



Financial Report – September 30, 2020

As we have all experienced, 2020 has been a challenging and often confusing year. Financially, the Loppet Foundation has successfully navigated these rough seas and is well positioned to manage the upcoming, albeit uncertain, next 12 months and beyond.

Our fiscal year ends on September 30 each year and, as most of you know, we were looking forward to ending 2019 in a good financial position that set up an ambitious 2020 plan including a successful winter festival, increased programming, improved utilization of the Trailhead and a World Cup Nordic Ski event!

Loppet Winter Festival 2020: Participant count was lowered than expected for the events, but Luminary ticket sales were higher than expected. Overall, revenue was lowered than hoped.

Cross Country Ski World Cup: Many, many hours of preparation and work were expended to make this happen only to have it cancelled at the last minute. Despite this challenge, Loppet staff was able to work with sponsors, ticket holders and vendors so that, in the end, the event cancellation did not have a negative financial impact on the organization.

Programming: Once the “rules” for events and gatherings became clear our outdoor based programs experienced a surge in participation giving us the opportunity to maintain staff employment and run efficient programs.

The Trailhead: The facility has been closed most of the year negatively impacting revenues generated by indoor events such as corporate meetings, weddings, etc. Mill Valley Kitchen, our new restaurant partner, has been a bright spot at the Trailhead providing an outdoor dining experience resulting in positive rent revenue to the Loppet.

Other Events: We were able to put on several small events in full compliance with COVID restrictions and careful attention to covering all expenses despite lower participant count.

Staff Reductions: Following cancellation of the World Cup Event and Government Agency Guidance on getting through the pandemic, the Loppet made significant staff reductions and selected salary decreases resulting in a budgeted 2020-21 staff of 22 full-time employees. A PPP loan was secured, and we are in the process of applying for loan forgiveness.

2020-21 Expectations: Despite the challenges of the last 7 months, we have been able to increase our cash reserves as security for the future. We have completed an exhaustive budgeting process closely reviewing all revenue expectations and expenses.

A strong commitment has been made to maintaining historical levels of contributed support (donations, grants, sponsorship, membership) with specific and aggressive goals for the Development team.

Event revenue is budgeted to be 50% plus lower than a normal year. The success of the Loppet Festival and the Luminary Loppet in February will be a “financial checkpoint” to determine if changes to budgeted expenses are necessary.

A “normal” year is expected for use of our trails and trail pass revenue.

We believe programming through the spring, summer, and fall of 2021 will grow over 2020.

Unfortunately, although we have set aggressive revenue targets and a tight expense budget, we do not expect to cover all expenses in 20-21 and will have to use a portion of our reserves to make it through the year. No Capital projects are expected in 20-21.

Financial Future: With a focus on improving efficiency of existing programs and events and maximizing utilization of existing assets the 5-year financial projection is positive. The organization has entered a maintenance phase and subsequently we are implementing financial controls to ensure a return on investment for all expenses so we can continue providing extraordinary value to the community we serve.