

THE UNITED STATES ROWING ASSOCIATION
2018 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, 2017, 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 2017 and on the 2017 audit by Klatzkin & Company, LLP, our Auditors. Klatzkin & Company, LLP has given an unqualified opinion that our financial statements present a fair, complete representation of our financial activities and condition.

Our 2017 operating revenue was \$10.2 million, down \$415,000 from 2016, approximately a 4% decrease. Revenues from Contributions, Regattas, Other Events, Membership Dues and Investment Activity increased \$1.038 million while revenues from Sponsorships and Grants decreased \$1.062 million; USOC and NRF funds were down significantly. These eight areas accounted for over 93.6% of the Association's revenues.

Operating revenues were slightly more than expenses, and we finished the year with an operating surplus of \$5,600. The Casitas Fund, which provides substantial support to USRowing, retains its independent status although it is included in our financial statements, filed as an affiliated organization due to the 2012 change in FASB rules (we implemented this change in our 2012 filing), and appearing as such in our Combined Statement of Activities.

Net assets were increased by \$5,559 and at the end of 2017, the Association had \$533,586 in cash, equivalents and investments on hand, retaining 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. Membership Services revenue was about \$2.91 million in 2017 (compared to \$2.59 million in 2016), an overall increase of 13%. Revenues from Membership Services cover things like liability insurance and general and administrative expenses unrelated to the National Team. At the end of 2017, we had about 24,411 full-privilege Championship individual members and 1,209 organizational members (compared to 22,850 individual members and 1,365 organizational members at the end of 2016). We also added 38,254 Basic members who covered the administrative fee and 9,078 Basic members who were exempt from the administrative fee. 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, National Rowing Foundation grants, Adaptive/Para-rowing grants, other contributions and grants to the team, and team sponsorship. The National Team gets a substantial boost from the Annual Princeton Golf Outing. National Team Services include the cost of team training, coaching, equipment, trials and NSRs, and support staff. Total operating revenue for the National Team for 2017 was \$3.23 million (compared to \$4.24 million for 2016). Total National Team expenses in 2017 were \$3.21 million (down from \$4.09 million for 2016).

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Events: Our third major program department, Events, handles our championship events like the National Championships, Masters Nationals, Club Nationals, Regional Championships, and the Youth National Championships. In 2017, Events had total revenues of \$1.95 million, up \$323,077 from 2016, which saw revenues of \$1.63 million.

General & Administrative: Overhead, or Management and General expenses, includes 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 2017 were \$1.14 million, representing an increase of \$259,344 from 2016.

If you would like a copy of the USRowing's audited financial statements for 2016, please contact Brian Klausner at brian.klausner@usrowing.org. The 2017 audited financial statements are also posted on USRowing's website at <http://www.usrowing.org/>.

USRowing benefits greatly from the National Rowing Foundation, which has grown in its role as the primary fundraising source for the National Team. In 2017, the NRF provided a grant of \$913,710 to the National & Jr National Team programs, a \$544,000 decrease to their substantial grant in 2016. On behalf of USRowing and its Board, staff and coaches, we would like to acknowledge and thank the National Rowing Foundation, whose efforts make our national team athletes' dreams possible; the continued support of the USOC for both National Team and Para; and the VA for support for Inclusion.

Finally, I would like to personally thank the USRowing Board of Directors, and the entire USRowing staff for their work on behalf of the rowing community over the past 12 months.

Respectfully Submitted,

Brian Klausner, CFO, and Nick LaCava, Treasurer
United States Rowing Association
December 8, 2018