

2020 U.S. Speedskating (“USS”) Congress

Tuesday, May 26, 2020 – 5:00 – 6:00 pm MST

Audit Committee Meeting Minutes generated by Dale Schoon, Director of Finance

1. **Roll Call** – Andy Kelly, Chairman called the meeting to order with Committee Members Beth Jurgensmeyer, Tim Bostley, Matt Plummer and Thomas Hong on the call. Susan Sandvig Shobe, USS BOD Vice President; Ted Morris, USS Executive Director; Dale Schoon, USS Director of Finance; and Andrea DiCristoforo, USS Sales/Marketing Coordinator were also on the call. The meeting was open to USS members of which anywhere from 5 – 10 were on the call at any given moment.

Mr. Kelly turned the meeting over to Mr. Schoon.

2. **2018/19 Independent Audit** – Mr. Schoon indicated that the independent audit of the 5/31/19 fiscal year conducted in July/August 2019 was a clean audit. Mr. Schoon noted that USS started utilizing The Speed Factory, USS’ newly constructed training center on December 1, 2018 and that had a significant impact on the balance sheet of the organization. USS now has an approximate \$1.8 million “Right of Use Asset” offset by a Financing Lease Liability of approximately \$1.3 million, the difference being the amount of USS’ cash contribution to the project over the 2-year period ending 5/31/2019. The accounting treatment of The Speed Factory had been discussed and approved in advance by the Board of Directors and Independent Auditors.

3. **2017/18 – 2018/19 USOPC Audit** – Mr. Schoon indicated that the 2-year audit (2017-18; 2018-19) conducted by the USOPC in the Fall of 2019 included 2 comments from the USOPC worth noting.

a. USOPC recommended that Director of Finance (“DOF”) corporate credit card charges be approved by appropriate 3rd party. DOF maintains a corporate card in office to pay for travel, office supply and other administrative costs with appropriate documentation and approvals from those requesting use. On occasion, DOF utilized card for maintenance of Toyota sponsorship vehicles without appropriate sign off from 3rd party. During audit, USS instituted procedure for Executive Director to review and sign off on all such credit card charges.

b. USOPC recommended that all prize money, value in kind services provided by contractors and payments to coaches for clinic services be substantiated with contracts and/or invoices. Mr. Schoon provided background to the Committee including that in all instances, these expenditures were a component of the annual plan and where appropriate were supported by check requests signed off by the responsible department head, the DOF and the Executive Director who signs all checks. In addition, international event prize money payments are dictated by the

ISU through their event “communications”. Mr. Schoon asked for input regarding a possible new policy or procedure to address the comment. After discussion, the feedback suggested that the prize money and value in kind services processes are sufficient as is. However, the Committee suggested that there be a threshold dollar amount that any payment to contractors above that threshold should include a written agreement of understanding. The Committee asked Mr. Schoon to come back to the group with a policy for comment prior to implementation.

4. **Corona Virus Impacts** – Mr. Schoon indicated that USS experienced some savings in the 2019/20 fiscal year resulting from event cancellations due to Covid-19. From those savings, USS agreed to defer approximately \$50,000 of 2019/20 USOPC funding to help fund the anticipated 2020/21 increase in Direct Athlete Support resulting from more athletes meeting the established criteria. The USOPC committed to increase their Direct Athlete Support in the same amount.

Mr. Schoon indicated that USS is in reasonable position regarding the 2020/21 fiscal year relative to Covid-19. As of the time of the Congress, all indications from the USOPC have been consistent or flat funding support and sponsors are committed through or past the 2020/21 fiscal year. USS is optimistic that status will not change significantly but also acknowledge the need to be fluid with changes in the Covid-19 situation and are in position to act accordingly. Fundraising efforts, particularly on the event fundraising front, could be the most affected. USS has incorporated these risks into the formulation of the 2020/21 draft budget to be presented to the Board of Directors for approval at the end of the Congress.

Mr. Schoon welcomed input from the Committee regarding additional thoughts or concerns in accounting for Covid-19. Mr. Schoon also shared that USS received an SBA Loan in the amount of \$256,000 that has been utilized for payroll, will be forgiven in the 2020/21 fiscal year and is included as revenue in the Draft 2020/21 Budget. Discussion proceeded with support for USS staff’s activities in this regard.

5. **2019/20 Forecast** (schedule disseminated to Committee prior to conference) – Mr. Schoon reviewed the 5/31/20 income statement forecast with brief discussions ensuing.
6. **2020/21 DRAFT Budget** (schedule disseminated to Committee prior to conference) – Mr. Schoon reviewed the 5/31/21 Draft Income Statement Budget with brief discussions ensuing.
7. **2020/21 Revenue Risk** (schedule disseminated to Committee prior to conference) – Mr. Schoon reviewed the Revenue Risk included in the 5/31/21 Draft Budget with brief discussions ensuing.

8. **Financial Trends** (schedules disseminated to Committee prior to conference) – Mr. Schoon reviewed the following trend analysis schedules with brief discussions ensuing.
- a. Net Asset Position
 - b. USS Foundation Note Payable
 - c. 2019/20 Program Spending
 - d. USOPC Funding as a portion of USS overall funding
 - e. USOPC funding as a portion of USS high performance spending
9. Other Business – none

Andy Kelly adjourned meeting at 6:00pm MST.