

NATIONAL REINING HORSE ASSOCIATION
Annual General Membership Meeting Minutes
NRHA Cowtown Classic
Ft. Worth, Texas
August 16, 2012

Approved 11/12/2012

Present: Beth Himes- President, Mike Deer, Terry Griffin, Doug Milholland, Josh Visser, Executive Director Dan Wall, Chief Financial Officer John Foy, Chief Operations Officer Dennis York, Executive Administrator Jessica Johnson, Senior Director of Marketing Christa Morris

Member Attendees: Heather Powell, Shannon Rafacz, Dennis Pond and Frank Costantini

Call To Order

President Beth Himes called the meeting to order at 10:11am.

President's Report to the Membership

Beth Himes welcomed the members and thanked them for attending. Several items that NRHA achieved this year were noted, including: Nomination Funds, Futurity/Derby Entries, European Events and Membership focus.

Financial Report

John Foy presented the Financial and Audit Report.

NRHA is financially sound, which adequate cash and investment account of over \$1.2 million. Net equity as of June 30, 2012 was \$1.424 million. NRHA reported an increase in net assets of \$51,018. Income before unrealized gains and losses was approximately a loss of \$200,000. The World Equestrian Games was a non-recurring approved item in the budget and came in at a net investment or loss of \$221,000. All NRHA tax filings are current.

On February 7, 2012 NRHA was notified by the IRS that the NRHA had been randomly selected for a Payroll Audit. Due to the fact that NRHA had never been audited, the IRS expanded its scope to include Form 990. After the audit, NRHA received notification that no changes were made and NRHA still qualified for exemption.

Another noteworthy item includes the IT Loan. NRHA retired the IT loan early, saving NRHA \$34,000. The majority of the IT Loan was paid by the \$15 IT designation which was enacted by the membership dues increase in January 2008.

The NRHA Executive Committee received an overview of the NRHA investment account performance in April 2012. Jeff Armstrong, NRHA's Investment Counselor, provided insight into the processes for overseeing the account and the current portfolio

mix. For the first quarter of 2012, NRHA had a 9.25% return when the average for similar portfolio's was 8.8%.

Proposed 2013 Rule Changes

Dan Wall presented the proposed eligibility changes for 2013. Conversation regarding the reasoning for the changes and the potential effect on the membership occurred. Jessica Johnson explained the number of potential riders that may be effected by the proposed changes. The members recommended that the Eligibility Task Force review the Limited Non Pro and the possibility of changes the Rookie eligibility. Conversation regarding removing earnings in Category 5 Rookie Level 1 from other ancillary classes, including Rookie Level 2 occurred.

Dan Wall summarized the Amateur Division proposal. The membership recommended that NRHA evaluate the 1 & Up Entry Format and the number of horses a rider may exhibit before considering the Amateur Division as the only solution. Conversation regarding allowing non-nominated horses to compete in an Amateur Division occurred.

RHSF Update

Christa Morris presented an update on RHSF Core Programs.

Youth

RHSF awards more than \$40,000 in scholarships each year. This includes the RHSF application, Youth Team Tournaments, Speech Contest and Varsity Reining Club.

The IEA National Championships were hosted at the NRHA Derby this year. This brought more than 500 new exhibitors and spectators to the show. This is the first year of a three year commitment.

Dale Wilkinson Memorial Crisis Fund

The Crisis Fund awarded more than \$15,000 to Reiners in need in 2011. The 2012 total is already over \$15,500. RHSF is happy to help when needed, it is more important now, more than ever to support Rookie Days presented by Classic Equine. If you are interested in hosting a Rookie Day please contact Shianne Megel.

Hall of Fame

The RHSF is proud to partner with the NRHA to host the annual awards banquet and Hall of Fame inductions. We look forward to continually improving the program and making our honorees evening very special. Applications for the 2013 inductees have been received in the office and are being reviewed.

Research & Education

We are in the very beginning stages of evaluating the opportunity to work with OSU on a research project that involved the horses that have been sold at the NRHA Futurity sales. As more information becomes available and approved by the NRHA and RHSF boards we will be excited to share details.

General Programming

There are a limited number of 100 Grand Club memberships still available before the NRHA Futurity. Don't forget that amenities include box seating, VIP parking and access to the 100 Grand Club Lounge.

General Donations are always welcome and tax deductible. Memorial and Honorarium contributions make very meaningful gifts!

We will be partnering again with Rein In Cancer at the 2012 NRHA Futurity. "HollywoodsTinseltown" a yearling filly by Hollywood Dun It and out of Miss Tinseltown will be sold at the sale with all proceeds benefiting Rein In Cancer.

We are looking forward to hosting the 4R Performance Horses Hometown Heroes Slide & Freestyle Reining. This year we will feature special VIP riders who will put a Speedy spin on the event. We are proud to welcome Michael Schumacher and other speed oriented VIP's to the ranks of the event. Stay tuned for exciting details!

Voting & Election Procedures / Deadlines

Dennis York updated the membership on upcoming deadlines for the Regional Directors, Executive Committee and Bylaw Elections.

Meeting was adjourned at 11:53am.