

**National Reining Horse Association  
Minutes of the Executive Committee Meeting  
NRHA Office  
Oklahoma City, OK  
June 8, 2010**

*Draft  
Approved 8/19/10*

**I. Call to Order: President Weaver 8:00 a.m.**

**Roll call: Rick Weaver, Allen Mitchels, Terry Griffin, Mike Hancock, Beth Himes and Dale Lopp.**

**Not Attending: Mark Schols and Rosanne Sternberg.**

**A quorum was announced.**

**II. Approve Minutes:**

- A. April 1, 2010 Executive Session Minutes of Conference Call - Terry Griffin moved to approve minutes as amended. (Amended to read - Mark Schols moved to authorize Executive Director Wall to secure the dates NRHA desires.) Seconded by Dale Lopp. Motion passed unanimously.
- B. April 7, 2010 Meeting Minutes – Terry Griffin moved to approve minutes as presented. Seconded by Dale Lopp. Motion passed unanimously.
- C. April 7, 2010 Executive Session Meeting Minutes – Beth Himes moved to approve minutes as presented. Seconded by Terry Griffin. Motion passed unanimously.
- D. April 8, 2010 Meeting Minutes – Mike Hancock moved to approve minutes as amended (delete reverse side of print out beginning with *The motions below are a summary of motions ...*) Beth Himes seconded. Motion passed unanimously.
- E. April 8, 2010 Executive Session Meeting Minutes – Dale Lopp moved to approved minutes as presented. Beth Himes seconded. Motion passed unanimously.
- F. April 14, 2010 Executive Session Minutes of Conference Call – Mike Hancock moved to approve minutes as presented. Beth Himes seconded. Motion passed unanimously.
- G. April 19, 2010 E-Vote – Beth Himes moved to approve minutes as presented. Seconded by Dale Lopp. Motion passed unanimously.
- H. April 21, 2010 Executive Session Minutes of Conference Call – Terry Griffin moved to approve the minutes as presented. Motion seconded by Beth Himes. Motion passed unanimously.
- I. April 28, 2010 Executive Session Minutes of Conference Call – Mike Hancock moved to approve minutes as presented. Seconded by Dale Lopp. Motion passed unanimously.

- J. April 30, 2010 E-Vote Voted on as group (J, K, L, M) Mike Hancock moved to approve the E-Vote minutes as presented from April 30, May 10, May 24, and May 27, 2010. Motion seconded by Dale Lopp. Motion passed unanimously.
- K. May 10, 2010 E-Vote
- L. May 24, 2010 E-Vote
- M. May 27, 2010 E-Vote

### III. Financial Report:

**Financial Statement** – Chief Financial Officer John Foy explained the Profit and Loss Overview for the ten months ending April 2010, noting since the presentation of the previous financials the year-end financial picture was becoming clearer. Foy reminded the Executive Committee that in his previous financial updates he indicated the positive variance to budget would significantly decrease due to the Awards Banquet being moved to June (expense was budgeted in January) and that fact NRHA makes a significant investment in the NRHA Derby which occurs in the last month of the fiscal year. NRHA was budgeted for a gain of approximately \$5,500 for the year. During the past fiscal year the Board of Directors have approved two expenses outside of the budget: \$25,000 in added money for the 2010 Derby funded by the elimination of the Futurity Gelding Incentive and \$10,000 for funding of the FEI qualifiers. This in effect adjusted the budget to a net loss of approximately \$30,000. Although the Derby added money was funded by the elimination of the Futurity Gelding Incentive, the current fiscal year does not receive this benefit, which will cause a negative variance to budget.

*Reiner* advertising has been running anywhere from 15% to 22% below budget, the months of February, March, and April realized a rebound with the deficit to budget running only 5%. The month of May realized another dip in *Reiner* advertising, with a 22% variance, which will impact performance to budget by \$18,000. If June sees similar numbers, performance to budget will be severely impacted and it is difficult to recover from this decline late in the fiscal year.

In addition, the tax return was completed and filed on May 17<sup>th</sup> and NRHA's tax liability increased \$30,000 over the prior year, this was not anticipated. *Reiner* advertising was very strong for the 2008 -2009 fiscal year, increasing \$43,000 over the prior year, Inside Reining revenue increased \$15,000 while expenses decreased \$35,000. This increase in tax liability will cause a negative variance to budget.

The Euro Futurity was budgeted to make a small amount of net income, and based on current estimates a small loss will be realized, mostly due to \$14,000 in new saddle expense. This will result in approximately a \$20,000 negative variance to budget.

The remaining significant items for NRHA as the fiscal year comes to a close are the NRHA Derby and Awards Banquet. The success of the Derby will have a major impact on final year-end results.

At this time, given the items described above, NRHA could have a loss of between \$60K to \$80K at the end of the year

**2010-2011 Budget** –CFO Foy then explained the Budget Overview by the various Value Centers. Foy asked the Board of Directors to review the bottom of Page 2 of the Budget overview, noting that net income before the World Equestrian Game budget is \$54,211.

Foy reminded the Board of Directors that the WEG is a non-recurring item and should not be considered a part of normal NRHA operations. The WEG budget is \$221,480, lowering budgeted net income to a loss of \$167,269. Foy reminded the Board of Directors that the Board designated \$70,000 of prior year's net income for the WEG, so NRHA does have a reserve of \$70,000 for the WEG.

CFO Foy then reviewed each value center and noted the following:

General and Admin: G & A budget includes three new positions – Marketing, Affilliate, and I/T. The European advisor position is also fully budgeted. \$20,000 is included for staff training, and depreciation of \$9,000 per year (assumes five years) is included to purchase a new NRHA vehicle.

*NRHA Reiner*: At the time the budget was prepared, *Reiner* advertising was averaging 15% below budget, assumed NRHA would recapture 5% of this business due to the proposed initiatives to increase *Reiner* advertising.

Sire and Dam: Assumed growth in revenue due to Sire and Dam position now filled, also included is a small travel and promotion budget.

Judges: Budgeted increase in Seminar and School Fees and other initiatives requested by the Judges Committee.

NRHA Inside Reining: Inside Reining has performed very well the first four months of 2010, operating at a small profit to break even. Inside Reining has restructured itself to make it easier to obtain a break-even point, budget assumes current trend of operating at small profit to break even.

Youth: Reflects small decrease in memebrships and increase in expenses.

Futurity: Futurity forecasted to have net income of approximately \$75K for 2009; 2010 Futurity entries are doing well and the 2010 budget is based on 2009 projected.

Derby: Assumes Derby is moved to August; if Derby is moved no Derby will occur in the 2010 – 2011 budget; budget reflects a savings in expense. If Derby is not moved to August, budget will need to be adjusted.

Sales: Assumes no increase in consignment sales, budget includes new stall curtains for the Marketplace sale.

Managed Events: Includes \$25,000 for support of the European Derby, also includes old World Reining Masters budget (loss of \$50K) which will allow for a similar quality event at the Futurity. Profit of Euro Futurity decreased from prior year budget based on current year projected.

CFO Foy stressed that approving this budget will allow Executive Director Dan Wall and Director of Marketing Todd Barden to move forward immediately with negotiating the air and production expenses related to a 2011 Inside Reining TVshow. CFO Foy reminded the Board of Directors that the Budget includes a new vehicle for NRHA and also stall curtains for the Marketplace sale.

**Executive Session 9:15**

**Reconvened 9:45 a.m**

**Introduced Membership Services employees**

**Executive Session 10:14 a.m.**

*Respectively submitted by Debby Hutchinson, Executive Assistant.*