

**Revised September 2018 Treasurer's Report** – reporting financial results for the bRamble and for August

**Expected bRamble profitability**

This report begins with a look at expected bRamble results, given what I know so far.

- When all the revenues and expenses are finally in, I expect the bRamble to generate a net profit of between \$1000 and \$1500.
- The bRamble consisted of several revenue sources, each of which performed differently:
  - The event itself lost money, almost -\$1000 at this point.
  - After a detailed analysis, apparel is marginally profitable at this point: \$124. Future sales may improve this result by a few hundred dollars. (I sent out the detailed analysis under separate cover to the few to whom it matters.)
  - Sponsors and donations (\$2176) were the biggest contributors to the bRamble's overall profitability.
  - Including the non-recurring Cycle Oregon windfall would make the profit \$3000-\$3500.
- There are still some factors that could still change this forecast, mostly for the worse:
  - Since the bRamble committee did not track expenses, or even know who spent money, any outstanding financial obligations are unknown.
  - The bRamble committee spends large amounts of money without authorization and without informing the Board and the Treasurer. More spending may be in the works.

An example of unauthorized spending was the \$3275 purchase of jerseys and t-shirts. This expense was not part of the budget. Using the club's money to buy jerseys and t-shirts for sale was never discussed by the Board. Despite the fact that the purchase of apparel amounts to 20% of bRamble expenditures, the Board first knew about it when I notified them upon receipt of the bill in late July, more than a month after the order had been placed, just after the June Board meeting.

Two weeks ago, the bRamble committee again placed an order for jerseys without informing anyone or seeking authorization.

- Any donations or bonuses to outside non-profits will further reduce profitability. The current forecast assumes no bonuses or donations to organizations like Safe Routes to School, Adaptive Recreation, or other organizations listed on the GEARS website. References to GEARS' charitable giving should be removed from the website.
- Last year's bRamble event made about \$7000 in profit with sponsors donating an additional \$2000. As a result the club was able to give \$1700 in bonuses and donations to the bRamble coordinator and to other organizations.
  - In 2018 bRamble revenues increased by \$4000, due to apparel sales and to increased ticket prices. The number of riders did not increase.
  - In 2018 expenses increased by almost \$9000.
    - Apparel was a major, new expense category that alone added almost \$4000 in expenses. As mentioned, that expense was not part of the budget.

- Food and drink expenses increased by almost \$3000 over 2017.
  - Marketing expenses increased by more than \$2000.
  - A new way of marking the routes also added cost.
- The 2016 bRamble event generated a profit of \$1800, which was considered at the time to be unsatisfactory.

### **Effect on GEARS**

GEARs has traditionally depended on a profitable bRamble event to cover the deficit created when membership dues do not cover club operating expenses. At the moment the club is running a deficit of almost \$4000.

GEARs will probably manage to just about break even this year, due entirely to sponsors of the bRamble and to Cycle Oregon, which paid GEARs for working two rest stops. In addition, Cycle Oregon made a \$1000 year-end donation in 2017, which was deposited in 2018 and shows on this year's financials. That 2017 donation may be what spells the difference between a GEARs profit or a loss in 2018.

Unfortunately, the revenues from Cycle Oregon are a one-time occurrence. Such an opportunity may not reappear for years. If the club wishes to remain viable, it needs to either a) take a hard look at the bRamble's expenses and restore its profitability, or b) find new fundraising opportunities which could ultimately replace the bRamble entirely.

### **August Results**

GEARs net income was \$6112 in in August.

Monthly Revenue: \$16704

- PayPal revenues were \$577, below the monthly average for 2018.
- bRamble revenue: \$15,584

Expenses: \$10591

### **Year to Date Results**

GEARs net income is \$1595 so far this year. This amount does not take into account bRamble expenses known to be outstanding.

Year to Date Revenue: \$30,161

- PayPal subscriptions \$4953, almost \$1000 above last year
- bRamble revenue: \$21,141, \$4000 above last year

Expenses: \$28566

- Club expenses: \$9524, \$1500 above last year
- bRamble expenses: \$19,042, almost \$9000 above last year, not including some expenses known to be outstanding

**Current total bank balance** (after uncleared checks): **\$26837**, up \$1595 from year end 2017, reflecting the year to date profit of \$1595.