

2020 USBCHA Annual Report

Article 6.2 of the USBCHA Bylaws requires the President to present an annual report at the annual meeting or post such report on the Association's website before the end of the calendar year that shall cover the financial condition of the Association and may address other matters that are of interest or concern to the Association.

Suffice it to say, 2020 will not be the year looked fondly upon by USBCHA members. Across North America, and indeed around the world, trials were canceled due to public health and travel restrictions, resulting in USBCHA's cancelation of both National Finals in October, cancelation of the International and postponement of the World Trial in September, cancelation of the Continental Sheepdog Championship, and on and on. Due to uncertainty about the course of the pandemic in 2021, the World Sheepdog Trials has again been postponed, at least through 2023. Here, in the U.S. and Canada, we anxiously look for a glimmer of hope in our daily doom-scrolling through the Internet.

Governance

The USBCHA Board of Directors (Board) was particularly active in 2020, much of which was attributable to the pandemic. In all, the Board met via teleconference nine times to discuss matters of concern to the HA and its members, and addressed these issues with due diligence and professionalism for which I am grateful. Specific issues are annotated in the minutes, which are posted on the USBCHA website. A summary of Board actions related to Covid-19 is presented later in this report.

Board elections were held in September/October, where new Directors in Districts 2 (Jamie Spring), 3 (Bob Allen), 4 (Russell McCord), 6 (Bob Washer), 8 (Marianna Schreeder), 9 (Tracy Hinton) and At-Large (Scott Glen) were elected by the membership. I want to thank Terri Warner, Angie Coker-Sells, Faansie Basson, Linda Tesdahl, David Saunders, John Palmer and Dianne Deal for all their hard work during their terms as Directors. Officer elections were held in November, where positions for Secretary, Treasurer and President were unopposed. The Board voted Russell McCord to be Vice-President, and his term begins January 1, 2021. In addition, Pearse Ward accepted the position of Webmaster in February and has made numerous improvements to the USBCHA web site.

Pandemic

The most significant topic of Board matters in 2020 was the pandemic. Covid-19 was introduced as an agenda topic in March at an Emergency Directors Meeting, where the Board was briefed on the emerging public health crisis and then debated how the HA should respond. In that meeting, I was directed to appoint a Covid-19 Committee to advise the Board on USBCHA activities, including trial sanctioning, Finals qualifying and conditions under which the Finals could be held. At that meeting, the Board voted to suspend sanctioning through early May and reduced the HA's Trial Approval requirement to facilitate holding sanctioned trials when the suspension is lifted. I subsequently appointed a Covid-19 Advisory Committee that included several Board members, in addition to two professionals from the membership – an infectious disease specialist who previously worked at the Centers for Disease Control (CDC), and a medical doctor. In addition, a Finals Qualification Committee was formed. In an Emergency Directors Meeting held in April, the committee's recommendation to extend withholding trial sanctioning through June 10 was approved by the Board.

In a May BOD meeting, following a briefing from the 2020 Sheepdog Finals Committee, the Board voted to cancel the 2020 Finals scheduled for Belle Grove in October, and to return to Belle Grove in 2021. The suspension of sheepdog and cattle dog trial sanctioning was extended to August 1. Also in May, the National Cattle Dog Committee voted unanimously to cancel the 2020 Cattle Dog Finals, which in June was accepted by the Board with a recommendation to return the 2021 Finals to Sandeen Farm on a date to be determined. In June, the Board also voted to resume trial sanctioning on August 1 and, on the recommendation of the Finals Qualification Committee, voted to leave Nursery qualification criteria for the 2021 Finals unchanged.

In order to protect handlers when sanctioned trials resume in August, USBCHA adopted Interim Rules Pertaining to the Covid-19 Pandemic which required trial hosts to follow local public health regulations, publish safety protocols and refund entry fees to symptomatic or potentially exposed handlers who withdraw from a trial. Regarding the latter, the Board approved a motion requiring USBCHA to reimburse trial hosts for refunds of sanctioned class entry fees made to handlers who withdraw due to Covid-19 while the interim rules are in effect. At the same July BOD meeting, I was directed to design a financing scheme to reimburse trial hosts for additional expenses that may be needed to satisfy local regulations for outdoor gatherings. USBCHA has since offered grants of \$150 per sanctioned trial or approved event to help with these costs. Originally in effect for 90 days, the Board extended the interim rules through January 31, 2021 and the rules are expected to be reviewed again at the next BOD meeting. Through the end of 2020, USBCHA has issued \$4,950 in mitigation grants (with another \$450 earmarked for trials scheduled in January, 2021) and \$1,372 in entry fee refunds.

Finally, the Board addressed 2021 Sheepdog Finals Qualifications for Open dogs. While the Finals Qualification Committee recommended no changes to the current qualifying rules, as defined in Article XI of the USBCHA Bylaws, the Board proposed a 5-2 option, which would allow a dog to carry over points from up to two trials from the 2020 trial year in the computation of 2021 points. Since this would require an amendment to the Bylaws, which by Article X requires membership approval by a two-thirds vote, the proposed amendment was presented to members, and was defeated.

While many trials continue to be canceled due to the pandemic, I have been extremely pleased to see and hear that hosts and handlers are adhering to safety protocols in trials that have taken place. I need not remind everyone, however, that the pandemic has not yet run its course, and that continued cooperation is needed between handlers, trial hosts and public health authorities if our sport is to return to form.

Financials

A review of USBCHA's accounts through 2019 shows a modest gain in net income over 2018 (\$25,091 vs. \$21,013), even though total income declined by about \$4,000. At the end of 2019, USBCHA's total current assets amounted to \$372,151 compared to \$342,058 in 2018. Approximately 60% of current assets are parked in an Ameriprise Investment Account, with the remainder split between checking and savings. A member in good standing may request a copy of the 2019 financials by contacting the Treasurer.

2020 financials are preliminary, and have not yet been reviewed by the Finance Committee or Tax Advisor, but show a significant decline in income, primarily due to a drop in sanctioning fees, grants and Finals entry fees. However, in the absence of Finals costs, expenses were considerably lower, even with

COVID-19 related disbursements, resulting in an increase to net income. Also, in 2020 USBCHA transferred its investment dollars from RBC to Ameriprise to maintain a cost-beneficial relationship with our financial advisors. USBCHA also increased its investment holdings with a transfer of \$48,811 from its checking account.

World Sheepdog Trials

As reported earlier, the ISDS canceled the 2020 World Sheepdog Trials and subsequently postponed the trials to at least 2023. In preparation for the event, U.S. and Canadian teams had been selected, and fundraising for the U.S. team was underway. With postponement of the trials and realization that by the time the next trial is held the composition of the U.S. team will likely be different, the World Trial Committee requested USBCHA to hold the funds it had raised for a future team. These funds (\$14,516) are currently househanded in a subaccount of the HA's investment account and for transparency are tracked as a separate line item in its accounting system.

Sponsorship

Despite cancellation of the Finals, Purina Pro Plan continued its annual sponsorship of the USBCHA, allowing the HA to earmark the 2020 funds for the 2021 Finals or any operating needs this year. In addition, Purina Pro Plan awarded USBCHA \$1,500 for the purchase of two new countdown timers for use at the Finals. Finally, Faansie Basson's Jack won the 2020 Nestle Purina Award for the Outstanding Field Trial Herding Dog for the 2019- 2020 trial year. The award includes an oil painting of the winning dog, a cash prize of \$1,000.00 (\$2,000.00 if an active Purina Pro Club member) and a year's supply of Pro Plan. The award will be presented at a trial TBD. Please thank Purina for its continued sponsorship of the USBCHA, and congratulations to Faansie. Note also that Paw Print Genetics has again partnered with USBCHA so that members can save on genetic testing. Please refer to the USBCHA web site for additional information.

General Liability Insurance

During its consultations regarding the impact of the Coronavirus on sanctioned trials, the Covid-19 Advisory Committee reviewed the HA's General Liability (GL) insurance coverage. The committee found several ambiguities in the interpretation of our policy by agents of our insurance provider and, following discussions with the Board, I was tasked to solicit clarification on the policy's coverage and how it relates to trial hosts, particularly with respect to the Additional Insured option that USBCHA offers. After a comprehensive review of the USBCHA GL insurance policy and additional research on the offerings of other providers, it appears the USBCHA's GL insurance basically covers the two events hosted by the USBCHA (i.e. the two Finals). It was determined that because USBCHA is a sanctioning organization and does not otherwise control the trials it sanctions, trial hosts would have significant gaps in coverage if they relied on the Additional Insured status through the HA's policy. Because of this, the USBCHA regrettably has withdrawn the additional insured option previously extended to trial hosts of sanctioned trials. We encourage trial hosts to obtain their own General Liability coverage for events they hold. We are investigating other options and hope to be able to publish insurance resources on the website identifying insurance carriers and agents who would offer affordable GL coverage to trial hosts and information about the type of coverage trial hosts should purchase.

Looking Forward to 2021

Looking forward, we hope the public health situation will allow trialing to resume in earnest by late Spring 2021, and that the Finals will take place as scheduled. I will be convening the new Board in January to help guide the USBCHA through these turbulent times. Happy New Year, stay safe and good luck trialing in the coming year.