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USA Shooting Board of Directors

Meeting Minutes

December 15, 2022

Zoom Video Conference Meeting

Board members present: Rick Marsh, Ana English, Chad Whittenburg, Jim Mitchell, Dan Genter, McKenna Geer, Sandra Uptagrafft, Eric Uptagrafft, Vincent Hancock, Jim Mitchell, Kim Rhode, Sarah Scherer-Oursland, Randal Garrett

Board members absent: Troy Bassham

USAS Staff present: Reya Kempley (Secretary), Brent McPherson, Sharee Waldron, Jay Waldron, Brittany Nelson, Alex Szablewski, Craig Kozeniesky (CEO to start January 6, 2023)

USAS Staff absent (attendance not required): Peter Durben, Brenda Silva, Andrew Traciak

A. Call to Order: Chad Whittenburg, 9:01 AM Mountain Time.

B. Minutes Approval

1. Jim made a motion to approve the October 24 meeting minutes. Ana seconded. Passed 11-0.

C. Updates: Chad Whittenburg.

1. The Nominating & Governance Committee still needs to vote on elections for Board seats and the reseating of Chad, Rick, and Ana for second terms, which will happen before the end of 2022. A meeting in January will be held to seat new Board members and reelect officers, including a new Chairman.
2. Winter Airgun (WAG): Thanks to Brent, Alex, and the team for long days and hard work.
3. ISSF: Chad reviewed the results of General Assembly meeting, including the election of Kim Rhode to Vice President of ISSF.
4. Chad mentioned the private services for Matt Suggs and a celebration of life planned for 2023. Planning some kind of memorialization for Matt on behalf of USA Shooting.

D. Financial Review and 2023 Plan: Ana

1. YTD Financial Review/September Financials
 - a. Ana distinguished between restricted funds (inaccessible as cash endowment funds) and unrestricted funds (light in cash). Liabilities/AP are tied to mostly the PPP loan that was just forgiven (which does not help the cash situation since it was already received) and USOPC debt to be paid by Q2. Brent added we will get refunded for payments on the PPP loan but not until 2023. The EIC loan of \$350-400 will be received as early as Jan-Feb.
 - b. Dan asked for more detail on restricted funds. Brent explained most is the Bunker Club endowment held by USOPC. Usage is restricted to grants given to non-team member athletes annually. The other endowment is the Glassen Foundation, providing a percentage for junior athletes (\$60k this year). Most Lones Wigger Endowment funds are held with Midway USA and we draw from that for juniors; the funds on the balance sheet are in a separate USOE grant,

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also for juniors. Ana said that these do not help cash flow issues. Jim asked if the Board can meet with the Bunker Club (BC) to rearrange distributions to get more money into operating account, since we have \$3.2 M with no access for the organization. Chad answered that Col Behrens (BC) is aware, but has been adamant about restrictions. Brent said he asked for administrative costs USAS has incurred, but Behrens is cautious to open up more cash to USAS. Brent explained the process for BC grant payments. Ana said that normal overhead for grants is 42% admin cost, but these do not allow for that. Jim said we need to prioritize a discussion and assuage BC's caution with our new leadership. Rick suggested we ask about opening funds up to Junior National Team athletes.

- c. Income Statement: Ana covered the high points, including a \$500k shortage on revenue for the year. Expenses were high mostly due to the acquisition of \$250k in shotgun ammunition using a grant fully spent with no overhead accounted for. P&L will be break even for the year. Other Income losses are associated with the stock market and investments.
 - d. The Finance Committee made a motion to approve the September financials. Jim seconded. Passed 12-0.
 - e. Ana mentioned \$186k revenue from direct mail, but they expected \$500k. Competitions revenue was a bit higher than expected at \$166k due to WAG. Clays Cup revenue was at \$100k vs. \$150k expected. Ann Lee (Foundation member) gun auction of \$50k in uncertain status; expected \$300k from the Foundation is not coming in. Ana said there will be a \$200k cash shortfall going into Q1 with significant cash needs at the same time, which need to be addressed.
2. Revenue Bold Goals
 - a. Ana reviewed the Strategic Vision and the lack of progress on funding toward the goals. The bold goal is \$20M revenue, with various sources of revenue, types of partnerships, and strategies presented by Moore Group/ResourceOne at the October 24 Board meeting, and potential funding scenarios through 2028.
 - b. Chad asked if we are preparing to vote on the 2023 financial plan. Ana said that is a question, since it includes assumptions regarding donations and grants. Chad stated that in the past, passing a balanced budget has been important.
3. 2023 Financial Plan – Draft
 - a. Total income needed is \$7.5M to break even. Revenue at \$5M currently, but it may be closer to \$4.8M. Net \$2M more donations are needed in 2023. Athlete funding is the largest expenditures area, followed by personnel. USAS staff is already too small, so cuts there are not practical.
 - i. Fundraising. \$1.6M direct mail estimated from ResourceOne. Royalties from Hillsdale at least \$100k. Slight decrease in revenue, which is mostly from USOPC (flat funding across all NGBs for 2023).
 - ii. Athlete funding increase in 2023 to 46%. \$3.6M was proposed by coaches after some work to reduce initial numbers to realistic ones. Jay and Sharee have secured uniforms and funding for the shotgun team.
 - iii. Ana asked Jay to explain the new ISSF ranking points system and why costs are going up. Jay said increasing costs are partly inflation. The old MQS system is now ranking points. Athletes must attend two qualifying matches and score at least one ranking point at each. This means that

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each athlete must attend two events instead of just one, as with the previous MQS system.

- iv. Ana pointed out the \$700k allocated for training (camps), which compares to a very small amount in 2022. Jay said that international competitions are most important for shotgun and Hillsdale helped with shotgun camp costs in 2022.
 - a. Sarah asked about the number of World Cups in 2023. Jay said there are six World Cups, a World Championship, and Pan American Games when previous schedules had only 3-4. He discussed the shotgun program's priorities. Ana discussed rifle's and pistol's differences. Each has eliminated 1-2 World Cups due to funding or schedule conflicts. Sarah and Jay discussed the importance of parity between disciplines regarding athlete opportunity to earn performance pay at international competitions.
- v. Ana stressed the importance of beginning accrual in 2023 for Operation Gold funds needed for the 2024 Olympics, estimated at \$250k.
- vi. Chad reminded everyone that the Board decided that paralympic Direct Athlete Support (DAS) would be funded by USAS to make it equal to able-bodied DAS, since USOPC's funding does not. Alex specified that it would be an additional \$60k increase for para in 2023 if we continued this plan. Discussion followed on distinguishing between types of athlete funding and whether to continue the paralympic DAS funding despite all athlete funding being over budget already. Ana stressed the idea of the Foundation raising funds to sponsor World Cups.

4. Next Steps

- a. Jim discussed ideas: the low amount of funding provided by the Bunker Club and that we should make an effort to open that door further; balanced budgets in previous years by Bob Mitchell and potential distrust in current financials by "old timers"; direct mail and event fundraisers to fund specific competitions; effort to reboot the Foundation after years of minimal progress; difficulty in small staff from USAS to support fundraising events; and approaching Hillsdale for more financial help. USAS has the challenge of competing against other countries who get government funding when we do not.
- b. Ana replied that there is a timely urgency for cash flow in Q1 2023, whereas many proposed fundraising ideas take time to come to fruition.
- c. Jim committed his time and energy to meeting with potential donors. Jay advised caution in how we approach Hillsdale and that we be ready to act. He also discussed his fundraising efforts as a coach, despite it not being a coach's job or receiving any benefit other than personal satisfaction. Sharee expressed the large potential in partnering with Hillsdale and their hopes in meeting with USA Shooting leadership as soon as possible.
- d. Kim emphasized that new Board members need to be people with new connections, so we are not repeatedly asking from the same sources. From the ISSF side, they are looking at reducing the number of competitions and costs to federations long-term. She expressed her willingness to help fundraise.
- e. Chad expressed his personal concern with passing a budget that is not balanced and based on fundraising assumptions. Dan said it's not reasonable to pass such

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a budget. Jay said that the difficulty is that we are already moving on 2023 and we need a number now for coaches to work with. Jay suggested we use the known USOPC funding as a starting point for coaches to work with, then use fundraising later in the year to build on, if it comes in. He added that juniors are not included in USOPC funding. Chad suggested passing a budget by the end of the year based on the known funding. Ana added that proposed personnel additions (CMO, Contract Manager) are included in the plan, which would cultivate growth.

- f. Chad asked the Finance Committee to bring back a \$6M budget. Jim said he'd immediately look for a person for a Board position with fundraising ability and mentioned a potential joint Board/Foundation fundraising committee. Chad and Ana discussed how soon this new budget could be created. A meeting was planned for December 22, with a Finance Committee meeting to precede on December 19.
 - g. Sarah and Jay further discussed the events of 2022 and the parity of funding between disciplines regarding opportunities to compete at funded World Cups.
- E. Jim made a motion to adjourn. Dan seconded. Passed 12-0 at 11:22 MT. Board and select staff entered Executive Session.