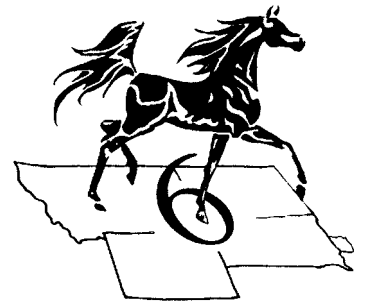




ARABIAN
HORSE ASSOCIATION

Region 6 News

MARCH 2008



WEB SITES: Region 6: <http://www.aharegion6.com> AHA: <http://ArabianHorses.org>

I hope this newsletter greets you all in good health and spirits. I have just returned from the AHA Board meeting in Denver which was quite interesting and informing. As you all know our Executive Vice President has resigned and the Executive Board did interview two candidates this past weekend. We as a Board however have not met either of them. At this point, this is a very important position for our organization, probably more important than anyone realizes. I own a business so I know how important managing people is. Our EVP is not only responsible for the success of our financial situation, but also the staff. This is not an easy person to find. Myron has put so much into the reorganization of the association and will continue to fill the EVP position until one is hired. Contrary to some rumors, he doesn't seek that position after his presidency! We must all stay on the positive and support the efforts being made to keep us going.

The Arabian Horse Foundation has been established and as you remember our Region donated a sizable amount at Convention last November. This foundation is the philanthropic arm of AHA with a separate Board of Directors. The four funding areas are: Youth Programs, Public Education, Equine Research, and Equine Disaster Assistance. This is a tax-exempt charitable non-profit organization. Please go to their website at www.arabianhorsefoundation.org if you are interested in this opportunity to donate.

The USEF task force has been very busy as well. There has been an agreement with USEF to join in the promotion of the breed and create a reciprocal membership for members of both organizations. Both organizations agree to identify team members to develop each of the areas of agreement with a formal kick off during the first quarter of '08.

The Kentucky Horse Park exhibit 'Gift of The Desert' is moving along nicely, but there is still a need for funding. The PAT has completed the building and this is an exciting exhibit to bring interest during the 2010 Olympic games. All of the donated historical artifacts from the Trust that have been in storage will be inventoried and shipped to the exhibit. The Black Stallion Literacy program will also be included.

We elected the National Commissioners for the Competitive Trail and Endurance and our own Claude Clark and Jan Stevens will be assisting in the organization of a World Event!! This should be very exciting for our Arabians around the world.

The 5-90 Task Force also has been busy and brought up some great suggestions for the Board. They will continue to define the roles of the Commissioner and develop measures to evaluate judges in terms of their actual judging performances. They are also exploring a rotation process for hiring our National Judges.

Sweepstakes reported over \$20 per point and the statistics show an increase of horses being registered in the program. Top prize money horse was a reiner winning \$9979. The top 20 horses winning owner points were endurance horses.

Saturday the Youth Directors were at the AHA office and we had lunch with them. I visited with Stephanie Schroeder and advised her that the Region has money in the youth account for their travels to meetings. Marjorie recently had back surgery and couldn't attend their judging competition in Scottsdale. However, I saw Steve Hugus there with the team and they came in first. Congratulations!

Also on Saturday the Board decided to keep the new name for the Magazine.

Our Regional Show will be exciting this year, we are having a demonstration of the Mounted Shooters on Thursday night with our exhibitor's party and will also have working cow and cutting classes. I will be looking forward to seeing you all in Rapid City!

*Respectfully yours,
Deb McGuire*



Dear AHA Members,

Our recent Board of Directors meeting in Aurora was an important one, as the Association has had to confront serious financial shortfalls and take corrective actions to assure our financial stability in the future. The agenda contained many important topics. My intent is to inform you of what the Executive Committee, Board of Directors and AHA staff is doing that will impact our breed, our Association and most importantly you, our members. There are many good things to report to you that show we are continuing to move forward in a positive fashion and are confronting our challenges with confidence and determination, just as we have in the past.

Financial Situation of AHA

I have told you throughout my term as President that I would keep you informed, even if the news is not the most positive. I intend to honor that promise. For the past several years, we have realized an annual profit of approximately \$500,000. Prior to that, the Association was losing money with no clear direction to stop the losses. Financial stability was clearly a priority; I along with the Board of Directors formulated this as one of the four cornerstones that became part of the Business Deployment Plan. Fortunately, the Association will not lose money this year; however, we will not realize the revenue increase we had in the past several years. In a report to the Board, Walter Bogan, Chair of the Budget & Finance Committee, explained that the current shortfalls in the budget were prompted by what he called "irrational exuberance." In other words, he added that this meant management had overestimated income and underestimated expenses. In order to address the shortfall, the Budget & Finance Committee recommended several actions and, for the most part, the Board approved those actions. Briefly stated, we are confident we will wrap up the current year, with a profit of approximately \$100,000, and in 2009, we intend to return to a more positive financial situation with projections of over a half million dollars. A major contributor to the shortfall was the inaccurate revenue forecast from our marketing department which attributed to a difference of \$270,000 in the magazine net income and \$309,000 in sponsorship net income for a total of \$579,000. There were also other factors of a lesser amount that contributed to the less than anticipated revenue. For example, the unpredictable decrease in the U.S. dollar and the increase in the Canadian dollar made a \$150,000 difference in the budget. On the plus sides, there have been some pleasant surprises, for example, registration activities and income are over budget and some expense areas were below budget. Further, our current forecast for the Fiscal Year 2008, estimates that we will end up the year with an unrestricted cash balance of approximately \$600,000. At Convention we were only a little over half way into our budget year and the approximate profit was estimated at around \$500,000. You can see that if these numbers were as projected in our budget we would be very close to my report at Convention of approximately \$500,000. However, they are not, and, as President I will take responsibility for these mistakes and I assure you there will be steps taken to insure this does not happen again. Although not where we would like the profit to be, this will be the first time in fifteen years that IAHA, AHRA or AHA has had four profitable years in a row, a significant accomplishment.

What's Next?

At the next Board meeting the Directors will be evaluating all revenue trends and their potential impact on our financial condition. The Board will review the fully allocated costs and make recommendations based on these revenue streams. AHA must evaluate the net profit on individual items, services and events to better recommend resolutions, fee changes or perhaps we just need to do a better job. I have often referred to our Association as a ship on a particular course. We have hit some rough seas, have realized the seriousness of our voyage, and have taken corrective actions. I see smoother sailing ahead and am extremely appreciative of the work and recommendations made by Walter Bogan and the other members of the Budget & Finance Committee. You should be proud of your Board for their proactive approach in facing the financial situation. Without pointing fingers at what or who was responsible for the less than anticipated income, they rolled up their sleeves and went to work to solve the problem. I am deeply appreciative of the work done by the Committee, the Board and the Executive Committee. It was a no-blame, no-nonsense, problem-solving collaborative effort. Additionally, the Organizational Efficiency Task Force will be bringing to the meeting a significant revamping of our planning and budgeting process. This will include multi-year planning and formal quarterly financial forecasting.

Executive Vice President Search

We have launched a search for a new Executive Vice President and the Executive Committee interviewed two

candidates while at the Board meeting. We are receiving a good number of applications and feel confident we will interview top candidates and should have an administrative leader in place by early summer. In the meantime, the Executive Committee has directed me to assume the duties of the Executive Vice President during the interim. Contrary to what some people may believe, as President I am not paid a wage and as the interim Executive Vice President I will not be compensated, instead it merely extends my responsibilities as President during a period when our staff needs administrative leadership. Consequently, I will be spending more time in Aurora, working with staff and making sure we stay the course on all of our projects and responsibilities. I will keep you updated on our search for a new Executive Vice President.

Main Concerns

As President, my main focus continues to be four major goals (1) Financial Stability: The Board will continue to focus on revenue trends, expenses and making sure AHA is financially sound. (2) Breed Growth: The slaughter bill has created a severe dilemma, the unwanted horses are a major problem, NAIS has many members concerned (see information on our website), and the welfare of the horse is and has been a priority concern of mine. We must recognize these growing problems and start to plan how we can become proactive in resolving these issues. I would encourage everyone to be aware of your surrounding community of horses and extend your help where needed. Another issue is rising costs, the expense and bureaucracy of showing horses is a problem. We can't lose focus on the grass roots of our industry, our local clubs, our local shows and the reason we are all involved and that is for the Arabian Horse! (3) Organizational Efficiency: We continue to discover ways to make the Association more nimble and efficient in our business processes. (4) Communications: I introduced this e-mail broadcast; it is very time consuming, however, I think it is essential to keep you, the owners of this organization informed.

What the Numbers Say

Our registration numbers have improved over the same time last year which is very encouraging. In addition, Dean Meier, Chair of the AHA Sweepstakes Commission, reported that Sweepstakes entries continue to increase. There is now \$7.5 million in the Trust Fund at this time and Dean anticipates that increasing slightly this year. Our membership numbers remain 1.5 percent below where they were a year ago. In a report on Registration, Membership and Industry Statistics, the Board learned that all major breeds have suffered a decline in the past year, the most serious by Tennessee Walkers (-30 %), Paso Fino (-23%), Pinto (-19%), Quarter Horse (-18%). We fell more to the bottom of the tier in losses at - 7 percent. The reason I bring this to your attention is to show that the equine industry as a whole is in a serious decline prompted by circumstances that we have no control over. The economy is not good, with people being more cautious about their expendable income and how they spend it; hay and grain prices are up, bedding prices are skyrocketing, fuel prices are the highest ever in our history, the bottom has fallen out of the horse market because of the slaughter bill. Indeed, it is unrealistic to believe that AHA and other breed associations will see increasing numbers given the negative variables. It is actually encouraging to see that as of now we have not had the major losses that other breeds are experiencing. Our marketing focus will remain on exposure to our breed, increasing registrations and membership. I think we have a better "product" to offer and that we should remain positive and even more committed to telling the world about our wonderful breed of horse.

News Briefs

There were a large number of positive reports and initiatives that AHA is involved in and which indicate that our positive momentum has not slowed. I will touch briefly on these, as there will be more detailed information later. There is a strong possibility that the Arabian, Half-Arabian and Anglo-Arabian horse will have a presence in a demonstration at the World Equestrian Games in 2010 at the Kentucky Horse Park. This would be tremendous visibility for our breed and I am hopeful this will come to fruition. Watch for more on this later. Another initiative that involves the Horse Park is a possible International Invitational Endurance Ride. Hopes are to have this international ride in 2009, just ahead of the World Games. We have long been recognized as leaders in the distance riding world. It would be a great step for AHA to assume a leadership role in such an event. This is another topic I will keep you informed of. The Arabian Community Shows continue to show strong interest with a projected number of 90 this year, up five over last year. And, great news is that Markel Insurance has become a supportive partner, donating \$25,000 to ACS for the next three years for a total commitment of \$75,000. Remember to keep supporting these shows as they are exactly what you said you wanted. Board members heard a report on the Arabian Horse Foundation, which is moving along very well. New promotional materials have been developed and a new website created for the foundation: www.arabianhorsefoundation.org. A news release was sent to over 230 equine publications across North America announcing the new foundation. Scholarship applications are online and are due by April 1. We are working with USEF to see how we can combine our resources to avoid duplication and streamline

many of the things we now do for competition events. We can possibly share databases, simplify and possibly eliminate forms, and the ultimate goal of having one handbook. Granted there are some monumental hurdles to overcome. Our USEF/EC Cooperative Study Task Force will continue working toward these honorable goals. The Arabian Horse Galleries building will soon be underway. Groundbreaking is scheduled for early April with completion in 2009. All of the artifacts that will be housed in the Gallery, which will be part of the Museum of the Horse at the Kentucky Horse Park, are in Lexington and being readied for display purposes. An additional boost in recognition of our breed will follow in 2010 when the "Gifts From the Desert" art exhibit opens at the Horse Park for five months. This exhibit, which is only the third scheduled at the Park, will be a major draw to horse and art lovers. Kentucky Horse Park officials are coordinating it.

*****Members of the new AHA National Distance Commission were elected at the Board meeting. There were over 15 extraordinary talented individuals that were nominated for the position. I would like to congratulate the following new Commission members: Claude Clark, Region 6; Arthur King, 18; Eric Rueter, 12; Cory Soltau, 3; and Janice Stevens, Region 6. Congratulations to all of these dedicated folks. The National Competitive Trail Ride scheduled for October 3-4 in Keithsburg, Illinois will be the first held under this governing body. The National Endurance Championships will be held October 16-18 in Henryville, Indiana. The March meeting is the one where our Youth Board of Directors comes to Aurora and spends time with one another discussing issues relevant to our youth. The Youth Board met with the AHA Board and Executive Committee for lunch one day, allowing for an interchange of ideas. These are our leaders of the future and it was great being with them and listening to their ideas. The Board approved AHA 2007 Ambassador Awards to the following horses: ARR Bootlegger+, Aziza Star; Snooze Alarm, and Tonki Star JLJ. Congratulations to the owners of these fine horses. We're proud of each and every horse for their prominence in the equine world! A proposal was also presented to improve communication and organizational efficiency. This initiative would involve our various committees and would create a way of doing more committee tasks on the Internet. This proposal, presented by Jan Decker, AHA Secretary, was approved by the Board and forwarded to the Organizational Efficiency Task Force for further study.

*****The Board also heard of a new initiative in Kentucky that will benefit the Arabian, Half-Arabian and Anglo-Arabian owner. As a result of the formation of a new club, which will represent the Arabian breed, Arabian and Half-Arabian horse owners will benefit from state funds set aside for the equine industry. The new club, the Kentucky Arabian and Half-Arabian Breeders Alliance, promises to work hard to produce a program that will be beneficial to Arabian and Half-Arabian horse owners. The horses eligible are those that are Kentucky bred, and those that reside in the state of Kentucky. After lengthy discussion, the Board approved an expenditure of \$306,000 for IT purposes. This will allow IT to move forward aggressively on completing the Registration project that is so important to us. The sentiment among the Board was that if we forestall spending the costs could escalate later if we defer. It is never easy making decision about such large expenditures that have a direct impact on the bottom line. We will have invested approximately 1.4 million dollars in the registration module before completed; the next module will be the competition module. The IT project like many IT projects are behind schedule and over budget, therefore, I have appointed two IT professionals from the Budget & Finance Committee to evaluate the current project and make recommendations to the Board. Mollie Krumlaw and Gerald McDonald make up the Task Force and have the authority to involve others if so desired. Remember this is an investment and it comes directly from the bottom line.

*****Lance Walters, Chair of the U.S. Nationals Show Commission, the other commissioners and I recently visited the Tulsa facility and found everything moving smoothly toward a successful U.S. Nationals. Lance also announced for the first time a separate halter panel of judges has been hired which will improve scheduling of classes and fulfill the wishes of halter exhibitors, spectators, breeders and foreign customers. This took the cooperative effort of the APHA, Judge's Selection Committee, members of the Amateur Committee and the Judges & Stewards Commission office. The new halter judges are: Bill Melendez, Terry Holmes, Kathy Murphy Wright, Rick Moser, and Cindy Reich. These judges will be setting history as a first in several ways for AHA. These judges will be the first judges to utilize the new Halter Scoring System and also the new electronic PDA's for judging at the first U.S. National Show ever held in Tulsa. The new score card will be utilized electronically in a PDA and the high and low score will be removed from the tabulation of the class. The judges score card will be instantly available to the announcer, paddock, overhead screens, the show office and directly to the AHA Aurora office. This is going to be more spectator friendly and improve the efficiency as well as accuracy of the show.

*****Many of you recall the "Golden Book" from years past. This "beginner's guide" was very popular and has been missed by many. The Competitions Advisory Committee is initiating a new, abbreviated version of the book and will work with the AHA marketing team to produce the new version.

*****Resolution 5-90. This is the resolution that was created in 1990 then later revised. This resolution creates committees and policies associated with judges and stewards. I appointed a new task force to review this resolution and come back with their proposals. The Board of Directors just received the Resolution 5-90 Task Force first report recommendations and I would like to congratulate this Task Force on a job well done. The Board is looking

forward to the next report and recommendations.

*****Corporate Partners: We are excited by the promise of new sponsors. I am hoping by the next Board meeting we will be able to announce these new sponsors. Montana Silversmith's Steve Miller stated that moving forward with a revised corporate partner contract no longer made good business sense for Montana Silversmiths. However, Mr. Miller has offered to build AHA a vibrant award qualifier buckle program and has left the door open to hearing from AHA about future sponsorship opportunities. Mr. Miller and I mutually agreed that the previous contract signed in April of 2007 would be canceled in the best interest of both Montana Silversmiths and AHA.

Conclusion

You can see from my report that we are a busy organization with a lot of activity going on. Running an organization the size of AHA is no easy task, as President and EVP my time is now spent on daily operations and I apologize if I do not respond to your e-mails promptly. I realize that my message to you started on a discouraging note. However, I try not to allow negative influences from keeping me to act in a positive, proactive manner. I acknowledge the problems, plan the corrective actions and move forward. As President of this Association, it has been encouraging and inspiring to see the teamwork and "can do" attitudes that prevail when we experience difficulties. Our lives are not determined by what happens to us, but by how we react to what happens; not by what life brings to us but by the attitude we bring to life; a positive attitude creates positive outcomes. I have no doubt we will improve our financial situation and will continue pursuing the many positive events on our horizon. I remain focused on what is best for our breed and our Association, and that which responds to you, our members.

In conclusion, I would like to express my heartfelt thoughts and prayers to members of our Arabian horse community, Patrick Swayze and Mike Stewart and their families. I wish them well and will continue to keep them in my prayers.

Thank You and God Bless,

Myron Krause

YOUTH REINERS...Are you a Reiner between the ages of 16-21? Do you know someone that is? The USEF has announced an exciting International opportunity for Young Riders in the Reining community.

Reining will make its debut at the 2008 CN North American Junior/Young Rider Championships at the Colorado Horse Park presented by Gotham North (NAJYRC) July 30-August 3, 2008.

Competitors from seven geographical regions and five associations will compete on teams of four in a CRI-Y competition held under FEI rules. Reining joins Dressage, Eventing and Show Jumping in the NAJYRC. This is the first discipline added since the inception of the Championships in 1982.

The eight regions are the National Reining Horse Association Regions and the five organizations are: the American Quarter Horse Association, the American Paint Horse Association, the Appaloosa Horse Club, the Arabian Horse Association, and the American Morgan Horse Association.

Take advantage of this opportunity to test your skills against the best in the sport, regardless of breed or geographical location. Don't miss out on the 2008 NAJYRC!

Selection for the Reining portion of the NAJYRC will be held at the NRHA Derby on June 28th in Oklahoma City, OK.

The selection procedures have been finalized and are on the Youth Reining section of the USEF website: <http://www.usef.org/ContentPage2.aspx?id=intreining>.

For more information or if you have questions, please contact Courtney Barnett: cbarnett@usef.org.

REGION 6 APPROVED EVENTS...

SD SPRING SHOW I	24-APR-08 to 25-APR-08	
SD SPRING SHOW II	26-APR-08 to 27-APR-08	
BLACK HILLS ARABIAN CLASSIC	03-MAY-08 to 04-MAY-08	
ROUNDUP RENDEZVOUS END RIDE I	10-MAY-08 to 10-MAY-08	Distance: 55
ROUNDUP RENDEZVOUS END RIDE II	11-MAY-08 to 11-MAY-08	
DOUBLE THE FUN ARAB SHOW	16-MAY-08 to 17-MAY-08	
MONTANA ARABIAN HORSE SHOW	23-MAY-08 to 25-MAY-08	
WYOMING ARABIAN	30-MAY-08 to 01-JUN-08	
ICEBREAKER	06-JUN-08 to 08-JUN-08	
REGION 6 PRE-SHOW	18-JUN-08 to 18-JUN-08	
REGION 6 CHAMPIONSHIP	19-JUN-08 to 22-JUN-08	
COLORADO FALL CHARITY	05-SEP-08 to 07-SEP-08	
PIONEER CABIN 50 MILE END RIDE I	13-SEP-08 to 13-SEP-08	Distance: 50
PIONEER CABIN 75 MILE END RIDE	13-SEP-08 to 13-SEP-08	Distance: 75
PIONEER CABIN 50 MILE END RIDE II	14-SEP-08 to 14-SEP-08	Distance: 50

***Regional Show Books will not be mailed,
but will be available on the website!***

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