

The National HBPA



"Horsemen Helping Horsemen"

Secretary/Treasurer PRESENTATION

- *Year Activity Review*
 - *Dues Appeal Process*
- *2012 Financial Results Overview*
- *Texas Dues Appeal*
- *2013 Budget and Dues Process*

2012 Year Activity Review

- *Secretary/Treasurer change*
- *Completed Initiative for Formalizing Dues Appeal Process*
- *Monitored Financial Progress*
- *Break-Even Budgeting*
- *All-in-one Dues Amount*
- *Budget and Dues Process*

2012 Financial Results – Overall Comments

- *After years of running losses, we had a very good year*
- *Results reported today are based on "cash basis" of reporting*
- *Significant variations not expected in revision to "accrual basis"*
- *Audit has not been completed, results are tentative and preliminary*

2012 Financial Results – National HBPA

- *Budgeted 2012 **LOSS** of \$49,500*
- *Actual 2012 **GAIN** of \$34,500*
- *Bettered Budget by **\$84,000***
 - *Conventions*
 - *Payroll Expense*
 - *Legal/Professional*
 - *Travel*
 - *Awards*

- 2012 Financial Results – National Horsemen's Administration Corporation

- *Budgeted 2012 **LOSS** of \$13,000*
- *Actual 2012 **GAIN** of \$40,500*
- *Bettered Budget by **\$53,500***
 - *Horseman's Journal turnaround*

2012 Financial Results – Horseman's Journal

- *Included within Admin Corp. (subset)*
- *2012 Budgeted **Loss** of \$5,000*
- *2012 **Gain** of \$40,900 National HBPA
Administrative Corp Overview*
- *Bettered Budget by **\$44,900***
 - *Advertising/Office Savings*
 - *Payroll Expense Savings*
 - *Printing/Professional Savings*
 - *Travel Savings*

Texas Dues Appeal

- *Texas, like many, under financial stress*
- *Assigned dues of \$16,000 based upon imputed survey data – they did not respond originally*
- *Texas did complete the newly developed and approved process*
- *Budget and Dues subcommittee review*

Texas Dues Appeal

- *Subcommittee and Budget and Dues Committee mutually concluded to reject the request of Texas but to take no position on whether or not Board should approve their request*
- *Unusual situation due to insurance*
- *Board will be confronted with a choice, based on wider economic considerations*

Texas Dues Appeal – Bottom Line

- *Texas will not pay more than \$5,000 in dues to remain in NHBPA in 2013*
- *Choice:*
- *Accept Texas Dues of \$5,000 or imperil rates for 2013 for others*

	<u>Per NHBPA</u>
Dues	\$16,000
D&O	\$19,000
F&D	<u>\$3,300</u>
Total	\$38,300

Texas Dues Appeal – My Recommendation

- *Accept Texas Dues of \$5,000 for 2013 due to issues relating to others*
- *Following summer convention, request Texas to shop their own insurance and to report findings to us*
- *Motion to follow*

Texas Dues Appeal – Motion

- *"I move that the Executive Committee recommend the following actions to be approved by the full board tomorrow:*
 - *Due to the circumstances discussed, for only the calendar year 2013, Texas be allowed to pay dues of \$5,000 and retain its membership within NHBPA; and*
 - *Following the Summer convention, Texas be requested to identify its options for self-coverage for its insurance needs and to report its findings to NHBPA"*

2013 Budget and Dues Process

BUDGET and DUES

- *2013 to have new approach, mandated by Board in prior years*
- *All-in-one dues figure; no separation of dues, industry initiative, legislative, and Horsemen's Journal*
- *Further, budgeted losses for entities could not be continued – breakeven budget*

2013 Budget and Dues Process

BUDGET

- *October 2012 EC meeting, 2013 budget figure of \$522,250 presented*
- *Budget and Dues and staff reduced to \$489,250, approved by B&D*
- *Cuts to Groom Elite, \$15,000; Lobbyist \$12,000, Misc. charities and ROAP, \$6,000*
- *This is down from 2012 amount of \$530,250 equivalent in dues*
 - *8.4% greater in 2012 than 2013 dues*
 - *18.6% greater in 2012 w/ budgeted loss*

2013 Budget and Dues Process

BUDGET - Motion

- *"I move that the Executive Committee recommend for approval tomorrow by the full Board the budget approved by the Budget and Dues Committee, based upon total affiliate dues set at \$489,250 be accepted as the basis for management of the NHBPA entity in 2013."*

2013 Budget and Dues Process

DUES

- *\$500,000 dues allocated on historical method per Joe Santanna*
- *Based upon administrative budget, race days, and non-stakes purses*
- *Amounts resulted in some adjustments for affiliates, generally most had dues reductions of some sort, few were increased*

2013 Budget and Dues Process

DUES

- *\$500,000 is \$11,000 greater than budget, but was selected by B&D committee to reflect possible issues with affiliates known to be at risk (Texas and New Mexico) and modest collection risk*
- *Coincidental versus Texas amount*
- *Will seek approval at Board Meeting*

2013 Budget and Dues Process

DUES - Motion

- *"I move that the Executive Committee recommend to the full Board for approval tomorrow the following:*
 - *The 2013 affiliate dues as presented to the affiliates in December 2012 be adopted as offered, but that*
 - *The 2013 dues for Texas be dropped to \$5,000*
 - *The shortfall from the resignation of New Mexico be addressed from 2012 earnings of the entity and not be passed on to other affiliates"*

QUESTIONS?

