USA TRACK& FIELD-NEW ENGLAND, INC.

BRIGHTON, MASSACHUSETTS

FINANCIAL STATEMENTS

WITH

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Governors of
USA Track & Field-New England, Inc.

We have reviewed the accompanying statement of financial position of USA Track & Field-New England, Inc. (a nonprofit organization) as of December 31, 2020, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Campbell, DeVasto & Associates, LLP
Certified Public Accountants

Brighton, Massachusetts
November 1, 2021

USA TRACK & FIELD-NEW ENGLAND, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

ASSETS

Current Assets:	
Cash	$ 56,185
Deposits	430
Prepaid Expenses	2,020
Accounts Receivable	10,270
Total Current Assets:	68,905
Long Term Assets:	
Office furniture and equipment	6,188
Leasehold Improvements	8,815
Property & Equipment	15,003
Less: Accumulated Depreciation	(9,296)
Property & Equipment Net:	5,707
Investments	448,014
Total Long Term Assets:	453,721
TOTAL ASSETS	$ 522,626
Current Liabilities:	
Accounts Payable	$ 13,790
Credit Card Payable	43
Deposits	1,555
Accrued retirement Contribution	7,000
Payroll Taxes Payable	159
Deferred Membership Fees	33,138
Total Current Liabilities:	55,685
Net Assets:	
Without Donor Restrictions	441,753
With Donor Restrictions	25,188
Total Net Assets:	466,941
TOTAL LIABILITIES AND NET ASSETS	$ 522,626

See Accountants' Review Report and Accompanying Notes

USA TRACK & FIELD-NEW ENGLAND, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020

Changes in Net Assets Without Donor Restrictions:		
Revenues:		
Membership Fees	$	51,604
Special Programs		47,686
Rental Income		705
Contributions and Grants		825
Merchandise Sales		7,558
Sanctions		3,766
Total Revenues:		112,144
Program Expenditures		
Salaries		52,904
Event Expenses		7,906
Facilities Rentals		2,700
Employee Benefits		15,590
Payroll Taxes		3,972
Occupancy		20,049
Postage		441
Insurance		2,197
Depreciation		2,117
Advertising Expense		2,626
Contract Services		15,936
Grants		300
Total Program Expenditures:		126,738
Management and General Expenditures:		
Salaries		13,056
Employee Benefits		3,897
Payroll Taxes		1,460
Occupancy		5,012
Postage		110
Insurance		549
Depreciation		529
Annual Meeting		500
Accounting & Legal		13,741
Total Management and General Expenditures:		38,854
Total Expenditures		165,592
Increase (Decrease) in Operating Net Assets Without Donor Restrictions		(53,448)
Realized Gain (Loss) on Investments		44,851
Unrealized Gain (Loss) on Investments		577
PPP Loan Forgivness		16,262
Dividend and Interest Income		7,900
Increase (Decrease) in Net Assets Without Donor Restrictions		16,142
Changes in Net Assets With Donor Restrictions:		-
Increase (Decrease) in Net Assets		16,142
Net Assets, Beginning of Year		450,799
Net Assets, End of Year	$	466,941

See Accountants' Review Report and Accompanying Notes

USA TRACK & FIELD-NEW ENGLAND, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	16,142
Depreciation		2,646
Dividends and Interest Reinvested in Mutual Funds		(7,728)
Gain (Loss) on Investments		(45,428)
Increase (decrease) in cash arising from:		
Accounts Receivable		(4,808)
Prepaid Expenses		(100)
Accounts Payable		(2,319)
Accrued Retirement conribution		7,000
Deferred Membership Fees		4,282
Payroll Taxes Payable		(1,994)
Deposits - Liabilities		(886)
Credit Card Payable		(106)
Net cash provided by (used for) operating activities		(33,299)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Mutual Funds		93,065
Purchases of Mutual Funds		(93,065)
Net cash provided (used) in investing activities		0
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities		0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(33,299)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		89,484
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$	56,185

SUPPLEMENTAL DISCLOSURES

Interest Paid	$0
Income Taxes Paid	$0

See Accountants' Review Report and Accompanying Notes

NOTE 1 - ASSOCIATION AND OPERATIONS

USA Track & Field-New England, Inc. (the Association) is the New England association for the Olympic sports of track and field, long distance running, and race walking and is a member Association of USA Track & Field, Inc., the United States' national governing body for these sports.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association prepares its financial statements in accordance with generally accepted accounting standards (GAAP) and principles established by the Financial Accounting Standards Board (FASB). References to (U.S. GAAP) in these notes are to the FASB Accounting Standards Codification (ASC). In addition, not-for-profit entities are required to also present a statement of cash flows.

Method of Accounting

The Association uses the accrual method of accounting for financial reporting according to GAAP. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

Financial Statement Presentation

The classification of a non-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the Statement of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statement of Activities and Changes in Net Assets.

In accordance with U.S. GAAP, the Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets without Donor Restriction

Net assets available for general use to support operations. The only limits on the use of net assets without donor restrictions are broad limits resulting from the nature of the Association, the environment in which it operates, and the purposes specified in its organizational documents.

Net Assets with Donor Restriction

Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). Topic 606 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific revenue recognition guidance. The Association adopted Topic 606 under the modified retrospective method effective January 1, 2020.

There were no adjustments required upon adoption and no change in the timing and pattern of revenue recognition. In accordance with Topic 606, revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Association expects to receive in exchange for those services. Goods and services which are determined to be distinct are accounted for as separate performance obligations. After determining the performance obligations in a contract, the Association then determines the transaction price, allocates the transaction price to the performance obligations based upon relative standalone selling prices, and recognizes revenue when or as the performance obligation is satisfied.

The Association's revenue is derived from membership revenue, recognized ratably over the membership period. Other event revenue, including sponsorships, is recognized upon completion of the event. Organization membership and sanction fees collected by National are passed through to the Association and recorded as revenues or expenses in the Association's financial statements.

Revenue recognition is measured over time as the Association performs the work because of continuous transfer of knowledge and control to the customer

Because of knowledge and control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The Association's contracts generally have a period of performance within the accounting period and require no estimation of costs to complete.

In-Kind Support

The Association records various types of in-kind support including contributed facilities, professional services, advertising, and materials. Contributed professional services are recognized if the services received, create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or property & equipment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Association has been determined by the Internal Revenue Service to be exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. The Association has not been classified by the Internal Revenue Service as a private foundation.

The Association accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Association has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December, 31, 2020. The Association's information returns are subject to examination by the federal and state jurisdictions.

Property and Equipment

The Association follows the practice of capitalizing all expenditures over $2,500 for land, building, and equipment with a useful life in excess of one year; the fair values of donated fixed assets are similarly capitalized. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets.

Depreciation of Property and Equipment is calculated using the following estimated useful lives;

Office Furniture & Equipment	5 years
Leasehold Improvements	7 years

Cash and Cash Equivalents

For financial statement purposes, the Association considers all highly liquid investments with a maturity of three months or less when purchased, to be cash and cash equivalents.

Inventory

Inventory is stated at the lower of cost or market, cost being computed using the actual cost method. Obsolescent and slow-moving items are written down to their net realizable values.

Investment Valuation and Income Recognition

Investments are carried at fair value, as determined by quoted market prices or derived by a computerized valuation model, with the change in market value being reported in the statement of activities. Realized gains or losses on the sale of investment securities are computed by the specific identification method. Interest and dividends are recorded on the accrual basis. The board adopted a policy in March 2014 to invest 45% of available funds in equity instruments.

Unless otherwise restricted by the donor, investment return is available for operations and is reflected as operating net assets without donor restrictions in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Association follows the accounting and disclosure standards pertaining to ASC Topic 820, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Association would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Association uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. The hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Association. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions regarding risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market date obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three- tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgement or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Investments

Investments are recorded in the financial statements at fair value. If an investment is directly held by the Association and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. A summary of inputs used in valuing the Association's investments as of December 31, 2020, is included in Note 5.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

All Other Assets and Liabilities

The carrying value of all other assets and liabilities does not differ materially from estimated fair value and are considered Level 1 in the fair value hierarchy.

NOTE 3 - PREPAID EXPENSES

Prepaid expenses represent one month of rent and sanctions paid in advance.

NOTE 4- LEASE COMMITMENTS

In March of 2017, the Association entered into a five-year lease with a base rent of $1,600 per month and an annual increase of $600 per year. Total rent paid for the year ended December 31, 2020 was $21,286.

Future minimum commitments under these leases are as follows:

Year	Minimum Lease Payments
2021	21,500
2022	3,600
	$ 25,100

NOTE 5- INVESTMENTS

Investments consist of shares of equity and fixed income mutual funds. The Association generally intends to hold the investments long-term. Accordingly, the investments are shown as long-term assets in the accompanying statements of financial position, regardless of maturity.

Investments at December 31, 2020 are summarized as follows at fair value:

Domestic Exchange Traded Funds	
Vanguard Total Stock Market Index Admiral Shares	$ 226,300
Vanguard Short-Term Invest-Gr Admiral	221,714
Total Long-Term Investments	448,014
Total Investments	$ 448,014

All investments are classified as Level 1 in the fair value hierarchy because of the Association's ability to obtain quoted prices and redeem its interest on a daily basis.

NOTE 5- INVESTMENTS (Concluded)

The composition of Investment return (loss) as reported in the Statement of Activities for the year ended December 31, 2020, is as follows:

Dividends, Interest, and Capital Gain Distributions	$ 7,900
Net Unrealized Gain on Investments	577
Realized Gain on Investments	44,851
Total Investment Return	$ 53,328
Investment return net of investment fees	$ 53,328

Summary of Valuation Inputs

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

Common and preferred stocks: Valued based on quoted market prices.

Mutual and money market funds: Valued at the net asset value of the shares held at year end, reported in the active market in which the funds are traded.

Debt securities and certificates of deposit: Valued based on pricing models that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, credit spreads and new issue data.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 6 - ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 7 - ADVERTISING

The Association expenses advertising costs as they are incurred. Advertising expenses incurred during the year were $2,626.

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Any expenditures not directly chargeable are allocated to a program based on square footage for occupancy costs and levels of effort for payroll related costs.

NOTE 9 – ASSET WITH DONOR RESTRICTIONS

During the years from December 31, 2006 to December 31, 2008, the Association received $27,995 from a fundraising event held to raise funds for the establishment of a youth program. Most of these funds have not been used for the restricted purpose as of December 31, 2020. No additional funds were received during the current fiscal year and no funds were released from restriction.

NOTE 10 – RETIREMENT PLAN

The Association sponsors a simplified employee pension plan, covering employees after a specified period of service. The Association contributed $7,000 to the plan for employee's tax year 2020.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 1, 2021, which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.

The Association continues to operate at a loss due to COVID-19, and is utilizing cash assets to cover expenses. The Association has enough cash assets to maintain limited operations for several years. The Association does not know the long-term effect on its operation.

On February 5, 2021, the Association received a second loan of $13,795 under the Paycheck Protection Program (PPP) as part of the CARES Act. The Association applied for loan forgiveness through the Small Business Administration (SBA), which was approved on September 16, 2021.

NOTE 12 – COMPENSATED ABSENCES

Employees of the Association are entitled to compensation for vacation and sick days, depending on the length of service and other factors. The Association has estimated the amount of compensation for future absences at year end, and due to its immateriality, has not recorded a liability in the financial statements.

NOTE 13 – AVAILABLE RESOURCES AND LIQUIDITY

The Association has $465,804 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of $56,185, accounts receivable of $10,270, prepaid expenses of $2,020 and investments of $448,014. Financial assets available have been reduced by the current liabilities of $55,685. Investments include Money Market accounts and mutual funds.

The Association has a goal to maintain financial assets, which consist primarily of cash and short-term investments, on hand to meet 6 months of budgeted general cash operating expenses for the next year, which are approximately $90,000. In addition, as part of its liquidity management, the Association invests cash in excess of daily requirements in various short-term investments.

As the Association returns to normal operation and COVID restrictions are lifted, the Association anticipates returning to a balanced budget for the next year.

NOTE 14 – COVID-19

The World Health Organization (WHO) declared the outbreak of the COVID-19 coronavirus pandemic on March 11, 2020. In response to an order by the Governor of Massachusetts, the Company temporarily shut its physical office space on March 24, 2020. Employees commenced remote, work from home operations at that time. As part of Phase 1 of the state reopening plan, offices were allowed to open as of May 11, 2020, under reduced capacity, increased social distancing, and strict safety protocols.

The Association continues to follow appropriate safety measures according to latest Center for Disease Control (CDC) guidance.

While the Association experienced a decrease in revenue and efficiency during the remote work period, it has resumed normal business operations and production output since reopening.

The Association applied for and received a $16,262 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. (See PPP loan note.)

Note 15 – PPP Loan

On May 6, 2020, the Association received loan proceeds in the amount of $16,262 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Association applied for loan forgiveness through the Small Business Administration (SBA) Form 3508S. The application was approved, and the entire loan was forgiven as of January 13, 2021.