

2020 Association Report - October

Financial Metrics Based on September 2020 Financial Statements and Membership Report

Topics	Comments	Status
Financial Metrics		
Revenue	Generated \$348K in Revenue, up 69K (25%) vs revised Budget. Revenue overage associated with Sept realized gain for USOE funds @ 66K vs a plan of 2K & Publication sales @ 33K up 20K vs plan.	Green
Expense	Spent \$565K in Expense vs a revised budget of \$631K. Savings of 10.4% or 65K vs new revised expense budget. Mainly associated with 29K of registration costs that did not occur & 37K less spending in Coaching and instructors due to less activity associated with COVID	Green
Net	Deficit of \$217K vs a budgeted deficit of \$352K in the month of September. We lost \$664K in Sep of 2019 - Year over Year Aug performance improved by \$446K	Green
Membership & Retention Goal (Revised): Revenue – \$2,099,956 (flat from 2019) Retention – 60%	39,375 (9/20) vs. 43,967 (9/19) Revenue: <ul style="list-style-type: none"> • For September: 5% decline - \$170,026 (9/20) vs \$178,432 (9/19) • YTD: 0.1% growth - \$1,586,485 ('20 YTD) vs \$1,584,302 ('19 YTD) Retention: 60.7%	Red Yellow Green
Key Priorities Update		
Membership:	<p>New individual member sales continue to be driven by Skill Up engagement, with John Pearce selling the app to organizations. In September, five organizations sent almost 200 members in total for processing and to gain access to the Skill Up app.</p> <p>For current members, we worked with Betsy to create new content for four 'member lifecycle' communications that speak to the interests of Keelboat and One Design sailors. The goal is to demonstrate the value of membership by communications with sailors based on their type of sailing experiences.</p> <p>Lapsed member reacquisition will continue in October with an incentive from Yeti.</p> <p>Organizational membership renewal communications began on Oct 1, one month earlier than in 2019. Accredited Keelboat and Community Sailing programs received a customized letter and invoice for their accreditation dues and organizational membership.</p> <p>The current member base continues to renew earlier than their month of expiration, driving additional cash in the door earlier than last year. We collected over \$50k more in September compared to 2019 sales. For October, we continue to see early renewals and a revenue influx in revenue from a timing perspective of the organizational renewal communications beginning earlier.</p> <p>In Q4, we will be working on a member acquisition campaign. Our promotional efforts will highlight influential people within the sailing community. These influencers will speak to what sailing and US Sailing has meant to them, challenges our sport currently faces and invite sailors to join as members. This approach leverages our existing relationships to highlight respected spokespeople aligned with US Sailing's mission. We hope their personal stories will encourage sailors to join US Sailing.</p>	

<p>Program/Product/Service Sales:</p>	<p>Smallboat Instructor Certification Course registrations are light each year in August, September, and October (only 3 Smallboat courses took place during this timeframe in 2019), but this year the leftover demand from the disrupted summer season and the new online course format for several courses has increased activity quite a bit. This August and September there were:</p> <ul style="list-style-type: none"> • 4 Level One Instructor Online Sections (part 1 of the course) • 16 Level One In-Person Sections (part 2 of the course) • 1 Level Two Instructor Course (in person) • 1 Level Three Head Instructor Course (online) - Another course will take place in October • 1 Reach Educator Course (online) - Another course will take place in October <p>Full attention is on preparations for the 2021 season, including making edits to the online course formats based on feedback.</p> <p>One Design: After the One Design Central launch in July, many one design classes continue to submit profiles to the site, and with the launch of the Fleet Finder feature in September, many classes across the country have been submitting their fleet information, making it easier for sailors to find fleets sailing near them along with local contact information. A new OD Committee is being formed: Chaired by Chris Snow; Vice Chair Debbie Probst; committee members to be seated by end of October.</p> <p>Publication sales for Keelboat and Powerboat programs continue, with numbers exceeding adjusted budget numbers as schools/providers continue to teach into the fall months. Basic Keelboat Online sales continue to be strong as schools have adjusted their delivery methods. USSA receives student certifications from schools as they complete courses.</p> <p>Demand for Instructor courses is rising for Keelboat and Powerboat programs. USSA COVID policy restrictions and positivity rates among states is limiting the number of courses that are possible to run.</p> <p>Safety at Sea: Offshore and Safety at Sea Committees are discussing naming conventions to existing courses as we move into the pre-Safety at Sea season. These changes would align more with the current SER terminology and would require no changes to course content. With few races happening in 2020, SAS online and in-person courses are down overall by 60-70% for the calendar year.</p> <p>Championships: The only US Sailing Championship to be held in 2020, the Championship of Champions, was sailed on Newport Harbor and hosted by the Balboa Yacht Club in Newport Beach, CA from Oct 7-9th. 19 champion teams competed in a 22-race event in Harbor 20, under strict safety protocols complying with local and state guidelines. Safety of all participants (sailors, race officials, volunteers and club members) was the driving force behind a successful championship. It was won by Jake La Dow and Alex Curtiss.</p> <p>Race Administration: The demand for courses is traditionally low in the summer/early fall as well, but this is the time when members turn their attention back to training. We have added more online courses to the calendar and are beginning a marketing push to attract new customers as well as fulfill the remaining courses that were postponed. We also continue to work on preparing advanced-level courses.</p> <p>Preparation of the RRS for 2021-2024 continues. We have nearly completed proofing the book, which will allow us to move forward with entering content into the app and sending files to the printer for a limited run of paper and waterproof books. App development also continues. The online protest form will be beta- tested at an event in Charleston next weekend and we anticipate a full roll-out in November.</p>
<p>USST & ODP:</p>	<p>The 49ers and Nacras are in Long Beach training in squad groups. The Nacras are wrapping up a 3+ month training block there, while the 49ers will be in CA a bit longer before heading east.</p> <p>Over two weekends in late September/early October, Oakcliff's Triple Crown Series hosted Olympians Stu & Dave, Trials contenders Carmen and Emma Cowles, and some up-and-coming sailors new to Olympic classes. As McNay/Hughes and the Cowles sisters won first and second, respectively, they will each receive prize grants from Oakcliff to support their campaign expenses.</p> <p>Charlie Buckingham has been actively racing in Europe, where he just finished Laser Europeans in Poland with a strong 6th.</p>

	<p>After a small training accident in Portugal resulted in some stitches, Steph and Maggie are back stateside taking a break. They will be back at it in Miami in a few weeks.</p> <p>ODP recently ran its first successful post-lockdown camp in Miami. Led by five ODP coaches (including Chris Barnard and Anna Tobias) and supported by two Quantum coaches, the sailors got a lot of individualized attention. We were thrilled to have Chris and Anna coaching with the next generation, connecting recent campaigners to the younger sailors. Additionally, Paige Railey and coach Steve Mitchell sailed with the ODP Radial group. The camp's COVID protocol was rigorous, and the camp's small size was a good trial run to work out the kinks before a larger ODP camp scheduled for November.</p> <p>October is a big planning month for the program, as we receive our initial 2021 funding allocation from the USOPC as well as updates from Tokyo organizers. Our fundraising strategy for both USST & ODP will need detail and attention this Q4.</p>
<p>MarCom:</p>	<ul style="list-style-type: none"> • 23 Email campaigns of news, core product promotions, stories, US Sailing Store, Membership, targeted communications, and e-Newsletters • 905 New Social Media followers on US Sailing and US Sailing Team Facebook, Instagram and Twitter • 8 videos created and distributed, including Siebel Sailors videos and Starboard Portal Sessions • Sponsorship dialogue for 2021 with 7+ partnership discussions ongoing within commercial and strategic opportunities. <ul style="list-style-type: none"> ○ Conversations on-going w/ West Marine, Mustang Survival, SailFlow, Auto Category, Zim ○ Member benefit focus w/ Zim, Quantum, Doyle Sails, North Sails ○ Working with Kilroy on a new initiative making their clients "Part of the US Sailing Team" • Developed a communications architecture covering all outbound channels that allows all departments to see and engage. Updated weekly. • Comms support for department communications including monthly e-Newsletters and targeted department programming email campaigns - Content Strategy, Editing/Review, Campaign development, Post formatting, Distribution, Alignment with other organization communications, social media engagement • Continued marketing support for department programs and services to help them achieve goals by developing and executing marketing/promotion plans. Programs and Services include Level 1, Level 3 Head Instructor, Reach Online, Skill Up, Keelboat, Powerboat, Safety at Sea, One Design, Championships, PY Online, and Race Management Online • Focus on Racing Rules app - Branding and Logo of new "Racing Rules" of Sailing App, along with building teaser content, revamp of Racing Rules webpage, development of promotional and user education graphic and video assets, and overall Rules communications plan for Q4 • Continued work with Stu on expansion of DEI Town-Hall Panels – Planned Starboard Portal Sessions through 2020 <ul style="list-style-type: none"> ○ Gender – Oct ○ Adaptive – Nov • MarCom working with Foundation and Berteau Group to develop the Year End Appeal "Together We" newsletter, ask letter and follow-up communications • Progress is being made on the development of a national brand concept for OCR series. Aiming to have creative concepts and a presentation to the organizers in the next 30 days. • Providing USST team event coverage – Oakcliff Triple Crown, Annapolis Double Handed Offshore, Kiel Week, Laser Euro Championships.
<p>Fundraising:</p>	<ul style="list-style-type: none"> • Stewardship phase of Year End Appeal is underway. 2 of 3 emails have gone out to the four non-Olympic segments, 3 of 5 emails have gone out for Olympics Meet the Team series. Open rates in the 25-43% range. Emails have gone to approx. 30,000 people. Print package and Ask letter are in progress with deadlines this week. Mailing will go to 17,000 households to be delivered mid-November. Follow-up "Ask" emails will begin in November and run until year-end. • Olympic Q3 report was sent to high-level donors and prospects in September. Donor Target List established with B. Keane for OLY Prospects to be cultivated/stewarded. Next communication to go out 10/22 - letter from Sally Barkow regarding IR&D. In progress. • Jill Nosach, our new Chief Development Officer is starting October 26.

<p>Events:</p>	<p>Through collaborative discussions between the Youth (John Pearce), Education (Stu Gilfillen) and Olympic Departments (Luther Carpenter), we have designed an online conference that will take the place of this year's National Coaching Symposium, which typically occurs in Miami in early December. The event, occurring over three half days from December 7-9, will be based on The Aspen Institute's Project Play Summit 2020, which provided content to a larger audience for free, and opportunities for a limited number of live workshops for small fee. This model, which is typically referred to as a "freemium" model" will be modified for our Coaching Symposium by limiting access to only US Sailing members. Limited live sessions will be available on a first-come basis. Agenda development and platform selection are underway now and more information will be forthcoming in the next 2 weeks. The content will also be available for members to view after the event as well.</p> <p>We are planning to include a virtual version of the Women's Coaching Summit. While we unfortunately cannot offer on-water opportunities, we will provide opportunities for discussion and engagement.</p> <p>While we are not holding the National Sailing Programs Symposium (NSPS) in 2021, we still want to provide our members with the educational content and resources that they would have received had they been able to attend the event. Starting in February 2021 (on the dates that NSPS would have been held), we will kick off a yearlong "National Sailing Programs <i>SERIES</i>" which will feature virtual conference sessions held every two weeks throughout 2021. Our intent is to use the same topic areas from the in-person NSPS, but also integrate in opportunities for smaller group discussions around important topics.</p> <p>During the kickoff week we will feature multiple days of sessions and virtually recognize the Training and Community Sailing Award winners. The promotion of these awards will begin shortly via US Sailing channels.</p> <p>Long term, we are seeking ways to coordinate coaching education into our events. Other sports, such as USA Archery, provide Continuing Education Units (CEUs) towards certification for people who attend specific sessions at their conferences. We feel that there is an opportunity for us to take the same approach and are exploring how such a structure would function.</p>
<p>IT:</p>	<p>Information Technology continues to quietly work in the shadows to make sure the organization runs effectively, touching everything that we are doing, every single day. IT works to be relevant and a partner to every department and external constituencies and uses our unique view across the entire organization to create/manage efficient systems and identify redundancy.</p> <p>Since the office closing and complete shift to work from home, IT has managed to keep staff running with minimal distractions. With the decision not to return to the office until at least Jan 2021, we are providing additional assets to staff to support the work from home life. These efforts are made to keep up morale and make things as comfortable as possible.</p> <p>Recent projects include:</p> <p>Management of a large number of potential data incidents. For the past 6 months, the FBI has seen a 71% rise in state-sponsored cyber-crime activity. US Sailing and other organizations with USA, US or America in their names have been particularly hard hit. We cannot outspend the cybercriminals, so we work on with large shared services platform who have the resources, including Microsoft for a unified platform and WP Engine for our web presence.</p> <p>Information in one place There has been a focus on capturing all of that data that resides in your head, the spreadsheet on your desktop, in another external system or on the back of napkins and find a place for that information that we can use to make some meaningful decisions. We have the Office 365 as the standard and we are allowing staff to share and communicate with external parties using US Sailing protected accounts in Google Suite and Dropbox. All of this is maintaining control should people leave, data is compromised, or system failure.</p> <p>Data Hygiene As we protect and house everything in the same place, we need to sift and check that information is up to date. We will be working with all departments on cleaning up, validation and adds & deletions. Painful but necessary, we are working to see if this could be an intern driven project.</p>

CEO Summary – Jack Gierhart

October begins the parade of annual conferences and meeting of the various organizations we are part of. Kicking things off, from October 7-9 the USOPC held its Assembly remotely via video conference, with both Cory and I participating. The three days included presentations, discussions and town hall meetings with all the various Olympic movement constituents – the board and staff leadership, the NGB community, athletes, NCAA, Safesport and government relations. It was an excellent three days of conversations and sharing experiences, successes and failures across the sporting community.

While there were many takeaways, some of the key points that stuck with me related to the opportunities for us as an organization, a sport and a community. The disruption caused by the pandemic is totally recasting much of what we do, and there are positives. All sports, including sailing, will continue to be challenged, but it also provides us the opportunity to focus, get better at the really important/relevant things we do, streamline our organization and operations and come out stronger. While it has been very uncomfortable for all of us and there is still much to do, we are taking this course and making progress. Another point, related to the necessity to hone our focus, was about collaboration. How can we work better together to leverage each other's strengths and work better together than independently? During the Assembly, this conversation related to collaboration amongst NGBs, but it applies to all of us in the sailing community as well. Sustainability, growth, success is going to take all of us working better together.

Finally, leaders from across the spectrum of sports and organizations all agreed on some key areas and opportunities: 1) invest in the grass roots to build participation, local focus, commitment to “fun”, affordable and embracing volunteers; 2) drive instructor, coach and mentor development – these are the key players that will build and inspire the grass roots, and help our top athletes reach the podium; 3) as a NGB and a key member of the Olympic movement, we must embrace and support our athletes integrating them into our organization and the broader sailing community; 4) leverage technology to build engagement, improve service and stewardship of our sport; and 5) ensure we lead a culture of “and”, not “or”. Coming out of this meeting is always energizing; yes, we are playing the long game and there are many challenges, but there are incredibly passionate, persistent and committed people in our communities that see the opportunities and are excited to go after them.

Now on to an update on US Sailing. From August to September, we saw a slower decline in membership, with the loss of only 160 active members. We are confident this supports our assumptions that most lost members were due to event cancellation. There was a 14.4% increase in memberships sold in Sept '20 vs '19. The majority of new member sales were driven by promoting Skill Up, with five organizations sending almost 200 members in total for processing. In Q4, we will launch a member acquisition campaign asking influential leaders from the sailing community to speak to what sailing and US Sailing has meant to them, the opportunities available to our sport, and invite sailors to join as members. We hope their personal stories will encourage sailors to join US Sailing.

A few Q3 Highlights:

- Return of Competitive Sailing:
 - USST athletes had strong performances at the 2020 Kiel Week Regatta with Steph Roble and Maggie Shea finishing 2nd in the Women's 49erFX fleet and Charlie Buckingham finishing 4th in the Men's Laser fleet. In the Men's 49er fleet, Andrew Mollerus and Ian

MacDiarmid finished 22nd overall and had several strong races throughout the week, including multiple top-10 results.

- USST athletes Stu McNay and Dave Hughes and Carmen and Emma Cowles took 1st and 2nd place, respectively, at Oakcliff's Triple Crown Series.
 - Charlie Buckingham took 1st at the 2020 Italian National Championships, and 6th at the 2020 European Championships in Poland.
 - Jake La Dow and Alex Curtiss won the Championship of Champions hosted by the Balboa Yacht Club in Newport Beach, CA. This was the only US Sailing Championship held in 2020.
- Siebel Sailors Program will complete 2020 programming at the beginning of November in four Regions, and the end of December in our Florida Region. Over the summer, the Siebel Coaches logged 1,000+ hours of direct instruction and Siebel Sailors logged 136,000 total practice hours. Fall hours will be added in December. Additionally, the Siebel Coaches and the Education Department worked on producing beginner sailing skills video for the Skill Up App and have been working to develop intermediate & advanced student level curricula.
 - [One-Design Central](#): The One-Design landing page launched and work has been continual to include and update fleet profiles and add the Fleet Finder locator. The monthly One-Design Line newsletter has been a great source for stories on best practices and resources for classes and sailors.
 - The PPP loan forgiveness application was submitted to the SBA. Bank RI recommended full forgiveness and the SBA has ninety days to respond with their decision.
 - The small teams working on the strategic implementation planning suggested tactical steps and key initiatives for the next year. We are aligning this work with our program review to prioritize what is both feasible for 2021 and most impactful for our strategic priorities.
 - The Foundation Board welcomed three new board members in August: Brian Keane, Linda Lindquist, and Tom Whidden. Jill Nosach has accepted the position as the Chief Development Officer and will begin at the end of October. We are excited about the expertise and experience she will bring to this position. She is already providing great feedback and insight on our Year End Appeal.
 - We signed a MoU with the National Women's Sailing Association to promote participation by women and girls through education and related activities like instructor training and collaboration on an adventure sail event in 2021.

I am pleased to share that our financial condition has improved more quickly than projected due to the dedication of our staff and loyal support of our members, and we will begin reinstating salaries in October, which comes as welcome news to everyone. In other staff news, while we are disappointed to lose two valuable staff members, Belle Strachan from our marketing department and Bryan Donovan, our webmaster, we are excited for them to pursue new opportunities. They both contributed a great deal to US Sailing and we know that their new companies are lucky to have them. We will be reviewing these roles and refining positions as we move forward with our 2021 plan.

We are extremely grateful to our members, whom over the past several months have demonstrated their loyalty and unwavering support. To our dedicated volunteers and Board of Directors - a huge thank you for your contribution to helping US Sailing shift and push forward. And to the outstanding staff who

continue to drive our operations forward, adjust to the ongoing challenges we face and pursue the opportunities that will make us a better organization and sailing stronger. I look forward to our conversation during Monday's board call.

Best,

Jack