



Montgomery County Road Runners Club 2015 Annual Budget

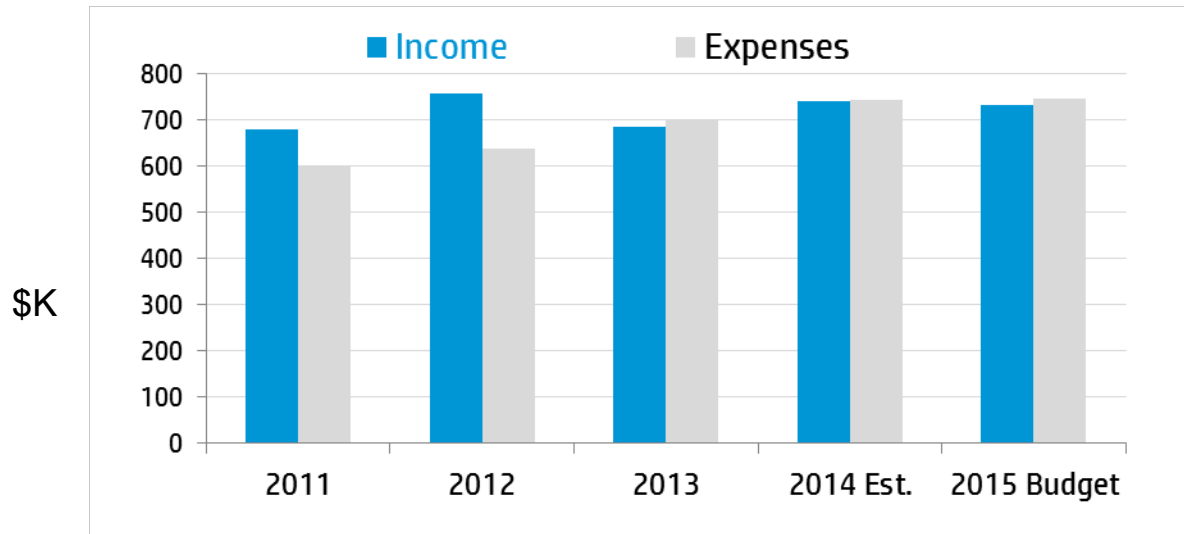
Over the few months, the Board has made a significant effort to better understand the club's financial position. My thanks go to the entire board for their support of this effort and especially to Becca Kinney for not dismissing my suggestion to re-design the entire budget on her first time through this process as Treasurer.

-- Karen Kincer, President



Montgomery County Road Runners Club

Financial Trend FY11 – FY15



Compound Annual
Growth Rate:
Income = 1.5%
Expense = 4.5%

- Income growth has slowed and may be attributed to the saturation of races and other running programs sponsored by running stores and others.
- Expenses are growing at a faster rate than Income due to investments designed to ensure that we provide adequate service to our community.



Montgomery County Road Runners Club

Income Categories:

- **Programs** – Registration fees for training programs.
- **Races** – MCRRC race registration fees, sponsorships.
- **Membership Services** – Membership dues and contributions, investment income.
- **RMS** – Income from Race Management Services contracts for managing and timing of non-MCRRC races.
- **General Operations** – Uncategorized income, gains/losses.

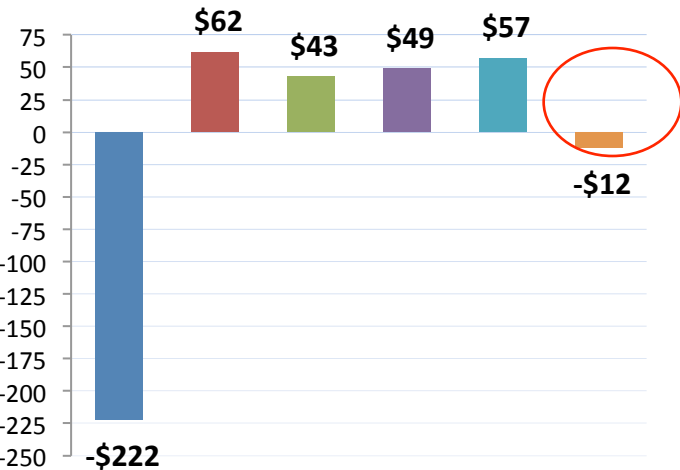
Expense Categories

- **Program Expenses** – Shirts, water stops, coaches' gifts, meeting rooms, permits, insurance, background checks, certification reimbursement, celebration dinners.
- **Race Expenses** – Shirts/premiums, service and equipment rental, food and beverage, proceed distribution, permits, insurance, post-race festivities, race director gifts.
- **Membership Expenses** – Low key races, social events, scholarships and awards, community outreach, youth programs.
- **RMS Expenses** – Per race staff payments, rentals and other fees.
- **General Operations** – Staff wages & tax, office expenses, IT, occupancy, travel, depreciation, insurance, etc.



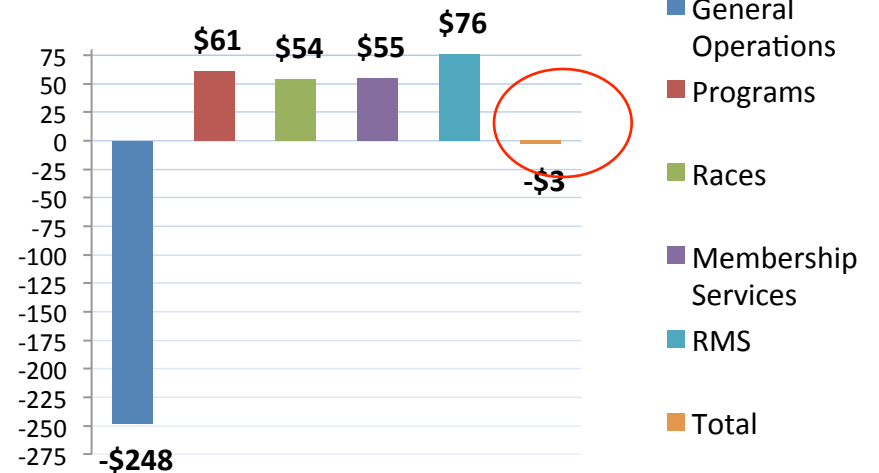
2013 – 2014 Net Income Comparison

2013 Net Income (in thousands)



- General Operations
- Programs
- Races
- Membership Services
- RMS
- Total

2014 Est. Net Income (in thousands)



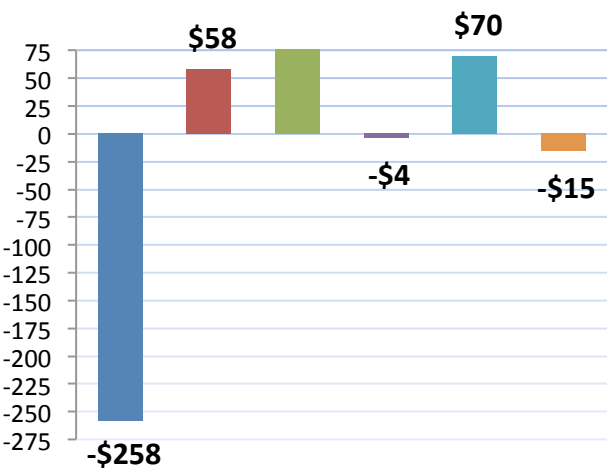
- General Operations
- Programs
- Races
- Membership Services
- RMS
- Total

Programs, Races, Membership and RMS are all profitable when viewed alone. However the General Operations (i.e. IT, insurance, occupancy, staff, etc.) has left us with an overall negative Income for the past two years.



2015 Budget with General Ops Allocated

2015 Budget Net Income (in thousands)



- General Operations
- Programs
- Races
- Membership Services
- RMS
- Total



2015 Budget Net Income with allocations (in thousands)



- General Operations
- Programs
- Races
- Membership Services
- RMS
- Total

For the 2015 budget we have allocated the overhead to the appropriate categories. This included allocating the cost of the free low ley race series to Membership Services. Overall, this provides a more accurate picture of profitability by category.

General Operations = Staff wages & tax, office expenses, information technology, occupancy, travel, depreciation, insurance, misc.



2015 Budget Plan

2015 Budget Net Income with allocations (in thousands)



Overall Budget for 2015 shows a \$15,000 deficit due to investments of \$28,200 in:

- Website Development
- Equipment Purchases

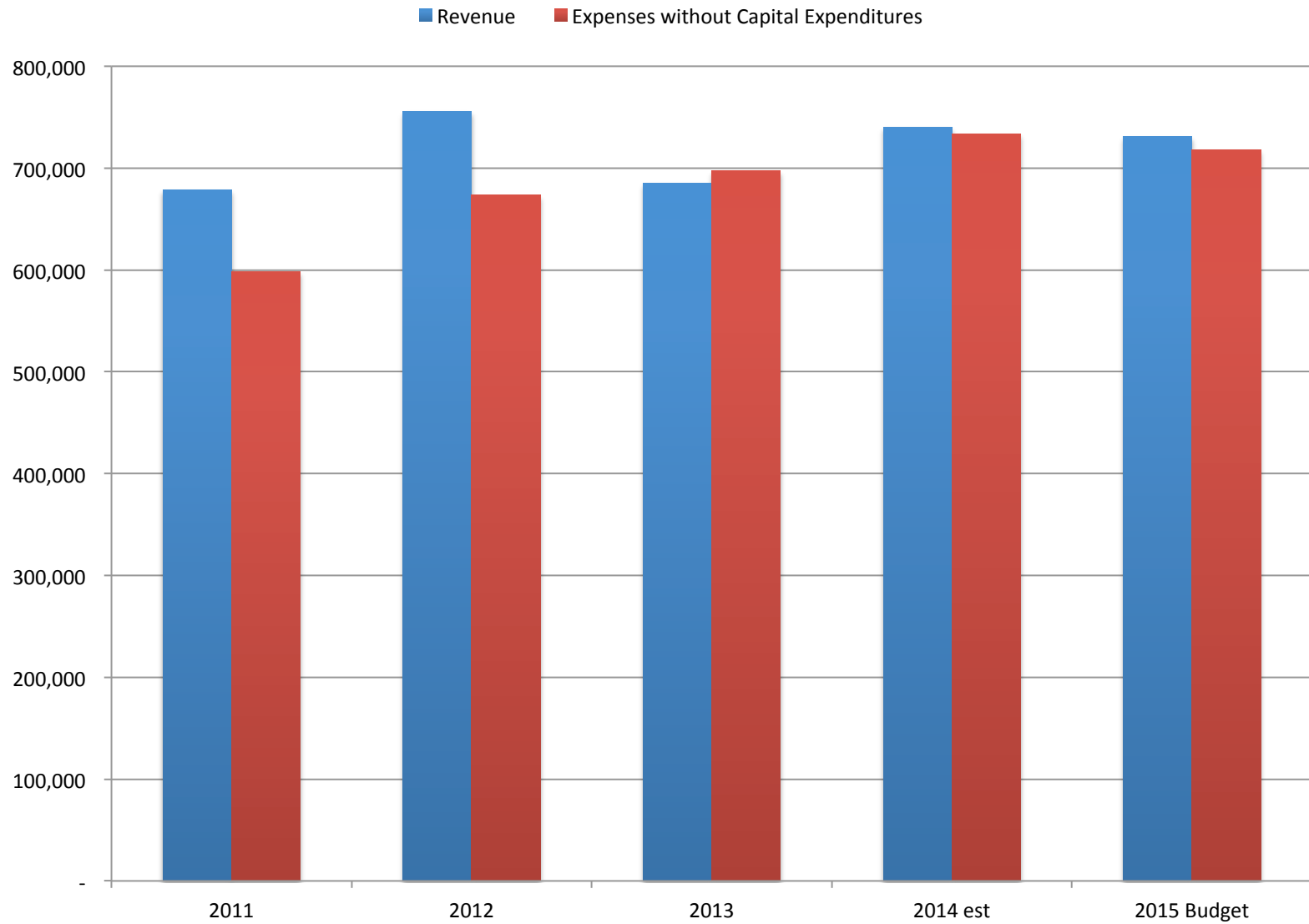
Investments from Reserves	2014	2015
Staffing Assessment	\$ 5.5	
Website Development	\$ 4.0	\$ 15.0
Van (depreciation)		\$ 10.0
Equipment Upgrades (depreciation)		\$ 3.2
Total	\$ 9.5	\$ 28.2

Efforts to mitigate losses include:

- Institution of PO Process and other spending guidelines
- Modest program and race price increases after completion of market analysis and consultation with program and race directors.
- Evaluation of areas that are not profitable.



Financial Trend Excluding Capital Expenses





General Operations

GENERAL OPERATIONS	FY 2013 Actual	FY 2014 est	FY 2015 Budget
GENERAL REVENUE			
Interest and dividend income			
Interest Income	\$40.37	\$1,530.00	\$50.00
Realized gain/loss	\$173.13	\$825.00	\$200.00
Unrealized gain/loss	\$7,308.22	\$4,400.00	\$8,000.00
Subtotal: Interest and dividend income	\$7,521.72	\$6,755.00	\$8,250.00
Other Income			
Club Clothing and Merchandise	\$667.09		
Advertising/inserts			
Misc. Income			
Uncategorized income	\$1,976.96	\$1,400.00	\$1,400.00
Subtotal:Other income	\$2,644.05	\$1,400.00	\$1,400.00
TOTAL GENERAL REVENUE	\$10,165.77	\$8,155.00	\$9,650.00

GENERAL EXPENSES	FY 2013 Actual	FY 2014 est	FY 2015 Budget
Compensation			
Wages - new payroll	\$77,184.52	\$94,000.00	\$99,000.00
Subtotal,Compensation	\$77,184.52	\$94,000.00	\$99,000.00
Payroll taxes			
taxes - new payroll	\$6,339.12	\$8,000.00	\$8,400.00
Subtotal, Payroll taxes	\$6,339.12	\$8,000.00	\$8,400.00
Professional Fees/Services			
Accounting fees	\$3,295.00	\$8,000.00	\$8,400.00
Payroll Processing Fees	\$1,252.00	\$1,300.00	\$1,300.00
Other Professional Fees/Services	\$150.00	\$5,500.00	
Subtotal, Professional Fees/Services	\$4,697.00	\$14,800.00	\$9,700.00
Office expenses			
Office Supplies	\$1,761.32	\$4,000.00	\$3,000.00
Telephone and Internet	\$4,210.19	\$5,190.00	\$5,100.00
Uncategorized expense	\$508.58		
Bank Charges	\$1,025.86	\$90.00	\$100.00
Square Fee	\$456.89	\$550.00	\$600.00
imAthlete Fee	\$1,592.44	\$1,800.00	\$2,000.00
Admin. Expense Reimbursements			
Subtotal, Office expenses	\$9,555.28	\$11,630.00	\$10,800.00

Information technology	FY 2013 Actual	FY 2014 est	FY 2015 Budget
Software (non-capitalized)	\$479.40	\$400.00	
Hardware (non-capitalized)	\$307.38		\$750.00
Hardware and software maintenance		\$60.00	
Website Design	\$49.00		
IT/Computer		\$15,240.00	\$17,210.00
Other IT costs (tech support, hosting, etc)	\$9,506.96		
Subtotal, Information technology	\$10,342.74	\$15,700.00	\$17,960.00

Occupancy	FY 2013 Actual	FY 2014 est	FY 2015 Budget
Clubhouse rent (Southlawn Ln)	\$37,200.00	\$37,655.00	\$39,060.00
Clubhouse utilities	\$3,063.81	\$3,000.00	\$3,000.00
Clubhouse property insurance	\$1,529.00	\$1,676.00	\$1,800.00
Clubhouse mats./maintenance	\$1,823.67	\$400.00	\$500.00
Subtotal, Occupancy	\$43,616.48	\$42,731.00	\$44,360.00

Travel	FY 2013 Actual	FY 2014 est	FY 2015 Budget
Transportation, meals, lodging	\$2,963.34	\$2,000.00	\$2,000.00
Club meetings - general	\$533.58	\$550.00	\$700.00
Meeting Registration Fees		\$500.00	\$500.00
Board meeting costs	\$1,051.84	\$1,300.00	\$1,500.00
Subtotal, Travel	\$2,963.34	\$2,000.00	\$2,000.00

Interest Expense	FY 2013 Actual	FY 2014 est	FY 2015 Budget
	\$109.84	\$-	\$200.00

Depreciation	FY 2013 Actual	FY 2014 est	FY 2015 Budget
	\$18,575.00	\$20,322.00	\$28,705.00

Insurance	FY 2013 Actual	FY 2014 est	FY 2015 Budget
Liability Insurance	\$11,063.72	\$11,100.00	\$11,500.00
Other insurance	\$1,985.00	\$2,100.00	\$2,300.00
Subtotal, Insurance	\$13,048.72	\$13,200.00	\$13,800.00

Misc	FY 2013 Actual	FY 2014 est	FY 2015 Budget
Printing and Reproduction	\$7,743.38	\$1,300.00	\$1,300.00
Taxes			
Misc. Admin.	\$100.00		
Club Communications - Expense:	\$9,587.09	\$8,828.00	\$9,100.00
USATF Dues			\$600.00
RRCA Dues	\$6,112.00	\$6,112.00	\$6,112.00
Green Team	\$355.46	\$650.00	\$925.00
Drop in Runs	\$500.00		\$400.00
Other miscellaneous expenses	\$6.93		
Subtotal, Misc	\$24,404.82	\$16,890.00	\$18,437.00

Postage/PO Box	FY 2013 Actual	FY 2014 est	FY 2015 Budget
	\$11,275.51	\$8,600.00	\$4,900.00

TOTAL OPERATING EXPENSES	FY 2013 Actual	FY 2014 est	FY 2015 Budget
	\$222,112.37	\$247,873.00	\$258,262.00

Net Operating Profit / (Net Operating Loss)	\$ (211,946.60)	\$ (239,718.00)	\$ (248,612.00)
Percentage Profit / -Percentage Loss	-95.42%	-96.71%	-96.26%



Training Programs

PROGRAMS BREAKDOWN	FY 2013 Actual	FY 2014 est	FY 2015 Budget
PROGRAMS REVENUE			
MCM Room	\$8,430.45	\$7,500.00	\$7,500.00
Training Program Revenue	\$147,009.71	\$151,000.00	\$150,500.00
TOTAL PROGRAMS REVENUE	\$155,440.16	\$158,500.00	\$158,000.00

GENERAL PROGRAMS EXPENSES			
General Overhead			
Staff	\$13,363.78	\$16,320.00	\$17,162.30
Occupancy	\$4,958.80	\$5,192.10	\$5,246.00
Communications	\$8,872.51	\$8,371.44	\$10,728.30
Insurance, Sanctioning	\$4,790.18	\$4,828.00	\$5,128.00
Subtotal, General Overhead	\$31,985.27	\$34,711.54	\$38,264.60

Program supplies and operations			
Background Checks	\$1,995.00	\$1,995.00	\$1,995.00
MCM Room	\$7,912.00	\$7,500.00	\$7,500.00
Equipment - new	\$47.74		
Equipment - consumables	\$506.78	\$100.00	\$500.00
Food/Beverage	\$4,341.20	\$3,600.00	\$4,300.00
T shirts and Premiums	\$43,415.79	\$50,000.00	\$47,000.00
Service rental	\$2,563.20	\$1,400.00	\$1,260.00
Banquets/dinner	\$18,598.56	\$18,000.00	\$19,600.00
Pace Coach Gifts	\$4,672.45	\$7,000.00	\$9,000.00
Certification Reimbursement/Other Training	\$9,626.20	\$8,250.00	\$9,000.00
Subtotal, Program supplies and operations	\$93,678.92	\$97,845.00	\$100,155.00

TOTAL PROGRAMS EXPENSES	\$125,664.19	\$132,556.54	\$138,419.60
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Net Income/(Net Loss)	\$29,775.97	\$25,943.46	\$19,580.40
Profit	23.69%	19.57%	14.15%



MCRRC Races

RACES BREAKDOWN	FY 2013 Actual	FY 2014 est	FY 2015 Budget
RACES REVENUE			
<u>Races Revenue</u>			
Race entries	\$320,866.57	\$322,700.00	\$331,700.00
Sponsorship	\$20,760.00	\$29,000.00	\$27,000.00
Photo Contract	\$750.00		
Upgrades Purchased	\$9,128.08	\$14,000.00	\$8,000.00
Club race chip fees	\$3,859.36	\$2,000.00	\$1,800.00
TOTAL RACES REVENUE	\$355,364.01	\$367,700.00	\$368,500.00

GENERAL RACES EXPENSES			
General Overhead Allocations			
Staff	\$31,738.98	\$38,760.00	\$40,638.42
Occupancy	\$27,273.39	\$28,556.55	\$28,853.00
Communications	\$8,872.51	\$8,371.44	\$10,728.30
Insurance, Sanctioning	\$7,664.29	\$7,724.80	\$8,204.80
Subtotal, General Overhead	\$75,549.17	\$83,412.79	\$88,424.52

Race supplies and operations			
Equipment new	\$5,268.17	\$4,500.00	\$5,500.00
Equipment maintenance	\$2,891.58	\$3,500.00	\$3,000.00
Equipment - consumables	\$22,618.28	\$17,200.00	\$18,500.00
Food/Beverage	\$35,553.13	\$31,000.00	\$31,000.00
T shirts and Premiums	\$121,728.20	\$114,000.00	\$115,800.00
Club race timing		\$1,000.00	\$1,000.00
Permitting	\$11,912.50	\$21,500.00	\$23,000.00
Police/EMT support	\$12,259.00	\$13,200.00	\$14,000.00
Equipment rental	\$25,217.83	\$26,200.00	\$16,000.00
Service rental	\$16,793.75	\$23,200.00	\$23,000.00
Race Awards	\$25,818.04	\$13,700.00	\$13,700.00
Invited Runner Expense	\$663.40		
Race Director/Team Captains Gifts	\$5,730.00	\$7,000.00	\$7,650.00
Background Checks			
Certification Reimbursement/Other Training		\$100.00	
Race Proceed Distribution	\$10,572.07	\$25,600.00	\$25,800.00
Subtotal, Race supplies and operations	\$297,025.95	\$301,700.00	\$297,950.00

Green Team	\$355.46	\$650.00	\$925.00
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Advertising and promotion			
Advertising	\$14,738.09	\$10,000.00	\$5,250.00
Subtotal, Advertising and promotion	\$14,738.09	\$10,000.00	\$5,250.00

Club Van supplies and repairs	\$629.19	\$1,500.00	\$1,500.00
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Subtotal Race Expenses	\$388,297.86	\$397,262.79	\$394,049.52
Minus low key race estimate (allocated to membership)	\$(54,361.70)	\$(55,616.79)	\$(55,000.00)
TOTAL RACE EXPENSES	\$333,936.16	\$341,646.00	\$339,049.52

Net Income/(Net Loss)	\$21,427.85	\$26,054.00	\$29,450.48
Profit	6.42%	7.63%	8.69%



Membership Services

MEMBERSHIP SERVICES	FY 2013 Actual	FY 2014 est	FY 2015 Budget
INCOME FROM MEMBERSHIP			
Membership dues and contributions:			
Membership Dues	\$79,139.21	\$92,000.00	\$90,000.00
Member Contributions	\$691.00	\$1,300.00	\$1,000.00
Interest and Dividend Income	\$7,521.72	\$6,755.00	\$8,250.00
Other Income	\$2,644.05	\$1,400.00	\$1,400.00
TOTAL MEMBERSHIP DUES & CONTRIBUTIONS	\$89,995.98	\$101,455.00	\$100,650.00
GENERAL MEMBERSHIP EXPENSES			
General Overhead Allocations			
Staff	\$4,176.18	\$5,100.00	\$4,903.52
Occupancy	\$4,958.80	\$5,192.10	\$5,246.00
Communications	\$8,872.51	\$8,371.44	\$10,728.30
Insurance, Sanctioning	\$1,916.07	\$1,931.20	\$2,051.20
Prof Fees, administrative overhead	\$23,523.17	\$28,300.00	\$15,350.00
Depreciation	\$18,575.00	\$20,322.00	\$28,705.00
Subtotal, General Overhead	\$62,021.73	\$69,216.74	\$66,984.02
Social Events			
Social Events	\$2,949.90	\$4,870.00	\$4,000.00
Awards Party	\$9,004.19	\$8,692.00	\$9,000.00
Subtotal, Social Events	\$11,954.09	\$13,562.00	\$13,000.00
Community Support Items -			
Donations/Gifts			
MD RRCA Initiatives	\$750.00	\$1,600.00	\$1,600.00
Sunshine Fund	\$136.70	\$400.00	\$500.00
Community Outreach	\$6,195.00	\$1,215.00	\$1,500.00
RRCA- Roads Scholar/MS Challenge			\$500.00
Subtotal, Donations/Gifts	\$7,081.70	\$3,215.00	\$4,100.00
Grants			
Scholarship awards	\$8,000.00	\$8,000.00	\$8,000.00
Subtotal, Grants	\$8,000.00	\$8,000.00	\$8,000.00
Total Community Support	\$15,081.70	\$11,215.00	\$12,100.00

Club Awards			
Misc club awards	\$2,746.34	\$3,796.00	\$3,800.00
Yearly Awards - Championship and CS series	\$3,237.50	\$7,795.00	\$9,300.00
Running with Courage Award			\$100.00
Yearly Awards - Lifetime Achievement			
Yearly Awards - Presidents Award			
Yearly Awards - Runner of the year	\$399.00	\$399.00	\$400.00
Yearly Awards - High School Runner			
Yearly Awards - Coach of the Year			
Yearly Awards - Volunteer of the Year			
Yearly Awards - Race Director of Year			
Yearly Awards - Most Improved Runner	\$120.00		
Yearly Awards - Journalism			
Yearly Awards - Volunteer Service			
Year Awards - Outstanding Participation		\$50.00	
Youth Participation Award			\$500.00
RD/PD awards	\$2,060.00	\$2,092.00	\$2,100.00
Subtotal, Club Awards	\$8,562.84	\$14,132.00	\$16,200.00

Member Participation			
Drop in Runs	\$500.00		\$400.00
Team Programs	\$5,599.35	\$5,100.00	\$5,700.00
Youth Running Series		\$1,450.00	\$900.00
Participation Series		\$1,136.00	\$1,150.00
Subtotal, Member Participation	\$5,599.35	\$7,686.00	\$8,150.00

Low Key Race Series			
	\$54,361.70	\$55,616.79	\$55,000.00

TOTAL MEMBERSHIP SERVICES EXPENSES	\$157,581.41	\$171,428.53	\$171,434.02
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Net Income/(Net Loss)	\$(67,585.43)	\$(69,973.53)	\$(70,784.02)
Profit	-42.89%	-40.82%	-41.29%



Race Management Services

RACE MGMT SERVICES (RMS)	FY 2013 Actual	FY 2014 est	FY 2015 Budget
INCOME FROM RMS			
RMS			
RMS timing/scoring revenue	\$57,653.59	\$81,400.00	\$80,000.00
RMS equipment rental	\$23,818.85	\$28,000.00	\$22,000.00
Mailing list rental	\$3,249.44	\$3,000.00	\$2,000.00
TOTAL RMS INCOME	\$84,721.88	\$112,400.00	\$104,000.00
GENERAL RMS EXPENSES			
General Overhead Allocations			
Staff	\$35,079.93	\$42,840.00	\$44,695.76
Occupancy	\$12,397.00	\$12,980.25	\$13,115.00
Insurance, Sanctioning	\$4,790.18	\$4,828.00	\$5,128.00
Subtotal, General Overhead	\$52,267.11	\$60,648.25	\$62,938.76
RMS Expenses			
RMS Staff Payments	\$24,623.50	\$30,000.00	\$30,000.00
RMS Reimbursements			
RMS Rentals and Other Fees	\$3,310.74	\$6,800.00	\$4,000.00
Subtotal, RMS Expenses	\$27,934.24	\$36,800.00	\$34,000.00
TOTAL RMS EXPENSES	\$80,201.35	\$97,448.25	\$96,938.76
Net Income/(Net Loss)	\$4,520.53	\$14,951.75	\$7,061.24
Profit	5.64%	15.34%	7.28%



Consolidated Budget Overview

2015 Budget						
	General Operations	Programs	Races	Membership Services	RMS	Total
Revenue		\$158,000.00	\$368,500.00	\$100,650.00	\$104,000.00	\$731,150.00
Expense	\$258,262.00	\$138,419.60	\$339,049.52	\$171,434.02	\$96,938.76	\$745,841.90
Net Income	\$(258,262.00)	\$19,580.40	\$29,450.48	\$(70,784.02)	\$7,061.24	\$(14,691.90)
Profit %	-100%	14%	9%	-41%	7%	-2%

2014 Est Actuals						
	General Operations	Programs	Races	Membership Services	RMS	Total
Revenue	\$-	\$158,500.00	\$367,700.00	\$101,455.00	\$112,400.00	\$740,055.00
Expense	\$247,873.00	\$132,556.54	\$341,646.00	\$171,428.53	\$97,448.25	\$743,079.32
Net Income	\$(247,873.00)	\$25,943.46	\$26,054.00	\$(69,973.53)	\$14,951.75	\$(3,024.32)
Profit %	-100%	20%	8%	-41%	15%	0%

2013 Actuals						
	General Operations	Programs	Races	Membership Services	RMS	Total
Revenue	\$-	\$155,440.16	\$355,364.01	\$89,995.98	\$84,721.88	\$685,522.03
Expense	\$222,112.37	\$125,664.19	\$333,936.16	\$157,581.41	\$80,201.35	\$697,383.11
Net Income	\$(222,112.37)	\$29,775.97	\$21,427.85	\$(67,585.43)	\$4,520.53	\$(11,861.08)
Profit %	-100%	24%	6%	-43%	6%	-2%