

August 2009 Director's Report

The August AHA Board of Director's meeting was held August 7 -8 this year. There was 100% attendance by the directors and there were incoming Directors in attendance as well. The incoming Directors are Cathy Gage, Region 13; Steve Freeman, Region 2; and Lollie Ames, Region 7.

As AHA members, all of you should have received an e-mail message from AHA President, Lance Walters, and dated August 11 outlining the fact that a complete review of AHA's accounting practices and procedures had taken place. This review uncovered the fact that "restricted funds had not been redistributed to appropriate accounts in a timely manner as instructed by the Board." Lance's e-mail indicated that the primary fund affected was the Sweepstakes fund where approximately \$750,000.00 was not transferred in a timely manner. I am not going to go over the numbers in more detail since Lance's e-mail was sent to all members as well as updated financial information from our Treasurer, Frank Galovic.

Suffice it to say....that a lot of time was spent at the Board meeting discussing this matter. Obviously no one was or is happy about this, but as a Board, we collectively realized the need to move forward. We were assured that no programs were in jeopardy and that we all recognized that significant changes may be necessary to keep AHA in the black. The Board did vote on a plan for AHA to repay the sweepstakes funds based at the rate of \$20,000.00 per month, including interest at 5% until the money is reimbursed in full. It should be noted that this interest rate is higher than the interest currently being earned on Sweepstakes investments. A promissory note will be signed to legalize this obligation. This is a Demand note...which means it is payable on demand if such a demand is made.

I would like to comment that this issue was a very sensitive issue for all of the Board members. There was spirited, but respectful, discussion. The vote was not unanimous on how best to deal with this, but once the vote was taken, everyone agreed that we now need to move forward.

Other items of interest from the AHA Board meeting included the following items:

- Mickey Aboussie resigned from the Probable Cause Panel. The Board ratified the Presidents appointment of Charles Bass to fill this vacancy.
- The Merger Governance Committee gave a report recommending that the current AHA Board and the AHA President recognize the need for modifications to our governance structure and continue to develop plans to find a more effective governance structure for our association.
- AHA staff has been directed to focus on developing new revenue sources or reducing expenses. This discussion was part of brainstorming sessions dealing with the declining revenues associated with the general economic climate. Budget and Finance committee recommended that we look for an additional \$200,000.00 of income.

- Musical Freestyle has been added as recognized classes for Dressage.
- The Board declined to pass a motion to make Yahoo! Groups the official on-line forums for AHA committees. The Board wanted to give more time to the newly enacted AHA forums on the AHA website.
- The AHA Board also spent a good deal of time talking about the Humane Treatment of Equine Breeds and Livestock issue. The Board did feel that the previously passed motion was appropriate, while recognizing that a percentage of the membership was opposed to AHA taking a position one way or the other. The Board declined to reconsider the motion from the May BOD meeting supporting the humane regulation associated with reopening of equine slaughter facilities in the United States.
- The AHA Board did unanimously support a motion that “AHA closely monitor and share through e-blasts and/or magazine articles research and information from the Unwanted Horse Coalition and become a member as soon as it is financially feasible.”
- The AHA Board did approve two motions relating to the number of points for qualification. Effective 12/1...points for all junior horse classes at the Regional level be two (2) points and that all Country English Pleasure classes at the Regional level be adjusted back to two (2) points.
- Now I need some help on this one Region 10 members! The points monitoring committee made a proposal that you could qualify for any regional in any region as long as you told the show secretary what region you were qualifying for. For example...you could attend the WAHA show and tell the show secretary you wanted your points to qualify you for Region 11 or 12 or any region.....then if you got the points you needed you could show at the other regional. The argument was that people would show more in their own region because it would be cheaper but then travel to a regional they might not otherwise attend. The arguments against this are that why have qualifications etc. We will need to discuss this at our November meeting because all Regional Directors have to report back on this issue at the November AHA Board meeting.
- ANOTHER BIG CHANGE...The Board did approve a motion to change that allows Regional qualification to be obtained via points as in the past or by getting one first or second place ribbon. There was some concern about hauling to a show and not having enough horses to get the points you need for a qualification...thus leading an individual not to go to the show. (for example...a Jr Country horse....may have a concern that it was the only horse at the show....) Now you can qualify for regionals off points or a 1st or 2nd place ribbon. Effective 12/1/2009
- The AHA Board passed a motion to give the Show Commissions discretion in the number of horses to pull forward for a semi final / final class at Nationals. (this is to avoid having 24 horses in the Hunter Pleasure finals at Youth....but could be the same for any class)

- The AHA Board approved the new job description for the AHA Judges and Stewards Commissioner. Job specifics are being finalized and I anticipate that the job will be posted in the near future.
- Membership as of 7/09 was 32,962 compared to 36,546 for last year at the same time.
- 50% of our members hold competition cards.
- Registrations are down 8% for purebreds and 25% for half Arabians. This represents a decline in 587 horses for the comparable periods.
- There is a registration amnesty program in effect from 7/1/09 until 12/31/09. Use this opportunity to register any unregistered horses you own!
- The IT department is in the final stages of testing the new computer program for HRS (Horse registration system). The expenditures for this upgrade are done.
- The Marketing department reported that there were 63 Arabian Community Shows in 2009. Region 13 had the most with 10 followed closely by Region 10 with 8! The Discovery Farm program has been updated. The TAIL program remains in full force and was used at Youth Nationals this year.
- The Arabian video will be shown on national television....the video will air on “My Family TV”.. Please check <http://www.myfamilytv.tv/> for exact times.
- AHA continues to obtain new and updated corporate sponsors.
- Youth Nationals will return to New Mexico again next year...same weekend.
- AHA now has 52 employees compared to 54 for this time last year.
- Registration is now available on line for the convention. We are asked to encourage all delegates to stay at the Silver Legacy (since our meeting room charges and perks are based on the number of rooms we reserve).
- The nominating committee has received nominations for Vice President: Dale Harvill; Secretary: Jan Decker; and Treasurer; David Corning.
- Jan Decker and Myron Krause reported that the AHA/USEF task force continues to work on ways to better serve our membership and is looking at ways to eliminate duplication and work together better. This is still a work in progress task force.
- The 09 fiscal year reflects a \$312,000 loss. This is of course concerning to all and as the recent e-mail blast from Lance Walters reflects....AHA is committed to getting back on track and taking whatever steps are necessary to assure the viability of our organization.

In Summary, the August Board meeting was a difficult one because of the financial picture and concerns. The Board has taken action and given direction that we need to move forward. While this is not the type of news anyone wants to share, we are committed to providing accurate information to our membership and moving forward as a united organization determined to promote this wonderful breed of horse. I ask everyone to please be part of the solutionthink positive and recognize that we as an organization will need to make some changes, and some of these may not be popular. We must do what is in the best interest of our association as a whole.

Thank you.

Van P Jacobsen