

EASTERN PENNSYLVANIA RUGBY UNION

A Member of the Mid-Atlantic and USA Rugby Football Unions



Date: January 26, 2010
To: EPRU Members
From: Brad Allen, Treasurer
Subject: Treasurer's Report for the year ended December 31, 2009

EPRU Financial Statements:

Please find the attached EPRU financial statements for the period ended December 31, 2009 with a comparison to the budget.

Overall, we are within \$2,000 of the budget.

Some items to call to your attention are:

Dues: Dues are approximately \$2,800 below budget for the year due to the fact that we have fewer clubs this year than was budgeted. In addition to the dues, the two clubs owe Fairmont Park fees. Following is a summary of dues and fees that remained unpaid at the end of 2009:

Accounts Receivable

| | <u>2009</u> <u>Dues</u> | <u>Fmt Pk</u> <u>Fees</u> | <u>Total</u> |
|-------------------------|----------------------------|------------------------------|---------------|
| Vallen Forge | 75.00 | | 75.00 |
| Western New Castle Boys | 75.00 | | 75.00 |
| Father Judge | 75.00 | | 75.00 |
| Lehigh Valley | 75.00 | | 75.00 |
| Philly-Whitemarsh | | 120.00 | 120.00 |
| Wharton | | 120.00 | 120.00 |
| | <u>300.00</u> | <u>240.00</u> | <u>540.00</u> |

Some of these have been paid in 2010. Any balances unpaid will be added to 2010 dues and if not paid will result in the club becoming "not in good standing."

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Other Income: The shortfall in dues revenue was offset by about \$1,100 of interest income from better cash management and \$1,300 of fine income. Transfers from reserves was about \$1,000 less than budget since our website upgrade cost less than budgeted.

- **Expenses:** Administrative expenses approximated budget which reflects the lower website costs of about \$1,500 offset by an increase in professional fees of about \$1,100 in order to bring our past due tax filings up to date without penalties and obtain our 501 (c) 3 status, both of which were successful.

Program expenses for all programs except Girls HS approximated budget. The Girls HS program was about \$1,000 under budget as Hempfield once again hosted and paid for the championships. Thank you to Hempfield.

Reimbursements to clubs for coaching clinics were over budget by about \$1,500 as we decided to fund two very successful programs featuring Eamonn Hogan and Luke Gross.

- **Balance Sheet:** We finished the year with over \$40,000 in our money market account and about \$36,000 in reserves. The money market account is about double that of the prior year due to better investing of excess cash flow. The reserve account is down from the prior year by about \$7,200 as this money was used to fund one-time expenses for upgrades to the website and professional fees to address our tax situation.

2010 Budget:

Please find attached the budget for 2010. As previously communicated:

- Dues are maintained at the same level as 2009.
- The budget as it stands right now reflects a shortfall of about \$2K which is made up by taking money out of reserves rather than increasing dues.
- The budget substantially reflects the recommendations of the Budget Allocation Committee and results of the Member survey. These are presented as an Appendix to this memo.
- Budgeted All Star expenses, which was a source of much discussion for the 2009 budget, has been reduced by approximately 50% from \$20,460 in 2009 to only \$10,900 in 2010. All Star expenses now represent only 23% of the budget for Program Expenses compared to 58% in 2009.

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- Approximately \$20K has been added to the budget for areas recommended by the Committee for Safety, Clinics, Promotions, etc.
- Administrative expenses (other than promotions) are budgeted to be down by about \$11K from 2009 as we have already incurred the one-time costs of upgrading the web site, filing past due tax reports and making our application to be treated as a 501(c)3 organization.

Tax Matters:

The tax reports on Federal Form 990 for the years 2005, 2006, 2007 and 2008 have now been filed. As expected, the IRS assessed late filing penalties of approximately \$3,500 per year for 2005, 2006 and 2007. We prepared and filed a request for abatement of these penalties which has been accepted by the IRS and they have waived all penalties.

Federal Form 1023, our application to be treated as a 501 (c) (3) organization, has also been filed. The IRS has approved our application and we are now in a position to begin raising funds from a multitude of additional sources.

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If you have any questions, please contact me at ballen10@comcast.net or 610-246-5550.

Respectfully submitted,

A handwritten signature in black ink that reads 'Brad'.

Bradley J. Allen, Treasurer