

National HBPA

Budget and Dues Committee

Summer 2013 Convention

Budget and Dues Committee Members

- Ron Ball
- Dave Basler
- Peter Ecabert (*advisory*)
- Phil Hanrahan (*advisory*)
- Tom Metzen, Sr.
- Jon Moss **Leroy Gessmann*
- Laura Plato (*advisory*)
- Robin Richards (*ex officio*)
- Lynne Schuller
- Robert Scott (*advisory*)
- Kent Stirling
- Richard Yates
- Ron Maus, Chair

Budget and Dues Committee

Activity YTD

- Working jointly with Audit Committee to increase overall working knowledge by both committees into activities of the other to assist in understanding financial reporting, budgeting, and auditor role and efforts
- Monthly distribution of financial reports
- Quarterly telephonic review meeting of financial statements for NHBPA, NHAC, Horsemen's Journal held jointly with Audit Committee

Budget and Dues Committee Activity

The Year Ahead

- Quarterly telephonic review meeting of financial statements for NHBPA, NHAC, Horsemen's Journal for 3rd Quarter
- Working sessions in 3rd and 4th Quarters to develop 2014 budgeted cost amounts
- Working sessions in 3rd and 4th Quarters to develop 2014 budgeted dues amounts
- Temporary approval of Executive Committee (at October meeting) pending full approval of Board at Winter 2014 meeting

Six Months Financial Highlights

- **Horsemen's Journal**

- Expenses YTD are about 4% under budget
- Actual income YTD is “on target”
- Budget includes an \$8,000 “subsidy” from NHBPA
 - This “subsidy” is about 10% of the “subsidy” included in budgets over the last three years, if not longer

Six Months Financial Highlights

- **National Horsemen's Administrative Corp.**
 - Includes the Horsemen's Journal in its accounts, budgets, and operating income and expense
 - NHAC is largely the taxable arm of the National HBPA, and it conducts "business" operations that if profitable, could be taxable to the entity
 - Budgeted generally to breakeven as NHAC provides a vehicle for our insurances to affiliates for D&O and F&D purposes
 - YTD, we are right on budget – no surprises

Six Months Financial Highlights

- **National HBPA, Inc.**

- NHBPA is the administrative entity under which most of our activities are organized, and is a non-taxable entity
- Generally, services are paid for through dues of the Affiliates, plus revenue from conventions
- Expenses primarily are for staff, occupancy, lobbying, legal, insurance, and membership in affiliated horsemen-related entities (RMTC and RCI)
- YTD, we are ahead of budget, due to winter convention surplus, Claiming Crown revenue, other savings on planned expenses (which could reverse), net of an unplanned expense for D&O insurance on the “RPG”
 - The “RPG” is the “risk purchasing group” entity used to allow NHBPA members to buy individual owner/trainer insurance policies (Lavin); D&O coverage was added in 2013

In Summary

- In 2013, we embarked on a new direction for NHBPA
- Due to past budgeting decisions that allowed cash surpluses to subsidize both affiliate dues and Horsemen's Journal losses, we changed course to minimize support to the HJ, and to discontinue the dissaving of entity assets
- The 2013 budget process was thorough and well-intended, and our Staff (Phil, Laura, and Robert) have done an exceptional job of managing our resources and our budget
 - At this time, all three of our measureable entities are performing well to budget, thanks to Denis Blake at HJ, and our NHBPA Staff
- We expect that this course shall allow increased entity financial strength and reduce the impact of any one event that we might face, although there are no guarantees of any uninsured problems that we could face