

<b>Committee Name:</b>	Finance Committee		
<b>Committee Chair:</b>	Guy Davis		
<b>Minutes recorded by:</b>	Teddy Decker	<b>Date/time of meeting:</b>	2/23/21 8:00PM ET

### **Actions Taken: MSA: Approval of minutes from previous meeting.**

<b># of committee members present: 14</b>	<b>Absent:</b>	<b>Guests:</b>
<b>Committee members present:</b> Guy Davis - Chair, Jill Gellatly - Vice Chair, Homer Lane, Ralph Davis, Tom Boak, Brandon Franklin, Jeanne Ensign, Laura Winslow, Ashley Braniecki, Elyce Dilworth, Phil Dodson, Teddy Decker - Treasurer-Ex-officio, Dawson Hughes - CEO-Ex-officio, Susan Parker - CFO-Ex-officio.		
<b>Committee members not present:</b>		
<b>Guests:</b>		

## **Minutes**

The meeting was called to order at 8:00 PM EST.

- 1) Welcome
- 2) Roll Call and Conflicts - no conflicts of interest were reported.
- 3) **MSA:** Approval of Nov 10, 2020 meeting minutes (already approved by email)
- 4) Review and discussion of 2020 preliminary financials as distributed by Susan.
  - a) Kudos to Susan and the NO staff for the quick response and actions taken to keep USMS on track financially throughout 2020.
  - b) Susan gave a brief overview of 2020.
    - i) CICF has come in since original information was distributed. Likely \$19k available to add in 2021 as opposed to \$16k originally included in budget.
    - ii) Susan discussed membership numbers
  - c) How will Swimming Saves Lives (SSL) be handled in the future?
    - i) USA Swimming Foundation (USASF) will treat donations as passthrough for all new donations.
    - ii) We are still considering what to do with reserves.
    - iii) Costs of the program going forward will be borne by USASF.
  - d) Fitness series is moved to events. Net proceeds will go to USASF for the SSL/ALTS grants.
    - i) Starting in Jan 2021, any SSL operating activities will be combined under the USMS general funds. The net proceeds from the national virtual events will be transferred to USASF for ALTS grants. The temporarily restricted funds (consisting mostly of previous donations) will remain in a separate SSL fund.
  - e) All of the conditions for the EIDL and PPP Loans have been forgiven and recorded as revenue.
    - i) Susan to check with the auditors to see in which year the revenue should be recorded.
- 5) Review and discussion of January 2021 financial update
  - a) Susan gave an overview of the current position.
    - i) We are currently ahead of budget for partnerships income
    - ii) Online coach certifications will be going live soon.
    - iii) Plan is to do forecasts for 2021 throughout the year, but not adjust the actual budget.
    - iv) Also need to do a 2-year forecast, which will be done after the first quarter forecast is updated.
    - v) Capital budget (primarily IT Modernization) appears to be on track compared with the original budget from 2017.
  - b) When will Susan be ready to present the forecast to FC? Need more direction from BOD, but probably get back together in March to discuss changes presented to BOD March 6 with forecast coming in May.
  - c) With the percent drop in clubs and workout groups, does that create concern around the budgeted amount of 40k members?
    - i) A lot of clubs aren't truly a "club". They have less than 5 members or are only in existence for ALTS programs that use the 30-day free memberships to USMS. Dawson thinks some of these will come back and of bigger concern is if universities will reopen.
  - d) Sabal Palm Checking is the PPP loan funds bank.
  - e) Wells Fargo money market account is down \$500k. We are in the process of transferring all of our banking to Sabal Palm.
  - f) A/R increase is due to timing of billing.
  - g) Wasn't membership already supposed to be at 40k by now? We typically are at 70% of budget by this point in the year so we are still on target based on the budget that we approved for 2021.
- 6) Review of latest membership data and the impact of second round PPP funding. Discussion of budgetary impact and the potential need for updating the 2021 budget.
  - a) Dawson gave an overview of some topics that will be discussed with the BOD next week:
    - i) Swimmer Magazine - originally discussed cutting paper magazine for the second half of 2021 with the current budget. Does not seem feasible or advisable right now. About \$60k increase to the budget expenses.

- ii) Olympic Campaign - wants to put this back into the 2021 budget. Videos need to be updated. \$60k additional expense. If other items come through around this.
  - iii) In person meetings? Will there be any? There are some in the budget now, but need to see if it should stay there.
  - iv) Staffing levels to be considered for the two year forecast and potentially increasing hours for some staff that are currently limited.
- 7) Overview of provisional meeting schedule and next meeting date - March and May for updates on 2021 forecast and budget items.
  - 8) Suggested Sub-group organization and tasks
    - a) FOG review (non-budget process) - Guy (leader), Ashley, Susan, Teddy, Brandon
    - b) FOG update budget section VII. BUDGETING PROCESS AND CONTROLS - Phil (leader), Jeanne, Homer, Susan, Teddy, Guy, Jill
  - 9) No new business was brought forth.

The meeting was adjourned at 9:01 pm ET.

Respectfully Submitted,

Teddy Decker, Treasurer