

# AHRMA Board of Trustees Meeting

Prepared by: Craig Grantham  
Leeds, AL  
10/10/22



# Agenda

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- Acknowledgements
- Situational Overview
- Financial Review & 2023 planning
- Membership, sponsorship
- Second half 2022 outlook



## First, a thank you...

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- **Members (owners):** Staying involved during tough economic times.
  - For your engagement, feedback, and direct communication.
- **Race Directors, Regional Coordinators, & Volunteers:** They all work very hard and provide a great member experience.
- **Internal team staff:** Cindy, Dan & Jennifer, Stephanie, Jim Doyle
- **Maggie Shane, Lisi Bratcher:** Continued systems improvements, and the primary support for our financial reporting (BoT request).
- **Executive Committee & Trustees:** Ongoing support, sharing, and guidance as we've tackled unique challenges.



# Situational Overview Q1-Q322

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## Challenges: The perfect storm...continues.

- Financial pressures as the US continues to decline.
- Venues, organizations, suppliers, continue to increase prices.
- Participation rates have suffered as fuel costs have risen.
- Revenue and expenses should track together to avoid deficit spending; they haven't.
  - AHRMA events have experienced lower than anticipated entries, all disciplines, all regions.
  - Costs to run the events (expenses) have increased along with everything else.
- Many race organizations have cancelled events to manage through this.
  - AFM, WERA, AHRMA, others.



# Management Actions: What's next?

## Weathering the storm...and being sustainable.



- Manage events to reduce losses.
- Right size our race schedule across disciplines (planning 2023 now).
- Events that provide a quality membership experience AND are financially viable.
- Create actual plans by event that will provide pre-advice and real expectations.
- Track the metrics to the events to adjust as necessary as the season unfolds.
- Plan Marketing and Merchandising that supports our events properly.
- Listen to and execute input from the BoT and members at our quarterly Town Hall's



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# **Board of Trustees**

# **FINANCIAL REVIEW**

**October 10, 2022**



# Q322 Financial Review: Overall Event Results by Discipline

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- **Offroad:** All profitable, except for Jackpine Gypsies (Sturgis).
- **Road Race:** 50/50 NJMP loss offset by BFR & Gingerman wins.
- **Dirt Track:** Lodi and Cinci - red. We have a plan to fix this in 2023.
- **Laguna Seca MotoFest:** A loss for 2022, but we have a plan to improve this for 2023 and beyond.
  - This will be our sole MotoFest in 2023, and will have planning and focus to match.

**We are actually planning by event for 2023 and should have a better understanding in advance.**



# Financial Review: First Half, 2022 (Dec – May)

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## First Half, 2022:

- Income was good – from all sources. More participation could have driven higher income, giving us a better gross profit.
- We need to increase income as we reduce costs in order to create balance.
- P&L Topline: First Half, 2022
  - Income: \$955,360.28
  - TTL COGS: \$745,544.15
  - Gross Profit: \$209,816.13
  - TTL Expense: **-\$484,979.49**
  - Net Income: **-\$275,163.36**

## Third Quarter, 2022:

- Income was good for Midwest RR events. This acted as an offset for our NJMP event.
- We expect positive results for our Q4.
- Focus on better balance between revenue / expense. Build topline \$ via participation.
- P&L Topline: First Half, 2022
  - Income: \$474,729.35
  - TTL COGS: \$219,482.58
  - Gross Profit: \$255,246.77
  - TTL Expense: **-\$299,974.19**
  - Ord / other Income: **-\$44,727.42 & -\$10,880**
  - Net Income: **-\$55,607.42**





# Roadmap: Planning for 2023

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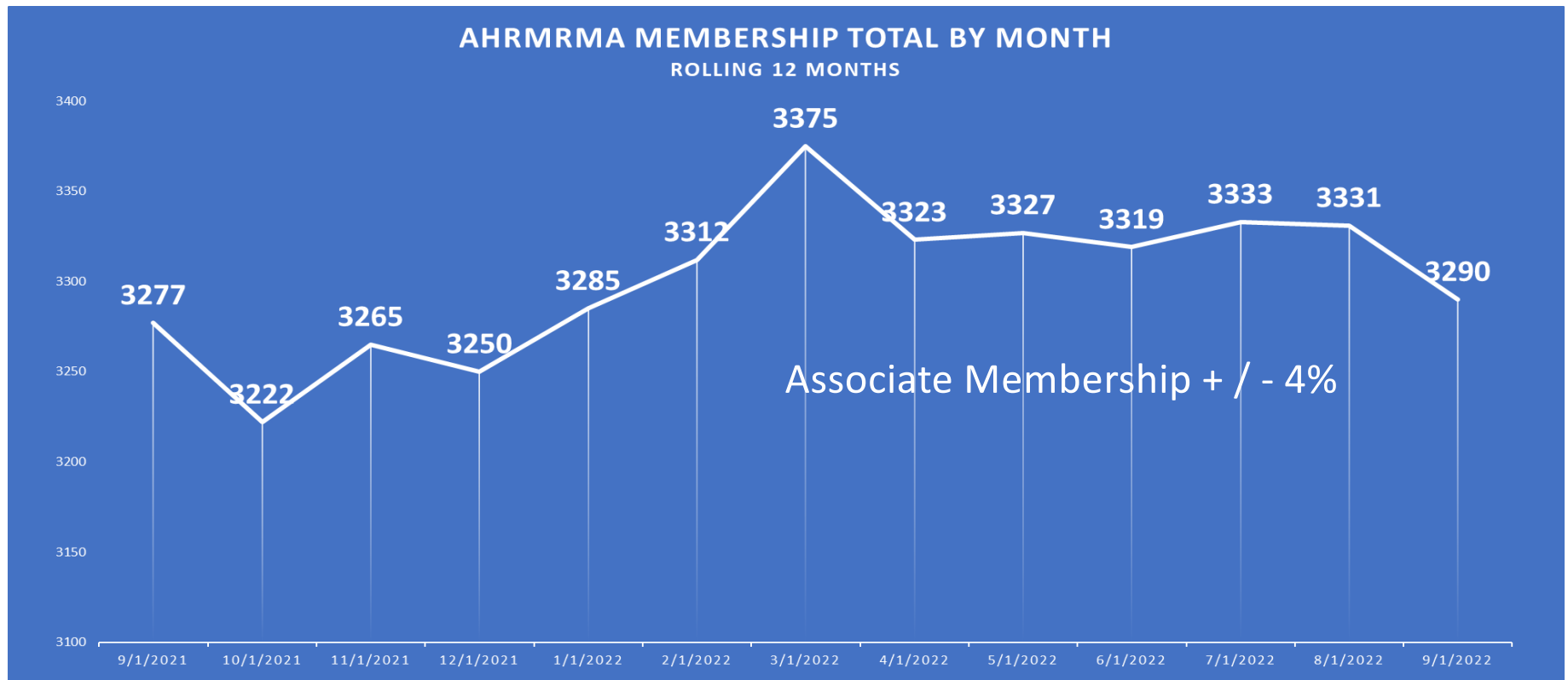
**We are creating plans by discipline, by event:**

- Based on our P&L.
- Simple inputs / comments.
- Includes rationale by event.
- Marketing is key, where we are able. This will be specific to AHRMA managed events, but we can partner with promoters (OR) as well.



# Membership Reports: Through August, 2022

**We have Grown over the last year but have leveled off with the economy.**



- **Our membership is tracking similarly year over year.**



# Membership Reports

**We have Grown year, over year, over year...**

Month	2020 Total	2021 Total	% Change	2022 Total	% Change
Jan	2955	2800	-5.2%	3285	17.3%
Feb	2894	2848	-1.6%	3312	16.3%
Mar	2791	2902	4.0%	3375	16.3%
Apr	2705	3017	11.5%	3323	10.1%
May	2706	3095	14.4%	3327	7.5%
Jun	2745	3162	15.2%	3319	5.0%
Jul	2759	3200	16.0%	3333	4.2%
Aug	2775	3249	17.1%	3331	2.5%
Sep	2814	3277	16.5%	3290	0.4%
Oct	2827	3222	14.0%		-100.0%
Nov	2758	3265	18.4%		-100.0%
Dec	2770	3250	17.3%		-100.0%

- Comparing with like time frames gives us perspective.



# Sponsorships: Growing our support

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## **2021 Sponsor Contracts (internal team)**

- RR: \$63,740.00
- OR: \$14,000.00
- TL: \$77,740.00

## **2022 Sponsor Contracts**

- RR: \$143,850.00
- OR: \$6,750.00
- TL: \$150,600.00



**93.7% increase VS 2021.**

**THANK YOU FOR ALL YOUR HARD WORK, JIM!**



# Second Half 2022 outlook, 2023 planning

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## **We are planning forward, and managing / reporting finances:**

- We will finish the year in the **red**, and we have acquired debt to operate in 2022.
- We are working on a “retire the debt” initiative to repay our lenders.
- We are watching both our spending and events for 2023 to ensure viability.
- Planning, tracking metrics, adjusting on the fly, will be needed.

## **For 2023: Planning process began in August – to be completed in Q4.**

- As shown, our events will be based on membership experience and viability.
- We will now have historical P&L information to inform our future choices.
- We will continue to update the membership as plans are completed.
  - Initial calendar created – working to finalize now (all disciplines).
  - Once plans are completed – financially – we will align and deliver the schedule.



# QUESTIONS?



# Off Road

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10/10/22



# 2022 Performance: Off Road

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- **2022 Overall:**

- Success of events (on site topline overview).
- Financial performance – Generally in the black in event P&L's.

- **Fiscal Q322 (June – August):**

- Awaiting several event settlements as we speak.
- Events will be finalized ASAP, and we expect the trend in OR to continue with many being in the black.
- Managing expenses and lower cost events (promoter partners) are helping us to keep most of our events profitable.





# 2023 Schedule Planning: Off Road

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- **Tentative schedule (directional)**
  - 14-16 MX across all regions
  - Still working on Cross Country and Trials
  - Regional events to be determined (schedules currently limited due to promoters not having their schedules available until later in the year)
- **What we've learned from 2022**
  - We need to leverage regions for support of National events
  - We need to better support regions to increase membership



# 2023 Outlook: Off Road

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- **Tentative schedule (directional)**

- Looking at 14-16 MX events across all regions
- Regional schedules will not be able to be determined until later in the year as promoters will not be able to get commitments until then.

- **What we've learned from 2022**

- Cross communication between disciplines and regions needs continued improvement to build efficiencies and reduce duplicate work.
- Need to keep an eye on individual events to see where we can improve the bottom line while enhancing the member experience.
- Laguna Seca – Need to increase participation in all disciplines, especially on the PVMX / NGMX disciplines.



# QUESTIONS?

