

THE UNITED STATES ROWING ASSOCIATION

2009 Annual Meeting Financial Report to the Members

On behalf of the United States Rowing Association Board of Directors, I present this report on USRowing's financial status as of December 31, 2008, our most recently completed fiscal year. The Finance Committee has reviewed and verified the results being presented to you today based on the USRowing internal financial records for 2008 and on the 2008 audit by Mercadien, P.C., our Auditors. Mercadien, P.C has given an unqualified opinion that our financial statements present a fair, complete representation of our financial activities and condition.

Our 2008 operating revenue was about \$5.8 million, (compared to about \$4.9 million for 2007). Revenues were up in all operating areas, with notable gains of 40% in Grants & USOC Funding, (compared to 31% in 2007). Twenty one percent of our revenue came directly from the USOC specifically to support our Senior National Team, (compared to 20% in 2007); 28% came from your membership dues, (compared to 32% in 2007); and contributions and sponsorship accounted for another 9%, (compared to 8% in 2007). The remaining 23% came from merchandise sales, events and other revenue, (compared to 29% for 2007).

Operating expenses rose commensurately with revenues, and we finished the year with a net surplus of \$2k (compared with a net surplus of \$10k in 2007). Net assets were about \$61,000, (compared to about \$175,000 for 2007) on total assets of \$946,000 (compared to about \$959,000 from 2007). At the end of 2008, we had about \$549,000 in cash, equivalents and investments on hand.

The following sections detail our largest active programs:

Membership Services: This program's principal sources of revenue are individual and organizational dues, merchandise and revenue from the regions and committees. Our overall dues revenues were down by about \$6,000. Membership Services revenue was about \$1.6 million in 2008, (compared to \$1.6 million in 2007). Revenues from Membership services cover things like liability insurance and general and administrative expenses unrelated to the National Team.

At the end of 2008, we had 13,349 full privilege individual members and 1,068 organizational members, (compared to 14,150 individual members and 1,070 organizational members at the end of 2007). The names and addresses of the current members may be found at the offices of the United States Rowing Association located at 2 Wall Street, Princeton, New Jersey 08540.

National Team: Our second major program is the National Team. Revenue consists principally of USOC grants, contributions and grants to the team, and team sponsorship. The National Team also gets a nice boost from Tim Hosea's annual Princeton Golf Outing. National Team Services include the cost of team training, coaching, equipment, trials and NSRs, and support staff. Total operating revenue attributed to the National Team for 2008 was about \$3.0 million, (compared to \$2.3 million for 2007). Total expenses in 2008 were about \$3.2 million, (compared to \$2.7 million for 2007).

Events: Our third major program department, Events, handles our championship events like the National Championships, Masters Nationals, Regional Championships, and the Youth National Championships. In 2008 Events had total revenues of approximately \$646,000 and total expenses of about \$661,000.

General & Administrative: Overhead, or General and Administrative expenses, include the salary of our Executive Director, Controller and partial salaries of other non-National Team staff. These expenses also include our offices in Princeton, printing, postage, telephone, legal, some travel and other professional fees. Our total general and administrative expenses for 2008 were about \$159,000.

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If you would like a copy of the USRowing's audited financial statements for 2008, please contact Brian Klausner at brian@usrowing.org. The 2008 audited financial statements are also posted on USRowing's web site.

USRowing also benefits from the Casitas Fund, established from the surplus of the 1984 Los Angeles Olympic Games. This endowment is specifically for the benefit of USRowing, but has an independent Board of Stewards. In 2008, the Casitas Fund made a grant of \$89,791 to the Association. The original endowment was approximately \$900,000. The Casitas Fund net assets were \$927,360 at the end of 2008. This represents a decrease of \$868,180 over the ending balance of \$1,795,540 at the end of 2007.

As a final note on our 2008 financial performance, on behalf of USRowing and its Board, staff and coaches, we would like to acknowledge and thank the National Rowing Foundation, especially Anne Martin, Hart and Gillian Perry, for their continuing support of our entire National Team effort. Without their continuing support, our teams would not be able to train at the level they do. In 2008, their significant support for our National Team was instrumental in the many medals we brought home, including the gold, silver and bronze from Beijing.

Respectively Submitted,

Peter Cipollone
Treasurer
United States Rowing Association