year comparison.
2. Evaluate USMS positions to survey market data (ACES survey) to ensure equity and competitiveness for all positions.
3. Recommend 2023 merit increase budget for staff based on survey market data.
4. Committee to recommend approval of 2023 CEO goals to the Board of Directors.

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5. Committee to recommend approval of 2023 CEO compensation to the Board of Directors.
6. Evaluate 2022 annual CEO bonus payout as it relates to actual yearend achievements compared to bonus criteria.
7. All items recommended to the board to be approved.

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Elections

Committee Members

Erin Sullivan, Chair; Cheryl Gettelfinger, Vice Chair

MJ Caswell, Stephanie Gauzens (Susan Ehringer resigned her position to run for election)

Ex-Officio: Patty Miller, Jessica Reilly

Introduction

The Election Committee is responsible for holding annual elections for officers (odd years) and at-large directors (even years). The Election Operating Guidelines or EOG are the basis for the operations of the elections. The Elections Committee is responsible for all aspects of the election from announcement that nominations are open until the conclusion of the elections and the report of the winners. The goal is to make the elections accessible and fair for all. The Elections Committee is also responsible for creating election procedures for a hybrid annual meeting and for suggesting changes to the current EOG.

Discussions and Projects Since Last Annual Meeting

1. Reviewed and discussed all candidate packets.
2. Slated all candidates who were eligible for election.
3. Submitted proposed changes to the current EOG (basically an overhaul) for BOD approval.
4. Discussed election procedures in the event of a virtual or hybrid meeting.
5. Submitted proposed election procedures for the 2022 hybrid annual meeting.

Action Items

6. Review floor nomination packets and slate qualified candidates.
7. Review the proposed changes to the EOG. Discuss incorporating several changes suggested by the BOD. Make permanent an EOG that will accompany a hybrid annual meeting format.

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Finance

Committee Members

Guy Davis - Chair, Homer Lane - Vice Chair

Ashley Braniecki, Ralph Davis, Phil Dodson, Jeanne Ensign, Brandon Franklin, Jill Gellatly, Laura Winslow.

Ex-Officio: Dawson Hughes, Susan Parker, Gary Keehner

EC: Teddy Decker

Introduction

The Finance Committee is a Board of Directors (“Board”) Committee. Our role is to propose financial policies, to review periodic financial reports, to review and approve budget requests, and to assist in the preparation of USMS budgets to be submitted to the Board for approval.

Discussions and Projects Since Last Annual Meeting

The Finance Committee has met five times since the 2021 virtual annual meeting. We met twice in November 2021 to review and approve the 2022 USMS budget. As with the 2021 budget, the 2022 was based on cautious assumptions about continuing post pandemic recovery in membership, and with the Board’s direction we again approved a net deficit to be covered from investment reserves. In our February 2022 meeting we reviewed USMS financial performance in 2021, which was significantly better than the revised financial plan that had been agreed in early 2021. In our May meeting we reviewed USMS’s Q1 financial performance and the latest forecast of 2022 financial performance. In light of the continuing recovery in membership which exceeds the 2022 budget assumption, and the Board’s and National Office’s desire to add staff to support the implementation of the strategic priorities agreed during the first quarter and discussed at the Volunteer Relay, the Committee approved an Over Budget request to provide for the hiring of two additional FTE staff during 2022, with the timing of the hiring to be at the discretion of the CEO. In May and June sub-groups of the Committee met to review the Financial Operating Guidelines (“FOG”) and propose updates. The update includes incorporation of the “U.S. Masters Financial Policy” document from 2016, which will now be subsumed into the FOG. The Committee met in late July and approved recommended updates to the FOG which will be forwarded to the Board for approval. The updated FOG will be posted on the USMS web site upon Board approval. The Committee was also updated in July on USMS financial performance and forecasts for 2022, the budget outlook for 2023 and the preliminary projections for 2024-25. These will be further refined and updated and will form the basis of a recommendation by the Board and the Committee to the House of Delegates at the Annual Meeting to change the USMS membership fee in 2023.

Action Items

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1. Review and approval of 2022 USMS budget. (November 2021)
2. Review of financial performance and Over Budget requests. (February, May, July 2022)
3. Review of the preliminary strategic plan and draft assumptions for the 2023 USMS budget. (May, July 2022)
4. Preparation of recommended updates to the FOG of USMS (May - July 2022)

Agenda for the remainder of 2022

1. Continuing review of the strategic plan and draft assumptions for the 2023 USMS budget (August 2022)
2. Review the new initiatives for 2023. (Annual meeting 2022)
3. 3. Review the 2023 business plan, organizational goals, summary financial plan, funding priorities, and draft annual budget to ensure that the allocation of resources is appropriate for the organizational goals and funding priorities set forth by the Board.
4. Make any necessary changes to reach a budget with a Net Ordinary Deficit no greater than that pre-authorized by the Board. Approve the draft budget to be submitted to the Board. (October/November 2022)

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Governance

Committee Members

Jeff Strahota, Chair; Dr. Jim Miller, Vice Chair

Paige Buehler, Rook Campbell, Ed Coates, Christopher Colburn, Julie Dussliere, Kristof Kertesz, Crystie McGrail, Patricia Miller, Phyllis Quinn, Peter Guadagni *EC Liaison

Ex-Officio: Dawson Hughes

Introduction

The Governance committee is here to provide guidance on USMS Governance structure, including enhancing the quality and future viability of the organization.

Discussions and Projects Since Last Annual Meeting

1. Finalized review and definitions of the roles of each type of group within USMS. This has been presented to the Board to assist in informing conversations around organizational governance (ie annual business meeting) and committee structure.
2. Ongoing discussion on Governance & Rulebook philosophy and how this applies to existing legislation.
3. Board Education Subcommittee continues to provide ongoing training/educational material for the board, including group exercise for Summer 2022 BOD meeting.

Action Items

1. N/A.

Agenda

1. Discussing and approving the standing rules for our Annual Meeting.
2. Reviewing any legislation we may wish to have some comments for.

Governance Committee Meeting

[Thursday August 11, 2022 8:00pm - 9:00pm EDT | Zoom Registration Link](#)

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Investment

Committee Members

Ralph Davis, Chair; Stan Benson, Vice Chair

Guy Davis, Phil Dodson, Homer Lane, Bill Sherman, CJ Rushman

Ex-Officio: Gary Keehner, Susan Kuhlman

EC: Teddy Decker

Introduction

The Investment Committee is responsible for overseeing USMS's Investment Philosophy of the investing of financial assets of USMS and Swimming Saves Lives Fund (SSL) in excess of needed working capital, consistent with the policy of prudent investment planning and protection of assets according to the established USMS Investment policy approved by the USMS Board of Directors. The Investment Committee members are all investment or accounting professionals considered outstanding in their fields with multiple designations and decades of fiduciary experience.

The year 2022 has been a volatile and difficult year for the stock markets with the S &P down 13.6% and the Dow down 9.6%. Many uncertainties have effect the markets. The concern of the US recession with slowing growth, continued uncertainty with the Ukraine war, China's Covid lock down and how fast inflation slows down, have troubled the markets.

As of July 31, 2022 the USMS Investment Portfolio year-to-date return was negative 11.2% or a loss of \$447,819 which includes dividend and interest income and portfolio depreciation. The value of the account at mid-year was \$3,554,170. Since the inception of the Investment Committee in 2011, the USMS Investment Portfolio has a gain of \$1.7 million or an average positive return of 6.07%.

As of July 31, 2022 the SSL fund year to date return was a negative 10.8% of or a loss of \$45,558. The value of the account at the end of the year was \$392,951.

The current allocation of the USMS Investment Portfolio is 54.7% Equities or Stocks, 38.6% fixed Income or Bonds, 4.4% Real Estate, and 2.3% cash. Our Investment Policy Statement has a range of 60-65% Equities, 35-40% Fixed Income and Cash. At our meetings we discuss performance in relation to the market, review current and projected market conditions, and review our portfolio that can drive growth and reduce risk.

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Our Investment policy is to seek growth and income with moderate risk. In our quarterly meetings, Northern Trust, our portfolio manager, reviews with us the performance during the past 90 days and we discuss strategies that will accomplish our goals.

Discussions and Projects Since Last Annual Meeting

1. Complete review of Investment policy Statement.
2. Continued quarterly review with our NT portfolio manager with purchase and sell adjustments to current and anticipated needs of USMS.

Action Items

1. Review the Investment portfolio and SSL portfolio on a quarterly basis, more often if events dictate.
2. Looking forward to 2022-2023, our main objectives are to work with our advisor, NT to 1) maintain sufficient cash balance or highly liquid alternatives to transfer to operations. 2) be prepared for continued volatility. 3) remain vigilant on the global economic and market outlooks, and 4) rebalance or shift asset allocation if conditions warrant.

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ALTS Programming Committee (ad hoc)

Committee Members

Marlys Cappaert, Chair

Jay DeFinis, Eric Hektner, Nadine Ford, Mike Hamm, William Kolb, Lisa Brown, Sue Nutty

Ex-Officio: Carrie Stolar, Bill Brenner

Introduction

The Adult Learn to Swim Programming Committee, created on the recommendation of the SSL/ALTS Task Force, was formed in January of 2020. Its focus is on ALTS curriculum and education, formally separating these efforts from the fundraising and support efforts of SSLF. Its responsibilities include helping to grow ALTS programming, providing mentoring, connecting the ALTS community, providing continued support to engage certified instructors, sharing best practices and business models, and working to standardize ALTS outreach within each LMSC.

Discussions and Projects Since Last Annual Meeting

1. Held monthly webinars for interested parties.
 1. January: Calming the Anxious Swimmer
 2. February: Becoming a More Effective ALTS Instructor
 3. March: Lesson on Partnering with the Community
 4. June: Building a Bridge to Masters From ALTS
 5. October: USA/Swimming learn to swim grant applications.
2. Support recognition of 2022 USA/USMS grant awardees, \$135,000 was awarded to 39 programs across 22 states.
3. Examine role of ALTS committee with Dawson Hughes
4. Identify a key ALTS contact person within each LMSC (in progress)
5. Discussion and planned webinar for best practices for successful grant submission (October 2022)
6. Support the USA/USMS foundation golden goggles fundraising initiative.
7. Participated in the Volunteer Relay Summit 2022 (best practices and increase awareness of ALTS programs)

Action Items

1. Support and promote ALTS in person instructor certification offerings
 1. Buffalo – February 2022
 2. Phoenix – March 2022
 3. Chicago – May 2022
 4. Charlotte – September 2022
 5. Hood River, OR – October 2022

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2. Online auction SSLF, seeking unique donations for the Golden Goggle silent auction Nov 2022
3. Continue to gather LMSC contacts and streamline communication efforts.
4. Continue to populate the ALTS database, and recruit new committee members.
5. Publicize the 2022 Learn to Swim grant cycle (Oct-Dec 2022) in 2022 85 applicants applied.
6. Continue to Explore a Mentorship Program for LMSC and Grant Programs.

Agenda

1. Introduction of committee members and Guest Tim Hinchey, CEO of USA Swimming. Tim will share his perspective of the USA/ Masters Swimming partnership with the USA swimming foundation.
2. Discussion, Lisa Brown to assume the Chair position thru the end of 2022 (stepping in for Maryls)
3. Approval of July Minutes
4. Recap Annual Report and Progress in 2022
5. Review end of year schedule, October webinar focusing on the new grant cycle 10/15/2022.
6. Old Business
7. Adjourn meeting

ALTS Programming Committee Meeting

[Wednesday August 10, 2022 10:30am - 11:30am EDT | Zoom Registration Link](#)