

THE UNITED STATES ROWING ASSOCIATION
2010 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, 2009, 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 2009 and on the 2009 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 2009 operating revenue was about \$5.8 million, an increase of about \$70,000 from 2008. Revenues from Membership, Contributions and Sponsorship went up, while revenues from the US Olympic Committee in support of our National Team declined to 17% of revenues (compared to 21% in 2008), as is expected in post-Olympic years. Membership dues accounted for 28% of revenues (similar to 2008) and contributions and sponsorship accounted for 30% (compared to 25% in 2008). The remaining 25% came from events, merchandise sales, and other revenue (compared to 26% for 2008).

Operating expenses were well controlled, and we finished the year with an operating surplus of about \$284,000 excluding the temporarily restricted and non-realized gains of \$47,281 from the Women's Endowment. Net assets rose to \$392,000. At the end of 2009, the Association had about \$988,000 in cash, equivalents and investments on hand. The Board is also pleased to report that the United States Rowing Association now has a positive unrestricted fund balance.

The following sections detail our largest active programs:

Membership Services: Membership'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 \$34,000. Membership Services revenue was about \$1.62 million in 2009, (compared to \$1.58 million in 2008). Revenues from Membership services cover things like liability insurance and general and administrative expenses unrelated to the National Team.

At the end of 2009, we had 13,760 full privilege individual members and 1,083 organizational members, (compared to 13,349 individual members and 1,068 organizational members at the end of 2008). 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 2009 was about \$3.1 million, (compared to \$3.0 million for 2008). Total National Team expenses in 2009 were about \$2.9 million, (compared to \$3.2 million for 2008).

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 2009, Events had total revenues of approximately \$647,000 about the same as 2008.

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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 2009 were about \$137,000.

If you would like a copy of the USRowing's audited financial statements for 2009, please contact Brian Klausner at brian@usrowing.org. The 2009 audited financial statements are also posted on USRowing's web site at <http://www.usrowing.org/>.

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 2009, in lieu of a cash payment the Fund reduced by \$60,000 the Association's liability for a loan made in 2008. This reduction approximated 6.5% of the Fund's beginning net assets. In 1985, the original endowment was approximately \$900,000. At the end of 2009, Casitas Fund net assets were over \$1.3 million. This represents a year-on-year gain of \$288,472 as we saw equity markets recover.

As a final note on our 2009 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.

Respectively Submitted,
Peter Cipollone
Treasurer
United States Rowing Association
December 4, 2010