



UNITED STATES BIATHLON
ANNUAL REPORT
DECEMBER 31, 2005

ANNAUL REPORT REQUIRED BY SECTION 519 of N-PCL

Annual Report by Directors. Section 519 of the New York N-PCL requires that the Board of Directors give a “report” to the membership at the annual meeting of members. Section 519 of the N-PCL also sets forth specific information which must be included in the report by the Board of Directors to members at the annual meeting of members. This statutorily required report must be verified by the president and treasurer or by a majority of the directors, or certified by an independent public or certified public accountant or a firm of such accountants selected by the Board. Reference is made to Section 519 of the N-PCL for the full and complete text of the statute. In brief, however, the verified or certified annual report, presented to members at the annual meeting, must detail at least the following:

- (a) the corporation’s assets and liabilities as of the end of a twelve-month fiscal period ending not more than six months prior to the meeting;
- (b) the principal changes in assets and liabilities;
- (c) revenues and receipts;
- (d) expenses or disbursements; and,
- (e) the number of members, a statement of the increase of decrease thereof, and the place where the names and addresses of current members may be found.

Section 519 of the N-PCL goes on to state that the annual report of directors shall be filed with the records of the Association and either a copy, or an abstract thereof, shall be entered in the minutes of the proceedings of the annual meeting of members.

This annual report covers the financial period 1 July 2004 through June 30, 2005 as well as our current membership status.

Membership within the USBA seems to be cyclic. Over the past several quads the membership has dipped after the Olympic Year and slowly climbed again leading up to the next Games. This past quad is an exception to this rule:

* 2002 -2003	670 members
* 2003- 2004	556 members
*2004- 2005	692 members
*2005-2006	500 members + or – to date

The 2004 membership climbed as a result of the special election that the association attempted and the current year reflect only membership to date. It is unknown if our membership will continue to climb as a result of the Torino Games or if the dues increase has had an impact on membership. A detailed analysis should be completed to best determine the true cause and effect of a possible membership decline.

The USBA Office maintains the membership database and current names and addresses of our membership can be found there.

Our Assets and Liability Report for the year ending 30 June 2005 is as follows

As of 6/30/05, USBA Assets are a total of 1,879,703 which consists of:

104,053	Cash funds - unrestricted
330,656	Receivables & pre-paid expenses – cash or services not received yet
9,357	Inventory and office furniture/equipment
5,304	Restricted Cash funds
294,268	USOF funds
1,136,065	Money pledged BUT not received – over another 5 years

As of 6/30/05, USBA Current Liabilities are a total of 126,420

As of 6/30/05, USBA Net Assets are a total of 1,754,722 which consists of:

216,276	Unrestricted assets to include property/equipment, cash funds, Board designated funds (USOF)
1,537,007	Temporarily restricted assets

Letter to Membership from the USBA Executive Committee:

Since 2003, the USBA Board of Directors (“BOD”) has discussed and attempted to develop a plan for restructuring itself to be a more effective and efficient group. In its enthusiasm to achieve this result, the BOD made a decision to reduce the size of the Board, and to hold elections for a reduced number of Directors, two years earlier than our normal cycle. There was some disagreement about process, in that the Board was unsure whether the election should precede the By-Laws revisions or the reverse. In the end, the BOD decided to proceed with the election of a restructured and smaller Board before revising the By-laws.

Our initial attempt to go through this process was met by the filing of a formal complaint. The complaint resulted in the suspension of the nomination and election process and the appointment of a USOC-approved independent ethics committee (the “Muedeking Committee”) to look into the merits of the complaint. The Muedeking Committee found the complaint to have merit. This resulted in the suspension of the election process and the efforts of the Nomination Committee to be voided. Along with that outcome, the findings of the Muedeking Committee also identified other areas of concern that they felt needed to be resolved before going forward with a new election. Among other things, the Muedeking Committee pointed out the deficiency of the USBA not revising its By-laws to provide for a restructured and smaller Board prior to any vote for new Directors in line with the plan for restructure. It was further the opinion of the Muedeking Committee as well as USBA Legal Counsel that USBA Board of Directors did not have the authority to restructure itself or change membership categories without membership approval.

In preparation for re-starting the elective process, the USBA Board of Directors named a new Nomination Committee as well as a new ad hoc Ethics Committee to review potential candidates for possible conflicts of interest. This task took much longer than anticipated, but the process has now been completed. The names of the candidates will be forwarded to the membership in the near future, together with a request for candidates’ names to be submitted by Petition. (Our By-laws provide that any member may become a candidate upon the submission of a Petition supported by the signatures of at least 20 members. Those Petition candidates will also have to reviewed and cleared for possible conflicts of interest by the ad hoc Ethics Committee).

Along with this process, USBA Legal Counsel prepared and presented a report at our September Board of Directors meeting indicating how our current By-laws are not in compliance with the Ted Stevens Olympic and Amateur Sports Act (the “Sports Act”), the USOC By-laws, and the New York Not-for-Profit Corporation Law (the “N-PCL”). This specific and detailed report identified the areas of the By-laws that need revision, and that the revised By-Laws will require approval by a vote of the membership prior to any election of USBA Board of Directors. Counsel has also advised that the By-law amendments that were the subject of a mailing and vote in October 2005 do not conform to statutory and USOC requirements. The USBA Executive Committee met on Friday, December 16, 2005 to review the various reports and issues associated with USBA compliance and the election requirements, and began reviewing a draft of revised By-Laws, which would accomplish the desired restructuring of the Board and comply with the requirements of the Sports Act, the USOC By-laws and the New York N-PCL. .

The USBA Executive Committee concluded that the appropriate course of action is:

1. The slate of officers/ directors recommended by the USBA Nomination Committee, and cleared by the ad hoc Ethics Committee, will be published and distributed to the USBA membership;

2. Additional candidates for these officer/director positions will be solicited by Petition, signed by 20 members of the Association. Individuals nominated by Petition will have to be vetted and cleared for possible conflicts of interest by the ad hoc Ethics Committee;
3. However, prior to any election, including mailing of ballots, the USBA By-laws will be re-drafted and voted upon by the USBA membership to accomplish the desired restructuring and to have the By-laws comply with statutory and USOC By-law requirements;
4. If the membership approves the amendments to the By-laws, including the restructuring of the Board, the election for new officer-directors will proceed;
5. It is the desire of the Executive Committee to complete the revision and adoption of the new By-laws, and the election of officer-directors, so that the new leadership will be in place by the next scheduled meeting of the USBA Board of Directors, now scheduled for May 20, 2006; this schedule is in line with our normal election cycle and will mark the start of the next Olympic Quadrennial period.
6. A more specific timeline to achieve this goal will be developed and distributed in the near future.

In the meantime, if you have questions, please feel free to contact any member of the Executive Committee or Steve Sands. The Executive Committee feels that the above recommended course of action is best for the Association and will eliminate any concerns about delays or procedure.

We would appreciate your support of our decision as Executive Committee of the USBA; but again, please let us know if you have any questions or concerns.

Changes in USBA Financial Picture

1. - Decrease in USOC Funding
2. - Decrease in USOC Joint Marketing Agreement
3. - Not qualified for USOC Performance Funding
4. - Loss of IBU TV Grant
5. - Loss of Lapua bonus dollars
6. + TD Banknorth Agreement
7. – Requirement to send full teams to IBU Relay events

Expenses 30 June 2005 to December 30, 2005
Plus Projected Expenses through 30 June 2006

ITEM	COST	CUMULATIVE TOTAL
1 BOD Approved Deficit Jun 05	\$19,400.00	19,400.00
2 BOD Executive Session Approved June 05		
* Pay Raises	7,500.00	26,900.00
* Athlete training reimbursements	12,000.00	38,900.00
3 Revenue Shortfalls		
* IBU TV Bonus	10,000.00	48,900.00
*Lapua	7,000.00	55,900.00
4 Early On-Snow Additional Costs	4,000.00	59,900
5 Anita Hall's Departure		
* Leave payment	1,000.00	60,900.00
* USBA Medical Policy reduction	-7,600.00	53,300.00
* Salary Saved through 30 Jun 06	-13,850.00	39,450.00
* Temp Work Through Feb 06 (EST)	4,000.00	43,450.00
6 Nominating Comm Costs	2,500.00	45,950.00
7 Ethics Comm Costs	1,800.00	47,750.00
8 USBA BOD Conf Calls	1,900.00	49,650.00
9 By-law change	1,100.00	50,700.00
10 Banknorth Cost	5,000.00	55,750.00
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1 Maine Rent Feb – Jun 06	7,000.00	62,750.00
2 Maine Utilities Feb – Jun 06	730.00	63,480.00
3 Maine Security Deposit	1,400.00	64,880.00
4 Maine Telecommunications Set-Up (EST)	2,000.00	66,880.00
5 VT Telecommunications Penalty	900.00	67,780.00
6 Administrative		
*Letterhead	300.00	68,080.00
*Checks	200	68,280.00
*Envelopes	150.00	68,430.00
7 VT Expenses		
*Phone	200	68,630.00
*FAX	0	
*Cold Storage	200	68,830.00
8 Moving Company Expense (EST)	500	69,330.00
9 VT Equipment Disposal (EST)	500	69,830.00
10 New Hires		
*Bookkeeper (EST)		
Pay	15,600.00	85,430.00 6 months
Health Insurance	5,400	90,830.00
*Executive Director (EST)		
Pay	30,000	120,830.00 6 months

Health Insurance	5,400	126,230.00
11 Election Costs (EST)	2,000.00	128,230.00
12 Separation Package	64,165.00	192,395.00

A copy of the certified annual report by the Auditors is available for inspection, which contains further details with respect to the Director's Report, at the USBA office at 29 Ethan Allen Avenue, Colchester, VT 05446.