

Audit

Committee Members

Elyce Dilworth, Chair; Brandon Franklin, Vice Chair

Tracy Edwards, Nicholas Hestbech, Gregory Weber

Ex-Officio: Dawson Hughes, Gary Keehner, Teddy Decker,

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 related legal and regulatory requirements, monitor and evaluate the effectiveness of the organization’s internal controls as it relates to the audit, and monitor the independence and performance of USMS’s external auditors. The Committee reports its findings to the Board.

With regard to the 2024 audit, and consistent with the prior year, 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 2024 audited financial statements to the Board. This included an annual meeting of the Committee members with KB via Zoom.
2. Reviewed and recommended approval of the Form 990 tax forms for the year ended December 31, 2024.
3. An overview of the audit process and results was presented to the Board at the July mid-year meeting. The overview included the results of the 2024 audit process and findings.

Action Items

No action items for the House of Delegates.

Agenda

The Committee has opted not to hold a meeting in conjunction with the 2025 Annual Meeting.

Compensation and Benefits

Committee Members

Ian King, Chair; Maggie Williams-Dalgart, Vice Chair

Dan Cox, Mark O’Leary

Ex-Officio: Dawson Hughes; EC – President: Ed Coates

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

1. Reviewed and recommended 2025 CEO bonus goals to Board to include increasing and updated financial measurement targets in alignment with 2024 budget.
2. Evaluated CEO actual performance and organization measures against 2024 bonus goals and provided bonus payout calculation to BOD for final approval, which was paid at slightly more than 100% of target (20.4%).
3. Final recommendations made and approved by the Board which focus on changes to the Board Relations Survey measures and CEO management competencies measures. New measures will be incorporated into 2025 CEO bonus structure.
4. Provided advice and counsel to CEO on benefit option on considerations and estimating merit increase percentage for 2026.

Action Items

5. Recommend 2026 merit increase budget for staff based on survey market data.
6. Committee to recommend approval of 2026 CEO goals to the Board of Directors.
7. Evaluate 2025 annual CEO bonus payout as it relates to actual yearend achievements compared to bonus criteria.
8. All items recommended to the board to be approved.

Agenda

The Committee has opted not to hold a meeting in conjunction with the 2025 Annual Meeting.

Elections

Committee Members

Kris Wingenroth, Chair|

Paige Buehler, Britta O’Leary, Jason Weis

Ex-Officio: Jessica Reilly

Introduction

The Election Committee is responsible for holding annual elections for officers (odd years) and at large directors (even years) in accordance with the Election Operating Guidelines (EOG). The EOG is the basis for the operations of the elections. The Elections Committee is responsible for all aspects of the elections from the announcement that nominations are open until the conclusion of the elections and report of the winners. The goal is to make the elections accessible and fair for all. The Elections Committee is also responsible for proposing policies pertaining to the conduct of elections and for submitting any special election procedures or changes to the EOG that may be required to accommodate changes made to the USMS Annual Meeting.

Discussions and Projects Since the Last Annual Meeting

1. Reviewed the Election Operating Guidelines and revised them as needed.
2. Received and processed Candidate applications and recommendation letters for the 2025 election. All open positions had applicants.
3. Received and processed one advance floor nomination candidate.
4. Prepared for floor nominations to be taken at the Town Hall meeting.
5. Planned for the Meet the Candidate Forum.
6. Prepared for the election at the 2025 Annual meeting.

Action items:

1. The Election Operating Guidelines were revised and approved by the Board of Directors on 3/17/25.
2. The Officer and Vice-President applications and nomination/recommendation forms were received and reviewed. All candidates who submitted applications met the requirements and were slated.

Agenda

1. Any floor nominations received at the Town Hall Meeting will be reviewed and slated, if the USMS qualifications are met.
2. The procedures for the Meet the Candidate Forum and the Election will be reviewed.
3. Feedback about the past and current election procedures will be collected and evaluated.

Finance

Committee Members

Brandon Franklin - Chair, Elyce Dilworth - Vice Chair,

Guy Davis, Arlene Delmage, Phil Dodson, Peter Guadagni, Samantha Kraft,
Nicholas Hestbech

Ex-Officio: Teddy Decker, Dawson Hughes, Gary Keehner, Ralph Davis

Introduction

The Finance Committee is a Board of Directors (“Board”) Committee. Our role is to review financial policies, periodic financial reports, and recommend to the BOD an annual budget for approval.

Discussions and Projects Since Last Annual Meeting

The Finance Committee has met five times since the 2024 annual meeting. We met in October and November to review and approve the 2025 USMS budget. Although the budgets for the years 2022 - 2023 were approved with a net deficit, the 2025 budget was approved with a surplus. Consistent with the prior year, the budget for the Grown-Up Swimming (“GUS”) operation was approved separately, as it is deemed to still be in its development period. In our February meeting, we reviewed USMS financial performance for calendar year 2024 and outlined the FC’s agenda for the remainder of 2025. In our April meeting, we reviewed USMS’s Q1 financial performance and the latest forecast for the 2025 year. The FC also considered cash flow USMS forecasts for 2024 which was deemed sufficient to not require the Board to make planned investment transfers from reserves as was done in 2024. In our May and July meetings, preliminary budget assumptions and business plans for 2025 were discussed.

Regarding updates to Financial Operating Guidelines (“FOG”), a detailed review was not deemed necessary in 2025. Finalization of the prior year exercise to include certain provisions from the outdated Manual of Accounting Policies (“MAP”) so that MAP can be sunset, is being finalized and several stand alone policies are being reviewed for inclusion in FOG and thus being sunset as well.

Action Items Completed

1. Review and approval of 2025 USMS budget. (October/November 2023)
2. Reviews of 2024 USMS financial results and ongoing 2025 USMS financial performance
3. Preparation of recommended updates to the FOG of USMS (July - November 2025)
4. Supporting financial oversight of GUS (ongoing)

Committees of the Board of Directors Reports

Future Agenda Items

1. Review the 2026 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.
2. Make any necessary changes to reach a budget in line with an amount pre-authorized by the Board. Approve the draft budget to be submitted to the Board.
3. Support ongoing financial oversight of GUS.

Committees of the Board of Directors Reports

Governance

Committee Members

Paige Buehler, Chair; Susan Ehringer, Vice Chair

Ed Coates, Rob Copeland, Julie Dussliere, Peter Guadagni, Crystie McGrail, Hugh Moore

Ex-Officio: Stephanie Gauzens, Dawson Hughes

Introduction

The Governance committee provides guidance on the USMS governing structure, continuing education including enhancing the quality and future viability of the organization.

Discussions and Projects Since Last Annual Meeting

1. The committee met in February to discuss projects for this year and to prepare board orientation and education materials for the Winter Board Meeting.
2. The committee reviewed recommendations to update or create volunteer role descriptions at the national governing level. Priority was given to creating a role description for Legal Counsel.
3. Orientation for new board members: the Governance Committee presented new board member orientation at the October board meeting (in conjunction with Relay '24) and highlighted continuing education resources from BoardSource at the April board meeting.
4. Projects in process include developing and presenting broader education of the roles of the Board and their jurisdiction to the HOD and volunteer base, finalizing role descriptions, and helping the board with meeting effectiveness.

Action Items

No action items for the House of Delegates.

Agenda

The Committee has opted not to hold a meeting in conjunction with the 2025 Annual Meeting.

Investment

Committee Members

Ralph Davis, Chair; Guy Davis, Vice Chair

Committee members; Phil Dodson, Robin Smith, CJ Rushman, Chris Eckerman

Ex-Officio: Gary Keehner, Teddy Decker, Brandon Franklin

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.

As of December 31, 2024, the USMS Investment Portfolio year-to-date gain was 11.3%, or a gain of \$401,348, which includes dividend and interest income and portfolio appreciation. The value of the account at the end of the year was \$3,500, 836. In 2024, the SSL fund had year-to-date gain after expenses of 8.0%, or a gain of \$33,718. The value of the account at the end of the year was \$431,005.

Higher interest rates are here to stay. Even after policy rates recede from their cyclical peaks, in the decade ahead rates will settle at a higher level than we've grown accustomed to since the 2008 global financial crisis (GFC). This development ushers in a return to sound money—an environment of positive real interest rates—and the implications for the global economy and financial markets will be profound. Borrowing and savings behavior will reset, capital will be allocated more judiciously, and asset class return expectations will be recalibrated. A higher interest rate environment should serve long-term investors well, but the transition may be bumpy. Inflation is coming down and we are expecting a September Fed rate cut with the rest of world also heading into rate cuts. We can expect at the most two rate cuts in 2025.

The year 2025 has been a good year for the stock markets with the S&P 500 up 5.0% through June 30, 2025 The Dow is up 3.6% in the same period.

As of June 30, 2025 the USMS Investment Portfolio year-to-date return was 6.45% or a gain of \$225,746 which includes dividend and interest income and portfolio appreciation. The value of the account at mid-year was \$3,570,582 after transferring out \$150,000 to fund USMS operations. Since the inception of the Investment Committee in 2011, the USMS Investment Portfolio has a gain of \$2.6 million or an average annual positive return of 6.7%.

Committees of the Board of Directors Reports

As of June 30, 2025, the SSL fund year-to-date return was 7.6% or a gain of \$33,096. The value of the account at the end of June was \$464,117.

The current allocation of the USMS Investment Portfolio is 61.7% Equities or Stocks, 26.9% Fixed Income and Bonds, 4.1% Real Estate, and 7.3% Cash. Our Investment Policy Statement has a range of 60-65% Equities, 35-40% Fixed Income and Cash (Short-term Treasuries). At our meetings we discuss performance in relation to the market, review current and projected market conditions, and review our portfolio's positions for growth at reduced risk.

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. We are pleased with the 2025 year to date results. The outlook for 2025 remains positive with continued volatility in the face of Geo-political concerns. With our portfolio positioning of moderately overweight risk we should experience positive single-digit returns in 2025. We can expect Inflation to cool down, supply chain disruptions to improve, labor shortages to be moderate and the Federal Reserve slowly decreasing interest rates starting this September. This reaffirms the Investment Committees position of staying fully invested and the importance of remaining diversified in our asset allocation.

Discussions and Projects Since Last Convention

1. 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. Review the USMS Investment Policy Statement
3. Looking forward to 2025-2026, 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.

Agenda

The Committee has opted not to hold a meeting in conjunction with the 2025 Annual Meeting.

ALTS Programming Committee (ad hoc)

Committee Members

Sue Nutty, Chair

Jay DeFinis, Mike Hamm, Eric Hektner, David Smith, Barb Sloan, Cindi Wood

Ex-Officio: Bill Brenner, Carrie Stolar

Introduction

The ALTS Committee met four times in 2025

Discussions and Projects Since Last Annual Meeting

1. ALTS grants:
 - USA Swim Foundation Board members representing USMS: Carrie and Jay
 - Funds raised & awarded; number of applications & % receiving grants, changes recommended for use of grant funds by recipients
 - Analysis of 2024 grant recipient evaluations and objective measures of impact
 - Participants' progress, skills acquired, demographics.
 - USMS membership gains post-ALTS program.
 - Next step: Use of the data by the committee to further ALTS mission
 - Golden Goggles, the Auction, LMSC involvements
2. ALTS 2
 - Archival population of ALTS 2 webinars
 - Content of ALTS 2 programs
 - Videos to be used in ALTS 2 classes
 - Next step?
3. Recognition Award
 - To be given to outstanding ALTS programs & individuals running them
 - Parameters & rationale developed & supported by the committee
 - Next step is to meet with Recognition and Awards Committee
 - Looking at 2026 for first recipient to be honored
4. Best Practice Project
 - Compilation of ~10 ALTS programs around the country to help with mentoring new programs, sharing best practices, welcoming instructors seeking to learn more
5. ALTS Committee Priorities
 - Meeting between USMS Executive Director & several committee members
 - Changes to research & consider regarding committee structure, fund-raising directions, operations
6. ALTS & Scouting
 - Development of an ALTS program to benefit adult leaders in local scouting program, especially those involved in camping and aquatic activities with youth.
 - Will be specific to one LMSC at present; possible expansion if program takes off.

Committees of the Board of Directors Reports

7. Action Items:

- Grant evaluation analysis – what is the committee’s take away? How should we interpret and implement the data?
- ALTS 2 – where do we go next?
- ALTS recognition award – meet with R & A committee
- Best Practice Project – continue to compile information
- ALTS Priorities – what changes do we want to make, if any?
- ALTS/Scouting project – what is our progress? Next step?

Action Items

1. Attack the action items for each project, determine priorities, take next steps.

Agenda

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