

# American Birkebeiner Ski Foundation 2019-2020 Annual Report



DETERMINATION. CHARACTER. BRAVERY. PERSEVERANCE.

## FINANCIAL SUMMARY

To the Members of the American Birkebeiner Ski Foundation (ABSF),

It is my pleasure to present the annual financial report for American Birkebeiner Ski Foundation (ABSF) for the fiscal year ended June 30, 2020.

The entire staff of the ABSF deserves recognition and high praise for their resiliency and fiscal discipline in the face of two very different parts of the year. First, in February the team managed through what many describe as the “best Birkie ever.” This was quickly followed by the unimaginable impact and lingering effects of COVID-19 in the last five months of the year. Many thanks to all of them...thank you.



I now present my comments of our financial results, which highlight the performance for the fiscal year ended June 30, 2020.

**Overall Results.** For fiscal-year 2019-2020, the ABSF’s total income exceeded its total expense, yielding a net surplus of \$308k. ABSF’s net assets increased \$655k or 24.5 percent since the fiscal year ended June 30, 2019 to an ending value of \$3.33 million on June 30, 2020. The increase was primarily driven by growth in fixed assets of \$360k, but overall offset by relief loans from the CARES Act of \$362k.

**Debt Obligations.** On June 30, 2020, the ABSF held new liabilities noted above from payroll support offered through the CARES Act. This infusion of capital, totaling \$362k, came at a critical time for the organization. It was dire. Thirteen team members were laid-off in early April 2020 and we were uncertain about when we might hold another event. After receiving three different funding streams from the CARES Act, we were able to re-staff the team and begin planning for events again in earnest.

**Total Income and Expense.** Total income for fiscal year 2019-2020 were \$3.36 million, a decrease of \$122k or 3.5 percent, from the same period a year ago. While total expense for the year grew a mere 1.4 percent, or \$43k to \$3.06 million for year-end 2020.

**Operating Income.** We had strong growth in event operations income of \$1.92 million, up \$205k or 12.0 percent to last year highlighted by drawing record participants across Birkie week events.

Total donations including sponsorship, restricted donations \$1.14 million made up 34.0 percent of total income. Total unrestricted donations and sponsorships remained flat to last year at \$948k. Total restricted donations, however, fell by \$371k to last year to \$197k as Phase II fundraising campaigns peaked in the previous fiscal year.

Lastly, the Foundation for the Endowment of the American Birkebeiner (FEAB) contributed investment income, for the first-time ever, to ABSF in the amount of \$24k.

**Operating Expense.** While event operations costs remained the ABSF’s single largest category of expense, 41.0 percent of total expense at \$1.25 million in the fiscal year, this represented only a small increase of \$21k or 1.7 percent from the prior fiscal period.

The next largest expense category was payroll expense at 37.0 percent of total expense. This category increased \$135k or 9.8 percent to \$1.13 million due to planned staff growth.

All other expense categories fell by a total of \$113k or 3.7 percent to contribute overall expense savings.

The ABSF continues to ensure financial sustainability while investing resources to grow our commitment of providing inspiring events and resources to promote a healthy, active, Birkie lifestyle.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Brown". The signature is fluid and cursive, written over a light-colored background.

Mike Brown, Treasurer, ABSF  
ABSF Board of Directors, Finance Committee Chair

## Financial Statements

### Statement of Financial Position (Balance Sheet)

Fiscal Year Ending June 30, 2020

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>	<b>YoY Growth</b>
Current Assets	\$1,095,620	\$946,288	15.8%
Fixed Assets	\$4,017,214	\$3,656,507	9.9%
Other Assets	\$319,463	\$320,047	-0.2%
<b>TOTAL ASSETS</b>	<b>\$5,432,296</b>	<b>\$4,922,843</b>	<b>10.3%</b>
<b>LIABILITIES</b>			
Current Liabilities	\$1,103,406	\$1,246,710	11.5%
Long-Term Liabilities	\$947,253	\$599,493	-58.0%
<b>TOTAL LIABILITIES</b>	<b>\$2,050,659</b>	<b>\$1,846,202</b>	<b>-11.1%</b>
<b>EQUITY</b>			
Net Assets	\$3,335,713	\$2,680,203	24.5%
Net Income + Other Equity	\$45,924	\$396,437	-88.4%
<b>Total Equity</b>	<b>\$3,381,637</b>	<b>\$3,076,641</b>	<b>9.9%</b>
<b>Total Equity and Liabilities</b>	<b>\$5,432,296</b>	<b>\$4,922,843</b>	<b>10.3%</b>

### CARES Act

<b>ASSETS</b>	<b>2020</b>
SBA Emergency Advance**	\$10,000
SBA EIDL Loan*	\$139,900
SBA PPP Loan**	\$212,400
<b>Total Income from CARES Act</b>	<b>\$362,300</b>

\*Non-profit loan terms are 2.75% for 30 years \*\*Eligible for loan forgiveness

### Capital Expenditures

Fiscal Year Ending June 30, 2020

		<b>% of Total</b>
Total Capital Expenditures	\$596,275	
Phase II: Trail Improvements	\$274,380	
Snowmaking Equipment	\$118,313	
Trail-Equipment	\$59,414	
Land Purchases	\$45,765	
<b>Top 4 Capital Expenditures</b>	<b>\$497,872</b>	<b>83.5%</b>

### Statement of Financial Activities (P&L/Income Statement)

Fiscal Year Ending June 30, 2020

<b>Income</b>	<b>2020</b>	<b>2019</b>	<b>YoY Growth</b>
Event Operations Income	\$1,916,345	\$1,711,397	12.0%
Donation/Grant/Sponsorship Income	\$947,250	\$968,470	-2.2%
Restricted Donation/Grant Income	\$196,728	\$568,354	-65.4%
Other Income	\$307,066	\$241,981	26.9%
<b>Total Income</b>	<b>\$3,367,388</b>	<b>\$3,490,202</b>	<b>-3.5%</b>

## Financial Statements/continued

Expense	2020	2019	YoY Growth
Event Operations Expense	\$1,254,071	\$ 1,232,785	-1.7%
Trail Expense	\$202,496	\$227,228	10.9%
Administrative Expense	\$149,829	\$172,624	13.2%
Facilities Expense	\$155,007	\$152,993	-1.3%
Promotion/Development Expense	\$118,261	\$144,644	18.2%
Sport Development/Skier Development	\$47,531	\$88,750	46.4%
Payroll Expense	\$1,132,002	\$997,082	-13.5%
<b>Total Expense</b>	<b>\$3,059,197</b>	<b>\$3,016,106</b>	<b>-1.4%</b>
<b>Net Income (Surplus)</b>	<b>\$308,191</b>	<b>\$474,096</b>	<b>-35.0%</b>

## Statement of Cash Flows

Fiscal Year Ending June 30, 2020

	2020
<b>Net Income</b>	<b>\$308,191</b>
Net Cash Provided from Operating Activities	\$58,982
Net Cash Provided from Investing Activities	\$(105,936)
Net Cash Provided from Financing Activities	\$(2,224)
<b>Net Cash Increase for the Period</b>	<b>\$(49,178)</b>
<b>Cash at Beginning of Period</b>	<b>\$966,836</b>
<b>Cash at End of Period</b>	<b>\$917,657</b>

## Notes to Financial Statements

### Our Mission

The American Birkebeiner Ski Foundation (ABSF) is a 501(c)(3) non-profit organization dedicated, as reflected in the Birkie Mission Statement, to hosting one of the world's best cross-country ski events, the American Birkebeiner, maintaining one of the nation's premier recreation trails, and promoting healthy lifestyles for people of all ages and abilities.

### Accounting Method

The ABSF presents its financial statements on an accrual basis in accordance with accounting principles generally accepted in the United States of America (US GAAP). Certain items are maintained on a cash basis, which is not materially different from the accrual basis of accounting. The ABSF fiscal year spans July 1 through June 30.

### Basis of Presentation

The financial statements include certain prior-year summarized comparative financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the ABSF's financial statements for the year ended June 30, 2020, from which the summarized information was derived. All financials results are Unaudited results.

### Depreciation for Buildings, Furniture and Equipment

Land, building, furniture and equipment owned by the ABSF are stated at cost at date of acquisition. Useful lives range from 39 years for buildings, 7 years for furniture, 5-7 years for heavy equipment and 5 years for technological equipment. Depreciation is calculated on the straight-line basis over the assets' estimated useful lives, except for land. The ABSF reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment charge is recognized when the fair value of the asset or group of assets is less than the carrying value. There was no impairment recognized for the years ended June 30, 2020 and 2019.