

**USA Hockey Annual Congress
June 3-6, 2009**

Finance/Budget/Audit Committee Meeting

The Committee reviewed the 2009-10 operating budget, which totaled approximately \$32.5 million, with projected excess revenues of approximately \$5k. The new budget exceeds the 2008-09 budget by approximately \$5 million or 15%, with some of the increase resulting from an Olympic year.

Although operating revenues are projected to be down by approximately 4%, the increase in spending will be financed through approximately \$ 6.5 million in grants from the NHL. The majority of the NHL grants are designated toward the growth and development of players and referees and this was reflected in the budget. Approximately \$1.8 million of the grant was used for budget relief.

The committee reviewed the audits conducted of the USA Hockey District accounts, with the primary focus on coaches and referees. There were no material issues as a result of these audits. There was a discussion of the value to continue with the USA Hockey audit of Affiliate accounts, considering the benefit of such audits versus the expense incurred to perform them. Although the committee was generally in favor of continuance, final recommendation was postponed.

We learned that not all Affiliates are applying for the USA Hockey Block Grants. No reason for them not doing so was given.

The status of the USA Hockey Foundation was discussed. Like others who have investments in the market, the Foundation experienced a net change in assets of approximately minus \$3.1 million in unrealized loss of market value of stocks and securities. The Foundation continues to provide \$205,000 to USA Hockey to fund the Block Grant Program. Minnesota Hockey typically receives \$40k annually from that program.

I also attended the Town Hall meetings that discussed the American Development Model, Governance & Growth and a workshop for Membership Development. I left these workshops with the following impressions:

1. The American Development Model is in its formative stages without a real game plan at this point. With NHL funding, USA Hockey is committed to make this program a viable one.
2. The USOC remains concerned about the size of the USA Hockey Board of Directors (currently 94 members). USA Hockey is not concerned.
3. The development of new leaders remains a challenge. Much like Minnesota Hockey, It appears as though there are never any viable contests for elected positions, with most incumbents being re-elected without opposition.
4. The Membership Development team is just being formed. I suspect that the lack of funding kept the program in the "planning stage" for the past year. Here again, funding from the NHL is important.

The Board adopted the budget, approved numerous rules changes, defeated a proposal to change the Annual Congress from June to January and elected several new directors and officers. Phil Verchota was re-elected as a Director-At-Large, keeping the Minnesota majority in this office (4 of 6 At-Large Directors)

Jerry DeMeo