

# Treasurer's Report for USATF-NE 2019 Annual Meeting

*Presented on September 22, 2019 by David Lapierre*

## INTRODUCTION

This is my first report as Treasurer of USATF-NE. I assumed the Treasurer role in January 2019 after being elected at a special session of the board on December 10th, 2018. The prior Treasurer, Stephen Peckiconis, served in a temporary capacity after the 2018 Annual Meeting having served the maximum of four terms as Treasurer (2 years each) as stated in Association bylaws.

As I have come up to speed with the duties and finances of the organization, Stephen Peckiconis, as past Treasurer, and Steve Vaitones, Managing Director, have been tremendously patient and helpful throughout the transition. Prior to joining the Board as Treasurer, I was only aware of USATF-NE as a long-time road runner and member of the Central Mass Striders and Greater Lowell Road Runners. I have gained tremendous insights into the breadth of programs and activities of the Association in the nine months that I have served on the Board and I look forward to continue serving as Treasurer over the next year.

I have maintained a similar format to the 2018 report to facilitate comparison to prior years.

## 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:

- 2019 -\$14,813
- 2018 -\$22,381
- 2017 -\$39,003 (excludes ~\$25K spent for office renovation & web development)

By all accounts, the past year was a standard year for the association with no significant extraordinary items.

Income comes primarily from programs (\$98K), dues (individual \$74K + clubs \$6.8K) and event sanctions (\$54K).

*Major differences from 2018:*

- **Programs** – Income from programs dropped \$29K (-22.7%) as we did not hold a regional event this year and Mayor's Cup participation was down about 200 runners (~\$4K). Regional events are typically rotated with New York, Long Island, Maine and Adirondack associations. Our next hosting of Regional Junior Olympic meet will be 2022.
- **Club Dues** – Income from clubs dropped \$2K (-23%). We currently have 160 paid clubs.
- **Sanctions** – Income from sanctions increased \$7.5K (+16%). Sanction fees in 2018 were low relative to prior years so this year is actually more in line with 2017.
- **Grants** – We did not receive any grants in the past year. The \$9K in 2018 grant awards was provided by USATF National related to the significant number of sanctions provided by the association, as well as for the purchase of timing equipment.

**Expenses** come primarily from programs (\$99K), paid staff (\$91K, currently 1 full time Managing Director and 1 part time Marketing Intern) and our annual office lease & office expenses (\$25K).

*Major differences from 2018:*

- **Programs** – Program expenses dropped \$24.6K (19.9%) for the same reason we saw a drop in the program revenue as we did not host a regional event.
- **Payroll** – Payroll expenses dropped \$22.6K (20%) by replacing our part time marketing vacancy with a marketing intern. The board was very pleased with our marketing intern Tommy Mazza over the past year. Since graduation from Boston College, Tommy continues to contribute to the association in a volunteer capacity. We welcome Alexander Knueppel as our new marketing intern. Alex is currently attending Northeastern University.
- **Accounting & Legal** – Accounting services increased by \$3.5K (42.5%). Our accounting services are provided by Campbell, DeVasto & Associates to assist with the preparation of our annual 990 submission. Also included in this line item is our monthly subscription to Intuit payroll services.
- **Advertising** – Advertising expenses increased by \$3.5K (48.9%). A majority of our advertising budget is utilized for ads in New England Runner Magazine with additional expense this year for external design of ads. We also spent \$1.5K on the purchase of two large A-frame banners that can be used for advertising USATF at events.
- **Grants** – Grant awards increased by \$1.6K (64.5%) this year with 7 grants awarded in the past year compared to 4 in the prior year.

**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. We collect entry fees from which we pay officials and timers, rent facilities such as tracks, and award prizes and medals. We had an extremely active schedule in the last twelve months across all of our sports.

The notes section of the balance summary shows a net program loss of \$955 for the past year. A portion of this loss is likely offset by additional individual memberships paid by athletes that only join USATF-NE to participate in these events. In theory if we knew precisely how many athletes fit this description, we could consider their membership fees as program income. Currently they are just included in membership income.

- **Entry Fees** – Discussions regarding entry fees have weighed the potential benefit of increasing entry fees with the risk of reduced athlete participation. For now, the board and sports chairs have opted to keep entry fees low.
- **Prize Money** – Included in the program expenses is over \$34K in prize money. Close to 200 awards were given to individual athletes and clubs for both male and female athletes in many age categories.

## **BALANCE SHEET**

**Net Assets** – The net assets of the association at the end of August are \$495,022 down \$11,256 from last year. The majority of our assets are in our checking/savings and investment accounts as follows:

- \$11,171      Checking Account
- \$120,331    Savings Account
- \$367,116    Investment Accounts, breakdown as follows:
  - \$184,138    Vanguard Total Market Index Fund (VTSAX)
  - \$63,460     Vanguard 500 Index Fund (VFIAX)
  - \$119,518    Vanguard Short-Term Bond Fund (VFSUX)

The investment portfolio has had a return of 8.8% over the past 5 years.

## **FORWARD LOOKING**

Looking forward, the next 12 months should be similar to the past year. The board continues to investigate options for closing the gap between our income & expenses. One area of focus is in obtaining sponsorships. We are actively seeking a resource dedicated to this activity who is compensated on a commission basis. Please direct all referrals to a member of the board.

As I mentioned in the introduction, I am not only new to the treasurer role, I am also new to the board. I am hoping that in the next year I will be more efficient with the day to day bookkeeping tasks so that I can better serve the board by providing additional reports and strategic insights to our financial operations.

## **FINANCIAL STATEMENTS**

Below I have provided a summary one-year income statement with a prior year comparison for the period ending 8/31/19. 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](mailto:DLapierre@usatfne.org). You can alternatively send an email to [Treasurer@usatfne.org](mailto:Treasurer@usatfne.org), which will go to both the current Treasurer and our Managing Director, and the appropriate person will respond.

# Financial Statements for 2019 Annual Meeting

## Treasurer's Report

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

REVENUE	8/31/2019	8/31/2018	\$ Change	% Change
Interest Income	4,145	2,907	1,238	42.6%
Equity Investment Dividends	4,573	4,371	202	4.6%
<b>Programs - Income</b>	<b>98,080</b>	126,955	(28,875)	-22.7%
USATF Club Dues	6,755	8,750	(1,995)	-22.8%
USATF Membership Dues	74,144	74,993	(849)	-1.1%
USATF Sanctions	54,036	46,526	7,510	16.1%
USATF Grants	0	9,000	(9,000)	-100.0%
Sponsorship	300	250	50	20.0%
Contributions	361	711	(350)	-49.2%
<b>TOTAL REVENUE</b>	<b>242,394</b>	274,463	(32,069)	-11.7%
<b>EXPENSES</b>				
Payroll - Wages/Tax/Bene	91,112	113,679	(22,567)	-19.9%
Office Rent & Expenses	25,182	26,042	(860)	-3.3%
<b>Programs - Expenses</b>	<b>99,035</b>	123,681	(24,646)	-19.9%
Postage	938	702	237	33.7%
Accounting & Legal	11,726	8,230	3,497	42.5%
Advertising	10,821	7,269	3,552	48.9%
Insurance	2,058	2,051	7	0.4%
Grants	4,089	2,486	1,603	64.5%
USATF Natl Convention	11,895	11,749	146	1.2%
Travel	351	805	(454)	-56.4%
<b>TOTAL EXPENSES</b>	<b>257,207</b>	296,694	(39,487)	-13.3%
<b>NET INCOME</b>	<b>(14,813)</b>	(22,231)	7,418	33.4%

#### FOOTNOTES

**Programs Net Income** (955) 3,274

**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.

**USATF National Convention** - Travel expenses for up to 18 voting delegates to attend the USATF Annual Meetings. Expenses typically capped at ~\$800 per delegate.