

Committee Name:	Finance Committee (“FC”)		
Committee Chair:	Guy Davis	Vice Chair:	Brandon Franklin
Minutes recorded by:	Guy Davis	Date/time of meeting:	8:30 pm ET 4/30/2024

Motions Passed:

1. **The FC recommends that the BOD approve the transfer of up to an additional \$425k from the investment reserves in 2024.**

Number of committee members present: 11	Absent: 2	Number of guests: 1
Committee members present: Guy Davis - Chair, Brandon Franklin - Vice Chair, Ralph Davis, Elyce Dilworth, Phil Dodson, Jill Gellatly - Treasurer Ex-officio, Peter Guadagni, Dawson Hughes - CEO Ex-officio, Gary Keehner - Controller Ex-officio, Samantha Kraft, Gregory Weber		
Guests: Ed Coates, President		
Committee Members Absent: Charles Cockrell, Arlene Delmage		

Minutes

The meeting (conducted by Zoom call) was called to order at 8:30 pm ET

1. The second meeting of 2024. Apologies had been received prior to the meeting from Charles and Arlene. Attending members confirmed that they have no conflicts. The minutes of the 2.27.24 meeting were approved.
2. The principal business of the meeting was to 1. Review the proposal prepared by senior management to make additional transfers of funds from investment reserves to reduce reliance on the USMS borrowing facility to cover accumulated deficits and to make a recommendation on such transfers to the BOD; 2. to briefly review the Q1 financial report and updated 2024 forecast; 3. to consider a presentation by Dawson which outlines the strategic priorities for USMS in 2024/25 and associated preliminary financial projections for 2025-27 ; 4. based on these projections together with an analysis of LMSC financial results and reserves to begin discussion of potential fee changes for 2025 and beyond; and 5. other business including periodic review of the FOG.
3. Gary and Dawson in consultation with selected members of the FC and IC had prepared a cash flow forecast for 2024 which had been circulated and discussed with the FC at the previous meeting and in the meantime refined further. Based on that analysis, management proposes a transfer of up to an additional \$425k from the investment reserves (which currently stand at c.\$3.7m) to cover the peak cash deficit projected which arises in October/November 2024 before revenue from 2025 membership sales and renewals begins. This deficit results from accumulated operating deficits and capital expenditures in recent years and the investment in the new GUS project which has been financed in prior years using the borrowing facility. Ralph, as Chair of the Investment Committee, noted that the IC has been anticipating for some time the need for an additional transfer based on the forward financial projections and has planned accordingly. Consequently the investment reserves hold adequate liquid funds to meet these additional transfer needs without disrupting the long term investment strategy. The FC approved the motion that **the FC recommends that the BOD approve the transfer of up to an additional \$425k from the investment reserves in 2024.**
4. Dawson presented a summary “dashboard” of key performance indicators that the management team will be using to update the BOD and FC going forward.
5. Regarding GUS, Dawson indicated new league development looks promising relative to 2024 objectives. The advisory and review group that will help monitor GUS’s progress going forward will meet soon for a more detailed update.
6. Dawson took the FC through a presentation (which has already been discussed with the BOD) on the key strategic initiatives for 2024/25 including the independent swimmer initiative, the continuing migration of Swimmer magazine to electronic delivery, changes to the CCS program, and other changes planned across USMS programs. With this background he presented preliminary financial projections for 2025/27 under various fee scenarios. The overall objective is to return USMS to broadly breakeven budgets in this period. Once 2023 LMSC financial reports are complete a report on LMSC financial results and reserves will be circulated as a basis for considering whether it is appropriate to propose a change to the historic

80/20 split of the unified fee between the national organization and the LMSCs. Members of the BOD will be communicating generally with the LMSCs in May to gather their perspectives.

7. The Q1 financial report and updated 2024 forecast had been circulated beforehand and posted to the FC forum. Gary noted the generally positive variances and invited FC members to post any further detailed questions that they may have in the FC forum for response.
 8. The FC members were invited to review the FOG and to note questions or comments in a FOG specific discussion in the FC forum. The target is to complete that review by the end of May and to consider whether any substantive changes are needed.
 9. A sub group will look at the Manual of Accounting Policies (“MAP”) and make recommendations regarding updating.
 10. No other business was brought forth.
 11. Guy thanked the meeting for their forbearance with a longer than usual meeting which was adjourned at 9:52 pm ET.
 12. The next meeting of the FC will be scheduled by Doodle poll.
-