

Treasurer's Report for USATF-NE 2020 Annual Meeting

Presented on September 20, 2020 by David Lapierre

INTRODUCTION

This report covers the one-year window from September 1, 2019 through August 31, 2020. The first half of this window was business as usual with many events across all our sports. We paid out a record amount of prize money to individuals and clubs at the end of 2019. The 2020 calendar year got off to a great start with significant membership renewals facilitated by the early road grand prix 5k in February. Little commentary is needed to explain what happened since March. Despite the dramatic difference between the first and second half of the last year, I am following the tradition of reporting the full year results with comparisons to the prior year.

INCOME & EXPENSES

The Association continues to operate at a net loss as it has in the past two years with the shortfall covered by our cash reserve. Net income for the past three years (Sep 1 – Aug 31) is as follows:

- 2020 -\$60,463
- 2019 -\$10,048
- 2018 -\$22,381

Income comes primarily from programs, memberships (club & individual) and event sanctions.

Major differences from 2019:

- **Programs** – Income from programs dropped \$18.7K (-19.1%)
- **Club Dues** – Income from clubs dropped \$1.4K (-21.1%)
- **Membership** – Membership income dropped \$27.8k (-37.7%). This would have been significantly worse if we had not kicked off the road racing grand prix with the 5k race in February as many members renewed or joined to compete in this event. Membership will be a challenge going forward not only due to the cancellation of event but also due to the membership rate increase which will likely result in fewer renewals. The national office is also going to pass along online processing fees to the association as well.
- **Sanctions** – Income from sanctions dropped \$42.2K (-73.2%)
- **Other income** – For 2020, we obtained a loan for \$16,967 as part of the Payroll Protection Program (PPP Loan). The amount is calculated to cover approximately 8 weeks of payroll and office rent expenses. We intend to submit expenses to seek loan forgiveness as outlined in the program.

Expenses come primarily from programs, paid staff (currently 1 full time Managing Director and 1 part time Marketing Intern) and our annual office lease & office expenses.

Major differences from 2019:

- **Programs** – Program expenses dropped \$17.7K (-18.1%). This drop tracks closely with the drop in program income as we are mostly break-even with programs overall.

- **Payroll** – Payroll expenses did not change significantly. We had a slight decrease of \$1.1K (-1.2%) due to reduction in the marketing activity of our part time intern. The PPP loan mentioned above covers 8 weeks of payroll.
- **Annual Convention** – The annual convention expense increased \$4.2K (12.5%) mostly due to the meeting location in Reno, NV. We will not likely have this expense in the upcoming year as the national meeting will likely be virtual.
- **Accounting & Legal** – Accounting services increased by \$7.2K (35.8%). Our accounting services are provided by Campbell, DeVasto & Associates to assist with the preparation of our annual 990 submission and financial review. Also included in this line item is our payroll processing expense. This increased as we switched our provider and offloaded our monthly federal and state tax and form submissions to them.
- **Advertising** – Advertising expenses decreased by \$3.5K (-66.9%). This was driven by two factors, one due to placing half as many ads in New England Runner Magazine and the second is that the prior year had been higher than average due to the purchase of A-frame banners in that year.
- **Insurance** – Insurance expense was down \$1K (-52%). This was related to refunds from our workers compensation policy which was adjusted due to reduced payroll liability from our peak in 2018.
- **Grants** – Grant awards decreased by \$1.8K (-43.7%) this year as we have suspended the program due to COVID-19.

Programs – The Programs line item in both Income and Expenses, rolls up all the detailed items attributed to the events we host and work on in track & field (T&F), cross country (XC), Junior Olympics (JO), road racing, mountain-ultra-trail (MUT), and race walking.

Approximately half of the \$80K in program expenses was returned as prize money with 220 prizes awarded. Most of this was paid at the end of 2019 making it challenging to present in a financial report that covers a September 2019 to 2020 window. Here are a few highlights:

Sport

All Terrain	\$600
Cross Country	\$14,110
Long Distance Running (LDR)	\$15,000
Mountain Ultra Trail (MUT)	\$7,600
Track & Field	\$2,150

Individual vs Team

Team	\$21,960
Individual	\$15,300
Age Graded	\$2,200

Gender

Male	\$19,350
Female	\$18,810
CoEd scoring	\$1,300

Age Category

Open Total	\$24,200
40+ Total	\$6,660
50+ Total	\$3,400
60+ Total	\$2,050
70+ Total	\$1,400
Age Graded	\$1,750

BALANCE SHEET

Net Assets – The net assets of the association at the end of August are \$503,065 down \$18,899 from last year. Most of our assets are in our checking/savings and investment accounts as follows:

- \$10,400 Checking Account
- \$55,973 Savings Account
- \$422,977 Investment Accounts, breakdown as follows:
 - \$223,294 Vanguard Total Market Index Fund (VTSAX)
 - \$199,683 Vanguard Short-Term Bond Fund (VFSUX)

FORWARD LOOKING

There is too much uncertainty with regards to timing a return to normal operations to make any meaningful forward-looking statements. We are currently operating at a loss around \$7.5K/month. If projected out for 12 months this would be a loss of \$90K. We could support such a loss with our savings and investments for 4-5 years. We do not expect we will remain with our current loss rate as it seems likely that more races and events will start to return next year which will result in membership and sanctioning income to slowly return. We will also take more drastic action to reduce expenses if the return slows or reverses. The board is optimistic that enthusiasm remains high to return to the sport. There have been a few events that have been hosted with more in the planning stages. Our goal will be to continue to support and promote these events with participant safety a primary concern.

FINANCIAL STATEMENTS

Below I have provided a summary one-year income statement and balance sheet with a prior year comparison for the period ending 8/31/20. I believe it is an accurate representation of the Association's finances as of that date. Note that we have a full annual review performed by a CPA every calendar year.

Questions may be addressed to me via email at DLapierre@usatfne.org. You can alternatively send an email to Treasurer@usatfne.org, which will go to both the current Treasurer and our Managing Director, and the appropriate person will respond.

Financial Statements for 2020 Annual Meeting

Treasurer's Report

USATF - New England Profit and Loss - Summarized 12 Month Periods Ending in August

REVENUE	8/31/2020	8/31/2019	\$ Change	% Change
Interest Income	4,060	4,334	(274)	-6.3%
Equity Investment Dividends	4,584	4,573	11	0.2%
Programs - Income	79,365	98,080	(18,715)	-19.1%
USATF Club Dues	5,330	6,755	(1,425)	-21.1%
USATF Membership Dues	45,836	73,591	(27,755)	-37.7%
USATF Sanctions	15,466	57,668	(42,202)	-73.2%
USATF Grants	750	0	750	100.0%
Sponsorship	0	300	(300)	-100.0%
Contributions	85	361	(276)	-76.5%
Other Income	16,967	100		
TOTAL REVENUE	172,443	245,761	(73,318)	-29.8%
EXPENSES				
Payroll - Wages/Tax/Bene	89,984	91,112	(1,128)	-1.2%
Office Rent & Expenses	25,660	25,315	345	1.4%
Programs - Expenses	79,753	97,405	(17,652)	-18.1%
Postage	713	938	(225)	-24.0%
Accounting & Legal	15,919	11,726	4,193	35.8%
Advertising	3,582	10,821	(7,239)	-66.9%
Insurance	989	2,058	(1,069)	-52.0%
Grants	2,300	4,089	(1,789)	-43.7%
USATF National Convention	13,358	11,895	1,463	12.3%
Travel	648	351	297	84.7%
TOTAL EXPENSES	232,906	255,710	(22,804)	-8.9%
NET INCOME	(60,463)	(9,948)	(50,514)	-507.8%

FOOTNOTES

Programs Net Income (388) 675

Programs - encompasses all of the meets and events that we put on plus rights fees, meet management, merchandise sales, event supplies, etc.

At our events, the dominant revenue source is the entry fees collected. The major expenses are facility rentals, contract services, awards/prizes, and officials.

Other Income - For 2020, we obtained a loan for \$16,967 as part of the Payroll Protection Program (PPP Loan). We intend to submit payroll and office rent expenses to seek loan forgiveness as outlined in the program.

USATF National Convention - Travel expenses for up to 18 voting delegates to attend the USATF Annual Meeting. Expenses typically capped at ~\$900 per delegate. The 2020 meeting will be virtual so no travel related expenses will be incurred.

USA Track & Field - New England
Balance Sheet
As of August 31, 2020

	Aug 31, 20	Aug 31, 19
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash	66,372.42	131,862.00
Total Checking/Savings	66,372.42	131,862.00
Accounts Receivable	0.00	1,400.00
Other Current Assets		
1050 · Vanguard Mutual Funds	422,977.88	367,677.54
12000 · Undeposited Funds	364.57	7,674.15
1450 · Prepaid Rent	1,650.00	1,650.00
Total Other Current Assets	424,992.45	377,001.69
Total Current Assets	491,364.87	510,263.69
Fixed Assets		
1400 · Furniture & Equipment	6,188.00	6,188.00
1401 · Leasehold Improvements	8,814.55	8,814.55
1405 · Accumulated Depreciation	-4,002.23	-4,002.23
Total Fixed Assets	11,000.32	11,000.32
Other Assets		
1301 · AR-Security Deposit on Office	430.00	430.00
1600 · Inventory - Medals & Merch.	270.00	270.00
Total Other Assets	700.00	700.00
TOTAL ASSETS	503,065.19	521,964.01
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	4,044.61	6,292.42
Credit Cards	0.00	33.00
Other Current Liabilities	27,610.21	30,766.31
Total Current Liabilities	31,654.82	37,091.73
Total Liabilities	31,654.82	37,091.73
Equity		
3800 · Unrealized Gain (Loss) in Stock	86,818.39	39,817.64
3900 · Unrestricted Fund Balance	399,490.97	416,322.48
Net Income	-14,898.99	28,732.16
Total Equity	471,410.37	484,872.28
TOTAL LIABILITIES & EQUITY	503,065.19	521,964.01