

Treasurer's Report for USATF-NE 2021 Annual Meeting

Presented on September 19, 2021 by David Lapierre

INTRODUCTION

This report covers the one-year window from September 1, 2020 through August 31, 2021. Most of this window was impacted by the COVID-19 shutdown. I have maintained the format of comparing the present year to the prior year but the unusual nature of the shutdown on our finances has reduced the value of this comparison so I also added data from the 2019 year which is our most recent “normal” year to allow for better analysis. I will walk through the revenue and expenses in the profit and loss report with commentary on the coming year ahead.

INCOME & EXPENSES

Net income for the past three years (Sep 1 – Aug 31) is as follows:

- 2021 -\$31,335
- 2020 -\$49,879
- 2019 -\$9,948

Our net income was negative again this year with the COVID shutdown now impacting a second program year. We also had losses in the 2019 program year, pre-COVID. The board's expectation going into 2020 was that the dues increase would put us back to break even. We are evaluating our recent results as we return to sport to project what the new normal will be. We continue to cover our shortfall with our cash reserves and a second loan from the Paycheck Protection Program (PPP). Additional info on the PPP loans is noted in the Other Income section.

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

- **Programs** – Programs encompass all of our events. In most years we break even on programs choosing to keep entry fees low and being generous with prize money. We do this to make our events attractive to individual and club members, which in turn encourages membership, a major source of revenue. Our program income was comparable to the prior year at \$76k but lower the pre-COVID years by about \$20k. On the expense side we had significantly less expense as we paid out little in prize money for our series events such as the Grand Prix. We also hosted several youth & adult track events in the late spring/early summer that were well attended. This combination provided us net income on programs of \$26,851. While this helped our overall net income, we are cautious not to compromise the quality of our events and programs going forward in pursuit of higher program revenue.
- **Club & Membership Dues** – Club and membership dues remained lower. The unfortunate timing of the membership dues increase starting with the 2021 membership year likely pushed many members to delay renewals. It is not clear if expired members that did not renew in 2021 will come back for 2022 now that we are moving towards having all programs running again. This will be an area of focus as we analyze renewal rates in December and January.
- **Sanctions** – Sanction income has experienced the most significant decline. We are observing a disturbing trend as the events calendar fills up, in which we are not seeing a corresponding rise in sanction income. This trend started prior to COVID with event directors turning to alternatives to USATF sanctions for event liability coverage. There is legitimate worry that these alternatives

are financially cheaper and easier for event directors to complete the application process. USATF still utilizes the legacy sanction application process with the expectation of migrating the to the new Connect system. The Connect system has been troublesome for processing club and individual memberships so moving sanctioning to Connect could make the situation even worse.

- **Other Income** – Other income was mostly from the \$13,795 PPP loan mentioned above which was similar to the 2020 PPP of \$16,967. The second loan application was slightly more restrictive in the expenses that could be submitted which reduced the loan amount available. For both loans we have applied for forgiveness as outlined in the program and they were both approved. We do not expect to receive any additional funds from this 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.

- **Programs** – Program expenses were down significantly as noted above with much less prize money being awarded. We expect to return to traditional prize structures going forward so we should see a corresponding increase in program expenses.
- **Payroll** – Payroll expenses are a fixed cost that we maintained during the COVID shutdown. The PPP program was designed to encourage organizations to maintain staffing and helped us in this area.
- **Office Rent** – Office rent remains one of our significant fixed costs. Our office lease is up for renewal in 2022. The board is evaluating our office needs with hopes of reducing this expense.
- **Accounting & Legal** – Accounting services decreased by \$1.7K (10.8%). Our accounting services are provided by Campbell, DeVasto & Associates to assist with the preparation of our annual 990 submission and financial review.
- **Advertising** – Advertising expenses remained at historic lows as we had very little reason to advertise. As we return to normal operations, we should see advertising increase as well.
- **Insurance** – In 2020 the board obtained D&O (Directors & Officers) insurance. Our total insurance expense was still in line with our 2019 expenses despite the added insurance. The difference in insurance expenses from 2019 – 2021 are mostly due to our workers' compensation insurance premiums. 2019 was high as the premiums were based on higher payroll expense from marketing from the 2018 year. The 2020 year was lower as we had reduced our marketing expense and we received a larger premium adjustment in our favor upon the completion of our annual insurance audit.
- **Grants** – There were no grants this year as we suspended the program due to COVID-19.
- **Annual Convention** – The annual convention was virtual in 2020 so we only covered the convention registration fees for delegates. The 2021 meeting will likely be a combination of in-person and virtual meetings. We will continue to only reimburse the convention registration fees for this year and re-evaluate convention expense policy for the 2022 meeting.

BALANCE SHEET

Net Assets – The net assets of the association at the end of August were \$555,878 up \$42,169 from last year. Most of our assets are in our checking/savings and investment accounts as follows:

- \$43,057 Checking Account
- \$19,009 Savings Account
- \$470,800 Investment Accounts, breakdown as follows:
 - \$232,851 Vanguard Total Market Index Fund (VTSAX)
 - \$237,949 Vanguard Short-Term Bond Fund (VFSUX)

FORWARD LOOKING

The board is optimistic that we will have a healthy and active program in the year ahead which should help us with membership renewals and to attract new members. We will be aggressively looking to recover sanction income as well.

FINANCIAL STATEMENTS

Below I have provided a summary one-year income statement and balance sheet with prior year comparison for the period ending 8/31/21. 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@usاتفne.org. You can alternatively send an email to Treasurer@usاتفne.org, which goes to both the current Treasurer and our Managing Director, and the appropriate person will respond.

Financial Statements for 2021 Annual Meeting

Treasurer's Report

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

	8/31/2021	8/31/2020	8/31/2019	CHANGE FROM 2020		CHANGE FROM 2019	
				\$ Change	% Change	\$ Change	% Change
REVENUE							
Interest Income	4,042	4,060	4,334	(18)	-0.4%	(292)	-6.7%
Equity Investment Dividends	3,222	4,584	4,573	(1,362)	-29.7%	(1,351)	-29.5%
Programs - Income	75,856	79,365	98,080	(3,509)	-4.4%	(22,223)	-22.7%
USATF Club Dues	4,596	5,680	6,755	(1,084)	-19.1%	(2,159)	-32.0%
USATF Membership Dues	48,371	51,002	73,591	(2,630)	-5.2%	(25,219)	-34.3%
USATF Sanctions	4,150	15,445	57,668	(11,296)	-73.1%	(53,519)	-92.8%
USATF Grants	0	750	0	(750)	-100.0%	0	0.0%
Sponsorship	0	0	300	0	0.0%	(300)	-100.0%
Contributions	64	85	361	(21)	-24.6%	(297)	-82.2%
Other Income	14,053	16,967	100	(2,914)	-17.2%	13,953	13,953.1%
TOTAL REVENUE	154,354	177,938	245,761	(23,583)	-13.3%	(91,407)	-37.2%
EXPENSES							
Payroll - Wages/Tax/Benefits	91,299	89,984	91,112	1,315	1.5%	186	0.2%
Office Rent & Expenses	26,336	25,660	25,315	676	2.6%	1,021	4.0%
Programs - Expenses	49,005	74,709	97,405	(25,704)	-34.4%	(48,400)	-49.7%
Postage	382	713	938	(331)	-46.4%	(557)	-59.3%
Accounting & Legal	14,161	15,874	11,726	(1,714)	-10.8%	2,435	20.8%
Advertising	1,535	3,582	10,821	(2,047)	-57.2%	(9,286)	-85.8%
Insurance	2,272	989	2,058	1,284	129.8%	214	10.4%
Grants	0	2,300	4,089	(2,300)	-100.0%	(4,089)	-100.0%
USATF National Convention	700	13,358	11,895	(12,658)	-94.8%	(11,195)	-94.1%
Travel	0	648	351	(648)	-100.0%	(351)	-100.0%
TOTAL EXPENSES	185,689	227,817	255,710	(42,128)	-18.5%	(70,021)	-27.4%
NET INCOME	(31,335)	(49,879)	(9,948)	18,544	37.2%	(21,386)	-215.0%

Programs Net Income **26,851** **4,656** **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. We had a profitable youth program late spring/early summer that contributed to increased program income.

Sanctions - Sanction income has always been a significant portion of our income with the bigger events contributing the most. These big events have yet to return.

Other Income - 2021 includes \$13,795 from second PPP (Paycheck Protection Program) loan, 2020 include \$16,967 PPP loan. We applied and were granted forgiveness for these loans under program guidelines. We do not expect to receive any additional funds from this program.

USATF National Convention - National convention expenses for 2020 were limited to convention registration fees. No travel expenses were incurred.

USA Track & Field - New England
Preliminary Balance Sheet - BOG EOM

As of August 31, 2021

	Aug 31, 21	Aug 31, 20
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash	62,066.13	71,372.42
Total Checking/Savings	62,066.13	71,372.42
Other Current Assets		
1050 · Vanguard Mutual Funds	470,799.88	422,977.88
12000 · Undeposited Funds	9,562.09	6,008.07
1450 · Prepaid Rent	1,750.00	1,650.00
Total Other Current Assets	482,111.97	430,635.95
Total Current Assets	544,178.10	502,008.37
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 Offi...	430.00	430.00
1600 · Inventory - Medals & Merch.	270.00	270.00
Total Other Assets	700.00	700.00
TOTAL ASSETS	555,878.42	513,708.69
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	13,168.57	4,000.16
Total Accounts Payable	13,168.57	4,000.16
Credit Cards		
2051 · Amex CC	833.95	44.48
Total Credit Cards	833.95	44.48
Other Current Liabilities		
2120 · USATF Sanctions 2020	489.50	388.50
2121 · USATF Sanctions 2021	2,446.38	0.00
2221 · USATF Club 2021	125.00	100.00
2222 · USATF Club 2022	75.00	75.00
2223 · USATF Club 2023	25.00	25.00
2340 · Officials Fees fund	750.00	370.00
2400 · *Payroll Liabilities	158.71	158.71
2600 · Deferred Membership D...	28,855.98	28,855.98
Total Other Current Liabilities	32,925.57	29,973.19
Total Current Liabilities	46,928.09	34,017.83
Total Liabilities	46,928.09	34,017.83
Equity	508,950.33	479,690.86
TOTAL LIABILITIES & EQUITY	555,878.42	513,708.69