

## 2019 Objectives

### Financial Metrics Based on March 2019 Financial Statements and Membership Report

Goal	Comments	Status
<i>Financial Metrics</i>		
<b>Adjusted cash surplus:</b> \$118,000	\$1,259,798 verse budget of \$64,820	Green
<b>Membership:</b> 46,000; <b>Retention:</b> 68%	44,834 (3/19) vs. 45,595 (3/18); Retention – 69%	Yellow/ Red
<b>Fundraising:</b> \$1,420,000 cash <ul style="list-style-type: none"> <li>• Olympics - \$833,000</li> <li>• USS – \$587,000</li> </ul>	\$192,839 vs. \$313,709 budget <ul style="list-style-type: none"> <li>• O - \$86,382 vs. \$196,500 budget</li> <li>• USS - \$106,572 vs. \$117,209 budget</li> </ul>	Yellow
<b>New Sponsorship:</b> \$400,000	\$131,900 across 6 partnerships/ \$600K Olympics (Kilroy) 6+ meaningful new discussions underway	Green
1. <i>Create Opportunities for life-long participation</i>		
<b>Implement Skill Up:</b> launch app; adopted by 20 LSO's	May soft-launch on track, increased push June/July. 8 LSO "early adopters". Siebel Programs will use in fall.	Green
<b>Launch Siebel Sailors:</b> 2 centers activated; 3 others selected	Three "Networks" announced, job descriptions posted, center application posted. 4 & 5 added in 2020.	Green
2. <i>Provide a broad spectrum of activities</i>		
<b>Product Development:</b> S@S Teaching and Coaching Fundamentals Online (TCFO); Race Mgmt; Measurers	S@S online modules 11-15 initiated, TCFO launched, RC Fundamentals in beta, <i>Sailing Drills Made Easy</i> in layout, <i>Bareboat Cruising</i> and <i>Passage Making</i> undergoing final review. Measurers Prgm. in planning.	Green
<b>National handicap; Portsmouth YS</b>	RFP for national rule drafted, release in April	Yellow
3. <i>Regionalize</i>		
<b>8 Regional Symposiums; SLF plan</b>	5 complete, 200+ attendees; 2 planned for the fall. SLF call-for presentations and speakers going live 5/1	Green
<b>Est. USST/ODP Regional training centers and partners</b>	Oakcliff partnership is solid; clinic scheduled for 6/7-10; USST coaches lead clinics at TX Youth Race Week; ODP Clinics scheduled for Miami and SF. FAST base moving forward - first containers on the ground!	Green/ /Yellow
4. <i>Volunteering – easy, rewarding, beneficial</i>		
<b>Volunteer Connect</b>	SAC election; Terms of reference updates; new Sailor Athlete board nominee; bylaw/regs changes	Yellow
<b>Enhance Race Admin:</b> uniformity, quality, participation	Moving to phase 2 with extended working group and objectives and deliverables	Yellow
<b>SafeSport &amp; Background Check Implementation</b>	2019 Handbook, Covered List, Bylaw/Regs changes, compliance items and background check (phase 1); creating club policy; recruiting SS manager	Yellow
5. <i>American Success</i>		
<b>ODP and USST Performance:</b> ODP - 1 medal, 4 top 10, top 5 Nations USST - 1 medal, 2 top 5 @ key events	Super results for the USST in the first quarter! Miami World Cup—Silver, Bronze, 4 of top 5, 7 of top 10 Princes Sophia-- Gold, 2 Bronze, 1 of top 5, 1 of top 10 Genoa World Cup –Bronze, 2 of top 10 Easter Finn Regatta—Silver, 1 of top 10	Green
<b>Communications:</b> Executing comm plan and increasing exposure	MailChimp integration with SailorBase; Generate mainstream news (Kilroy, Siebel, NBC), Increased USST regatta coverage, increase in social reach/audience, expanded content coverage (All Access)	Yellow/Green

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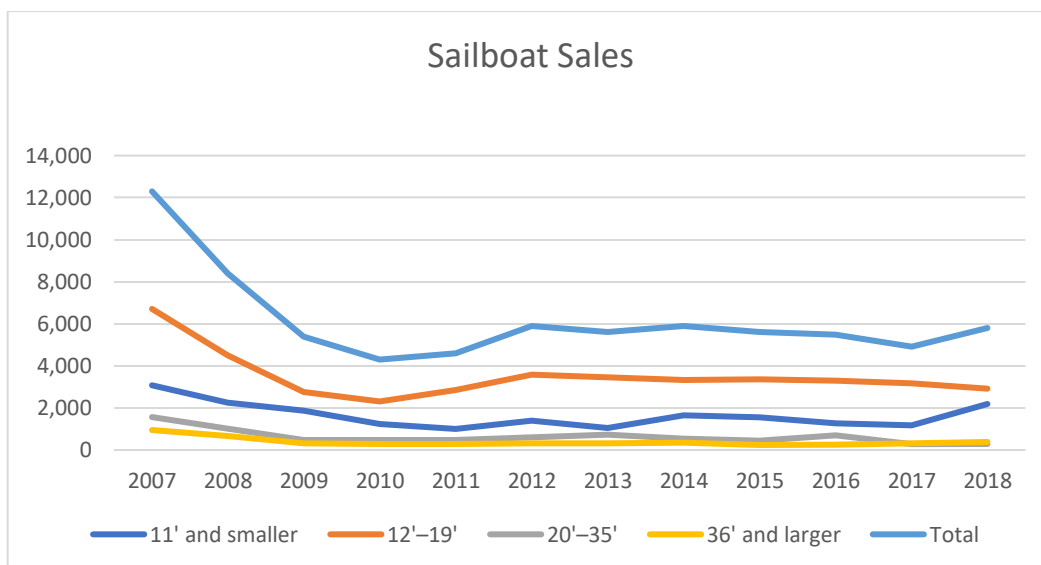
## CEO Summary – Jack Gierhart

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April has gone by quickly. Financially we are on track, and our current cash position is solid with positive gains in fundraising and sponsorship. Membership continues to lag from a numbers standpoint although we are on target financially. Here is a quick snapshot of the month's highlights:

- We announced the Siebel Sailors program on April 22. Great buzz and reception in the sailing press. Strong interest from sailing centers and candidates for open positions. Working on next steps for developing more financial support for the program and others through philanthropy and industry support.
- As mentioned above membership numbers continue to lag. We are confronting this head on with a renewal and acquisition plan lead by Josh and others across the organization that will launch 4/30. See attached program summary.
- In May, we are launching a digital member card to all members. The card includes variable member data such as name, membership category, member ID, membership end date and a unique QR code. The initial phase for this project is intended to replace the mailed member card for renewing members. New members will continue to receive a mailed kit with a printed rulebook. We are aligning our membership experience with our sustainability planning. This is the first step in using digital as our primary delivery method.
- I met with Tony Rey last week to review our findings and feedback on the professional sailing initiative. Continue to find strong support for project. Next steps: assemble working group of 6-8 to draft framework, mission, objectives. Research on other professional sports organizations underway through interns at a University sports marketing graduate program.
- On April 17, Meredith, Bruce and I met with stakeholders in Miami regarding support for the World Cup Series Miami – Coral Reef, Biscayne Bay Yacht Clubs and members of the Sailing Center board. Positive feedback and willingness to support the event. John Schoendorf also organized a meeting with Miami City Councilor Ken Russell. We toured the sailing center, discussed the city's objectives with the center, and support for the World Cup event. Positive meetings. With regards to the Sailing Center, they expressed ongoing support for the team and regatta, and reinforced their position on expanding community sailing programming only through vendors who would take that on. They feel the work that Team Paradise is doing in that area is sufficient. We discussed the Siebel Sailors program; limited interest.
- We shared with the board recently an update on SafeSport that included status of the various policies and our plans for broader awareness and education. We are currently finalizing a draft of our communications plan that we will be implementing later this spring. More to come on this.
- We have identified candidates for the SafeSport Compliance Manager role and will begin interviews in the coming week. We are also proceeding with interviews for the Governance Administrator and Board Liaison / Executive assistant position. Solid candidates for both roles.
- US Sailing had a strong presence at Charleston Race week, partnering with Sperry on marketing and communication initiatives via social media, hosting the popular Buzz Bar, talking with members and sailing. Board Directors Tony Rey and Dave Perry were sailing and coaching and participated in the ProAm regatta with a group of high school sailors. As always, Randy Draftz welcomed US Sailing and integrated us into the event. A big thanks to all the US Sailing Race Officials and the local volunteers that delivered an excellent regatta.

- The Spring appeal will be hitting mail boxes and computer screens over the next week. Great appeal around athlete safety, community sailing (Siebel Sailors) and women in sailing.
- The USCG finally released their long-awaited report on the 2015 Dauphin Island tragedy. The report makes six recommendations, four pertaining to US Sailing. Members of staff and the Safety at Sea committee have been reviewing the report and are preparing a response to the USCG. While we agree with many of the objectives the USCG recommendations are intending to accomplish, we believe there are many elements in place and alternative approaches that we can consider to accomplish the same end. We will share a draft of our response before sharing with the USCG.
- We have launched our search for a candidate to replace Dave Rosekrans as president of the US Sailing Foundation. We expect this to be a 12-14-week process and encourage you to share suggestions on potential candidates with us.
- The Marketing team is working with Sail GP as part of our partnership with the event on two 45 second PSA piece that will air during the CBS Sports Network broadcast of the event in San Francisco on May 4 and 5 at 730-900 EDT. The pieces will feature interviews with Riley Gibbs and Hans Henken, along with sailing footage of kids at Treasure Island Sailing Center and conversations with Travis Lund, the executive director.
- Here are some interesting data on boat sales. Estimated sailboat retail unit sales rose 18.4% to 5,800 units in 2018, the highest sales level in four years. Sailboats smaller than 11' led all other length segments in growth in 2018, up 89.6% or an additional 1,038 boats, compared to 2017. The average retail price of a sailboat sold in 2018 was \$49,646, up 19.6% compared to a year earlier. One other point, 88.4% of new boats sold in 2018 were 19' or under. From NMMA and SW/CW.



Next month I will join Rich Jepsen at a USOC NGB CEO and Board Officer meeting in Colorado Springs. We also look forward to welcoming the OSC for a face to face meeting in Bristol during the College National Championships that will be in Newport at the end of May.

Thanks to our Board members, volunteers and our staff team for your generous contributions and commitment to our sport.

Cheers,  
Jack

**Statement of Revenue & Expenses Summary at 03/31/19**

	USSA/USSF			Olympic			Total		
	YTD	Budget	Prior YTD	YTD	Budget	Prior YTD	YTD	Budget	Prior YTD
Revenue	1,822,850	1,485,302	1,993,596	1,207,551	952,575	690,583	3,030,401	2,437,877	2,684,179
Expense	1,299,786	1,640,164	1,677,590	1,203,882	1,316,993	1,446,235	2,503,668	2,957,157	3,123,825
Surplus/Deficit	523,064	(154,862)	316,006	3,669	(364,418)	(755,652)	526,733	(519,280)	(439,646)
Payments on Prior Years Pledges	6,000	6,000	5,000	727,065	578,100	165,000	733,065	584,100	170,000
Cash Flow	529,064	(148,862)	321,006	730,734	213,682	(590,652)	1,259,798	64,820	(269,646)

**Membership at 3/31/19**

Membership Categories	Active March '18	Active March '19	% Change '18 vs '19	% Retention Rates '18	% of March '18 Expires	% of March '19 Expires
Individual	21,597	21,402	-0.9%	69.4%	47.1%	44.6%
Family	12,355	12,133	-1.8%	79.2%	55.6%	51.2%
Youth	2,830	2,789	-1.5%	72.1%	50.5%	48.5%
Contributing	1,171	1,178	0.6%	96.9%	68.8%	51.3%
MVP	3,183	2,756	-15.5%	72.5%	54.4%	52.0%
Keelboat	2,906	3,038	4.3%	33.3%	22.0%	10.9%
Organizations	1,553	1,538	-1.0%			
Total	45,595	44,834	-1.7%	69.0%	47.5%	44.1%

**Fundraising at 3/31/19**

	USSA/USSF				Olympic			
	YTD	YTD Budget	Prior YTD	2019 Annual Budget	YTD	YTD Budget	Prior YTD	2019 Annual Budget
Donations	106,457	117,209	163,139	587,809	86,382	196,500	55,065	833,000
New Pledges	150,000	0	120,000	0	0	0	78,000	0
Total	256,457	117,209	283,139	587,809	86,382	196,500	133,065	833,000

**Statement of Revenue and Expense at 3/31/19**

	YTD Actual	YTD Budget	YTD Budget Variance	Prior YTD	Total Budget
Revenue					
Public Support	192,839	313,709	(120,870)	218,204	1,420,809
New Pledges	150,000	0	150,000	198,000	0
Membership	527,893	524,989	2,904	547,960	2,099,956
Sponsorship	767,735	281,350	486,385	475,628	1,804,600
Program Revenue	653,659	734,499	(80,840)	702,651	2,038,768
Sales	131,323	132,055	(732)	134,547	579,000
USOC	314,800	314,800	0	215,000	1,259,200
Grants	218,200	131,000	87,200	125,000	234,250
Investment	75,628	3,675	71,953	16,327	14,700
Misc. Income	(1,676)	1,800	(3,476)	50,863	88,025
<b>Total Revenue</b>	<b>3,030,401</b>	<b>2,437,877</b>	<b>592,524</b>	<b>2,684,180</b>	<b>9,539,308</b>

Expenses					
Salaries & Benefits	1,048,901	1,133,709	84,808	1,243,115	4,527,765
Operating Expenses	1,405,725	1,755,557	349,831	1,815,797	5,815,509
Cost of Goods Sold	49,042	67,892	18,849	64,913	249,030
<b>Total Expenses</b>	<b>2,503,668</b>	<b>2,957,158</b>	<b>453,488</b>	<b>3,123,825</b>	<b>10,592,304</b>
<b>Surplus/Deficit</b>	<b>526,733</b>	<b>(519,281)</b>	<b>1,046,014</b>	<b>(439,645)</b>	<b>(1,052,996)</b>
<b>Cash Flow Adjustments</b>					
Pledge Payments	733,065	584,100		170,000	1,170,983
<b>Cash Flow</b>	<b>1,259,798</b>	<b>64,819</b>		<b>(269,645)</b>	<b>117,987</b>

Revenue Variances:

- Public Support is \$110K behind budget in Olympic Fundraising. The Foundation is \$54K behind budget. In the Association we are \$19K ahead of budget in donations received with memberships and \$20K ahead of budget in the Adult department with two restricted donations for the completion of Safety at Sea modules; there will be an offsetting expense for this donation that was not budgeted. Based on Olympic projections we expect to meet or exceed expectations by the end of the year. Donations are being closely monitored and adjustments are being made as needed.
- New Pledges are not budgeted as part of the budgeting process, we budget only for the cash we project to come in during the year. In March we received notice of a bequest of \$100K for match racing and booked this as a pledge. In the Foundation we received a \$75K commitment with \$25K received in cash and \$50K as a pledge.
- Sponsorship cash and billing is \$486K ahead of budget, \$315K of the variance is the Kilroy sponsorship in the Olympic department. NSPS sponsorship came in \$12K ahead of budget, Rolex is \$27K more than the prior years, and the remainder is timing and smaller new sponsorship agreements. Sponsorship VIK is below budget by \$67K which has an offsetting expense also below budget; some of the variance is the loss of Gill and the remainder is posted in April.
- Program Revenue is \$81K below budget, the largest negative timing variances are: Fees in Keelboat are \$19K below budget due to the timing of dues being billed to schools, they are being invoiced this week; Safety at Sea Online Course Fees are \$20K below budget due to timing of Fresh Air Educators quarterly payments for course registrants who go directly to their website; Small Boat Registration Fees are \$23K below budget, which is the timing of courses, the number of courses scheduled are on target with projections for the year; and registration fees for Sailing World Cup Miami were \$11K below budget due to fewer registrants than expected.
- Grants are \$87K ahead of budget in the Olympic department due to timing. The grant was spread across all 12 months in the budget and posted in the accounting system in January.

Expense Variances:

- Salaries & Benefits is \$85K below budget partially due to two open positions at the beginning of the year that were not filled until March and the departure of an Olympic coach at the beginning of February. This variance will decrease through the year as the Compliance Manager and Executive Assistant positions are filled.
- Operating and Cost of Goods Sold Expenses are \$369K below budget made up of the following variances of at least \$15K:
  - Industry VIK is \$67K under budget which has an offsetting revenue also below budget. Some of the variance is the loss of Gill and the remainder is posted in April.

- Organizational grants are below budget by \$75K with \$40K in the Education department for the Reach program and will be expended during the year and \$35K in the Olympic Department for Sailing World Cup Miami that was budgeted on the wrong line, the expenses are in events.
- Events is over budget by \$35K for Sailing World Cup Miami (see Organizational Grants).
- IRD Expense is \$31K below budget which is timing of the Saildrone \$30K invoice coming in for payment.
- Equipment Maintenance is \$16K below budget mostly in the Olympic department which is timing of expenses.
- Postage and Printing & Stationary combined is \$21K below budget in membership materials and printing which is timing, we reduced the budget for 2019 for both line items and expect to end the year on budget. We are in the process of reducing printed membership packets and replacing with digital.
- Supplies is below budget by \$15K with \$8K of the variance in the Olympic department for Sailing World Cup Miami and the remainder spread across all other departments.
- Multimedia is \$19K below budget with \$3K in Education and \$16K in Marketing. We have been holding off on purchases due to cash flow and a staff member has been producing our content.
- Fundraising Expense is \$18K below budget in the Foundation, Georgia and Sandrine are working on plans for fundraising events.
- Staff and Non-Staff Travel is below budget by \$44K, much of the travel is budgeted across the 12 months evenly rather than seasonally and will catch up to budget; there is \$6K in Education, \$6K in Member Engagement, \$19K in Marketing, \$9K in Adult, and \$4K in Youth.
- Sponsorship Fulfillment is \$44K below budget which is timing that will catch up over the next few months.
- Registration Fees are \$20K below budget in the Olympic department which is timing of the youth worlds registration fees that were paid in April.
- Royalties are \$33K below budget which is the timing of being billed for certificate royalties.
- Coaching Fees are \$25K over budget in the Olympic Department, we received funding for the coaching that was scheduled to be eliminated in February.

### Balance Sheet at 3/31/19

	3/31/19	12/31/18	Change
<b>Assets</b>			
Cash	3,819,184	3,314,384	504,800
Investments	1,271,231	1,214,187	57,044
Receivables	344,460	148,254	196,206
Pledge Receivable	3,534,747	4,117,812	(583,065)
Inventory	223,624	216,126	7,498
Prepaid Expense	101,643	183,483	(81,840)
Assets & Depreciation	1,886,293	1,821,937	64,356
<b>Total Assets</b>	<b>11,181,183</b>	<b>11,016,184</b>	<b>164,999</b>
<b>Liabilities</b>			
Line of Credit & Loan	184,295	196,891	(12,596)
Accounts Payable	103,870	216,381	(112,511)
Accrued Expenses	80,104	309,669	(229,565)
Deferred Revenue	2,134,366	2,141,428	(7,062)
Net Assets & Current Earnings	8,678,549	8,151,815	526,734
<b>Total Liabilities</b>	<b>11,181,183</b>	<b>11,016,184</b>	<b>164,999</b>

The increase in Cash and decrease in Pledge Receivable is due to pledge payments received earlier in the year than expected. The increase in Receivables is the sponsorship billing to Rolex for \$200K. The

decrease in Prepaid Expenses is due to Sailing World Cup Miami and NSPS expenses being expensed in January and February. The decrease in Accrued Expenses is due to 2018 credit card expenses that were paid in January and the reversal of the 2018 accrued payroll.