



**BOARD OF DIRECTORS CONFERENCE CALL  
December 15, 2010**

TO: Board of Directors  
Group A Members  
Group B Members  
Group C Members  
Committee Chairpersons  
Delegates  
Other Interested Parties

From: Ms. Sherrie Wilson, Secretary

**I. CALL TO ORDER**

MEETING CALLED TO ORDER BY PRESIDENT LANCE NADING AT 4:02 PM.

**II. ROLL CALL**

President Lance Nading  
Board Member Gail Stolzenburg  
Board Member Leo White  
Board Member Jason Rivera  
Board Member Noboru Saito  
Board Member Jim Webb  
Board Member Mike Swain

Other Attendees:

Jose Rodriguez, CEO  
Sherrie Wilson, Director of Marketing, Secretary of the Board

**III. 2011 BUDGET**

LANCE NADING MOVED TO REVIEW AND APPROVE THE 2011 BUDGET. SECONDED BY GAIL STOLZENBURG.

Gail Stolzenburg complimented the staff on an outstanding job of putting together a budget that serves USA Judo well and allows for additional dollars to the high performance program. The audit committee spent a considerable amount of time and review and made basic adjustments to the budget. It was explained that the number used in the category was for legal services was a number based on passed years but that it should be noted that this could change based on events that are unknown at this time. The Board was requested to review the budget and make recommendations, and there would be efforts to keep the numbers low.

Jose Rodriguez, CEO, addressed the budget to say USA Judo would follow the mandate of the USOC with their specific directions for USA Judo to place a minimum of \$200,000 into the budget via the organizations own efforts. The initial allocation was \$218,000, however, the audit and budget committee decided that they would address the board with a request for money from the American Judo Fund. It was later decided that the request would not be made and rather, they would make cuts that would still allow the organization to deliver service to the members and athletes. The goal for 2011 is to invest in athletes that can qualify and win Olympic medals at the Games. Those working on the budget kept this in mind when finalizing the budget. USA Judo can defend the line items but will need to do low cost events this year and welcome opportunities where there may be a chance to make additional revenue.

The area that remains in question from a budget stand point is legal. This is always an unknown as USA Judo cannot predict what the future holds. Aside from legal, the line item projections are based on solid history and facts related to the spending and needs of the organization. It was reported that USA Judo had hit some of the projected revenue numbers 6 weeks ahead of schedule which was a good indicator of positive progress in the right direction. Some of the organizations revenue numbers were based on what occurred in 2010.

USA Judo's membership numbers were reported at over 9,800. It was stated that the budget does not allow for any appreciable deduction in the accounts payable. USA Judo will still have a fairly high accounts payable debt during this period. The organizations debt is currently between \$250-\$300k. Approximately 30% is 90 days past due. This debt is the same debt that the organization has been carrying for the last 3 years. It was stated that all accounts are paid, but in some occasions USA Judo will pay late based on time of year and cash flow. USA Judo has the policy to pay the athletes first and then overhead, insurance, etc. . Rodriguez reviewed the outstanding bills with the Board and discussed the cash flow for the organization.. Jose stated that there is a proposal that has been developed for the State B organization by he and Corinne Shigemoto that will be better for USA Judo.

The plan for the accounts payable items was discussed. USA Judo will continue to pay in the same way and use the cash flow in a creative fashion. The past debt will need to be carried through 2011, if additional money comes in, the money can be allocated to the debt. A discussion was held regarding the reduction in administrative cost. It was clearly stated that USA Judo is paying all expenses related to overhead as well as placing \$218k into the high performance fund. USA Judo is paying a lot more than other organizations on insurance because the organizations current loss ratio is high. Rent went up this year due to the USOC charging more for offices. All other general operating line items have been reduced. It was determined that if USA Judo cuts further this will be negatively reflected on the income side.

Lance stated that we cannot include budget that include late fees of debt and accounts that are being paid late. If and when the budget is paid late, we need to consider elimination of cuts on overhead, fundraising which hasn't gone well in late. Jose added that we will close this year with less debt than we have in 2009. We have closed with less debt that we had in 2008 as well. We will close this year with owing \$80k less than 2009. The goal was to reduce it down by \$200k. We have requested that the budget be done on a quarterly basis to show that budget vs.actual.

A breakdown of the \$218k to high performance budget from USA Judo was provided. On the expense side of high performance USA Judo has a total of \$674k. The USOC provided USA Judo with \$471k of this budget. USA Judo provided the rest from their resources.

Lance asked for a commitment that we make moves to reduce the deficit and we review this quarterly. There was an agreement to focus on debt reduction.

**MOTION BY LANCE NADING TO APPROVE THE 2011 BUDGET. NADING CONDUCTED A ROLL CALL OF INDIVIDUAL MEMBERS TO OBTAIN VOTES AND ESTABLISH A QUORUM. TWO NON VOTES DUE TO LACK OF ATTENDANCE AT MEETING, EIGHT APPROVED THE BUDGET, VOTE PASSES.**

#### **IV. STRATEGIC PLAN**

Lance Nading requested that Jose Rodriguez begin to work on the strategic plan. The request was made to work with the direction of Rachel Barkan from the USOC. Once the strategic plan was outlined the goal is to work with board members so that a solid report could be provided to the membership. There is a consortium of sports that are filing a grievance against the USOC because they felt they did not get enough funding. USA Judo needed to remain cognizant of their position with the USOC moving forward and keeping this issue in mind.

#### **V. NEW BUSINESS**

Jose Rodriguez stated that he was working with committee members to review the issue that occurred with an athlete at the Junior World Championships.

Rodriguez went on to address the anonymous accusation against another elite athlete. He stated that the issue had been investigated with the staff and there was no evidence to substantiate the accusations. The athlete also was interviewed as well as other athletes and there was nothing found to substantiate the claim. It was clearly determined that there would not be action taken against any athlete without concrete evidence of misconduct.

#### **VI. ADJOURNMENT**

Lance Nading adjourned the telephone call at 5:02 P.M.