

ANNUAL
REPORT **2010**



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WELCOME TO USA TRACK & FIELD

As the most far-reaching, international and celebrated sport of the Olympic movement, track & field serves as the iconic and original sport of the Olympic Games.

But what happens the other three years, that space between Olympics?

Everything that fosters success.

The sport of track & field is a year-round, every year, every day, professional, developmental and masters sport. 2010 was the year in any Olympic cycle that is unfairly described for what it isn't. A "non-championship" year, meaning no IAAF World Outdoor Championships or Olympic Games. The irony is that a year like 2010 is the year in which some of the most important achievements and

preparations, for both USA Track & Field and its athletes, take place.

In the so-called "off year" of 2010, U.S. athletes won 17 medals at the IAAF World Indoor Track & Field Championships, set 17 national records, one world record, won a team medal at the World Cross Country Championships, topped the standings at the World Junior Championships and dominated 10 of 30 events in the IAAF's international Diamond League series.

In 2010, USA Track & Field continued expanding the programs that support and promote athletes, adding staff, sport science programs, medical assistance and training center stipends to a high-performance program that is the envy of the Olympic family. The

federation expanded athlete services that include biomechanical analysis, movement analysis, nutrition and sport psychology and aggressively pursued and achieved significant increases in TV ratings, social media followers and USATF membership, which again exceeds 100,000.

It was all done, in the "non-championship year," in the interest of doing what USATF pursues every day, every year: advancing the most dominant brand in international track & field: **USA Track & Field**

The organization charged with growing that brand and administering the U.S. team, USATF is the national governing body for track and field, long distance running and race walking in the United States. Part of the Olympic Family, with the

power of "The Rings" behind it, USATF also is a modern, professional sports organization whose goal is to advance the sport of track and field in the American psyche and in the American sports business and entertainment industries.

The sport is international, elemental and eternal. Among the most ubiquitous and accessible activities in the world, track & field has universal appeal, with 213 national member federations competing on the international level. It is a powerful social and economic force in the United States, where more than 30 million Americans are runners and 10 million Americans run 100 times or more each year. Indoor and outdoor track and cross country is the #1 participatory sport in American junior highs and high schools. Tens of thousands of

THE MISSION OF USA TRACK & FIELD IS TO FOSTER SUSTAINED COMPETITIVE EXCELLENCE, INTEREST, AND PARTICIPATION IN THE SPORTS OF TRACK & FIELD, LONG DISTANCE RUNNING AND RACE WALKING.



Americans are involved with the sport as coaches, officials and volunteers. The sport penetrates deeply into the inner cities, while fans at some meets boast an average household income well over \$150,000.

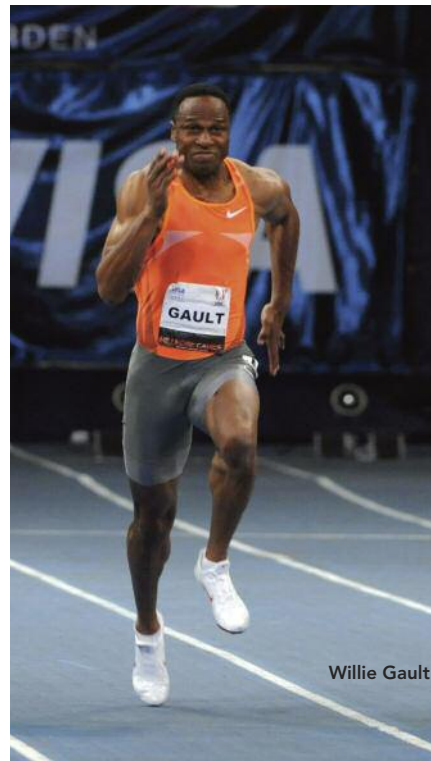
USATF is the unifying force for the sport in the United States. President/Chair Stephanie Hightower, Interim CEO Mike McNees and the USATF Board of Directors collectively are charting a new course for the organization over the next quadrennium. Sponsorship success, TV ratings increases and participating growth all have been cornerstones of the last several years. In 2010, the USA Outdoor Track & Field Championships alone saw a 30 percent increase in Nielsen ratings, while followers of USATF social media have increased by a factor of more than 20 in the last two years. And our online community continues to grow. USATF looks to build upon that success and to aggressively expand it into new areas in 2011 and beyond.



103rd Millrose Games' meet director emeritus Howard Schmertz and Bernard Lagat



Jordan Hasay



Willie Gault



Tyson Gay

USATF IS...

- The force behind Team USA, the World's #1 Track & Field Team
- More than 100,000 members, from age 8 through 90+
- More than 2,700 clubs and 57 regional Associations nationwide
- The sanctioning body for more than 5,300 running, walking and track & field events annually



Ashton Eaton



Shalane Flanagan



THE BIG WINNERS

Jesse Owens
Award Winner



ALLYSON FELIX

She was the face of international track & field in 2010, and there is no doubt why. Allyson Felix is fast. She personifies class, gives back to her community, and carries herself with a humility that seems to craftily camouflage the ferocious competitive fire that drives her.

After all, it just doesn't make sense than a 25-year-old, 5-foot-6, 125-pound wisp of a woman should be winning national titles ranging from the 100 meters to the 400 meters.

But she does.

The owner of a record three world titles in the 200m, Felix in 2010 added her first national crown in the 100m as well, and won a 4x400m relay gold medal at the World Indoor Championships. She kept busy by winning 400m and 200m races on the IAAF Diamond League circuit outdoors, posting major victories in the 200m in Paris, Stockholm, London and Brussels, and 400m wins in Eugene, London, Doha and Zurich. Her efforts paid off by making her the only double-event overall winner in the Diamond League standings and the winner of the Jesse Owens Award as USATF's top American female track & field athlete of the year.

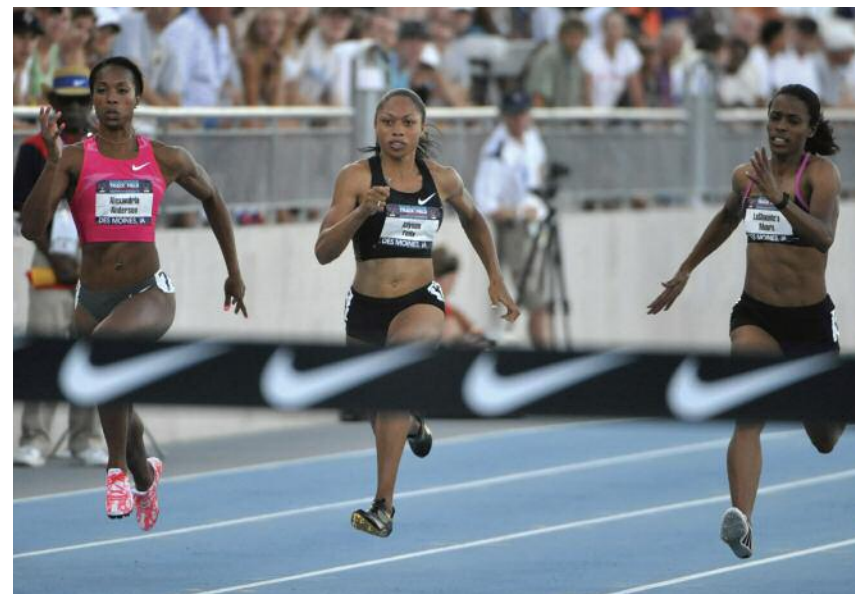




She found time to become the face of Nike Women's editorial ad campaign and motivated thousands of women and girls to get active through her website (www.allysonfelix.com), Facebook page and Twitter feed (@allysonfelix).

Still wonder how she can win so often, at so many things? In her introductory video at allysonfelix.com, she reveals her secret: "There's no better feeling than knowing you gave 100 percent. I am extremely competitive. It carries over to anything ... I have to win."

And win, she does.



DAVID OLIVER



Jesse Owens
Award Winner



David Oliver is the world's best 110-meter hurdler, the fastest American ever to run the event.

Somewhere along the line, he became known as "The King."

Oliver may not descend from royalty, but his 2010 was nothing if not regal. Outdoors, he went undefeated in 15 races, tied the American record at the Nike Prefontaine Classic and then broke it 13 days later in Paris. He easily won the IAAF Diamond League title. He ran 12 of the 15 fastest times in



the world on the year outdoors, and he was the winner of USATF's Jesse Owens Award as the top male track & field athlete of the year.

"Winning this award is one of the most outstanding accomplishments I have ever achieved," Oliver said. "When I look at the past winners of this award, and now I can add myself to that great legacy, is something I don't take for granted."

His humble beginnings at Howard University, where he hoped to be a football player, meant he did enough athletically to pay for his education, which was really all he expected to get out of track. At that point, nobody had even dubbed him a dauphin, much less a king.

It has been as a professional where he has risen to his throne over the hurdles. Where once he couldn't afford to run air conditioning in his Orlando apartment, he now rules the roost around the globe. His teammates from the U.S., Mexico, Canada and the Caribbean selected him as captain of the "Americas" team for the IAAF's Continental Cup. Even in small Rieti, Italy, his exalted status is recognized. At the city's track meet in 2010, at least 25 teen-agers showed up sporting "D.O. The King" T-shirts.

As he looks ahead to 2011 and 2012, it is clear that gold is on his mind. But for Oliver, 2010 was anything but an "in-between" year. It was a career-making year.

2010 REWIND



Terrence Trammell



THE SEASON

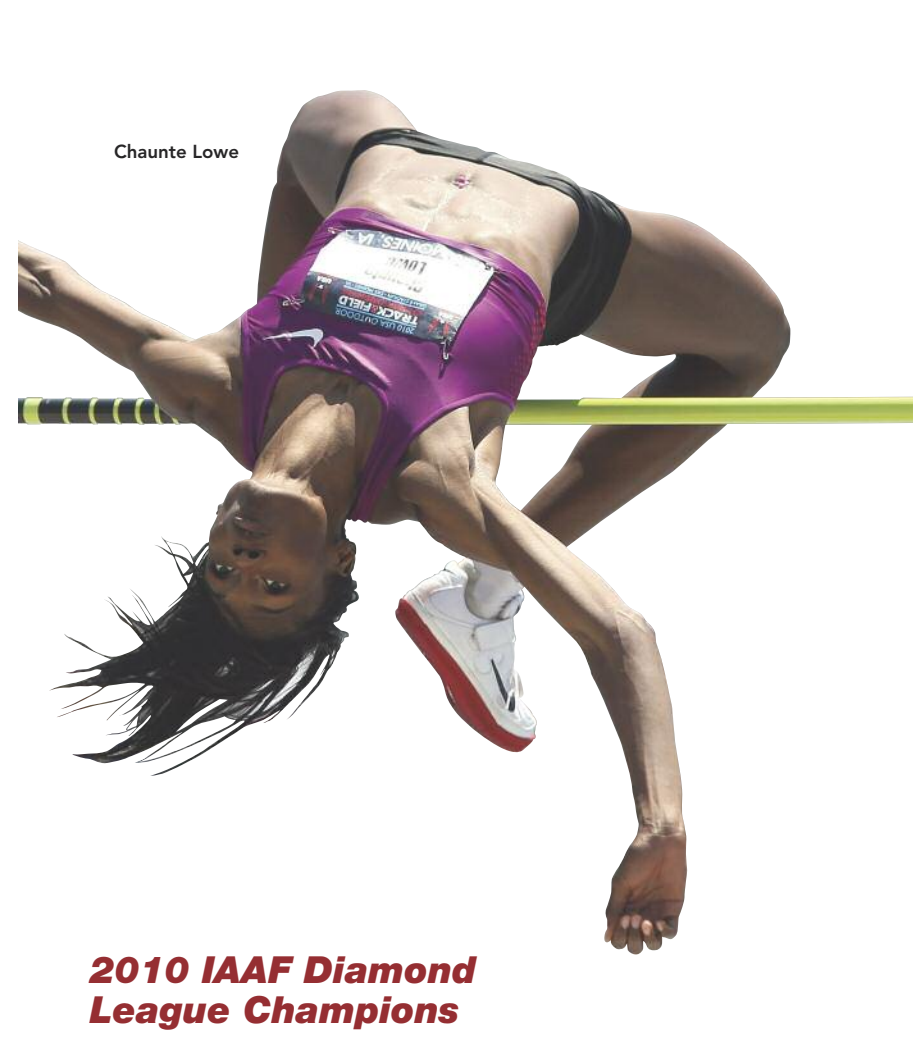
Every day, every year, year-in, year-out. This is the commitment to excellence of USATF athletes and the organization itself. The “non-championship” year of 2010 provided a vivid illustration of the fact that American athletes never rest in their pursuit of excellence.

The year got off to a big start indoors, when Ashton Eaton of the University of Oregon broke the indoor heptathlon world record previously held by Dan O’Brien – the Dan O’Brien who went on to win Olympic gold and set the world record outdoors in the decathlon. Records and medal-winning performances were the theme throughout the early winter months, with eight American records falling. On the cross-country pitch, Team USA senior women’s squad won the team bronze medal in the 8-kilometer team competition at the IAAF World Cross Country Championships in Bydgoszcz, Poland. It was the first team medal in the women’s 8km event since 2003.

Team USA’s professional athletes saved their best for the end of the indoor season, at the IAAF World Indoor Championships, held in March in the decidedly un-wintery Doha Qatar. Not only did Team USA dominate the medal table — winning 17 overall medals to nine for next-best Russia, and eight gold medals to Ethiopia’s three — but more American records were set in Doha than in any single location on the year. Lolo Jones and Terrence Trammell set records in the hurdles, Hyleas Fountain did the same in the pentathlon, and the women’s 4x400m relay achieved the feat as well.

Outdoors, American records fell in practically all event groups — sprints, hurdles, distance and field events. Perhaps the most notable facet of the season, however, was Americans’ dominance of their events throughout the entire year. In the IAAF’s first edition of the Diamond League series, Americans won 10 of 30 events — including Allyson Felix’s double victories in the 200 and 400. David Oliver was undefeated and Tyson Gay defeated the “undefeatable” Usain Bolt. Carmelita Jeter became the second-fastest female 100m runner in history. Bernard Lagat did double-duty in the middle-distance record books, and new faces entered the record lexicon in Molly Huddle, Chaunte Lowe and Kara Patterson. Success was the theme even at the highest altitude and over rough terrain, as Team USA’s men’s quad won the team silver medal at the World Mountain Running Championships in Kamnik, Slovenia.

Some might call 2010 a warm-up for 2011 and 2012. Others might rightly point out that it was an amazing year, all on its own.



Chaunte Lowe

2010 IAAF Diamond League Champions

Americans winning overall Diamond League championships in their events:

ATHLETE

Tyson Gay
Wallace Spearmon
Jeremy Wariner
David Oliver
Bershawn Jackson
Dwight Phillips
Christian Cantwell

Carmelita Jeter
Allyson Felix
Allyson Felix
Brittney Reese

EVENT

Men’s 100m
Men’s 200m
Men’s 400m
Men’s 110m hurdles
Men’s 400m hurdles
Men’s Long Jump
Men’s Shot Put

Women’s 100m
Women’s 200m
Women’s 400m
Women’s Long Jump



Christian Cantwell



Carmelita Jeter

Kara Patterson



Bernard Lagat

RECORDS SET IN 2010

INDOOR

WORLD				
MHept	6,499	Ashton Eaton (USA)	Fayetteville, AR	13Mar
AMERICAN				
W500	1:08.70	Shana Cox (adidas)	State College, PA	30Jan
M5000	13:11.50	Bernard Lagat (Nike)	Boston, MA	06Feb
W60H	7.72	Lolo Jones (Asics)	Doha, QAT	13Mar
MHept	6,499	Ashton Eaton (Oregon)	Fayetteville, AR	13Mar
W400	50.54	Francena McCorory (Hampton)	Fayetteville, AR	13Mar
WPent (=)	4,753	Hyleas Fountain (Nike)	Doha, QAT	13Mar
M60H (=)	7.36	Terrence Trammell (TrackstarA)	Doha, QAT	14Mar
W4x400	3:27.34	USA National Team (Dunn, Trotter, Hastings, Felix)	Doha, QAT	14Mar

OUTDOOR

AMERICAN				
M10,000	26:59.60	Chris Solinsky (Nike)	Stanford, CA	01May
WHJ	2.04m/6-8.25	Chaunte Lowe (Nike)	Cottbus, GER	30May
M5000	12:54.12	Bernard Lagat (Nike)	Oslo, NOR	04Jun
WJT	66.67m/218-8	Kara Patterson (Asics)	Des Moines, IA	25Jun
WHJ	2.05m/6-8.75	Chaunte Lowe (Nike)	Des Moines, IA	26Jun
M110H (=)	12.90	David Oliver (Nike)	Eugene, OR	03Jul
M110H	12.89	David Oliver (Nike)	Paris, FRA	16Jul
W5,000	14:44.76	Molly Huddle (Saucony)	Brussels, BEL	27Aug
M3000	7:29.00	Bernard Lagat (Nike)	Rieti, ITA	29Aug

Shelby Greany



Conor McCullough

AMERICAN JUNIOR

M20KW (road)	1:31:51	Trevor Barron (Pennsylvania HS)	Surprise, AZ	07Feb
M10KW (road)	43:05	Trevor Barron (Pennsylvania HS)	Ronkonkoma, NY	11Apr
WHT	62.93/206-5	Lauren Chambers (USC)	Walnut, CA	16Apr
MJT	74.42/244-2	Sam Crouser (Oregon HS)	Gresham, OR	30Apr
W3000SC	10:04.88	Shelby Greany (Providence)	Eugene, OR	09Jun
W3000SC	10:00.88	Shelby Greany (Providence)	Eugene, OR	12Jun
MJT	77.84/255-4	Sam Crouser (Oregon HS)	Portland, OR	12Jun
M5KW	20:06.0	Trevor Barron (Pennsylvania HS)	San Diego, CA	13Jun
WHT	65.32/214-3	Shelby Ashe (Georgia HS)	Marietta, GA	15Jun
MHT (6kg)	78.28/256-10	Conor McCullough (Princeton)	Des Moines, IA	25Jun
M10KW	41:50.29	Trevor Barron (Pennsylvania HS)	Moncton, CAN	23Jul
MHT (6kg)	80.79/265-0	Conor McCullough (Princeton)	Moncton, CAN	25Jul
M20KW	1:23:49.39	Trevor Barron (Pennsylvania HS)	Tuusula, FIN	4Sept



WALKING TO GREATNESS — TREVOR BARRON

Trevor Barron wasn't going to let something as trivial as brain surgery stop him. But peer pressure almost did.

Luckily for USATF and the sport of race walking, Barron stayed with his passion and is poised to be the athlete who can again put the United States on the map in the race walk.

Epileptic seizures he suffered since age 8 eventually led to Barron undergoing two brain surgeries in 2006, when he was 13. As soon as he recovered from the surgeries, he was out walking. But relentless taunting by passers-by as he trained on the roads around Bethel Park, Pa., led him to give up walking for several months when he was 16.

Yet he soon returned to what he loved, and what he was good at.

Since his return from the teen-age wasteland of jibs, jabs and sneers, no race walker of any age has accomplished more than this now-18-year-old. In 2010 Barron set five American junior records – for 20 km (which he broke by almost 6 full minutes), 10 km, 5 km, 10 km (again) and 20 km (again).

For his final record, at 20 km, Barron covered 20 km in a blistering 1:23:49.39, the fastest time by an American, of any age, since 2007. His performance was the second-fastest in the world in 2010, improved his record set earlier in the year by more than 8 minutes, was only 9 seconds off the American record and was 10 seconds under the Olympic qualifying standard.

Barron understands that race walking lacks the popular glamour of the 100 or the 1,500. And he's "down" with that.

"Most of the recognition I get is teasing during my training walks," said the self-deprecating Barron when he accepted USATF's Youth Athlete of the Year Award. "I'm surprised that a U.S. race walker could win an award by popular vote."

The voters have spoken. Trevor Barron was the top Youth Athlete in the country in 2010. With more to come.



HAMMER QUEEN — NENI LEWIS

Millions of Americans take part in masters long-distance running and track & field. A celebration of fitness and healthy living at any age, masters competition features men and women over the age of 35 and 40, setting new standards for what is possible as Americans age.

Oneithea "Neni" Lewis has been setting new standards for decades.

The 2010 USATF Masters Track & Field Athlete of the Year, Lewis has made masters record-setting an almost annual event. After turning 50 in June, 2010, she wasted little time in putting her stamp on the record books again.

Lewis, a resident of Oakland Gardens, N.Y. and a former Millrose Games champion, set a world masters record in the W50 age group at the USA Masters Outdoor Championships in Sacramento, Calif.

Already the owner of the world hammer throw records in the W40 and W45 age groups, Lewis on her first attempt and her remaining five throws bettered the listed American record for the W50 hammer, and three of those tosses sailed further than the listed world record of 51.73m/169-8 set in 2002. Lewis saved her best for last in posting the W50 record of 55.46m/181-11 on her final attempt.

Other record-setting performances in 2010 by Lewis include:

- World record in the 16-pound weight throw of 18.10m/59-4.75. (Previous record 15.96m/52-4.50, 2007)

- World record in the Throws Pentathlon - 4,800 points. (Previous record 4,613 points, 2007)
- American record in the Superweight Throw (25 pounds) - 12.98m/42-7. (Previous record 11.51m/37-9.25, 2007)
- American record in the Ultra-Weight Pentathlon - 5,872 points. (Previous listed record 4,075, 2009)



THE PREP: IT'S NOT ROCKET SCIENCE — IT'S SPORTS SCIENCE

In the summer of 2010, up-and-coming hurdle star Dexter Faulk had sore legs. He kept running on them. While attending a USATF Sport Performance Workshop in Texas, motion analysis revealed biomechanical problems. Sports medicine experts identified structural weaknesses and suspected stress fractures. USATF partner St. Vincent Sports Performance flew him to Indianapolis for free evaluation, where multiple stress fractures in both legs were diagnosed. He immediately stopped running, and in doing so, prevented what could have become a catastrophic, career-ending break in his legs.

The system — a new system — worked.

In 2010, USA Track & Field expanded its High Performance Department staffing and revamped its programs in an effort to better serve athletes, coaches and support staff. Among those changes was the institution of a comprehensive sports science program, under the supervision of Associate Director of Sports Science Dr. Robert Chapman, who came to USATF in May 2010. USATF immediately implemented the hallmark of its athlete performance programs, Sport Performance Workshops.

Working it out

USATF's Sport Performance Workshops are designed to utilize sports science resources to help coaches and athletes enhance performance and optimize training. Sports Performance Workshops feature individualized, on-track interactive experiences for athletes and coaches, with USATF's and the USOC's network of sports science and medicine professionals. Workshops are held at multiple times and locations throughout the year, in all event groups.

The July 2010 Sport Performance Workshop in Atlanta illustrated the breadth of services provided at the Workshops as well as the level of athletes involved. Olympic gold medalists Angelo Taylor and Dee Dee Trotter and American record holder Terrence Trammell were joined by experienced sprinters and also developing athletes like sprinter Travis Padgett — and their coaches — in spending two days engaged with some of the world's top experts in human performance.

At all Sport Performance Workshops, athletes undergo biomechanical analysis, functional movement screenings, nutritional counseling and sport psychology.



Coach Loren Seagrave and sprinter Travis Padgett

The athletes in Atlanta had biomechanical analysis performed by Dr. Ralph Mann, considered the world's pre-eminent sprints and hurdles biomechanist. Athletes performed starts and sprints that were captured via digitized video and immediately played back for athletes and coaches to analyze and compare to the "ideal" model. Technology overlays the sprinter with "ideal" running form, so coach and athlete can make biomechanical changes to improve performance.

"This project, as a way to bring in sports science and have them interact with athletes in real time with the support of their coaches, is an intriguing concept," said coach Loren Seagrave, a world-class coach for three decades, whose athletes took part in the Atlanta workshop. "They took some of my athletes who were already pretty good, and made some big changes. Dr. Ralph Mann has been collecting data and developing a model for performance optimization that can really improve athlete performance. He has developed some new concepts and new ways of doing things, moving athletes from the basic technical model to the advanced technical model. We are really reaping the results."



Functional movement screenings (FMS) were provided by St. Vincent's team. The screenings are a ranking and grading system that documents movement patterns that are keys to normal athletic function. FMS includes a simple set of seven movements and measures that correspond with injury incidence, imbalances, asymmetries, and physical limitations.

"Working with Ralph Mann really helped me out a lot," said Taylor, a two-time Olympic gold medalist in the 400m hurdles. "My sprinting is fine, but I found out a few things I need to work on with my hurdling. With the motion analysis, I learned some things that will help me to run fast and prolong my career. It's definitely new to me. With the things I learned, I hope I can take it and apply it to get a world record and win a world title."

More, More, More

Also as part of better serving athletes, the USATF High Performance Department has expanded its online offerings, providing everything from video motion analysis to nutritional information, hydration strategies and jet lag reduction strategies. A comprehensive list of programs and links can be found at <http://www.usatf.org/groups/HighPerformance/AthleteDevelopment/>

For more information on all USATF High Performance Programs, visit <http://www.usatfhighperformance.org>



Dr. Ralph Mann measures 400m hurdler Laron Bennett for computerized biomechanical analysis



FINANCIALS *December 31, 2010 and 2009*

USA TRACK & FIELD AUDITED FINANCIAL RESULTS

The enclosed audited financial statements reflect the financial position and results of USATF's activities for 2009 and 2010. These results summarize USATF's wide range of activities including youth, elite and masters competitions; athlete support and development; membership benefits and sanctions; and merchandising. USA Track & Field recorded revenues of \$19.4 million and expenses of \$18.9 million, resulting in net income of \$517,878 for the year ended December 31, 2010; and unrestricted net assets of \$3.4 million as of December 31, 2010.

USATF enjoyed growth in all revenue categories in 2010, increasing overall revenue from \$13.2 million to a historical high of \$19.4 million, thanks to the strong support of our key sponsors and the USOC. Growth in memberships to more than 100,000 members, continued growth in our event sanctioning program, and record merchandise sales all contributed to a strong 2010.

As we fast approach the 2011 IAAF World Championships and the 2012 Olympic Games in London, 2010 marked an important year for implementation of those strategic objectives outlined in USATF's strategic plan, including a wide variety of new athlete development programs, particularly in sport science and medicine; and domestic and international competitive opportunities. As we move into 2011 and 2012 our focus is clearly on medals in Daegu and London, nurturing new revenue sources to capitalize on the full value of our organizational assets, and growing our domestic elite competitions, the Visa Championship Series.

Kenneth M. Taylor, CPA
Treasurer
USATF Board of Directors

Gina Miller, CPA
Chief Financial Officer
USA Track & Field
132 E. Washington St. Suite 800
Indianapolis, IN 46204



Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors
USA Track & Field, Inc.
Indianapolis, Indiana

We have audited the accompanying statements of financial position of USA Track & Field, Inc. (USATF) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the USATF's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of USA Track & Field, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 6, 2011

USA Track & Field, Inc. Statements of Financial Position • December 31, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 5,853,775	\$ 3,804,814
Accounts receivable, net	1,417,925	1,774,603
Inventory	1,137,939	379,207
Prepaid expenses and other assets	317,331	306,484
Property and equipment, net	<u>253,451</u>	<u>241,388</u>
	<u>\$ 8,980,421</u>	<u>\$ 6,506,496</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 3,679,032	\$ 1,653,535
Deferred revenue	<u>1,880,133</u>	<u>1,949,583</u>
Total liabilities	<u>5,559,165</u>	<u>3,603,118</u>
Net assets		
Unrestricted	3,381,098	2,868,521
Temporarily restricted	<u>40,158</u>	<u>34,857</u>
Total net assets	<u>3,421,256</u>	<u>2,903,378</u>
	<u>\$ 8,980,421</u>	<u>\$ 6,506,496</u>

See accompanying notes to financial statements.

USA Track & Field, Inc. Statements of Activities • December 31, 2010 and 2009

	2010	2009
UNRESTRICTED NET ASSETS		
Revenue and support:		
Sponsorships, net	\$ 10,754,308	\$ 6,816,144
United States Olympic Committee grants	2,904,879	1,490,608
Events and athlete programs	1,188,608	1,073,655
Member-based programs	2,623,086	2,429,621
Merchandise sales	1,281,134	857,884
Other revenue	688,020	519,386
Net assets released from restriction	<u>8,459</u>	<u>15,655</u>
Total revenue and support	<u>19,448,494</u>	<u>13,202,953</u>
Expenses:		
Program expenses		
Elite athlete competitions	7,099,608	6,289,467
Sport Performance	3,802,930	2,115,434
Grass roots programs	1,046,265	1,014,627
Member-based programs	1,904,890	1,855,786
Program support	1,630,228	1,553,152
Cost of goods sold	<u>1,150,864</u>	<u>538,809</u>
Total program expenses	<u>16,634,785</u>	<u>13,367,275</u>
Administration and governance	<u>2,301,132</u>	<u>1,023,309</u>
Total expenses	<u>18,935,917</u>	<u>14,390,584</u>
Change in unrestricted net assets	512,577	(1,187,631)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	13,760	15,673
Net assets released from restriction	<u>(8,459)</u>	<u>(15,655)</u>
Change in temporarily restricted net assets	<u>5,301</u>	<u>18</u>
Total change in net assets	517,878	(1,187,613)
Net assets at beginning of year	<u>2,903,378</u>	<u>4,090,991</u>
Net assets at end of year	<u>\$ 3,421,256</u>	<u>\$ 2,903,378</u>

See accompanying notes to financial statements.

USA Track & Field, Inc. Statements of Cash Flows • December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Change in net assets	\$ 517,878	\$ (1,187,613)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	89,233	81,325
Donated inventory	(1,285,699)	(247,298)
Changes in operating assets and liabilities		
Accounts receivable	356,678	305,230
Inventory	526,967	281,423
Prepaid expenses and other assets	(10,847)	320,906
Accounts payable and accrued expenses	2,025,497	208,998
Deferred revenue	<u>(69,450)</u>	<u>795,730</u>
Net cash provided by operating activities	<u>2,150,257</u>	<u>558,701</u>
Cash flows from investing activities		
Acquisitions of property and equipment	<u>(101,296)</u>	<u>(163,927)</u>
Net cash used in investing activities	<u>(101,296)</u>	<u>(163,927)</u>
Net increase in cash and cash equivalents	2,048,961	394,774
Cash and cash equivalents at beginning of year	<u>3,804,814</u>	<u>3,410,040</u>
Cash and cash equivalents at end of year	<u>\$ 5,853,775</u>	<u>\$ 3,804,814</u>
Supplemental cash flows information		
Non-cash transactions:		
In-kind contributions	\$ 3,240,314	\$ 1,690,448

See accompanying notes to financial statements.

See accompanying notes to financial statements.

USA TRACK & FIELD, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 - MISSION AND ORGANIZATION

USA Track & Field, Inc. (USATF) is the national governing body for track and field, long-distance running, race walking, and cross-country running. USATF is the United States' representative member of the International Association of Athletics Federations (IAAF), the world governing body for athletics, as well as a Group A member of the United States Olympic Committee (USOC).

Through its national membership of over 2,500 clubs, schools and other organizations interested in track and field, long-distance running, and race walking, USATF promotes programs of training and competition for all ages, protects the interests and eligibility of its more than 100,000 registered athletes, and establishes and maintains the sports' rules of competition.

As a governing body, USATF may discipline individuals or organizations for violations of its rules. Individuals or organizations who are disciplined may seek administrative and civil remedies, including arbitration or litigation.

Revenue to support these programs is generated primarily by sponsorships, USOC grants, events, and memberships.

In 2010 and 2009, USATF received approximately 70% and 62% of total revenues from two sponsors and the USOC. Agreements with the sponsors include long-term contracts that extend into 2017.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: Revenue and expenses are reported as an increase or decrease, respectively, in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Temporarily restricted net assets are assets whose use by USATF has been limited by donors to a specific time period or purpose. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Income Tax Status: The Internal Revenue Service has ruled the USATF qualifies under Section 501(c) (3) of the Internal Revenue Code and is, therefore, not subject to income taxation under present income tax laws. USATF is subject to tax on the sale of merchandise which is considered unrelated to its tax-exempt purpose. Unrelated business income tax expense totaled \$- and \$15,000 for 2010 and 2009.

USATF has adopted accounting guidance related to accounting for uncertainty in income taxes. This guidance requires USATF to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded. USATF has examined this issue and has determined there are no material contingent tax liabilities or questionable tax positions.

(Continued)

USA TRACK & FIELD, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

USATF is no longer subject to examination by taxing authorities for years before 2007. USATF does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. USATF recognizes interest and/or penalties related to income tax matters in income tax expense. USATF did not have any amounts accrued for interest and penalties at December 31, 2010 and 2009.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from these estimates.

Revenue Recognition: Membership revenue is recognized ratably over the membership period. Television rights fees, gate receipts, and other event revenue, including sponsorships, are recognized upon completion of the event. National sponsorships are recognized ratably over the sponsorship period, and shown net of agency commissions of \$- and \$420,013 for 2010 and 2009. USATF has entered into marketing agreements with sponsors and other business partners that extend until 2017. Association membership fees collected by USATF and passed through are not shown as revenues or expenses in USATF's financial statements.

Contributions: Contributions, which include unconditional pledges, are recognized as revenue in the period received or pledged.

Deferred Revenue: Amounts received pursuant to sponsorship agreements or from memberships are recorded as deferred revenue and recognized in subsequent periods when the corresponding programs are conducted or expenses are incurred.

USOC Funds: The USOC provides funding to USATF for approved programs through either advances or reimbursements. Such revenue is recognized concurrently with the related expenses. Expenditures are recorded in the program-related accounts.

Value of In-Kind and Donated Services: Volunteers and sponsors donate their goods and services to USATF. Value in-kind includes team uniforms, merchandise for resale, office equipment and furniture, legal services, and publication printing and mailing. In-kind revenue recognized in 2010 and 2009 of \$3,240,314 and \$1,690,448, represents an estimate of the goods and services provided. This amount is included under sponsorship revenue, United States Olympic Committee grants, member-based programs revenue, and other revenue on the Statement of Activities. No revenue or expense is recognized when the value of the services provided cannot be objectively or reasonably estimated.

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USA TRACK & FIELD, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted Net Assets - The temporarily restricted net asset class includes assets of USATF related to contributions and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. Net assets temporarily restricted for the use of supporting specific

USATF programs total \$40,158 and \$34,857 at December 31, 2010 and 2009. Temporarily restricted net assets released from restriction during the year ended December 31, 2010 and 2009 totaled \$8,459 and \$15,655.

Permanently Restricted Net Assets - The permanently restricted net asset class includes assets of USTAF which the donor has stipulated be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. USATF did not have any permanently restricted net assets at December 31, 2010 and 2009.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2010, to determine the need for any adjustments or disclosures to the audited financial statements for the year ended December 31, 2010. Management has performed their analysis through June 6, 2011, the date the financial statements were available to be issued. See Note 8 for additional disclosure.

Reclassifications: Certain 2009 amounts have been reclassified to conform to the 2010 presentation. The reclassifications had no effect on total net assets or the change in net assets.

NOTE 3 - ACCOUNTS RECEIVABLE, NET

Accounts receivable consist of the following at December 31, 2010 and 2009:

	2010	2009
USOC	\$ 44,904	\$ 936,747
Sponsors	536,360	473,612
USATF Foundation	287,866	101,858
Event organizers	174,138	153,757
Others	<u>389,377</u>	<u>146,371</u>
	1,432,645	1,812,345
Allowance for doubtful accounts	<u>(14,720)</u>	<u>(37,742)</u>
	<u>\$ 1,417,925</u>	<u>\$ 1,774,603</u>

(Continued)

USA TRACK & FIELD, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses: The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program and administrative and governance categories based on the actual direct expenditures and cost allocations based upon estimates by management.

Cash Equivalents: USATF considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Deposits at each financial institution are insured up to a specified amount by a government agency. USATF periodically has balances in excess of this limit.

Accounts Receivable: USATF's accounts receivable balance consists of amounts billed or billable under contracts, sponsorship agreements, or for products or services provided. Interest is not charged on outstanding accounts receivable.

Allowance for Doubtful Accounts: The allowance for doubtful accounts receivable is determined by management based on USATF's historical losses, specific payer circumstances, general economic conditions, and results of collection activities.

Inventories: USATF merchandise for resale is stated at the lower of cost or market on a first-in, first-out basis (FIFO).

Property and Equipment: Property and equipment are recorded at cost at date of acquisition or fair value at date of donation in the case of in-kind gifts. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Property and equipment balance as of December 31, 2010 and 2009, consisting primarily of furniture and equipment, is shown net of accumulated depreciation of \$403,637 and \$330,257.

Impairment of Long-Lived Assets: On an ongoing basis, USATF reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. USATF recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the discounted cash flows.

Net Asset Classifications: The financial statements have been prepared in accordance with GAAP. GAAP requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted. The following classes of net assets are used to reflect donor intent:

Unrestricted Net Assets - The unrestricted net asset class includes general assets and liabilities of USATF. The unrestricted net assets may be used to support USATF's purposes and operations.

(Continued)

USA TRACK & FIELD, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 4 - DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2010 and 2009:

	2010	2009
Deferred sponsorship revenue	\$ 1,041,667	\$ 1,291,667
Deferred USOC revenue	100,000	-
Rights fees for future events	257,500	165,000
Deferred membership revenue	369,033	345,426
Other deferred revenue	<u>111,933</u>	<u>147,490</u>
	<u>\$ 1,880,133</u>	<u>\$ 1,949,583</u>

NOTE 5 - OPERATING LEASES

In 2010, USATF entered into a five year operating lease for storage facilities expiring on August 31, 2015. In early 2008, USATF entered into operating leases for office and parking facilities expiring on December 31, 2020 and March 31, 2013, respectively. These leases have fluctuating rent payments. Approximate future minimum payments required under current operating leases with noncancelable lease terms in excess of one year are as follows:

2011	\$ 204,540
2012	208,026
2013	187,493
2014	179,618
2015	168,186
Thereafter	<u>716,332</u>
	<u>\$ 1,664,195</u>

Rent expense under the terms of these leases for the years ended December 31, 2010 and 2009 was \$198,588 and \$198,900, respectively.

NOTE 6 - RETIREMENT PLAN

USATF has a 401(k) plan, allowing both employer and employee contributions. USATF matches 100% of employee contributions up to 5% of compensation, as defined by the plan. Matching contributions are 100% vested. In addition, for all employees with at least one year of service, USATF may contribute additional discretionary employer contributions, as defined by the plan. Discretionary contributions vest ratably over a six-year period. Discretionary employer contributions equaled 10% in 2010 and 2009.

Retirement plan expense for 2010 and 2009 was \$340,567 and \$294,754.

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USA TRACK & FIELD, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 7 - RELATED PARTIES

USA Track & Field Foundation, Inc.: The USA Track & Field Foundation, Inc. (the Foundation) was formed in 2002 to attract funding and support new and innovative track and field programs and expand involvement in the sport. The Foundation is classified under the Internal Revenue Service Code as a 501(c)(3) organization. The Foundation is governed by an independent Board of Directors and its net assets and financial results are not included in the USATF financial statements. While the Foundation Board of Directors is independent of USATF, two seats on the Foundation Board are reserved for the USATF CEO and Board President. Also, in 2009 and 2010 the USATF Board and Foundation Board included two additional common board members. In addition, USATF provides administrative support to the Foundation and the Foundation has provided grants directly to USATF for specific programs as detailed below.

Certain expenses of the Foundation are paid by USATF on behalf of the Foundation. All direct costs incurred by USATF on behalf of the Foundation are reimbursed by the Foundation. Total expenses paid on behalf of the Foundation during 2010 and 2009 were \$182,825 and \$255,812, of which \$157,227 and \$214,771 were reimbursed by the Foundation. Unreimbursed expenses are personnel and overhead costs of USATF staff support provided to the Foundation. During both 2010 and 2009, the Foundation provided \$40,000 in grants to USATF designated for specific programs supporting youth development through competitive opportunities and youth anti-doping and healthy lifestyles education. See Note 3 for the amount owed to USATF by the Foundation as of December 31, 2010 and 2009.

NOTE 8 - LITIGATION

USATF is a defendant in certain lawsuits. Management intends to vigorously contest these cases and does not expect their outcome to have a material effect on USATF's financial position. In addition, management believes its insurance policies are adequate.

Subsequent to December 31, 2010, USATF reached a mediation agreement with a former employee. An additional liability was recorded on the 2010 statement of financial position in relation to this agreement.

