

Finance & Audit Committee Meeting
Video Conference 2/22/2022

Present: Pam Brooks, Dan Torpey, Peter Wollman

Staff Present: Phil Andrews, Andrea Andrews, Marvin Fiala (Contractor CPA)

1. 2021 Outcomes.

Reviewed 2021 financial results v. budget

Andrea Andrews provided details behind differences to the budget

Biggest miss to budget- legal (~\$1.5MM) and higher expense for high performance (primarily due to 2020 events moved into 2021)

Legal- outside investigations

Financial complaint against Masters investigation closed out Jan 2022

TSC closed end of 2021

IR expenses will return to similar-to-normal level in 2022, \$50k budgeted for 2022.

PLT investigation completed in 2021 that should not repeat

Committee Recommendation:

Investigation and ethics cost continue to be issue. Ethics complaints have ramped up considerably

- Should board explore ways to mitigate complaints and other legal liabilities; are there best practices of other NGBs that we can adopt. One mitigant we should consider is flat fee for independent investigations.

Coaching Education income below budget, while Membership and Events income was above budgeted amounts.

End of 2021 moved \$400k into cash from investments to support cash flow, investments gain above budget in 2021 by \$350k

Typically replace Dec withdrawal in Spring as we generate cash (this year not sure if we will be able to fully replace in the spring).

2. 2022 YTD Results

2022 YTD results are tracking near budget, revenue significantly above budget.

Auditors to review 2021 results in April; expecting to complete audited results by July

Expect 3+9 and 6+6 reviews to require some adjustments to budget based upon 2022 actuals, per Marvin Fiala recommendations

Very encouraged that Andrea had financial information essentially “real time” and Andrea was able to speak to us about results into Feb, currently showing over \$700k surplus for the year, but with entries still to be put in for the month.

3. New Finance Procedures and Finance Policies:

Andrea created updated Finance Procedures manual, using the USOPC’s NGB Services Financial Policy manual as a basis.

Finance Policies – key items included authorization procedures for payments and contract signings (including levels that require board notification and approval.), Committee gave feedback and edits on key areas, as well as questions raised by staff particularly pertaining to controls in a remote office environment.

Next Meeting prior to June 18 board meeting.