

National HBPA

Budget and Dues Committee
Summer 2014 Convention
Oklahoma City

Budget and Dues Committee Members

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

Quick Look at Our Organization



Budget and Dues Committee

2014 Activity YTD

- Continuing joint work 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
- Review of Dues Reduction Request

Budget and Dues Committee Activity

2014: 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 2015 budgeted cost amounts
- Working sessions in 3rd and 4th Quarters to develop 2015 recommended dues allocations
- Effort to lead to temporary approval of Executive Committee (at October meeting) pending full approval of Board at Winter 2015 meeting

Six Months Financial Highlights

January – June 2014

- **Horsemen's Journal**

- Budgeted Annually to “Breakeven” with an \$8,000 “subsidy” from NHBPA
- Excellent Operational Results under Denis Blake leadership
- YTD performance is “on target”
 - Revenues off slightly for subscriptions
 - Expenses running lower than planned
 - YTD accrual basis is about \$7,000 AHEAD

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
 - Small surplus, as noted, in HJ; all other on par

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 nominally AHEAD of budget, net of: small loss from our winter convention, largely offset by Claiming Crown distribution, and some savings in insurance cost, office cost, and travel expense

Other Items

- In early summer, two affiliates provided input to the CEO that they were seeking some dues relief for 2014
- Following our established policies, the Budget and Dues Committee Chair appointed three of its members to serve as our Dues Reduction Sub-Committee
 - Serving were Jon Moss, Kent Stirling, and Richard Yates
- The affiliates were fully cooperative and responsive to “fill in the gap” questions that were raised
- After evaluation of the requests and the materials submitted, the Sub-Committee made its recommendation to the Budget and Dues Committee, which was adopted by the Committee for presentation to the Executive Committee on Saturday

In Summary

- In 2012, we embarked on a new direction for our 2013 budget
- Past budgeting decisions allowed cash surpluses to subsidize both affiliate dues and Horsemen's Journal costs - we changed course to discontinue the dissaving of entity assets
- We eliminated compartmentalized dues allocations
- The current budget process has been thorough and well-intended, and our Staff (Phil, Laura, and Robert) have done an exceptional job of managing our resources and our budget
 - We have a simple, generally predictable business
 - 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 NHBPA 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