

Director's Report (Revised 9/26/11)
AHA Board Meeting April 8-9, 2011

Highlights

- Omnibus: Due to needing to wait until Canada issues were resolved, the Omnibus will not be out in hard copy until mid-May. It should be available on the AHA website by the end of April.
- Tentative schedules for all National shows are on the AHA website under each competition.
- Canadian Nationals will be held in Brandon Manitoba Canada—hotels and restaurant information is on the Canadian Nationals home page.
- US Nationals 3 & Under and 4 & Over Championships will include champion and reserve from each of the qualifying classes plus next 4 highest scoring horses from the qualifying classes so that the grand championship will have 10 horses. These horses will be judged comparatively AS A NEW CLASS. Any horse from the Top Ten can be champion or reserve. All five judges will judge with all scores counting. The high and low will NOT be thrown out.
- Maturity Classes. Starting in 2012, the English and Country English Pleasure Maturity classes will be for horses 5 and 6 years of age. For 2011, they continue to be for 4 and 5 year old horses. A horse can only compete in the maturity classes two times so if a 4 year old showed in the Maturity in 2010 it can either show as a 5 year old in 2011 or a 6 year old in 2013 BUT NOT BOTH. A 4 year old competing in the Maturity in 2011 can either show as a 5 year old in 2012 or a 6 year old in 2013 BUT NOT BOTH or skip the 2011 Maturity and show in 2012 (as a 5 year old) and 2013 (as a 6 year old).
- AEPA futurity is being added to the US Nationals as a National Championship class.
- Motion to add Breeding/In Hand Committee as Tier B committee passed but the motions to add Pleasure committees did not pass.
- Motion to change AHA's position concerning humane slaughter did not pass. AHA will continue to take the position that people should have a choice of humane slaughter.
- There was no vote on the Regional Boundaries resolutions but the Committee will continue to gather information and present recommendations.
- Kentucky is putting together legislation to develop a breeder's incentive and purse development fund for Arabians, Quarter Horses and Appaloosas. Most exciting is the fact that there will a \$50,000 Arabian race at Churchill Downs and Pimlico wants to have an Arabian stakes race on the same day at Preakness
- A strategic plan is being worked on and I will be asking you all to participate. See attached survey.

Also, it is suggested that for liability purposes, that each show post a notice in the show office, barns and by arenas, that safety helmets are allowed without penalty in ANY class. If your show has dressage along with other classes, be sure to designate a dressage warm up area. Otherwise, everyone is required to wear a helmet.

President's Report

Obviously the main area of emphasis since the last meeting has been the Canadian Nationals. This will be discussed in detail later.

The HRS computer system is in final testing and is working well. More on this in the IT report.

Executive Vice President Report

HRS, Canadian Nationals, year-end accounting, Corporate Sponsor recruiting, and the Sweepstakes program have required major time on the part of staff. Testing and parallel work with HRS has created much extra work for Customer Service. The U.S., Canadian, and AHA flags are now flying out front. This was made possible by regions and individual donations. Region 10 donated \$200 to this project. We are a multi-national organization and we can now proclaim that through the display of these flags.

As can be seen from the personnel report, below, AHA is at barebones with personnel.

Committee and Commission Activity Reports

Not all committee/commission activity is included—just those that I thought you would find of interest.

Committees

Agenda and Resolutions: The amendments proposed by the Rules Committee were accepted and the changes to select rider rules set to take effect 12/1/11 are in place. The rules for 2011 and 2012 can be found in the Newsletter section of the Region 10 website: www.region10arabians.com

Competition Advisory: The plan is to go to a single list of classes for the Handbook. As of February 10, there were 13 One Day shows scheduled. Stan is working on an alert for judges concerning insurance coverage—judges do not have insurance coverage for these shows.

Distance Riding:

The committee is in favor of:

- holding separate National Championship Endurance Ride and the National Championship Competitive Trail Rides
- holding the National Championship Endurance Ride in conjunction with the National championship AERC ride
- rotating the National Championship CTR ride be rotated around the US and Canada (if held separately)

The National CTR ride is still to be held together with the Endurance ride despite the committee's overwhelming recommendation and the willingness of a sanctioned group to host the ride.

Equine Stress, Research & Education: Several potential abuse situations have been to the committee and Carol Darnell, Chair of the Sub-Committee for Rescue and Re-Homing is working hard on a case by case basis. Carol made the following report. In the next MAH magazine an upcoming column is mentioning our new project tentatively titled 'Welcome Home'. The committee is developing an all-volunteer effort, similar to the AQHA Green Pastures program to enable people who have had a vested interest in one or multiple horses to record their willingness to help should the need arise, and then facilitate linking people whose horses need that help with the people who have offered it. Carol is setting up the database on her own machine, and hopefully the demand for the service, will outgrow her capacity to manage it. The committee is encouraging our members to take every opportunity, at their local club meetings, to speak about this project and encourage participation and is also working on a process whereby the subcommittee can facilitate the preparation of abuse/neglect complaints, providing liaison, guidance, review, etc and then, where appropriate, submit the complaints to Probable Cause /EPRB as a committee action. This function would primarily serve the general equine rescue community, where the people involved in the effort are unfamiliar with our AHA processes and requirements. There is a test case, where there is documentation of the conviction for multiple abuse charges, in process at this time.

Several pictures have surfaced on Facebook and other venues regarding horses with PVC pipes in their mouths for extended periods of time in their stalls which were turned over to USEF for further investigation.

The shoeing/pad committee is in a fact gathering mode and any future recommendations for changes will be addressed by resolution at the 2011 convention.

Judges and Stewards Committee: One judging change: Judy Kibler swapped with Laurie Martin. For the current list, go to http://www.arabianhorses.org/competitions/j-s/docs/11_judges_stewards.pdf .

Points of Emphasis for 2011 are ready to go except for some issues with penalty points guidelines for halter.

A new educational effort called 'Competitive Rider' is being developed at no cost to AHA. It will be free to view online but will have a minimal cost (tentatively \$29.95 for all or \$9.95 for portion) to download. AHA will get a cut from each download. The new website will be linked from and to the AHA website. It will also contain links to trainers, lesson programs, etc. The content will be developed by the EEC and will be copyrighted by AHA. The developer is Phil Bright.

The complete report is attached.

Resolution 5-90 Task Force: Intense discussions on the appropriate role of the EEC in the interview process and ongoing evaluations of Regional/National level judges. We are working towards defining a system that will not have inherent conflicts resulting from judges being evaluated by individuals that may also show to that judge. Significant progress has been made towards resolving issues in such a manner as to make all components of resolution 5-90 work in harmony and without inherent conflicts of interest. Further thought and discussion needed before a final proposal will be put forth.

Sport Horse Committee: The Committee Members are working on having a DVD about Sport Horse for Judges as well as exhibitors, considering whether to add the double bridle for the Dressage horses in the SHUS classes, encouraging the East/West rotation for the SHN's (West at Idaho) and creating material that will educate exhibitors on how to show SHIH.

Working Western: A small group has taken on the task of clarifying the verbiage for the Reined Cow Horse Open Limited and Reined Cow Horse Non Pro and Youth Limited classes in the 2010 Resolution. The wording was incorrect as "Limited was listed before "Reined Cow Horse" and did not match the terminology found in the NRCHA Rule Book. This was brought to our attention at the Scottsdale show by an NRCHA Judge. We are also looking at how long a horse/rider is allowed to stay in the Reined Cow Horse Open Limited and Reined Cow Horse Non Pro and Youth Limited classes. Once this is defined it will be forwarded to the USEF Arabian Division Committee.

The Reining Junior Horse Sweepstakes class will be run concurrently with the Reining Performance Futurity class. The exhibitor will need to sign up and pay the appropriate fees and meet the appropriate requirements for each class. They can compete in one or the other or both. They will follow the procedure outlined in COMP 812 REINING HORSE SCORING JUDGING PROCEDURE.

USEF Arabian Committee: Concerning a steel shoe with full rim, it was determined that this shoe would not meet requirements of dimensions, but if made of aluminum it would be considered legal as per AR 103.2. In progress, Resolution 41-10 specialty judge clarification and amendments necessary to implement intent in the USEF Rule Book with Proposed Rule Changes (PRC), and AHA Handbook inconsistencies between AHA Futurity rules and USEF Junior Horse Snaffle bit rules in western pleasure and hunter pleasure. Some dimensions call for 5/16" other calls for 3/8". Caused confusion at recent show where Futurity was as held.

Youth Committee: AHYA Board of Directors meeting held March 5-6,2011 in Denver attended by 4 AHYA Executive Board members, 10 AHYA Regional youth directors (does not include the 2 officers who serve as their respective youth director, too) and 3 AHYA Regional vice directors.

The following committee reports were presented:

- Convention Credentials discussed ways to encourage delegates to sign up. Each Reg. youth Coordinator will receive a packet with a list of all of their regional youth clubs, members, and eligible number of delegates. Alternate delegates will be credentialed to fill any spots left often for that region to reach maximum allowed.
- Youth Activities- planned activities for youth at YN are stick horse, ice cream social, parade of regions, Hippology contest, flying pigs, and novice judging and the new poker run fundraiser. Other possible ideas were: water balloon fights, sack races, and a Rudy's Bar B Q night where 20% of the sales from youth exhibitors and families would be donated back to AHYA. Angela will contact area restaurants to see if possible.
- Membership1 Fundraising- April 15 deadline for YN qualifier t-shirt sponsorships. A list of fundraiser ideas will be given to committee chair to be compiled and put on AHYA web for all Regions to use as a source.
- Regional/National Classes Committee- received request to consider walk trot sport horse under saddle classes be added. Decided to consider entry numbers first in the newly added to classes to see if a need for additional classes. Discussed supporting adult equitation classes to encourage the 18 to 21 yr. olds or college age exhibitors to continue showing. Also discussed select classes at YN to follow the rules and guidelines of the adult select rider division.
- Equitation/Showmanship latest news is that YN judges will have a packet of patterns sent to them to select and be approved prior to the show. No pattern books will be given to exhibitors in their show packet. Discussed if they would like to consider in the future a motion to allow hunter riders switch horses in the finals as in saddle seat eq.
- Public Relations- Discussed networking with other breeds youth associations. Angela explained her recent contact with the AQHA youth department. AQHYA has around 30,000 youth members. Although they have national officers, the comparison was made that our AHYA youth have board meetings, working committees, bring resolutions forward, and have a working relationship with adult organization. AQHA, their adult association, solely finances all AQHA youth activities.

Note: Regional Youth directors are required to log at least **3** volunteer hours during the week of YN.

Due to no Breyer Horse contract, the Horse of the Month contest will have to be dropped.

Commissions

Youth Nationals: Ten patronships have already been sold.

Canadian Nationals: Brandon is compact area that can fully support needs of Canadian Nationals. There are 1300+ hotel rooms, 200+ camp sites, and college dorm rooms available at \$30 per night. Camping area is nicer than Regina with an onsite

dumping station. Two indoor show arenas (each 85 x 200) with three indoor warm-ups plus a 200 x 300 outdoor ring. Footing is excellent. The Brandon facility was created to support agricultural events and the person running it is a horseman. There are 900 permanent stalls and 300 stalls in tents. Additional permanent stalls will be added if all like the show. The temporary stalls are on dirt and covered but no walls or overhang. The KeyStone Center is 10 acres under a single roof. There is a full surgical vet hospital in town. True patron's lounge. Plenty of space for commercial exhibitors. 45 patronships already sold. We have a 1 year contract with 2 1 year renewal rights. Should have a better bargaining position next year. Brandon is more cost effective than Regina.

Sport Horse Nationals: Change from patrons to sponsors well received. Three barns (closest to the covered arena) already filled.

US Nationals: Changes to halter grand championships discussed in highlights. Halter patron tables will be moved to Ford Arena when halter classes move there. All performance classes will be in Ford Arena which will have a nice center ring and improved entrance to enhance the experience. Patronships are way up with 81 sold so far. New stabling is ongoing with sides being added to some of the barns. Tulsa is considering building another barn. Tulsa Convention Bureau will continue to provide financial support. AEPA futurity is being added to the US Nationals as a National Championship class.

Distance Rides: The National Distance Ride Championship will be August 23-27th, 2011 in Ft. Stanton, New Mexico in conjunction with the AERC National Championship Ride.

Racing: Due to overwhelming success of two internationally sponsored races in 2010 in Delaware and Kentucky, the Arabian Jockey Club has acquired a 3rd race in Texas. Kentucky is putting together legislation to develop a breeder's incentive and purse development fund for Arabians, Quarter Horses and Appaloosas. Most exciting is the fact that there will a \$50,000 Arabian race at Churchill Downs and Pimlico wants to have an Arabian stakes race on the same day at Preakness. Martha Murdoch is now on the Kentucky Racing Committee representing the non-TB breeds!

Registration: In 2011, the Registration Commission will be meeting at North Arabians in Ramona, CA and at Don and Janey Morse's farm in Freeport, IL in May and September, respectively. At each meeting, they host a Breeders Forum. They have hosted a forum in nearly 20 venues since their inception and they have been well received by our breeders and owners. The purpose of the forums is to gather feedback regarding all registration related work.

Treasurer's Report

With the impending release of HRS and the payments from the general funds back to the Sweepstakes, etc winding down, we are finally seeing the light at the end of the financial tunnel, BUT we are still at risk and need to be very careful about our spending. We are improving but not very fast. Cash flow is always an issue until the entry money from the national shows starts to come in.

We should end fiscal 2010-2011 (FY11 hereafter) with a profit even though the budget took a big hit from unexpected expenses relating to the Canadian Nationals. This is being investigated as many of these were not in the contract. If anyone wants to review the financials, contact me and I will send you the complete February report. Following are some highlights.

Sweepstakes, Futurities, Yearling Jackpot

Sweepstakes: Sweepstakes entry revenues were \$1,096k through February. This is a decrease of \$190k from FY10 for the same period, when entry revenues totaled \$1,286k. Prize money payments issued in February totaled \$243k. As of 3/25/11, total FY11 prize money of \$693k has been issued. It appears that total prize money will be no more than \$700k for the year, which will result in the Sweepstakes fund growing by some \$400k in FY11. Combined market values for our bond portfolio increased by \$4k in February. The combined fair market value of Sweepstakes' holdings is currently \$220k less than book value.

Halter Futurities: FY11 Futurities entry revenues are \$219k through February. This is a decrease of \$92k from FY10 for the same period, when entry revenues totaled \$311k. FY11 prize payouts are expected to exceed entry revenues by approximately \$125k. Analysis of the total fund balance continues, as noted in the February financial package.

Yearling Jackpot: FY11 entry revenues are \$18k, down from \$25k in FY10. Entry revenues and prize money payouts will be approximately equal in FY11.

Performance Futurities: FY11 entry revenues are \$322k, up from \$306k in FY10. Entry revenues should exceed prize money payouts by approximately \$4k in FY11.

Highlights for February (compared to budget) include:

- Customer Service expenses were \$6k less than budgeted.
- Competitions expenses were \$5k less than budgeted.
- US Nationals net improved by \$9k, due to adjusting expense accruals.
- Modern Arabian Horse net was \$27k better than budgeted. Of this amount, \$14k was due to recording commission and postage expenses in January instead of February. MAH's true operational net was \$13k better than budget, which was due to low costs in most operational areas.
- General & Administrative expenses appear to be \$31k lower than budget, however this is the result of \$23k being capitalized for HRS development labor (which has no effect on cash flow).
- On a cash flow basis, G&A operating expenses were \$8k less than budget.
- Hearing Board expenses were \$7k less than budget, as no meeting was required.

Disappointments (compared to budget) for the month were:

- Purebred Registrations net profit was \$19k less than budget, due to weak revenues.
- Sponsorships net was \$21k below budget, due to weak revenues.
- Officers / Board of Directors expenses were \$8k over budget for February. This may just be a timing issue with the budget, as year to date expenses are on budget.

Positive YTD results (compared to budget) include:

- Purebred Registrations net is \$10k over budget, mainly from strong revenues. (Note that year over year, registrations net profit is down \$158k.)
- Competitions (the department) expenses are \$31k less than budgeted, mainly from lower than expected contract labor costs.
- Sport Horse Nationals net is \$59k over budget, with a projected net profit of \$111k.
- Sweepstakes net is \$10k over budget. Although interest revenues were \$24k less than expected, low expenses have so far offset weak interest rates.
- Modern Arabian Horse net is \$31k over budget. Low expenses have offset weak revenues.
- Youth Programs net is \$27k over projections, the result of both strong revenues and low expenses.
- Market Development is \$27k better than budget.
- General and Administrative expenses appear to be \$187k less than the budget, however \$176k of this savings is due to capitalizing HRS labor (which has no effect on cash flow). On a true cash flow basis, G&A expenses operating expenses are only \$11k less than budgeted.
- Building Services expenses are running \$10k less than expected.
- Information Technology expenses are running \$18k less than expected. Note that these cost savings are unrelated to capitalized labor costs for HRS, as IT labor is part of the G&A department.

YTD disappointments (compared to budget) include:

- Including the FY01-FY10 Halter Futurities revenue adjustments, US Nationals department net is currently \$58k off budget, with a projected net profit of \$930k. Based on current year operations, US Nationals show net is \$133k off budget, with a projected net profit of \$854k. Note that these figures do not include the \$86k in grants that TCVB paid to AHA in March, of which \$50k would apply to FY11 and the balance to prior years.
- Including the FY01-FY10 halter Futurities revenue adjustments, Canadian Nationals department net is currently \$64k below budget, with a projected net loss of \$2k. Based on current year operations, Canadian Nationals show net is \$122k below budget, with a projected net loss of \$59k.
- Youth Nationals net is \$2k below budget, with a project net profit of \$334k.
- Premier Breeders Series has incurred \$8k in start-up costs. As the program progresses in future years, revenues due to AHA are expected to offset these start-up costs.
- Futurities net is \$29k below budget, due to weak administration revenues.
- Awards net is \$19k off budget, the result of weak entry revenues.
- Sponsorships net is \$148k off budget. Of this shortfall, \$68k is due to weak revenues and \$80k is due to high expenses. In prior years sponsorship revenues identifiable to specific events (national shows, AHA Convention, and Youth Programs) were not allocated to those events, but instead recorded only in the Sponsorships department. For FY11 these revenues are being allocated to specific events, which is accomplished by recording expenses to the Sponsorships department and

- offsetting revenues to the specific events. It was initially thought that the Sponsorships department
- net profit was suffering only from timing issues – i.e. that expenses were being recorded prior to
- revenues being invoiced. However it is now certain that the allocation of revenues to other
- departments will be substantially greater than budgeted, and in some instances the revenues
- allocated to other departments will be significantly greater than the revenues earned by the
- Sponsorships department. These actions have benefited other departments (the four national
- shows, Convention, Youth Programs) at the expense of Sponsorships.
- Communications net is \$18k below budget, due to weak e-commerce revenues
- Convention's net is \$10k less than budget.
- DataSource net is \$25k below budget, most of which is due to weak revenues.

Positive comparisons to last year include (on an YTD basis):

- Staffing reductions in late FY10 have significantly contributed to FY11 cost reductions, with
- combined savings of \$267k.
- Competitions net is \$76k over last year, which is the result of higher service fees.
- Modern Arabian Horse Magazine is \$241k ahead of FY10, due to stronger revenues and
- significantly reduced expenses.
- Youth Programs net is \$31k better than FY10, due to both higher revenues and lower expenses.
- Accounting net is \$34k better than FY10, mainly from reduced bad debts write offs.
- Human Resources expenses are \$26k lower than in FY10.
- Information Technology expenses are \$90k less than last year, mainly due to reduced maintenance
- and service agreement costs. Note that \$19k of this expense reduction is from depreciation.

Disappointments compared to last year include (on an YTD basis):

- Purebred Registrations net is off by \$158k, the result of the trend in weakening revenues.
- Half-Arab/Anglo-Arab Registrations net is off by \$31k due to weakening revenues.
- Membership net is down by \$327k. Of this, \$205k is due to a one-time FY10 reclass of Life
- Memberships from restricted funds and \$122k is due to declining revenues.
- US Nationals net is currently \$41k less than last years' final. Correcting for the one-time FY10
- adjustment for Performance Futurities awards and the FY01-FY10 reclass, FY11's net is \$63k less
- than the FY10 final.
- Canadian Nationals net is currently \$52k less than last years' final. Correcting for the FY01-FY10
- Performance Futurities revenue reclass, FY11's net is \$109k less than the FY11 final.
- Youth Nationals net is currently \$68k less than last year's final. Note that \$80k of New Mexico
- grants occurring in FY10 expired and did not carry over into FY11.
- Sweepstakes net profit is \$21k less than FY10, most of which is due to lower interest rates.
- Awards net is \$29k less than FY10, which is due to weak revenues.
- Sponsorships net is down \$89k. As noted on page five of this report, allocated sponsorship
- expenses have increased in FY11.
- Judges and Stewards net is down \$61k, mainly due to increased expenses.
- The Half-Arabian / Anglo-Arabian Designated Fund's net is \$61k less than last year.

Statement of Financial Position (i.e. the balance sheet for commercial entities):

- Unrestricted operating cash is \$221k higher than the prior year (\$900k vs. \$679k in FY10).
- FY11's increase is caused by timing of paying certain invoices and does not reflect a better cash position than FY10.
- Working capital decreased by \$59k during February (from \$-291k to -\$350k). February working capital is \$150k worse than the prior year (which was -\$200k in February 2010).
- The AHA Operating interfund debt increased by \$7k in February. February unrestricted operating interfund debt of \$1,158k is \$292k lower than the prior year's February balance of \$1,450k.

Department Updates

Only significant updates are included.

Personnel & Office Services: Headcount – AHA has 39 full-time employees and 3 part time employees as compared to 43 employees for the same time period last year. Non-essential building maintenance postponed.

Accounting: The FY12 budget has been approved. We are currently developing the monthly distribution of revenues and expenses for each department and functional area. Sweepstakes funds continue to be properly accounted for, with weekly transfers of cash received. All interfund Promissory Note payments have been made according to schedule. Through February 2011, 19 of the 37 Note payments have been transferred. No investment bonds were called in either February or March. As of 2/28/11 the average return on our bond portfolio was 4.38%.

Sweepstakes prize money checks have been issued for all USA and Canadian prize winners who have provide AHA with the proper tax identification information. We are working with the remaining prize money winners to obtain their tax ID information. Working with AHA counsel to complete IRS form 1024 for Sweepstakes 501(c)(5) filing.

Competitions: Omnibus is delayed due to Canadian site resolution and will not be out in hard copy until mid-May. It should be available on the AHA website by the end of April. The Omnibus is in draft form at present using most probable assumptions so hopefully only minor changes would be required once a final decision is reached on Canada.

Sweepstakes: As of March 21, 2011, since the announced changes and Breeding Entry extension, we have received:

- 23 Breeding Entries
- 11 new Nominated Sire entries
- 1 Original Entry at \$10,000

Point enrollments as of March 21, 2011 total 881. For 2010: 1,701 Point enrollments. The dollar amount per point for 2010 was \$11.75.

All 2010 Sweepstakes checks that have tax payer ID's on file have been mailed. Currently making payout corrections as needed based on results that were reported incorrectly.

Allocated prize money amounts for 2010 Champions were:

• Regional Arabian	\$274.33
• Regional HA/AA	\$164.13
• SHN Arabian	\$380.32
• SHN HA/AA	\$511.97
• CN Arabian	\$632.87
• CN HA/AA	\$383.38
• USN Arabian	\$1,899.50
• USN HA/AA	\$1,242.98

For additional information, go to www.region10arabians.com, select the Newsletters section and then select Major Sweepstakes Changes.

Futurities: AHA Futurity Commission mirrored the Breeding Entry extension deadline of April 15, 2011 with no late fee for new nominations. In the previous year, we had a total of 3,701 nominations (per horse/per country) and 2,650 re-nominations (per horse/per country). As of March 21, 2011 we have 2,543 nominations and 3,635 re-nominations with more work to process. This year in the Omnibus, we will be clarifying that a Performance Futurity entry form is required to compete at U.S. Nationals.

Achievement Awards: In the previous year for Horse Achievement Awards, we had a total of 194 initial enrollments, 546 annual enrollments and 207 retroactive years purchased. As of March 21, 2011, we have had 123 initial enrollments, 462 annual enrollments and 68 retroactive years purchased. In the previous year for Amateur Achievement Awards, we had a total of 25 initial enrollments, 96 annual enrollments and 11 retroactive years purchased. As of March 21, 2011, we have had 15 initial enrollments, 70 annual enrollments and 8 retroactive years purchased. We will be soliciting both horses and amateurs who are eligible for an Achievement Award but have never participated in the program. We will also solicit past participants who are close to receiving an award level to re-enroll.

Customer Service:

Registrations

As of February 28, 2011:

- 750 Arabian and 128 Half-Arabian and Anglo-Arabian registrations were completed. Purebred and Half-Arabian/Anglo-Arabian registrations completed were down 36% and 9% respectively from 2010.
- Combined purebred revenues (total of registrations, transfers, DNA, semen transportation, & admin fees) are \$63k better than budget through February.
- Combined HA/AA revenues (total of registrations, transfers, & admin fees) are \$10k worse than budget through February.
- The total number of unique transactions processed remains constant which is approximately 8800 per month. Export and import transactions as well as embryo transfer activity continue to experience an increase in activity.

See attached document for month to month comparison.

Memberships

As of February 28, 2011 we had:

- 28,603 members compared to 31,073 at that time last year. We are experiencing 8% decline over 2010. A 9% decline was forecast for FY11. (FY12 is budgeted for a 9.8 % decline.)
- 3,012 youth members. This is a decline of 9% from this time February 2010. (FY12 is budgeted for a 7.4 % decline.)

See attached document for month to month comparisons.

National Shows:

- Youth Nationals dates are July 23-30, 2011. Entry Close Date: June 13, 2011. Budgeted for 940 horses.
- Canadian Nationals dates are August 15-20, 2011. Entry Close Date: July 6, 2011. Budgeted for 730 horses.
- Sport Horse Nationals dates are September 28-October 2, 2011. Entry Close Date: August 19, 2011. Budgeted for 500 horses.
- U.S. Nationals dates are October 21-29, 2011. Entry Close Date: September 8, 2011. Budgeted for 1,725 horses.

Other events:

AHA Recognized Shows, as of March 21, 2011

- 12 AHA One Day Shows
- 199 AHA/USEF Recognized Shows
- 29 AHA/EC Recognized Shows
- 96 AHA Recognized Rides

Information Technology:

HRS (Horse Registration System)

HRS is scheduled to begin conversion from the IBM the week of April 10. Customer Service representatives have found that data entry is straight forward and intuitive. The same data that was captured in the IBM is now captured in HRS. Thus, training with the data entry portion took very little time and was easy. As of March 18, all open tickets have been categorized into A, B and C status. 'A' tickets are deemed required for going into production, B are important but can be implemented after go-live. Debbie Fuentes will prioritize both the B and C tickets to ensure that the order of development is optimized for the Customer Service team. All non-Canadian A tickets have been tested and closed. There are 2 Canadian A tickets, 20 B tickets and 24 C tickets outstanding. IT staff has been focusing on 2 primary areas: performance improvements and occurrence of "null pages". The null page instance requires that the user log out and log back in, rendering it inefficient for use in production. The performance improvements are based on improved customer lookups utilizing streamlined queries and indexing.

The Board saw a live demonstration. While the functionality is adequate, in my opinion it is still not ready for release. The main issue continues to be response time. Hopefully it will be ready in May.

Marketing:

Communications

- Represented AHA at the American Youth Horse Council symposium in Lansing, MI.
- Completed upgrading Facebook page with landing page, membership tab, MAH subscription tab/datasource subscription tab.
- Working to re-design the Insider, regional insider and insider flash for a more news-like feel.

Corporate Partners/Sponsors

Added three:

- Equine Creative Group –Corporate Sponsor; Official Streaming Provider.
- Horse Show World, LLC – Corporate Sponsor.
- Silver Lining Herbs –Corporate Partner; Official Equine & Pet Health Product Provider.

Other activities

- Horseware Ireland – Deal near closing as AHA Corporate Partner; Official Equineware Provider.
- Greeley Hat Works – Pitching for Official Hat Provider.
- Sheplers – Pitching for Official Western Store.
- Ferrini – Pitching for Official Boot Provider.
- Justin Brands – Pitching for Official Boot Provider.

Modern Arabian Horse: Winner of the 2010 Association Publication of the Year, USEF Pegasus Media Award. New modernarabianhorse.com is now live. Publication is profitable for first time in more than 5 years.

Equine Affair Activities: AHA and the MDP will be working in conjunction with local clubs to promote the breed. AHA will assist financially and in the planning of 5 horse expos including the Midwest Horse Fair

Discovery Farms: After clean up and as of March 17, 2011 there are 682 active Discovery Farms. Scott Benjamin and the MDP are working with Kate Cooper to make a listing of at least one quality Discovery Farm in all foreign affiliate countries.

Youth: AHYA Youth Board Meeting in Denver was a huge success. 10 Regions were represented including 4 Executive Board Members and 3 Regional Vice Directors. 2011 AHYA Youth Convention theme is "AHYA Under the Sea".

DataSource: Developing new mobile iPhone and Droid application at no cost to AHA. New application should be available in April 2011.

Market Development Committee FY 2012 Priorities:

The following will be mostly funded from the Half-Arabian Designated Fund with \$5,000 coming from the Arabian Horse Owners Foundation (AHOF):

There will be no PAT funding for breed promotion for the next 2 fiscal years as the Trust rebuilds its reserves.

- AHA Website Rebuild - Not funded.
- Reprint Evolution of the Horse \$5000 (funded by AHOF).
- Reprint Skeleton Wall Chart \$2000.
- Reprint Identifying the Arabian Horse Flyer \$2000.
- Equine Fair Promotions:
 - Spruce Meadows - \$500
 - Massachusetts - \$500
 - Midwest - \$500
 - Ohio - \$500
 - Royal Winter Fair - \$500
- Arabian Racing Trackmaster Contract - \$6000.
- Youth Breed Promotion, i.e., TAIL at U.S. Nationals - \$700.
- Advertising:
 - ACS in MAH - \$3600
 - AERC Platinum Sponsorship - \$5000
 - Discovery Farms Ads in MAH - \$3600
 - Arabian registration campaign in MAH - \$3660
- Discretionary Fund - \$23,320