

January 28, 2011

**USA Hockey Winter Meeting  
January 22 & 23, 2011  
General impressions**

While at the 2011 USA Hockey Winter Meeting, I attended the following sessions:

- Finance, Investment & Audit (FIA) Committee
- Junior Council
- Youth Council

Following are some highlights from those sessions:

The FIA Committee reviewed the FY2010 Consolidated Audited Financial Statements for USA Hockey, Inc, the USA Hockey Foundation and Hockey & Rink Protection, Inc.

- USA Hockey, Inc saw a positive change of net assets in the amount of \$24,645, despite membership revenue being down by approximately \$400k. The NHL grant to fund the ADM program increased significantly as did tournament income and sponsorship, thanks to the Olympic year and the performance of the US teams on the world stage.
- The Foundation assets improved by \$579,344, bringing their total assets to \$15, 225,615 or nearly back to the level they were prior to the economic slump.
- HARP, which is USA Hockey's captive insurer, assets grew by \$425,000, based upon less injury claims payouts than initially estimated and lower than anticipated re-insurance rates.

In all, the Committee agreed that it was a good year financially and unanimously recommended that the Consolidated Audited Financial Statements be approved by the Board. A copy of these statements may be found on [www.usahockey.org](http://www.usahockey.org)

The Committee reviewed the timetable for the 2011-12 budget process and after an amendment to include a step for budget approval by the Committee, approved the timetable.

The Committee reviewed the information from the recent rounds of Affiliate financial reviews conducted by USA Hockey and its auditing firm of Waugh & Goodwin. It was unanimously agreed that this was a worthwhile effort.

The Committee received an update on our insurance situation. Management expressed a concern for the potential for increases in premium for our D & O coverage because of the projected outcome of pending litigation. Affiliates will be receiving a letter to encourage them to exercise prudence when executing legislation that might find them in a legal situation. No specific references were made but I deduced from the conversations that the Minnesota situation was one of the concerns.

Minnesota was also recognized for its positive actions to collect funds that were misappropriated rather than merely resorting to collecting funds from the crime insurance policy.

The Committee Chair, Jim Smith, indicated that 6 years has passed since USA Hockey's last fee increase. Since that time, normal operating expenses have increased at the average of 2% annually, making it prudent to once again

consider an increase in fees. He will not seek an increase in fees for the 2011-12 season (next year) but will ask the Board to consider a moderate increase in fees beginning with the 2012-13 season.

I learned that USA Hockey is in an excellent position to help us process the electronic registration for our Advanced programs. I will seek additional information on this service to determine feasibility for us to use it as soon as possible.

The Junior Council continues to deal with the process of expansion. USA Hockey President Ron Degregorio encouraged them to reach a conclusion on a policy to manage expansion prior to April 15, 2011 so as to eliminate the need for him to once again evoke his emergency powers to address those entities seeking to add Junior teams. There was a request from a northern Minnesota group to form junior team on the Iron Range. The team would play in the same US/Canada league as the Duluth Clydesdales and the Wisconsin Wilderness. This request will be acted upon at the Annual Congress.

I attended the Youth Council at a time that the matter of body checking at the Pee Wee level was addressed. The discussion was lively, with proponents of the rule emphasizing that it was not the intent of the rule to eliminate "body contact" as a process for taking a player off the puck but to control "body checking" so as to minimize the potential for injury. Several presenters stated their opinions in support of this rule. Based on a straw vote, the Junior Council supported the rule, with the lone dissenting vote coming from the Minnesota representative on the council, Dennis Green. Dennis explained that, while Minnesota wholly endorses the reduction of injuries in the sport, especially concussions, Minnesota members weren't totally convinced that the rationale presented to date was sufficiently conclusive to arrive at the decision to eliminate body checking from Pee Wees

In the general Board meeting, Dr. Michael Stuart (Mayo Clinic) made an informative presentation on the results of concussion studies in hockey, with some focus on the youth program. He urged us to consider the elimination of body checking at the 12U (Pee Wee) age classification. After hearing Dr. Stuart's report, it was quite apparent why the majority of our membership supports this rule and it is highly likely that the rule will be adopted during the Annual Congress in June.

Also, it was announced that the membership registration in the 8U age classification has passed the 100,000 milestone and that the total number of registered members had already exceeded last year's numbers

In conclusion, I feel it timely to announce that I do not intend to seek re-election to serve Minnesota as a USA Hockey director. During the past three years, it has become apparent to me that our membership (Minnesota) has more interest in legislation that affects the game than it does in USA Hockey's financial condition; therefore, those who represent us should have hockey sense, together with the ability to communicate that sense in a manner to influence to the other voting directors. Regretfully, I do not fully fit that requirement and feel it appropriate to make way for those who do.

I truly appreciated the opportunity to serve you at the national level and trust that, even though I'm not a hockey technocrat, I was able to represent you in a positive manner.

Jerry DeMeo