

Oklahoma Swimming, Inc.

**Independent accountant's Report on
Applying Agreed-Upon Procedures**

December 31, 2021



Independent Accountant's Report on Applying Agreed-Upon Procedures

Oklahoma Swimming, Inc. and USA Swimming:

We have performed the procedures enumerated below, which were agreed to by Oklahoma Swimming, Inc. and USA Swimming (the specified parties), solely to assist you with respect to the financial reports of Oklahoma Swimming, Inc. as of and for the year ended December 31, 2021 for the submission of information to USA Swimming in accordance with the Affiliation Agreement. Oklahoma Swimming, Inc.'s management is responsible for the financial reports. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained USA Swimming provided "Agreed Upon Procedures Inquiry Checklist" completed by Oklahoma Swimming, Inc. Representative.
 - Completed checklist is included as Attachment A
2. Prepare a year over year comparison of the balance sheet financial statement line items. For any variances over 10 percent, inquire of Oklahoma Swimming, Inc. representative the reason for the variance.
 - Explanation for variances is included as Attachment B.
3. Prepare a year over year and actual to budget comparison for income statement line items. For any variances over 10 percent, inquire of Oklahoma Swimming, Inc. representative for the reason for the variance.
 - Explanations for variances is included as Attachment C.
4. Obtain from Oklahoma Swimming, Inc. representative a list of all vendor invoices paid during the fiscal year. Randomly select 10 vendor invoices and obtain invoice and cancelled check. Agree amount and payee per invoice to canceled check. Inspect invoice for signature or initials indicating approval for payment. Differences noted are listed below:
 - None noted
5. Obtain bank and investment reconciliations as of year-end. Agree bank/investment balance per reconciliation to bank/investment statement. Agree book balance per reconciliation to the general ledger balance at year end as provided by management. Differences noted are listed below:
 - None

Independent Accountant's Report on Applying Agreed-Upon Procedures – (Continued)

6. Obtain list of cash disbursements by vendor for the fiscal year from Oklahoma Swimming, Inc. representative. For each vendor paid more than \$600 for the fiscal year per the list, obtain copy of the vendor's 1099s. Exceptions noted are listed below:
 - None noted
7. If Oklahoma Swimming, Inc. pays wages, obtain reconciliation of IRS Form 941 to general ledger as of 12/31 prepared by Oklahoma Swimming, Inc. representative. Obtain listing of amounts paid for the calendar year by employee. Obtain copies of W-2s issued for the year. For each employee per the listing who was paid over \$600, agree employee name and amount paid per the listing to the W-2. Exceptions noted are listed below:
 - None noted
8. Obtain and attach most recently filed 990.
 - The 2021 IRS Form 990 "Return of Organization Exempt From Income Tax" is included as Attachment D.
9. Obtain and attach year-end internally prepared financial statements.
 - Financial statements are included as Attachment E.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Oklahoma Swimming, Inc. financial reports. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Oklahoma Swimming, Inc. and USA Swimming and is not intended to be and should not be used by anyone other than those specified parties.

Hood & Associates CPAs P.C.

Hood & Associates CPAs, P.C.
Tulsa, Oklahoma
May 27, 2022

Attachment A – Completed Agreed Upon Inquiry Checklist

Oklahoma Swimming, Inc Agreed Upon Procedures Inquiry Checklist

LSC Name: Oklahoma Swimming, Inc

Completed By (Name & Email Address): Pam Riddle (pam@pamriddle.com) Michele Brown (michele.brown@lumen.com) Jennifer Salcher (jsalcher@oks.org)

Date Completed: 4/12/22

For Period Ending: Dec. 2021

General Company Information

EIN: 31-1012862

Accrual or Cash Method of Accounting: Cash

Name of General Chair: Denis Mink

Name of Treasurer: Pam Riddle

Others Involved in Accounting Functions: Michele Brown

In 2021, Jennifer Salcher in 2022

Name of person who maintains books and records: Pam Riddle, pam@pamriddle.com

Instructions: The purpose of this checklist is to supplement the agreed upon procedures engagement performed by an independent accountant. This form should be completed by an LSC representative and provided to the independent accountant to be submitted with the final agreed upon procedures deliverable.

As you complete this document, you will be asked to choose answers from drop down menus, check boxes, select dates and type text answers.

Policies & Procedures Manuals

An accounting manual should provide answers to questions, instruction to accounting personnel, and provide the means to apply consistent reporting of business transactions. The document must be useful and, more importantly, used. Therefore, it should be organized, complete, and consistent.

It should be available to all who need or think they need it. Certainly, the accounting staff needs the manual. Also, managers, and others who submit accounting data should have the manual available to them.

It should always be current. A plan or method for updating policies with changes, additions, or deletions to the document is a must.

- Does the LSC have written accounting policies and procedures established to describe the accounting system and ensure transactions are accounted for consistently (as described above)?

Yes. P&P 301 - link below

https://www.teamunify.com/czokslsc/UserFiles/File/BoD/Policy%20and%20Procedure/okslpp301-01_059256.pdf

Bank Accounts

- ☐ All accounts are on the books and financials. Yes

- Are funds deposited in a bank with FDIC protection and on what date and by who was this verified?

Yes

- Has the balance in any account exceeded the protection limits at any time during the period being reviewed? Document any issues below:

No

- List all bank account numbers and corresponding general ledger account numbers:

Aquatic Account – Arvest Bank XXXXXXXX5954, QBO Arvest Bank – Aquatic
Registration Account – Arvest Bank XXXXXXXX1758, QBO Arvest Bank - Registration
Business Savings Account – Arvest Bank XXXXXXXX6352, QBO Arvest Bank - Savings
Travel Account – Arvest Bank XXXXXXXX1936, QBO Arvest Bank – Travel
Citizens Bank of Edmond Account Ending 4686, QBO Citizens Bank of Edmond

- ☐ All accounts are held in the name of the LSC (not an individual). Yes

- Do volunteers or employees of the LSC possess debit cards for any bank accounts? If so, list names:

Michele Brown in 2021

- Are all account signers authorized by the Board of Directors?

Yes

☐ The LSC is in compliance with stipulations regarding who can sign checks and/or authorize payments and there is a process for ensuring the bank is notified immediately of all changes to signers.

Yes

- Please list the names and titles of the current account signers:

Michele Brown – Finance Vice Chair
Pam Riddle - Treasurer

- Describe the LSC's written cash control policies to include approval policies in place (authorization and documentation requirements before payment is made), check signers signing checks made payable to themselves or family members, signing of blank checks, the use of pre-numbered checks and their use in sequence, and the use of "Cash" as the payee on a check.

P&P 305 Cash and Investment Management – link below

https://www.teamunify.com/czokslsc/UserFiles/File/BoD/Policy%20and%20Procedure/oksipp305-01_043842

P&P 311 Travel and Expense Reimbursement General Policy – link below

https://www.teamunify.com/czokslsc/UserFiles/File/BoD/Policy%20and%20Procedure/oksipp311-01_018656.pdf

P&P 312 Athlete Meet Reimbursement – link below

https://www.teamunify.com/czokslsc/UserFiles/File/BoD/Policy%20and%20Procedure/oksipp312-01_091950.pdf

P&P 313 Coach Meet Reimbursement – link below

https://www.teamunify.com/czokslsc/UserFiles/File/BoD/Policy%20and%20Procedure/oksipp313-01_092693.pdf

P&P 314 Meet Travel Reimbursement for Officials – link below

https://www.teamunify.com/czokslsc/UserFiles/File/BoD/Policy%20and%20Procedure/oksipp314-01_024622.pdf

- Are these policies stated above strictly adhered to?

Yes

- Describe a time, when you might deviate from these cash control policies.

According to P&P 312 athlete meet reimbursement - 2.3. Daily Stipend is paid starting the first day the athlete competes and stops after the last event they swim. There is no change in funding for days between start and finish regardless of competition. So, if you swim day 1 and day 4 of Nationals you receive 4 days of stipend money.

When COVID came it changed the obligation for swimmers was to travel early and take a COVID test to clear them to compete. That meant although the swimmer would not swim for 3 more days, they were mandated to be at the event a few days prior. Based on that we deviated from 2.3 and started the daily stipend based on the day the swimmer was obligated to be at the event.

Any yearly subscription renewal (ex: Wufoo) that is included in the annual budget and approved by the Board of Directors would not have a supporting approval email. The budget is the approval.

➤ **Does the LSC use bill pay or other online payment methods?**

Yes, Online Bill Pay through Arvest in 2021. Online Bill Pay through QuickBooks (Melio) in 2022.

➤ **If yes, describe the approval policies for these transactions.**

All check requests are approved by the finance vice chair and any other committee members if needed. Check request is then emailed to treasurer for payment.

➤ **Explain the process for voiding and cancelling of checks.**

If a check needs to be voided it is done on the paper check and in QBO. If a check needs to be cancelled the bank is notified

☐ **Blank checks are never signed. True**

☐ **Payments are processed by someone other than the authorizing individual. Yes.** payments are authorized by Finance Vice Chair and processed by Treasurer.

Attachment B – Balance Sheet Variance

Attachment B – Balance Sheet Variance

Year over year comparison

Description	As of December 31, 2021	As of December 31, 2020	Increase (Decrease) (in USD)	Change (%)	Explanation
Cash	152,449	133,904	18,545	14%	A
Investments	310,300	310,300	-	0%	
Accounts Receivable	450	450	-	0%	
Total Assets	463,199	444,654	18,545		
Current Liabilities	2,037	1,656	381	23%	A
Credit cards	2,500	(37)	2,537	-6857%	B
Total Liabilities	4,537	1,619	2,918		
Equity	458,662	443,035	15,627	4%	
Total Liabilities & Equity	463,199	444,654	18,545		

Explanations:

A: Oklahoma Swimming, Inc. had more activities and events during 2021

B: Oklahoma Swimming, Inc. paid the credit card down and has a credit balance

Attachment C – Income Statement Variance

Attachment C – Income Statement Variance

Year over year comparison

Description	For the twelve months ended December 31, 2021	For the twelve months ended December 31, 2020	Increase (Decrease) (in USD)	Change (%)	Explanation
Revenues:					
Interest Income	2	100	(98)	-98%	A
Registration Income	192,624	127,282	65,342	51%	B
Meet Income	71,648	137,796	(66,148)	-48%	B
Zone Income	5,984	408	5,576	1367%	B
Expedited and Fee income	700	-	700	0%	
Merchandise sales	-	220	(220)	-100%	C
State Income	91,255	38,158	53,097	139%	B
Investment income	10,952	10,520	432	4%	
Safe Sport Income	1,500	-	1,500	0%	
Total Revenues	374,665	314,484	60,181		
Expenses:					
Fees	588	93	495	532%	D
Software	614	250	364	146%	E
Supplies	95	-	95	0%	
Services	19,473	9,083	10,390	114%	F
Equipment	3,868	-	3,868	0%	
Meetings	5,386	531	4,855	914%	G
Misc expenses	262,084	152,811	109,273	72%	B
Awards	766	1,017	(251)	-25%	H
Workshops	1,969	-	1,969	0%	
Swim meets	41,883	4,496	37,387	832%	B
Coaches	8,737	10,886	(2,149)	-20%	I
Postage	123	-	123	0%	
Foundation	2,500	-	2,500	0%	J
Banquet	-	687	(687)	-100%	K
Total Expenses	348,086	179,854	168,232		
Net Income	26,579	134,630	(108,051)		

Explanations:

- A: Oklahoma Swimming, Inc. moved money to the investment account, lowering the bank balance, resulting in less interest income
- B: Activities resumed in 2021 after Covid-19 caused events to go on pause during 2020
- C: Oklahoma Swimming, Inc. had no merchandise sales in 2021
- D: The fees for the Citizens Bank account increased in 2021
- E: Oklahoma Swimming, Inc. added a website merchant account that incurs monthly fees
- F: Oklahoma Swimming, Inc. added a new General Manager position in 2021
- G: Meetings for the BOD and HOD resumed in 2021 after a year break during Covid-19 in 2020
- H: Oklahoma Swimming, Inc. did not have certain awards in 2020 due to Covid-19
- I: During 2020 there was a special coach education benefit that was not offered in 2021
- J: The foundation for Oklahoma Swimming, Inc. was not billed in 2020
- K: Oklahoma Swimming, Inc. did not have an in person banquet in 2021

Attachment C – Income Statement Variance

Budget to Actual comparison

Description	Actual December 31, 2021	Budget December 31, 2021	Increase (Decrease) (in USD)	Change (%)	Explanation
Revenues:					
Interest Income	2	1,200	1,198	99.83%	A
Registration Income	192,624	160,000	(32,624)	-20.39%	B
Meet Income	71,648	113,000	41,352	36.59%	C
Travel	-	1,000	1,000	100.00%	D
Zone Income	6,684	500	(6,184)	-1236.80%	B
Merchandise sales	-	-	-	0.00%	
State Income	91,255	80,000	(11,255)	-14.07%	B
Safe Sport Income	1,500	-	(1,500)	0.00%	B
Total Revenues	363,713	355,700	(8,013)		
Expenses:					
Fees	587	1,100	513	46.64%	E
Software	614	750	136	18.13%	E
Supplies	95	200	105	52.50%	E
Services	19,473	34,400	14,927	43.39%	E
Equipment	2,760	-	(2,760)	0.00%	
Meetings	5,386	2,500	(2,886)	-115.44%	F
Misc expenses	262,452	228,650	(33,802)	-14.78%	G
Awards	767	-	(767)	0.00%	
Swim meets	42,319	70,000	27,681	39.54%	H
Coaches	8,657	13,500	4,843	35.87%	E
Workshops	1,973	22,500	20,527	91.23%	E
Foundation	2,500	2,500	-	0.00%	
Postage	123	250	127	50.80%	E
Total Expenses	347,706	376,350	28,644		
Net Income	16,007	(20,650)	(36,657)		

Explanations:

A: Oklahoma Swimming, Inc. moved money to the investment account, lowering the bank balance, resulting in less interest income

B: Oklahoma Swimming, Inc. had more participation in events than expected

C: Due to fluctuating Covid-19 issues, there was less meet income than expected

D: There was no travel for the year

E: Oklahoma Swimming, Inc. had less expenses than expected

F: Oklahoma Swimming, Inc. had more meetings and costs during the year than expected

G: Oklahoma Swimming, Inc. had more expenses than expected

H: Oklahoma Swimming, Inc. had fewer costs related to running meets and events than expected