

## Budget Narrative Fiscal Year 2012-2013

The Proposed Budget for fiscal year 2012-2013 will come before the BOG at its 2011 General Assembly. The following information is provided in support of its review. The budget being proposed is balanced and no dues or fee increases are incorporated. As compared to the current fiscal year budget the proposed budget has been shrunk within the context of a conservative outlook. Operating revenue is reduced by \$103,915 and expenses by \$157,415.

- Salaries and Benefits expense has been “decreased” by 3.2% or \$62,607. All inclusive, the current budget has Salaries and Benefits of \$1,929,658 and the proposed budget is \$1,867,051. The forecast includes a slight overall decline in benefits and salary costs, no staffing growth, a 3% annual average pay increase, plus 1% for other discretionary adjustments is incorporated.
- Reduced the Group Member revenue forecast by 5% because there is a clear indication that GM memberships, year to date, are lagging behind last year. The other membership types and horse registrations are tracking to plan with no apparent need to change the forecast from current levels.
- Increased advertising revenue in the Publications/Member Guide line item, to reflect the increased advertising interest due to the increased distribution of the Member Guide.
- In the Publications Budget, the Connection Online expense was significantly reduced due to a switch to a new Web hosting service with a significantly lower cost structure.
- In the General Administration Budget we adjusted Legal, Professional Services and Consulting expenses upward to cover planned projects for updating USDF’s employee handbook, HR policies, fundraising policies and registration requirements.
- Also, in the General Administration Budget the Executive Board line item has been increased to reflect the addition of the three new At-Large Directors and anticipated increases in travel costs.
- The Investments budget reflects an investment of the National Championship portion of the Regional Championship Qualified Ride fees. For the past three years, as directed by the BOG, this investment has been deferred with the revenue remaining in the operating budget. The BOG motion was for the current budget only and not in perpetuity.
- The YR Graduate Program line items in the Education Programs Budget are at \$0 because the program is implemented every other year, with none scheduled during the next fiscal year. The \$10,000 increased loss in Youth Programs is related to the effect of not having a Young Rider Graduate Program in the 2012-2013 Preliminary Budget.
- The comparative fluctuation in the Education Programs budget is primarily due to no 2012 Symposium in New Orleans. The new series of adult clinics is scheduled for three clinics to fall into the current fiscal year and six in the next.
- Regarding the Competition Services budget, no championships or events live in this budget. They are in the Sport Programs Budget. Essentially, the bulk of the expense is administrative and related to data processing and recognition.