



### Finance Committee Report

BOD Meeting July 15, 2020

**Committee members:** Mary Ruddell, David Cottam, Mike Piccardo, Jerry Rudd or Jim Morefield, Debbi Tucker (Zone 3 Rep), Carol Cottam, William Chong, David Benjamin and Alec Scott. Athlete: Gabriel Cuvas Liaison: Cindy Rowland. Accountant: Maria Lyan

**Last Meeting:** June 18, 2020 **Next Meeting:** August 13, 2020

Committee reviews LSC financial statements and consolidated reports on a monthly basis. Each zone is represented on the finance committee. Reports are posted monthly and approved at the BOD meetings.

The Executive Committee approved Cropper Accountancy as our Auditor. Mary Beth Cropper will conduct the review of Pacific Swimming September 1, 2019 to August 31, 2020 Consolidated Financial Statements.

Covid-19 Disaster Grant Update:

- Seventy-Seven (77) were awarded a Round 1 Covid-19 Disaster Grant. The total amount distributed was \$230,850.
- Twenty-Eight Clubs were awarded a Round 2 Covid-19 Disaster Grant. Total amount awarded was \$273,000. Clubs must be Safe Sport Recognized prior to the grant check being issued.

Forgiveness criteria for the PPP Loan continues to change.

### Investment Committee Report

BOD Meeting July 15, 2020

**Committee members:** Mary Ruddell, David Cottam, Debbi Tucker, Leo Lin, Don Heidary, Mike Rianda, Mike Piccardo, and William Chong. Athlete Representative, Taylor Rohovit, Staff Liaison: Cindy Rowland. WELLS Liaison: Michael Pepper

**Last Meeting:** June 4, 2020 & July 2, 2020 **Next Meeting:** TBD

The account balance as of June 30, 2020 was \$2,991,805 The table below shows the balances in each of the sub accounts and Fidelity Funds Prime Money Market account.

June 30, 2020	
LSC	2,601,804
Board Designated Fund	288,254
Zone 2	58,359
Zone 1 South	43,388
Total	\$2,991,805
Fidelity Funds	0

Michael Pepper discussed what was occurring in the markets and how this recession differs from 2008. The June asset allocation of the portfolio was: 60% Equities, 28% Fixed income, 2.7% Real Assets (Gold), 4.7% Alternatives, and 5.6% Cash. He suggested Pacific consider a security backed line of credit instead of dreading the account principle

Grant funding withdrawals:

The balance in the Fidelity Funds account was transferred to the investment account.

5/7/2020 Transferred \$250,000 from Wells Fargo investment accounts to fund Covid-19 Round 1 Grants

6/11/2020 Transferred \$275,000 from Wells Fargo investment accounts to fund Covid-19 Round 2 Grants

The Investment Committee discussed the benefits and risks of a line of credit. The committee recommends that Pacific apply for a \$1Million line of credit (see motion).

Motion 2007IC1: The Investment Committee moves to apply for a \$1Million Priority Line of Credit with Wells Fargo Advisors

The line of credit will be used to fund Round 3 of the Covid-19 Disaster Relief Grants, Olympic Trials travel support and general operating expenses. The collateral for the line of credit is the investment account.

The Investment committee recommends this course of action to maintain the interest and dividend earning principle. Historically Pacific's investment portfolio earns 7-8% per year. The interest rate for the line of credit is tied to the Prime which is currently 3.25%. The account earnings should be able to pay the interest on the line of credit

A security backed line of credit is an untapped resource.

The main risks are market decline and interest rate increase.