

USA Archery
2013 May 31 Board of Directors Conference Call Minutes
May 31, 2013

Present: Board members Bill Corbin, Linda Beck, Cindy Bevilacqua, Greg Easton, Belinda Foxworth, Tom Green, Nick Kale, and Brian Sheffler

USAA staff members: CEO Denise Parker, Cindy Clark

Guest: Ken Waugh, Ken Waugh and Associates

I. Call to order

Chairman Bill Corbin called the meeting to order at 5:02 p.m.

II. 2012 Audit Review

Bill Corbin turned the meeting over to Belinda Foxworth, USAA Audit Committee Chair. Belinda reported that the Audit Committee met via telephone conference with Ken Waugh on Tuesday, May 28th during which Ken walked them through the sections of the audited financials. Belinda stated that this was a thorough and productive session and that the Audit Committee is prepared to recommend the acceptance of the audit report. Belinda then turned the meeting over to auditor, Ken Waugh who went through an overview of the audit report. He stated that the audit expressed a clean opinion and that the financials represented fairly the financial standing of the organization. Ken stated that the USAA balance sheet indicates a really strong cash position at the end of the year. There is no problem with receivables; the furniture and equipment balances are higher primarily due to the new phone system and leasehold improvements added with the move of the National office, and the payables are at a level as expected. USAA uses the accrual basis of accounting and defers revenue for part of the 3 year memberships, recognizing the first year and deferring the remaining 2 years. Most of the balance sheet assets are unrestricted and indicates an all-time record for Archery net assets. The financials represent a nice low supporting services level of 13%. Ken reported that as any cash account is a moving target with the payment of bills, the rule of thumb is to have 6 months of operating net assets. We currently have 4 ½ to 5 months. The reserves can carry the organization forward while seeking new sponsors. Without adequate assets there is too tight of a timeline to find other funding sources.

Ken continued his report, stating that there were no difficulties encountered in performing the audit. There was one adjusting entry proposed due to a USOC grant awarded in 2012. CEO Denise Parker added that these dollars had not been originally included in 2012 revenue because there was a misunderstanding regarding when we were going to receive the funding and when the funds were to be used. Funds were received in 2013; however, they were to be used for 2012 expenses.

Audit Recommendations: 1) Membership Dues-One year memberships have been recognized fully up to now. As part of the progression from a small to larger organization the recommendation is that these memberships be pro-rated over the 12 month period. 2) Cash Deposits-Due to FDIC insurance limits the audit recommends that USAA move \$250,000 to another bank to expand FDIC coverage to \$500,000. Ken also stated that a future option may be to explore pooling money with other NGB's in a Foundation pool.

Motion was made to approve the audited financials as presented; Motion was seconded and passed unanimously.

III. 2013 Financials

Denise Parker reviewed the 2013 Financial Statements through April 30, 2013. The YTD Budget to Actual report depicts some budget variances (most due to some front loaded items in the year such as insurance and organizational expenses or budget category changes) but there is nothing of concern and that overall revenue is strong.

IV. 2014 World Archery Indoor Championships Team Trials

The presented Trials procedures have been vetted through the Athlete Committee. The Board was informed that there are no major changes from the previous trial's procedures. *Motion was made to accept the procedures with modification on section 6 to correct the date from 2012 to 2014; motion carried.*

V. Financial Policies and Procedures-

Proposed changes to section 5.0 Cash Management Policies of the financial policies and procedures were presented to bring the policy up to date with changes in cash handling procedures. *Motion was made to accept the changes in policy; Motion carried with all in favor.*

VI. BOJ Grievance (Confidential)

Denise reviewed the complaint filed with USAA and communicated the research that she performed to assure the appropriate hearing process.

VII. Shanghai World Cup-Team Conduct

A letter was distributed to World Cup Shanghai athletes clarifying appropriate behavior while participating in USA Archery events and on USA Archery teams. A description of the sanctions given due to violations of the code of conduct was provided to the Board.

VIII. Adjournment of Conference Call

The conference call was adjourned by Bill Corbin at 6:09 pm MT.

Minutes approved by the USA Archery Board of Directors - November 15, 2013